

Health insurance gains, losses balance out

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U.S. census figures released Tuesday show the number of people without health insurance decreased for the first time since 2001, but that drop was offset by a similar-size increase among those who rely on government health programs.

The number of uninsured declined to 45.7 million in 2007 from 47 million a year earlier, according to the Census Bureau figures. That put the uninsured rate at 15.3 percent, compared with 15.8 percent in 2006.

California's uninsured rate in 2005-07 was 18.6 percent, considerably higher than the national average. At opposite ends of the spectrum, 24.4 percent of nonelderly Texans had no health insurance for that two-year average, and 8.3 percent of those in Massachusetts and Hawaii, two states with the toughest laws governing health coverage, were uninsured.

The drop in the national uninsured figures was a surprising bit of good news in tough economic times, but several health experts said a closer look behind the number made them appear far less reassuring.

"While things look better in 2007 than they did in 2006, I think there's a lot of cause for 'con' that in 2008, as we see the effects of higher unemployment and greater fiscal pressures on states, those numbers will start going back up again," said Karen Davis, health care economist and president of the Commonwealth Fund.

According to the latest figures, the number of people covered by private health insurance remained statistically unchanged from 2006 to 2007 at about 202 million. Meanwhile, those covered by government programs such as Medicaid grew to 83 million last year from 80.3 million in 2006.

While the numbers indicate that federal programs for low-income people are covering those who might otherwise be uninsured, the long-term ability of such programs to continue to pick up the slack remains in doubt. That's because Medicaid and health insurance programs for children from low-income families rely on both state and federal funds.

Numerous states, including California, face large budget deficits and are looking for ways to cut state health spending. A judge blocked a proposed 10 percent cut in fees for Medi-Cal providers last week, but state officials seeking some relief in the wake of a \$17.2 billion shortfall are appealing that decision.

"Our public programs are valiantly trying to pick up the slack from the erosion of private coverage by employers and individuals. But now this budget crisis threatens to make severe cuts in the public programs that are the last hope for so many Californians," said Anthony Wright, executive director of Health Access California, a statewide health care consumer advocacy coalition.

According to the national census figures, the percentage of people covered by employment-based health insurance dipped slightly to 59.3 percent in 2007 from 59.7 percent in 2006.

TALK TO THE EARLY
RETIREMENT EXPERTS.

Year-to-year differences are less dramatic than longer-term figures. In the beginning of the Bush administration in 2001, 62.6 percent of the elderly population was covered by employer-sponsored insurance. At that time, 14.2 percent of the country's population was uninsured.

Health experts say the most recent figures don't take into account the greatest effects of the economic downturn, which has occurred since the 2007 census population survey was taken.

While most employers, especially larger employers, have continued to offer coverage to their employees despite rising costs, they have required their employees to pay a greater share of the expenses and often reduced benefits at the same time.

"With the worsening economy, it's harder for families to pick up that coverage. If they're bearing a higher share of that cost, a small change coupled with higher gas and higher food prices makes it more difficult," said Cindy Mann, executive director of the Center for Children and Families at Georgetown University's Health Policy Institute.

"The real story is how easy we have made it in America to get someone else to pay their bills after they get sick," said John Goodman, president of the National Center for Policy Analysis, a conservative think tank.

Goodman said many people have access to health coverage, but either choose not to pay for it or have not signed up for a government program. He agreed, however, with other health advocates that states can't continue to shoulder so much of the burden of providing health coverage to the poor without some form of national policy reform.

U.s. health care coverage

59.3%

Covered by employment-based private insurance

27.8%

Covered by any federal program, including Medicaid and Medicare

15.3%

Not covered by any form of health insurance

8.9%

Covered by self-paid private plan

Source: U.S. Census Bureau (2007 figures)

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/08/27/BU2K12IL1L.DTL>

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