THE HENRY J. KAISER FAMILY FOUNDATION

KAISER LOW-INCOME COVERAGE AND ACCESS SURVEY

THE KAISER COMMISSION ON
Medicaid and the Uninsured

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Spotlight on Low-Income Uninsured Young Adults: Causes and Consequences

By Genevieve Kenney and Jennifer Pelletier

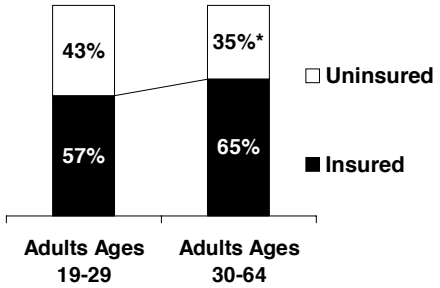
Addressing uninsurance among young adults is a key component of any solution to the nation's uninsured problem since they account for such a large share of those without coverage.[1] Young adults are at high risk of being uninsured, particularly if they have low incomes.[2] This brief is the latest in a series using data from the 2005 Kaiser Low-Income Coverage and Access Survey to examine health coverage, access, and financial burdens associated with health care for young adults ages 19 to 29 in low-income families (with incomes at or below 200% of the Federal Poverty Level).[3] This survey focused on low-income adults and provides more extensive data on these issues than most national surveys. The findings demonstrate that many low-income uninsured young adults experience problems gaining access to needed health care, with adverse consequences for both their health and financial well-being.[4]

Many low-income young adults lack access to affordable private health insurance coverage.

More than four in ten low-income young adults are uninsured (Figure 1). Low-income young adults ages 19 to 29 are 1.2 times as likely to be uninsured as low-income adults ages 30 to 64 (43% vs. 35%). The underlying characteristics of low-income young adults put them at high risk for being uninsured: only 35 % report full-time work, 32 % have less than a high school education, 16 % are students, and a large proportion are either Black or Hispanic (Figure 2).[5] Many low-income young adults lack access to affordable private coverage since few are full-time students or full-time employees, few have jobs that offer employer coverage, and few have access to coverage through their parents. Most low-income uninsured young adults are not eligible for Medicaid,[6] despite nearly half of them being parents themselves, and would not be able to afford health insurance premiums in the non-group market on their own. While a fairly healthy population – 83% of low-income young adults described themselves as in excellent, very

Figure 1

Coverage Status of Low-Income Adults



Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less.
* Indicates statistically significant difference from 19-29 age group.

This paper is part of a series that analyzes data from The 2005 Kaiser Low-Income Coverage and Access Survey. The Kaiser Family Foundation conducted this national survey to examine health insurance coverage, access to care and the impact of health costs on the low-income population. The majority of the uninsured are low-income, and this survey of more than 5,000 low-income adults provides detailed data that can be used to inform the ongoing debate on reforming the U.S. health care system.

good, or good health – lack of insurance coverage creates barriers in access to care and exposes low-income young adults to the risk of high medical bills should they need care for a serious illness or injury.[7]

Figure 2

Characteristics of Low-Income Young Adults

Coverage Status	Percent
Uninsured	43.3
Private Insurance	25.7
Public Insurance	31.0
Respondent Health Status	
Excellent/VG/Good	83.2
Fair/Poor	16.8
Parent Status	
Parent	48.0
Non-parent	52.0
Family Income Relative to FPL	
Less than 100% FPL (Poor)	58.5
100%+ FPL (Near Poor)	41.5
Work Status	
Employed Full Time	34.8
Employed Part Time	19.1
Unemployed/Non-Worker	46.1
Race/Ethnicity	
White	28.4
Black	32.6
Hispanic	31.6
Asian	1.9
Other	5.5

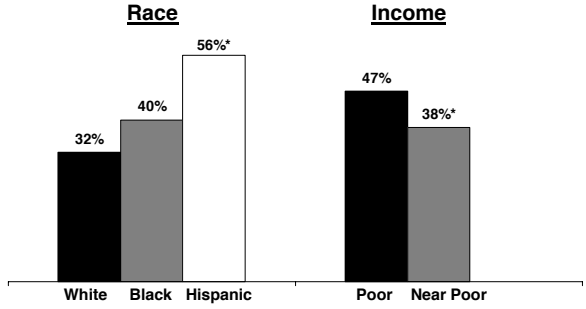
Education	Percent
< High School	32.0
HS Diploma	30.8
Some College+	37.2
Gender	
Male	44.2
Female	55.8
Student Status	
Student	15.5
Non-student	84.5
Age	
Ages 19-24	64.7
Ages 25-29	35.3
Citizenship Status	
US Citizen	80.8
Permanent Resident	9.6
Undocumented	9.6

Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29.

Coverage disparities exist by race/ethnicity, income, and educational attainment. Over half (56%) of low-income Hispanic young adults are uninsured, compared to 32% of Whites (Figure 3). Nearly half (47%) of those with family incomes below the Federal Poverty Level (FPL) are uninsured, whereas 38% of young adults in families earning between 100 and 200% of the FPL lack coverage. Education also has a large impact on coverage status, with those low-income young adults who have less than a high school education twice as likely to be uninsured as those with at least some college education (60% and 30%, respectively, data not shown).

Figure 3

Low-Income Young Adults: Uninsured Rates by Race and Income

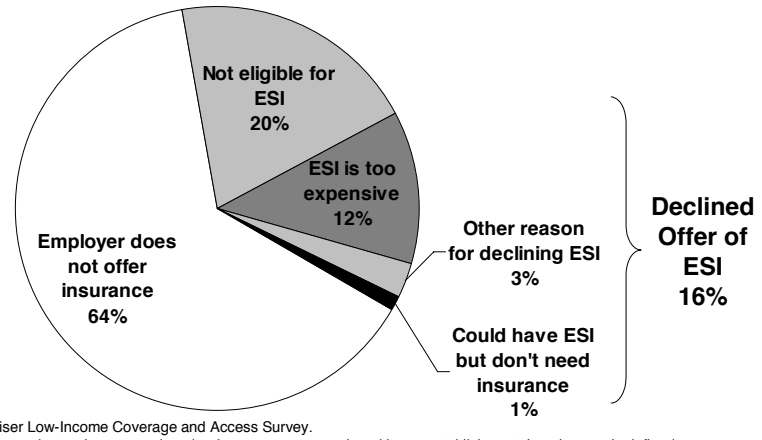


Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Poor is defined as those living in families earning less than 100% of the FPL; Near Poor is defined as those living in families earning between 100% and 200% of the FPL. Young adults are those respondents ages 19-29.
* Indicates statistically significant difference from the reference group at the p<.05 level. Reference groups are White and Near Poor.

Employer-sponsored health insurance is often out-of-reach even for those who are employed. The vast majority (84%) of low-income uninsured young adults who are employed or have an employed spouse do not have access to employer-sponsored insurance (ESI) (Figure 4). The primary reason is that neither they nor their spouse works for an employer that offers insurance to any of its employees (64%), and another 20% do not qualify for the insurance plan

Figure 4

Access to Employer-Sponsored Insurance Among Low-Income Young Adult Workers Who Are Uninsured

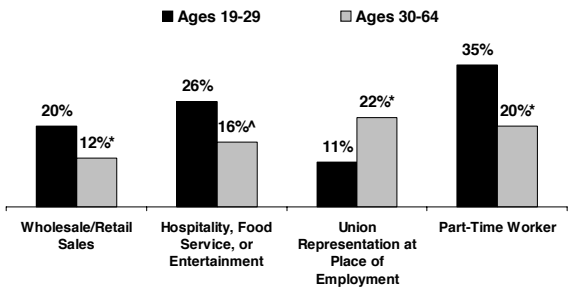


Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Includes respondents who are employed or have a spouse employed by an establishment. Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29. Includes potential access through a spouse, but not through a parent.

offered by their or their spouse's employer (likely because so many work part-time). The remaining 16% were offered coverage but declined to enroll. Most of those who declined coverage report not enrolling because they could not afford the coverage that was offered (12% of the uninsured workers), only 1% say they do not believe they need coverage, and the remaining 3% gave another reason.[8] Low access to ESI among younger low-income workers is likely due in part to their concentration in jobs and industries with low rates of ESI access and union representation (Figure 5). Workers in industries such as construction and hospitality/food service/entertainment have among the highest rates of uninsurance compared to workers in other industries,[9] and over a third (36%) of younger low-income workers are employed by one of these industries. Furthermore, older low-income workers are twice as likely to have union representation at their place of employment, which is associated with higher rates of employer sponsorship of health insurance for employees. Older low-income workers are also less likely to be a part-time employee, increasing the chances that they would be eligible for their employer-sponsored health plan.[10] Other research indicates that young adults have the lowest rates of ESI coverage, access and take-up of any age group and that they experienced the sharpest declines in coverage between 2001 and 2005.[11] This suggests that gaps in access to employer coverage may be widening for low-income young adults.

Figure 5

Employment Characteristics of Low-Income Working Adults



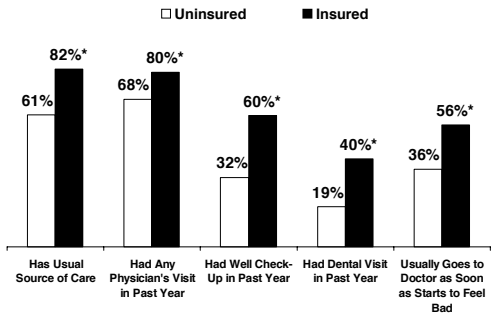
Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less.
* Indicates statistically significant difference from 30-64 age group at the p<.05 level.
^ Indicates statistically significant difference from 30-64 age group at the p<.10 level.

Many low-income uninsured young adults experience problems obtaining needed health care, resulting in adverse health and financial consequences.

Access to primary health care is limited.[3] While access problems are apparent for both uninsured and insured young adults, uninsured low-income young adults consistently report lower access and use of health care services than the insured. Uninsured low-income young adults are 20 percentage points less likely to report having a usual source of care than the insured after controlling for socioeconomic and health differences between the groups (61% vs. 82%) (Figure 6). The uninsured are also only half as likely to have had a medical check-up or a dental visit in the past year; however, about 6 in 10 *insured* low-income young adults have had a medical check up, and only about 40% had a dental visit.[12] The uninsured are also 20 percentage points less likely to report that they usually go to the doctor as soon as they start to feel bad (36% compared to 56%), making them less likely to seek medical help when needed.

Figure 6

Access to Care Among Low-Income Young Adults

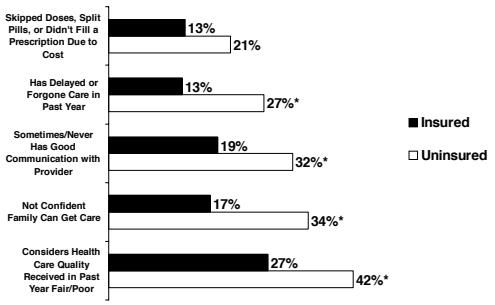


Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29. Regression-adjusted means reported. Those reporting the ER as their usual source of care are not included as having a usual source of care.
* Indicates statistically significant difference from uninsured group at the p<.05 level.

Uninsured low-income young adults are significantly more likely than the insured to delay or forgo care (27% vs. 13 %), report communication problems with their provider (32% vs. 19%), and lack confidence that their family can get the care it needs (34% vs. 17 %) (Figure 7). Furthermore, about 40% of uninsured low-income young adults rate the quality of health care they've received in the past year to be fair or poor, compared to only about 30% of the insured. The lower service use among low-income uninsured young adults is likely due to the greater financial barriers they face when trying to obtain needed care, whereas access problems for the insured likely stem from out-of-pocket cost sharing requirements or difficulties gaining access to care due to provider shortages or other non-financial barriers to care.

Figure 7

Access Problems Among Low-Income Young Adults



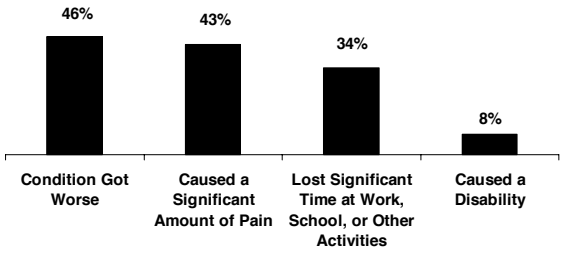
Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29. Regression-adjusted means reported.
* Indicates statistically significant difference from insured group at the p<.05 level.

Low-income young adults face negative health consequences of limited access to care. Nearly a fifth (18%) of all low-income young adults delayed or did not get needed care during the past year, which the majority (79%) said was due to lack of insurance or money (data not shown). Delaying or forgoing care resulted in the condition getting worse or caused a significant amount of pain for many low-income young adults (46% and 43%, respectively) (Figure 8). More than a third (34%) lost significant time at work, school, or other important life activities. Eight percent of those who delayed or went without

needed care reported a resulting disability, highlighting the importance of timely receipt of needed health care even among younger age groups.

Figure 8

Potential Health Consequences of Postponing or Forgoing Care Among Low-Income Young Adults

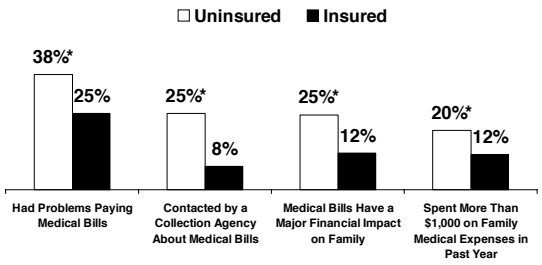


Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29.

Out-of-pocket spending burdens are high.[3] Health care costs strain the finances of many low-income young adults, both those with and without insurance. However, the financial burden is particularly heavy for the uninsured, who are significantly more likely to report that medical bills have a major financial impact on their family (25% vs. 12%) and that they have had problems paying those bills (38% vs. 25%) (Figure 9). Indeed, roughly 1 in 4 low-income uninsured young adults report having been contacted by a collection agency about unpaid medical bills.[12] Nevertheless, insurance coverage does not always protect low-income young adults from health care spending burdens, with 25% of the insured reporting problems paying their medical bills.[12] Other research indicates that the share of non-elderly Americans spending more than 10% of their disposable income on health care costs rose by 5 percentage points since 2000.[13] With health care costs projected to continue rising, low-income young adults will likely face even tougher times trying to address their health needs in the years ahead.

Figure 9

Financial Implications of Health Care Spending Among Low-Income Young Adults by Insurance Status



Source: 2005 Kaiser Low-Income Coverage and Access Survey.
Note: Low-income is defined as living in families earning 200% of the federal poverty level (FPL) or less. Young adults are those respondents ages 19-29. Regression-adjusted means reported.
* Indicates statistically significant difference from insured group at the p<.05 level.

Conclusion

Over 10 million low-income adults age 19 to 29 are uninsured.[14] The majority of low-income uninsured adults in this age group lack access to employer-sponsored coverage, due in part, to their lack of full-time employment and their employment in jobs that do not typically offer coverage. Since so few are full-time students and so many live below the federal poverty level, most low-income uninsured young adults also lack access to other sources of affordable private coverage. Going without health insurance creates significant consequences for many young adults, despite most being in excellent or very good health. Many experience problems getting access to affordable primary care and report that these access difficulties bring about health and financial problems which could have far-reaching and long-lasting effects on their lives.

There are a variety of policy tools available to increase access to insurance coverage for this age group.[15] One policy option would be to expand eligibility for Medicaid and the State Children's Health Insurance Program (SCHIP) to age 24 or beyond, allowing more low-income young adults to qualify for public coverage throughout their college years or first years in the job

market. Since nearly half of low-income young adults are parents, efforts to expand Medicaid eligibility to parents could also have a positive impact on coverage. Other options include requiring that commercial private plans cover dependent children above age 21, requiring that full-time students have health insurance coverage, and allowing private plans to offer insurance products that are targeted at young adults.[16] In 2006 and 2007, sixteen states passed laws requiring some insurers to allow dependents to keep coverage under their parents' plan until age 24-26.[17] While many of these laws include restrictions on the age, marital status, and student status of eligible dependents, they are a step in the direction of increasing coverage for this vulnerable age group.

Another policy concern is the access problems and adverse financial impacts of medical costs found for the low-income young adults in the sample who have insurance coverage. Like their uninsured counterparts, this group also fares poorly compared to older adults on a variety of access measures, perhaps due to underinsurance.[18] High cost-sharing requirements and lack of coverage for certain health services particularly important to this age group (such as preventive and mental health care, reproductive services, etc.) likely contribute to the barriers these adults face accessing affordable care. The benefits packages, provider reimbursement policies, and cost-sharing arrangements in both public and private plans may need to be modified in order to meet more of the health care needs of low-income young adults.

This brief is part of an ongoing collaborative effort between staff of the Kaiser Commission on Medicaid and the Uninsured and the Urban Institute to examine health coverage, access, and financial burdens facing low-income families using data from the 2005 Kaiser Low-Income Coverage and Access Survey.

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2005 Kaiser Low-Income Coverage and Access Survey Methods

This 2005 national survey was a random digit dial survey of adults ages 19 to 64 living in families with incomes at or below twice the poverty level, with a national all-income comparison sample. The low-income survey sampled the low-income population in the highest poverty Census tracts that account for 20% of the low-income population. There were 5,482 low-income completed interviews, including 1,234 young adults (ages 19-29). The coverage status used for analysis is the coverage status of the respondent at the time of the interview. In contrast, access indicators (physician's visit, dental visit, etc.) refer to the respondent's experiences during the 12 months prior to the interview, which could introduce some measurement error. All indicators of access to and use of health services are reported by the respondent. The low-income survey yielded a response rate of 31%, and a follow up non-response study produced a response rate of 49%. The estimates in this paper are all derived from the low-income sample. The survey weights for the low-income survey take into account the selection probability and non-response and are post-stratified to align the data to U.S. Census 2000 data at the tract level for the specific population of interest (<200% above the poverty threshold) using the following variables: geography, race/ethnicity, education, sex and age. The standard errors were calculated and significance testing was conducted to take into account complex sampling methodology by using Taylor series linearization in Stata 10.

Notes

[1] Collins, S., C. Schoen, J. Kriss, M. Doty, and B. Mahato. "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help." The Commonwealth Fund. Issue Brief. August 2007.

[2] National Adolescent Health Information Center. (2008). "Fact Sheet on Health Care Access & Utilization: Adolescents & Young Adults." San Francisco, CA. Author, University of California, San Francisco.

[3] A brief description of the survey data and methods can be found at the end of this brief. We chose to focus on 19-29 year olds because they include both older adolescents just graduating from high school and college and also those who have been in the job market for several years. Other studies (Collins et. al, 2007 and Schoen, Doty, Collins, and Holmgren. "Insured but not Protected: How many Adults are Underinsured?" *Health Affairs.* Web Exclusive. w5-289- w5-302.) have also used this cut off. The estimates for access to care, access problems, and financial burdens (Figures 6, 7, & 9) are regression-adjusted means that control for differences in age, race, educational attainment, health status, and socioeconomic status between coverage groups. Simple means were similar in magnitude to the results presented here, but controlling for observed differences between the insured and uninsured provided more power to detect significant differences between the groups.

[4] These findings are broadly consistent with prior studies that have found that uninsured young adults experience much greater access problems than insured young adults. See Collins et al. 2007 and Callahan and Cooper 2005 and 2006.

[5] While many of the distributions (e.g., with respect to work status, family income, age, and citizenship status) from the 2005 Kaiser Survey of Low-Income Coverage and Access line up with those from larger national surveys like The Current Population Survey (CPS), and the estimated uninsured rate is quite similar in both surveys as well (43 percent in the Kaiser Survey vs. 45 percent in the CPS), the mix of public and private coverage and the race/ethnicity distribution reported on the Kaiser survey is quite different from that found on the March 2007 CPS. On this survey, the shares of low-income young adults with public and private coverage are 31 and 25 percent, respectively, compared to 18 and 37 percent on the CPS. The Kaiser survey also has a larger share of Blacks (33 vs. 17 percent) and Hispanics (32 vs. 24 percent) than the CPS, and consequently, a smaller share of Whites (28 vs. 51 percent). This is due to the sample design of the Kaiser survey which samples low-income adults living in high-poverty areas.

[6] Collins, S., C. Schoen, J. Kriss, M. Doty, and B. Mahato. "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help." The Commonwealth Fund. Issue Brief. August 2007. ; Fox, H., S. Limb, and M. McManus. "The Public Health Insurance Cliff for Older Adolescents." Incenter Strategies. Fact Sheet No. 4. April 2007.

[7] Collins, S., C. Schoen, J. Kriss, M. Doty, and B. Mahato. "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help." The Commonwealth Fund. Issue Brief. August 2007.

[8] Other reasons include administrative and time hassles and not giving a specific reason.

[9] "Health Insurance Coverage in America. 2006 Data Update" Kaiser Commission on Medicaid and the Uninsured. October 2007.

[10] Clemans-Cope L, Kenney J, Pantell M, and Perry C. "Access to Employer-Sponsored Health Insurance Among Low-Income Families: Who Has Access and Who Doesn't?" The Urban Institute. September 2007.

[11] Clemans-Cope L, Garrett B. "Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005." Kaiser Commission on Medicaid and the Uninsured. December 2006.

[12] These estimates are population-based means derived from the survey.

[13] Banthin J, Cunningham P, and Bernard D. "Financial Burden of Health Care, 2001-2004." *Health Affairs*. Vol 27, No. 1 (Jan/Feb 2008). 188-195.; Banthin J and Bernard D. "Changes in Financial Burdens for Health Care." *JAMA*. Vol.296, No, 22. (Dec 2006). 2712-2719.

[14] Urban Institute Tabulations of the 2007 Current Population Survey.

[15] See Schwartz K. and T. Schwartz. "Uninsured Young Adults: A Profile and Overview of Coverage Options." KCMU Issue Brief. June 2008 (#7785) for more information on policy options to expand coverage to uninsured young adults.

[16] See Holahan J. and G. Kenney. "Health Insurance Coverage of Young Adults: Issues and Broader Considerations." Urban Institute. June 2008.

[17] "State Efforts to Extend Dependent Coverage for Young Adults." State Health Policy Monitor, Vol. 1, Issue 5 (Portland, ME: National Academy for State Health Policy, December 2007), Publication No. 2007-111.

[18] They are less likely to see the same doctor at their usual source of care (p=.00), to have a well check-up in the past year (p=.09), and to have any physician's visit in the past year (p=.12).

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