

Report projects a steep loss of employer-sponsored health insurance ahead as coverage declines again in 2008



Without large-scale health reform, rising unemployment could push the number of uninsured people under 65 to over 50 million by 2010

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The health insurance most Americans depend on, employer-sponsored insurance (ESI), has declined every year since 2000, currently leaving 45.7 million people under 65 without coverage. As Congress debates the future of health care reform, the Economic Policy Institute released a report today that puts into sharp focus the strain that a broken health care system places on families and individuals. The report, [*Employer-sponsored health insurance erosion continues*](#), by Director of Health Policy Research Elise Gould, shows that health care coverage delivered through the workplace declined every year leaving a disproportionate number of young, Hispanic, lower educated, and lower income people uninsured.

But the latest data do not capture the rapid rise of unemployment over the last year. The report estimates another 10 million people would be without employer-sponsored insurance by 2010 unless the economy makes an unpredicted swift rebound or there is large-scale health reform. Without policy intervention, the total number of uninsured Americans under 65 could swell to well over 50 million by next year—which is the same number of people living in California and Illinois combined.

“The current recession, rising unemployment, and rising health care costs make health reform all the more important for American families now and in the future,” said Gould. According to the latest data available during 2008, about 1.8 million fewer people (those under 65) were covered by health insurance through the workplace, while the rolls of public insurance—like Medicaid and the State Children's Health Insurance Program (SCHIP)—expanded to include 3.4 million more people during the same period.

Massachusetts and Hawaii rank among the highest in ESI coverage rates (**Massachusetts**, 72.5%; **Hawaii**, 71.5%) because both states have mandates requiring employers to offer basic insurance coverage to their workers. The largest declines in ESI coverage for those under 65 occurred in **Michigan, Tennessee, Missouri, South Carolina, and North Carolina**, with losses of at least 8.0 percentage points over the 2000s. This drastic decline will likely continue in these states unless there is significant health care reform, as Michigan currently has the highest state-level unemployment ([15.3% in September 2009](#)) and all but Missouri have double-digit unemployment ([TN = 10.5%; MO = 9.5%; SC = 11.6%; and NC = 10.8% in September 2009](#)).

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