



## Kaiser Daily Health Policy Report

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### Coverage & Access

## **Number of Uninsured U.S. Residents Increases by 2.2M to 47M in 2006**

The number of uninsured U.S. residents grew by 2.2 million in 2006 to 47 million, up from 44.8 million in 2005, according to data released on Tuesday by the [Census Bureau](#), [USA Today](#) reports (Appleby, [USA Today](#), 8/29). To compile the data, the Census Bureau collected information about the health insurance status of 300,000 individuals (Lopes, [Washington Times](#), 8/29). The percentage of the U.S. population that was uninsured rose to 15.8% in 2006, up from 15.3% in 2005 ([USA Today](#), 8/29). The survey also found that:

- 58.7% of the uninsured worked either full- or part-time during 2006;
- Adults ages 18 to 34 comprise the largest portion of the uninsured at 40.4% of those without coverage;
- 73.2% of the uninsured were U.S. citizens;
- Of the uninsured, 62% live in households with annual incomes less than \$50,000, and of that group, more than half live in households with annual incomes between \$25,000 and \$50,000;
- 18.1% of the uninsured lived in households with annual incomes between \$50,000 and \$74,999 (Armstrong, [CQ Today](#), 8/29);
- 8.5% of the uninsured in 2006 lived in households with annual incomes greater than \$75,000, up from 7.7% in 2005;
- 19.3% of children in families with annual incomes below the federal poverty level are uninsured ([USA Today](#), 8/29);
- 11.7% of children lacked health insurance in 2006, up from 10.9% in 2005. The percentage of children who are uninsured has increased two years in a row after five years of decline (Aizenman/Lee, [Washington Post](#), 8/29);
- Uninsurance rates differed by race, with 34.1%, or 15.3 million, of Hispanics uninsured in 2006, up from 32.3% in 2005. Uninsurance rates for blacks increased from 19% in 2005 to 20.5% in 2006. The rate for whites was statistically unchanged at 10.8% in 2006, while the rate for Asian-Americans dropped from 17.2% in 2005 to 15.5% in 2006;
- An additional 1.3 million full- or part-time workers were uninsured in 2006, compared

with 2005;

- The uninsurance rate for documented immigrants remained statistically unchanged at 16.4%, while the uninsured rate for undocumented immigrants increased from 43.1% to 45% (*USA Today*, 8/29);
- Texas in 2006 had the highest percentage of uninsured residents at 24.1% and Minnesota had the lowest at 8.5%;
- The percentage of individuals with government-sponsored health care declined from 27.3% in 2005 to 27% in 2006 (Goodnough, *New York Times*, 8/29); and
- The number of people with health insurance increased to 249.8 million in 2006, up from 249 million in 2005 (U.S. Census Bureau [report highlights](#), 8/29).

### **Employer-Sponsored Coverage**

Census officials largely attributed the increase in the number of uninsured residents to continuing declines in employer-sponsored health care. The percentage of people covered through employers declined from 60.2% in 2005 to 59.7% in 2006, according to the data (*Washington Post*, 8/29). Douglas Besharov, a scholar at the [American Enterprise Institute](#), said that employers are struggling with the rising costs of providing health care to employees. Besharov said, "Employers are really feeling a bite here, and so as much as possible, they're trying to limit these increases and push them onto the employees. That means a lot of people drop their coverage" (*New York Times*, 8/29).

Some health care consultants attribute the declines to employees opting out of employer-sponsored health insurance, according to the *Washington Times*. The consultants say that while this report does not account for why individuals lost insurance coverage, previous data have shown that individuals are finding it difficult to afford their employers' coverage.

Helen Darling, president of the [National Business Group on Health](#), said, "The overall costs to workers are driving the uninsured problem. Some people are able to cover themselves but they cannot cover their children. People's incomes are not keeping up with health care costs." A [survey](#) released last year by the [Kaiser Family Foundation/Health Research and Educational Trust](#) found that worker premiums in 2006 increased by 7.7%, while wages increased by 3.8% (*Washington Times*, 8/29).

In addition, Medicaid and SCHIP in the last two years "could not keep up with the steady national decline" of employer-sponsored health insurance, according to the *Boston Globe*. Leighton Ku, a senior fellow at the [Center on Budget and Policy Priorities](#), said, "For many years, Medicaid and SCHIP were growing at a fast enough rate to more than offset the falling numbers of people on employee-sponsored health care, but not in the last two years," adding that the programs "failed to provide the same effectiveness in protecting children's health insurance" (Donnelly, *Boston Globe*, 8/29).

Jared Bernstein, a senior economist at the [Economic Policy Institute](#), said, "While the employer-based system slowly unravels, the public system isn't quite stepping up to the plate to pick up the slack, and therein lies the problem" (*New York Times*, 8/29).

### **Lawmaker Response**

The Census figures "stirred debate" among lawmakers and the White House over the future of SCHIP, according to the *Washington Post*. House Energy and Commerce [Health Subcommittee](#) Chair Frank Pallone (D-N.J.) said he is "particularly troubled" by the rise in the number of uninsured children for the past two years. Pallone said, "Clearly, these disturbing increases over

the last two years demonstrate a need to strengthen" SCHIP, adding, "I hope these sobering statistics will serve as a wake-up call to President Bush to reconsider his veto threat" of legislation to reauthorize and expand the program (*Washington Post*, 8/29).

House Speaker Nancy Pelosi (D-Calif.) said, "The new Census report illustrates why Congress needs to immediately pass legislation to strengthen ... SCHIP to ensure that more of America's children have health insurance" (Armstrong, *CQ Today*, 8/28).

Sen. John Kerry (D-Mass.) said, "Today's news serves as even more evidence that programs like SCHIP must be fully funded and extended to the growing numbers of uninsured Americans" (*Boston Globe*, 8/29).

[House Energy and Commerce Committee](#) Chair John Dingell (D-Mich.) said, "The findings released today reinforce why health care initiatives such as" SCHIP "are critical," adding, "It's my hope that the administration will take today's report seriously, put partisanship aside and work with the Congress to protect the health of our children" (*Washington Times*, 8/29).

### **Presidential Candidates' Comments**

Democratic presidential candidate Sen. [Barack Obama](#) (Ill.) called the statistics a "betrayal of the ideals with hold as Americans" (Reddy, *Wall Street Journal*, 8/29).

Presidential candidate Sen. [Hillary Rodham Clinton](#) (D-N.Y.) said, "When I began the fight for universal coverage almost 15 years ago, there were 37 million people uninsured," adding, "It was an outrage then and with 10 million more people uninsured today, it is an even deeper outrage today. Yet, the uninsured have been invisible to this president" (*Boston Globe*, 8/29).

### **Bush Administration Response**

Bush acknowledged that "challenges remain" in reducing the number of uninsured residents (*Washington Post*, 8/29). Bush, citing his proposed tax breaks for individual health insurance, said that "containing costs and making health insurance more affordable is the best way to reverse this long-term trend" (*Wall Street Journal*, 8/29).

White House spokesperson Tony Fratto said, "The Census Bureau numbers show why it is crucially important to reform the health system in a way that allows Americans to purchase their own health insurance" (*Washington Times*, 8/29).

### **Other Comments**

Diane Rowland, executive vice president of the Kaiser Family Foundation and executive director of the foundation's [Commission on Medicaid and the Uninsured](#), said, "I think the bad news from the statistics today is that when the economy is doing fairly well, we're still seeing a continued erosion in the ability of working families to get health coverage through the workplace, which places more and more people at risk of being uninsured" (Pugh, [McClatchy/Memphis Commercial Appeal](#), 8/29).


Stephanie Woolhandler, a professor at [Harvard Medical School](#), said, "This is about the problem of the uninsured spreading to the middle class and working people," adding, "That's the thing that's emerging newly this time" (*Washington Post*, 8/29).

Jonathan Gruber, a professor of economics at the [Massachusetts Institute of Technology](#), said, "Now is absolutely not the time to be nitpicking about children's health insurance" (Gosselin/Alonso-Zaldivar, [Los Angeles Times](#), 8/28).

David Knowlton, president and CEO of the [New Jersey Health Care Quality Institute](#), said, "The health care system in the United States is broken," adding, "It's interesting that I think every

citizen knows that. We've got to get the decision makers to see that" (Burling, [Philadelphia Inquirer](#), 8/29).

Evelyn Brodtkin, a political scientist at the [University of Chicago](#), said because health care affects middle-class residents as well as businesses, it is an issue that will get more attention in the 2008 presidential campaigns (Ohlemacher, [AP/Houston Chronicle](#), 8/28).


 The report is available [online](#).

### Editorial

The Census Bureau's report showing an increase in the number of uninsured U.S. residents "ought to send an unmistakable message to Washington: vigorous action is needed to reverse this alarming and intractable trend," a [New York Times](#) editorial states. The editorial continues, "The challenge to the White House and Congress seems clear. The upward trend in the number of uninsured needs to be reversed because many studies have shown that people who lack health insurance tend to forgo needed care until they become much sicker and go to expensive emergency rooms for treatment."

The *New York Times* adds, "That harms their health and drives up everyone's health care costs." The editorial concludes, "The most immediate need is to reauthorize and expand the expiring [SCHIP]. It has already brought health coverage to millions of young Americans. It should be reinvigorated to bring coverage to many millions more" (*New York Times*, 8/29).

### Broadcast Coverage

 [C-SPAN](#) video of the complete press conference announcing the census report is available online.

Several broadcast programs reported on the report. Summaries appear below.

- American Public Media's "[Marketplace](#)": The segment includes comments from Rowland; Karen Davis, president of the [Commonwealth Fund](#); and Robert Rector, senior research fellow for domestic policy at the [Heritage Foundation](#) (Palmer, "Marketplace," American Public Media, 8/28). Audio of the segment is available [online](#).
- CBS's "[Evening News](#)": The segment includes comments from Nancy Pallesen, executive director of the [Arlington Free Clinic](#) in Virginia, and a clinic patient (Andrews, "Evening News," CBS, 8/28). Video of the segment is available [online](#).
- NPR's "[All Things Considered](#)": The segment includes comments from Len Nichols, an economist at the [New America Foundation](#); Nigel Gault, an economist at [Global Insight](#); and Tim Smeeding, a professor of economics at [Syracuse University](#) (Langfitt, "All Things Considered," NPR, 8/28). Audio of the segment is available [online](#).
- NPR's "[Morning Edition](#)": The segment includes comments from Drew Altman, president and CEO of the Kaiser Family Foundation; Jonathan Oberlander, a political scientist at the [University of North Carolina-Chapel Hill](#); and Grace-Marie Turner, president of the [Galen Institute](#) (Rovner, "Morning Edition," NPR, 8/29). Audio of the segment is available [online](#).