

LACK OF COVERAGE: A LONG-TERM PROBLEM FOR MOST UNINSURED

Lack of health insurance coverage can be a short-term or long-term problem for the uninsured. Shorter coverage gaps occur when people change or lose their jobs (and must wait several months before becoming eligible in their new positions) or when people wait for eligibility decisions or experience lapses due to redetermination procedures for public programs. However, longer periods without coverage are more common and occur when people's employers do not offer coverage, when their health conditions make them uninsurable in the private market, when they cannot afford premiums, when they lose a spouse's benefits due to divorce or death, or when they do not qualify for public coverage.

Although even a short period without health coverage can result in difficulty obtaining appropriate care, the long-term uninsured experience more serious access problems. Research based on the 2002 National Survey of America's Families (NSAF) examines differences between the short- and long-term nonelderly uninsured and their access to care. As policymakers tackle the problem of the uninsured, they will need to consider approaches that meet the needs of both the short- and long-term uninsured.

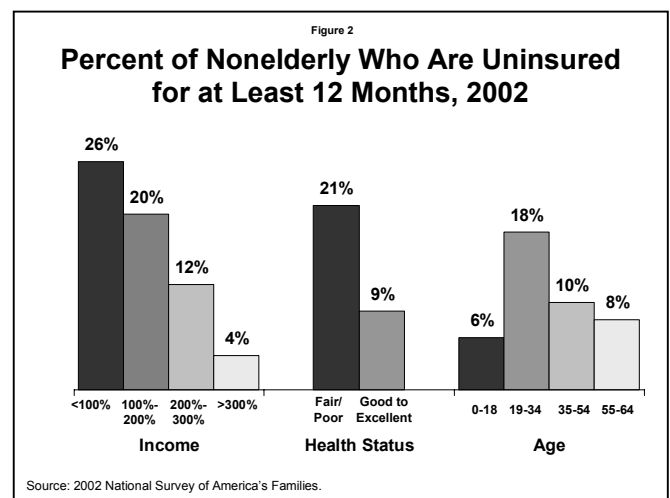
HOW MANY PEOPLE ARE UNINSURED AND FOR HOW LONG?

Estimates of the number of uninsured differ depending on the time frame that is applied. The NSAF data show that 37 million people were uninsured at the time of the survey in 2002, but an additional 12 million were uninsured for some period of time during the 12 months prior to the survey. Of the total 49 million who were uninsured at some point during the year, over half (26 million people) lacked coverage for 12

months or longer and a quarter were uninsured for six to eleven months; about 22 percent were uninsured for five months or less (Fig. 1).

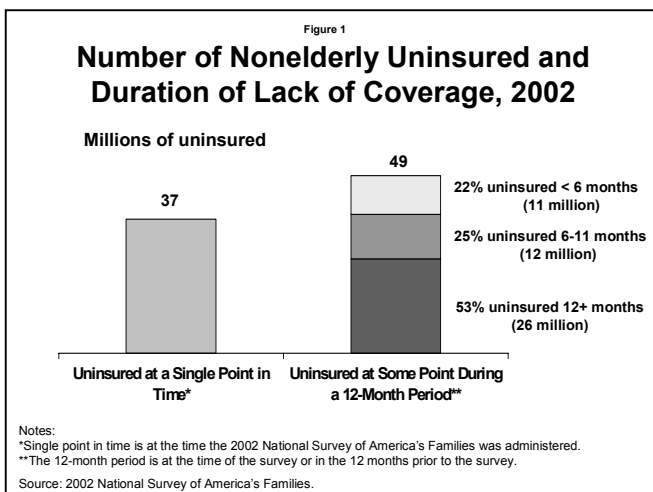
WHO LACKS COVERAGE FOR LONG SPELLS?

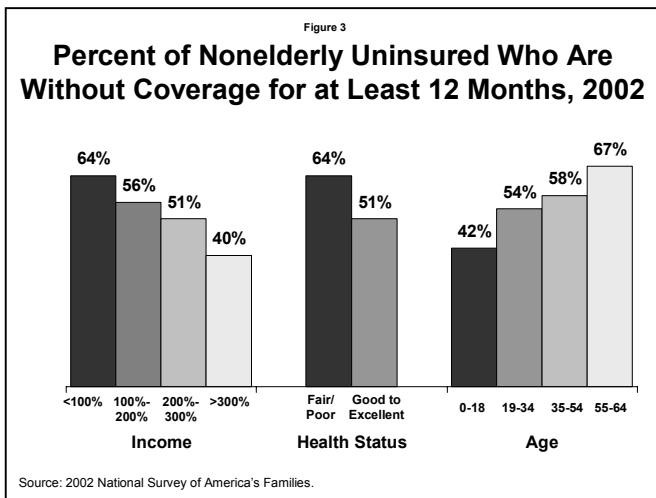
The chances of experiencing a long spell without health coverage (12 months or longer) are not equal. Individuals with low incomes and those in fair or poor health status are significantly more likely than others to be uninsured for long periods. Young adults (19-34 years old) are at greater risk of being uninsured for 12 months or longer than other age groups (Fig. 2).



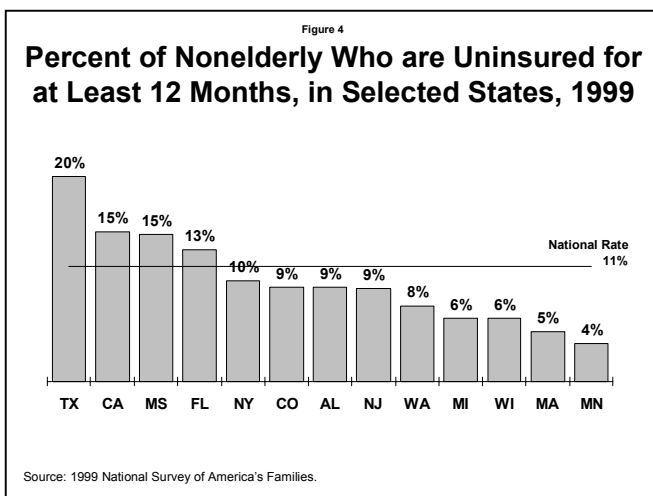
Among the uninsured, those with low incomes are more likely to be uninsured for at least 12 months than those with incomes above 300 percent of the poverty level (Fig. 3). Nearly two-thirds of the uninsured who are in fair or poor health have been uninsured for long spells compared to half of those in better health. While young adults are at greatest risk for long spells without coverage, among the uninsured, those age 55-64 are most likely to be uninsured for at least 12 months—about two-thirds versus 54 percent of the younger uninsured.

Race and ethnicity also factor into the likelihood of being uninsured for long periods. Hispanics are over three times as likely as non-Hispanic whites to be uninsured for at least 12 months. Eligibility for public coverage is a significant factor as well—low-income adults who are eligible for public coverage are less likely to experience long spells without coverage than those who do not qualify.





Long periods without coverage are more common in certain areas of the country than others. Across 13 studied states, the variation in the share of the population without coverage for long spells is significant—from a high of over 20 percent in Texas to only 4 percent in Minnesota (Fig. 4).

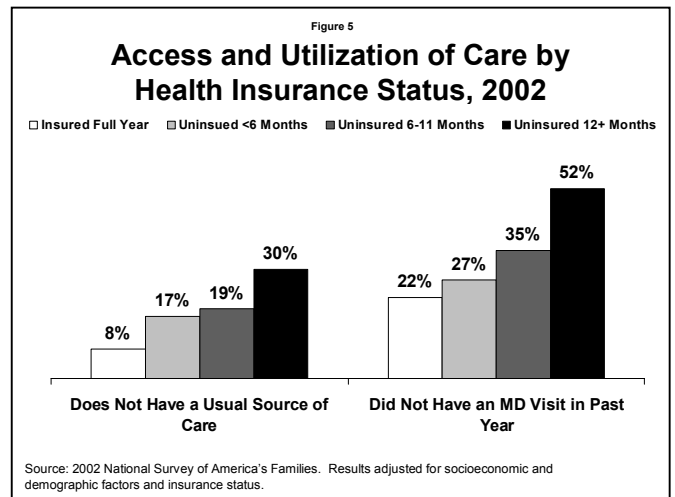


In fact, much of the overall state variation in uninsured rates is driven by differences in the proportion of the state's population who are uninsured for long spells. For example, residents of Texas, California, Mississippi, and Florida are significantly more likely than the national average to lack coverage at some time during the year. While there are virtually no differences in these states' rates for short uninsured spells (less than 6 months) compared to the national average, their rates for lengthy uninsured spells (12 months or longer) are substantially higher than average.

WHAT DIFFERENCE DOES TIME WITHOUT COVERAGE MAKE?

The length of time a person goes without health coverage matters. As the months without insurance increase, the likelihood of experiencing problems accessing and utilizing necessary care increases (Fig. 5). The long-term uninsured are much more likely to lack a usual source of care than

those uninsured for five months or less (30 percent compared to 17 percent). Similarly, the chances of not seeing any physician over the course of a year differ—over half of those uninsured for a year or longer did not see a physician in the past year compared to 27 percent of those uninsured for a short period.



POLICY IMPLICATIONS

Nearly 50 million Americans were uninsured for some period of time in 2002. Eleven million were uninsured less than 6 months; another 12 million were uninsured for 6 to 11 months. However, the majority—26 million—were without health coverage for 12 months or longer.

Those who are uninsured for short versus long spells are largely different groups of people. The uninsured who have the hardest time finding affordable coverage are those who stay uninsured the longest: those with low incomes, those in fair or poor health, and the middle-aged who are more likely to live with chronic health conditions. These same personal factors often compound the barriers to health services experienced by anyone who does not have health insurance.

Incremental health policy solutions that primarily address short gaps in insurance coverage will ease the problem for those facing the fewest barriers to obtaining health coverage. For those who are uninsured for long periods, more fundamental insurance reforms are likely to be needed to address the central cause: the lack of affordable health insurance, particularly for those with chronic health conditions. These might include increasing the role of publicly subsidized care (such as tax credits and/or expansions in public programs) or extensive reforms in the private marketplace for health insurance (such as broad purchasing cooperatives or government reinsurance for catastrophic costs).

Drawn from: Haley J. and S. Zuckerman, *Is Lack of Coverage a Short-Term or Chronic Condition?*, prepared for the Kaiser Commission on Medicaid and the Uninsured, June 2003 (Publication #4122) and updated to 2002 by the authors (Publication #4120-02).