

Virginians Pay More as Health Insurance Coverage Falls *Premium share rises 90% since 1994; median income only 19%*

Family budgets are being squeezed by the high cost of health insurance. In Virginia, the average employee premium share for family health insurance coverage has increased by over 90 percent, from approximately \$1900 in 1994 to \$3600 in 2007, according to a new study released by the Robert Wood Johnson Foundation (RWJF). For individual coverage, the employee premium contribution has increased by over 63 percent during the past 15 years. At the same time, median income has only risen by approximately 19 percent.

“This report presents a troubling picture of the bind working families face getting health care in Virginia,” says John McInerney, health policy director for The Commonwealth Institute, “and shows the substantial economic need for health care reform to address the rising cost of health insurance and the need to provide health care access for all Virginians.”

The data is contained in the RWJF report on trends in the number of uninsured Americans shows that states have seen significant increase in the number and percentage of the uninsured population and an increase in the cost of health insurance since 1994. Entitled “At the Brink: Trends in America’s Uninsured 1994-2007,” the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota produced state-by-state numbers for RWJF chronicling the rate of change in the uninsured, private insurance coverage, and the cost of private insurance coverage since the failure of the national health reform effort of 1993. The report finds that almost 1 in 5 U.S. workers are now without health insurance.

The study also finds that the number of non-elderly uninsured in Virginia has increased 17.8 percent between 1994 and 2007. Over one million Virginians are now uninsured, including approximately 625,000 Virginia workers (15.8 percent). In addition, since 1994, more than 12 percent fewer Virginians receive coverage in the private, employer-sponsored, insurance market.

Cost Shifting Grows

The RWJF report shows that employers have been cost shifting in Virginia, as the employer cost increases were lower than for their employees. The Commonwealth Institute looked at the same federal data used in the RWJF report and found that the cost-shifting may be accelerating in its study, “Feeling the Pinch: The State of Working Virginia,” released September 2008. In 2006, Virginia for the first time ranked first in the nation for the percentage of employer-sponsored health insurance premium paid by the employee for individual health insurance coverage (24%), and third in the U.S. for family coverage (31.3%). Such cost-shifting is likely unsustainable, as median income is not keeping up with the increased costs.

“With the economy worsening, more Virginians will likely be unable to afford health insurance coverage through their jobs and could join the ranks of the more than one million Virginians already without health insurance coverage,” says McInerney.

To access the full report, visit: <http://www.shadac.org/publications/brink-trends-in-americas-uninsured-1994-2007>