



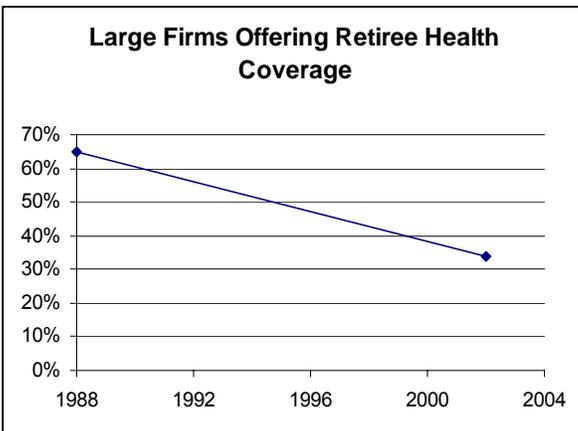
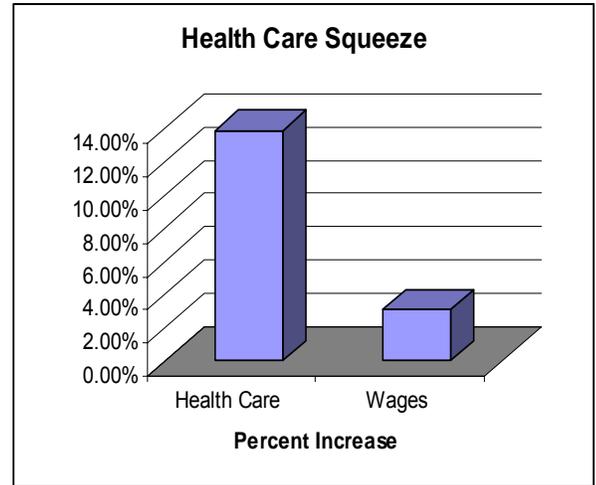
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Blood Pressure Up? Must be the Health Care Squeeze

► Summary: Health insurance premiums are rising faster than incomes, and middle class families are feeling squeezed by the cost of care. Businesses are hurting too. High health care costs are even pricing many families out of the insurance market: A whopping one out of every four middle class Americans were uninsured over the past two years.

According to the Kaiser Family Foundation’s survey on health benefits, shared health care premiums for businesses and consumers rose four times faster than did wages between the spring of 2002 and the spring of 2003. Specifically, average monthly premiums for health insurance increased by nearly 14 percent – the third straight year of double digit increases. Non-supervisory wage increases, in comparison, were just 3.1 percent during the same time period.

In addition to rising premiums, middle class families are also facing higher deductibles and increased cost sharing for routine health care visits and procedures. Average deductibles for preferred provider options (PPO) increased by 20 percent last year, and HMO co-payments for outpatient services rose by nearly 40 percent.



High health care costs are even making it too expensive for firms to offer coverage for retiree care. In 1988, more than 65 percent of large firms offered health care to retirees, compared to only 34 percent in 2002.

Tragically, the high cost of health care is putting affordable care out of reach for many middle class families. According to a recent report by Families USA, more than 83 million Americans went without health care insurance at some point last year, and more than one in four of the uninsured over the past two years were part of the middle class.

Layoffs and job termination due to poor job growth during the Bush Administration were major contributing factors to the high number of uninsured in working families during the past two years, but having a job was no guarantee of access to affordable care: Nearly 80 percent of the total number of uninsured in December 2003 were employed.

Children are often the most affected by the health insurance crisis – nearly 37 percent of all children under 18 went without health insurance last year. With health care costs rising and real wages stagnating or declining, it’s no wonder the middle class is feeling so squeezed.

Each week, the **Middle Class Squeeze** looks at different aspects of how Bush Administration and congressional policies are failing the middle class. For more information, please call 202-225-2095 or visit www.house.gov/georgemiller.

Feeling squeezed? Send us an email about it: middleclasssqueeze@mail.house.gov