

# Health Care in Crisis

## Many Adults Have Jobs but No Insurance

By Peter Harbage and Ben Furnas

It used to be that having a job meant having health insurance. But no longer. As health care costs have skyrocketed and wages have stagnated, fewer employers can offer coverage and fewer employees can afford it when it's offered. According to the most recent census data, 65 percent of uninsured adults in the United States are employed—that's 24 million of the 37 million adults who were uninsured in 2007. The states with the highest percentage of working uninsured tend to be rural states: Kansas tops the list, with 75 percent of uninsured working adults employed. Also in the top 10 are states such as New Hampshire (74 percent), Maine (72 percent), and Montana (71 percent).

Most Americans continue to receive health insurance through an employer, but recent trends show decreases in this coverage. The percent of Americans under age 65 with employer-sponsored insurance declined to less than 63 percent in 2007, from more than 67 percent in 1999.<sup>1</sup> This is due in part to the rising costs of employer-sponsored insurance—a top reason why employers don't offer coverage.<sup>2</sup> In 2008, the average annual premium for a family with employer-sponsored insurance was \$12,680—a 119-percent increase over the last 10 years.<sup>3</sup>

Without health reform, more people will lose their employer-sponsored health insurance due to cost pressures and the weak economy. Even employers think the situation will only get worse: According to a survey by Hewitt Associates, a national benefits management firm, 19 percent of employers are planning to stop offering benefits in the next two to five years.<sup>4</sup> Reforming our health care system so that every American is able to afford the coverage they need and deserve is in everyone's best interest.

### Not all workers have access to employer coverage.

Certain characteristics make workers more or less likely to have access to employer-provided insurance. Just 45 percent of workers in the retail industry have coverage through their employer, compared to approximately 80 percent of manufacturing workers.<sup>5</sup> Workers at firms with lower-wage and part-time workers are less likely to have employer-sponsored insurance than workers at firms with higher-wage and fewer part-time workers. This should be a great cause for concern in the current economic crisis; many workers are losing jobs that historically have been more likely to offer coverage, and they are taking jobs that are increasingly less likely to do so.

### Workers need health reform.

The top reasons that workers don't have health insurance are that their employer does not offer it, they are not eligible for the insurance their employer does offer, or they can't afford to participate in their employer's coverage plan.<sup>6</sup> Without access to employer coverage, workers who do not qualify for public programs are left to purchase coverage on the individual market—where 89 percent of individuals give up because they can't find coverage that meets their needs or that they can afford.<sup>7</sup> Uninsured workers need health reform so they have access to affordable coverage that they need.

### Endnotes

1 Current Population Survey, "Historical Health Insurance Table HIA-6: Health Insurance Coverage Status and Type of Coverage by State—Persons Under 65."

2 The Kaiser Family Foundation and Health Research and Educational Trust, "Employer Health Benefits: 2008 Annual Survey" (September 2008).

3 The Kaiser Family Foundation and Health Research and Educational Trust, "Employer Health Benefits: 2008 Annual Survey" (September 2008).

4 Workforce Management, "Survey Finds Nearly 20 Percent of Employers Plan to Drop Health Benefits" (March 6, 2009).

5 The Kaiser Family Foundation and Health Research and Educational Trust, "Employer Health Benefits: 2008 Annual Survey" (September 2008).

6 Kaiser Commission on Medicaid and the Uninsured, "Uninsured Workers in America" (The Henry J. Kaiser Family Foundation, July 2004).

7 Sara R. Collins et al, "Squeezed: Why Rising Exposure to Health Care Costs Threatens the Health and Financial Well-Being of American Families" (The Commonwealth Fund, September 2006).

### The overwhelming majority of uninsured adults are employed

State by state data

	Number of uninsured 18-64 year-olds who are employed	% of uninsured 18-64 year-olds who are employed
National	24,000,000	65%
Alabama	270,000	59%
Alaska	70,000	64%
Arizona	560,000	62%
Arkansas	260,000	64%
California	3,570,000	65%
Colorado	450,000	71%
Connecticut	190,000	66%
Delaware	50,000	66%
District of Columbia	30,000	66%
Florida	1,870,000	67%
Georgia	880,000	65%
Hawaii	50,000	68%
Idaho	120,000	72%
Illinois	950,000	65%
Indiana	370,000	59%
Iowa	170,000	69%
Kansas	210,000	75%
Kentucky	260,000	55%
Louisiana	390,000	61%
Maine	70,000	72%
Maryland	390,000	64%
Massachusetts	170,000	59%
Michigan	560,000	58%
Minnesota	240,000	67%
Mississippi	240,000	55%
Missouri	380,000	66%
Montana	90,000	71%
Nebraska	130,000	71%
Nevada	220,000	65%
New Hampshire	90,000	74%
New Jersey	720,000	68%
New Mexico	230,000	63%
New York	1,320,000	64%
North Carolina	790,000	65%
North Dakota	40,000	73%
Ohio	650,000	60%
Oklahoma	320,000	62%
Oregon	360,000	68%
Pennsylvania	580,000	61%
Rhode Island	60,000	62%
South Carolina	380,000	67%
South Dakota	50,000	72%
Tennessee	430,000	58%
Texas	2,990,000	68%
Utah	170,000	69%
Vermont	40,000	67%
Virginia	640,000	70%
Washington	410,000	67%
West Virginia	140,000	61%
Wisconsin	250,000	68%
Wyoming	40,000	72%

Source: Census Bureau