

As Uninsured Numbers Grow, Drive Opens for Universal Coverage

by Marianna Wertz

One of the most serious indicators that “the fundamentals” are *not* sound, that Al Gore and George W. Bush are simply lying when they mouth their platitudes about how great the economy is doing, is the crisis in health-insurance coverage in the United States. Today, 45 million Americans, nearly 20% of the adult population, and more than 11 million children, have no health insurance. That number is expected to grow to more than 54 million by 2007 with current trends — i.e., not counting the catastrophic effects of the future bursting of the global financial bubble.

A new study by John Holahan and Johnny Kim of the Washington, D.C.-based Urban Institute indicates that both public and private health insurance coverage declined in the “boom” period 1994-98, continuing the 1989-93 decline. The study, using data from the Current Population Survey, found that the proportion of the non-elderly population without insurance increased from 16.2% in 1989 to 18.2% in 1993; those figures grew again during 1994-98, from 17.3% to 18.4%, or by 4.2 million additional uninsured Americans. (Americans over 65 are covered by Medicare insurance.)

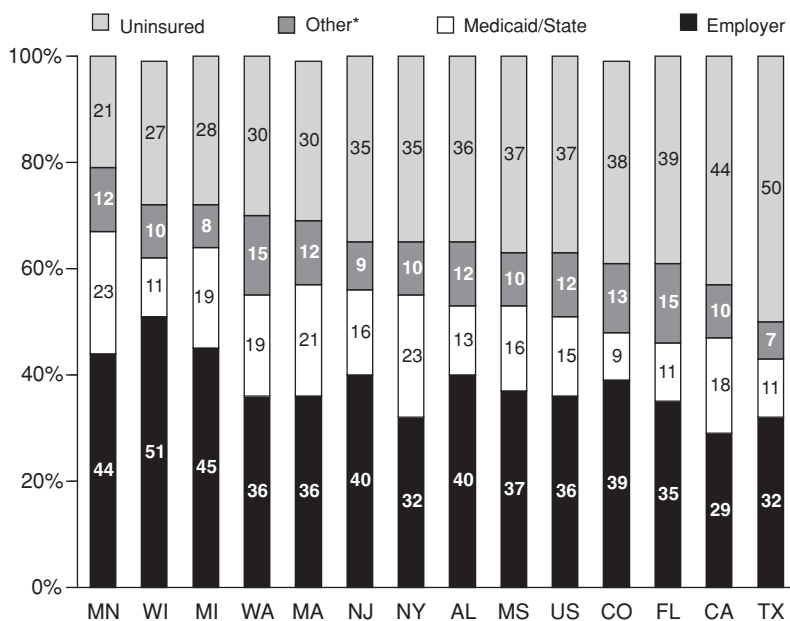
There are several reasons for the decline. Most important was the drop in Medicaid coverage, from 10.0% in 1994 to 8.4% in 1998, or about 3.1 million persons (1.9 million children and 1.2 million adults). This was due to the effects of “welfare reform,” as recipients lost Medicaid coverage when they left welfare for low-wage jobs with no health benefits; or were deliberately not told (as happened in several states) that they still qualified for Medicaid because their income was sufficiently low.

In addition, other public coverage (mostly military) fell from 2.7% to 2.4% (0.5 million people). Other private coverage also declined, from 5.7% to 5.0% (1.2 million), which the Urban Institute attributes to the increased cost of health insurance in the private non-group market, as managed care, exhausting its ways to loot, began to resort to premium increases

in an attempt to keep up profits.

Finally, the study found that the percentage of employer-sponsored coverage, at all income levels, decreased during the period, as employers either stopped providing health insurance, or set the employee’s share of the premium so high that workers could no longer afford it. The average worker today is paying three times more for family coverage than ten years ago, and more than four times more for employee-only coverage.

FIGURE 1
Health Insurance Coverage of Low-Income Adults (Ages 18-64), by State, 1997



Source: Urban Institute calculations from the 1997 National Survey of America’s Families. *Other coverage includes private nongroup coverage, Medicare, Champus, VA, and coverage not classified as employer, Medicaid, or state coverage. A March study by the Urban Institute, “Who Are the Adult Uninsured?” from which this figure is taken, makes clear that if Texas Governor George W. Bush were to be elected President (as an Al Gore Democratic nomination would guarantee), the idea of universal health care would evaporate like the smoke over a Texas execution chamber. Texas has the highest rate of uninsured in the nation (50%), and among the lowest rates of coverage by Medicaid/state and employers.

Because the absolute number of adults covered through employers rose by 6.1 million during 1994-98, reflecting the “wealth effect” of the bubble economy, that increase kept the number of uninsured from growing more rapidly than it otherwise would have. In effect, the bubble “prosperity” masked the increasing weakness of the health-insurance arrangements on which the society depends.

The Urban Institute study warned, however, that if the conditions which spawned this rise in employer-based coverage were to change — i.e., if the financial bubble bursts — then “employer-sponsored coverage could again decline overall and private non-group coverage could fall even faster than it has recently.”

The Health Security for All Americans Act

In response to this crisis, Congressional Democrats have teamed up with the largest health care union, the 1.4 million-member Service Employees International Union (SEIU), to push for passage of “The Health Security for All Americans Act” (S. 2888). In announcing the bill on July 19, Sen. Paul Wellstone (D-Minn.) told a news conference that “the health insurance industry, using all of its clout and its legions of lobbyists, took universal health care off the nation’s agenda. But with this proposal, and with the grassroots power of organized working men and women throughout the country, we are going to put health care for all Americans back on the agenda.”

In fact, Lyndon LaRouche’s Democratic Presidential campaign put the question of competent health care for all Americans on the agenda several months ago, with his call for banning managed care and replacing it with the Hill-Burton Act approach. The Wellstone-SEIU proposal, while seriously flawed, complements LaRouche’s drive, by raising the specific need for insurance coverage for all Americans. It is notable, as SEIU spokesperson Renee Ascher told *EIR* on Aug. 1, that neither George W. Bush nor Al Gore has responded to Wellstone’s proposal.

The Wellstone plan, which was introduced in the House of Representatives by Wisconsin Democrats Tammy Baldwin and David Obey, is designed to reach the goal of universal health-care coverage by 2005. While it would mandate quality, affordable, and comprehensive coverage for all Americans, it would allow the states to decide how to provide it, and offer the Federal support necessary to achieve it. The minimum coverage Wellstone’s bill mandates is the same as that currently enjoyed by the members of the U.S. Congress.

The plan has two serious flaws: 1) It predicates the Federal government’s ability to help finance this on the use of the “budget surplus,” which not only isn’t real (as *EIR* has documented), but also, with the coming financial collapse, will definitely not exist by 2005, unless LaRouche’s New Bretton Woods proposal is acted on; and 2) it makes no mention of managed care or the need to fundamentally change the way health services are delivered, even to those who have health

insurance. As Ascher told *EIR*, they have no plan to work to ban or even modify managed care.

Nevertheless, the effort to build a popular movement committed to universal health-care coverage is a worthy one, and deserves support, even if the final goal will need revising.

Interview: Renee Ascher

We Need Health Insurance That People Can Rely On

Renee Ascher, a spokesperson for the Service Employees International Union in Washington, D.C., discussed the Health Security for All Americans Act with Marianna Wertz on Aug. 1.

EIR: Why do you think that you can succeed this time in passing universal health-care legislation?

Ascher: I think that we recognize that it’s a long road, that there’s a lot of work that needs to be done. But the issue is extremely important to American working families. Health care rates among the top issues in the upcoming elections. People want secure, affordable health insurance, that they can rely on in times of need. There is a great interest, with HMOs [health maintenance organizations] and all of the restructuring, and managed care, that working families and working people in this country are speaking out and speaking up for secure health insurance.

EIR: Does this go in tandem with your efforts to curb or end managed care?

Ascher: I don’t think that we have any efforts to curb or end managed care, that I know of, though our union and our members have been at the forefront of the Patients’ Bill of Rights and reform of managed care, so that it’s more responsive to people’s needs.

EIR: You’re going to be showing TV advertisements at both major political conventions. Have any of the candidates responded to this initiative?

Ascher: No.

EIR: According to your release, the plan calls for strong quality standards, including adequate staffing levels, whistleblower protections, and a Patients’ Bill of Rights, which the unions have been advocating, that would be for all Americans.

Ascher: This bill is there to help make sure that *all Americans*, regardless of whether they’re in a union or not in a union, have secure, affordable health insurance that they can rely on.