It’s plain that our nation's health insurance system is broken: 46 million people in America lack health coverage—nine million of them children—and the number of uninsured is growing during the current recession.

Since 2001, the cost of family coverage from an employer has climbed by almost 80 percent, while workers' earnings have risen only 24 percent. And the number of businesses offering employees health coverage is declining. At the same time, the private health insurance industry has made huge profits, and several insurance firms have provided their top executives annual compensation packages exceeding $20 million.

Our health insurance system enables a few to get rich from insurance profits while millions of uninsured families can’t afford to provide their children regular visits to the doctor or dentist. This is unjust and costly.

Our health care system is crying out for reform, and our families and children are crying out for help. Reform must include a public health insurance plan option that competes with private insurers to extend comprehensive benefits through first-rate health care providers at an affordable price. Without this public plan choice, the health of our children will continue to be held hostage to profit-driven insurance companies.

A public health insurance plan option would encourage competition on the basis of cost and quality, not by avoiding the sick and denying care, as is the current practice. The plan will also keep costs down by negotiating bulk discounts from providers and drug companies through pooling on the model of the Veteran's Administration. A public health insurance plan option could be available nationwide to people who want it and deliver services through private health providers as Medicare does. Those satisfied with their current insurance could keep it.

America's health care system failure places struggling working families under great financial strain, which is worsened during the recession. Some insured families spend more on health care than on housing or food.

People who lose their jobs are likely to lose their health coverage, despite the subsidy in President Obama's economic recovery bill allowing newly unemployed people to buy health coverage through their former employer. The high costs of treating serious illnesses are a major contributor to bankruptcy. One study says medical problems were a reason for nearly half of all home foreclosures.

Insurance companies have not provided solutions to these huge problems and often cause them. For many insurers, maximizing profits is paramount and providing quality health coverage secondary. With little oversight or regulation, they control who gets coverage, what medical procedures they'll pay for, and the prices for coverage. Insurance companies routinely deny coverage to people with pre-existing medical conditions or those they think will become ill in the future.

A reason that insurers have been able to continue these practices is that a few companies control large portions of the market in some states. An American Medical Association survey

reveals that one private insurance company controls more than half the insurance market in 16 states and a third of the market in 38 states. With limited competition, many of these powerful companies can ignore pleas to provide patient-focused health care. Insurance companies in the small group market spend on average 25 to 27 percent of premium receipts on administrative costs—or profit—compared to the public Medicare program's administrative costs in the range of three percent.

Learn more about CDF's Health Coverage for All Children Campaign at www.childrensdefense.org/healthychild .

Marian Wright Edelman, whose latest book is The Sea Is So Wide And My Boat Is So Small: Charting a Course for the Next Generation *, is president of the Children's Defense Fund. For more information about the Children's Defense Fund, go to www.childrensdefense.org .*