

medicaid and the uninsured

June 2008

Uninsured Young Adults: A Profile and Overview of Coverage Options

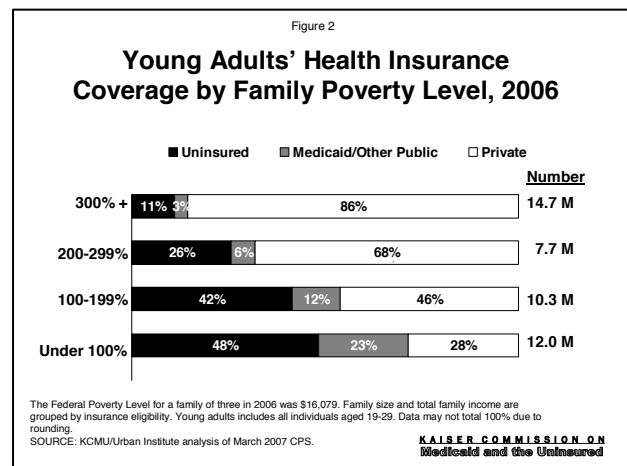
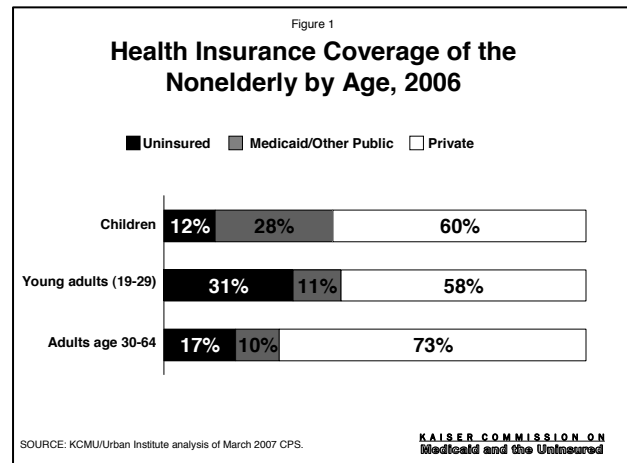
By Karyn Schwartz and Tanya Schwartz

Young adults, age 19-29, have the highest uninsured rate of any age group.¹ Coverage received through a parent's private plan or through a public program typically terminates when an individual turns 19 years old. Many of these young adults have entry-level, low-wage, and temporary jobs that often do not offer health coverage, and public coverage options for low-income young adults are very limited. Since 29% of the uninsured are young adults, efforts to decrease the overall number of uninsured must address this population. This brief examines health coverage for young adults, as well as their health status, access to care, and the financial burdens they encounter when paying for care. It also provides an overview of public and private approaches to expand health coverage for young adults.

I. Health Coverage of Young Adults

Young adults have the highest uninsured rate of any age group in the country. Almost one-third (31%) of young adults are uninsured, compared to 18% of the entire nonelderly population. The uninsured rate for young adults is almost twice as high as the uninsured rate for adults age 30-64 (Figure 1). Young adults have lower rates of private coverage than older adults, which leads to higher uninsured rates since adults have limited access to public coverage. Young adults also have a much higher uninsured rate than children, who are more likely to qualify for public coverage.

Among young adults, those with lower incomes are much more likely to be uninsured. Almost half of young adults with family incomes below the federal poverty level (\$16,079 for a family of three in 2006; \$10,294 for an individual) are uninsured, and more than four in ten of those with incomes from 100% to 199%



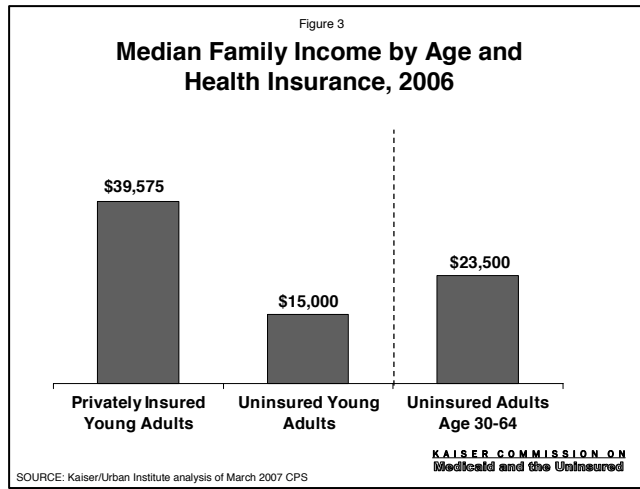
¹ Details on uninsured rates for young adults and a profile of uninsured young adults are available in an

of the poverty level are uninsured (Figure 2). It is only once young adults reach family incomes of 300% of the poverty level that their risk of being uninsured falls to less than one in four.²

The uninsured rates by poverty level for young adults are slightly higher than those of older adults (data not shown). However, the sizable difference in the overall uninsured rate for young adults compared to those who are older (31% vs. 17%) is largely driven by young adults' low incomes, since 27% of all young adults are below poverty compared to 12% of adults age 30 to 64.

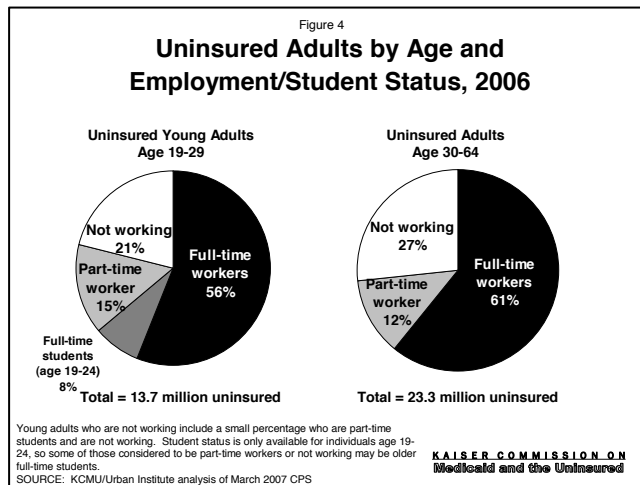
Half of uninsured young adults live in families with incomes below \$15,000 a year (Figure 3). Even when young adults who have not worked in the past year are excluded, the median family income of those who are uninsured is \$18,000. Only 13% of uninsured young adults are in families with incomes at or above \$40,000 a year, compared to about half of privately insured young adults.

Uninsured young adults have lower family incomes than uninsured older adults, which leaves younger adults with less money to pay for care themselves or try to purchase coverage on their own.



The majority of uninsured young adults are full-time workers (Figure 4). Similar to older adults who are working, employed young adults can have limited access to employer-sponsored coverage. Full-time students comprise only 8% of uninsured young adults.³ Students may qualify for dependent coverage through their parents or may be able to obtain coverage through their school. Students without access to affordable group coverage may be unable to purchase insurance since their incomes are often limited while they are in school. Although many young adults are continuing their education, the majority of uninsured young adults are not students.

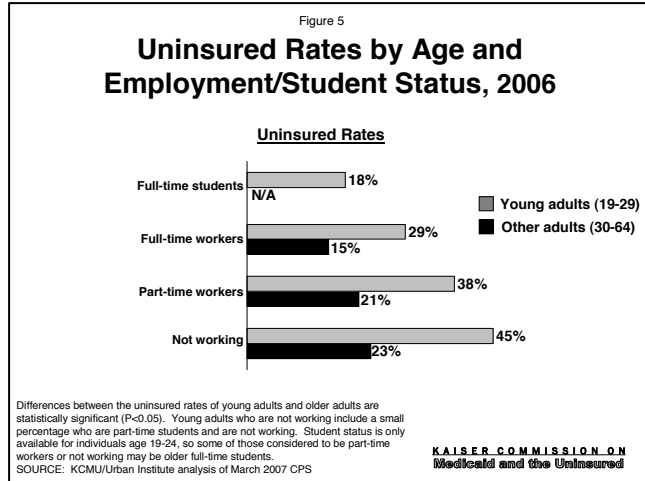
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² The term family is defined as a health insurance unit (those who are eligible as a group for “family” coverage).

³ Data on student status is only available for young adults under the age of 25.

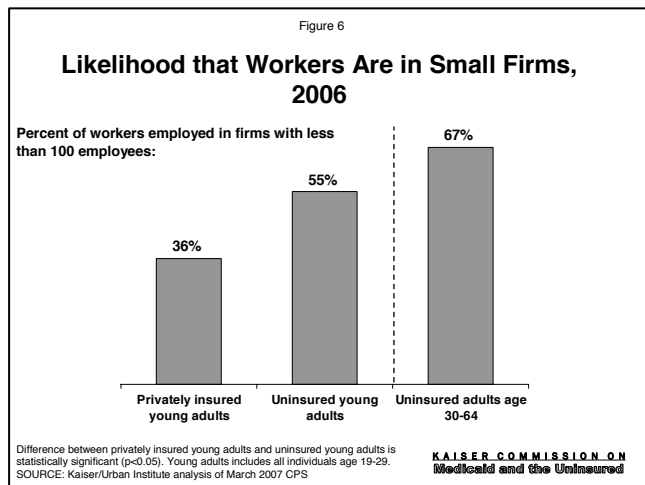
Young adults have higher uninsured rates than older adults regardless of work status (Figure 5). Since young adults are just beginning their careers, they are often unable to get the higher skilled, better paying jobs that come with affordable health insurance. About three in ten working young adults is uninsured, twice the rate of older working adults.



Access to Employer-sponsored Coverage

Due to their age, young adults are less likely to have an affordable employer-sponsored insurance option. Many young adults work in the types of jobs that do not offer coverage. Since only 27% of young adults are married, compared to 67% of older adults, most young adults are unable to purchase coverage through a spouse's employer if it is not offered through their own job. Even if their employer offers affordable coverage, many young adults encounter the waiting periods that new employees often face before they can enroll in employer-sponsored insurance. Moreover, young adults who are offered coverage through an employer may have difficulties paying their share of the insurance premium since they are just starting their careers and have lower incomes than older adults. The average employee share of annual premiums for individual coverage rose from \$324 in 1999 to \$696 in 2007.⁴

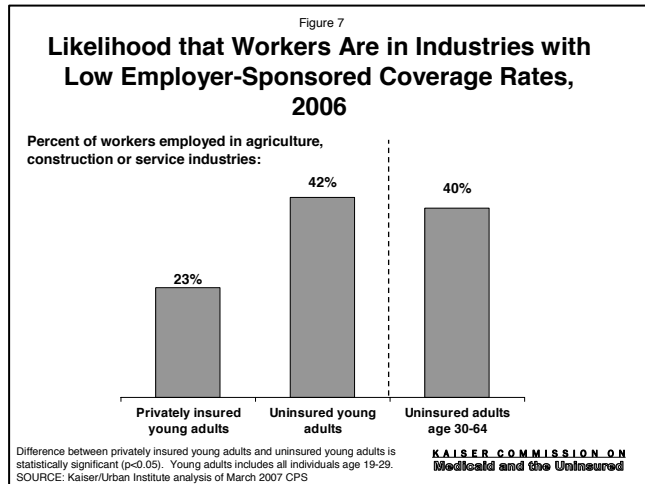
More than half of uninsured young adult workers are employed in smaller firms, which are less likely to offer coverage than larger firms. Access to employer-sponsored coverage has been declining in recent years, with almost the entire decline occurring among smaller employers. In 2007, just 58% of firms with fewer than 100 employees offered employer-sponsored coverage, compared to 99% of firms with more than 500 employees.⁵ More than half of both young uninsured workers and older uninsured workers work in these small firms (Figure 6).



⁴ Kasier Family Foundation and Health Research and Educational Trust, "Employer Health Benefits 2007 Annual Survey," (September 2007).

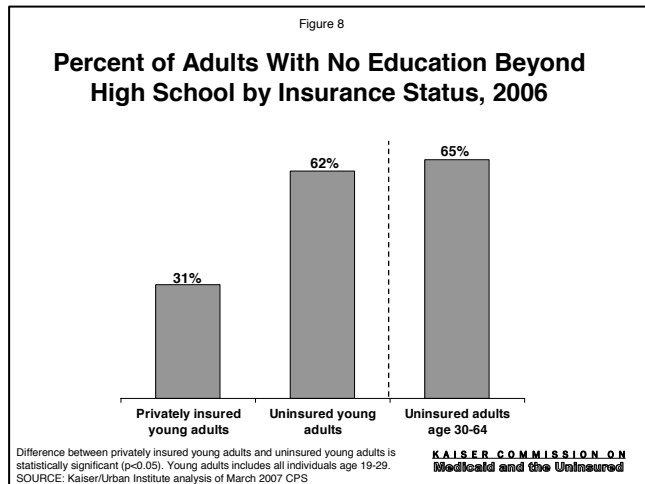
⁵ KFF analysis of the Kaiser/HRET Employer Health Benefits 2007 Annual Survey.

Uninsured young adult workers often work in industries that have low rates of employer-sponsored coverage (Figure 7). Only about half (51%) of all workers in the agriculture, construction and service industries have employer-sponsored coverage compared to three-quarters of workers in other industries (data not shown). Uninsured young adult workers are about as likely to work in these industries as older uninsured adults.



Young adults can face additional barriers to finding a job that offers health insurance since employees at firms with a young workforce are less likely to be offered employer-sponsored insurance. Firms with a relatively large share of younger workers (35% or more of employees are age 26 or younger) are significantly less likely to offer health benefits than firms with a smaller share of younger workers (35% vs. 63%).⁶

Job opportunities are limited for many uninsured young adults since they have lower levels of education than those with private coverage (Figure 8). Uninsured young adults are more than twice as likely (62% vs. 31%) to have no education beyond high school. Uninsured young adults and their older counterparts have similar levels of education. Without any higher education, these adults often find their employment opportunities limited and may have greater difficulty finding a job with employer-sponsored coverage. Only 9% of uninsured young adults have a college degree, which leaves many higher skilled jobs out of reach.



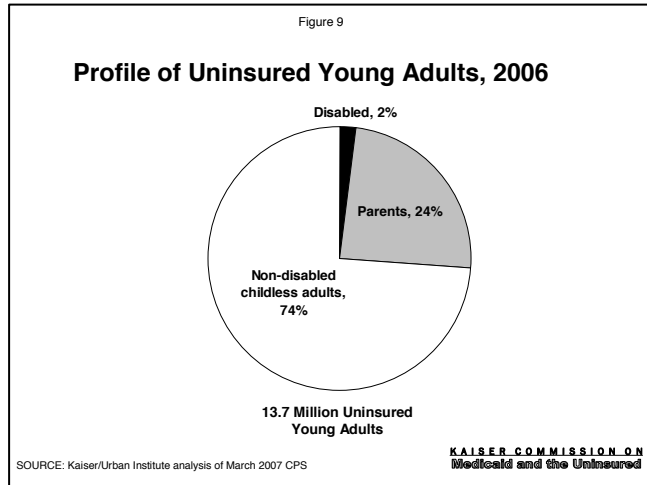
Access to Public Coverage

Most low-income young adults are not eligible for Medicaid or the State Children's Health Insurance Program (SCHIP). Medicaid and SCHIP play a significant role in covering low-income children. However, when young adults turn 19, their coverage typically terminates since adults' eligibility for Medicaid is much more limited than

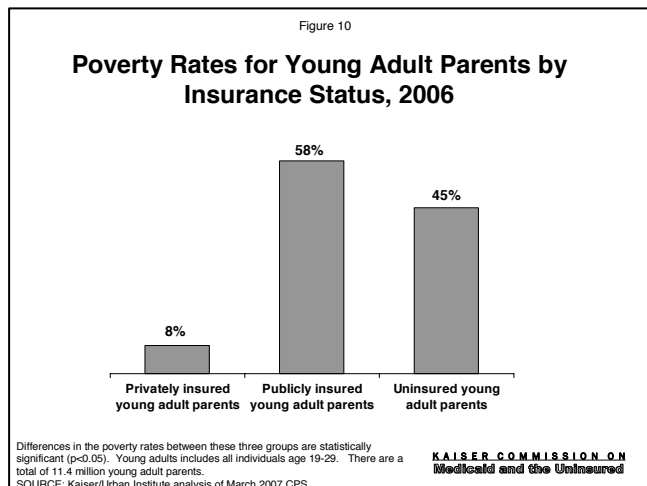
⁶ Kasier Family Foundation and Health Research and Educational Trust, "Employer Health Benefits 2007 Annual Survey," (September 2007).

children's eligibility. As a result, only 11% of young adults have public coverage compared to 28% of children.

Low-income adults are only eligible for Medicaid if they fall into certain categories, including being pregnant, a custodial parent, or disabled. Under federal law, states cannot cover non-disabled adults without dependent children through Medicaid unless they receive a waiver. Overall, 24% of young adults are parents and 2% are adults with disabilities (Figure 9). The remaining 74% are adults without dependent children and therefore do not fall into a Medicaid eligibility category.



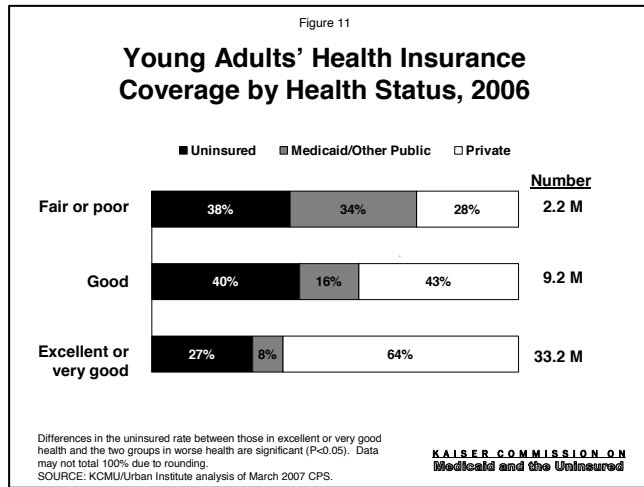
Medicaid income eligibility limits for adults are often very low (Figure 10). Almost half (45%) of uninsured young adult parents are under poverty, but these poor parents may not qualify for Medicaid. Medicaid income eligibility cut-offs vary by state, with cut-offs for working parents in 33 states set below the poverty line in 2008. In 12 states, eligibility cut-offs for working parents are set below 50% of the poverty level (about \$8,000 a year for a family of three). Eligibility levels for children tend to be much higher than for their parents, with 44 states and Washington, DC covering children with family incomes at or above 200% of poverty in 2008.⁷



⁷ D. Ross, A. Horn, C. Marks, "Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles," Kaiser Commission on Medicaid and the Uninsured, January 2008.

II. Health Status, Access and Coverage

Young adults in fair or poor health are more likely to be uninsured than those in excellent health (Figure 11). While many discussions about uninsured young adults cite their relatively good health as a reason why they have chosen to forgo health insurance, the data show that those in the best health are actually the least likely to be uninsured. About 27% of young adults in excellent or very good health are uninsured, compared to about 40% of those in worse health.



Young adults have a range of health care needs. While most young adults are in excellent or very good health, health needs evolve during young adulthood. Comprehensive health insurance enables young adults to receive preventive services and screenings. For the 12% of uninsured young adults who have a chronic condition, lack of insurance can be a barrier to necessary care.⁸ These conditions require ongoing monitoring, which young adults with limited incomes may forgo if they lack adequate coverage. Mental health conditions are among the health problems that often develop during young adulthood. Many young adults suffer from depression and 75% of all lifetime cases of diagnosable mental disorders begin by age 24.⁹ Young adults 18 to 25 year olds have a high prevalence of serious psychological distress, which is highly correlated with serious mental illness. Although 19% of those age 18 to 25 experience serious psychological distress, this age group shows the lowest rate of seeking help for these mental health problems.¹⁰

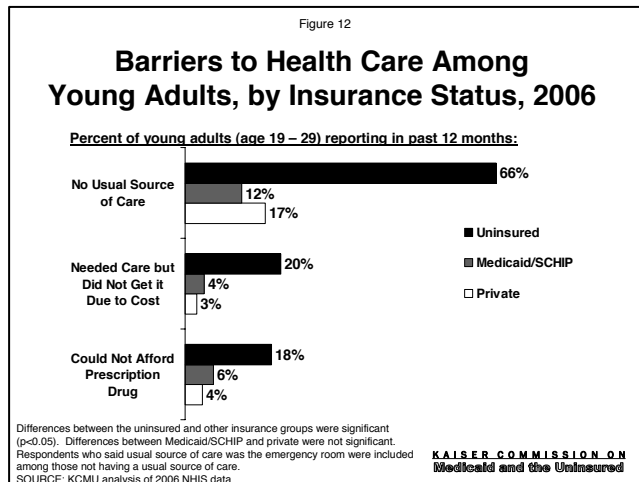
Young adult women have additional health needs, as they are at an age when they require reproductive health services. Having health insurance and consistent access to the medical system may increase the likelihood that they receive timely pre-natal care if they become pregnant.

⁸ KCMU analysis of 2006 NHIS data. Young adults who said they had ever been diagnosed with diabetes, cancer, emphysema, heart disease, hypertension, stroke or had an episode of asthma in the past year were considered to have a chronic condition.

⁹ M.J. Park, T.P. Mulye, S. Adams, C. Brindis, C. Irwin, "The Health Status of Young Adults in the United States," *Journal of Adolescent Health* 39 (2006) 305-317.

¹⁰ Substance Abuse and Mental Health Administration, "SAMHSA Launches Anti-Stigma Campaign," http://www.samhsa.gov/SAMHSA_News/VolumeXIV_6/article4.htm.

Insurance makes a substantial difference in young adults' ability to access needed care. About two-thirds of uninsured young adults have no usual source of care, compared to only 17% of those with private coverage and 12% of those with Medicaid (Figure 12). One in five uninsured young adults report that they were unable to get needed care due to cost within the past year. Similarly, 18% of uninsured young adults said they could not afford a prescription drug in the past year. Uninsured young adults are also less likely to have a usual source of care than their older counterparts who are uninsured, meaning that young adults may be less able to navigate the health care safety net.



Uninsured young adults often shoulder substantial financial burdens to pay for medical care. One in ten uninsured young adults had more than \$700 in out-of-pocket medical expenses in 2005.¹¹ Given their low incomes, these costs can be difficult to pay and may eventually be turned over to collection agencies. A recent survey found that, after adjusting for differences between the insured and uninsured, one quarter of low-income uninsured young adults report having been contacted by a collection agency in the past year about medical bills.¹² When young adults amass medical debt, it can have long-term consequences for their credit rating and can impede efforts to save for the future and pay off student loans and other debts.

III. Approaches to Improve Health Care Coverage Among Young Adults

States are currently looking for ways to decrease the number of uninsured through a variety of strategies. Both broad and targeted policies are being used to increase coverage rates among young adults. Young adults have traditionally been a difficult population to cover because they tend to have jobs that do not provide employer-sponsored insurance and their low incomes may make health insurance unaffordable. Given that young adults have the highest uninsured rate of any age group, public and private efforts are being specifically targeted to this population.

Extensions of Dependent Coverage Through Private Insurance

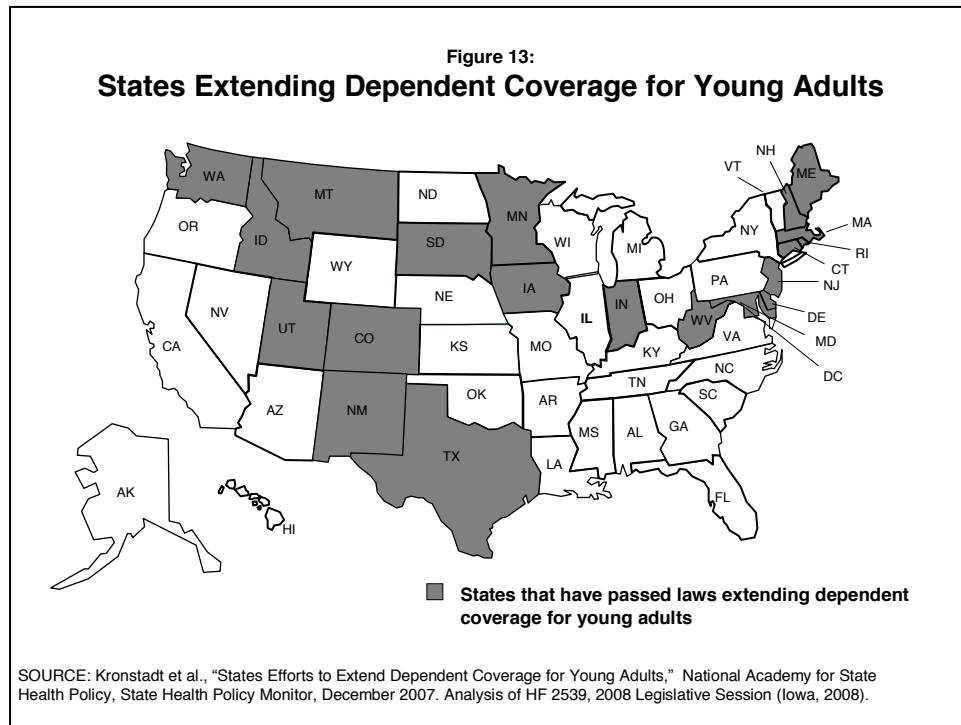
Twenty states have passed laws to increase the age that children can be covered under their parent's private health insurance plan.¹³ Thirteen states increased the dependent age

¹¹ KCMU analysis of 2005 MEPS data.

¹² G. Kenney and J. Pelletier, "Spotlight on Low-Income Uninsured Young Adults: Causes and Consequences," KCMU Issue Brief (June 2008).

¹³ J. Kronstadt, S. Mojerie, S. Schwartz, "State Efforts to Extend Dependent Coverage for Young Adults," National Academy for State Health Policy (December 2007).

to 25, while other states chose age 24 or 26. New Jersey allows dependents to be covered up to age 30 and in Massachusetts, young adults are considered dependents up to age 25 or for two years after they are no longer claimed on their parents' tax returns, whichever comes first.¹⁴ Most of the state laws apply to all young adults but the laws in Idaho, Rhode Island, and South Dakota only apply to students.¹⁵



Other states are also considering extending dependent coverage. Current state health reform proposals and commission recommendations in Illinois, Pennsylvania, and Arizona include increasing the dependence age for health insurance under a parent's plan. The Governors' proposals in Illinois and Pennsylvania would increase the dependent age up to age 30. Presidential candidate Barack Obama's health care proposal extends the age at which young adults can be covered under their parent's private health insurance plan to age 25.

While increasing the age of dependent coverage will help some young adults, especially full-time students, this policy approach is limited in its reach. Young adults who do not attend school, attend school part-time, are married, or who do not live in the same state as their parents are less likely to benefit from these proposals. Additionally, employers may require employees to pay higher premiums in order to provide coverage to dependent children, thereby making it unaffordable for some parents. Another drawback to this approach is that these laws do not apply to employers who insure employees by paying health care claims themselves rather than contracting with an outside insurance company to provide coverage. These self-insured employer plans are not subject to state insurance

¹⁴ MA HB 4850. Chapter 58 of the Acts of 2006. For full text: <http://www.mass.gov/legis/laws/seslaw06/sl060058.htm>.

¹⁵ S.R. Collins et al., "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help," The Commonwealth Fund (2007).

regulations and therefore cannot be required to extend the age of dependent coverage. A recent study suggests that 55% of employees are in self-insured plans, which are common among larger employers.¹⁶ Therefore, many private plans will be exempt from requirements to extend dependent coverage.

Educational Institution Requirements

An increasing number of public and private universities are requiring students to have health insurance as a prerequisite to enrollment. The Government Accountability Office estimates that 30% of colleges required students to have health insurance during the 2007-2008 academic year.¹⁷ California, Idaho, Illinois, Massachusetts, Montana, and New Jersey all require full-time undergraduate students (who are U.S. citizens) to have health insurance. In Governor Rendell's Prescription for Pennsylvania health reform proposal, all full-time undergraduate and graduate students would be required to have health coverage that meets minimum requirements. In other states, some universities provide health coverage to their students and include the costs in students' tuition. These requirements will likely encourage some students to obtain coverage but others may have difficulty affording the premiums. According to the Government Accountability Office, over half of colleges offered student health insurance plans during the 2007-2008 academic year. However, the plan benefits varied widely and many had spending limits on health care services.¹⁸

Health Care Plans Marketed to Young Adults

Recognizing that the lack of affordable health insurance is the primary barrier to young adults obtaining coverage, states have begun to develop plans specifically targeted to this population. In general, these plans offer less comprehensive coverage and may require higher cost sharing in exchange for lower premiums. As part of its comprehensive health care reform plan, which included a requirement that all adults purchase health coverage, Massachusetts developed a specially designed lower-cost health insurance product for 18-26 year olds. Under these plans, benefit packages must be "reasonably comprehensive" and include inpatient and outpatient services and physician services for physical and mental illnesses. Health insurers that offer these products must include outpatient prescription drug coverage in at least one of their young adult products. As of May 8, 2008, nearly 4,000 individuals in Massachusetts were enrolled in these young adult plans.¹⁹ Other states, including Kansas, are considering offering young adults similar plans that have lower premiums but a limited benefits package.

¹⁶ J. Kronstadt, S. Mojerie, S. Schwartz, "State Efforts to Extend Dependent Coverage for Young Adults," National Academy for State Health Policy (December 2007).

¹⁷ Government Accountability Office, "Most College Students Are Covered Through Employer-Sponsored Plans, and Some Colleges and States are Taking Steps To Increase Coverage," (March 2008).

¹⁸ Ibid.

¹⁹ Commonwealth Choice Progress Report. May 8, 2008.

<http://www.mahealthconnector.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/About%2520Us/Publications%2520and%2520Reports/Current/Connector%2520board%2520meeting%2520May%25208%252C%25202008/CommChoice%2520Progress%2520Report%25205-8-08.doc>

Several private health insurers are also developing plans designed specifically for young adults. Blue Cross Blue Shield and American Community Mutual Insurance Company are among the first health insurance companies to target plans to young adults. Many of these plans have low premiums but high deductibles and limited benefit packages. Tonik Health, an affiliate of Blue Cross Blue Shield, offers health insurance to young adults in California, Colorado, Connecticut, Nevada, New Hampshire, and Georgia. Three plans are offered in each state, and differ by deductible, premium and co-payment costs. The health care plans that are offered also vary across states. For example, in some states, Tonik only covers generic prescription drugs while in other states, there is a separate deductible for brand name prescriptions.

A range of premium costs are presented online but actual premium costs vary by age, gender, and medical history (Figure 14). None of the Tonik health plans cover maternity care. Tonik Health utilizes creative online marketing strategies to attract young adults, such as labeling their plans “Part-Time Daredevil” and “Thrill Seeker.” The website provides simple descriptions of the plans as well as a short online application.

Figure 14. Sample of Tonik health care plans:

	Georgia	Connecticut
Premium Cost	\$65+/month	\$144.64 /month
Deductible	\$5,000	\$1,500
Copayment	\$20	\$30
Limitations	No maternity coverage, 12 month pre-existing exclusion, mental health/substance abuse visits limited to 12/year, \$2,000 deductible for brand drugs	No maternity coverage, \$500 calendar year Rx maximum

Source: Tonik Health. www.tonik.com. Georgia and Connecticut plans. Accessed on June 25, 2008.

In September 2007, American Community Mutual Insurance Company launched Precedent, a set of health plans targeted at young adults in Texas. The premium cost averages nearly \$100/month for healthy young adults with little or no deductible. Young adults can purchase an initial level of coverage with a benefit cap of \$1,000-\$5,000 depending on the plan. A unique provision of these plans is that once young adults purchase the initial level of health insurance, they are able to purchase additional coverage even after an injury or accident arises. In order to purchase additional levels of insurance, young adults are required to pay a fee that ranges from \$1,800-\$6,000 depending on the plan.²⁰

Options to Expand Public Health Care Coverage for Young Adults

A key reason for the high uninsured rate among young adults is their lack of access to public health care coverage through Medicaid or SCHIP. Medicaid and SCHIP are a crucial source of coverage for many low-income children, but once they turn 19, most young adults are no longer eligible for these programs.

²⁰ Precedent Presentation “Reaching the ‘Young Invincibles’” for a Corporate Research Group webinar (October 2007). Precedent press release: <http://www.pr9.net/health/insurance/6327september.html>.

Waivers to Extend Medicaid/SCHIP Coverage to Adults without Dependent Children

Under federal law, states can only cover certain groups of adults with Medicaid funds, including parents, pregnant women, and people with disabilities. SCHIP funds are restricted to children and, in some cases, pregnant women. As a result, states cannot use Medicaid or SCHIP funds to cover non-disabled adults without dependent children regardless of their income, which leaves many young adults ineligible.

However, as of May 2008, 18 states had obtained a waiver of federal rules from the federal government to cover childless adults with Medicaid or SCHIP funds.²¹ States have long been able to obtain a Medicaid waiver to cover these adults, but were first permitted to use SCHIP funds for childless adults under waiver guidelines issued by the Bush Administration in 2001. The Congress later stopped further SCHIP waivers for childless adults as part of the Deficit Reduction Act of 2005.

Waivers to cover childless adults increase access to coverage for low-income adults. However, states' ability to use this approach to expand coverage and the reach of these expansions are limited by the financial constraints of waivers. Under longstanding policy, waivers must be budget neutral for the federal government, which means they cannot cost the federal government more than what would have been spent in the absence of the waiver. As such, states must offset the cost of waiver coverage expansions to childless adults with other program savings or by redirecting existing funding. Reflecting these financial constraints, waiver programs for childless adults often are limited by enrollment caps and/or provide much more limited benefit packages than Medicaid.

Outside of waivers, some states provide coverage to low-income adults excluded from Medicaid through fully state-funded programs. However, these programs also are limited by available funding and often have enrollment caps and/or limited benefit packages.

Expanding Medicaid Eligibility for Parents

Another mechanism to provide health care coverage to young adults is to expand Medicaid eligibility for parents. Given that 54% of uninsured young adults have a child who receives public health care coverage, many young adult parents could benefit from such an expansion. Research shows that children are more likely to have health care coverage if their parents have coverage, so an expansion for parents may bring in additional uninsured children who are eligible but not enrolled in public coverage.²² States have the option to expand Medicaid to more parents, and states can use waivers to reach this population if they want to structure the coverage in ways that do not meet federal Medicaid requirements. In 2008, 17 states and Washington, DC cover working parents with incomes at or above the federal poverty level.²³ A greater number of states

²¹ As of May 2008, based on Congressional Research Service, "Medicaid and SCHIP Adult Coverage Under the Sectoin 1115 Waiver Authority," February 13, 2007 and KCMU analysis of Section 1115 waiver documents available through the Centers of Medicare and Medicaid Services website at <http://www.cms.hhs.gov/MedicaidStWaivProgDemoPGI/MWDL/list.asp#TopOfPage>.

²² L. Dubay and G. Kenney, "Expanding Public Health Insurance to Parents: Effects on Children's Coverage Under Medicaid," *Health Services Research*, 38 (5):1283-1301, 2003.

²³ D. Ross, A. Horn, C. Marks, "Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles," Kaiser Commission on Medicaid and the Uninsured, January 2008.

have not expanded Medicaid eligibility for parents because of limited funding and because states do not have the same financial incentives to do so than they have for children covered through SCHIP.

Extending Medicaid Eligibility to Age 21

States also can expand the reach of public coverage to young adults by taking up the option to extend children's Medicaid coverage up to age 21. Extending Medicaid eligibility to age 21 allows children who have had Medicaid to continue their health care coverage with the same providers. It can also fill in the gap for young adults between high school and work, and it can provide young adult workers with health insurance at a time when their incomes are likely to be very low. However, most states have not expanded Medicaid to age 21 due to a lack of available funding. In the Children's Health Insurance Program Reauthorization Act of 2007 (CHIPRA) that was passed by the Congress but vetoed by President Bush, states would have been given the option to expand coverage of Medicaid and SCHIP up to age 25.

IV. Conclusion and Policy Implications

Strategies to lower the number of uninsured in the U.S. are gaining attention during the presidential campaign. Since young adults have the highest uninsured rate of any age group, improving their ability to gain affordable coverage could be a key step in lowering the number of uninsured Americans.

Affordability is a Major Hurdle for Uninsured Young Adults. Half of uninsured young adults have family incomes below \$15,000 a year. At this level of income, meeting basic living expenses takes precedence in household budgets, leaving little room to afford health care premiums or to pay out-of-pocket medical costs. Although most uninsured young adults work full-time, employment is typically in low-wage jobs, for small firms, and in industries where employer-sponsored insurance is less likely to be provided. As a result, low-income young adults have little financial ability to purchase health coverage. Difficulty affording insurance is the major driver of lack of coverage among young adults. Uninsured rates are strikingly high among those with low to moderate incomes, with nearly half of those with incomes below poverty lacking coverage. At higher income levels, young adults are much more likely to have private health insurance. Among young adults above 300% of poverty, 86% have private coverage, just slightly lower than rates of coverage among older adults.

Uninsured young adults have substantially worse access to care and the cost of health care results in many going without the care they need to maintain their health. While many young adults are healthy, they have a range of medical needs. All need periodic preventative care and screening services. Injuries and acute medical conditions needing prompt, and often expensive, medical attention can also strike young adults unexpectedly. In addition, more than one in ten uninsured young adults have a chronic condition that requires regular monitoring and medical services. Inability to afford medical care and fear of medical debt can jeopardize the ability of young adults to get appropriate care. Out-of-pocket health care costs, even for routine care, can easily outstrip the budget of an uninsured young adult leaving them with bills they cannot afford. Medical bills from a

more serious health event that requires costly services, such as an inpatient hospital stay, can quickly result in a medical debt that exceeds a young person's ability to pay.

Public Programs Provide a Framework to Expand Coverage of Young Adults. Nearly nine in ten uninsured young adults have family incomes below 300% of poverty. Building on public programs that already serve the low-income population is a logical strategy to broaden insurance coverage of young adults and could provide a source of affordable and comprehensive coverage. Medicaid and SCHIP are successful in providing coverage to many low income children and some parents. These programs provide a useful framework for expanding coverage of young adults. However, about three-quarters of uninsured young adults are categorically ineligible for these programs since they are neither disabled nor parents. In addition, although children in families up to 200% of the poverty level are typically eligible for Medicaid or SCHIP, parents are often covered only at much lower income levels, often well below poverty. Although some states have implemented broader coverage of parents to facilitate family coverage, state budget constraints limit these efforts. Because these programs provide a solid foundation for children, they are a logical base to build upon to extend the reach of existing public coverage to young adults. The federal government could support state efforts to expand coverage of young adults by providing additional financing and changing federal law to support public program coverage of low-income adults without children.

Building on Dependent Coverage is a Vehicle Also Being Tapped. Increasing the age that children can be covered as a dependent under their parent's health insurance plan may slightly reduce the number of uninsured young adults. However, this strategy is not likely to have a major impact on the number of uninsured because some state laws have various limitations on who can be covered. Additionally, with an overall increase in the number of uninsured and declines in the percentage of people with employer-sponsored insurance, parents may lose employer-sponsored insurance or may be unable to afford the additional premium costs associated with covering dependent children.

New Plans That Are Marketed to Young Adults Are Appealing But Have Gaps. The private health care plans that are being marketed to young adults may be attractive because they offer basic health care coverage at low premium costs. For healthy young adults who do not go to the doctor often and who do not need many prescription drugs, these plans could be an affordable option. However, given the low-incomes of most uninsured young adults, individuals may have difficulty meeting the financial obligations of these plans when medical services are used and be left unprotected in the event of chronic illness, pregnancy or a major accident.

Young adults are a diverse population and various strategies could potentially reach certain groups within this population, but these programs must provide substantial financial assistance since uninsured young adults have very low incomes. Broader reform to provide coverage to low-income individuals would substantially decrease the number of uninsured young adults. Expanding coverage to young adults will not only improve their access to health care, but it will also improve their financial stability as they begin their adult lives.

**Appendix
Uninsured Young Adults, 2006**

	All Young Adults (millions)	Percent of All Young Adults	Uninsured Young Adults (millions)	Percent of Uninsured Young Adults	Uninsured Rate for Young Adults
Total - Young Adults	44.7	100.0%	13.7	100.0%	31%
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Family Poverty Level¹					
<100%	12.0	27%	5.8	42%	48%
100-199%	10.3	23%	4.3	31%	42%
200-299%	7.7	17%	2.0	14%	26%
300%+	14.7	33%	1.6	12%	11%
<hr/>					
Family Income					
<\$20,000	17.6	39%	8.2	60%	47%
\$20,000 - \$39,999	11.8	26%	3.7	27%	32%
\$40,000 - \$59,999	6.0	14%	1.0	7%	17%
\$60,000 +	9.3	21%	0.7	5%	8%
<hr/>					
Work/Student Status²					
Full-time worker	26.4	59%	7.6	56%	29%
Full-time student (age 19-24)	6.4	14%	1.1	8%	18%
Part-time worker	5.5	12%	2.1	15%	38%
Non-Workers	6.4	14%	2.9	21%	45%
<hr/>					
Education					
Less than high school	6.1	14%	3.3	24%	54%
High school graduate	13.6	31%	5.2	38%	38%
Some college/Assoc. degree	16.4	37%	4.0	29%	24%
College grad or greater	8.5	19%	1.2	9%	14%
<hr/>					
Gender					
Male	22.4	50%	7.8	57%	35%
Female	22.2	50%	5.9	43%	26%
<hr/>					
Age					
Age 19-24	24.1	54%	7.5	55%	31%
Age 25-29	20.5	46%	6.1	45%	30%
<hr/>					
Marital Status					
Married adults	12.0	27%	2.9	21%	24%
Not married	32.6	73%	10.8	79%	33%
<hr/>					
Parent Status					
Parent	11.4	26%	3.3	24%	29%
Not a parent	33.3	74%	10.4	76%	31%
<hr/>					
Health Status					
Excellent/Very Good	33.2	74%	9.1	67%	27%
Good	9.2	21%	3.7	27%	40%
Fair/Poor	2.2	5%	0.8	6%	38%
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Race/Ethnicity					
White only (non-Hispanic)	27.1	61%	6.2	45%	23%
Black only (non-Hispanic)	5.9	13%	2.1	15%	36%
Hispanic	8.5	19%	4.5	33%	53%
Asian/S. Pacific Islander only	2.2	5%	0.5	4%	24%
Am. Indian/Alaska Native	0.3	1%	0.1	1%	48%
Two or More Races	0.6	1%	0.2	2%	33%

¹ The Census poverty level threshold for a single person under age 65 in 2006 was \$10,488 per year. The threshold for a family of four was \$20,614. The term family as used in family income and family poverty level is defined as a health insurance unit (those who are eligible as a group for "family" coverage in a health plan).

² Student status is only available for young adults under age 25. Some of those age 25-29 considered to be part-time or non-workers may be older students. Also, those who are working full-time and attending school full-time are categorized as full-time workers in this analysis. Young adults who are not working includes a small number of part-time students.

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