

## **Fact Sheet on the Uninsured and Proposed Health Reforms**

### **Physicians for a National Health Program – Massachusetts Chapter**

- 1- According to data from the U.S. Census Bureau, which surveyed 3,550 Massachusetts residents in March, 2005: 748,101 Massachusetts residents – 10.6% of the population - were uninsured in 2004. This survey uses in-person interviews with interviewers available for many languages. It is considered the standard national source of data on the uninsured. Politicians' claims that there are fewer uninsured are based on telephone surveys conducted by the state that miss the thousands of uninsured families without telephones (or with only cell phone) and many who do not speak English.
- 2- According to the Census Bureau data most of the uninsured have low incomes.
  - 17% (126,155 people) had incomes below poverty (\$9,310 for a single person)
  - 26% (193,380 people) were near poor (100% -199% of poverty)
  - 18% (136,100 people) were lower middle class (200% -299% of poverty).
  - 10% (73,590 people) had incomes 300% -399% of poverty.
  - 6% (45,016 people) had incomes 400%-499% of poverty
  - Only 23% (173,858 people) had incomes at least 5 times poverty

Hence, few could afford even the stripped down coverage that has been proposed by Governor Romney and Speaker DiMasi. Given the very high costs of housing and heating in Massachusetts, only people in the top income group could reasonably pay the \$2400 annual per person premiums that Governor Romney hopes private insurance plans will agree to offer

- 3- Even these income figures overstate the numbers likely to find coverage they can afford. Older persons and those with chronic conditions will surely find premiums far higher than \$2400. Only 65,305 (8.7% of the total who are uninsured) of the uninsured are between 18 and 35 years old and have family incomes above five times poverty. Another 27,124 (3.6% of the uninsured) are children living in higher income families. Thus, overall, only 92,429 people (12.3% of the uninsured) are likely to qualify for and be able to afford the low-premium coverage.
- 4- The Governor's proposed \$2400 annual policy is sure to provide only the skimpiest of coverage. At present no such policy is available in Massachusetts and the Governor and Blue Cross have refused to release details about their proposed policy. In New Hampshire (where health costs are lower) a policy costing \$2484 is available (through [ehealthinsurance.com](http://ehealthinsurance.com)) for a single 30 year old non-smoking woman, offering the following coverage:
  - \$1000 deductible before insurance pays anything
  - 20% co-payment on covered services for the next \$5000
  - Inpatient mental health – capped at \$2500 each year (\$10,000 lifetime cap for combined inpatient and outpatient) – patient pays everything else
  - Outpatient mental health – 50% of charges (including drugs), maximum \$40 per day

No coverage at all for: routine preventive or gynecologic exams or maternity care

Such coverage would neither pay for routine preventive care nor protect people from huge unpaid bills if they were to become seriously ill (or even pregnant). In essence, the Governor would require people to pay \$2400 per year for virtually worthless coverage.

- 5- The Governor and legislative leaders falsely imply that many of the uninsured are currently “free riders” on the system. Only the poor and near poor are generally eligible for free care at present. While some of the lower middle class can qualify for partial subsidies from the state’s free care pool, they pay a hefty portion out-of-pocket. Many hospitals vigorously pursue payment from uninsured higher-income people, often charging much higher prices than health insurers pay, and referring unpaid bills to collection agencies.