



## **Study: Fewer cover health**

### ***N.C. workers losing employer-based health coverage***

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North Carolinians are losing their employer-based health insurance faster than people in almost any other state, according to a report released yesterday.

From 2000 to 2004, the percentage of people in the state covered by health insurance from an employer fell 6.7 percentage points to 56.8 percent. That's about 559,000 fewer people.

Only Missouri, with a 7 percent drop, saw a bigger decrease.

The study was conducted by the Economic Policy Institute, a liberal policy group in Washington. It used numbers collected by the U.S. Census Bureau.

Analysts said that the drop continues a trend that began years earlier and that shows no sign of slowing down as health-care costs outpace what businesses can spend on them. North Carolina has been particularly vulnerable, they said, because of the decline in such traditional industries as furniture and textiles.

"These trends are tied to the economy, and they're tied to the economic change that we've seen in recent years," said John Quintero, a research associate at the N.C. Budget and Tax Center, a liberal policy group in Raleigh.

"The best we can hope for is for them to stabilize," Quintero said, "but I don't see anything on the horizon that would lead to any widespread reversal."

That doesn't mean, though, that analysts are any closer to a consensus on improving health care.

Gregg Thompson, the state director of the National Federation of Independent Business, said that the study emphasizes the need for small businesses to be able to form insurance associations with each other across state lines, an idea that Congress is

considering.

The associations could lower costs by spreading risk across a larger insurance pool. They have been criticized because they would be exempt from certain state laws, such as requirements that plans cover certain tests for cancer.

On the state level, the General Assembly considered a bill this year that would give some small businesses a tax credit for offering insurance, but it never became law.

"Small businesses' conditions are good, but they're still struggling," Thompson said. "If there's some place they have to reduce their bottom line, they're going to have to look at benefits to their employees."

Adam Searing, the director of the N.C. Health Access Coalition, said that state legislators should take another look at creating a separate insurance pool for claims of more than \$50,000, with the state chipping in to help pay for such claims. He has also lobbied to keep legislators from cutting Medicaid, the government program that provides health insurance for the poor.

"Policymakers need to focus on solving the health-care problems for everyone and not cutting services for the least among us," Searing said.

The study, released yesterday, also found that people in three surrounding states are more likely to receive health insurance through an employer. In Georgia, 61.2 percent of people do so; in South Carolina, 58.9 percent; and in Virginia, 64.7 percent. In Tennessee, it's 56.3 percent.

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