

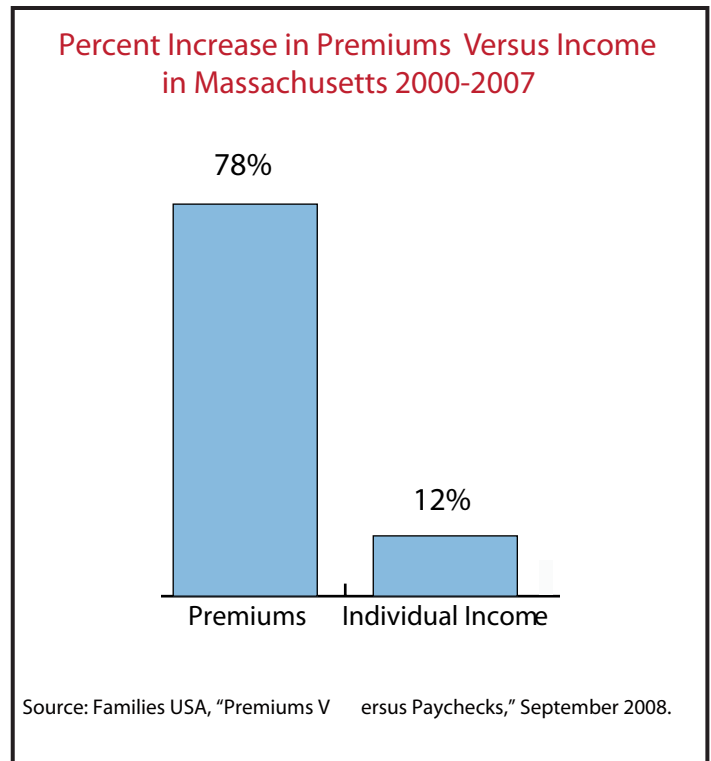
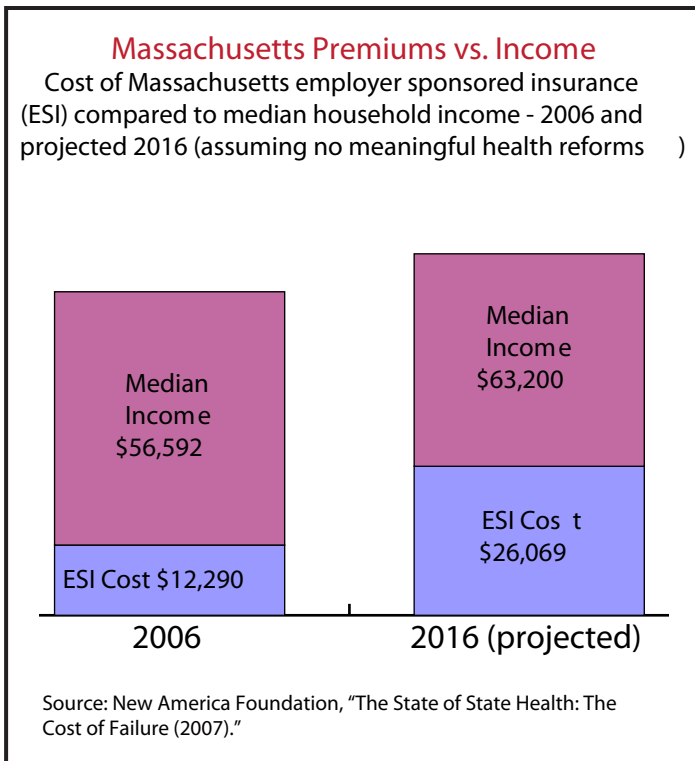
# Health Care Costs for Massachusetts Families Continue Climbing

**M**ore families are finding the cost of buying coverage on the open market has climbed to record levels.<sup>1</sup>

While the employed take comfort in holding on to their jobs, thousands of workers at small businesses in Massachusetts and millions more nationwide remain uninsured because the price of comprehensive health insurance has soared out of reach. And across the nation more than half of Americans whose jobs and benefits are intact nonetheless live in fear of becoming sudden casualties of the worst economic crisis since the Great Depression.<sup>2</sup> Health insurance premiums have risen so high that experts forecast 52 million Americans will be without coverage next year.<sup>3</sup> Left alone to purchase coverage directly from private health insurance companies, families often have no choice but to remain uninsured or buy policies with meager benefits.

## Massachusetts Data Points

- Health insurance premiums for Massachusetts working families have skyrocketed, increasing 78 percent from 2000 to 2007.<sup>4</sup>
- For family health coverage in Massachusetts during that period, the average annual combined premium for employers and employees rose from \$7,341 to \$13,040.<sup>5</sup>
- The full cost of employer-sponsored insurance in Massachusetts equals 22 percent of the median family income. Without meaningful federal health reform, that number will grow to 41 percent in 2016.<sup>6</sup>
- The full cost of employer-sponsored health insurance in Massachusetts is projected to grow at an annual rate of 7.8 percent, compared to a 1 percent growth rate for income.<sup>7</sup>
- In Massachusetts 8.6 percent of working adults reported spending 20 percent or more of their income on out-of-pocket health care expenses in 2004, a 126 percent increase from three years earlier.<sup>8</sup>
- For family health coverage in Massachusetts, the average employer's portion of annual premiums rose 67 percent from 2000 to 2007, while the average worker's share grew by 119 percent.<sup>9</sup>
- During that time the median earnings of Massachusetts workers increased 12 percent, from \$30,964 to \$34,542. Health insurance premiums for Massachusetts working families rose 6.7 times faster than median earnings.<sup>10</sup>
- After Massachusetts adopted a health reform program that included a Medicaid expansion, subsidies for low-income families, insurance market reforms, and employer and individual coverage requirements, the uninsurance rate fell from around 9% in 2006 to 2.7% in 2008.<sup>11,12</sup>
- The Bureau of Labor Statistics estimates that 8 percent of the Massachusetts labor force was unemployed in April 2009.<sup>12</sup>
- A recent report estimated that 62 percent of bankruptcies were directly related to medical bills; in Massachusetts there were 16,075 non-business bankruptcies in 2008.<sup>13,14</sup>



## Endnotes

- <sup>1</sup> Bureau of Labor Statistics, "The Employment Situation: May 2009," June, 2009. Accessed at <http://www.bls.gov/news.release/empsit.nr0.htm>.
- <sup>2</sup> Kaiser Family Foundation, "Kaiser Health Tracking Poll," February, 2009. Accessed at <http://www.kff.org/kaiserpolls/upload/7866.pdf>.
- <sup>3</sup> Todd P. Gilmer, Richard G. Kronick, "Hard Times And Health Insurance: How Many Americans Will Be Uninsured By 2010?" Health Affairs, 2009, 28, no. 4: w573-w577.
- <sup>4</sup> Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.
- <sup>5</sup> Ibid.
- <sup>6</sup> New America Foundation, "The State of State Health: The Cost of Failure (2007)." Accessed at <http://statehealth.newamerica.net/>.
- <sup>7</sup> Ibid.
- <sup>8</sup> The State Health Access Data Assistance Center, "State Profiles," Robert Wood Johnson Program. Accessed at <http://www.shadac.org/content/state-profiles>.
- <sup>9</sup> Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.
- <sup>10</sup> Ibid.
- <sup>11</sup> Sharon K. Long, Allison Cook, and Karen Stockley, Health Insurance Coverage in Massachusetts: Estimates from the 2008 Massachusetts Health Insurance Survey (March 2009) accessible at [mass.gov/dhcfp](http://mass.gov/dhcfp).
- <sup>12</sup> Bureau of Labor Statistics, "Local Area Unemployment Statistics." Accessed at <http://www.bls.gov/web/lauhsthl.htm>.
- <sup>13</sup> David Himmelstein, et al., "Medical Bankruptcy in the United States, 2007: Results of a National Study," The American Journal of Medicine, 2009. Accessed at [http://pnhp.org/new\\_bankruptcy\\_study/Bankruptcy-2009.pdf](http://pnhp.org/new_bankruptcy_study/Bankruptcy-2009.pdf).
- <sup>14</sup> US Bankruptcy Courts, "Table F2: Business and Nonbusiness Bankruptcy Cases Commenced, by Chapter of the Bankruptcy Code: During the Twelve Month Period Ending Dec. 31 2008." Accessed at <http://www.uscourts.gov/bnkrpctystats/statistics.htm>.