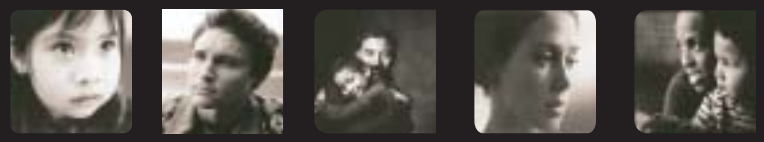

Cover The Uninsured Week
March 10-16, 2003

Going Without Health Insurance

Nearly One in Three Non-Elderly Americans

A report released by The Robert Wood Johnson Foundation

Prepared by Families USA for *Cover the Uninsured Week*

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Going without Health Insurance:
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For more information about *Cover the Uninsured Week*
as well as general background about the uninsured, consult
the Web site created by The Robert Wood Johnson Foundation
(www.CoverTheUninsuredWeek.org).

INTRODUCTION

Every year, the U.S. Census Bureau—in its Current Population Survey (CPS)—reports about the number of people who are uninsured. That report is designed to assess how many people were uninsured *throughout the previous year*.

In September 2002, the Census Bureau's CPS report estimated that there were 41 million such uninsured persons in the United States in 2001. This widely quoted number, therefore, is intended to be an estimate of the number of people who did not have any type of health insurance *at any point in time during the entire year 2001*.

There are many people, however, who are uninsured for a portion of a year but not for the entire year. These individuals are not reflected in the widely quoted number, but they may be profoundly impacted by their uninsured status—in terms of both their physical and economic well-being. This group of people, combined with the number of people who were uninsured throughout the year, provides a more thorough picture of how many people were directly impacted by a lack of health coverage.

To assess how many people were directly affected by the absence of health coverage recently, this report provides national and state-by-state estimates of how many people were uninsured during all or part of the 2001-2002 two-year period. The report also provides estimates about the length of time such persons were uninsured. As described more fully in the methodological appendix, the report's findings are based exclusively on data projections from the Census Bureau's CPS as well as its Survey of Income and Program Participation (SIPP).

Based on this analysis, approximately 74.7 million people under the age of 65—***nearly one out of three (30.1 percent)***—were without health insurance for all or part of 2001 and 2002. Of these 74.7 million uninsured individuals, almost two-thirds were uninsured for six months or more.

Table 1

People Under Age 65 without Health Insurance During 2001-2002, by State

State	Total Number	Percent of Non-Elderly Population
Alabama	1,159,000	30.2%
Alaska	169,000	28.3%
Arizona	1,635,000	34.7%
Arkansas	770,000	34.0%
California	11,090,000	35.5%
Colorado	1,243,000	31.1%
Connecticut	674,000	23.2%
Delaware	153,000	22.1%
District of Columbia	144,000	29.5%
Florida	4,626,000	33.8%
Georgia	2,365,000	31.3%
Hawaii	269,000	25.5%
Idaho	365,000	31.3%
Illinois	3,188,000	29.2%
Indiana	1,401,000	26.9%
Iowa	548,000	22.1%
Kansas	604,000	27.1%
Kentucky	963,000	27.6%
Louisiana	1,391,000	36.0%
Maine	254,000	23.8%
Maryland	1,123,000	23.9%
Massachusetts	1,249,000	22.6%
Michigan	2,290,000	26.3%
Minnesota	941,000	21.1%
Mississippi	870,000	34.9%
Missouri	1,181,000	24.3%
Montana	217,000	28.6%
Nebraska	345,000	23.3%
Nevada	607,000	31.9%
New Hampshire	252,000	23.3%
New Jersey	1,954,000	26.9%
New Mexico	602,000	38.6%
New York	4,977,000	30.3%
North Carolina	2,317,000	32.5%
North Dakota	133,000	24.7%
Ohio	2,556,000	26.3%
Oklahoma	997,000	33.7%
Oregon	890,000	28.7%
Pennsylvania	2,449,000	23.4%
Rhode Island	184,000	20.9%
South Carolina	981,000	28.2%
South Dakota	138,000	21.7%
Tennessee	1,382,000	27.3%
Texas	7,583,000	39.9%
Utah	651,000	31.1%
Vermont	120,000	22.3%
Virginia	1,585,000	25.3%
Washington	1,480,000	28.3%
West Virginia	420,000	28.5%
Wisconsin	1,094,000	23.6%
Wyoming	125,000	29.2%
United States*	**74,706,000**	**30.1%**

* Numbers do not add due to rounding.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

KEY FINDINGS

The Number of Uninsured People in 2001-2002

- Nearly one out of three people in the United States under the age of 65 went without health insurance for all or part of the two-year period 2001-2002 (approximately 74.7 million uninsured people out of a total of 248.3 million people under the age of 65). (See Table 1.)
- In nine states (including three of the four largest states in the country), *more than* one out of three people under the age of 65 went without health insurance for all or part of 2001-2002. Those states were Texas (39.9 percent of the total population under 65 were uninsured), New Mexico (38.6 percent), Louisiana (36.0 percent), California (35.5 percent), Mississippi (34.9 percent), Arizona (34.7 percent), Arkansas (34.0 percent), Florida (33.8 percent), and Oklahoma (33.7 percent). (See Table 1.)
- The 10 states with the largest number of uninsured people were California (11.1 million), Texas (7.6 million), New York (5.0 million), Florida (4.6 million), Illinois (3.2 million), Ohio (2.6 million), Pennsylvania (2.4 million), Georgia (2.4 million), North Carolina (2.3 million), and Michigan (2.3 million). (See Table 1.)

Number of Months Uninsured

- The vast majority of the 74.7 million uninsured people experienced a significant number of months without health insurance coverage. Nearly one-quarter (24.0 percent) of all uninsured people under the age of 65 were uninsured for the full 24 months during 2001-2002; 18.7 percent were uninsured for 13 to 23 months; 9.8 percent were uninsured for 9 to 12 months; 12.5 percent were uninsured for 6 to 8 months; and 24.9 percent were uninsured for 3 to 5 months. Only 10.0 percent of all uninsured people were without health insurance for two months or less. (See Table 2.)

Table 2

Duration without Health Insurance for Uninsured People Under Age 65, 2001-2002

Months Uninsured	Number Uninsured	As Percent of All Uninsured
1-2 Months	7,502,000	10.0%
3-5 Months	18,634,000	24.9%
6-8 Months	9,374,000	12.5%
9-12 Months	7,314,000	9.8%
13-23 Months	13,959,000	18.7%
24 Months	17,924,000	24.0%
Total*	**74,706,000**	**100.0%**

* Numbers do not add due to rounding.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Table 3

People Under Age 65 without Health Insurance for More than Six Months During 2001-2002, by State

State	Uninsured During 2001-2002	Uninsured 6+ Months	
	Number	Number	Percent
Alabama	1,159,000	837,000	72.2%
Alaska	169,000	94,000	55.9%
Arizona	1,635,000	1,152,000	70.5%
Arkansas	770,000	517,000	67.2%
California	11,090,000	7,517,000	67.8%
Colorado	1,243,000	775,000	62.3%
Connecticut	674,000	389,000	57.7%
Delaware	153,000	89,000	58.2%
District of Columbia	144,000	106,000	73.4%
Florida	4,626,000	2,806,000	60.6%
Georgia	2,365,000	1,360,000	57.5%
Hawaii	269,000	189,000	70.1%
Idaho	365,000	242,000	66.1%
Illinois	3,188,000	2,115,000	66.3%
Indiana	1,401,000	846,000	60.4%
Iowa	548,000	350,000	63.8%
Kansas	604,000	379,000	62.8%
Kentucky	963,000	639,000	66.3%
Louisiana	1,391,000	881,000	63.3%
Maine	254,000	148,000	58.5%
Maryland	1,123,000	561,000	50.0%
Massachusetts	1,249,000	821,000	65.7%
Michigan	2,290,000	1,601,000	69.9%
Minnesota	941,000	585,000	62.2%
Mississippi	870,000	628,000	72.1%
Missouri	1,181,000	701,000	59.3%
Montana	217,000	137,000	62.9%
Nebraska	345,000	198,000	57.3%
Nevada	607,000	428,000	70.5%
New Hampshire	252,000	144,000	57.2%
New Jersey	1,954,000	1,234,000	63.2%
New Mexico	602,000	410,000	68.1%
New York	4,977,000	3,108,000	62.5%
North Carolina	2,317,000	1,534,000	66.2%
North Dakota	133,000	91,000	68.3%
Ohio	2,556,000	1,676,000	65.6%
Oklahoma	997,000	543,000	54.4%
Oregon	890,000	678,000	76.2%
Pennsylvania	2,449,000	1,692,000	69.1%
Rhode Island	184,000	124,000	67.1%
South Carolina	981,000	650,000	66.3%
South Dakota	138,000	75,000	54.5%
Tennessee	1,382,000	924,000	66.9%
Texas	7,583,000	5,056,000	66.7%
Utah	651,000	432,000	66.3%
Vermont	120,000	65,000	53.9%
Virginia	1,585,000	941,000	59.4%
Washington	1,480,000	982,000	66.3%
West Virginia	420,000	282,000	67.2%
Wisconsin	1,094,000	773,000	70.6%
Wyoming	125,000	68,000	54.2%
United States*	**74,706,000**	**48,571,000**	**65.0%**

* Numbers do not add due to rounding.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

- Two-thirds (65.0 percent) of the 74.7 million uninsured people were without health insurance coverage for six months or longer during 2001-2002. In 26 states and the District of Columbia, the percentage of people who were uninsured for six months or longer was higher than 65 percent; in the District of Columbia and seven states (Alabama, Arizona, Hawaii, Mississippi, Nevada, Oregon, and Wisconsin), the percentage was over 70 percent. (See Table 3.)

Characteristics of Uninsured People

- **Work Status**
  - Nearly four in five individuals (77.9 percent) who went without health insurance during 2001-2002 were connected to the workforce in December 2002; 70.7 percent were employed and 7.2 percent were actively looking for employment. (See Table 4.)
  - Of the people who were uninsured during 2001-2002 (uninsured adults and parents of uninsured children), only 22.1 percent were not in the labor force—because they were disabled, chronically ill, family caregivers, or not looking for employment for other reasons. (See Table 4.)

Table 4

People Under Age 65 without Health Insurance During 2001-2002, by Employment Status*

Employment Status At End of Period	Number Uninsured	As Percent of All Uninsured
Employed (full or part time)	52,837,000	70.7%
Unemployed (seeking work)	5,371,000	7.2%
Not in Labor Force	16,498,000	22.1%
Total	**74,706,000**	**100.0%**

* The table reflects the employment status as projected for December 2002. For adults (ages 18 to 64), employment status reflects the individual's employment status. For children (under age 18), if one parent is employed, then the child is counted as "employed" or as a member of an employed family. See the technical appendix for details regarding the methodology.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Income

- More than half (56.1 percent) of individuals in families with incomes at or below 100 percent of the federal poverty level ($8,860 a year for a single adult and $15,020 a year for a family of three in 2002) were uninsured. (See Table 5.)
- Almost half (48.9 percent) of individuals in families with incomes between 100 and 200 percent of the federal poverty level (up to $17,720 a year for a single adult and up to $30,040 a year for a family of three in 2002) were uninsured. (See Table 5.)
- The likelihood of being uninsured decreases considerably with increased income, but 16.5 percent of the people with incomes four or more times the poverty level were uninsured. (See Table 5.)

Table 5
People Under Age 65 without Health Insurance During 2001-2002, by Income Level

Family Income Relative to Poverty Threshold	Number Uninsured	Percent of Income Group Uninsured
≤100%	18,033,000	56.1%
101-199%	20,776,000	48.9%
200-299%	11,796,000	28.7%
300-399%	8,150,000	22.6%
400%+	15,951,000	16.5%
Total	**74,706,000**	

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Age

- Of the total 74.7 million uninsured people, 54.5 million were uninsured adults (18 to 64 years old). (See Table 6.)
- The likelihood of being uninsured declined among adults as they grew older. The percentage who were uninsured was highest among 18- to 24-year-olds (49.6 percent) and 25- to 44-year-olds (32.7 percent). The percentage who were uninsured declined for 45- to 54-year-olds and 55- to 64-year-olds—to 21.2 percent and 20.8 percent, respectively. (See Table 6.)
- Of the total 74.7 million uninsured people, 20.2 million were uninsured children (under the age of 18)—27.9 percent of all children in the U.S. (See Table 6.)

Table 6

People Under 65 without Health Insurance During 2001-2002, by Age

Age	Number Uninsured	Percent of Age Group Uninsured	As Percent of All Uninsured
0-17 years	20,243,000	27.9%	27.1%
18-24 years	13,547,000	49.6%	18.1%
25-44 years	27,143,000	32.7%	36.3%
45-54 years	8,382,000	21.2%	11.2%
55-64 years	5,390,000	20.8%	7.2%
Total*	**74,706,000**		**100.0%**

* Numbers do not add due to rounding.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Race and Hispanic Origin

- White, non-Hispanic people made up the largest category (52.0 percent) of people under the age of 65 without health insurance for all or part of the two-year period. (See Table 7.)
- However, Hispanic and African American people were much more likely to be uninsured compared to white, non-Hispanic people. The percentage who were uninsured was 52.2 percent for Hispanic people and 39.3 percent for African American people, compared to 23.3 percent for white, non-Hispanic people. (See Table 7.)

Table 7

People Under Age 65 without Health Insurance During 2001-2002, by Race and Hispanic Origin

Race and Hispanic Origin	Number Uninsured	Percent of Race/Ethnic Group Uninsured	As Percent of All Uninsured
White non-Hispanic	38,877,000	23.3%	52.0%
Black non-Hispanic	12,517,000	39.3%	16.8%
Hispanic	18,566,000	52.2%	24.9%
Other	4,745,000	33.8%	6.4%
Total*	**74,706,000**		**100.0%**

* Numbers do not add due to rounding.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Gender

- Men made up slightly more than half (51.2 percent) of the non-elderly uninsured. (See Table 8.)
- Of all non-elderly men and boys, 30.9 percent went without health insurance for all or part of the two-year period 2001-2002. (See Table 8.)
- Of all non-elderly women and girls, 29.3 percent went without health insurance for all or part of the two-year period 2001-2002. (See Table 8.)

Table 8

People Under Age 65 without Health Insurance During 2001-2002, by Sex

Sex	Number Uninsured	Percent of Sex Group Uninsured	As Percent of All Uninsured
Male	38,232,000	30.9%	51.2%
Female	36,474,000	29.3%	48.8%
Total	**74,706,000**		**100.0%**

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

Region

- The incidence of people under the age of 65 who were without health insurance for all or part of 2001-2002 varied among the four regions of the country (Northeast, Midwest, South, and West). The percentage who were uninsured varied from 33.4 percent in the West to 25.8 percent in the Midwest. (See Table 9.)
- While the West had the highest incidence of uninsured people (33.4 percent), the South was a close second (32.6 percent). (See Table 9.)

Table 9

People Under 65 Without Health Insurance During 2001-2002, by Region

Region*	Number Uninsured	Percent of Regional Group Uninsured
Northeast	12,113,000	26.3%
Midwest	14,419,000	25.8%
South	28,831,000	32.6%
West	19,343,000	33.4%
Total	**74,706,000**	

* The Northeast region includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

The Midwest region includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The South region includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

The West region includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

DISCUSSION

According to the U.S. Census Bureau, an estimated 41 million Americans were uninsured in 2001. This widely quoted number, derived from the Census Bureau's annual Current Population Survey (CPS), has provided an excellent measure of trends in the number of uninsured people from year to year.

This study was designed to take a closer look, to improve our understanding of how many people experience a significant gap in coverage. Not only does it measure the number of uninsured people over a longer period of time than the CPS (two years in contrast to one), it also measures people uninsured for different lengths of time. By taking this closer look, we found that many more people were touched by a significant gap in health insurance than was previously recognized. These individuals were not included in the number of people without health insurance reported by the CPS. Nevertheless, they may be profoundly affected by being uninsured—in terms of both their physical and economic well-being. No picture of the causes and consequences of being uninsured is complete unless it includes all people who experience a significant gap in health insurance coverage.

As described more fully in the methodological appendix, this study's findings are based exclusively on data projections from the CPS as well as the Census Bureau's Survey of Income and Program Participation (SIPP).

Based on this analysis, approximately 74.7 million people under the age of 65—***nearly one out of three*** *(30.1 percent)*—were without health insurance for all or part of 2001 and 2002. Of these 74.7 million uninsured individuals, almost two-thirds were uninsured for six months or more.

The Proportion of Individuals with Gaps in Health Insurance Varied Significantly from State to State

On a national basis, the percentage of uninsured people under the age of 65 was nearly one out of three (30.1 percent). However, Table 1 shows that there was wide variation in the percentage of uninsured persons by state. Texas had the highest percentage—39.9 percent of the total population under 65 was uninsured for all or part of 2001-2002. Rhode Island had the lowest percentage—20.9 percent. This range—a difference of 19 per-

centage points—is due to variations in a number of factors, including the prevalence of jobs that offer health coverage; the categories of people covered by, income eligibility levels for, and enrollment rules of a state's Medicaid program and the state's Children's Health Insurance Program (SCHIP); state demographics (for instance, the proportion of immigrants or Latinos and African Americans in the population); state economies and the incomes of state residents; the existence of state COBRA-like health continuation laws for workers in small firms who lose their employer-based coverage; and other state health insurance programs.

Lack of Health Insurance Was a Problem for Working Individuals and Families

Table 4 shows that, contrary to popular perception, most people who experienced periods without health insurance in the last two years were connected to the workforce. Nearly four in five individuals (77.9 percent) who went without health insurance during 2001-2002 were connected to the workforce on December 2002. Of those uninsured individuals connected to the workforce, 70.7 percent were employed in December 2002 and 7.2 percent were actively looking for employment.

The remaining 22.1 percent of uninsured adults and parents of uninsured children were not in the labor force—that is, they did not have jobs and were not actively seeking one. Past research has shown that more than 80 percent of individuals without health insurance are part of families where at least one member works full- or part-time.[1] The findings in this study are not inconsistent with previous research, which looked at the work status of the entire family unit for everyone in the study. By contrast, *for children,* this study looked at the work status of the family unit (that is, if one parent in the family works). For adults, we looked at the work status of the *individual*, not the family unit. Thus, we did not count an adult who lives with a working spouse or in a family with another working adult as being connected to the workforce.

In addition to this methodological difference, the percentage of uninsured people connected to the workforce may have declined slightly over findings from past studies because the current recession is actually increasing the number of former workers who have stopped actively seeking a job and have left the labor force. People stop looking for a job and leave the labor force

for many reasons. Some people are disabled or chronically ill and unable to work. Many do not work in order to care for children or ailing family members. Others become discouraged over time when their job search is unsuccessful and stop looking for work. Economists suggest that, even though the official unemployment rate may hold steady, an estimated one million people left the labor force since the summer of 2002. Many of these discouraged former workers were in lower-wage jobs without health insurance benefits.[2]

There are three primary reasons why people employed in December 2002 have gone without health insurance coverage (or their children have gone without coverage) for all or part of the previous two years. First, not all jobs offer health insurance benefits. The likelihood that an employer offers health benefits to its workers varies considerably according to the characteristics of the employer. For example, small employers, low-wage employers, and employers with older workers are all less likely to be able to afford to offer health coverage to their employees than are their counterparts.[3] Second, some employees who have an offer of coverage from their employer cannot afford to pay their share of the cost of the premiums. This is particularly true for low-wage workers. [4]

The third most important reason why people employed in December 2002 experienced gaps in health insurance coverage in the past two years was temporary job loss, either due to lay offs, job elimination, termination, or worker choice—a common reality for workers balancing work and family responsibilities or trying to move up to a better job in an increasingly mobile workforce. Most workers who lose employer-based health insurance are eligible to remain temporarily on their former employer's plan through the federal COBRA statute or a state COBRA-like law affecting small employers.[5] However, the costs of such coverage are usually prohibitive. It is estimated that only one out of five unemployed workers who were eligible for COBRA coverage actually purchased it.[6] This is because an unemployed worker must usually pay the employer's full costs for such coverage plus a 2 percent administrative fee. The national average cost of employer-provided family coverage plus a 2 percent fee is $8,113 a year.[7] Thus, while it is not unusual to have a gap of time between jobs in today's work world, these gaps also leave workers and their families without insurance coverage and at serious health and financial risk.

Other Characteristics of People Who Face Gaps in Health Insurance

The characteristics of the uninsured in our study generally mirror those reported in the CPS. Low-income people, for example, were at the greatest risk of being uninsured. More than half (56.1 percent) of individuals in families with incomes at or below 100 percent of the federal poverty level ($8,860 a year for a single adult and $15,020 a year for a family of three in 2002) were uninsured. Almost half (48.9 percent) of individuals in families with incomes between 100 and 200 percent of the federal poverty level (up to $17,720 a year for a single adult and up to $30,040 a year for a family of three in 2002) were uninsured. As income rises, the risk of being uninsured declines.[8] (See Table 5.)

Similarly, this study found that African-Americans and Hispanics are more likely to be uninsured. Although white, non-Hispanic people made up the majority (52.0 percent) of people under the age of 65 without health insurance for all or part of the two-year period, only 23.3 percent of white, non-Hispanic people were uninsured.[9] By contrast, more than half (52.2 percent) of all non-elderly Hispanics and nearly four in 10 (39.3 percent) of all non-elderly African Americans were uninsured. (See Table 7.)

And finally, our study found that uninsurance varies by age. Older adults were less likely to be uninsured than are younger adults. Table 6 shows that, of the 74.7 million uninsured people, 54.5 million were uninsured adults (18 to 64 years old). The likelihood of being uninsured declines for adults as they grow older. The likelihood of being uninsured was highest among 18- to 24-year-olds (49.6 percent) and 25- to 44-year-olds (32.7 percent). The likelihood of being uninsured declined for 45- to 54-year-olds and 55- to 64-year-olds—to 21.2 percent and 20.8 percent, respectively. Since two-thirds of people get health insurance coverage through an employer (either their own or that of a family member), this decline in the likelihood of being uninsured is most likely explained by the tendency of adults to move to better compensated employment with health insurance benefits as they advance up the work ladder over time. However, people who do not have employer-based coverage and must therefore rely on the individual market are less able to secure health insurance coverage as they age. Insurers often will not

offer coverage to older people and, when they do, may charge much higher premiums.[10]

On the other hand, while the likelihood of being uninsured was highest for 18- to 24-year-olds, this age cohort accounted for only 18.1 percent of the total number of uninsured people. More than one-third (36.3 percent) of the uninsured were between 25 and 44 years of age; more than half (54.7 percent) were between 25 and 64 years of age. Thus, any solution that helps provide health insurance coverage to uninsured Americans must reach and work for middle-aged populations.

Our study did identify a significant number and percentage of uninsured children (under the age of 18). Of the total 74.7 million uninsured people, 20.2 million were uninsured children—27.9 percent of the total number of children in the U.S. (Table 6). By comparison, the March 2002 CPS (2001 data) showed that 8.5 million or 11.7 percent of the total number of children in the United States were uninsured.[11]

Medicaid and SCHIP should serve most children in families with incomes below 200 percent of the federal poverty level.[12] Families with incomes above that level—$30,040 annually for a family of three in 2002—primarily rely on employer-based coverage that includes coverage for dependents. Certainly, some children in moderate-income families are uninsured because their parents have jobs that do not offer health insurance benefits or do not include coverage of dependents in that benefit.

One explanation for the high rate of uninsured children found in our study is the movement of children on and off and back on Medicaid and SCHIP; this leaves a significant number of children uninsured for short periods of time. Sometimes called "churning," this pattern of enrollment and disenrollment is caused by a number of factors. For example, some states have periodic eligibility review processes that a parent may not successfully navigate in a timely manner. Other states require families to pay monthly premiums to receive health services, and the inability of an unemployed or low-wage parent to pay these premiums can result in loss of SCHIP eligibility, at least temporarily, until the premium is paid.[13]

WHY INSURANCE MATTERS

1 The uninsured are less likely to have a usual source of care outside the emergency room:

- Uninsured Americans are up to four times less likely to have a regular source of care than the insured. Uninsured children are nearly eight times less likely to have a regular source of care than insured children.[14]
- Uninsured adults, compared with the insured, are four times more likely to use the emergency room as a regular place of care. Similarly, uninsured children are five times more likely to use the emergency room as a regular place of care.[15]

2 The uninsured often go without screenings and preventive care:

- Among adults at significant risk of disease, the uninsured are more likely than the insured to go without routine checkups. Uninsured adults are also more likely than the insured to go without screening for cancer or hypertension and are more likely to go without diabetes management. [16]
- Uninsured adults and children are less likely than insured adults and children to receive preventive care or screening services on a regular basis.[17] Uninsured adults are more than 30 percent less likely than those with insurance to have had a check-up in the past year.[18] Uninsured men are 40 percent less likely to have had a prostate exam, and uninsured women are 60 percent less likely to have had a mammogram, compared to the insured.[19]
- Uninsured adults are less likely to be screened for cancer, cardiovascular disease, and diabetes than insured adults.[20] Largely due to belated diagnoses, uninsured people with cancer are generally in poorer health and are more likely to die than insured persons with cancer.[21]
- Uninsured adults are likely to be diagnosed with a disease at a later stage. Once diagnosed, the uninsured tend to receive a smaller amount of therapeutic care (drugs, surgical interventions) than the insured.[22]

3 The uninsured often delay or forgo needed medical care:

- Uninsured people with chronic health conditions receive less care than their insured counterparts. Uninsured people with heart disease have 28 percent fewer ambulatory care visits (in physicians' offices, clinics, or hospital outpatient settings) than insured people with heart disease. Among people with hypertension, the uninsured make 26 percent fewer visits. Among people with chronic back pain, the uninsured make 19 percent fewer visits. Among people with arthritis, the uninsured make 27 percent fewer visits.[23]

- Uninsured adults frequently go without recommended treatments. Uninsured adults with diabetes are less likely to receive recommended health services than insured adults with diabetes. Compared to the insured, the uninsured with HIV infection are less likely to receive highly effective medications that are known to improve survival.[24]
- Uninsured adults are more likely than insured adults to put off or delay seeking medical care due to cost (39 percent versus 10 percent).[25]

4 The uninsured are often subject to avoidable hospital stays:

- The rate of unnecessary hospital stays for uninsured adults more than doubled from 1980 to 1988. In 1998, an estimated 11.6 percent of hospital stays for uninsured people could have been avoided if the person had received appropriate treatment earlier.[26]
- The average cost of an unnecessary hospitalization for an uninsured adult was $3,300 in 2002.[27]

5 Uninsured Americans are sicker and die earlier than those who have insurance:

- Uninsured patients who have been admitted to the hospital for various reasons are more likely to die in the hospital than insured patients. Moreover, when admitted, uninsured patients are more likely to receive fewer services and to experience second-rate care than insured patients.[28]
- When hospitalized, uninsured patients are more likely to be in worse condition than insured patients.[29] Uninsured adults have a greater chance of experiencing a major health decline than insured adults.[30]

6 Medical care is more costly for the uninsured than for insured Americans:

- The uninsured are often charged more for health services than people with insurance. Major insurers, including Medicare and Medicaid, negotiate big discounts with hospitals and other providers that are not available to the uninsured.[31]
- Nearly 40 percent of uninsured adults reported problems paying their medical bills; 40 percent said they would have to cut back on necessary items such as food, rent, and utility bills to buy health insurance.[32]
- When the uninsured can no longer avoid obtaining care from professional health care providers, they borrow money to pay costs up front, work more than one job, charge credit cards for large health care bills that will take years to repay, or eventually file for bankruptcy.[33]
- Insurance has important health and financial consequences for everyone. When the uninsured rely on emergency instead of preventive care, access is limited for all Americans, productivity is reduced, and costs are added to the health care system.[34]

CONCLUSION

Nearly **one out of three** people in the United States under the age of 65 went without health insurance during 2001-2002, putting 74.7 million people at risk of devastating financial and health consequences. The vast majority of these uninsured people were without health coverage for lengthy periods of time. Nearly four in five individuals who have experienced periods without health insurance are connected to the workforce. In the years ahead, the number of individuals without health insurance is likely to increase—unless concrete and significant actions are taken soon.

ENDNOTES

[1] Kaiser Commission on Medicaid and the Uninsured, *The Uninsured and Their Access to Health Care* (Washington: Kaiser Commission, February 2002).

[2] See David Leonhardt, "U.S. Economy in Worst Hiring Slump in 20 Years," *The New York Times*, February 6, 2003.

[3] The Henry J. Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits, 2002 Annual Survey* (Menlo Park, California: The Henry J. Kaiser Family Foundation, 2002).

[4] Peter J. Cunningham, Elizabeth Schaefer, and Christopher Hogan, *Issue Brief: Who Declines Employer-Sponsored Health Insurance and is Uninsured?* Number 22 (Washington: Center for Studying Health System Change, October 1999). This report of a 1996-1997 survey found that, of workers with access to employer-provided health insurance coverage, 14 percent were not enrolled. Most of those not enrolled had other coverage—Medicaid, other public coverage, or private insurance purchased directly or provided by someone outside the family. However, one-third of the workers who did not enroll in employer-based coverage were uninsured, an estimated 5 percent of all persons with access to employer-based coverage. Among low-income persons (with family incomes below the poverty level) with access to employer-based coverage, 19 percent were uninsured. This report estimates that about 20 percent of all uninsured persons are people who have access to employer-based coverage but do not enroll.

[5] COBRA, the 1986 Consolidated Omnibus Budget Reconciliation Act, allows certain workers leaving their jobs to retain coverage under their former employers' insurance plans for a fixed period of time (usually 18 months) by paying the entire premium cost plus 2 percent for administrative expenses. COBRA only creates this right for workers in firms with 20 or more employees. Often, similar state laws cover smaller employers. For a brief description of COBRA and a table of state COBRA-like laws, see Kathleen Stoll, *Special Report: More than 725,000 Laid-Off Workers Have Lost Health Coverage Since the Recession Began in March* (Washington: Families USA, December 2001).

[6] Charles D. Spencer and Associates, *2000 COBRA Survey: One in Five Elect Coverage, Cost Is 154% of Active Employees' Cost* (Chicago: Spencer's Benefit Reports, 2000).

[7] The Henry J. Kaiser Family Foundation and Health Research and Educational Trust, op. cit.

[8] While the rate declines as income rises, nonetheless a significant number of uninsured adults were in families with at least moderate incomes: Among families with incomes between 300 and 400 percent of the federal poverty level, 22.6 percent were uninsured and, among families with incomes above 400 percent of the federal poverty level, 16.5 percent were uninsured. Further analysis will be necessary to determine how many of these uninsured individuals were in families with incomes significantly higher than 400 percent. Also, further analysis is needed to determine the duration of periods without health insurance for higher-income populations. Possible explanations for why moderate- and higher-income workers are uninsured should be explored, including: How many moderate-income workers did not have offers of employer-based health insurance coverage? How many moderate-income workers experienced periods of unemployment and could not afford to take advantage of their COBRA option to continue employer-based coverage at the full cost? How many moderate-income workers were part-time, temporary, or contract workers who did not qualify to participate in their employers' health insurance plans? For all of these categories of workers without employer-based coverage, was health insurance available through the individual market, or did a preexisting condition, health status, or age prevent them from having any (or any reasonable) offers of coverage?

[9] Why are the rates of uninsurance higher among Hispanic and African Americans? While employer-based health insurance coverage is the most common source of insurance for people under the age of 65 in the United States, as our data show, many uninsured people are in families with at least one member who is working. *However, people of color are more likely to work and not have health insurance benefits as compared to working white people*: 72 percent of working white people have employer-based coverage compared to only 53 percent of working African Americans and 44 percent of working Hispanic people. People of color are disproportionately represented in low-wage jobs and jobs in sectors less likely to have health insurance benefits. Further, research by Richard Brown and his colleagues at the UCLA Center for Health Policy Research shows that African American and Hispanic workers have lower employment-based coverage rates than white workers across *all* firm sizes, industries, and employment sectors. For example, non-Hispanic whites who work in small firms are twice as likely to be offered health insurance as are Hispanic workers. Among higher-coverage sectors such as manufacturing and professional services, 72 percent of African Americans are covered compared to 86 percent of non-Hispanic whites. See E. Richard Brown, Victoria D. Ojeda, Roberta Wyn, and Rebecca Levan, *Racial and Ethnic Disparities in Access to Health Insurance and Health Care* (Los Angeles: UCLA Center for Health Policy Research and The Henry J. Kaiser Family Foundation, April 2000). Medicaid helps to fill in some of the holes in coverage for Hispanics and African Americans. Medicaid provides health insurance for about one in five of all non-elderly Hispanic and African American individuals compared to less than one in 10 of all non-elderly whites. Among the poorest populations, Medicaid rivals

private insurance as a major source of coverage. Medicaid covers about one-half of African Americans and about one in four Hispanics with incomes below poverty. However, it is not true that Medicaid primarily serves people of color. Of the estimated 31.6 million people that the Medicaid program served in 2001, roughly half were non-Hispanic whites. See Robert J. Mills, *Health Insurance Coverage: 2001* (Washington: U.S. Census Bureau, September 2002).

[10] See Kathleen Stoll, *A 10-Foot Rope for a 40-Foot Hole: Tax Credits for the Uninsured, 2002 Update* (Washington: Families USA, May 2002); see also Karen Pollitz, Richard Sorian, and Kathy Thomas, *How Accessible Is Individual Health Insurance for Consumers in Less-Than-Perfect Health?* (Washington: The Henry J. Kaiser Family Foundation, June 2001).

[11] Robert J. Mills, *Health Insurance Coverage: 2001* (Washington: U.S. Census Bureau, September 2002).

[12] SCHIP was enacted in 1997. The enactment of SCHIP gave states $40 billion over 10 years to provide health coverage for low-income, uninsured children who live in families that earn too much to qualify for Medicaid but not enough to afford private insurance. Today, all 50 states and the District of Columbia have SCHIP programs. As of February 2002, in 41 states and the District of Columbia, the SCHIP eligibility level was at least 200 percent of poverty. In the remaining nine states, the eligibility levels in eight were above 150 percent, and in four states, the level was 185 percent or higher: Colorado covers children up to 185 percent of the federal poverty level; Indiana up to 157 percent; Illinois up to 192 percent (except for infants under the age of one who are covered up to 200 percent); Montana up to 160 percent; North Dakota up to 147 percent; Oklahoma up to 195 percent; Oregon up to 170 percent; South Carolina up to 158 percent (except for infants under the age of one who are covered up to 185 percent); and Wyoming up to 166 percent. See Families USA, *Disparities in Eligibility for Public Health Insurance: Children and Adults in 2001* (Washington: Families USA, February 2002). The number of children ever enrolled in SCHIP reached 4.6 million in fiscal year 2001, although only 3.5 million were enrolled in December 2001. See Centers for Medicare and Medicaid Services, *The State Children's Health Insurance Program Annual Enrollment Report, Federal Fiscal Year 2001: October 1, 2000 – September 30, 2001* (downloaded on February 2, 2003 from http://cms.hhs.gov./schip/); Vernon K. Smith and David Rousseau, *SCHIP Program Enrollment: December 2001 Update* (Washington: The Kaiser Commission on Medicaid and the Uninsured, June 2002).

[13] See Rachel Klein, *Promising Ideas in Children's Health Insurance* (Washington: Families USA, May 2001).

[14] American College of Physicians-American Society of Internal Medicine, *No Health Insurance? It's Enough to Make You Sick* (Philadelphia: American College of Physicians-American Society of Internal Medicine, November 1999).

[15] Ibid.

[16] John Z. Ayanian, Joel S. Weissman, Eric C. Schneider, Jack A. Ginsburg, Alan Zaslavasky, "Unmet Health Needs of Uninsured Adults in the United States," *Journal of the American Medical Association* 284, No. 16 (25 October 2000): 2061-69.

[17] Institute of Medicine, *Care Without Coverage: Too Little, Too Late* (Washington: National Academy Press, 2002); American College of Physicians-American Society of Internal Medicine, op. cit.

[18] Kaiser Commission on Medicaid and the Uninsured, *The Uninsured and Their Access to Health Care* (Washington: Kaiser Commission on Medicaid and the Uninsured, May 2000).

[19] Ibid.

[20] Jack Hadley, *Sicker And Poorer: The Consequences of Being Uninsured* (A Review of the Literature) Briefing Charts (Washington: Kaiser Commission on Medicaid and the Uninsured, May 2002).

[21] Institute of Medicine, op. cit.

[22] Jack Hadley, op. cit.

[23] Cheryl Fish-Parcham, *Getting Less Care: The Uninsured with Chronic Health Conditions* (Washington, Families USA, February 2001).

[24] Institute of Medicine, op. cit.

[25] The NewsHour with Jim Lehrer/Kaiser Family Foundation, *National Survey on the Uninsured*, April 2000 (www.pbs.org/newshour/health/uninsured).

[26] L. J. Kozak, et al., "Trends in Avoidable Hospitalizations," *Health Affairs* 20, No. 2 (March/April 2001): 225-32.

[27] C. Hoffman, D. J. Gaskin, *The Costs of Preventable Hospitalizations among Uninsured and Medicaid Adults* (Washington: Kaiser Family Foundation, 2001) as cited in Jack Hadley, op. cit.

[28] Institute of Medicine, op. cit.

[29] R. C. Bradbury, et al., "Comparing Uninsured and Privately Insured Hospital Patients: Admission Severity, Health Outcomes, and Resource Use," *Health Services Management Research* 321, No. 8 (24 August 2001): 508-13.

[30] D. W. Baker, et al., "Lack of Health Insurance and Decline in Overall Health in late Middle Age," *The New England Journal of Medicine* 345, No. 15 (October 2001): 1106-1112.

[31] Irene Wielawski, "Gouging the Medically Uninsured: A Tale of Two Bills," *Health Affairs* 19, No. 5 (September/October 2000): 180-185.

[32] The NewsHour with Jim Lehrer/Kaiser Family Foundation, *National Survey on the Uninsured, 2000* (www.pbs.org/newshour/health/uninsured).

[33] Martha Shirk, *In Their Own Words: The uninsured talk about living without health insurance* (Washington: Kaiser Family Foundation, 2000).

[34] American College of Physicians-American Society of Internal Medicine, op. cit.

PEOPLE UNDER AGE 65 WITHOUT HEALTH INSURANCE DURING 2001-2002, SELECTED STATES

California

Florida

Illinois

New York

Pennsylvania

Texas

CALIFORNIA

Likelihood of People under 65 Being Uninsured During 2001-2002

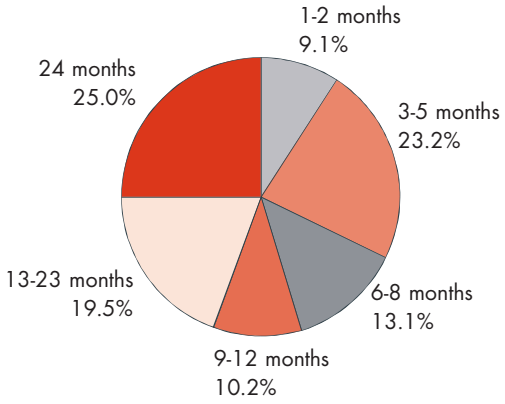
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**31,246,000**	**11,090,000**	**35.5%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	1,006,000	–
3-5 Months	n/a	2,568,000	–
6-8 Months	n/a	1,451,000	–
9-12 Months	n/a	1,132,000	–
13-23 Months	n/a	2,160,000	–
24 Months	n/a	2,773,000	–
Employment Status of Head of Household			
Employed (full- or part-time)	23,729,000	7,724,000	32.5%
Unemployed	1,690,000	857,000	50.7%
Not in Labor Force	5,826,000	2,510,000	43.1%
Family Income Relative to Federal Poverty Level			
≤ 200%	10,573,000	5,955,000	56.3%
201%+	20,673,000	5,136,000	24.8%
Sex			
Male	15,728,000	5,721,000	36.4%
Female	15,518,000	5,370,000	34.6%
Age			
0-10	6,086,000	1,900,000	31.2%
11-17	3,789,000	1,246,000	32.9%
18-34	8,825,000	4,468,000	50.6%
35-64	12,545,000	3,476,000	27.7%
Race and Hispanic Origin			
White non-Hispanic	13,549,000	3,154,000	23.3%
Black non-Hispanic	1,931,000	628,000	32.5%
Hispanic	11,449,000	5,909,000	51.6%
Other	4,317,000	1,399,000	32.4%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

CALIFORNIA

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

Months Uninsured



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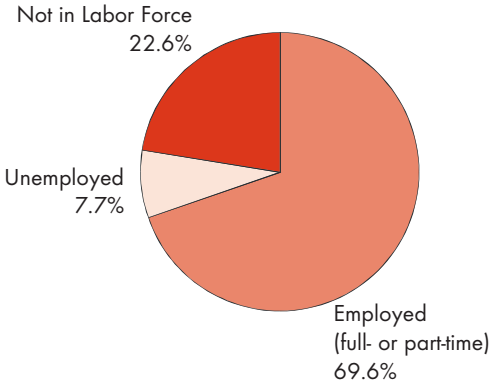
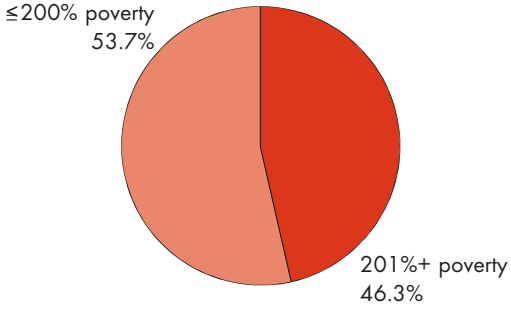
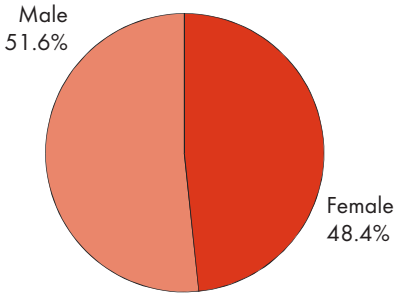


Family Income



Sex



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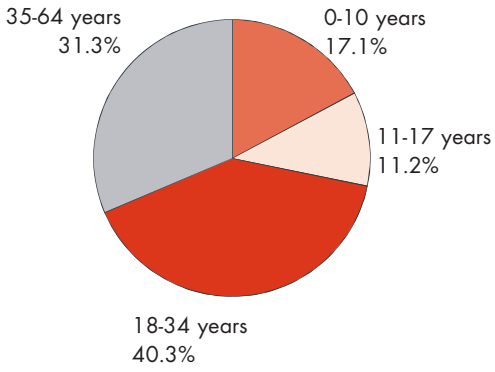
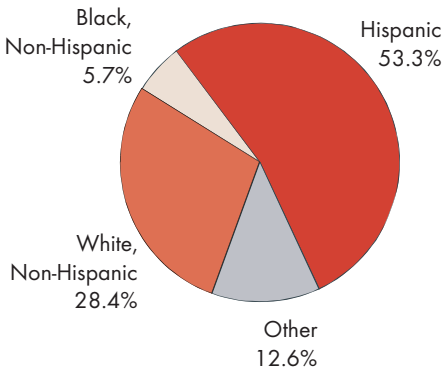


Race and Hispanic Origin



FLORIDA

Likelihood of People under 65 Being Uninsured During 2001-2002

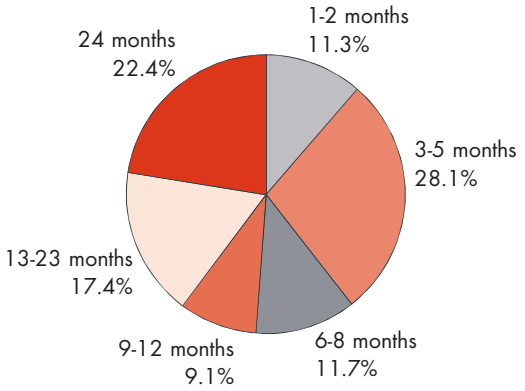
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**13,688,000**	**4,626,000**	**33.8%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	522,000	–
3-5 Months	n/a	1,298,000	–
6-8 Months	n/a	541,000	–
9-12 Months	n/a	422,000	–
13-23 Months	n/a	806,000	–
24 Months	n/a	1,036,000	–
Employment Status of Head of Household			
Employed (full- or part-time)	10,562,000	3,364,000	31.8%
Unemployed	535,000	265,000	49.6%
Not in Labor Force	2,591,000	997,000	38.5%
Family Income Relative to Federal Poverty Level			
≤ 200%	4,575,000	2,522,000	55.1%
201%+	9,113,000	2,104,000	23.1%
Sex			
Male	6,967,000	2,448,000	35.1%
Female	6,721,000	2,179,000	32.4%
Age			
0-10	2,306,000	760,000	32.9%
11-17	1,620,000	498,000	30.8%
18-34	3,468,000	1,702,000	49.1%
35-64	6,294,000	1,666,000	26.5%
Race and Hispanic Origin			
White non-Hispanic	8,253,000	2,074,000	25.1%
Black non-Hispanic	2,140,000	953,000	44.5%
Hispanic	2,873,000	1,483,000	51.6%
Other	422,000	115,000	27.3%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

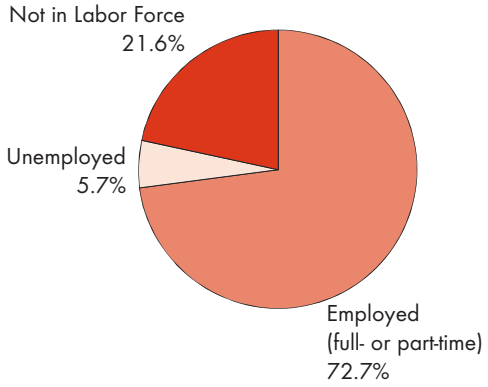
FLORIDA

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

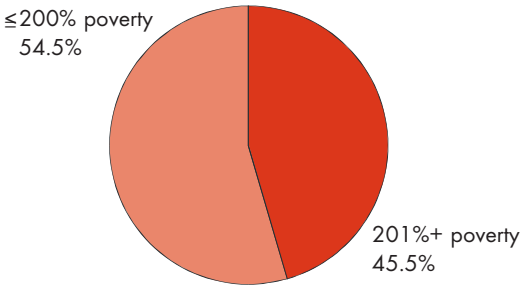
Months Uninsured



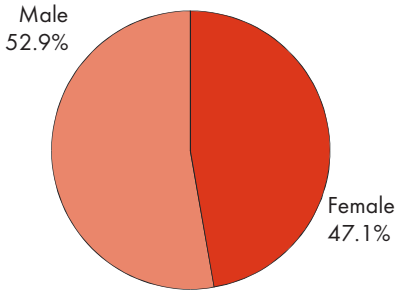
Employment Status



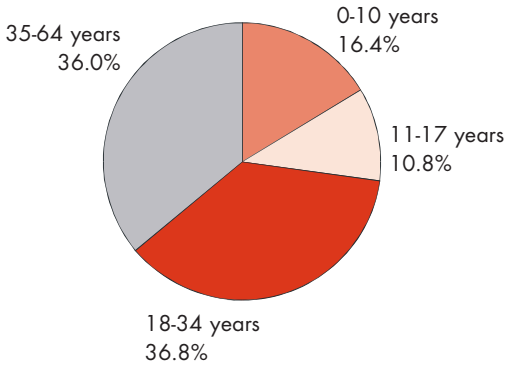
Family Income



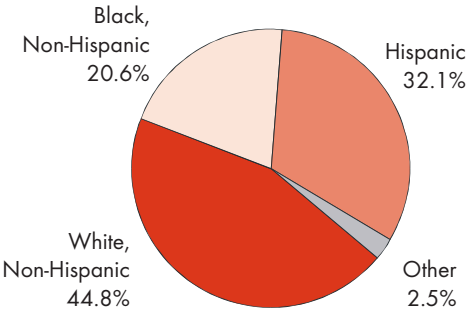
Sex



Age



Race and Hispanic Origin



ILLINOIS

Likelihood of People under 65 Being Uninsured During 2001-2002

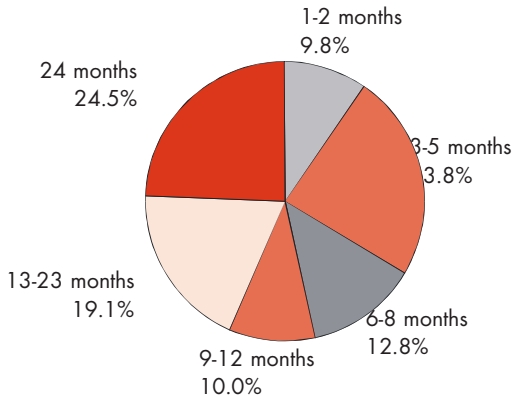
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**10,903,000**	**3,188,000**	**29.2%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	314,000	–
3-5 Months	n/a	760,000	–
6-8 Months	n/a	408,000	–
9-12 Months	n/a	318,000	–
13-23 Months	n/a	608,000	–
24 Months	n/a	781,000	–
Employment Status of Head of Household			
Employed (full- or part-time)	8,524,000	2,253,000	26.4%
Unemployed	551,000	239,000	43.3%
Not in Labor Force	1,828,000	697,000	38.1%
Family Income Relative to Federal Poverty Level			
≤ 200%	2,825,000	1,493,000	52.9%
201%+	8,078,000	1,695,000	21.0%
Sex			
Male	5,392,000	1,611,000	29.9%
Female	5,511,000	1,577,000	28.6%
Age			
0-10	1,877,000	493,000	26.3%
11-17	1,215,000	327,000	26.9%
18-34	2,835,000	1,229,000	43.3%
35-64	4,976,000	1,140,000	22.9%
Race and Hispanic Origin			
White non-Hispanic	7,396,000	1,693,000	22.9%
Black non-Hispanic	1,830,000	769,000	42.0%
Hispanic	1,293,000	613,000	47.4%
Other	384,000	113,000	29.5%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

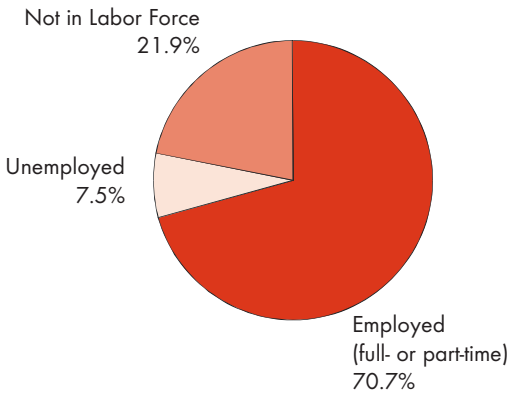
ILLINOIS

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

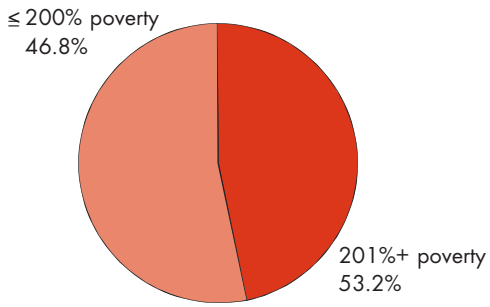
Months Uninsured



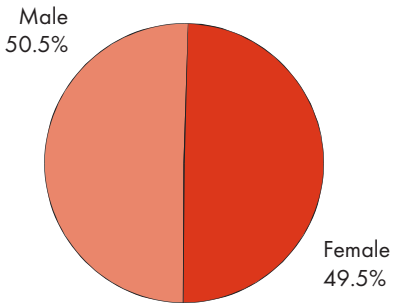
Employment Status



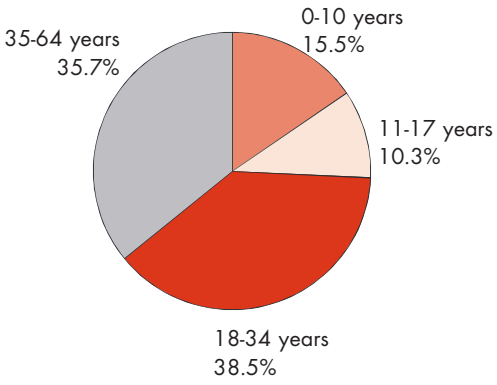
Family Income



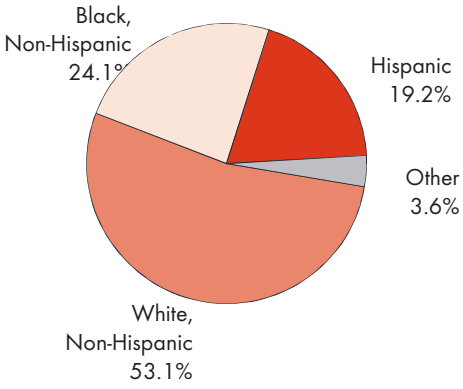
Sex



Age



Race and Hispanic Origin



NEW YORK

Likelihood of People under 65 Being Uninsured During 2001-2002

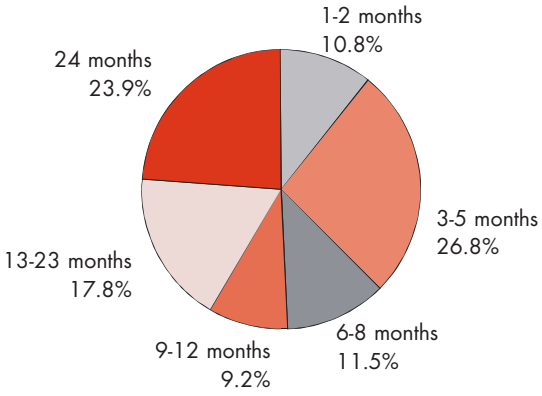
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**16,413,000**	**4,977,000**	**30.3%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	535,000	–
3-5 Months	n/a	1,333,000	–
6-8 Months	n/a	572,000	–
9-12 Months	n/a	459,000	–
13-23 Months	n/a	887,000	–
24 Months	n/a	1,191,000	–
Employment Status of Head of Household			
Employed (full- or part-time)	12,120,000	3,212,000	26.5%
Unemployed	780,000	360,000	46.2%
Not in Labor Force	3,512,000	1,404,000	40.0%
Family Income Relative to Federal Poverty Level			
≤ 200%	5,127,000	2,554,000	49.8%
201%+	11,285,000	2,422,000	21.5%
Sex			
Male	8,095,000	2,562,000	31.7%
Female	8,318,000	2,414,000	29.0%
Age			
0-10	2,711,000	636,000	23.4%
11-17	1,854,000	464,000	25.0%
18-34	4,445,000	2,088,000	47.0%
35-64	7,403,000	1,788,000	24.2%
Race and Hispanic Origin			
White non-Hispanic	10,350,000	2,314,000	22.4%
Black non-Hispanic	2,551,000	1,012,000	39.7%
Hispanic	2,440,000	1,180,000	48.4%
Other	1,073,000	470,000	43.8%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

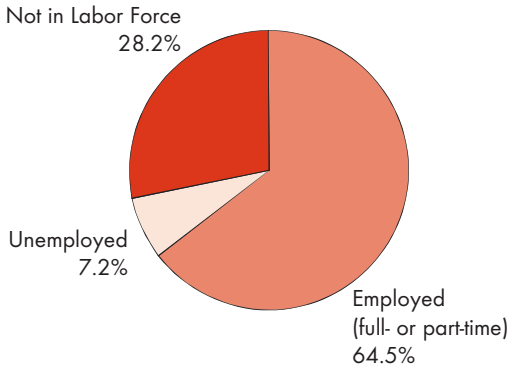
NEW YORK

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

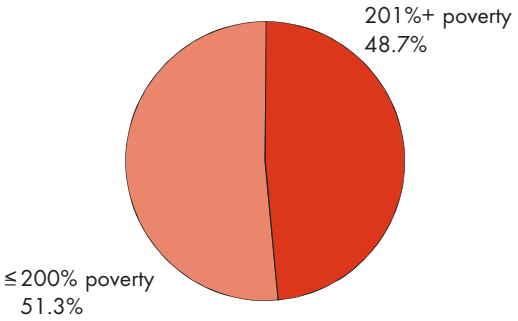
Months Uninsured



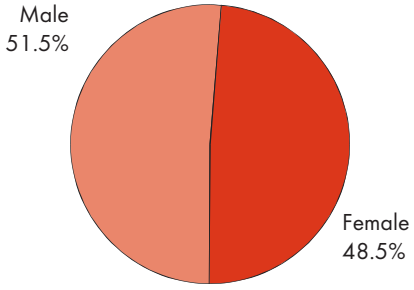
Employment Status



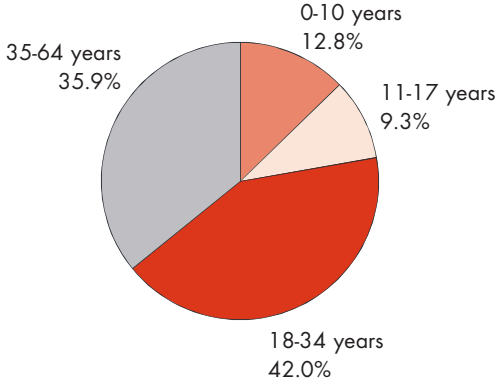
Family Income



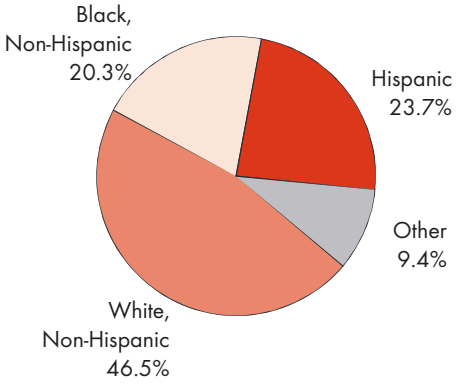
Sex



Age



Race and Hispanic Origin



PENNSYLVANIA

Likelihood of People under 65 Being Uninsured During 2001-2002

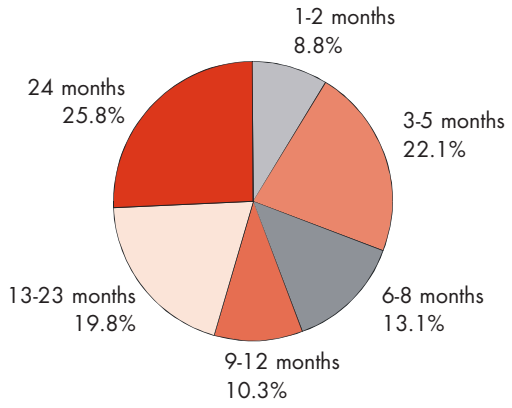
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**10,463,000**	**2,449,000**	**23.4%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	215,000	–
3-5 Months	n/a	542,000	–
6-8 Months	n/a	322,000	–
9-12 Months	n/a	253,000	–
13-23 Months	n/a	485,000	–
24 Months	n/a	632,000	–
Employment Status of Head of Household			
Employed (full- or part-time)	8,063,000	1,689,000	20.9%
Unemployed	513,000	194,000	37.9%
Not in Labor Force	1,887,000	566,000	30.0%
Family Income Relative to Federal Poverty Level			
≤200%	2,602,000	1,158,000	44.5%
201%+	7,861,000	1,291,000	16.4%
Sex			
Male	5,135,000	1,234,000	24.0%
Female	5,328,000	1,215,000	22.8%
Age			
0-10	1,624,000	393,000	24.2%
11-17	1,124,000	243,000	21.6%
18-34	2,606,000	964,000	37.0%
35-64	5,109,000	849,000	16.6%
Race and Hispanic Origin			
White non-Hispanic	8,822,000	1,820,000	20.6%
Black non-Hispanic	978,000	359,000	36.7%
Hispanic	444,000	208,000	46.9%
Other	220,000	62,000	28.3%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

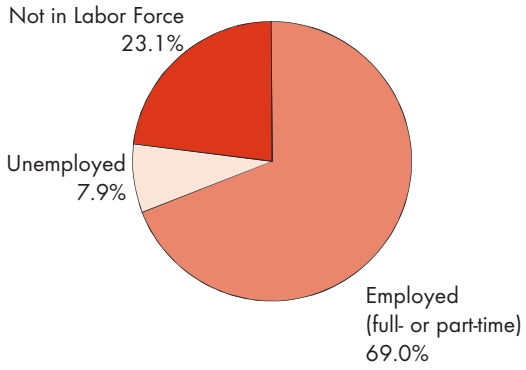
PENNSYLVANIA

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

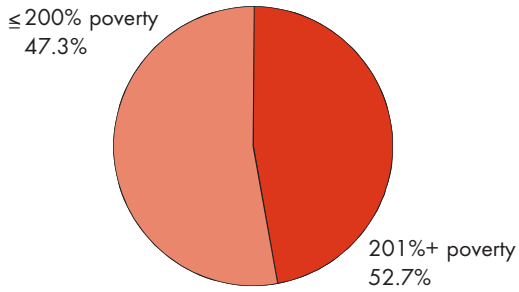
Months Uninsured



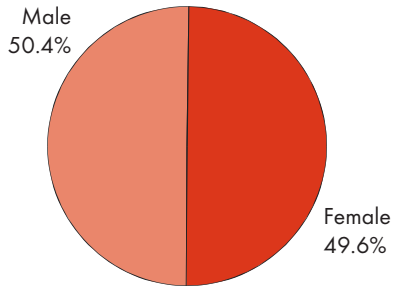
Employment Status



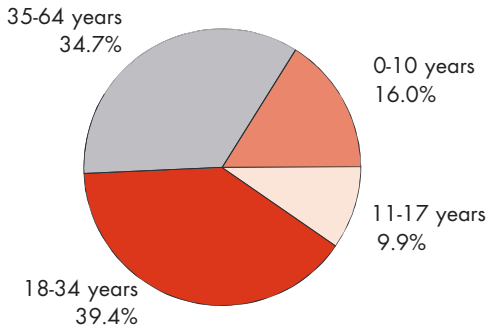
Family Income



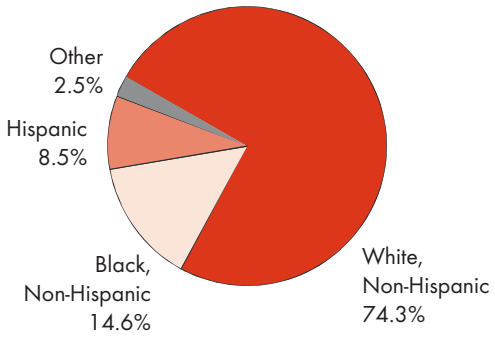
Sex



Age



Race and Hispanic Origin



TEXAS

Likelihood of People under 65 Being Uninsured During 2001-2002

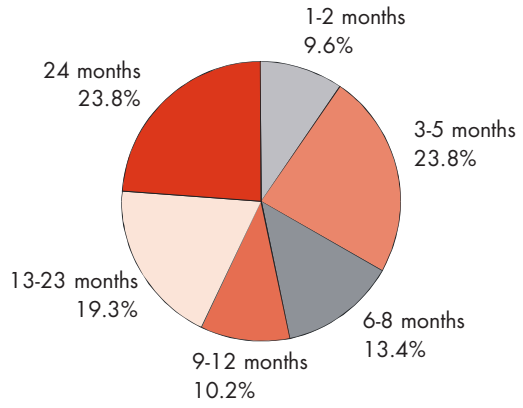
	All Non-Elderly	Non-Elderly Uninsured	
	Number	Number	Percent
All Non-Elderly	**18,983,000**	**7,583,000**	**39.9%**
Months Uninsured During 2001-2002			
1-2 Months	n/a	725,000	-
3-5 Months	n/a	1,802,000	-
6-8 Months	n/a	1,015,000	-
9-12 Months	n/a	774,000	-
13-23 Months	n/a	1,462,000	-
24 Months	n/a	1,804,000	-
Employment Status of Head of Household			
Employed (full- or part-time)	14,788,000	5,502,000	37.2%
Unemployed	906,000	512,000	56.6%
Not in Labor Force	3,289,000	1,569,000	47.7%
Family Income Relative to Federal Poverty Level			
≤200%	7,041,000	4,432,000	62.9%
201%+	11,942,000	3,151,000	26.4%
Sex			
Male	9,537,000	3,914,000	41.0%
Female	9,446,000	3,669,000	38.8%
Age			
0-10	3,814,000	1,463,000	38.4%
11-17	2,394,000	945,000	39.5%
18-34	5,325,000	2,906,000	54.6%
35-64	7,450,000	2,269,000	30.5%
Race and Hispanic Origin			
White non-Hispanic	8,965,000	2,241,000	25.0%
Black non-Hispanic	2,162,000	935,000	43.2%
Hispanic	7,046,000	4,082,000	57.9%
Other	810,000	325,000	40.2%

Source: Estimates based on the Census Bureau's most recent CPS and SIPP data.

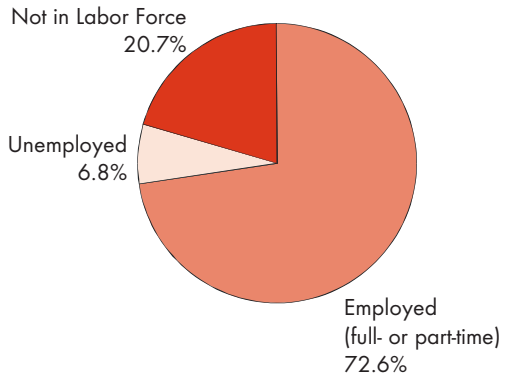
TEXAS

Characteristics of the Non-Elderly without Health Insurance During 2001-2002

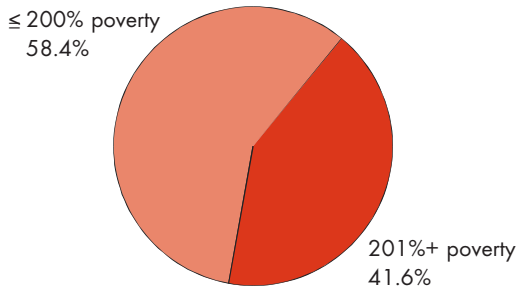
Months Uninsured



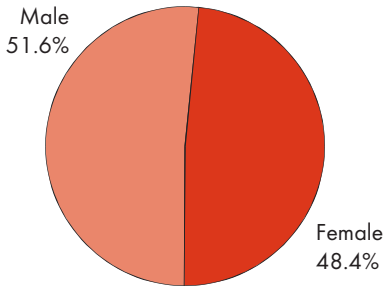
Employment Status



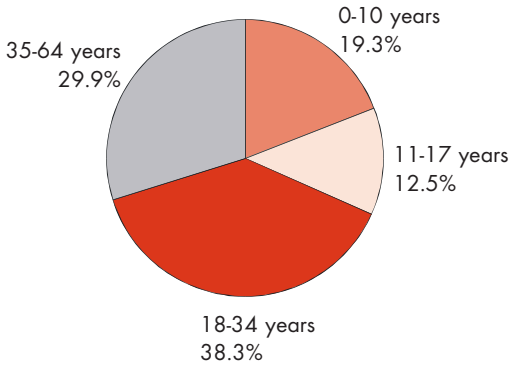
Family Income



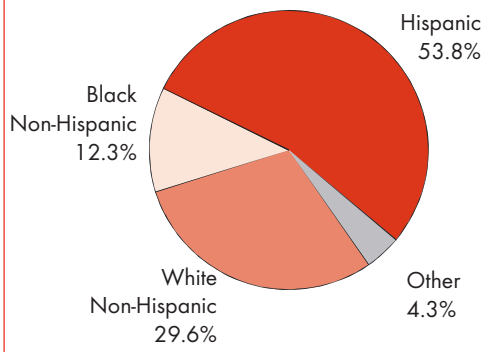
Sex



Age



Race and Hispanic Origin



TECHNICAL APPENDIX

by
The Lewin Group
Lisa Alecxih
John Corea
Federico Leo

EXECUTIVE SUMMARY

The Lewin Group estimated the number of individuals under age 65 without health insurance for at least one month over the 2001 to 2002 period by combining several data sources. The 1996 Panel of the Survey of Income and Program Participation (SIPP) provided data to estimate logistic regression models predicting whether an individual would not have health insurance for at least a month over a 24-month period approximately from the beginning of 1998 to the end of 1999. The SIPP was chosen because of its large sample size, state identifiers, and monthly reporting of health insurance status. Separate equations were estimated for children and non-elderly adults. The resulting regression models were applied to March 2002 Current Population Survey (CPS) data, which provided the most recent data on health insurance coverage, employment income, and population estimates, and which supports state-level estimates. The regression models included key variables that allowed the results to reflect relevant state-specific and overall trends in the proportion without health insurance between 1999 and 2002. In addition to demographic trends and differences already reflected in the March 2002 CPS data, we added state-level variables to reflect key drivers of insurance coverage through the end of 2002. For children, we reflected changes in annual Medicaid (including SCHIP) enrollment among low-income children through 2002. For adults, we reflected changes in the annual unemployment rate through 2002.

I. Introduction

For this report, we developed state-level estimates of the number of individuals who did not have health insurance at any point over a two-year period and of those without insurance for six months or more over a two-year period. We produced separate estimates for children (younger than 18) and non-elderly adults (age 18 to 64). We also produced tables showing the number and proportion of uninsured by selected characteristics.

There are several methods for estimating the number of uninsured persons. A point-in-time estimate reports the number of people who are without health insurance at one point in time (e.g., on a given day or in a given month). Alternatively, an estimate over a period of time reports the number of people who are without health insurance at any time during the period (e.g., during the last year).

We used an estimate of the uninsured over a period of time for both analyses for several reasons. First, because many of the uninsured are without insurance for a short period of time, a point-in-time estimate understates the population at risk of being without health insurance. Second, estimates based on individuals uninsured over a period of time provide a more accurate representation of all of the people who lose their insurance. This is because a point-in-time estimate will contain a disproportionate share of persons who were uninsured for a long period of time, and these individuals

often have a different mix of characteristics than those uninsured for a short period of time (Swartz, 1990).

For these analyses, we used the 1996 Panel of the Survey of Income and Program Participation (SIPP) and the March Annual Supplement of the 2002 Current Population Survey (CPS). We used the 1996 SIPP because it contains the most recent data that provide monthly insurance information longitudinally over a two-year period. We used the CPS because it provides the most recent state-level estimates. Both surveys are nationally representative and contain basic demographic and economic characteristics of the non-institutionalized population. The 1996 SIPP contains 48 months of data, from which we used records for individuals with 24 months of data spanning 1998 and 1999. This file contained approximately 49,000 individuals, of whom about 29,000 were non-elderly adults and 12,000 were children. The 2002 CPS contained data on approximately 217,000 individuals, of whom about 129,000 were non-elderly adults and 67,000 were children.

II. State-Level Estimates

There are no reliable state-level estimates of health insurance coverage over a period of time. Although the SIPP allows estimates over a period of time and specifically captures coverage of dependents, its sample does not support state-level estimates (although it includes state identifiers for analytic purposes). The CPS allows state-level estimates, and the March 2002 CPS reflects an augmented sample, which allows greater statistical accuracy for state-level estimates. The CPS asks whether an individual was covered at any time over the prior year by each of the following: Medicare, Medicaid, private health insurance, or military health.[1] Combining the questions allows one to count individuals who, in theory, were not covered by any type of insurance during the year. The resulting estimate, which should be a period-of-time estimate, actually appears to be more comparable to a point-in-time estimate generated from the SIPP than to an all-year estimate (***Table 1***).

Some researchers have hypothesized that the CPS may be closer to a point-in-time estimate because individuals interviewed may be reporting their current health insurance status rather than their coverage over the past year (Nelson and Short, 1990 and Swartz, 1994). However, Robert Bennefield of the Bureau of the Census argued that the CPS primarily appears to underreport insurance coverage in general, resulting in higher-than-expected reporting of the percent uninsured (Bennefield, 1996). However, a verification question added to the CPS beginning in 2001 only modestly reduced the CPS uninsured estimate (e.g., from 17.4% to 16.1% in the March 2002 CPS). Given that the point-in-time prevalence of uninsurance from the SIPP was much closer to the CPS prevalence rate than the uninsured-all-year estimate from the SIPP, we chose to treat the CPS data as point-in-time estimates in order to generate our over-a-period-of-time estimates.

Table 1

1999 Estimates of the Prevalence of Uninsurance among Persons Under Age 65

	Percent uninsured all year	Percent uninsured at any time during the year	Percent uninsured at a point in time
Current Population Survey	16.1%	n/a	n/a
Survey of Income and Program Participation	9.0%[a]	20.1%[a]	15.1%[b]
Medical Pxpenditure Panel Survey	12.2%	25.0%	17.3%

[a] Calculated using longitudinal weight for 1996 to 1999. Annual weights were not available at time of analysis.

[b] Calculated using monthly weight for month 48, roughly representing December 1999.

Note: The Medical Expenditure Panel Survey (MEPS) asks about health insurance status in each quarter over a one-year period.

A. SIPP Equations

In order to use the state-level information available from the CPS to generate estimates of the lack of health insurance for one or more months among those with health insurance at a point in time, we estimated logistic regression equations that describe the relationship between an individual's characteristics at a point in time and their health insurance status over the course of two years. We generated these equations using data from the SIPP. ***Table 2*** presents selected characteristics of the population insured at a point in time from the SIPP and CPS files used in the analysis.

The 1998-1999 SIPP file necessarily includes individuals with data over the two-year period 1998 to 1999. Survey drop-outs and additions over the period tend to distort the sample, and weights specific to the 1998-1999 period (which would adjust for these missing respondents) were not available from the Census Bureau at the time of analysis. This posed a potential problem because lack of insurance may be more common among survey drop-outs, whose lives may be more transient and subject to dislocation (as demonstrated by their lack of continued participation in the survey). We therefore used the longitudinal weight for the four-year sample, adjusted by age, sex, race, and income group to match the population in March 2002.[2] Adjusting the weights this way mitigates the bias in health insurance coverage caused by survey drop-outs because health insurance coverage is also correlated with the factors used to adjust the weights. Moreover, the regression equations include these same factors and therefore controls for them. We note

that results from the logistic regression equations were very similar with and without the weights, suggesting that the bias produced by survey drop-outs is minimal.[3]

Because we assume that the CPS produces a point-in-time insurance estimate, we assume that people indicating no coverage in the March 2002 CPS lacked coverage in March of 2002. Using March 2002 as a proxy for the end of calendar year 2001, we already know that all individuals reporting a lack of coverage in the March 2002 CPS are uninsured for at least one month over the two-year reference period. Thus, we exclude these individuals from the 1+ month equations and leave the equation to predict which of those who have coverage at the end of 2002 lack it at some other point during the previous two years. In contrast, all records are used for the 6+ month equations, and lack of insurance at the end of the year is used to predict lack of insurance for 6+ months.

Table 2

Comparison of SIPP and CPS Data Used in Model Characteristics of People <65 without Health Insurance at a Point in Time

	SIPP 1998-99[a]	CPS March 2002[b]
Age		
Less than 6	8.5%	6.1%
6 to 17	17.2%	14.7%
18 to 34	38.4%	40.9%
35 to 64	35.9%	38.4%
Family Income as Percent of Poverty Level		
<100%	30.5%	26.8%
100-199%	32.5%	29.1%
200-299%	17.4%	17.4%
300-399%	8.2%	10.2%
400%+	11.4%	16.6%
Race		
White/non-Hispanic	46.5%	47.2%
Black/non-Hispanic	17.7%	15.6%
Hispanic	30.5%	30.1%
Other race	5.3%	7.0%

[a] Based on 1998-1999 SIPP sample, reweighted to match total population in March 2002 CPS by age, sex, race, and poverty status. Insurance status based on month 48 of survey, roughly representing December 1999.

[b] Model assumes that estimate of lack of insurance from March 2002 CPS represents a point-in-time measure for March of 2002.

We estimated four separate equations from the SIPP to predict the following outcomes:

- children uninsured 1+ months over two years,
- children uninsured 6+ months over two years,
- adults uninsured 1+ months over two years, and
- adults uninsured 6+ months over two years.

We estimated separate equations for children and adults because children's insurance coverage has increased considerably in recent years as a result of expansions in State Children's Health Insurance Programs (SCHIP).

These equations perform two functions. First, applying them to the CPS allows us to generate state-level, over-time estimates of uninsurance from the (assumed) point-in-time information available from the CPS. Second, by incorporating key state-level variables that influence insurance coverage (i.e., unemployment and SCHIP enrollment), the equations allow us to reflect insurance trends through the end of 2002.

Table 3 summarizes the samples and variables used for each equation.

The equations use a combination of variables representing characteristics of the individual, their parents (for children), and their state. The following variables represent the characteristics of the individual in all equations:

- **Age** (0-6, 6-16, 17, 18-20, 21-34, 35-60, 61-64) – Age groups were chosen to correspond to likely differences in availability of insurance by age. For example, Medicaid eligibility in some states is more restrictive for children age 6-16 than for children age 0-6, and more restrictive still for children above 16.
- **Family income as a percent of the Federal Poverty Level (FPL) (<=**100%, 101-199%, 200%+) – Family income is the same for all members of a family. The poverty level used is the federal poverty threshold, which is the measure typically used for statistical reporting of poverty rates.
- **Race/ethnicity** (white/non-Hispanic, black/non-Hispanic, Hispanic, other).
- **Sex** (male/female).

The following variable represents the characteristic of the individual for adults but represents the characteristics of the parents of children:

- **Education** (less than high school diploma, high school diploma [including some college], college degree or higher) – For children, if both parents have the same employment status, education represents the education of the most educated parent. If one parent is employed and the other is not, education represents the education of the working parent.

The following state-level variables were added to the SIPP to capture characteristics of an individual's state that could affect his/her likelihood of having insurance:

- **Children's Medicaid coverage** (continuous variable) – This variable is critically important because rates of Medicaid coverage for children rose considerably from 1999 to 2002 as states expanded SCHIP coverage (see ***Table 4***). We calculated annual children's Medicaid enrollment as a percentage of children in the state with family income below 200% of the federal poverty threshold. This measure is meant to capture states' progress in covering low-income children through the end of 2002. Enrollment includes standard Medicaid plus State Children's Health Insurance Programs. To calculate, we summed Medicaid enrollment estimates and counts of the number of children covered by SCHIP plans that are not already part of the state Medicaid plan. We annualized SCHIP for 2002 based on quarterly enrollment through the second quarter of 2002, using historical trends in monthly and annual enrollment.[4] We divided by the estimated number of children below 200 percent of the federal poverty threshold from the CPS to calculate enrollment rates in the general target population. This measure may not, and is not meant to, resemble states' own estimates of children's Medicaid enrollment rates. For example, combining annual enrollment counts with point-in-time estimates from CPS tends to systematically inflate enrollment rates. This bias should have no meaningful effect on the projected estimates or state's rankings because it is consistent across all states and between years.
- **Unemployment rate** (continuous variable) – We used the average monthly unemployment rate in calendar year 1999 in the individual's state (see ***Table 5***).
- **Change in unemployment rate** (continuous variable) – We calculated the annualized change in average monthly unemployment rate from 1997 to 1999. This is meant to capture dislocation associated with changes in employment that can affect rates of insurance coverage (see ***Table 5***).

Explanatory variables were generally only kept in the modeling equations if they were significant at the 0.05 level. Thus, sex, state unemployment rate, and annualized change in state unemployment rate were not used for all four equations. The resulting coefficients for the four equations are described in ***Tables 6 and 7***.

In each case, the probability that an individual lacks health insurance (for 1+ or 6+ months) in 1998-1999 is: $e^Y/(1+e^Y)$.

Table 3

Samples and Variables Used for Logistic Regression Equations from SIPP Predicting Lack of Insurance over 24 Months

	Children		Adults	
	Uninsured 1+ Months	**Uninsured 6+ Months**	**Uninsured 1+ Months**	**Uninsured 6+ Months**
Sample	Sample: Children (age <18) with health insurance in month 24	Sample: Children (age <18)	Sample: Adults (age 18-64) with health insurance in month 24	Sample: Adults age18-64
Dependent Variable	Uninsured any time over 2 years	Uninsured for 6+ months over 2 years	Uninsured any time over 2 years	Uninsured for 6+ months over 2 years
Independent Variables:				
Insurance Status	<Not used>	Uninsured at end of 1999	<Not used>	Uninsured at end of 1999
Age	0-5 6-16* 17	0-5 6-16* 17	18-34 35-54 55-64*	18-34 35-54 55-64*
Family Income (as Percent of Federal Poverty Level [FPL])	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*
Race/Ethnicity	White non-Hispanic* Black non-Hispanic Hispanic Other	White non-Hispanic* Black non-Hispanic Hispanic Other	White non-Hispanic* Black non-Hispanic Hispanic Other	White non-Hispanic* Black non-Hispanic Hispanic Other
Sex	<Not used>	<Not used>	Male	Male
Education	Parent has less than high school diploma Parent is a high school graduate Parent is a college graduate * (Note: Child assigned education of the more highly educated parent, or education of employed parent if only one parent employed)	Parent has less than high school diploma Parent is a high school graduate Parent is a college graduate * (Note: Child assigned education of the more highly educated parent, or education of employed parent if only one parent employed)	Individual has less than high school diploma Individual has high school diploma Individual has college degree or higher*	Individual has less than high school diploma Individual has high school diploma Individual has college degree or higher*
Unemployment Rate	<Not used>	<Not used>	Average monthly unemployment rate in state (from DOL published tables), 1999	Average monthly unemployment rate in state (from DOL published tables), 1999
Change in Unemployment Rate	<Not used>	<Not used>	Annualized change in monthly unemployment rate in state from 1997-1999 (from DOL published tables)	<Not used>
Medicaid Coverage	Percent of children in state < 200% FPL enrolled in Medicaid/ SCHIP annually	Percent of children in state < 200% FPL enrolled in Medicaid/ SCHIP annually	<Not used>	<Not used>

* Indicates reference group omitted from equation.

Table 4

Annual % of Children < 200% Federal Poverty Level Enrolled in Medicaid (including SCHIP)

State	1999	2002
Alabama	69.4%	76.2%
Alaska	100.8%	119.5%
Arizona	67.4%	77.9%
Arkansas	64.6%	67.6%
California	85.6%	102.3%
Colorado	62.4%	71.1%
Connecticut	93.7%	100.4%
Delaware	116.8%	126.2%
District of Columbia	116.6%	122.3%
Florida	77.1%	90.3%
Georgia	87.3%	101.9%
Hawaii	70.1%	78.8%
Idaho	35.6%	64.9%
Illinois	84.8%	88.7%
Indiana	66.0%	79.6%
Iowa	69.4%	79.9%
Kansas	62.1%	72.6%
Kentucky	76.8%	86.1%
Louisiana	72.9%	93.2%
Maine	86.3%	94.4%
Maryland	118.2%	160.5%
Massachusetts	97.0%	103.8%
Michigan	84.2%	89.1%
Minnesota	93.0%	92.1%
Mississippi	70.1%	92.3%
Missouri	102.9%	119.4%
Montana	49.3%	62.3%
Nebraska	91.5%	101.7%
Nevada	50.5%	65.6%
New Hampshire	72.8%	78.5%
New Jersey	81.4%	90.8%
New Mexico	85.6%	91.9%
New York	100.5%	118.0%
North Carolina	79.1%	88.3%
North Dakota	45.7%	52.1%
Ohio	75.3%	84.9%
Oklahoma	73.4%	89.3%
Oregon	73.3%	81.2%
Pennsylvania	87.3%	91.7%
Rhode Island	105.3%	128.1%
South Carolina	88.8%	98.4%
South Dakota	90.7%	114.4%
Tennessee	103.5%	105.2%
Texas	58.1%	78.5%
Utah	50.4%	61.0%
Vermont	128.1%	142.0%
Virginia	77.9%	83.1%
Washington	94.8%	96.4%
West Virginia	100.2%	103.6%
Wisconsin	68.9%	74.6%
Wyoming	62.4%	76.8%

Source: Lewin analysis of quarterly and annual enrollment data for Medicaid and SCHIP, and CPS data on children by family income.

Note: Some states exceed 100 percent because eligibility has been extended to children with income greater than 200 percent of the federal poverty level.

Table 5
State-Level Unemployment Variables

State	Average Annual Monthly Unemployment Rate, 1999	Average Annual Monthly Unemployment Rate, 2002	Annual Percent Change in Unemployment Rate, 1997-1999	Annual Percent Change in Unemployment Rate, 1999-2002
Alabama	4.8	5.6	-7.4	5.5
Alaska	6.4	6.6	-3.0	0.9
Arizona	4.4	5.8	-10.0	9.7
Arkansas	4.5	5.1	-2.2	4.2
California	5.2	6.4	-7.9	7.2
Colorado	2.9	5.3	-9.1	22.3
Connecticut	3.2	3.8	-6.3	6.1
Delaware	3.5	3.9	-20.8	3.9
District of Columbia	6.3	6.4	-6.5	0.3
Florida	3.9	5.3	-10.7	10.9
Georgia	4	4.6	-9.9	4.8
Hawaii	5.6	4.3	-5.7	-8.7
Idaho	5.2	5.4	-6.5	1.1
Illinois	4.3	6.3	-0.9	13.6
Indiana	3	5.0	-4.3	18.8
Iowa	2.5	3.7	-7.4	13.8
Kansas	3	4.5	-13.0	14.5
Kentucky	4.5	5.2	-11.1	5.1
Louisiana	5.1	5.9	-8.7	5.0
Maine	4.1	4.0	-8.6	-0.7
Maryland	3.5	4.5	-12.9	8.7
Massachusetts	3.2	4.8	-17.2	14.4
Michigan	3.8	6.6	-10.6	20.3
Minnesota	2.8	4.2	-4.9	14.1
Mississippi	5.1	6.5	-7.9	8.6
Missouri	3.4	5.0	-5.4	13.6
Montana	5.2	4.3	-10.0	-5.8
Nebraska	2.9	3.5	-1.9	6.5
Nevada	4.4	5.4	5.6	6.9
New Hampshire	2.7	4.4	3.6	17.2
New Jersey	4.6	5.4	-6.7	5.7
New Mexico	5.6	6.1	-5.0	2.8
New York	5.2	5.9	-5.0	4.5
North Carolina	3.2	6.5	-9.9	26.4
North Dakota	3.4	3.3	-5.7	-0.9
Ohio	4.3	5.6	16.6	9.2
Oklahoma	3.4	4.3	-3.3	7.8
Oregon	5.7	7.4	-8.9	9.0
Pennsylvania	4.4	5.5	-0.9	7.4
Rhode Island	4.1	4.7	-8.0	4.4
South Carolina	4.5	5.6	-12.0	7.6
South Dakota	2.9	2.9	0.0	0.5
Tennessee	4	5.0	-3.3	7.5
Texas	4.6	6.0	-13.9	9.4
Utah	3.7	5.2	-7.7	12.0
Vermont	3	3.9	9.2	9.0
Virginia	2.8	4.1	-13.4	13.2
Washington	4.7	7.0	-16.3	14.4
West Virginia	6.6	6.0	-1.0	-3.2
Wisconsin	3	5.2	-2.2	19.9
Wyoming	4.9	4.0	-10.0	-6.8

Source: Bureau of Labor Statistics.

Table 6

SIPP Logistic Regression Equation Results for Children

	Children 1+ Months Uninsured	Children 6+ Months Uninsured
Intercept	-1.8969*	-1.9688*
Age 0-5	0.0443	0.0715
Age 17	-0.5062*	-0.2464*
Poverty Level 0-100	0.9697*	0.9102*
Poverty Level 100-200	0.8151*	0.9018*
Black Non-Hispanic	0.5152*	0.4633*
Hispanic	0.4061*	0.6459*
Other Race	0.5897*	0.2549*
< High School	0.8959*	1.6178*
High School	0.7149*	1.0190*
Medicaid	-0.7986*	-1.9056*
State Unemployment Rate	n/a	0.0776*

*Significant at the 0.05 level.

Table 7

SIPP Logistic Regression Equation Results for Adults

	Adults 1+ Months Uninsured	Adults 6+ Months Uninsured
Intercept	-3.3221*	-3.8044*
Age18-20	0.6922*	0.3318*
Age 21-24	1.5112*	0.9692*
Age 25-34	1.1209*	0.6334*
Age 61-64	-0.5067*	-0.5330*
Poverty Level 0-100	0.9621*	1.5185*
Poverty Level 100-200	0.8889*	1.1856*
Black Non-Hispanic	0.2942*	0.4503*
Hispanic	0.3865*	0.7494*
Other Race	-0.0382*	0.1307*
Male	0.0948	0.3216*
< High School	0.8651*	1.3668*
High School	0.5458*	0.8607*
State Unemployment Rate, 1999	0.0342*	0.1006*
State Annual Unemployment Rate Change, 1997-1999	1.0691*	n/a

*Significant at the 0.05 level.

B. Applying Equations to the CPS Data

Before applying the equations to the March 2002 CPS, we added the most recent state-level data on Medicaid enrollment and unemployment. The added variables reflect changes through the end of 2002 (see ***Tables 4 and 5***). Thus, in applying these equations to the March 2002 CPS, we produced state-level estimates that reflect economic and coverage conditions through the end of 2002. We note, however, that the population reflected in these estimates represents the total U.S. population as of March 2002. Population growth between March 2002 and December 2002 would not substantially affect the estimates presented here.

Applying the equation to the augmented March 2002 CPS produces the probability that each individual would not have health insurance at some point during a two-year period. We then sum the product of individuals' probabilities and their weights to calculate the number of people without coverage. For the 1+ month estimates, we then add the individuals who report no coverage in March 2002 (because individuals already known to lack insurance at a point in time were excluded from the equation). The sum of the individuals estimated to currently have health insurance but who are predicted to not have health insurance for at least one of the other 23 months and those who reported no health insurance in the CPS equals the total number of people reported to be uninsured at some point over a two-year period.

For the 6+ month estimate, we simply apply the equation to produce the probability of lacking insurance for six months or more and multiply these probabilities by the weights.

III. National and Selected State Estimates

Because the equations serve to trend the data forward as well as produce state-specific estimates of the number of uninsured people, we summed the March 2002 CPS (with modeled estimates of lack of insurance) across states to produce estimates for the U.S. For most characteristics, tabulations of lack of insurance by individuals' characteristics were produced directly from the augmented CPS.

The distribution of number of months without insurance, however, was only available from the SIPP. For the national estimate, we therefore assumed that the distribution within the 1-5 month and 6-24 month uninsurance groups remained the same as observed in the 1999 SIPP (i.e., we used the 2002 modeled estimates for 1+ and 6+ months, and applied the month detail with these groups from the 1999 SIPP). We used the same approach for the analogous estimates for selected states.

IV. Definition of Output Table Variables

Below we define the variables used to report the results by individuals' characteristics.

- **Health Insurance**: We defined individuals as being uninsured if they did not report having private health insurance, Medicaid, Medicare, CHAMPUS, CHAMPVA, or military health insurance in a given month of the two-year period. We counted the duration without insurance as the total number of months during the two years observed from the data that an individual lacked insurance. Months without insurance did not need to be consecutive. This distribution by number of months is truncated for those whose spell began before the observed period and those whose spell continued beyond the end of the 24 month period. Therefore, the distribution should not be interpreted as total spell duration. The distribution likely overrepresents shorter stays.
- **Income**: The income measure we use is family income as a percentage of the federal poverty threshold. U.S. tables show a detailed distribution (<100%, 100-199%, 200-299%, 300-399%, 400%+), while selected state-level tables show a more aggregated distribution (<200%, 200%+) due to sample size restrictions.
- **Race/Ethnicity**: We present the distribution of uninsured individuals across race and ethnic groups. We divided people into four mutually exclusive race/ethnic categories: White, non-Hispanic; Black, non-Hispanic; Hispanic; and Other. We classified persons as Hispanic if they reported their ethnic origin as Mexican, Chicano, Puerto Rican, Cuban, Central or South American, or other Spanish.
- **Employment Status at the End of 24-Month Period**: We report the employment status of individuals or their parents in roughly the last month of the 24-month period (in the output tables, roughly December 1999). For adults, we report the employment status of the individual. For children, we report the employment status of the parent with the highest level of employment (hierarchically, employed, then unemployed, then not in labor force). The employed group includes full- and part-time employment. The unemployed group includes individuals laid off without pay and those looking for work. The not-in-labor-force group includes individuals not working and not looking for work.
- **Age**: We report age at the end of the 24-month period.

V. Caveats and Limitations

As we indicated earlier, there are no direct estimates of individuals without health insurance over a period of time by state. Therefore, similar to small area analyses developed by the Bureau of the Census, we used the econometric models to calculate these estimates. All of the variables included in the model had significant coefficients, with the exception of the 0-5 age group dummy variable in the children's equations and the male dummy variable in the adult 1+ month equation. The state-level employment and Medicaid enrollment variables produced large coefficients and therefore had relatively large impacts on the resulting estimates of lack of insurance. While these coefficients were significant, they also had relatively large standard errors. We calculated standard errors and confidence intervals (available upon request) using STATA statistical software, which adjusts for the complex sample design of the CPS.

Even though the CPS sample was enhanced beginning in 2001, bias in the state estimates introduced by the sampling frame within a state still exists. For example, if all the households interviewed in a small state come from the same metropolitan statistical area in the state, they may not accurately represent the characteristics of residents of the entire state.

The model we specified assumed that the reported percent of uninsured children from the CPS was similar to the point-in-time estimate of the SIPP. As indicated earlier, researchers have differing opinions on this matter.

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[1] In 2001, a verification question that asks specifically whether someone was uninsured all of last year was added.

[2] The exclusion of individuals with fewer than two years of data necessarily excludes children younger than age 2. Analysis of monthly samples indicated that insurance coverage rates for children <2 were similar to rates for children ages 2 to 5. We therefore assigned coverage to the <2 group at the same rate as the 2 to 5 group.

[3] It was beyond the scope of this project to quantify the extent to which those who dropped out of the survey might have different health insurance coverage patterns even after controlling for age, sex, race, and income.

[4] We had data for children's annual enrollment (ever-enrolled during the year) in non-SCHIP Medicaid for 1999 and 2002, annual enrollment for SCHIP for 1999 and 2000, and quarterly enrollment (ever-enrolled during the quarter) for SCHIP for 1999, 2000, and 2002. In order to estimate annual total children's Medicaid enrollment in 2002, we annualized the quarterly SCHIP enrollment and added it to the annual non-SCHIP Medicaid enrollment. To annualize SCHIP, we analyzed each state's ratio of quarterly to annual enrollment in 1999 and 2000 and developed a projected ratio for 2002 based on the observed rate of change in that ratio between 1999 and 2000. This was important because enrollment growth rates slow as enrollment increases, and SCHIP enrollment was growing rapidly over this period.

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