HEALTH CARE COVERAGE AT RECORD LOW

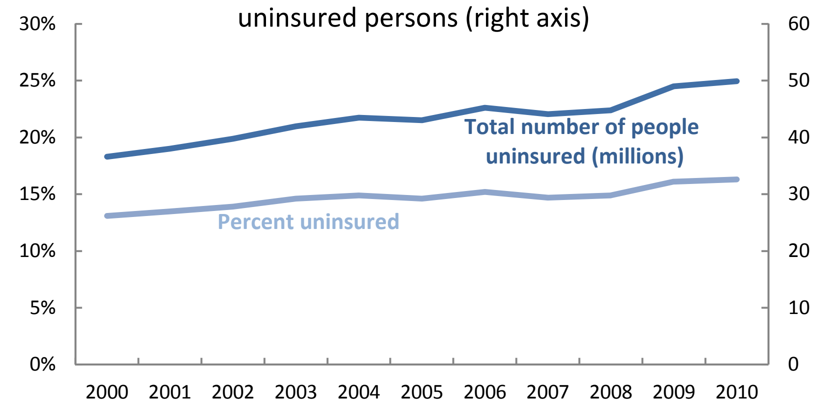
Highlights from the Census Bureau's Update on Health Insurance Coverage in the United States

The recent recession has brought about further erosion in the proportion of Americans with health insurance coverage. In 2010, only 83.7 percent of the population was covered by either private or government health insurance, leaving the remaining 16.3 percent (or 49.9 million individuals) without any form of health insurance in 2010. The share of the population without health insurance had started trending up even before the recession began in 2007; the recession and its fallout intensified that trend. The extraordinary rates of job loss during the recession significantly reduced the number of Americans receiving health insurance coverage from their employers: in 2010, 5.4 percent fewer people were covered by employment-based health insurance than was the case in 2007. One bright spot in the recent release is the decline in the percent of uninsured young adults, in part due to a provision in the Affordable Care Act which required insurers to allow parents to cover their dependent children under age 26.

One in six Americans are uninsured. In 2010, 16.3 percent of Americans were not covered by any health insurance, a 1.6 percentage point increase since 2007 (**Figure 1**). Between 2009 and 2010, the number of uninsured Americans increased by 919,000, although the increase in the share of the uninsured was not statistically significant from 2009 to 2010. The percent of the population with health insurance is now the lowest since this data started to be recorded in 1987.

Figure 1. Number of Uninsured Climbed Over Past Decade

Percent of population (left axis) and total number of uninsured persons (right axis)

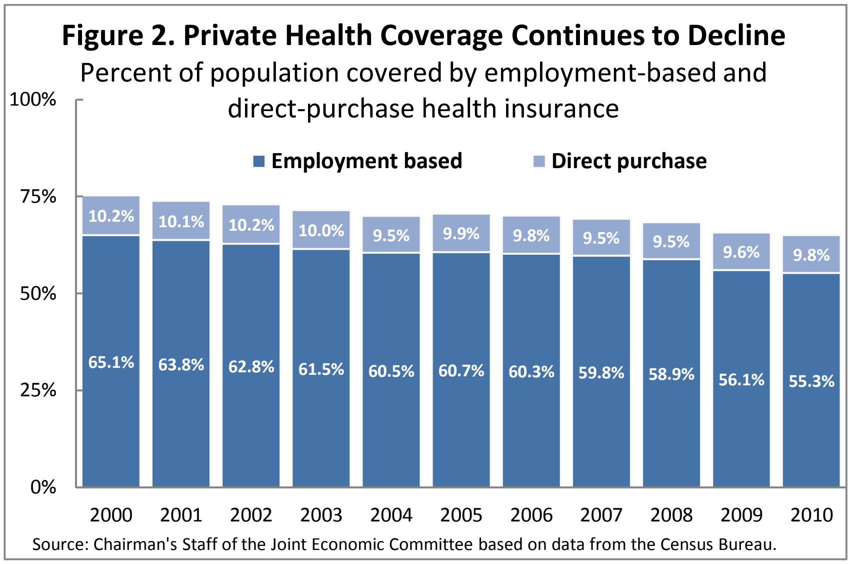


Source: Chairman's Staff of the Joint Economic Committee based on data from the Census Bureau.

Declines in private coverage continued in 2010. The percentage of Americans covered by private and employer-sponsored insurance dropped again in 2010. As **Figure 2** shows, although private coverage has steadily declined since 2000, job losses during the recession had a significant impact on health insurance coverage, with the proportion of Americans with employment-based coverage falling from 58.9 percent in 2008 to only 55.3 percent in 2010, representing a loss of health insurance by 8.3 million individuals. According to the Agency for Healthcare Research and Quality, only 53.8 percent of private-sector employers offered health insurance in 2010, down from 56.4 percent of employers in 2008.

Without expansion in government health insurance coverage, the uninsured population would have grown even faster. The number of Americans covered by public health insurance grew to 31.0 percent of the population in 2010, partly offsetting some of the declines in private health insurance coverage. The number of

Americans receiving coverage from public sources has increased by 7.4 million since 2008, an increase of 1.7 percentage points. Government health insurance programs include Medicare, Medicaid, Children's Health Insurance Program (CHIP), as well as military and veteran health care programs.



Direct purchases of health insurance are on the rise. Over 1 million more individuals were covered by direct purchases of health insurance in the private market in 2010 than in 2009, increasing from 9.6 percent to 9.8 percent of the population.

The uninsured include millions of working men and women. In fact, 28.0 million Americans did not have health insurance coverage in 2010, despite working at some time during the year. Those included 20.2 million people who worked full-time (35 hours or more per week in the majority of weeks they worked in 2010), or 40.4 percent of the total uninsured population. An additional 7.8 million Americans who were without health insurance worked part-time.

Nearly one in ten children are growing up without health insurance. In 2010, 9.8 percent of all children – 7.3 million children – did not have health insurance. This represents a decline of over 571,000 since 2007, with a commensurate expansion of 608,000 children enrolled in CHIP. While private health insurance coverage of children dropped by 3.4 million since 2007, children's enrollment in Medicaid increased by 5.1 million.

More young adults have health insurance coverage as a result of the Affordable Care Act. While most provisions of the Affordable Care Act will take effect in the next two years, the legislation has already expanded coverage to dependents through their 26th birthday. That change took effect in September 2010. As a result, the number of 19-25 year olds with health insurance coverage increased by 393,000 between 2009 and 2010, and the share of 19-25 year olds with coverage increased 1.6 percentage points to 29.7 percent.

Minorities are more likely than whites to be without health insurance. The Hispanic uninsured rate fell to 30.7 in 2010 from a recent high of 33.1 in 2006. The uninsured rate among African-Americans increased to 20.8 percent in 2010 from 18.6 percent in 2007. By comparison, the uninsured rate among whites was 15.4 percent in 2010, up from 13.9 percent in 2007.