Universal Health Insurance

More than 43 million Americans are without health insurance and 28 million more are underinsured. States are now taking the lead in trying to provide health care for all.

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Summary

- **More than 43 million Americans are without health insurance and 28 million more are underinsured.**
- **Employers are not providing healthcare coverage to millions of their employees.**
- **Uninsured Americans die prematurely because they don't receive medical treatment when they need it.**
- **The current system for providing medical care to the uninsured drives up healthcare costs for everyone else.**
- **The healthcare situation is getting worse.**
- **With the federal government unlikely to act, states are taking the lead in trying to cover the uninsured.**
- **In 2003, California enacted a landmark law mandating that large and medium-sized employers extend health coverage to their workers.**
- **In 2003, Maine enacted an innovative plan to induce employers to expand health coverage.**
- **Americans strongly favor health care for all.**

Over 43 million Americans are without health insurance and 28 million more are underinsured.[1]

As a nation, we are left with the obvious conclusion: the healthcare marketplace is unwilling and ill-equipped to cover the uninsured. Indeed, the increasing financial instability of the managed care industry and the rising cost of premiums and prescriptions cast doubt on whether any American's health care is secure. Congress seems incapable of repairing the system's structural flaws.

Employers are not providing healthcare coverage to millions of their employees.

The American healthcare system is based on the assumption that employers will provide health insurance coverage to employees. But 85 percent of those without health coverage are in families with working parents. Seventy percent of uninsured workers are not even offered health coverage by their employers. Of the rest, 84 percent cite the high cost of health insurance premiums as the reason for declining coverage. Only 55 percent of low-wage workers—those earning under $7 per hour—have access to job-based health insurance.[2]

Uninsured Americans die prematurely because they don't receive medical treatment when they need it.

Every year, 18,000 Americans die prematurely because they don't have health insurance, according to a comprehensive report by the National Academy of Sciences' Institute of Medicine. Since they receive inadequate health care and their major illnesses are diagnosed too late, the uninsured become sicker and die sooner. In one study conducted over a period of 17 years, the uninsured were 25 percent more likely to die than those with private insurance.[3]

The current system for providing medical care to the uninsured drives up healthcare costs for everyone else.

When the uninsured do receive care, it is often at hospital emergency rooms and urgent care clinics—costly and inefficient places to provide primary care. Facilities that treat the uninsured provide nearly $100 billion in healthcare services each year.[4] To pay for unreimbursed costs, these facilities have to increase costs to public and private insurance programs, driving up rates for everyone.

The healthcare situation is getting worse.

Health insurance costs have increased by double-digit percentages in three of the last four years, and are projected to rise more than 12 percent in 2004. Medical bills are now the primary cause of 50

percent of personal bankruptcies. And just during the past year, an additional 2.4 million Americans joined the ranks of the uninsured.[5]

With the federal government unlikely to act, states are taking the lead in trying to cover the uninsured.

Rather than abandon the uninsured, or conclude that the problem is too overwhelming to solve, states are experimenting with an assortment of plans, programs and remedies.

In 2003, California enacted a landmark law mandating that large and medium-sized employers extend health coverage to their workers.

California's new law will require companies to extend coverage to more than a million uninsured workers. This employer mandate "pay or play" program requires companies to cover at least 80 percent of monthly insurance premiums, or contribute to a state program that provides insurance coverage. Low-income workers will contribute not more than 5 percent of their wages toward insurance premiums.

In 2003, Maine enacted an innovative plan to induce employers to expand health coverage.

Maine's "Dirigo" plan allows enrollees, mostly individuals and smaller companies, to participate in a buying pool that offers the benefits of a larger group, thereby lowering and stabilizing insurance rates. Among its range of benefits, the Dirigo plan expands Medicaid to cover more low-income residents and provides subsidies to middle-income families, using a sliding scale based on ability to pay.

The Health Care for All campaign in Maryland provides a thoughtful universal healthcare policy model.

The plan requires all employers to make a "fair share" contribution—5% of payroll—either by helping their employees purchase coverage or by paying into a fund for the uninsured. It expands SCHIP and Medicaid eligibility to trigger federal matching funds, gives individuals and families access to group purchasing power through a small group health insurance consortium, and increases the state tobacco tax by 50 cents per pack to raise Medicaid and SCHIP provider reimbursement rates. The plan also creates a quasi-public insurer to provide comprehensive and affordable benefits.

The Health Care for All campaign also provides a strong organizing model.

For four years, the Maryland Citizen's Health Initiative has built support for the concept of universal coverage, reaching out to thousands of community groups, holding dozens of town meetings, and convening a task force of health policy experts, to create a plan informed by the public process. Over 1,000 health care, business, labor and civic organizations have endorsed the Health Care for All plan.[6]

Americans strongly favor health care for all.

An October 2003 ABC News / Washington Post Poll found that Americans prefer universal health care to the current health system by a margin of 2 to 1. Even more revealing is the fact that Americans favor guaranteeing health insurance for all, "even if it means raising taxes."[7] In spite of the public's clear commitment to universal health care, it remains one of the most woefully neglected policy priorities of our time.

This policy summary relies in large part on information from the Maryland Citizens' Health Initiative.

Endnotes

[1] U.S. Census Bureau, "Health Insurance Coverage in the United States: 2002."

[2] Families USA, "Going Without Health Insurance," March 2003.

[3] Institute of Medicine, "Care Without Coverage: Too Little, Too Late," National Academy of Sciences, 2002.

[4] Institute of Medicine, "Hidden Costs, Value Lost: Uninsurance in America," National Academy of Sciences, 2003.

[5] U.S. Census Bureau.

[6] http://www.healthcareforall.com.

[7] ABC News/Washington Post Poll, October 9-13, 2003.

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For more information...

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