

**CONTACT: Dave Lemmon**  
**Geraldine Henrich-Koenis**  
**Bob Meissner**  
(202) 628-3030  
**Judy Putnam, MLHS**  
(517) 487-5436

## **Estimated 176,900 in Michigan Lost Health Coverage in 2009**

### **Huge Unemployment Jump in Michigan Resulted in More Uninsured**

**Washington, D.C.**—Approximately 176,900 people in Michigan lost health insurance coverage in 2009 due to a rise in unemployment, according to a report issued today by the health consumer organization Families USA.

According to the report, the state's average unemployment rate in 2008 was 8.4 percent, while the average rate this year was 13.6 percent, thereby resulting in losses of health coverage. At 15.3 percent in September, Michigan's rate remains the highest in the country.

The Families USA report is based on the link between rising unemployment and health insurance coverage losses. Most Americans – 61.9 percent of those under the age of 65 – get their health coverage through their own job or that of a family member. Job loss usually means loss of health coverage because other options, such as COBRA and individual coverage, are usually prohibitively expensive.

Nationwide, the unemployment rate in 2008 averaged 5.8 percent, ranging from 4.8 percent to 7.2 percent. In 2009, the unemployment rate through August rose to an average of 8.9 percent, ranging from 7.6 percent to 9.7 percent.\* The average number of people unemployed in 2008 was just under 9 million, and this average has grown so far to 13.7 million in 2009.

Based on this rise in unemployment, the Families USA report estimates that the number of uninsured working-age adults rose by 4 million – and, as a result, the total number of uninsured Americans now exceeds 50 million.

“People who receive a pink slip experience a double whammy,” said Ron Pollack, Executive Director of Families USA. “They not only lose their jobs but they usually lose their health coverage as well. That's why health care reform is so important. It will protect America's families when they lose or switch jobs.”

Sharon Parks, president and CEO of the Michigan League for Human Services, a group that advocates for low-income families, agreed. “As so many breadwinners lose their paychecks in Michigan, it's crushing to realize that you're losing your family's health care coverage, too. We have a fairly strong safety net for kids, but adults are often left twisting in the wind and go without.”

The Families USA report compares the percentage of uninsured adults in 2009 with the Census Bureau's

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\* The report's analysis is based on unemployment rates from January through August 2009. In September, the unemployment rate rose even further to 9.8 percent.

average annual percentage of uninsured adults for the three-year period of 2006-2008. According to the analysis, the percentage of uninsured adults in Michigan grew from 15.7 percent in 2006-2008 to a projected 18.7 percent in 2009.

“The loss of a job is a terrible blow to working families, but when health insurance is lost along with the job, it is a devastating one-two punch,” Pollack said. “The uninsured are less likely to get the care that they need when they need it, and they may face a financial catastrophe when medical bills start to pile up.

“An economic downturn exposes the tragic flaws in our health care system, revealing that the health and well-being of American families can be put in jeopardy overnight, despite their best efforts and their best plans to protect themselves. It is clearly time for change.”

The Families USA report “One-Two Punch: Unemployed and Uninsured,” is based on a model created by economists at The Urban Institute. The Institute’s formula shows that for every percentage point increase in the seasonally-adjusted unemployment rate, the percentage of uninsured working-age adults grows by 0.59 percentage points.

“With our soaring unemployment rate, there’s probably no place in the country where this hits home as hard as Michigan,” Parks said. “We must reform our health care system for the good of our families and for our economy.”

A copy of the Families report, “One-Two Punch: Unemployed and Uninsured,” is available on the Web. [Click here](#) to read the report.

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*Families USA is the national organization for health care consumers. It is a nonprofit, nonpartisan organization that advocates for high-quality, affordable health care for all Americans.*

*The Michigan League for Human Services is a statewide, nonprofit and nonpartisan advocacy group for low-income families. It has a network of more than 1,500 representing business, labor, faith-based organizations, human services professions as well as concerned citizens.*