



NEWS
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New Report Confirms Rising Insurance Premiums Pose a Burden on Indiana Workers

SOUTH BEND, IN — As part of a larger series of new state by state analyses, Families USA has released “Premiums versus Paychecks: A Growing Burden for Indiana’s Workers,” that compares rapidly growing health care premiums versus stagnant earnings between 2000 – 2007. The Indiana report documents a familiar and disheartening trend where healthcare premiums are increasing “7.3 times more quickly than median earning.”

Indiana’s residents are proud, self-reliant, hard-working and pretty conservative. They understand that health coverage is important, and historically, have been willing to pay their fair share both through employer payments and employee premiums. However, as this report shows, Hoosiers are losing ground in an economic battle that not only affects individuals but is also taking a heavy toll on large and small businesses throughout our state.

Over the past fifteen years, four successive Governors have convened broad-based, bi-partisan commissions that included business leaders, insurance companies, consumers and health care providers to make concrete recommendations on how Indiana could prevent further erosion of its private health insurance market and where necessary, expand its public health coverage programs. In 1993, Indiana had one of the highest rates of private health insurance coverage in the country but has since lost that secure blanket of coverage. From 1999 to 2004, Indiana had the nation’s second highest percentage drop in workers who receive employer-sponsored health insurance.

The loss of affordable employer-sponsored health insurance continues to worsen. Because they are proud and self-reliant, many Hoosiers now are forced to pay high premiums for coverage that no longer adequately protects their families. In 2006, state data documented that Indiana had the highest per capita rate of medical bankruptcies in the nation, affecting more than 77,000 residents.

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In response, the state has aggressively tried to expand public health coverage to make up for the loss of private coverage. From January 2006 to August 2008, state-funded coverage in Indiana increased by over ten percent from 790,000 to 870,000 individuals. The most recent Current Population Survey health coverage statistics show that this increase in public coverage has allowed Indiana to reduce the overall “uninsured” rate by slightly more than 2.1% in the past four years. However, that achievement has come at the costly price of further loss of private health insurance coverage.

Indiana business leaders, legislators, and state officials must continue to work together to maintain the strongest possible public and private health coverage programs. Last week, FSSA Secretary Mitch Roob announced a new initiative that could provide public premium assistance to help families maintain affordable private health insurance. This new effort should certainly be given serious consideration during the next legislative session. But Hoosiers will also have to work with our national leaders and Congress to address the long term barriers that currently prevent states from implementing some forms of private insurance reform.

In short, this is a continuing struggle that demands increased vigilance and creativity by our states and our nation to make sure our insurance premiums don’t grow faster than our paychecks.

To view the complete report, visit <http://www.familiesusa.org/>.