

Changes in Health Insurance Status Over a Two-Year Period

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The ability to maintain health insurance in the face of rising costs and an uncertain economy is a key concern for families and an important element in health reform.¹ While the percentage of the population without coverage at any one time changes by only a relatively small amount over a one- or two-year period, the percentage of people who start out with coverage and lose it for a meaningful amount of time during the same period can be much larger. Lapses in coverage affect millions of Americans and contribute to the worries that many have about their financial and health security.

This brief presents information about changes in health insurance status for adults age 18 to 64 with coverage in January 2006 and shows their health insurance status through December 2007. It also presents the alternative, examining gains in coverage over the two-year period among those that began the period uninsured. The analysis focuses on adults because they generally lack the safety-net provided by state CHIP programs or the extended Medicaid eligibility provided to children. Comparable results for children are provided in Appendix 1.² Data for the analysis are from the Medical Expenditure Panel Survey (MEPS) for 2006 and 2007. People entering or leaving the survey panel (e.g., due to death or institutionalization) for any period of time during the two years and people who had any period of Medicare coverage are excluded from the analysis.

Results

Losing Coverage: Approximately 129 million nonelderly adults had health insurance in January 2006, and, among those with health insurance, 6.7 percent were uninsured in January 2007 and 9.0 percent were uninsured in December 2007 (Figure 1). Of those insured in January 2006, 14.8 percent were uninsured for at least one month in the two-year period, including 12.2 percent who were uninsured for at least three months and 8.7 percent who were uninsured for at least six months (Table 1).

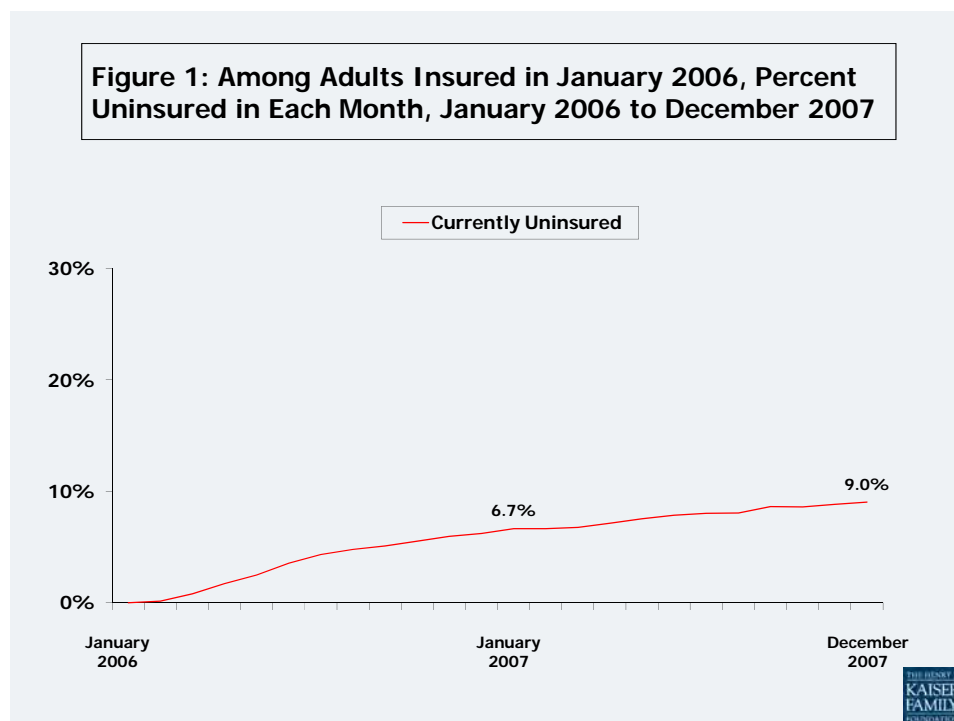
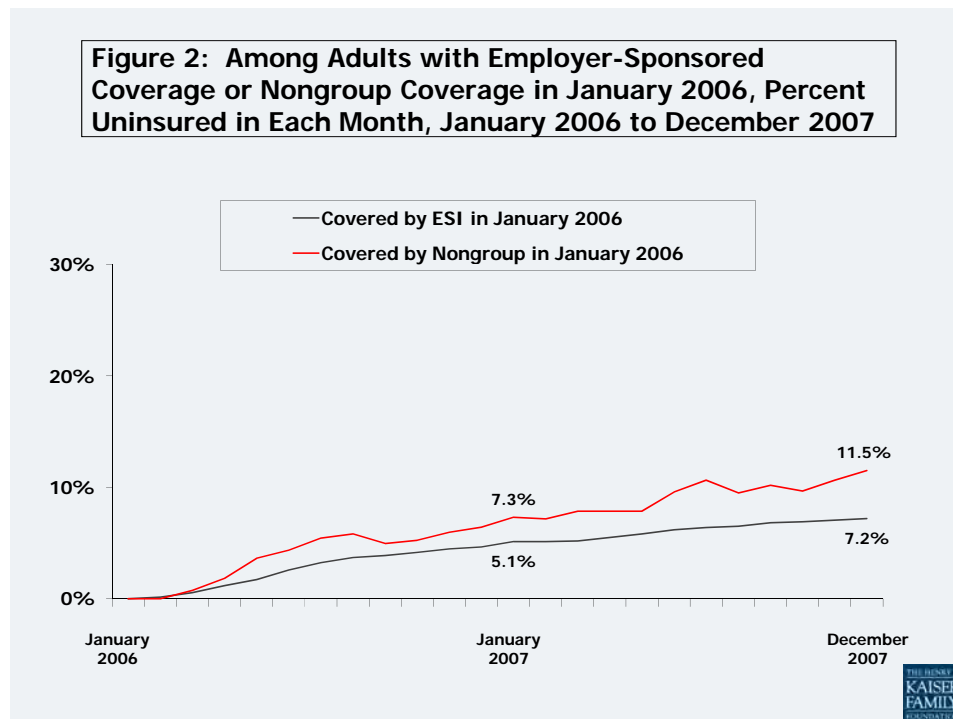


Table 1. Among Adults Insured in January 2006, Percent with Select Number of Months Without Insurance Over Two-Year Period	
Insured entire period	85.2%
Uninsured at least 1 month	14.8%
Uninsured at least 3 months	12.2%
Uninsured at least 6 months	8.7%
Uninsured at least 12 months	5.3%

The likelihood of becoming uninsured varied with the type of coverage a person had at the beginning of the period. Of about 108 million adults with employer-sponsored coverage in January 2006, 5.1 percent were uninsured in January 2007 and 7.2 percent were uninsured in December 2007 (Figure 2). Individual, or nongroup, insurance is far less common than employer-sponsored coverage and generally a less stable source of coverage. Almost 6 million adults were enrolled in individual, or nongroup, coverage in January 2006. Of those with nongroup coverage in January 2006, 7.3 percent were uninsured in January 2007 and 11.5 percent were uninsured in December 2007 (Figure 2).



In contrast to private coverage, of the 9.2 million adults with Medicaid in January 2006, 20.0 percent were uninsured in January 2007 and 23.7 percent were uninsured in December 2007 (Figure 3). Adults who began the period with Medicaid also were much more likely to be without coverage for at least three, six, or twelve months over the period than adults who started the period with employer-sponsored coverage (Table 2). The greater loss of coverage for adults who began the period in Medicaid may reflect the relatively strict income criteria that many states have for adult eligibility, or may reflect state redetermination or retention practices as well as changes in personal characteristics such as income variability in the Medicaid population or changes in family composition such as a child who becomes ineligible due to age or marriage.³

Figure 3: Among Adults with Medicaid in January 2006, Percent Uninsured in Each Month, January 2006 to December 2007

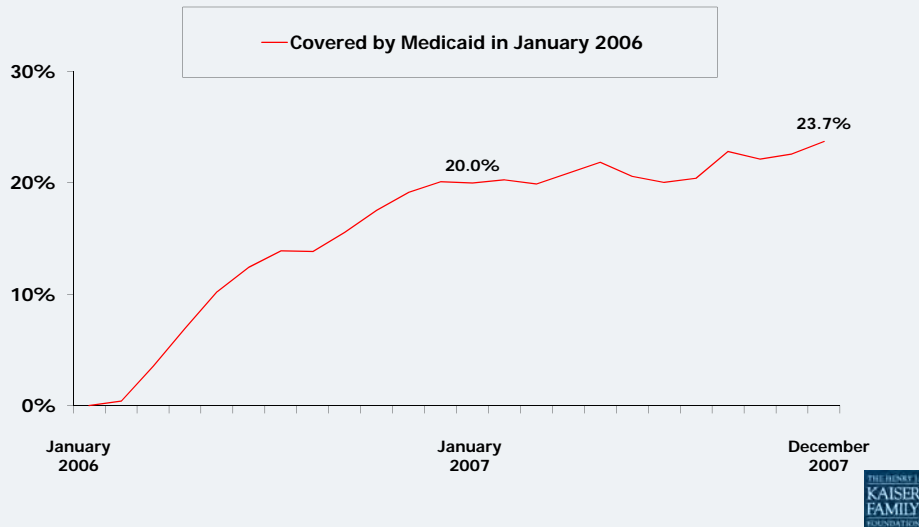
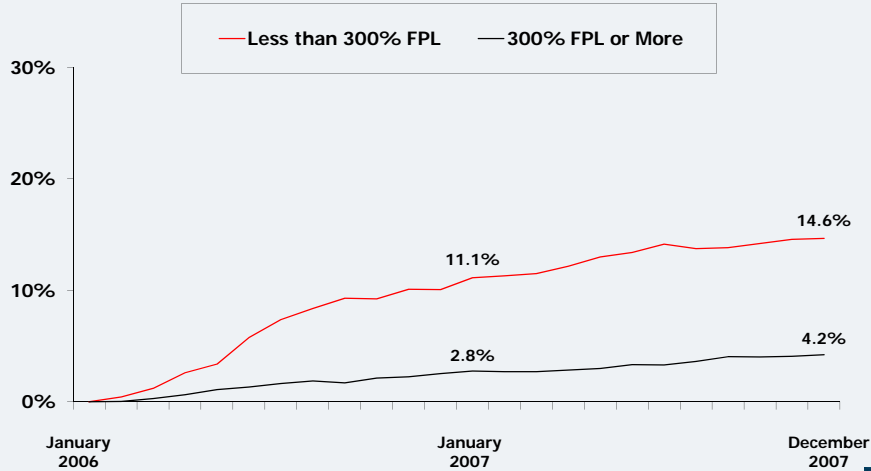


Table 2. Among Adults with Medicaid, Employer-Sponsored Coverage or Nongroup Coverage in January 2006, Percent with Select Numbers of Months Without Insurance Over Two-Year Period

	Between January 2006 and December 2007			
	Uninsured at least 1 month	Uninsured at least 3 months	Uninsured at least 6 months	Uninsured at least 12 months
Medicaid	37.4%	32.2%	25.4%	16.1%
ESI	12.2%	9.9%	6.8%	4.0%
Nongroup	16.8%	12.3%	9.4%	6.6%

Insurance coverage is less stable for those with lower-incomes. Overall, employer-sponsored coverage was a stable source of coverage during the period, however, those with lower incomes were much more likely to become uninsured. Among adults in families with incomes below 300 percent of poverty (\$16,600 for a family of 3 in 2006) with employer-sponsored coverage in January 2006, 11.1 percent were uninsured in January 2007 and 14.6 percent were uninsured in December 2007. In contrast, only 2.8 percent of higher income adults who began the period with employer-sponsored coverage were uninsured in January 2007 and only 4.2 percent were uninsured in December 2007 (Figure 4). Over the period, lower-income adults starting with employer-sponsored also were significantly more likely to be without coverage for at least three, six, or twelve months than higher-income adults with employer-sponsored coverage (Table 3). A similar pattern exists for those that started the period with individual health insurance (Figure 5, Table 3).⁴

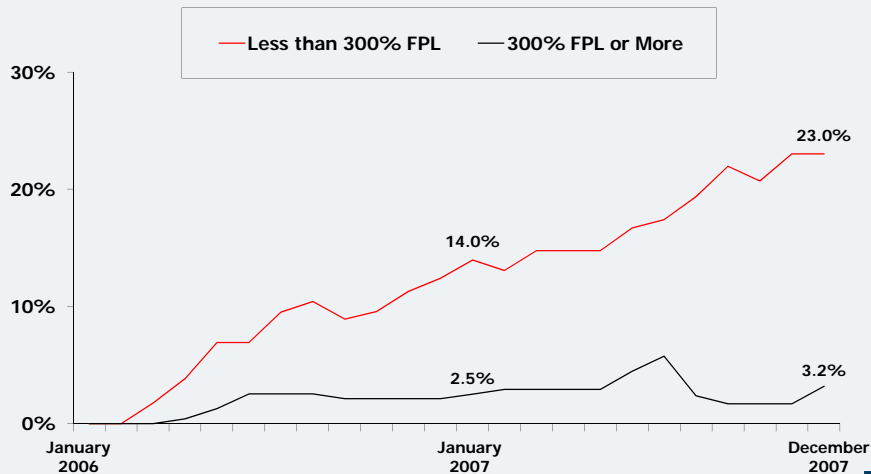
Figure 4: Among Adults with Employer-Sponsored Coverage in January 2006, Percent Uninsured in Each Month by Family Income, January 2006 to December 2007



Note: Family income is based on income in 2006.



Figure 5: Among Adults with Nongroup Coverage in January 2006, Percent Uninsured in Each Month by Family Income, January 2006 to December 2007

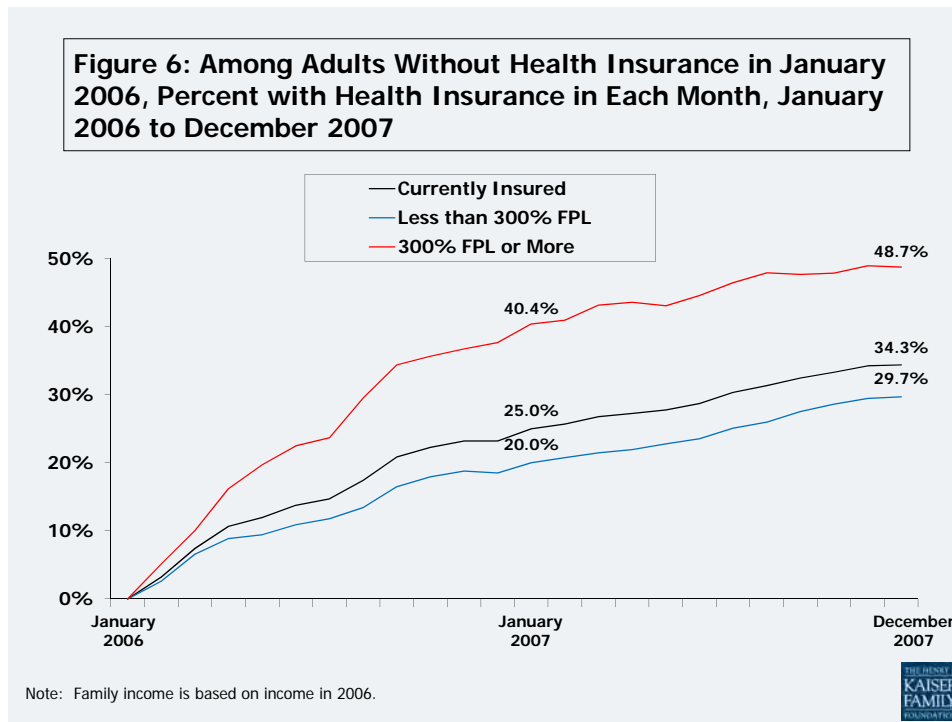


Note: Family income is based on income in 2006.



Table 3. Among Adults with Employer-Sponsored or Nongroup Coverage in January 2006, Percent with Select Numbers of Months Without Insurance Over Two-Year Period				
	Between January 2006 and December 2007			
	Uninsured at least 1 month	Uninsured at least 3 months	Uninsured at least 6 months	Uninsured at least 12 months
ESI				
Income Below 300% FPL	23.3%	20.0%	15.3%	9.0%
Income 300% or More FPL	7.8%	5.9%	3.4%	2.0%
Nongroup				
Income Below 300% FPL	27.2%	21.4%	17.6%	14.0%
Income 300% or More FPL	9.4%	5.8%	3.4%	1.3%

Gaining Coverage: The flip side of the question is what percentage of people who start out uninsured at the beginning of the period gain coverage over the next two years. About 40 million nonelderly adults were uninsured in January 2006. Of these, 25.0 percent had health insurance in January 2007 and 34.3 percent were insured in December 2007. Among adults without insurance at the beginning of the period, those in families with incomes of at least 300 percent of poverty were more likely to be insured at any time than those with lower incomes (Figure 6).



Discussion

While overall the percentages of nonelderly adults without insurance were similar in January 2006 and December 2007 (23.7 percent v. 22.4 percent; difference not statistically significant), significant percentages of adults who began the period with insurance lost it for some period of time and significant percentages of adults who began period without insurance became covered. Lower-income adults who began the period with insurance were relatively more likely to become uninsured and to have a meaningful number of months without coverage than their higher income counterparts. These findings suggest that families, particularly those with lower incomes, are justified in their concerns about the security of their health insurance. Elements of the recently enacted Patient Protection and Affordable Care Act, such as subsidies for purchasing health insurance and the availability of coverage without regard to health status and through the exchanges, might be effective in reducing periods of uninsurance, particularly for people with lower incomes.

Methodology

This analysis uses the 2006-2007 Panel from the Agency for Healthcare Research and Quality's (AHRQ) Medical Expenditure Panel Survey (MEPS). The 2006-2007 Panel is a longitudinal dataset of healthcare expenditure and utilization, weighted to represent the United States over two years. All analyses were performed in R 2.10.0, using the survey package. Variance and standard error estimates were calculated using Balanced Repeated Replication (BRR) weights provided by AHRQ. All noted differences were significant at $p < 0.05$.

Individuals not between the ages of 18 and 64 on January of 2006 were excluded (43.16% unweighted). Additionally, individuals entering or leaving the panel for any period of time over the two years, including birth, death, marriage into a surveyed family, departure from the country, or institutionalization, were excluded (2.67% unweighted). Finally, individuals ever covered by Medicare over the duration of the panel were excluded (3.41% unweighted).

An individual's percent of poverty was calculated at the Health Insurance Unit-level (HIU) rather than at the family-level, in order to more precisely capture the relationship between poverty and insurance coverage fluctuations. All incomes were summed within each HIU, then HIU sizes and compositions were calculated and compared to the categories within the Department of Health and Human Services 2006 poverty guidelines (available at <http://aspe.hhs.gov/poverty/06poverty.shtml>).

Appendix 1:

Figure 1c: Among Children Insured in January 2006, Percent Uninsured in Each Month, January 2006 to December 2007

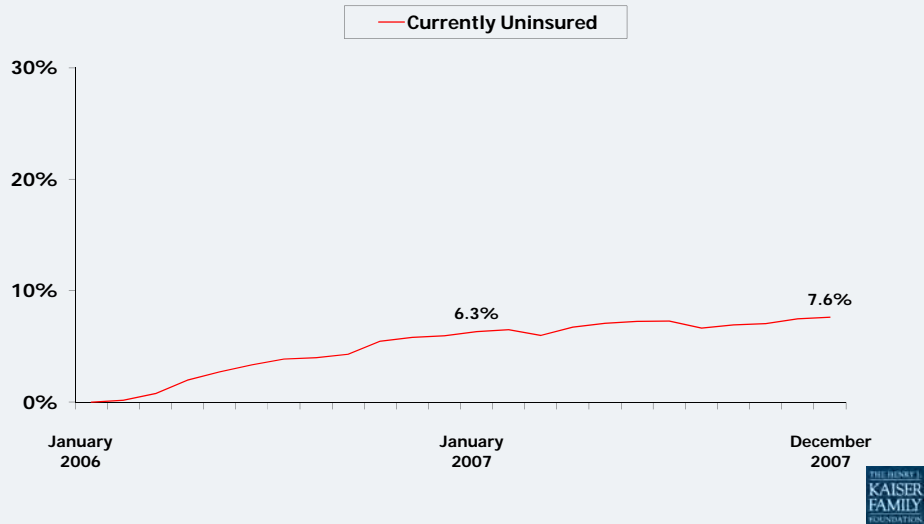


Figure 2c: Among Children with Employer-Sponsored Coverage in January 2006, Percent Uninsured in Each Month, January 2006 to December 2007

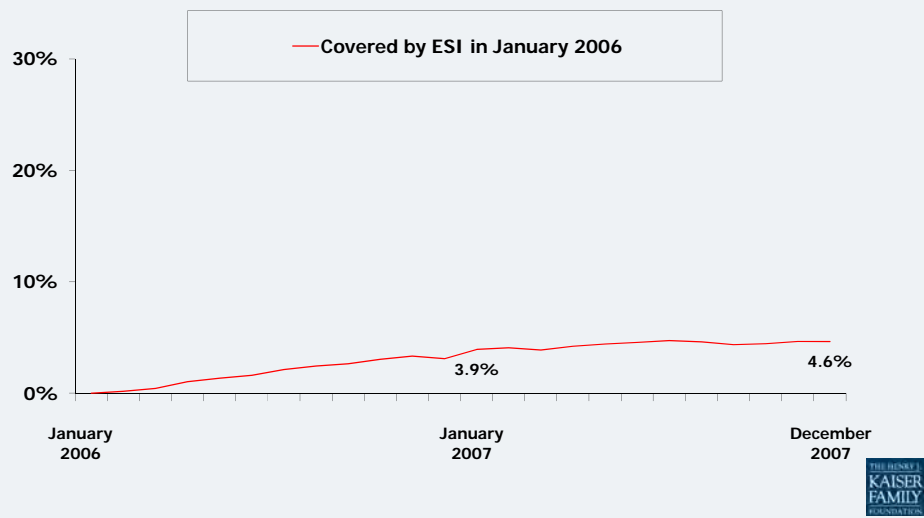


Figure 3c: Among Children with Medicaid in January 2006, Percent Uninsured in Each Month, January 2006 to December 2007

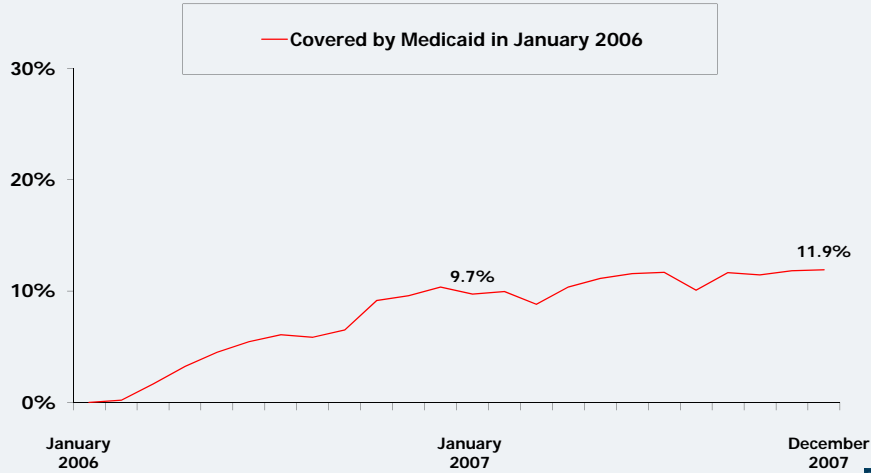
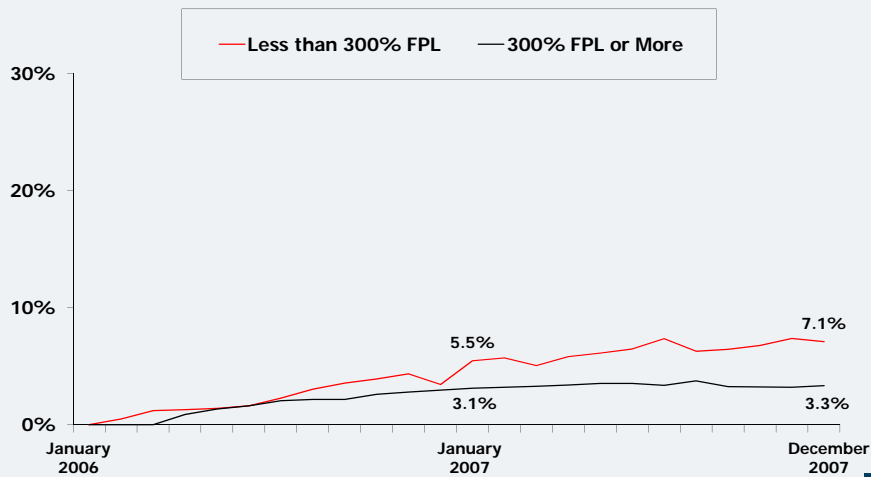


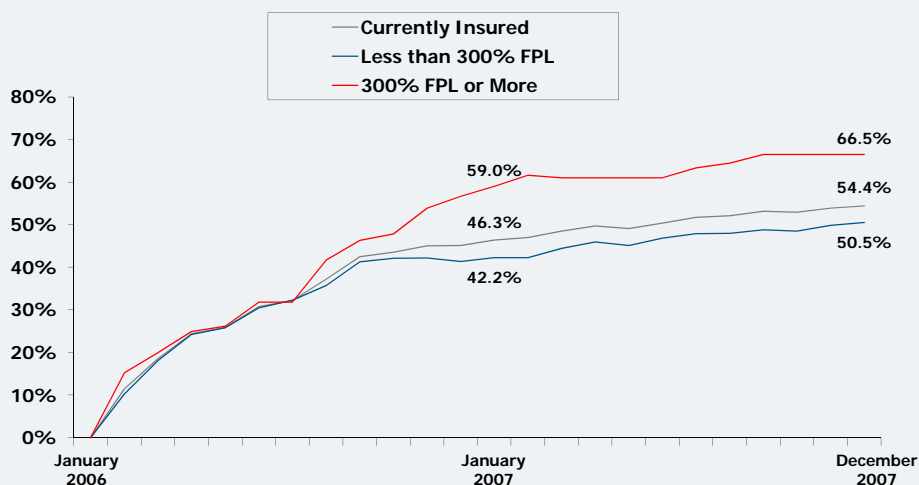
Figure 4c: Among Children with Employer-Sponsored Coverage in January 2006, Percent Uninsured in Each Month by Family Income, January 2006 to December 2007



Note: Family income is based on income in 2006.



Figure 5c: Among Children Without Health Insurance in January 2006, Percent with Health Insurance in Each Month, January 2006 to December 2007



Note: Family income is based on income in 2006.



¹ Kaiser Family Foundation, Kaiser Health Tracking Poll – March 2010. Available at: <http://www.kff.org/kaiserpolls/8058.cfm>.

² The estimates for children with nongroup coverage are not shown due to insufficient sample size.

³ Some states, such as Tennessee and Missouri, made significant cuts in Medicaid in 2005, however, these changes do not impact the trends presented here as these numbers reflect those that had Medicaid coverage in January 2006.

⁴ The unweighted sample size for nongroup adults below 300% of the Federal Poverty Level is 96. This is less than the AHRQ recommended threshold of 100 and should be interpreted with caution.



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