

# Health Insurance Coverage in New Jersey Keeps Shrinking as Premiums, Family Costs Continue Climbing

**M**edical care has become too expensive in New Jersey, leaving 1.3 million state residents uninsured and exposed to the catastrophic costs of accidents and illnesses.<sup>1</sup> The economic downturn that began 19 months ago has vaporized 7 million jobs across the U.S. and driven the New Jersey unemployment rate to 8.4 percent from 4.5 percent.<sup>2</sup> More families are finding themselves without health benefits just as the cost of buying coverage on the open market has climbed to record levels.<sup>3</sup>

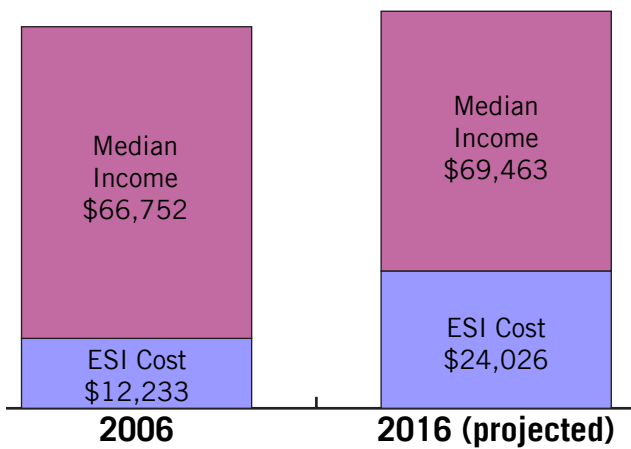
While the employed take comfort in holding on to their jobs, thousands of workers at small businesses in New Jersey and millions more nationwide remain uninsured because the price of comprehensive health insurance has soared out of reach. And across the nation more than half of Americans whose jobs and benefits are intact nonetheless live in fear of becoming sudden casualties of the worst economic crisis since the Great Depression.<sup>4</sup> Health insurance premiums have risen so high that experts forecast 52 million Americans will be without coverage next year.<sup>5</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.

## New Jersey Data Points

- Health insurance premiums for New Jersey working families have skyrocketed, increasing 71 percent from 2000 to 2007.<sup>6</sup>
- For family health coverage in New Jersey during that time, the average annual combined premium for employers and employees rose from \$7,592 to \$12,979.<sup>7</sup>
- The full cost of employer-sponsored insurance now equals 18 percent of the median family income in New Jersey. Without meaningful health reform, that number will grow to 35 percent in 2016.<sup>8</sup>
- The full cost of employer-sponsored health insurance in New Jersey is projected to grow at an annual rate of 7 percent, compared to a 0.7 percent growth rate for income.<sup>9</sup>
- About 720,000 working non-elderly adults lack health insurance in New Jersey. That comprises 68 percent of the total non-elderly uninsured population.<sup>10</sup>
- In New Jersey, 7 percent of working adults reported spending 20 percent or more of their income on out-of-pocket health care expenses in 2004, a 56 percent increase from three years earlier.<sup>11</sup>
- For family health coverage in New Jersey from 2000 to 2007, the average employer's portion of annual premiums rose 64 percent, while the average worker's share grew by 97 percent.<sup>12</sup>
- Between 2000 and 2007, the median earnings of New Jersey workers increased 15 percent, from \$31,923 to \$36,700. During that time health insurance premiums for New Jersey working families rose 4.7 times faster than median earnings.<sup>13</sup>
- In New Jersey 1,344,323 people were uninsured in 2007.<sup>14</sup>
- The Bureau of Labor Statistics estimates that 8.4 percent of New Jersey's labor force was unemployed in April 2009.<sup>15</sup>
- A recent report estimated that 62 percent of bankruptcies were directly related to medical bills; in New Jersey there were 25,725 non-business bankruptcies in 2008.<sup>16,17</sup>

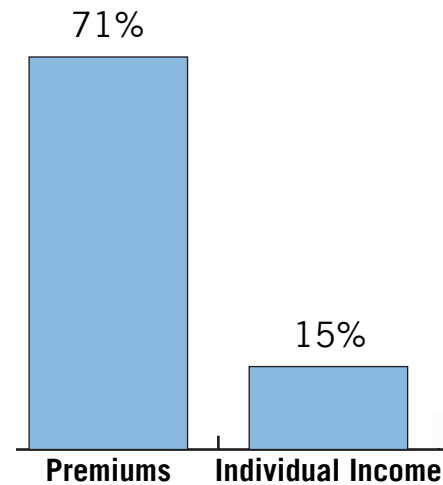
### New Jersey Premiums vs. Income

Cost of New Jersey employer sponsored insurance (ESI) compared to median household income - 2006 and projected 2016 (assuming no meaningful health reforms)



Source: New America Foundation, "The State of State Health: The Cost of Failure (2007)."

### Percent Increase in Premiums Versus Income in New Jersey 2000-2007



Source: Families USA, "Premiums Versus Paychecks," September 2008.

## Endnotes

- <sup>1</sup> Kaiser Family Foundation, "Health Insurance Coverage of the Total Population, states (2006-2007), U.S. (2007)." Accessed at <http://www.statehealthfacts.org/comparebar.jsp?ind=125&cat=3>.
- <sup>2</sup> United States Department of Labor, "Economy at a Glance," 2009. Accessed at <http://www.bls.gov/eag/>.
- <sup>3</sup> Bureau of Labor Statistics, "The Employment Situation: May 2009," June 2009. Accessed at <http://www.bls.gov/news.release/empst.nr0.htm>.
- <sup>4</sup> Kaiser Family Foundation, "Kaiser Health Tracking Poll," February, 2009. Accessed at <http://www.kff.org/kaiserpolls/upload/7866.pdf>.
- <sup>5</sup> Todd P. Gilmer, Richard G. Kronick, "Hard Times And Health Insurance: How Many Americans Will Be Uninsured By 2010?" Health Affairs 28, no. 4 (2009): w573-w577.
- <sup>6</sup> Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.
- <sup>7</sup> Ibid.
- <sup>8</sup> New America Foundation, "The State of State Health: The Cost of Failure (2007)," Accessed at <http://statehealth.newamerica.net/>.
- <sup>9</sup> Ibid.
- <sup>10</sup> Peter Harbage and Ben Furnas. "Health Care in Crisis," for Center for American Progress. May 4, 2009. Accessed at [http://www.americanprogress.org/issues/2009/05/working\\_uninsured\\_map.html](http://www.americanprogress.org/issues/2009/05/working_uninsured_map.html).
- <sup>11</sup> The State Health Access Data Assistance Center, "State Profiles," Robert Wood Johnson Program. Accessed at <http://www.shadac.org/content/state-profiles>.
- <sup>12</sup> Families USA, "Premiums versus Paychecks," September 2008. Accessed at <http://www.familiesusa.org/resources/publications/reports/premiums-vs-paychecks-2008.html>.
- <sup>13</sup> Ibid.
- <sup>14</sup> Kaiser Family Foundation, "Health Insurance Coverage of the Total Population, states (2006-2007), U.S. (2007)." Accessed at <http://www.statehealthfacts.org/comparebar.jsp?ind=125&cat=3>.
- <sup>15</sup> Bureau of Labor Statistics, "Local Area Unemployment Statistics." Accessed at <http://www.bls.gov/web/lauhsthl.htm>.
- <sup>16</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>17</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/bkrpctystats/statistics.htm>.