



COLORADO FISCAL
POLICY INSTITUTE

FOR IMMEDIATE RELEASE
Thursday, September 10, 2009

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New Health Insurance Data Reinforces Need for Reform
No Improvement in Poverty, Uninsurance, Income Prior to Recession

Roughly 16.1 percent of Coloradans—an average of 790,500 people—lacked health coverage in 2007-2008, according to Census Bureau data released today. Employer-provided health insurance continued to decline in Colorado and nationwide. The percentage of Coloradans under the age of 65 with employer-provided coverage was 63.7 percent, down from 70.2 percent in 2000 and 2001. These findings, which by all accounts have only worsened in 2009 because of the recession, highlight the continued urgency to enact health care reform to control costs, expand choice, and improve both portability and affordability.

“These numbers are an unfortunate reminder of why we need to pass health reform now,” said **Adela Flores-Brennan, Health Policy Analyst at the Colorado Center on Law and Policy**. “While the numbers were somewhat level into 2008, Colorado’s uninsurance rate is still higher than the national average, even before our state saw the sharp increase of people losing their jobs and their health insurance. That’s bad for families and bad for our economy, and we need reform to fix it.”

“The new data reinforces why Colorado needs health insurance reform,” said **Dede de Percin, Executive Director at the Colorado Consumer Health Initiative**. “It emphasizes that without a public option, and without reasonable affordability provisions, the current system is going to leave too many people behind. Communities, families, individuals and businesses in Colorado can’t afford for that to continue.”

Health and poverty experts noted that today’s Census Bureau data includes what happened only through 2008. However, given the severity of job losses in Colorado since 2008, the trends shown in this data are almost certainly worse today than they were nine months ago. **For example, the average unemployment rate for Colorado in 2008 was 4.8 percent, while today the latest unemployment figures put that rate at 7.8 percent.** Some 94,000 people have lost their job in Colorado since the start of the recession, and a large majority of those people also lost their health insurance.

“This new data does not account for the full force of job losses and the recession that deepened into 2009,” said **Kathy White, Program Director at the Colorado Fiscal Policy Institute**. “So we know that things are likely worse today than even these grim numbers show.”

According to the data released today, Colorado's median income is the 7th highest in the country. However, at the same time, Colorado has the 13th highest rate of people without health insurance.

“Across our nation and our state, families are struggling and kids are feeling the effects,” said **Chris Watney, President of the Colorado Children's Campaign**. “Now more than ever, Colorado must bolster the supports we provide to kids and families that promote health, academic success and self-sufficiency.”

“Health care reform is about everyone, not just the uninsured,” added de Percin. “But we know that without reform the ranks of the uninsured will continue growing, costs will continue doubling every few years, and the peace of mind for Coloradans as well as our economic future will suffer needlessly.”

Health Insurance

The new information released today shows virtually no improvement in health coverage for Coloradans in the time leading up to the recession. The rate of uninsured Coloradans was 16.1 percent, or 790,500 people, in the 2007-2008 period, according to the data released today. Colorado's rate of uninsured exceeds the national rate of 15.3 percent, and though it is statistically unchanged from 2005-2006, it is a troubling increase from the 2000-2001 rate of 14.4 percent.

Colorado's uninsured rate remained somewhat level as compared to 2005-06 due to two important factors. First, while the national recession began in December 2007, serious job losses did not start in Colorado until the Fall 2008, meaning the full impacts of the recession are not reflected in this data. Second, some Census data tracts and other data sources show a slight shift from employer-sponsored coverage to Medicaid health coverage.

At the national level, both the percentage and number of people without health insurance increased in 2008. The number of uninsured increased from 45.7 million in 2007 to 46.3 million in 2008.

Medicaid Coverage in Colorado

In 2007-2008, the number of people in Colorado with Medicaid coverage was 371,000 or 8.4 percent. While this figure is up 2.7 percentage points from 2000-2001, it does not represent a statistically significant increase over 2005-2006. However, a look at caseload reports from the Colorado Department of Health Care Policy and Financing for December 2008, shows 429,783 Coloradans in Medicaid, compared to 382,962 in January 2008, an increase of over 46,800 in just 12 months. The July 2009 report shows Medicaid caseload at 472,277, and that's not including the nearly 67,000 women and children in the CHP+ program. These numbers serve to demonstrate that the Census data from 2008 does not begin to capture the full impacts of the recession in Colorado.

Employer Sponsored Coverage in Colorado

In 2007-2008, employer-sponsored coverage for Coloradans under 65 years old was 63.7 percent, down from 70.2 percent in 2000-2001—a 6.5 percentage point decrease. There was not a statistical change from 2005-2006. The actual number of people in Colorado with employer-based coverage increased from 2,779,000 in 2000-2001 to 2,806,500 in 2007-2008.

Poverty

Colorado's total poverty rate was 10.4 percent, or 509,000 Coloradans, in the 2007-2008 period. This is an increase from 9.2 percent in 2000-2001. In terms of raw numbers, the number of Coloradans living under the Federal Poverty Line increased from 478,000 in 2007 to 541,000 in 2008.

It should be noted that this data comes from the Census Bureau's Current Population Survey (CPS), which is a less accurate indicator than the American Community Survey (ACS). The Census Bureau is now encouraging use of ACS data for poverty and income statistics. ACS data is scheduled to be released on September 22nd.

Income

Today's Census Bureau data also shows that Colorado's median income remained somewhat level, if not slightly improving, leading up to the recession. The median income was \$62,217 in the 2007-2008 period, which is not a statistically significant improvement from the \$60,195 median income in the 2000-2001 period (in 2008 dollars).

Nationally, income inequality remained roughly the same between 2007 and 2008, and the gender gap in earnings also remained near the all-time high that it reached in 2007. In 2008, the earnings of women who worked full time, year-round was 77 percent of that for corresponding men, not statistically different from the 2007 ratio. The real median earnings of men who worked full time, year-round declined by 1.0 percent between 2007 and 2008, from \$46,846 to \$46,367. For women, the corresponding drop was 1.9 percent, from \$36,451 to \$35,745. Likewise, there continue to be broad disparities in income between whites and African-Americans and Hispanics.

Statement from the Center on Budget and Policy Priorities.

<http://www.cbpp.org/cms/index.cfm?fa=view&id=2911>

Background on Census Bureau Survey Data

Poverty and Income data in this release comes from the Current Population Survey (CPS). This is the only data available on state health insurance trends over time. The Census figures for Colorado average two years of survey data in order to improve the reliability of the estimates. More information can be found at www.census.gov.

More detailed state and local data from the Census Bureau's American Community Survey (ACS) is expected to be released on September 22nd.