Being Without Health Insurance: An Increasing Problem for the Middle-Class

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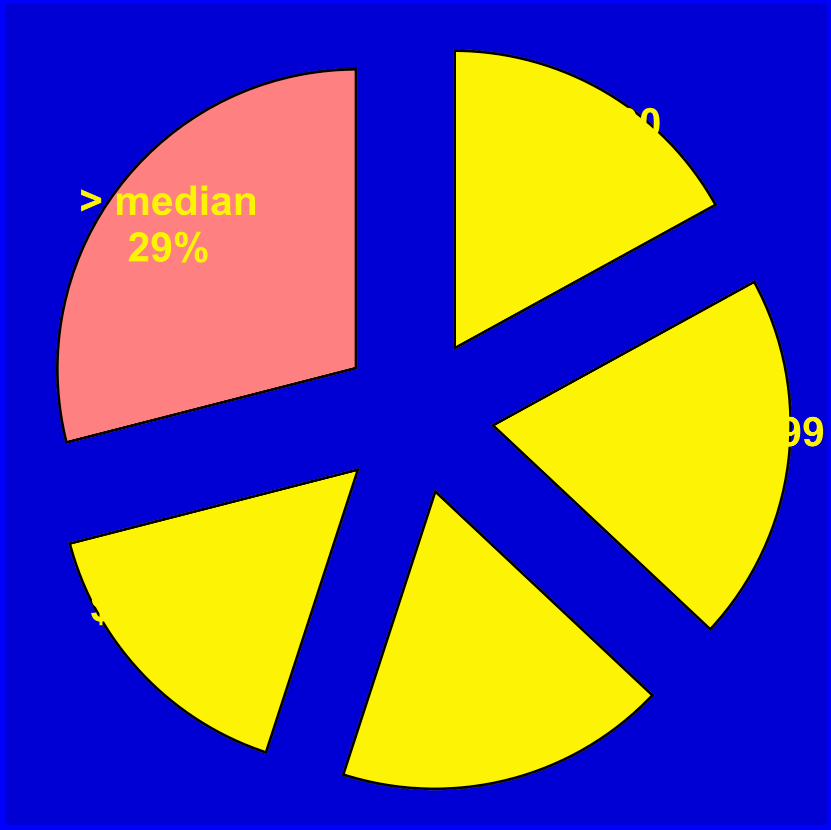
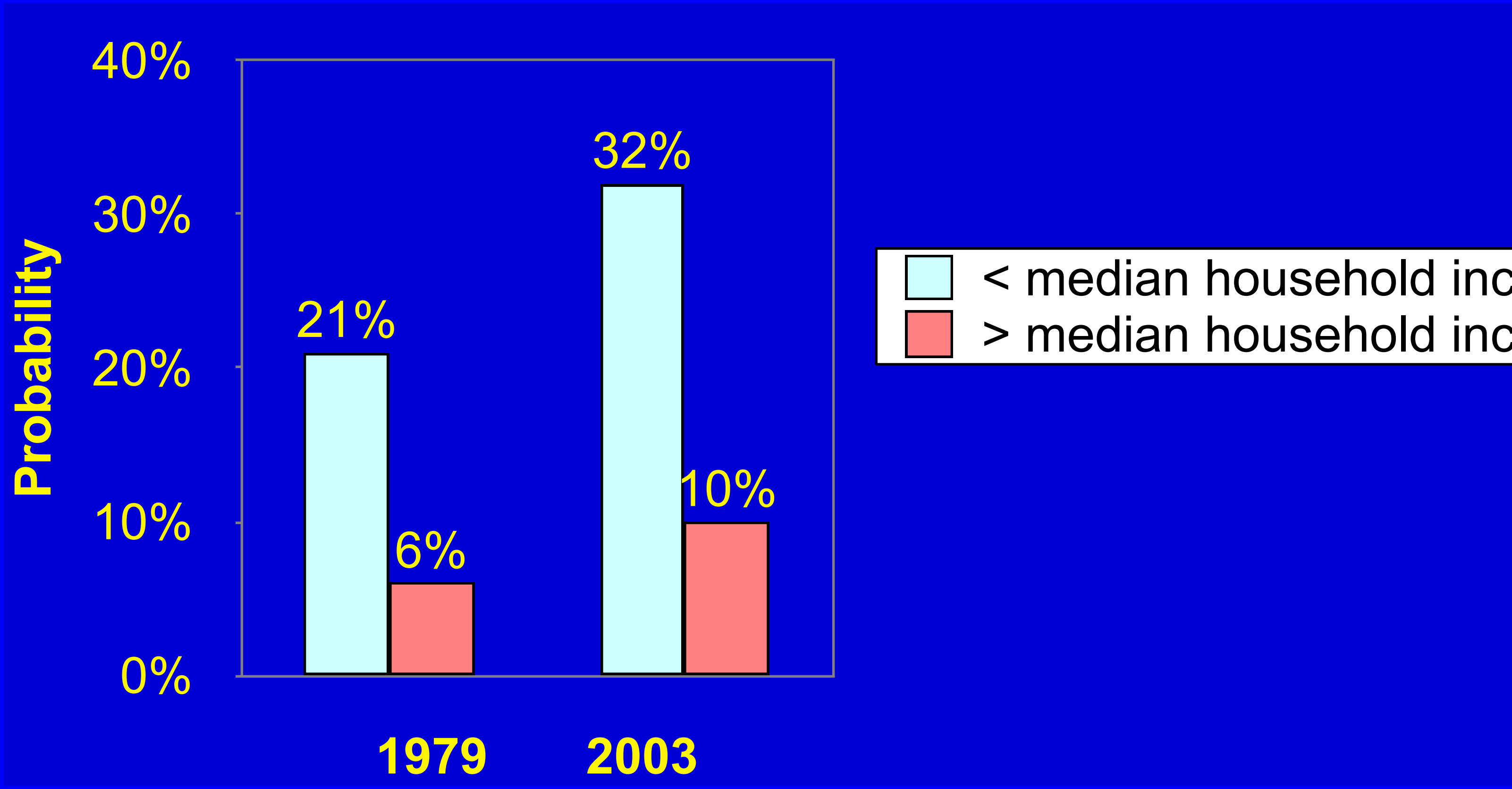
Who Lacks Health Insurance?

- 45 million Americans in 2003 – 1.4 million more than year before, almost all of whom lost employer-based coverage
- 13 million (30%) had middle-class incomes
- Poor and near-poor need government help; focus today on middle-class

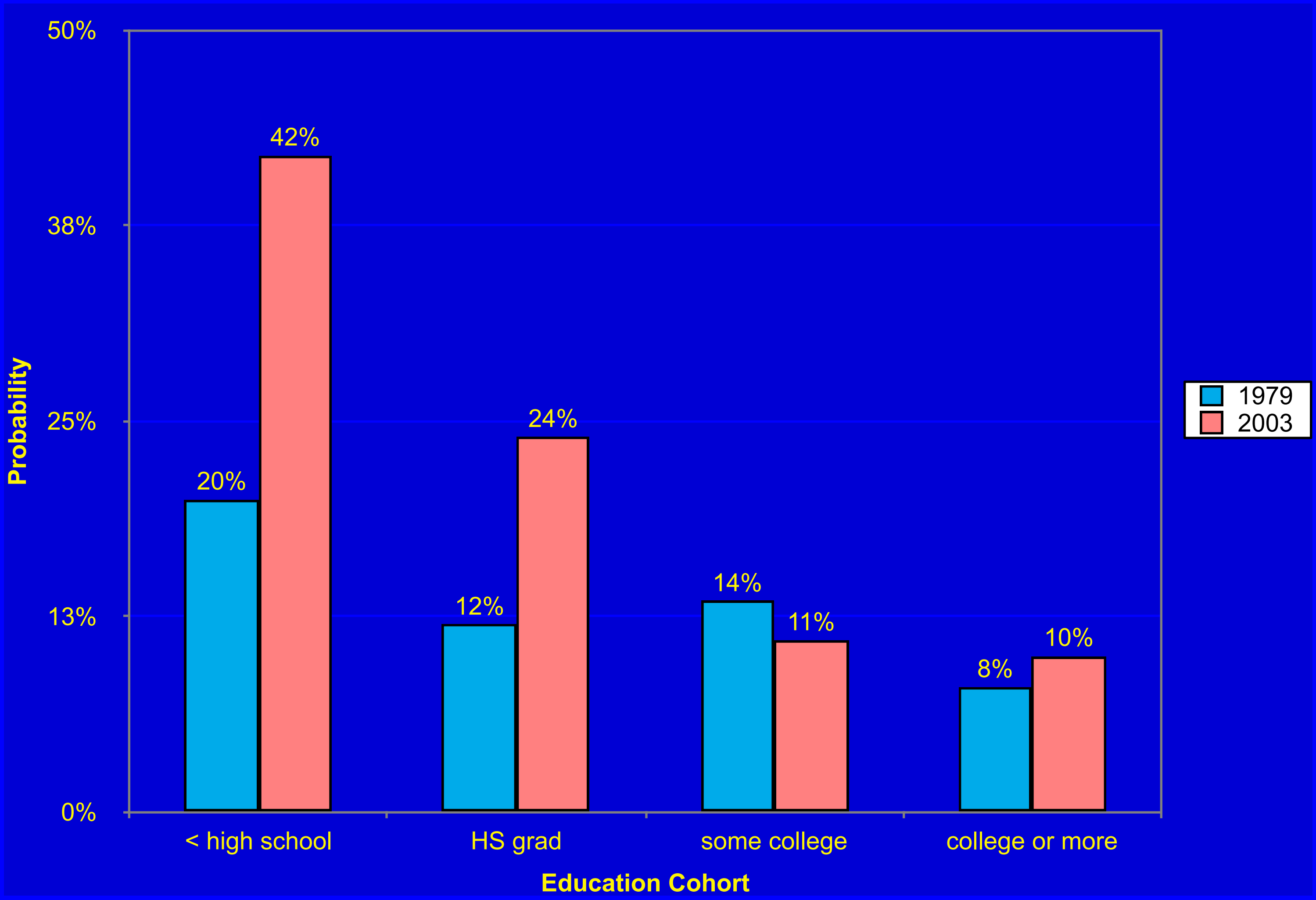
Income of Uninsured, 2003



Probability of Being Uninsured by Middle-Class Income for Adults, 1979 and 2003



Probability of Being Uninsured by Education, 1979-2003



Changes in Economy

- Manufacturing to service jobs – manufacturing dropped from 22% of all jobs to 11% since 1979
- % of private sector workers in firms with < 50 employees increased from 37% to 43% between 1979 and 2002
- Changes in employer-employee relationships – more non-permanent employees

Costs of Health Care an Incentive for Employers

- More alternatives for treating illnesses and conditions now compared to 25 (50) yrs ago
- Per capita health care expenditures rose from $1,067 in 1980 to $3,354 in 1993 to $5,670 in 2003
- Health insurance costs an incentive to use more temporary and contract workers

Implications of Changes

- Increasingly a middle-class problem due to changes in economy and employer-employee relationships
- We're not going back to old economy – urgency to problem of uninsured
- Need to increase access to small group and individual insurance markets

Summary and Policy Implications, 1

- Different policies needed for low-income and middle-class uninsured
- Adverse selection blocks access for middle-class
- Government-sponsored reinsurance

Summary and Policy Implications, 2

- Blend policy approaches as income rises towards middle-class – create a buy-in on sliding scale basis