



EDITORIAL

BY ROBERT L. BARBIERI, MD

■ Editor-in-Chief



California dreamin': Who will save the uninsured?

The number of uninsured Americans has jumped to 43.6 million—over 15% of the population. According to the Census Bureau, 80% of the uninsured belong to working families. Since the poor and disabled are often eligible for Medicaid and Medicare, middle-class families are most likely to be uninsured.

The median family income is about \$42,000; median annual housing, \$14,000. In 2004, the annual cost of a family health plan was over \$10,000—a price simply unaffordable for many. Those who do have job-based insurance justifiably fear losing coverage, as an increasing number of companies reduce or eliminate insurance due to escalating costs: Premiums rose by 13.9% in 2003—the third consecutive year of double-digit increases.

Mandated coverage: Foresight or folly?

As one of his last acts as California governor, Gray Davis signed a bill (SB-2, Burton-Speier) requiring employers, with limited exceptions, to offer health insurance. SB-2 mandates firms with 50 or more employees to either pay into a fund, from which the state will provide insurance, or offer coverage directly. Prior to legislation, 64% of California employers expressed support for such a plan, noting that if all employers were affected, no company could gain a competitive advantage.

The California Chamber of Commerce opposed the bill, due to its potential impact on the state's 1 million small companies; the Chamber fears these may move to neighboring states. But labor groups contend that busi-

nesses such as restaurants and dry cleaners are unlikely to leave. Still, the Chamber and others will challenge the law in court (some lawyers believe it is an "illegal tax"), and voters will decide whether to repeal it in November.

What will November bring?

To call attention to the problem, the Robert Wood Johnson Foundation in mid-May sponsored *Cover the Uninsured Week*, when both Democrats and Republicans introduced insurance reform plans, and the AMA published a Special Communication¹ proposing tax credits for purchase of health coverage.

It seems most Americans support insurance for all working families, and debate is raging in the presidential campaign. John Kerry has called for insurance coverage for every child, and for universal access to the health benefits federal employees receive. President Bush opposes universal insurance, preferring a series of adjustments to increase access.

Foreign policy may overshadow health insurance in the election, but movement toward health care access for all workers will continue. If the federal government fails to take the lead, states will pursue their own initiatives, such as those occurring in California—as well as Maine, Utah, Oregon, Idaho, and Maryland.

obg@dowdenhealth.com

REFERENCE

1. Palmisano DJ, Emmons DW, Wozniak GD. Expanding insurance coverage through tax credits, consumer choice, and market enhancements. *JAMA*. 2004;291:2237–2242.