



**559,000 North Carolinians
Have Lost Job-Based Health Insurance**
New Study Finds NC Suffered Second-Largest Loss in the Nation

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Contacts: John Quintero, Research Associate, NC Justice Center, (919) 856-3185
Adam Searing, Director, NC Health Access Coalition, (919) 856-2568

The proportion of North Carolinians with job-based health insurance fell by 6.7 percentage points between 2000 and 2004. This means that 559,000 fewer Tar Heels received health insurance coverage through their workplace or a family member's workplace in 2004 than four years earlier. North Carolina's decline was the nation's second largest, behind only Missouri's drop of 7.0 percentage points.

These findings come from the new report [Prognosis Worsens for Workers' Health Care](#), published by the [Economic Policy Institute](#) (EPI), a nonpartisan think tank in Washington, D.C. EPI found that 3.7 million fewer Americans had employer-sponsored health insurance in 2004 than in 2000. Many of those who lost coverage either turned to Medicaid or became uninsured. In 2004, for instance, 15.7% of all Americans and 16.5% of all North Carolinians lacked any kind of health insurance.

"This dramatic decline in job-based health insurance has contributed directly to the growth in the state's Medicaid caseload and the surge in the ranks of the uninsured," said Adam Searing, director of the North Carolina Health Access Coalition. "Clearly, we have a health care crisis, not a Medicaid crisis."

The EPI report found that no segment of the population was immune from the decline in job-based health insurance. Especially hard-hit were children (age 18 or younger) and prime-age workers (ages 25-54). Nationally, fewer than six of every ten children were covered through employer-sponsored plans in 2004. Just 18.2% of children in the lowest-income quintile had job-based health insurance, compared to 87.4% of the children in the highest income quintile.

The pattern was different for prime-age workers. People in the middle of the national income distribution – those with annual incomes between \$45,000 and \$67,000 – posted the sharpest drops in the rate of job-based health insurance. While some children in low-income families could turn to public programs like Medicaid to replace disappearing employer coverage, middle-income workers lacked that option. Consequently, such workers were apt to go without health insurance.

"The decline in job-based health insurance is exacting a heavy toll on North Carolinians, especially on low-wage workers and people earning middle-class incomes," said John Quintero, a research associate at the NC Budget and Tax Center, a project of the NC Justice Center. "This development is part and parcel of larger structural problems that hinder working families from joining and staying in the middle class."

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The NC Budget & Tax Center provides timely, accessible, and credible analysis of state and local budget and tax issues with a special focus on the impact of state fiscal policy on low- and moderate-income North Carolinians.

The NC Health Access Coalition works to ensure that every North Carolinian has affordable, accessible, and high-quality health-care services.

The NC Justice Center works to ensure that all North Carolinians have access to opportunity through a four-part strategy of research, policy advocacy, litigation, and community education.