How Many Uninsured People Are There?

On pp. 227–28 in the book, I graphed the growing percentage of the U.S. population that is uninsured and reported that 45.8 million people—15.7 percent of the population—were uninsured in 2004. In August 2006, the U.S. Census Bureau issued a report stating that, in 2005, the number of uninsured Americans had risen to 46.6 million people, or 15.9 percent of the population (www.census.gov/prod/2006pubs/p60-231.pdf).

On March 23, 2007, the Census Bureau issued a report stating that there had been procedural errors in the way data had been recorded and analyzed, and that in 2005 the actual number of uninsured Americans was 44.8 million, or 15.3 percent of the population (www.census.gov/hhes/www/hlthins/usernote/usernote3-21rev.html). The Census Bureau report indicated that the same errors had occurred in previous years, and that the number of uninsured for those years also needed to be reduced. For example, in 2004 the revised number of uninsured was 43.5 million, or 14.9 percent of the population. While these revisions in methodology changed the estimated number of uninsured, they did not substantially change the rate of change over time in the number of uninsured.

Recall that, as described on pp. 227–28 in the book, in 2000 the Census Bureau had a similar revision in methodology, resulting in reductions in the estimated number and percentage of uninsured. Thus, over time the way we define and count the “uninsured” changes. In looking at long-term trends or the impacts of certain policies, it is important to keep in mind these changes in methodology.

In addition to changes in the way the U.S. Census Bureau calculates the number of
uninsured, a number of analysts have pointed out that the number of uninsured in a particular state will often differ depending on whether one uses Census Bureau data or data gathered in a survey done in that state by a state or private agency. Call et al. published a study exploring the causes of the observed differences in federal/state reporting. They concluded that (p. 269) “in most cases, the state survey estimates of uninsurance are lower than the estimates produced by the [Census Bureau]. This discrepancy fuels debate about the true count of uninsured Americans and changes in that number over time.”


Regardless of whether the actual number of uninsured in 2005 was 46.6 million or 44.8 million, the underlying principles remain the same:

a. the United States is the only developed country in the world without some form of universal health insurance;
b. since 1987 the problem of the uninsured has increased continuously, and can be expected to continue to increase unless major policy changes are enacted.

**State Efforts at Providing Universal Health Insurance**

While the number of uninsured nationally has continued to grow, a number of states are working to establish near-universal coverage for their residents. Principal among these are Massachusetts and California.

In 2006, Massachusetts passed a law that requires all residents to have health insurance. Those residents who do not have coverage will be required to purchase coverage, or pay a fine.
To make health insurance affordable to those needing to purchase coverage, Massachusetts established the Commonwealth Health Insurance Connector Authority—a public agency charged with implementing the new law

(www.mass.gov/?pageID=hichomepage&L=1&L0=Home&sid=Qhic).

Working with interest groups throughout the state, the Authority published a list of “affordability standards,” listing the premium an individual or family would be required to pay. The required payment depends on the individual’s or the family’s income. For example, an individual with annual earnings of $20,421–25,425 would be expected to pay a monthly premium of $70 for coverage. An individual earning over $40,000 would be expected to pay $300 per month. A family with children with annual earnings of $34,341–42,925 would pay $140 per month, while a family with earnings of $70,001–90,000 would pay $500 per month. The state would provide subsidy to lower-income individuals and families to keep premiums affordable.

In January 2007, Governor Arnold Schwarzenegger of California proposed establishing a similar program in California (http://gov.ca.gov/pdf/press/Governors_HC_Proposal.pdf). His plan would combine an “individual mandate” similar to that in Massachusetts, under which state residents are required to obtain health insurance coverage. His plan also proposes taxing employers with 10 or more employees who do not provide coverage to help pay for coverage. He would also expand MediCal, the state’s Medicaid program. In one of the more controversial aspects of his proposal, he would institute a tax on the revenues of doctors and hospitals (2% for doctors and 4% for hospitals).

California has had repeated efforts, both through state legislation and through ballot
propositions, to create a system of universal coverage in the state. Analysts are watching California closely, to see if it might present a model for other states to adopt. It is important to recall that, as described on pp. 22–24 in the book, Canada developed its national Medicare system as an extension of universal coverage plans adopted first in Saskatchewan and other provinces. It remains to be seen whether this bottom-up approach to universal coverage will be effective in the United States.

The Demographics of the Uninsured and the Underinsured

Dubay et al. analyzed Census Bureau data pertaining to the 46.6 million people identified in 2005 as uninsured (using the estimates first published in August 2006). They found that:

- 20 percent of the uninsured had income levels that made it feasible to purchase private health insurance coverage;
- 25 percent had income levels that made them eligible for existing public programs such as Medicaid and SCHIP;
- 56 percent were neither eligible for public programs nor could afford private coverage without some form of subsidy.


A similar study by Banthin and Bernard found that, in 2003,

- 48.8 million people living in households had to spend more than 10 percent of household income on health care;
- of these, 18.7 million spent more than 20 percent of household income.
This study confirms that, in addition to the uninsured, there are millions of people in the United States who face severe financial burdens due to health care even though they may be insured. These individuals and families are especially vulnerable to losing coverage in the future if health care costs continue to rise.


As described on pp. 229–30 of the book, Hispanics face uninsured rates that are substantially higher than other racial or ethnic groups. This problem is especially acute among immigrants who are not citizens. For the period 1993–2004, the increase in the uninsured rate among this population group was especially high, caused by a combination of shrinking Medicaid coverage and reduced levels of employment-based coverage.


A team of researchers from both Mexico and the University of California published an in-depth report of patterns of health care access among Mexican and other Central American immigrants to the United States ([www.healthpolicy.ucla.edu/pubs/publication.asp?pubID=196](http://www.healthpolicy.ucla.edu/pubs/publication.asp?pubID=196)).

Politicians and analysts from states with large Hispanic immigrant populations often point to the large number of undocumented immigrants as a major contributor to the growing number of uninsured and a growing burden on publicly financed delivery systems. However, a study by Goldman et al. studied this issue in California, and concluded that (p. 1700) “the foreign-born (especially the undocumented) use disproportionately fewer medical services and
contribute less to health care costs in relation to their population share, likely because of their better relative health and lack of health insurance.”