

medicaid and the uninsured

Who Are the Uninsured?

August 2006

A Consistent Profile Across National Surveys

The growing number of uninsured Americans is one of the biggest and most debated problems we face in our health care system. The actual count of the number of uninsured gets considerable policy use and media interest—enough attention that when national estimates of the uninsured differ, it raises doubts about our ability to design solutions or gauge their impact.

This issue brief begins with a comparison of the total number of uninsured from three major national surveys, demonstrating that these estimates are actually more consistent than what is often perceived. In addition, and perhaps even more important to the public debate, the analysis shows that the surveys' profiles of the uninsured are also consistent. In other words, who the uninsured are does not vary much across national surveys.

Across all three surveys, more than half of the uninsured are in low-income families and about half are ethnic or racial minorities. The majority of uninsured adults are working, but their lack of education makes it more difficult for them to get jobs that offer employer-sponsored coverage.

Estimates of the Uninsured

Several surveys are able to provide national health insurance coverage estimates, including how many are uninsured. Since 1980 the Census Bureau's Current Population Survey (CPS) has produced annual estimates of Americans' health coverage, as part of its purpose to broadly monitor socioeconomic trends. In addition, both the Medical Expenditure Panel Survey (MEPS – conducted by the Agency for Healthcare Research and Quality) and the National Health Interview Survey (NHIS – from the National Center for Health Statistics) also provide regular and timely estimates of health insurance coverage. Different estimates of the number of uninsured released each year are not exactly the same and that has at times created questions about how large the problem really is.

Health insurance estimates from national surveys vary depending on how the questions are phrased and how long a period people are asked to recall their experiences. For example, respondents may be asked what their insurance coverage is in the month they are being interviewed or if they have been without coverage anytime in the past year or two years. MEPS

interviews the same respondents five times over two and a half years and asks them about their insurance coverage in each month. By design, the MEPS can produce health insurance estimates for varying periods of up to two years that are based on those periodic interviews. The MEPS data provide information about the type(s) of coverage respondents had during each month of that two year period. When respondents are first interviewed they are also asked about their previous coverage and recent periods without insurance.

The NHIS began in 1957 and is fielded continuously throughout the year. The NHIS asks a person's coverage at the time of the interview and also asks the uninsured how long they have been without coverage. It includes a separate question that asks whether a person was ever uninsured in the past 12 months, but that question was not analyzed for this issue brief.

The CPS is intended to measure the number of people who are uninsured for the entire preceding calendar year. However when comparing the CPS uninsured estimate to other national surveys, it consistently falls within the range of other surveys' point-in-time measurements. Many analysts believe the CPS estimate of the uninsured reflects the average number of uninsured on any given day in a year, rather than the number of uninsured throughout the full year. Both CPS and NHIS directly ask respondents whether they are uninsured, while MEPS considers people to be uninsured if they did not say that they had health coverage.

The Survey of Income and Program Participation (SIPP) is another national survey sponsored by the Census Bureau that reports health insurance coverage estimates. Its strength is in the breadth of information it provides about income and public program participation over long periods of time. It was not included in this comparison because data from the SIPP are not used to produce regular annual estimates of the number of uninsured. In addition, because of the survey's different focus, the lag time between data collection and the release of survey data makes it less timely for health insurance policy purposes. For example, the most recent complete SIPP dataset covers years 2001 to 2003 and was released in 2004.¹

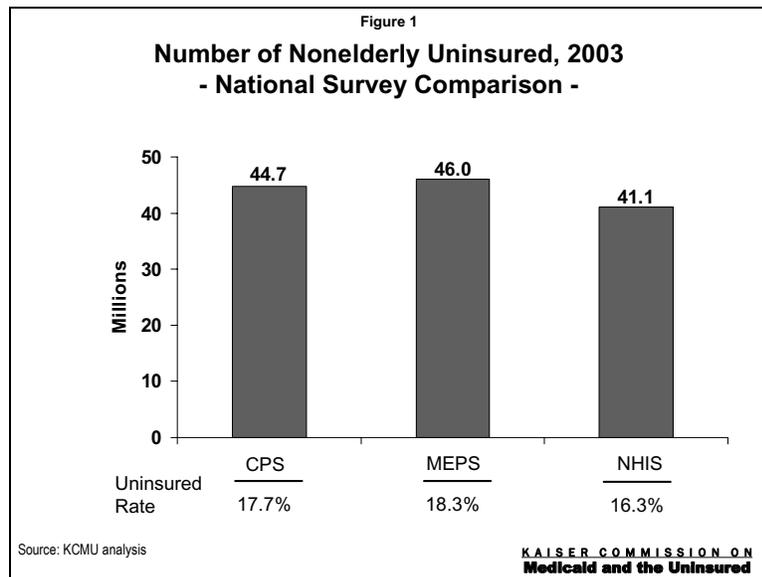
For this comparison, we contrast:

- the 2003 NHIS published estimate (a point-in-time estimate),
- a 2003 MEPS single month estimate (July, 2003) and
- the 2004 March CPS, assuming that respondents generally answered questions relative to their health coverage at some point-in-time in 2003, rather than for the entire 2003 calendar year.

Data from 2003 were analyzed because complete MEPS data were not available for 2004. The goal of this analysis was to determine if the range of estimates were reasonably consistent—enough so that by using any of them, one would come to similar health insurance policy conclusions.

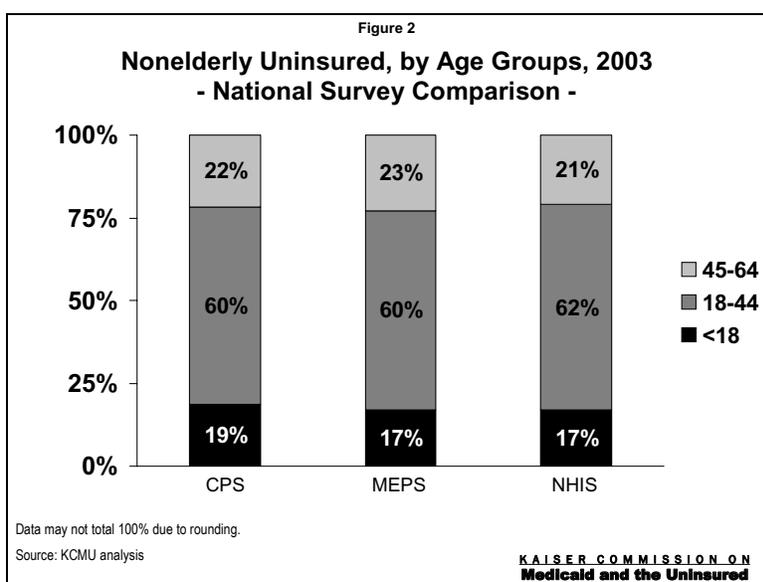
How Many are Uninsured?

Depending on the reference period respondents are asked to recall, national survey estimates of the uninsured have ranged as widely as 20 to 80 million. At one end, different surveys report 20 and 35 million being uninsured over the course of a full year, while as many as 80 to 85 million have been uninsured for at least part of a two year period. However, when comparisons are drawn using the same reference period in the NHIS, MEPS, and CPS (assuming it is a point-in-time estimate), the differences in the number of the uninsured are relatively small. For example, in 2003 the total number of nonelderly uninsured at any “point-in-time” in the year ranged from 41.1 million to 46.0 million, depending on which of these three surveys is used. The percent of all the nonelderly who were uninsured ranged from 16.3% to 18.3% (Figure 1).

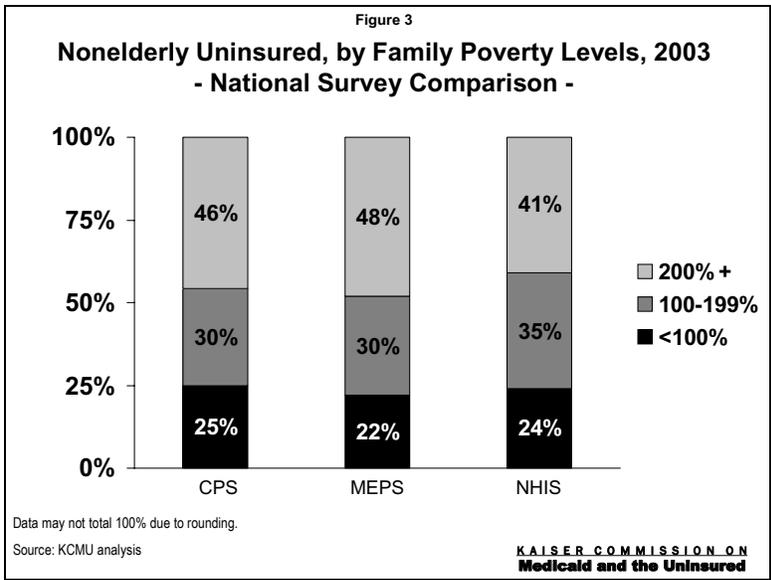


Who Are the Uninsured?

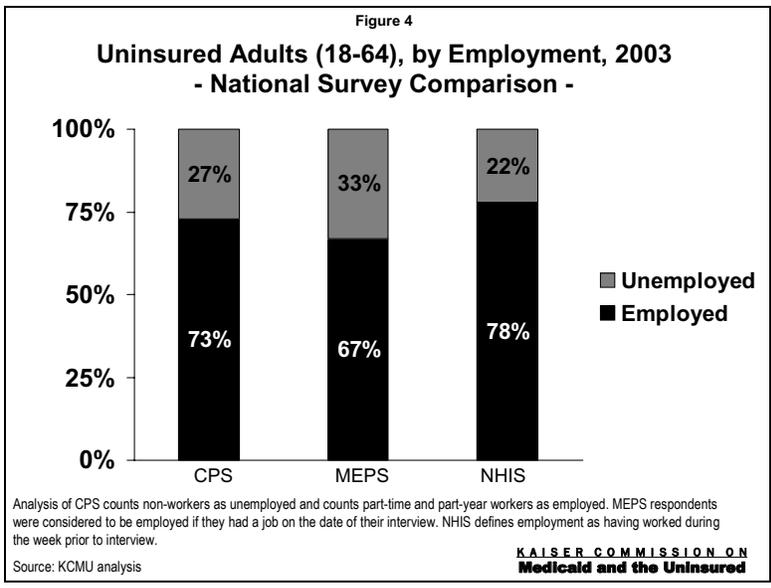
All three surveys show that about 80% of the uninsured are adults (Figure 2). Adults are more likely to be uninsured than children because most low-income children qualify for either Medicaid or S-CHIP, while low-income adults under age 65 qualify for Medicaid only if they are disabled, pregnant, or have dependent children. Because many eligible children are not enrolled in these public programs—often because their parents do not know they qualify—children make up 17% to 19% of all the uninsured. Adults are disproportionately represented among the uninsured and constitute the large majority, with those 18 to 44 years old making up roughly 60% of the uninsured.



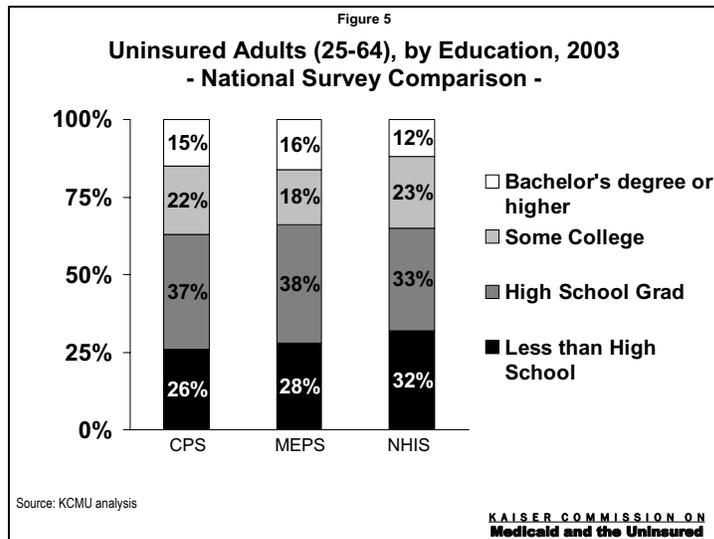
Across all three surveys, more than half of the nonelderly uninsured come from low-income families, ranging from 52% to 59% of the uninsured across the surveys (Figure 3). Those with low incomes (less than 200% of the poverty level; or \$37,620 for a family of four in 2003) are less likely to have jobs that offer employer-sponsored coverage and are also less likely to be able to afford their share of the premium. Roughly a third of the nonelderly population comes from low-income families, but they are disproportionately represented among the uninsured because their chances of being uninsured are over three times greater than those with higher incomes.



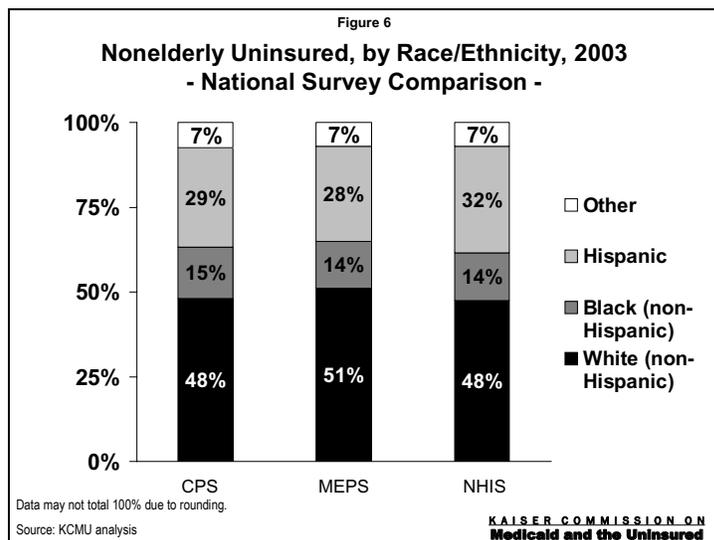
Looking just at working-age adults, the three surveys similarly estimate that at least two-thirds of nonelderly uninsured adults are employed (Figure 4). Employers are the most common source of health coverage for nonelderly Americans, but many uninsured workers either work for employers who do not offer coverage or cannot afford the coverage that they are offered. The share of the uninsured from working families is likely to grow if the percent of firms offering health benefits continues to decline and employee cost-sharing increases. In 2005, only 60% of employers offered health insurance to their workers, compared to 69% in 2000.²



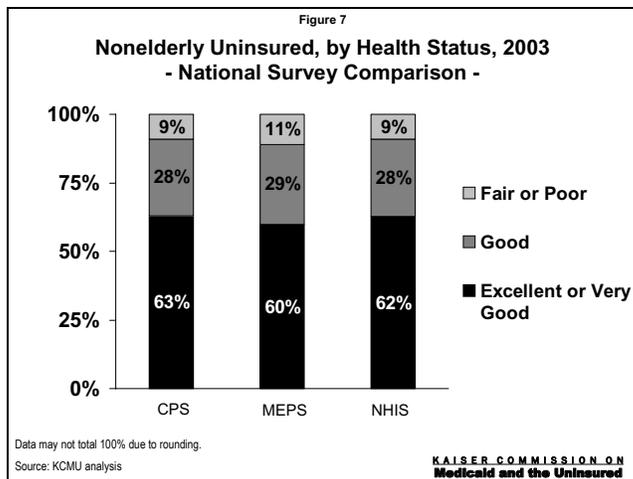
About two-thirds of uninsured adults in all three surveys have no college education and more than one-quarter of the uninsured did not graduate from high school (Figure 5). These groups tend to be less able to get high-skill jobs that come with health benefits. Those with less education are also more likely to be uninsured for longer periods.



The three surveys consistently show that about half of the uninsured are white (non-Hispanic) and half are racial and ethnic minorities (Figure 6). Minorities are more likely to have lower family incomes, which raises the risk of being uninsured. However, income disparities do not account for all of the racial and ethnic differences in health coverage. Minorities at both lower and higher income levels are more likely to be uninsured than their white counterparts. Uninsured rates are the highest among low-income Hispanics. Overall, Hispanics make up about 16% of the nonelderly population, but about 30% of the uninsured.



Besides painting a very similar economic and demographic profile, the NHIS, MEPS, and CPS also present a consistent picture of the health of the uninsured population. Each of these surveys estimates that about 10% of the uninsured report their health status as being fair or poor. Were it not for Medicaid, the insurance safety net for low-income persons with chronic and severely disabling conditions, more of the uninsured would not be in good health. Medicaid covers almost 60% of children who are in fair or poor health and over a third of adults who also are not in good health.



Conclusion

Three large national surveys—the CPS Annual Social and Economic Supplement, the MEPS, and the NHIS—produce timely estimates of health insurance coverage in the U.S. All of them are useful to policymakers and produce a fairly consistent picture of who the uninsured are. National estimates of the number of uninsured are also not substantially different when comparisons are made using a common reference period.

Because a basic goal of health insurance reform is to achieve better access to insurance—as the key to improving access to care—policymakers need a clear understanding of not only how many are uninsured, but who they are. The comparisons presented in this brief demonstrate that when the number of uninsured is measured consistently, the profile of these Americans varies little across surveys.

All of the major surveys point to the need to base policies on a realistic, data-based picture of who the uninsured really are and what they can actually afford. While more than two-thirds of uninsured adults are working, they are disproportionately low-income and less educated. Adults and racial and ethnic minorities also comprise a disproportionate share of the uninsured. Policies intended to expand coverage and improve access to care can be informed by these consistencies in our largest national surveys and with this knowledge can focus on those with the greatest need.

Methods

Each of these surveys was analyzed so as to obtain the most direct comparisons between the datasets. Respondents to all three surveys were categorized as uninsured if they were without any coverage, had only Indian Health Service coverage or only had a non-comprehensive plan that pays for a specific type of services such as dental insurance.

- Most NHIS data were taken from the National Center for Health Statistics' *Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2003*.³ The one exception was the data on work status, which came from the report entitled, *Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2003*.⁴
- Data from the 2003 Medical Expenditure Panel Survey (MEPS) were independently analyzed by the authors. In this survey, those who reported having no private coverage, TRICARE, Medicaid, Medicare, or other comprehensive public coverage are considered to be uninsured. MEPS respondents were asked about their coverage for each month of the year. We explored differences in estimates among several months in 2003 and finding little monthly variation, we chose mid-year, July 2003, to compare to other surveys' 2003 estimates.
- Estimates from the Census Bureau's March 2004 Current Population Survey (CPS) Annual Social and Economic Supplement were produced by the authors with analytic support from the Urban Institute, with one exception. Data on family poverty levels were taken directly from an analysis by the Economic Research Initiative on the Uninsured at the University of Michigan, available on their website.⁵

The comparative analysis of the uninsured by family poverty level was made using the Census Bureau's definition of "family" across all three surveys; and so these estimates differ from other published KCMU analyses that group individuals instead by "health insurance units". Families, as defined by the Census Bureau, include people related by birth, marriage or adoption who reside together. Health insurance units group individuals according to their insurance eligibility, rather than relatedness.

- The March CPS is designed to provide data representative of the entire preceding calendar year, however, its health insurance estimates fall into the range of other surveys' point-in-time estimates. Therefore, for purposes of this comparison, we assume that people interviewed for the March 2004 CPS answered the insurance questions in reference to health coverage they may have had at some point-in-time in 2003 and we compare them to other surveys' 2003 uninsured estimates.

We also analyzed the March 2003 CPS and found that there were only slight differences in the personal characteristics of the uninsured (usually no more than one percentage point) between March 2003 and March 2004 CPS data.

Endnotes

¹ For more information on SIPP, including discussions of attrition in the sample, see Genevieve Kenney, John Holahan, and Len Nichols. "Toward a More Reliable Federal Survey for Tracking Health Insurance Coverage and Access". *Health Services Research*, 2006 Jun;41(3 Pt 1):918-45 and Congressional Budget Office, "How Many People Lack Health Insurance and For How Long?" May 2003.

² The Kaiser Family Foundation and Health Research and Educational Trust. The 2005 Kaiser/HRET Annual Employer Health Benefits Survey, 2005. Available at <http://www.kff.org/insurance/7315>.

³ National Center for Health Statistics. *Summary Health Statistics for the U.S. Population: National Health Interview Survey, 2003*. April 2005.

⁴ National Center for Health Statistics. *Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2003*. July 2005.

⁵ The Economic Research Initiative on the Uninsured. *Fast Facts*. Tables are available at <http://www.umich.edu/~eriu/fastfacts/index.html>.

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