



**Office of
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The
Catholic Health
Association
Of the United States

**Catholic
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Background on Health Care for the Uninsured February 2007

ISSUE

The Catholic tradition affirms that health care is a basic right flowing from the sanctity and dignity of human life. Yet millions of Americans continue to go without health care coverage in this, the most prosperous of nations. In 2005, 46.6 million people, -- 15.9% of the population, or almost one out of six -- lacked health insurance. This is the largest number of Americans reported to be without insurance since the Census Bureau began issuing data on the uninsured in 1987, and 1.2 million more than in 2004. The increase in the uninsured is due in large part to the drop in those covered by employer-based plans. The picture is even worse for people in more vulnerable communities: 19.6% of African-Americans, 32.7% of Hispanics, and 33.6% of immigrants do not have health insurance.

BACKGROUND

Why the increase in the uninsured? A sluggish economy and job market contributed to increases in the number of the uninsured in the early 2000s. While both the economy and employment rates are stronger now, the percentage of Americans with employer-sponsored health insurance has continued to decline. Several factors contributed to this: fewer employers offering benefits; increases in premiums making employer coverage unaffordable; and some shift in employment towards smaller firms (which are less likely to offer health insurance) and self-employment. If this trend continues, the number of the uninsured will continue to grow.

Employer-sponsored health insurance premiums continued to rise at a faster rate than overall inflation or wage gains. Premiums increased by 7.7% in 2006 -- while this marks the third year in a row in which growth rate declined compared to the previous year, the cost of health insurance premiums continues to grow faster than the rate of inflation (3.5% in 2006) and workers' earnings (up by 3.8% in 2006). In addition, the percentage of firms offering retiree coverage has declined substantially over time.

Who are the uninsured? By and large, they are working Americans or their family members.

- 8 out of 10 of the uninsured are from working families -- 70% are in families with at least one full-time worker - and more than one-half are in low-wage earning families with incomes below 200% of the federal poverty level.
- More than 8 million children are uninsured - and more than 80% of them live in households headed by a working adult.

What are the consequences of being uninsured or underinsured? People who lack health insurance are far less likely to receive basic health care services, and are generally in poorer health as a result. They may delay seeking needed medical care and filling prescriptions, or have trouble paying medical bills while meeting other essential needs such as food, housing and utilities. The uninsured receive less preventive care, are diagnosed at more advanced disease stages, and once diagnosed, tend to receive less care. Babies whose mothers are low-income and uninsured are 60% more likely to die in infancy. The Institute of Medicine estimates that 18,000 Americans die unnecessarily each year due to the lack of health insurance coverage.

The prospects for action: Affordable and accessible health care will be a topic of significant national attention in the coming year. States are taking action, too. Massachusetts and Vermont passed laws in 2006 to achieve universal (or nearly universal) coverage as well as addressing cost and quality. California's governor has

announced a comprehensive reform plan, and several states -- including Illinois, Colorado, Louisiana, Maine, Maryland, New Mexico and Washington -- have established commissions to make recommendations for expanding coverage and reforming health care.

At the federal level, reauthorization of the State Children's Health Insurance Program (SCHIP) will be a major piece of health care legislation this year, and an opportunity to provide the resources needed to extend coverage to the millions of uninsured children (75% of all uninsured children) who are eligible for Medicaid or SCHIP but are not enrolled.

In the State of the Union speech, the President proposed a tax deduction for all health insurance policies, not just employer-provided policies. Other proposals that could be discussed this year include expanding existing federal health programs such as Medicaid and SCHIP; expanding funding for community health centers; and restoring access to SCHIP and Medicaid for legal immigrants.

OUR POSITION

The Catholic community has consistently worked for access to affordable health care for all that reflects these principles: Respect for Life; Priority Concern for the Poor; Universal Access; Comprehensive Benefits; Pluralism; Quality; Cost Control; and Equitable Financing. (See USCCB statements *Health and Health Care* and *A Framework for Comprehensive Health Care Reform*).

The Catholic Health Association (CHA), in consultation with the USCCB and others, has put forward its framework for health care reform, *Continuing the Commitment: A Pathway to Health Care Reform* in April 2000. Through its *Covering a Nation* program, CHA is working with Catholic health care providers, other Catholic ministries, and local and national partners to create the momentum for real, sustainable change in our health care delivery and financing systems.

The USCCB has developed a campaign, *Health Care for All*, to inform the Catholic community about the uninsured and Catholic teaching on health care. Working with CHA, Catholic Charities USA (CCUSA), and other parts of the Catholic community, we hope to help Catholics to advocate for (1) continued public commitment to health care for low income children and families, the elderly, and people with disabilities; and (2) changes in our health care system - from small improvements to major restructuring - that will lead to health care for all.

WHAT YOU CAN DO

- Contact your Senators and Representatives and urge them to take action to help uninsured Americans, and to start taking steps toward achieving affordable, accessible health care for all by insisting on resources for health care programs in the fiscal 2008 budget plan.
- Take steps to make sure your community is aware that covering the uninsured remains a serious and growing problem. The USCCB and the Catholic Health Association of the United States are participating in a public awareness campaign called *Cover the Uninsured Week*. The week-long series of events from April 23-29, 2007 is intended to increase awareness of the crisis of the uninsured. Check out the USCCB and CHA websites for more information on how to participate in your area.
- Contact USCCB, CHA, CCUSA and other community resources to learn about what bills are active in Congress and whether they will truly help more uninsured people gain health coverage

FOR MORE INFORMATION

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