

# Characteristics of the Nonelderly with Selected Sources of Health Insurance and Lengths of Uninsured Spells

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Issue Brief

- This *Issue Brief* examines the characteristics of individuals with selected sources of coverage and combinations of sources of coverage over a 12-month period. In addition, it examines the characteristics of individuals who experience spells without health insurance and the lengths of these spells. It uses the most recent 12-month period from the Survey of Income and Program Participation and builds on previous research on the lengths of spells with and without health insurance.
- Analysis of individuals' health insurance coverage from October 1994 to September 1995 showed that approximately 77.6 percent of the nonelderly had health insurance coverage during this entire period. In addition, 22.4 percent of the nonelderly were uninsured for at least one month during this period, and 7.4 percent of the nonelderly were uninsured for the entire period. Of those with health insurance coverage for the entire year, approximately 83 percent were covered by private health insurance, with at least 81 percent of this group receiving the coverage from employment-based sources.
- Eighty-five percent of the spells without health insurance with an observed beginning and end lasted for 4 months or less, and 99 percent lasted for 8 months or less. When examining the spells with either an observed beginning or end, 55 percent of these spells were found to last for 4 months or less, and 87 percent were found to last for 8 months or less. However, investigation of all spells without health insurance showed that approximately one-half of all spells without health insurance coverage lasted for 8 months or longer.
- This report found that two-thirds of spells without health insurance last for less than one year, confirming previous research that a majority of these spells are for less than a year. However, this report also confirms the existence of a significant number—approximately one-third of all individuals with a spell of noncoverage—of chronically uninsured individuals. These individuals are the most likely to delay seeking treatment for illnesses and to use the emergency room as their only site of care. Because they are in poverty or near poverty, much of this care is uncompensated. Thus, to the extent that providers can shift these costs onto other payers, all individuals and employers share in these costs through higher health insurance premiums or higher taxes to finance public hospitals and public insurance programs.
- Recent major health insurance legislation has addressed access to health insurance, and in many cases focused solely on continued access to employment-based coverage, but has done very little to address the affordability of coverage. However, as this report demonstrates, many individuals experiencing spells without health insurance have low incomes. Thus, to obtain coverage, individuals need not only increased access to health insurance but also the ability to afford this health insurance.

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## Introduction

The number and percentage of individuals with and without health insurance coverage in the United States at any point in time has been well documented (e.g., Employee Benefit Research Institute, 1986; Chollet, 1987; and Fronstin, 1996a; 1996b; 1997a; 1997c). These same studies have also reported the characteristics of these populations. However, much less work has been done on the length of individuals' coverage status or the characteristics of those with varying lengths of spells with or without health insurance (Swartz, Marcotte, and McBride, 1993a; 1993b; Swartz and McBride, 1990; and Bennefield, 1996a). Knowing the characteristics of individuals who experience spells with or without health insurance and the lengths of these spells can greatly improve policymakers' chances of successfully addressing the issue of the uninsured.

The studies that have looked at individuals' lengths of spells without health insurance have found that the majority of these spells last less than 6 months (Bennefield, 1996a; Swartz, Marcotte, and McBride, 1993b). However, a group of chronically uninsured individuals exists for whom the likelihood of continuing to be uninsured increases as the length of the spell increases (Swartz, Marcotte, and McBride, 1993b). These studies have identified certain characteristics of individuals that are associated with an increased likelihood of having longer spells without health insurance. These characteristics tend to be: ages 25–34, income below or just above the poverty line, lack of a high school diploma, loss of Medicaid coverage, Hispanic origin, and residence in a rural area (Bennefield, 1996a; Swartz and McBride, 1990). Many of these characteristics coincide with an individual's reduced likelihood of working for an employer that offers health insurance.

This *Issue Brief* builds on the previous research on the lengths of spells with and without health insur-

ance. It does this by using a more recent data set to examine the characteristics of the individuals who have selected sources of coverage and combinations of sources of coverage over a 12-month period. It also examines the characteristics of individuals who have spells without health insurance and the lengths of these spells.

## Overview

This report uses Waves 6 through 9 of the 1993 Panel of the Survey of Income and Program Participation (SIPP) to examine the sources and the combinations of sources of health insurance coverage for nonelderly individuals in the United States. This survey is unique in that it tracks individuals' health insurance coverage on a monthly basis. Consequently, the length of time that an individual has or does not have health insurance coverage can be examined. Waves 6 through 9 of the 1993 Panel of SIPP were selected to allow for a complete analysis of individuals' health insurance coverage for the latest 12 months available, October 1994 to September 1995.

Because SIPP tracks the same individuals over time, the survey suffers from sample attrition. This report does not attempt to adjust for this attrition, because it only investigates the most recent 12-month period, which does not allow for the correction of attrition that started in this survey's previous 5 waves. Thus, the results should be thought of as a sample distribution that will allow for future comparisons. In general, the attrition in this sample tends to be more prevalent for minorities, lower-income groups, and the uninsured. Therefore, the percentages within each of these categories will have a downward bias and consequently should be thought of as a lower bound estimate for these categories. Another potential limitation of this survey is the so-called "seam" effect. This happens because the survey is conducted every four months, and respondents typically respond with the same answer for each month of

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the interview. Thus, a significant number of changes are more likely to occur between interview periods rather than within the interview period.<sup>1</sup> This effect on lengths of spells with the selected sources of coverage could be in either direction, depending on the respondents' status at the time of the interview. Even with these limitations, this report's results provide useful insight into the characteristics of individuals with selected combinations of health insurance coverage and the length of their spells with or without health insurance coverage.

Bennefield (1996a) found from the 1992 SIPP Panel that in 1993, 8 percent of the entire population (nonelderly and elderly) was uninsured for the entire year, while 22 percent of the population was uninsured for at least one month. The 1993 SIPP Panel Waves 6 through 9 showed that 6.4 percent of this sample (including both the elderly and nonelderly<sup>2</sup>) was uninsured for the entire 12-month period, and 19.5 percent of this sample was uninsured for at least one month. Thus, the sample used in this report shows a decline in the percentage of uninsured for the entire year and for those uninsured for at least one month. However, an alternative data set, the Current Population Survey (CPS), which is used to measure the number of uninsured, showed an increase in the percentage of those uninsured from 1993–1995. Although the differences in the percentage of uninsured between these two data sets have been the subject of much discussion, the direction of the changes has been consistent. Therefore, it is important to note that the percentages in this report do not perfectly reflect the distribution of health insurance coverage for the nonelderly (under 65 years old) and therefore are best used for future comparisons on the changes in directions that these percentages may take.

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<sup>1</sup> This "seam" effect can be seen in chart 1, where an increased percentage of spells end at 4 and 8 months as opposed to 3 or 7 months.

<sup>2</sup> Because Bennefield reported coverage numbers for both the elderly and nonelderly combined, the estimate in this case contains both the elderly and nonelderly. For the remainder of the report, the estimates will only include the nonelderly.

The remainder of this *Issue Brief* discusses the sources and the combinations of sources of health insurance coverage and investigates the lengths of the spells that individuals are uninsured. Furthermore, the characteristics of individuals with various lengths of spells without health insurance are examined. Lastly, an analysis of the policy implications of these findings and a summary of the report's findings are provided.

## Sources

This report only analyzes health insurance coverage of the nonelderly (individuals

under age 65), because 90 percent of the individuals ages 65 and older in this sample had Medicare coverage for the entire year. This group also typically does not have a connection to the labor market. Therefore, the nonelderly represent the most interesting group with health insurance coverage dynamics.

In this analysis of individuals' health insurance coverage from October 1994 to September 1995, approximately 77.6 percent of the nonelderly in this sample had health insurance coverage during this entire period. In addition, 22.4 percent of the nonelderly were uninsured for at least one month during this period, and 7.4 percent of the nonelderly were uninsured for the entire period (table 1). Of those with health insurance coverage for the entire year, approximately 83 percent were covered by private health insurance, with at least 81 percent of this group receiving the coverage from employment-based sources. Furthermore, approximately two-thirds of the nonelderly with health insurance coverage for only a portion of the 12-month period had private health insurance coverage and no other source of coverage. Medicaid covered 7.1 percent of the nonelderly in this sample for the entire year, while 2.0 percent of the nonelderly were covered by some combination of Medicaid and private insurance for the entire year.

To compare these numbers with those of the CPS

Table 1  
**Percentage of Nonelderly Americans with Selected Sources of Health Insurance Coverage, October 1994 to September 1995; and 1995 Estimates from the Current Population Survey (CPS)**

Source of Coverage	SIPP <sup>a</sup>	1996 CPS <sup>b</sup>
Total	100.0%	100.0%
Insured All Year	77.6	82.6
Private coverage all year	64.1	70.7
employment-based	52.2	63.8
own name	25.2	32.7
dependent	24.0	31.1
own/dependent	3.0	n/a
other private	2.6	6.9
employment/other private	3.5	n/a
nonhousehold/unreported	5.8	n/a
Medicaid all year	7.1	12.5
Medicare all year	1.2	1.8
Other government <sup>c</sup> all year	2.3	3.2
Medicaid/private	2.0	n/a
Other government <sup>c</sup> /private	0.6	n/a
Other insured all year	0.3	n/a
Uninsured for at Least One Month	22.4	n/a
Uninsured part year	15.0	n/a
private/uninsured	10.3	n/a
Medicaid/uninsured	2.2	n/a
other uninsured part year	2.5	n/a
Uninsured all year	7.4	17.4

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9 and the 1996 Current Population Survey (CPS) Fronstin (1996a).

<sup>a</sup>1993 Survey of Income and Program Participation Panel Waves 6–9.

<sup>b</sup>The CPS percentages are not all-year estimates except for the uninsured number. Thus, these numbers are not directly comparable, but are illustrative.

<sup>c</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

for 1995, table 1 shows the CPS breakdown for sources of coverage along side the annual SIPP breakdown, while table 2 shows the monthly percentage breakdown from SIPP compared with the CPS breakdown for the major sources of coverage. As shown in the tables, the monthly SIPP percentages are much closer to the CPS percentages than are the annual SIPP percentages. The annual SIPP percentage for those uninsured for the entire year was 7.4 percent, while the monthly mean percentage for SIPP was 13.7 percent, which was much closer to the CPS percentage of 17.4 percent. In addition, the CPS estimates are uniformly higher than the annual and monthly estimates from SIPP for all source categories except for the monthly SIPP private coverage estimate.

There are various reasons for these differences between these two data sets. First, the CPS percentages include individuals with more than one source of coverage, since respondents are asked if they had any of the sources during the calendar year, whereas SIPP is

broken down monthly. Thus, the SIPP respondents are far less likely to have more than one source during a month, and if they have more than one source during the year, they are classified into one of the multiple source categories. This difference inflates the percentages for each category in the CPS data relative to the SIPP percentages except for the uninsured percentage. Second, the CPS is conducted annually, while SIPP is conducted every 4 months, which makes a CPS respondent much more likely to forget a source of coverage during the year. Therefore, the uninsured may also be inflated in the CPS relative to SIPP.<sup>3</sup> Third, as discussed before, the SIPP data set analyzed in this report has experienced some attrition, and the most likely respondents to leave this survey are the previously uninsured. Consequently, the uninsured percentage from SIPP is a lower bound estimate. Hence, as shown from this comparison, the true percentage of uninsured may best be thought of as a point-in-time estimate somewhere between the monthly SIPP percentage and the CPS percentage<sup>4</sup> rather than the SIPP percentage of uninsured for an entire year.

<sup>3</sup> Swartz (1986) and Bennefield (1994) point out that the CPS numbers appear to be a point-in-time estimate for the percentage of uninsured even though the uninsured percentage is designed to be the percentage of individuals without health insurance for the entire year. Respondents seem to report their present situation. This is supported by the observation that the 17.4 percent uninsured reported in CPS is much closer to the monthly uninsured percentage (13.8 percent) from SIPP than to the percentage without health insurance for the entire year from SIPP (7.4 percent). However, the 1996 Medical Expenditure Panel Survey (MEPS) reported 19.2 percent of the nonelderly were uninsured for the first half of 1996. This estimate would support the assumption that CPS is an annual percentage; however, the time frame is shorter for MEPS so some of those who did not have insurance for the first half of the year could have picked it up during the remainder of the year. Yet, it cannot be determined if 2 percent or 10 percent of the individuals would have picked up insurance (Fronstin, 1997b). A later study by Bennefield (1996b) concludes that respondents to the CPS do not report their present situation; they instead underreport coverage. He suggests various reasons and potential solutions for this underreporting as well as a need for further study of this issue.

<sup>4</sup> The attrition in the SIPP data set is known, and there is some evidence of underreporting in the CPS. Thus, the percentage of uninsured is definitely higher than the percentage reported using SIPP and most likely lower than the CPS percentage. Again, it is important to note that this report is providing a picture of the breakdown between various sources of coverage with an admitted downward bias as opposed to absolute percentages for the nonelderly population.

## Demographics and Sources

This section examines the nonelderly's demographic characteristics and relates

them to the sources of their health insurance coverage. Some of the most important demographic characteristics associated with the source of a nonelderly individual's health insurance coverage are family income, poverty status, race, age, work status, worker's industry, and number of months unemployed. The following paragraphs examine each of these characteristics with respect to the sources of coverage that are correlated with it.

### Family Income

Approximately 91 percent of those in a family with family income above \$50,000 were insured for the entire year, compared with 55 percent of those in a family with family income between \$10,000 and \$20,000 (table 3). Nonelderly individuals with family incomes below \$10,000 were actually more likely to be insured all year than those with family incomes between \$10,000 and \$20,000, due to the greater Medicaid coverage for the below \$10,000 group. However, the nonelderly in the lowest family income category (less than \$5,000) were the most likely to be uninsured for the entire year, with approximately 20 percent of those in this category uninsured for the entire year. Once an individual's family income reached \$20,000, he or she was significantly less likely to be uninsured. This trend continued as family income increased above \$20,000.

Within source categories, those with family incomes above \$50,000 made up 52.5 percent of the nonelderly with employment-based coverage, compared with 38.1 percent of all the nonelderly. Individuals with family incomes between \$20,000 and \$30,000 made up the largest percentage of those without health insurance for the entire year. Yet, individuals with family incomes

Table 2  
Percentage of Nonelderly Americans with Selected Sources of Health Insurance Coverage, Monthly, October 1994 to September 1995; and 1995 Estimates from the Current Population Survey (CPS)

Month/Year	Source of Coverage			
	Private	Medicaid	Other insured	Uninsured
October 1994	72.0	10.1	4.1	13.8
November	72.2	10.1	4.1	13.7
December	72.2	10.0	4.1	13.7
January 1995	72.3	10.0	4.1	13.6
February	72.4	9.9	4.1	13.5
March	72.4	10.0	4.1	13.5
April	72.4	9.9	4.1	13.5
May	72.5	9.8	4.2	13.5
June	72.4	9.8	4.2	13.6
July	72.3	9.7	4.2	13.8
August	72.3	9.6	4.3	13.8
September	72.4	9.6	4.3	13.8
SIPP <sup>a</sup> Monthly Mean	72.3	9.9	4.2	13.7
CPS <sup>b</sup> 1995	70.7	12.5	5.0	17.4

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9 and the 1996 Current Population Survey (CPS) Fronstin (1996a).

<sup>a</sup>Survey of Income and Program Participation.

<sup>b</sup>CPS numbers do not add up to 100, because individuals could have more than one source during the year.

of less than \$5,000 or between \$10,000 and \$20,000 were disproportionately more likely to be uninsured for the entire year. However, individuals in families with family incomes of \$20,000 or more accounted for over 62 percent of the individuals who were uninsured for at least 1 month.

### Poverty Status

Approximately one-half of all individuals in the 100 percent–124 percent of poverty status category were uninsured for at least one month during the year, while 8.6 percent of the individuals in the 400 percent or above poverty status category were uninsured for at least one month during the year (table 4). Almost 45 percent of the individuals below the poverty level were on Medicaid for the entire year, with an additional 40.4 percent uninsured for at least one month during the year. Over 88 percent of the individuals with employment-based coverage for the entire year were in the categories above 200 percent of the poverty level despite making up only about 70 percent of the nonelderly. However, 46 percent of the individuals who were uninsured for the entire year had a poverty status between 150 percent and 400 per-

Table 3  
**Percentage of Nonelderly with Selected Sources of Health Insurance,  
 by Family Income, October 1994 to September 1995**

Source of Coverage	Family Income								
	Total	Under \$5,000	\$5,000–\$9,999	\$10,000–\$14,999	\$15,000–\$19,999	\$20,000–\$29,999	\$30,000–\$39,999	\$40,000–\$49,999	\$50,000 and over
	(percentages within family income categories)								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.6	59.2	62.2	55.1	54.9	66.3	75.9	84.6	90.7
Private coverage all year	64.1	9.8	7.4	22.2	33.1	53.2	66.8	77.3	84.9
employment-based	52.2	1.4	2.9	12.5	23.6	40.1	54.4	64.6	71.9
own name	25.2	0.9	2.3	9.4	16.9	23.8	27.5	29.6	31.5
dependent	24.0	0.5	0.5	3.0	6.7	15.3	24.4	31.2	35.3
own/dependent	3.0	a	0.1	0.1	0.0	1.0	2.5	3.8	5.1
other private	2.6	3.8	1.9	3.0	2.8	3.0	2.6	3.0	2.3
employment/other private	3.5	2.3	0.5	1.9	1.8	3.8	3.3	3.0	4.6
nonhousehold/unreported	5.8	2.3	2.1	4.8	4.9	6.3	6.5	6.7	6.1
Medicaid all year	7.1	45.2	46.8	25.5	13.2	5.0	2.4	1.3	0.6
Medicare all year	1.2	1.4	4.8	3.2	2.8	1.7	0.9	0.6	0.3
Other government <sup>b</sup> all year	2.3	0.3	0.9	0.3	1.3	2.2	2.9	2.5	2.7
Medicaid/private	2.0	2.2	1.7	3.2	3.8	3.0	2.1	1.6	1.3
Other government <sup>b</sup> /private	0.6	a	0.2	0.4	0.4	0.6	0.4	1.0	0.7
Other insured all year	0.3	0.3	0.4	0.3	0.3	0.6	0.4	0.3	0.2
Uninsured for at Least One Month	22.4	40.9	37.9	44.8	45.0	33.7	23.9	15.2	9.5
Uninsured part year	15.0	21.3	21.9	26.0	26.5	22.0	16.8	11.3	8.0
private/uninsured	10.3	6.8	7.4	13.4	15.7	15.1	13.1	9.7	6.8
Medicaid/uninsured	2.2	7.9	8.6	6.5	5.7	3.3	1.5	0.4	0.3
other uninsured part year	2.5	6.6	5.9	6.1	5.1	3.6	2.2	1.2	0.9
Uninsured all year	7.4	19.6	16.0	18.8	18.5	11.7	7.1	3.9	1.5
	(percentages within source categories)								
Total	100.0%	2.2%	4.8%	6.0%	6.8%	14.3%	14.5%	13.3%	38.1%
Insured All Year	100.0	1.6	3.8	4.3	4.8	12.2	14.2	14.6	44.5
Private Coverage All Year	100.0	0.3	0.5	2.1	3.5	11.9	15.1	16.1	50.4
employment-based	100.0	0.1	0.3	1.4	3.1	11	15.1	16.5	52.5
own name	100.0	0.1	0.4	2.2	4.5	13.5	15.9	15.7	47.7
dependent	100.0	0.0	0.1	0.8	1.9	9.2	14.7	17.4	56.0
own/dependent	100.0	a	0.1	0.2	0.1	4.8	12.4	17.0	65.5
other private	100.0	3.1	3.5	6.7	7.3	16.3	14.5	15.0	33.6
employment/other private	100.0	1.4	0.6	3.3	3.5	15.7	13.9	11.5	50.0
nonhousehold/unreported	100.0	0.8	1.7	4.9	5.7	15.4	16.2	15.4	39.8
Medicaid all year	100.0	13.8	31.7	21.5	12.6	10.1	4.9	2.4	3.0
Medicare all year	100.0	2.5	19.1	16.0	15.5	20.5	11.3	6.8	8.3
Other government <sup>b</sup> all year	100.0	0.2	1.8	0.9	4.0	13.9	18.3	15.1	45.8
Medicaid/private	100.0	2.3	4.1	9.5	12.7	21.5	15.3	10.7	24.0
Other government <sup>b</sup> /private	100.0	a	1.8	4.1	5.0	13.2	10.0	22.3	43.6
Other insured all year	100.0	1.9	6.5	6.5	6.5	26.9	17.6	14.8	19.4
Uninsured for at Least One Month	100.0	4.0	8.1	12.0	13.6	21.6	15.5	9.1	16.0
Uninsured part year	100.0	3.1	7.0	10.4	12.0	21.1	16.3	10.1	20.1
private/uninsured	100.0	1.4	3.4	7.8	10.3	21.0	18.4	12.6	25.0
Medicaid/uninsured	100.0	7.7	18.5	17.6	17.4	21.5	10.1	2.5	4.7
other uninsured part year	100.0	5.8	11.5	14.8	14.0	20.9	13.0	6.7	13.4
Uninsured all year	100.0	5.8	10.4	15.3	17.0	22.8	13.9	7.1	7.7

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

<sup>a</sup>Fewer respondents than 0.1% in this category.

<sup>b</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

Table 4  
**Percentage of Nonelderly with Selected Sources of Health Insurance, by Poverty Status,  
 October 1994 to September 1995**

Source of Coverage	Total	Poverty Level					
		Below 100%	100%– 124%	125%– 149%	150%– 199%	200%– 399%	400%– or more
(percentages within poverty level categories)							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.6	59.6	49.6	57.3	61.3	81.5	91.1
Private coverage all year	64.1	8.9	25.4	38.2	47.6	73.8	86.3
employment-based	52.2	4.2	14.9	24.8	36.2	60.4	73.1
own name	25.2	1.8	6.7	11.0	14.7	26.9	39.2
dependent	24.0	2.4	7.9	13.6	20.5	30.4	28.7
own/dependent	3.0	0.0	0.3	0.2	1.0	3.1	5.2
other private	2.6	1.9	2.9	3.0	2.9	2.8	2.6
employment/other private	3.5	0.8	2.5	3.3	2.3	3.8	4.7
nonhousehold/unreported	5.8	2.0	5.1	7.1	6.2	6.8	5.9
Medicaid all year	7.1	44.7	14.7	8.1	4.5	1.4	0.1
Medicare all year	1.2	2.5	3.6	2.1	1.8	1.1	0.3
Other government <sup>a</sup> all year	2.3	0.4	1.3	2.6	2.3	2.3	2.9
Medicaid/private	2.0	2.7	4.1	5.2	3.9	2.0	0.5
Other government <sup>a</sup> /private	0.6	0.2	0.1	0.8	0.7	0.6	0.7
Other insured all year	0.3	0.2	0.4	0.3	0.5	0.3	0.3
Uninsured for at Least One Month	22.4	40.4	50.3	42.8	38.8	18.5	8.6
Uninsured part year	15.0	22.5	30.0	27.2	24.1	13.6	7.3
private/uninsured	10.3	6.8	16.5	16.7	17.2	11.2	6.6
Medicaid/uninsured	2.2	9.8	6.7	5.0	2.7	0.7	0.1
Other uninsured part year	2.5	5.9	6.8	5.5	4.2	1.7	0.6
Uninsured all year	7.4	17.9	20.3	15.6	14.7	4.9	1.3
(percentages within coverage categories)							
Total	100.0%	11.4%	3.9%	4.6%	10.3%	37.9%	31.9%
Insured All Year	100.0	8.8	2.5	3.4	8.1	39.8	37.5
Private coverage all year	100.0	1.6	1.6	2.7	7.6	43.6	42.9
employment-based	100.0	0.9	1.1	2.2	7.1	43.9	44.7
own name	100.0	0.8	1.1	2.0	6.0	40.5	49.6
dependent	100.0	1.1	1.3	2.6	8.8	48.0	38.1
own/dependent	100.0	0.2	0.4	0.3	3.6	39.7	55.9
other private	100.0	8.2	4.4	5.2	11.2	39.5	31.6
employment/other private	100.0	2.7	2.8	4.3	6.8	40.8	42.7
nonhousehold/unreported	100.0	3.9	3.4	5.6	10.8	44.0	32.3
Medicaid all year	100.0	71.9	8.2	5.2	6.4	7.6	0.7
Medicare all year	100.0	23.4	11.7	8.1	15.1	33.3	8.3
Other government <sup>a</sup> all year	100.0	1.9	2.3	5.3	10.4	38.9	41.1
Medicaid/private	100.0	15.0	8.0	11.8	19.6	37.2	8.4
Other government <sup>a</sup> /private	100.0	3.6	0.9	6.4	11.4	40.0	37.7
Other insured all year	100.0	7.4	5.6	4.6	16.7	33.3	32.4
Uninsured for at Least One Month	100.0	20.7	8.9	8.8	17.8	31.4	12.3
Uninsured part year	100.0	17.2	7.9	8.4	16.5	34.4	15.6
private/uninsured	100.0	7.6	6.3	7.5	17.1	41.2	20.3
Medicaid/uninsured	100.0	50.6	11.9	10.5	12.7	12.5	1.9
other uninsured part year	100.0	27.5	10.9	10.2	17.3	26.0	8.1
Uninsured all year	100.0	27.8	10.9	9.8	20.5	25.3	5.7

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

<sup>a</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.



*Forty-two percent of the nonelderly ages 21–24 were uninsured for at least one month during the year. In contrast, 16 percent of the nonelderly ages 55–64 were uninsured for at least one month during the year.*

cent of the poverty level, which is their approximate percentage of the nonelderly. For all individuals in the poverty status categories below 200 percent of the poverty level, the likelihood of being uninsured for at least one month during the year was disproportionately greater than their percentage of the nonelderly.

## Race

Eighty-one percent of the white nonelderly had health insurance for the entire year, compared with 58 percent of the Hispanic nonelderly (table 5). Therefore, 42 percent of the Hispanic nonelderly had no health insurance for at least one month during the year, compared with 19 percent of the white nonelderly and 28 percent of the black nonelderly. The black and Hispanic nonelderly made up approximately 50 percent of all the nonelderly with Medicaid for the entire year, but made up only 19 percent of the nonelderly. The white nonelderly accounted for 85 percent of all the nonelderly with employment-based coverage, even though they accounted for only 78 percent of the nonelderly. The Hispanic nonelderly represented 22 percent of the nonelderly uninsured for the entire year, compared with only 9.5 percent of all the nonelderly.

## Age

Forty-two percent of the nonelderly ages 21–24 were uninsured for at least one month during the year. In contrast, 16 percent of the nonelderly ages 55–64 were uninsured for at least one month during the year (table 6). Among children under age 18, 79 percent had health insurance for the entire year. The percentage of the nonelderly in the various age categories were almost equivalent to the percentages with health insurance coverage for the entire year. Children under age 18 and individuals ages 45–64 were underrepresented in the

uninsured for the entire year category, while those ages 18–44 were overrepresented in this category. Children under age 18 accounted for the largest percentage of the uninsured for the entire year, but this group also had by far the highest

percentage of the nonelderly.

## Work Status

The percentage with health insurance coverage for the entire year was roughly the same for each work status category (table 7). However, 13.0 percent of the nonworking adult nonelderly were uninsured for the entire year, compared with 7.0 percent of workers and 6.0 percent of children. The percentage breakdown by work status of those insured for the entire year was almost identical to the percentage breakdown by work status for the nonelderly. Yet, nonworking adults made up nearly twice as much of the uninsured for the entire year as they did of all the nonelderly.

## Industry of Employment

The industry in which a worker is employed has a significant impact on his or her likelihood of having health insurance coverage. Ninety-three percent of those working for federal, state, or local governments had health insurance coverage for the entire year (table 8). However, among workers employed in agriculture, mining, and construction, 63 percent had health insurance coverage for the entire year. The highest percentage of uninsured workers for the entire year were the self-employed (14 percent). Government workers made up less than 1 percent of uninsured workers for the entire year despite representing 5.2 percent of all workers. Even though self-employed workers accounted for only 9 percent of all workers, they accounted for 50 percent of the workers with nonemployment-based private health insurance coverage. In addition, workers employed in the manufacturing, transportation, communications, and

Table 5  
**Percentage of Nonelderly with Selected Sources of Health Insurance,  
 By Race, October 1994 to September 1995**

Source of Coverage	Total	Race			
		White	Black	Hispanic	Other
(percentages within race categories)					
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.6	80.9	71.6	58.3	74.0
Private coverage all year	64.1	70.9	40.7	35.4	56.5
employment-based	52.2	57.4	35.1	29.9	44.4
own name	25.2	27.5	19.5	14.6	19.2
dependent	24.0	26.6	13.5	13.7	22.1
own/dependent	3.0	3.3	2.1	1.6	3.1
other private	2.6	3.1	0.4	0.6	3.2
employment/other private	3.5	4.0	1.2	1.4	4.0
nonhousehold/unreported	5.8	6.4	4.0	3.5	4.9
Medicaid all year	7.1	4.0	21.8	16.3	11.3
Medicare all year	1.2	1.2	1.9	0.6	0.5
Other government <sup>a</sup> all year	2.3	2.2	2.5	2.1	2.6
Medicaid/private	2.0	1.7	3.3	3.2	2.3
Other government <sup>a</sup> /private	0.6	0.6	0.9	0.4	0.6
Other insured all year	0.3	0.3	0.5	0.3	0.2
Uninsured for at Least One Month	22.4	19.1	28.4	41.8	25.9
Uninsured part year	15.0	13.2	19.8	24.5	16.5
private/uninsured	10.3	9.6	11.6	14.6	11.0
Medicaid/uninsured	2.2	1.6	3.8	5.8	3.0
other uninsured part year	2.5	2.0	4.4	4.1	2.5
Uninsured all year	7.4	5.9	8.6	17.3	9.4
(percentages within coverage categories)					
Total	100.0%	77.5%	9.1%	9.4%	4.1%
Insured all year	100.0	80.7	8.4	7.0	3.9
Private coverage all year	100.0	85.5	5.7	5.2	3.6
employment-based	100.0	85.1	6.1	5.3	3.5
own name	100.0	84.4	7.0	5.4	3.1
dependent	100.0	85.8	5.1	5.3	3.8
own/dependent	100.0	84.6	6.2	4.9	4.3
other private	100.0	91.6	1.3	2.1	5.0
employment/other private	100.0	88.5	3.1	3.8	4.7
nonhousehold/unreported	100.0	84.7	6.2	5.7	3.5
Medicaid all year	100.0	44.1	27.9	21.5	6.6
Medicare all year	100.0	78.8	14.4	5.0	1.8
Other government <sup>a</sup> all year	100.0	76.5	10.1	8.6	4.7
Medicaid/private	100.0	65.9	14.7	14.6	4.7
Other government <sup>a</sup> /private	100.0	75.5	14.1	6.4	4.1
Other insured all year	100.0	71.3	15.7	10.2	2.8
Uninsured for at Least One Month	100.0	66.3	11.5	17.5	4.8
Uninsured part year	100.0	68.3	12.0	15.3	4.5
private/uninsured	100.0	72.2	10.2	13.2	4.4
Medicaid/uninsured	100.0	54.5	15.6	24.4	5.6
other uninsured part year	100.0	64.3	16.0	15.6	4.1
Uninsured all year	100.0	62.3	10.5	22.0	5.2

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6-9.

<sup>a</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

Table 6  
**Percentage of Nonelderly with Selected Sources of Health Insurance, by Age,  
 October 1994 to September 1995**

Source of Coverage	Total	Age						
		Under 18	18–20	21–24	25–34	35–44	45–54	55–64
(percentages within age categories)								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.6	79.4	66.8	57.9	71.6	80.5	83.0	84.2
Private coverage all year	64.1	58.8	56.1	47.2	61.7	72.1	74.0	67.3
employment-based	52.2	46.1	37.9	32.0	53.9	63.0	61.9	49.8
own name	25.2	a	2.1	16.0	38.1	42.5	43.0	37.0
dependent	24.0	46.0	32.6	11.5	11.1	15.4	14.9	10.3
own/dependent	3.0	0.1	3.2	4.5	4.7	5.1	4.0	2.5
other private	2.6	2.0	2.1	2.0	1.9	2.5	3.6	5.4
employment/other private	3.5	2.4	4.0	5.1	3.1	3.2	4.7	5.0
nonhousehold/unreported	5.8	8.3	12.1	8.1	2.8	3.4	3.8	7.1
Medicaid all year	7.1	13.9	5.0	5.2	5.5	4.1	2.4	3.3
Medicare all year	1.2	a	0.1	0.7	0.8	0.8	2.2	5.9
Other government <sup>b</sup> all year	2.3	2.1	1.8	2.0	1.8	2.0	2.6	3.9
Medicaid/private	2.0	4.0	2.9	1.7	1.2	1.1	0.7	0.9
Other government <sup>b</sup> /private	0.6	0.5	0.8	0.9	0.5	0.3	0.8	1.1
Other insured all year	0.3	0.1	0.1	0.2	0.1	0.1	0.3	1.8
Uninsured for at Least One Month	22.4	20.5	33.2	42.1	28.4	19.7	17.0	15.7
Uninsured part year	15.0	14.5	24.6	32.0	18.7	12.3	10.3	9.0
private/uninsured	10.3	7.7	16.6	24.1	14.2	9.4	8.3	6.5
Medicaid/uninsured	2.2	3.8	4.3	2.9	1.8	1.2	0.8	0.8
other uninsured part year	2.5	3.0	3.7	5.0	2.7	1.7	1.2	1.7
Uninsured all year	7.4	6.0	8.6	10.1	9.7	7.4	6.7	6.7
(percentages within coverage categories)								
Total	100.0%	30.4%	4.5%	5.1%	16.4%	19.1%	14.6%	9.8%
Insured All Year	100.0	31.1	3.9	3.8	15.1	19.8	15.6	10.6
Private coverage all year	100.0	27.9	3.9	3.8	15.8	21.4	16.8	10.3
employment-based	100.0	26.9	3.3	3.1	16.9	23.0	17.3	9.4
own name	100.0	a	0.4	3.3	24.8	32.3	24.9	14.4
dependent	100.0	58.3	6.1	2.5	7.6	12.2	9.1	4.2
own/dependent	100.0	1.5	4.8	7.7	25.9	32.4	19.5	8.3
other private	100.0	22.8	3.5	3.8	12.0	17.7	19.9	20.2
employment/other private	100.0	21.4	5.2	7.5	14.7	17.4	19.7	14.1
nonhousehold/unreported	100.0	43.2	9.4	7.1	7.9	11.1	9.4	11.9
Medicaid all year	100.0	59.8	3.2	3.7	12.8	11.0	4.9	4.6
Medicare all year	100.0	a	0.2	2.9	10.4	12.6	26.4	47.5
Other government <sup>b</sup> all year	100.0	27.8	3.6	4.6	13.0	17.0	17.1	16.8
Medicaid/private	100.0	59.9	6.5	4.3	9.5	10.0	5.3	4.5
Other government <sup>b</sup> /private	100.0	25.5	6.4	7.7	12.7	10.5	18.6	18.6
Other insured all year	100.0	7.4	1.9	2.8	6.5	6.5	13.9	61.1
Uninsured for at Least One Month	100.0	28.0	6.7	9.7	20.8	16.8	11.1	6.9
Uninsured part year	100.0	29.7	7.4	11.0	20.4	15.6	10.0	5.9
private/uninsured	100.0	22.9	7.3	12.0	22.6	17.3	11.8	6.2
Medicaid/uninsured	100.0	52.5	8.8	6.8	13.2	10.0	5.1	3.6
other uninsured part year	100.0	37.6	6.8	10.4	17.8	13.3	7.3	6.8
Uninsured all year	100.0	24.7	5.3	7.1	21.6	19.2	13.3	8.8

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

<sup>a</sup>Fewer respondents than 0.1% in this category.

<sup>b</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

Table 7  
**Percentage of Nonelderly with Selected Sources of Health Insurance,  
 by Work Status, October 1994 to September 1995**

Source of Coverage	Total	Work Status		
		Child	Worker	Nonworking adult
(percentages within work status categories)				
Total	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.6	79.4	77.5	74.2
Private coverage all year	64.1	58.8	71.4	41.8
employment-based	52.2	46.1	60.2	28.2
own name	25.2	a	42.5	5.0
dependent	24.0	46.0	12.7	22.7
own/dependent	3.0	0.1	5.0	0.5
other private	2.6	2.0	2.7	4.0
employment/other private	3.5	2.4	4.0	3.6
nonhousehold/unreported	5.8	8.3	4.5	6.0
Medicaid all year	7.1	13.9	1.5	16.9
Medicare all year	1.2	a	0.2	9.6
Other government <sup>b</sup> all year	2.3	2.1	2.3	2.7
Medicaid/private	2.0	4.0	1.2	1.2
Other government <sup>b</sup> /private	0.6	0.5	0.7	0.6
Other insured all year	0.3	0.1	0.2	1.4
Uninsured for at Least One Month	22.4	20.5	22.6	25.9
Uninsured part year	15.0	14.5	15.6	13.0
private/uninsured	10.3	7.7	12.4	6.7
Medicaid/uninsured	2.2	3.8	1.1	3.6
other uninsured part year	2.5	3.0	2.1	2.7
Uninsured all year	7.4	6.0	7.0	12.9
(percentages within coverage categories)				
Total	100.0%	30.4%	57.9%	11.7%
Insured All Year	100.0	31.1	57.7	11.2
Private coverage all year	100.0	27.9	64.5	7.6
employment-based	100.0	26.9	66.8	6.3
own name	100.0	a	97.7	2.3
dependent	100.0	58.3	30.6	11.0
own/dependent	100.0	1.5	96.4	2.1
other private	100.0	22.8	59.7	17.5
employment/other private	100.0	21.4	66.7	11.9
nonhousehold/unreported	100.0	43.2	44.8	12.0
Medicaid all year	100.0	59.8	12.3	27.8
Medicare all year	100.0	a	7.7	92.3
Other government <sup>b</sup> all year	100.0	27.8	58.0	14.2
Medicaid/private	100.0	59.9	33.2	6.9
Other government <sup>b</sup> /private	100.0	25.5	63.2	11.4
Other insured all year	100.0	7.4	37.0	55.6
Uninsured for at Least One Month	100.0	28.0	58.5	13.4
Uninsured part year	100.0	29.7	60.3	10.0
private/uninsured	100.0	22.9	69.6	7.5
Medicaid/uninsured	100.0	52.5	28.7	18.8
other uninsured part year	100.0	37.6	49.8	12.5
Uninsured all year	100.0	24.7	54.9	20.4

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6-9.

<sup>a</sup>Fewer respondents than 0.1% in this category.

<sup>b</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

Table 8  
**Percentage of Workers Ages 18-64 with Selected Sources of Health Insurance, by Industry,  
 October 1994 to September 1995**

Source of Coverage	Total	Agriculture, Mining, and Construction	Manufacturing, Transportation, and Communications, and Utilities	Wholesale, Retail, Finance, Insurance, and Real Estate	Personal Services, Entertainment, Recreation, and Services	Government	Self- Employed
(percentages within industry categories)							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	77.4	62.8	83.4	72.8	83.2	93.3	72.3
Private coverage all year	71.5	53.8	79.4	67.4	77.5	78.7	68.8
employment-based	60.2	41.4	74.2	57.0	67.6	74.4	35.3
own name	42.5	22.7	63.9	37.7	46.3	64.4	12.2
dependent	12.7	14.4	5.6	14.2	14.7	6.5	20.5
own/dependent	5.0	4.3	4.7	5.1	6.6	3.5	2.6
other private	2.7	2.5	0.6	2.0	1.5	0.5	14.7
employment/other private	4.0	3.7	2.0	3.2	3.6	1.3	14.1
nonhousehold/unreported	4.5	6.2	2.6	5.2	4.8	2.5	4.7
Medicaid all year	1.5	3.2	0.8	1.7	1.5	0.8	0.8
Medicare all year	0.2	0.3	0.1	0.3	0.1	a	0.1
Other government <sup>b</sup> all year	2.3	2.0	1.5	1.6	2.0	12.1	1.6
Medicaid/private	1.2	2.4	0.9	1.1	1.1	0.8	0.3
Other government <sup>b</sup> /private	0.7	0.8	0.5	0.6	0.9	0.7	0.3
Other insured all year	0.2	0.3	0.2	0.1	0.1	0.2	0.4
Uninsured for at Least One Month	22.6	37.3	16.7	27.2	16.8	6.6	27.8
Uninsured part year	15.6	25.8	13.0	19.0	11.9	5.6	14.0
private/uninsured	12.4	18.1	10.9	15.1	9.6	4.7	12.4
Medicaid/uninsured	1.1	2.9	0.5	1.4	0.8	0.2	0.5
other uninsured part year	2.1	4.8	1.6	2.5	1.5	0.7	1.1
Uninsured all year	7.0	11.5	3.7	8.2	4.9	1.0	13.8
(percentages within coverage categories)							
Total	100.0%	12.9%	21.1%	26.2%	25.4%	5.2%	9.2%
Insured All Year	100.0	10.5	22.7	24.6	27.3	6.3	8.6
Private coverage all year	100.0	9.7	23.4	24.7	27.5	5.7	8.9
employment-based	100.0	8.9	26.0	24.8	28.5	6.4	5.4
own name	100.0	6.9	31.7	23.2	27.6	7.9	2.6
dependent	100.0	14.6	9.3	29.2	29.4	2.7	14.8
own/dependent	100.0	11.2	19.8	26.6	33.9	3.7	4.8
other private	100.0	11.6	4.7	19.3	13.7	0.9	49.8
employment/other private	100.0	12.0	10.5	21.0	22.6	1.6	32.3
nonhousehold/unreported	100.0	17.6	12.4	30.3	27.1	2.9	9.6
Medicaid all year	100.0	27.5	10.9	29.4	24.4	2.8	5.0
Medicare all year	100.0	23.5	11.8	44.1	17.6	a	2.9
Other government <sup>b</sup> all year	100.0	11.3	13.8	18.0	22.2	27.9	6.7
Medicaid/private	100.0	26.9	16.3	25.7	24.9	3.7	2.4
Other government <sup>b</sup> /private	100.0	16.5	15.1	25.2	33.8	5.8	3.6
Other insured all year	100.0	22.5	17.5	17.5	17.5	5.0	20.0
Uninsured for at Least One Month	100.0	21.2	16.0	31.5	19.0	1.5	11.0
Uninsured part year	100.0	21.2	17.6	31.8	19.3	1.9	8.3
private/uninsured	100.0	18.8	18.5	31.9	19.6	2.0	9.2
Medicaid/uninsured	100.0	33.6	9.9	32.8	18.5	0.9	4.3
other uninsured part year	100.0	29.0	16.3	30.3	17.8	1.8	4.9
Uninsured all year	100.0	21.2	11.3	30.7	17.8	0.7	18.2

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6-9.

<sup>a</sup>Fewer respondents than 0.1% in this category.

<sup>b</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

Table 9  
**Percentage of Individuals Ages 18-64 with Selected Sources of Health Insurance,  
 by Length of Unemployment, October 1994 to September 1995**

Source of Coverage	Total	Not in Labor Force	Length of Unemployment					Worked/Not in Labor Force	
			One month	2-3 months	4-6 months	7-9 months	10-12 months		
(percentages within unemployment length categories)									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	76.9	77.7	50.8	49.7	44.4	39.5	43.5	83.3	64.8
Private coverage all year	66.5	44.7	38.4	38.4	28.5	18.4	23.2	79.0	52.7
employment-based	54.8	30.2	27.5	28.0	18.4	12.6	18.8	68.7	35.1
own name	36.2	5.5	6.5	8.1	4.3	2.7	1.4	52.6	8.1
dependent	14.4	24.2	16.5	14.8	12.1	8.0	15.9	11.1	21.6
own/dependent	4.2	0.5	4.5	5.1	2.0	1.9	1.4	5.0	5.4
other private	2.9	4.3	1.9	2.0	1.2	0.4	2.2	2.9	2.3
employment/other private	3.9	3.9	3.6	2.9	4.0	1.9	0.7	3.9	5.3
nonhousehold/unreported	4.7	6.3	5.4	5.5	4.8	3.4	1.4	3.5	10.1
Medicaid all year	4.1	15.9	6.8	6.5	10.1	16.9	18.8	0.7	3.3
Medicare all year	1.7	10.8	0.2	0.4	0.9	0.8	0.7	0.1	0.3
Other government <sup>b</sup> all year	2.3	2.9	1.6	2.3	1.9	1.9	a	2.2	2.6
Medicaid/private	1.2	1.2	3.1	1.5	1.6	1.5	0.7	0.7	3.6
Other government <sup>b</sup> /private	0.6	0.6	0.6	0.6	1.1	a	a	0.5	1.7
Other insured all year	0.4	1.6	0.2	a	0.3	a	a	0.1	0.6
Uninsured for at Least One Month	23.1	22.3	49.2	50.3	55.6	60.5	56.5	16.7	35.2
Uninsured part year	15.1	11.5	37.0	33.6	38.9	31.8	17.4	10.9	27.4
private/uninsured	11.4	6.0	27.0	24.0	27.3	18.8	9.4	9.4	19.1
Medicaid/uninsured	1.5	3.0	2.5	3.3	6.1	9.2	6.5	0.5	2.4
other uninsured part year	2.2	2.6	7.5	6.2	5.5	3.8	1.4	1.0	5.9
Uninsured all year	8.0	10.8	12.3	16.7	16.7	28.7	39.1	5.8	7.8
(percentages within coverage categories)									
Total	100.0%	14.6%	2.5%	3.1%	2.9%	1.0%	0.5%	64.6%	10.6%
Insured All Year	100.0	14.8	1.7	2.0	1.7	0.5	0.3	70.1	9.0
Private coverage all year	100.0	9.8	1.5	1.8	1.3	0.3	0.2	76.7	8.4
employment-based	100.0	8.0	1.3	1.6	1.0	0.2	0.2	80.9	6.8
own name	100.0	2.2	0.5	0.7	0.3	0.1	0.0	93.8	2.4
dependent	100.0	24.5	2.9	3.2	2.5	0.6	0.6	49.8	15.9
own/dependent	100.0	1.9	2.7	3.7	1.4	0.5	0.2	76.1	13.6
other private	100.0	21.5	1.6	2.1	1.2	0.1	0.4	64.8	8.2
employment/other private	100.0	14.3	2.3	2.3	3.0	0.5	0.1	63.2	14.4
nonhousehold/unreported	100.0	19.5	2.9	3.6	3.0	0.7	0.2	47.4	22.7
Medicaid all year	100.0	56.6	4.2	4.9	7.2	4.2	2.5	11.8	8.5
Medicare all year	100.0	90.5	0.2	0.7	1.6	0.5	0.2	4.3	2.0
Other government <sup>b</sup> all year	100.0	18.4	1.7	3.0	2.4	0.8	a	62.0	11.8
Medicaid/private	100.0	14.9	6.8	4.1	4.1	1.4	0.3	36.1	32.4
Other government <sup>b</sup> /private	100.0	12.8	2.4	3.0	4.9	a	a	48.8	28.0
Other insured all year	100.0	59.0	1.0	a	2.0	a	a	23.0	15.0
Uninsured for at Least One Month	100.0	14.1	5.4	6.7	7.0	2.7	1.3	46.5	16.2
Uninsured part year	100.0	11.1	6.2	6.9	7.5	2.2	0.6	46.3	19.3
private/uninsured	100.0	7.6	6.0	6.5	7.0	1.7	0.4	52.9	17.8
Medicaid/uninsured	100.0	28.9	4.2	6.8	11.7	6.3	2.3	22.9	16.9
other uninsured part year	100.0	16.9	8.5	8.7	7.3	1.8	0.4	27.9	28.5
Uninsured all year	100.0	19.8	3.9	6.5	6.1	3.7	2.7	46.9	10.4

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6-9.

<sup>a</sup>Fewer respondents than 0.1% in this category.

<sup>b</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

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utilities industries accounted for 21 percent of all workers but only 11 percent of the workers without health insurance coverage for the entire year.

## Length of Unemployment

Approximately 83 percent of the 18–64-year-olds who worked for the entire year<sup>5</sup> had health insurance coverage for the entire year (table 9). In contrast, slightly more than 40 percent of those who were unemployed for longer than six months had health insurance coverage for the entire year. The 18–64-year-olds who were unemployed for 10–12 months had a higher percentage of individuals with private coverage for the entire year than members of this age group who were unemployed from 4–9 months. However, 18–64-year-olds who were unemployed for 10–12 months had the highest percentage of individuals without health insurance for the entire year (39 percent). The results for the 18–64-year-olds who were voluntarily out of the labor force indicate that they had roughly the equivalent distribution of sources of coverage as far as insured all year, insured partial year, and uninsured all year as did the nonelderly as a whole, while all other categories of unemployment length except for those with no unemployment had significantly lower percentages of individuals insured for the entire year.

Among the 18–64-year-olds with some unemployment (table 10), those with 2–6 months of unemployment accounted for the majority of those uninsured for the entire year. However, an individual in this age group who was unemployed between 10 and 12 months at some point during the year was twice as likely to be uninsured for the entire year as he or she was to occur in the sample. Furthermore, 41 percent of those ages 18–64 with a combination of Medicaid and private coverage for the entire year were unemployed for 1 month, while those unemployed for 1 month accounted for only 25 percent of the sample.

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<sup>5</sup> This includes both full-year, full-time, and part-time workers.

## Spells of Noncoverage

The length of spells in which individuals were uninsured has important implications for

their ability to access the wide range of care that is available to their insured counterparts. Studies have shown that insured individuals have a higher probability of receiving basic health care services than those who are uninsured (Spillman, 1992). Furthermore, uninsured individuals have been shown to be less likely to seek preventive health care and more likely to delay seeking treatment until an emergency occurs, thereby requiring a higher and more expensive level of care. In many cases, this emergency care is provided without payment. Thus, providers are forced to shift the costs to other payers, which can mean higher health insurance premiums for the insured or higher taxes to finance care provided in public hospitals or through public programs. To the extent that cost shifting occurs, in recent years it has become more difficult for health care providers to do so because of increased price competition resulting from the expansion of managed care (Morrisey, 1996).

Previous research by Swartz, Marcotte, and McBride (1993b) analyzing the 1984 Panel of SIPP found the median length of a spell without health insurance to be almost 7 months. In addition, the authors reported that 48 percent of the spells lasted 5 months or less, 16 percent lasted 6–9 months, 8 percent lasted 10–13 months, and 19 percent lasted more than 2 years. Swartz et al. corrected for the spells that started before the survey began. In making this correction, they were able to determine that the lengths of the spells with unobserved beginnings had a distribution similar to those with observed beginnings. Thus, looking only at the spells with an observed beginning did not appear to bias the results in a highly significant manner. In another study of lengths of spells without health insurance coverage, Bennefield (1996a) examined the first seven waves of the 1992 Panel of SIPP, which covered 1992–

Table 10  
**Percentage of Individuals with Some Unemployment, Ages 18-64  
with Selected Sources of Health Insurance, October 1994 to September 1995**

Source of Coverage	Length of Unemployment					
	Total	One month	2-3 months	4-6 months	7-9 months	10-12 months
(percentages within length of unemployment categories)						
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Insured All Year	47.1	50.8	49.7	44.4	39.5	43.5
Private coverage all year	32.7	38.4	38.4	28.5	18.4	23.2
employment-based	23.1	27.5	28.0	18.4	12.6	18.8
own name	5.7	6.5	8.1	4.3	2.7	1.4
dependent	13.8	16.5	14.8	12.1	8.0	15.9
own/dependent	3.5	4.5	5.1	2.0	1.9	1.4
other private	1.6	1.9	2.0	1.2	0.4	2.2
employment/other private	3.2	3.6	2.9	4.0	1.9	0.7
nonhousehold/unreported	4.9	5.4	5.5	4.8	3.4	1.4
Medicaid all year	9.3	6.8	6.5	10.1	16.9	18.8
Medicare all year	0.5	0.2	0.4	0.9	0.8	0.7
Other government <sup>a</sup> all year	1.8	1.6	2.3	1.9	1.9	b
Medicaid/private	1.9	3.1	1.5	1.6	1.5	0.7
Other government <sup>a</sup> /private	0.7	0.6	0.6	1.1	b	b
Other insured all year	0.1	0.2	b	0.3	b	b
Uninsured for at Least One Month	52.9	49.2	50.3	55.6	60.5	56.5
Uninsured part year	34.9	37.0	33.6	38.9	31.8	17.4
private/uninsured	24.4	27.0	24.0	27.3	18.8	9.4
Medicaid/uninsured	4.7	2.5	3.3	6.1	9.2	6.5
other uninsured part year	5.8	7.5	6.2	5.5	3.8	1.4
Uninsured all year	18.0	12.3	16.7	16.7	28.7	39.1
(percentages within coverage categories)						
Total	100.0%	25.0%	30.6%	28.9%	10.1%	5.4%
Insured All Year	100.0	27.0	32.3	27.3	8.5	5.0
Private coverage all year	100.0	29.4	35.9	25.2	5.7	3.8
employment-based	100.0	29.8	37.1	23.1	5.6	4.4
own name	100.0	28.6	43.5	21.8	4.8	1.4
dependent	100.0	29.9	32.7	25.4	5.9	6.2
own/dependent	100.0	31.9	44.0	16.5	5.5	2.2
other private	100.0	29.3	39.0	22.0	2.4	7.3
employment/other private	100.0	28.0	28.0	36.6	6.1	1.2
nonhousehold/unreported	100.0	28.0	34.4	28.8	7.2	1.6
Medicaid all year	100.0	18.3	21.3	31.3	18.3	10.8
Medicare all year	100.0	7.1	21.4	50.0	14.3	7.1
Other government <sup>a</sup> all year	100.0	21.3	38.3	29.8	10.6	b
Medicaid/private	100.0	40.8	24.5	24.5	8.2	2.0
Other government <sup>a</sup> /private	100.0	23.5	29.4	47.1	b	b
Other insured all year	100.0	33.3	b	66.7	b	b
Uninsured for at Least One Month	100.0	23.3	29.0	30.3	11.6	5.7
Uninsured part year	100.0	26.5	29.4	32.2	9.2	2.7
private/uninsured	100.0	27.7	30.1	32.3	7.8	2.1
Medicaid/uninsured	100.0	13.3	21.7	37.5	20.0	7.5
other uninsured part year	100.0	32.0	32.7	27.3	6.7	1.3
Uninsured all year	100.0	17.1	28.3	26.8	16.2	11.7

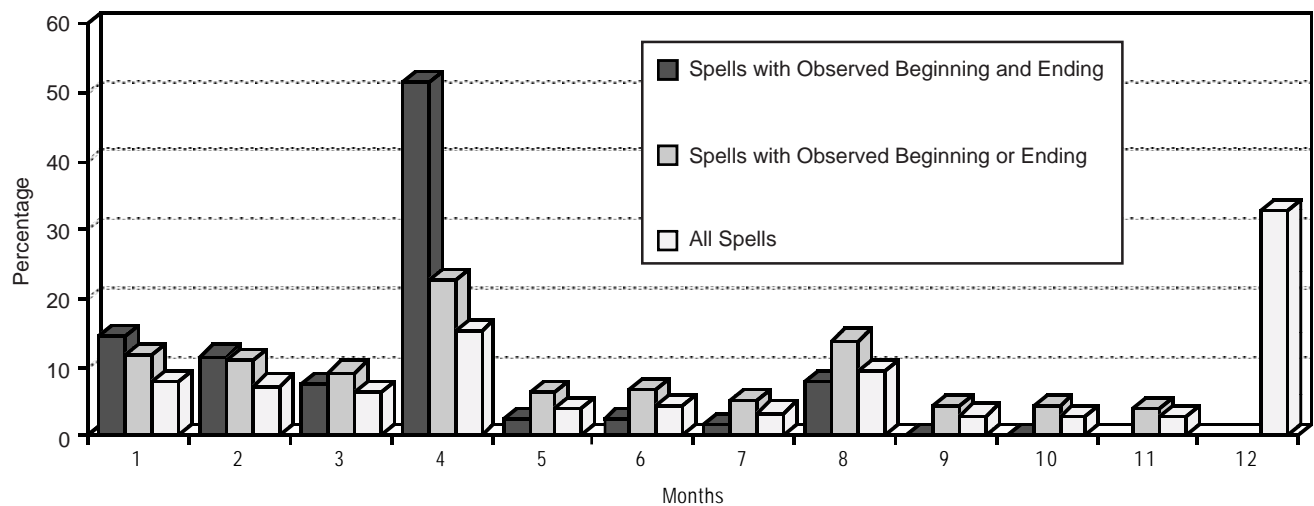
Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6-9.

<sup>a</sup>Other government includes the Civilian Health and Medical Program of the Uniformed Services and the Civilian Health and Medical Program of the Veterans Administration.

<sup>b</sup>Fewer respondents than 0.1% in this category.



Chart 1  
Distribution of the Length of Spells without Health Insurance



Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

1994, and found that the median length of an uninsured spell was 5.7 months. When this is compared with his estimate for the years 1991–1993 (7.1 months), it appears that a significant reduction in the length of spells occurred during the later two years. Therefore, these previous studies seem to conclude that just over 50 percent of the spells without health insurance coverage last for 6 months or less.

These studies by Swartz et al. and Bennefield allow for a comparison of individuals' lengths of spells without health insurance before and after the passage of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), which permits families to continue in their previous employer's health insurance plan after leaving a job.<sup>6</sup> The data Swartz et al. used started in the fall of 1983 and lasted for 32 months, which was just prior to COBRA's implementation date. Bennefield's first estimate of the median length of spell without health insurance covered the period 1991–1993, over 3 years after COBRA was implemented.<sup>7</sup> In these two periods, the median lengths of spells without health insurance were approximately equal. The lengths of such spells did decrease in Bennefield's estimate based on later data,

but these data were from well after the introduction of COBRA, when other factors could have caused the change. Thus, it appears that COBRA did not have a tremendous impact on the median length of spells without health insurance.

## Lengths of Spells Without Health Insurance Coverage

Lengths of spells without health insurance coverage were broken down into three categories to examine the median length of these spells.<sup>8</sup> The first category contains spells for which the beginning and the end of the spells were observed. This category accounts for 17 percent of the individuals with a spell without health insurance. The second category includes all spells with an observed beginning or an observed end, while the third category comprises all of the spells. The second category makes up 67 percent of the individuals with a spell without health insurance. Therefore, one-third of all individuals with a spell without health insurance coverage were uninsured for the entire year.<sup>9</sup>

Eighty-five percent of the spells with an ob-

<sup>6</sup> To qualify for this continued coverage, the individual could be leaving the job voluntarily or by the employer's decision, except in cases of gross misconduct.

<sup>7</sup> A note of caution to this comparison is that the Bennefield studies were of a shorter duration than the Swartz et al. study. Thus, Bennefield's median could have decreased somewhat in the longer time frame. However, it would appear that it would still not cause much more than at most one month difference between the median length of spells without health insurance before and after COBRA implementation.

<sup>8</sup> Again, no attempt was made to correct for not knowing when the spell began or ended due to the limitation of the sample length. However, as discussed earlier, Swartz, Marcotte, and McBride (1993b) found the distribution between spells that have a beginning not observed and those that have a beginning observed are not significantly different.

<sup>9</sup> These percentages for the second category and for the individuals with a spell without coverage for the entire year are approximately equal to the percentages reported by Bennefield (1996a) for 1992 and 1993.

Table 11  
**Percentage of Nonelderly with a Spell without Health Insurance, by Family Income,  
 October 1994 to September 1995**

Length of Spell	Total	Family Income							
		Under \$5,000	\$5,000–\$9,999	\$10,000–\$14,999	\$15,000–\$19,999	\$20,000–\$29,999	\$30,000–\$39,999	\$40,000–\$49,999	\$50,000 and over
(percentages within family income categories)									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	36.7	21.9	30.4	27.4	28.1	31.5	39.6	44.1	58.7
5–8 months	21.5	20.1	18.9	20.9	22.1	24.2	23.5	20.5	18.2
9–11 months	8.8	10.2	8.9	10.0	8.8	9.5	7.4	9.9	7.4
12 months	32.9	47.8	41.7	41.7	41.0	34.8	29.5	25.6	15.7
(percentages within length of spell categories)									
Total	100.0%	3.9%	8.2%	12.0%	13.6%	21.6%	15.5%	9.1%	16.0%
4 months or less	100.0	2.3	6.8	8.9	10.4	18.4	16.7	11.0	25.5
5–8 months	100.0	3.7	7.2	11.7	14.0	24.3	16.9	8.7	13.5
9–11 months	100.0	4.6	8.3	13.7	13.7	23.3	13.0	10.2	13.4
12 months	100.0	5.8	10.4	15.3	17.0	22.9	13.9	7.1	7.6

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

served beginning and end lasted for 4 months or less, and 99 percent lasted for 8 months or less (chart 1). When examining the spells with either an observed beginning or end, 55 percent of these spells were found to last for 4 months or less, and 87 percent were found to last for 8 months or less. However, investigation of all spells showed that approximately one-half of all spells without health insurance coverage lasted for 8 months or longer. This median figure is larger than the figures reported by Bennefield (1996a) and Swartz, Marcotte, and McBride (1993b), who found the median spell to be approximately 6 months and 7 months, respectively. The longer length determined in this report can most likely be attributed to the shorter length of time studied (1 year versus more than 2 years). As Swartz, Marcotte, and McBride indicated, the individuals with longer spells without health insurance are more likely to continue to be uninsured. Consequently, most of the individuals with no health insurance coverage for the entire year would continue to be uninsured in the longer time frame. Thus, the number of those individuals would be relatively the same, while more short-length observations would occur over the longer time period, bringing down the median length of spell.

## Lengths of Spells and Demographic Characteristics

The various demographic characteristics that are indicative of an individual's likelihood of having insur-

ance also coincide with the length of a spell without health insurance. Again, family income, poverty status, race, age, work status, industry of employment, and length of unemployment are investigated for their relationship with the length of a spell without health insurance. Only the category that includes all spells is presented, since the results were consistent across all three categories.

## Family Income

As family income increased, the percentage of the nonelderly who were uninsured for 4 months or less increased from 22 percent to 59 percent (table 11). Not surprisingly, as family income increased, the percentage of those uninsured for the entire year decreased from 48 percent to 16 percent. In addition, a significant cutoff point seemed to occur at a family income of \$30,000. Individuals in families with incomes below \$30,000 were more likely to have longer spells without health insurance relative to those with family incomes above this level.

## Poverty Status

Those below or just above the poverty level had the highest percentage (over 40 percent) of individuals who were uninsured for the entire year (table 12). Sixty percent of the individuals with a spell without health insurance having family incomes above 400 percent of

Table 12  
**Percentage of Nonelderly with a Spell without Health Insurance, by Poverty Status, October 1994 to September 1995**

Length of Spell	Total	Poverty Level					
		Below 100%	100%–124%	125%–149%	150%–199%	200%–399%	400%–or more
(percentages within poverty categories)							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	36.7	26.3	28.5	28.7	29.1	43.7	59.9
5–8 months	21.5	20.6	20.2	25.7	23.1	21.6	18.5
9–11 months	8.8	9.1	11.0	9.5	10.0	8.2	6.5
12 months	32.9	44.0	40.3	36.1	37.8	26.6	15.1
(percentages within length of spell categories)							
Total	100.0%	20.7%	8.9%	8.9%	17.8%	31.4%	12.4%
4 months or less	100.0	14.8	6.8	6.9	14.1	37.2	20.1
5–8 months	100.0	19.8	8.3	10.6	19.1	31.5	10.6
9–11 months	100.0	21.2	11.0	9.5	20.1	29.0	9.1
12 months	100.0	27.7	10.9	9.8	20.5	25.4	5.7

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

the federal poverty level were uninsured for 4 months or less. In contrast, 26 percent of those below the poverty level had a spell lasting 4 months or less. In addition, the individuals with incomes below 200 percent of the poverty level accounted for a greater percentage of the individuals who were uninsured for the entire year than they did of the entire sample. However, those with incomes between 200 percent and 400 percent of the poverty level made up 25 percent of those who were uninsured for the entire year.

## Race

Hispanics had the highest percentage of individuals with a spell without health insurance that lasted for the entire year, while blacks had the smallest percentage (table 13). The sample's distribution by race was nearly equal to the distribution by race within each length of spell without health insurance category. The main exception was that Hispanics were somewhat more likely to have had a spell that lasted the entire year relative to the sample, while blacks were somewhat less likely to have had a spell that lasted the entire year.

## Age

Individuals ages 55–64 had the highest percentage of individuals with a spell that lasted for the entire year, while individuals ages 21–24 had the lowest percentage (table 14). In addition, those ages 55–64 were disproportionately more likely to have had a spell for the entire

year than any other age group.<sup>10</sup> Individuals under age 25 accounted for a lower percentage of those with a spell

<sup>10</sup> Forty-five percent of those individuals ages 55–64 with a spell of noncoverage for the entire year had family incomes below \$15,000, and 80 percent had family incomes below \$30,000. In addition, nearly 50 percent had family incomes below 150 percent of the poverty level. Thus, these individuals with a spell for the entire year would have a difficult time even affording subsidized health insurance coverage.

Table 13  
**Percentage of Nonelderly with a Spell without Health Insurance, by Race, October 1994 to September 1995**

Length of Spell	Total	Race			
		White	Black	Hispanic	Other
(percentages within race categories)					
Total	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	36.7	36.5	40.5	24.7	34.6
5–8 months	21.5	21.5	21.4	20.0	23.5
9–11 months	8.8	9.1	8.0	5.9	7.4
12 months	32.9	32.9	30.2	49.4	34.6
(percentages within length of spell categories)					
Total	100.0%	82.1%	12.5%	1.0%	4.3%
4 months or less	100.0	81.5	13.8	0.7	4.0
5–8 months	100.0	81.9	12.5	1.0	4.7
9–11 months	100.0	84.4	11.3	0.7	3.6
12 months	100.0	82.4	11.5	1.6	4.5

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

Table 14  
**Percentage of Nonelderly with a Spell without Health Insurance, by Age,  
 October 1994 to September 1995**

Length of Spell	Total	Under	Ages	Ages	Ages	Ages	Ages	Ages
		Age 18	18–20	21–24	25–34	35–44	45–54	55–64
(percentages within age categories)								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	36.7	39.6	38.7	40.8	34.6	34.1	35.3	32.9
5–8 months	21.5	22.8	24.6	25.0	21.0	20.5	17.9	18.0
9–11 months	8.8	8.6	10.8	10.2	10.2	7.7	7.5	6.6
12 months	32.9	29.0	25.9	24.0	34.2	37.8	39.4	42.5
(percentages within length of spell categories)								
Total	100.0%	28.0%	6.7%	9.7%	20.8%	16.8%	11.1%	6.9%
4 months or less	100.0	30.2	7.1	10.8	19.6	15.6	10.7	6.1
5–8 months	100.0	29.8	7.7	11.3	20.3	16.0	9.2	5.8
9–11 months	100.0	27.2	8.2	11.3	24.2	14.6	9.4	5.1
12 months	100.0	24.7	5.3	7.1	21.6	19.2	13.3	8.8

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

lasting the entire year than they did of the sample, while those ages 25 and older accounted for a larger percentage of those with a spell lasting the entire year.

## Work Status

Nonworking adults had the highest percentage of individuals with a spell without health insurance for the entire year, at 49 percent (table 15). Both workers and children accounted for a lower percentage of the individuals who were uninsured for the entire year than their percentage of the entire sample, while nonworking adults made up a higher percentage of those with a spell for the entire year. However, workers accounted for nearly 55 percent of those with a spell that lasted for the entire year, with children accounting for close to another 25 percent.

## Industry of Employment

Sixty-two percent of government workers with a spell without health insurance had a spell that lasted 4 months or less, whereas almost 50 percent of self-employed workers with a spell without health insurance were uninsured for the entire year (table 16). Government workers with a spell of noncoverage accounted for less than 1 percent of those with a spell that lasted for the entire year, while comprising 5.1 percent of the sample with a spell without health insurance. Both self-employed workers and workers in agriculture, mining, and construction were significantly more likely to have had a spell that lasted for the entire year than they were

of occurring in the sample. However, almost one-third of those with a spell without health insurance for the entire year were employed in wholesale, retail, finance, insurance, or real estate.

## Length of Unemployment

Sixty-nine percent of those ages 18–64 with a spell without health insurance who were unemployed for 10–12 months were uninsured for the entire year, while

Table 15  
**Percentage of Nonelderly with a Spell without Health Insurance, by Work Status,  
 October 1994 to September 1995**

Length of Spell	Total	Work Status		
		Child	Worker	Nonworking Adults
(percentages within work status categories)				
Total	100.0%	100.0%	100.0%	100.0%
4 months or less	36.7	39.6	38.1	25.8
5–8 months	21.5	22.8	21.9	17.0
9–11 months	8.8	8.6	9.1	8.2
12 months	32.9	29.0	30.8	49.0
(percentages within length of spell categories)				
Total	100.0%	27.9%	58.4%	13.7%
4 months or less	100.0	30.0	60.4	9.6
5–8 months	100.0	29.6	59.5	10.9
9–11 months	100.0	27.0	60.3	12.7
12 months	100.0	24.7	54.8	20.5

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

Table 16  
**Percentage of Nonelderly Workers with a Spell without Health Insurance, by Industry,  
 October 1994 to September 1995**

Length of Spell	Total	Agriculture, Mining, and Construction	Manufacturing, Transportation, Communications, and Utilities	Wholesale, Retail, Finance, Insurance, and Real Estate	Personal Services, Entertainment, Recreation, and Professional Services	Government	Self- Employed
(percentages within industry categories)							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	38.0	34.0	47.3	37.6	41.6	61.6	25.6
5–8 months	22.0	24.0	21.8	24.0	19.8	17.8	16.9
9–11 months	9.1	11.2	8.7	8.3	9.4	5.5	8.1
12 months	30.9	30.8	22.3	30.1	29.2	15.1	49.4
(percentages within length of spell categories)							
Total	100.0%	13.3%	20.7%	26.0%	25.2%	5.1%	9.7%
4 months or less	100.0	19.0	19.4	31.0	20.5	2.5	7.6
5–8 months	100.0	23.2	15.5	34.3	16.9	1.2	8.8
9–11 months	100.0	26.1	14.9	28.6	19.5	0.9	10.1
12 months	100.0	21.2	11.3	30.7	17.8	0.7	18.2

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

25 percent of those who were unemployed for only 1 month had a spell that lasted this long (table 17). As 18–64-year-olds' length of unemployment increased, their likelihood of having a spell that lasted for the entire year increased relative to their probability of being in the sample (table 18). However, 47 percent of the 18–64-year-olds who had a spell that lasted for the entire year worked for the entire year. Among members of this age group with some unemployment, those with 2–3 months of unemployment made up 28 percent of those with a spell without health insurance for the entire year, while 12 percent of those with a spell for the entire year were unemployed for 10–12 months.

## Policy Implications

If it is desirable to continue pursuing a public policy based on the fundamental

belief that all Americans should have access to health care services, then the percentage of nonelderly Americans without health insurance coverage and the length that these individuals are without this coverage should be of particular concern to all Americans for a number of reasons. Individuals without health insurance are less likely to receive basic health care services than those with insurance. As a result, this population's overall health status is lower, which may reduce the population's overall productivity. Because uninsured

individuals are less likely to have a connection to a primary care physician, they are more likely to delay seeking treatment for illnesses, and consequently are often forced to seek it in emergency room settings (Fronstin, 1998a). Due to the high cost of emergency room care, health care providers, particularly hospitals, are frequently uncompensated for this care. In order to cover these costs, providers may seek to shift the costs of uncompensated care to other private and public health care payers. However, in the more competitive health care market that now exists, in which third-party reimbursements to providers typically are capitated or are a discounted fee, it is more difficult for health care providers to shift costs to other payers (Morrisey, 1996). To the extent that cost shifting exists, premiums for health insurance and government expenditures to finance uncompensated care provided by public hospitals or to pay for the increased costs of care for public program recipients are higher than they would otherwise be.

COBRA and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) are the two most significant pieces of federal legislation that may have an influence on the length of spells without health insurance. As demonstrated earlier, the median length of spells before and after the implementation of COBRA was not significantly changed. COBRA helps those employees who change or lose jobs to continue in their previous employer's health plan. Despite the fact that group health plans are typically less costly than indi-

Table 17  
**Percentage of Individuals Ages 18–64 with a Spell without Health Insurance,  
 by Length of Unemployment, October 1994 to September 1995**

Length of Spell	Total	Not in Labor Force	Length of Unemployment					Worked/Not in Labor Force	
			One month	2–3 months	4–6 months	7–9 months	10–12 months		
(percentages within unemployment length categories)									
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	35.6	27.1	41.6	34.9	28.3	15.8	6.4	37.6	44.4
5–8 months	21.0	16.8	24.0	21.8	28.1	20.3	14.1	19.8	24.4
9–11 months	8.9	7.7	9.5	10.1	13.6	16.5	10.3	7.8	9.0
12 months	34.5	48.4	24.9	33.2	30.0	47.5	69.2	34.8	22.1
(percentages within length of spell categories)									
Total	100.0%	14.1%	5.4%	6.7%	7.0%	2.7%	1.3%	46.5%	16.2%
4 months or less	100.0	10.7	6.3	6.6	5.6	1.2	0.2	49.1	20.2
5–8 months	100.0	11.3	6.2	7.0	9.4	2.6	0.9	43.8	18.9
9–11 months	100.0	12.2	5.7	7.6	10.7	5.0	1.5	40.8	16.4
12 months	100.0	19.8	3.9	6.5	6.1	3.7	2.7	46.9	10.4

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

vidual health insurance policies with the same set of benefits, these plans are still unaffordable for many lower-income individuals. Thus, COBRA typically helps higher-income individuals who had health insurance through their employer to continue to have coverage between job changes. However, since COBRA was specifically designed to help individuals continue em-

ployment-based coverage, it does not help those who previously did not have coverage or those who had Medicaid coverage. These two groups include the individuals most likely to have the longer spells without health insurance.

HIPAA built on COBRA in some respects by forcing health insurers to offer an individual health

Table 18  
**Percentage of Individuals Ages 18–64 with Some Unemployment with a Spell  
 without Health Insurance, October 1994 to September 1995**

Length of Spell	Total	Length of Unemployment				
		One month	2–3 months	4–6 months	7–9 months	10–12 months
(percentages within unemployment length categories)						
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4 months or less	30.6	41.6	34.9	28.3	15.8	6.4
5–8 months	23.6	24.0	21.8	28.1	20.3	14.1
9–11 months	11.8	9.5	10.1	13.6	16.5	10.3
12 months	34.0	24.9	33.2	30.0	47.5	69.2
(percentages within length of spell categories)						
Total	100.0%	23.3%	29.0%	30.3%	11.6%	5.7%
4 months or less	100.0	31.7	33.1	28.1	6.0	1.2
5–8 months	100.0	23.7	26.8	36.1	10.0	3.4
9–11 months	100.0	18.8	25.0	35.0	16.3	5.0
12 months	100.0	17.1	28.3	26.8	16.2	11.7

Source: Employee Benefit Research Institute estimates of the 1993 Survey of Income and Program Participation (SIPP) Waves 6–9.

*Since COBRA was specifically designed to help individuals continue employment-based coverage, it does not help those who previously did not have coverage or those who had Medicaid coverage.*

insurance policy to any individual who has exhausted his or her eligibility for coverage under COBRA.<sup>11</sup> In addition, HIPAA forbids preexisting condition exclusions in health plans for anyone who has had previous coverage for that condition and has not experienced a significant break in coverage prior to his or her enrollment in the new health plan. Again, both of these provisions address individuals with employment-based coverage, with the latter provision being even more narrowly focused on individuals who go from one employment-based plan to another. Thus, those who are currently uninsured or who cannot afford to continue coverage under their previous employer's health plan, as allowed under COBRA, are not helped by COBRA or HIPAA. However, HIPAA may decrease lengths of spells without health insurance for those who have chronic conditions and can afford the coverage. These individuals would want to continue coverage under COBRA, so that if they become covered by an employment-based plan in the future, their preexisting condition will be covered. They would also want to continue coverage under COBRA in order to be guaranteed access to a policy in the individual market.

As the previous discussion points out, the recent major health insurance legislation mostly addresses access to health insurance, and in many cases only continued access to employment-based coverage, but does very little to address the affordability of coverage (Fronstin, 1997a). However, as this report demonstrates, many individuals experiencing spells without health insurance have low incomes. Thus, to obtain coverage, individuals need not only increased access to health insurance but also the ability to afford this health insurance.

With the focus of health legislation on continued access to employment-based coverage, individuals must first gain this type of coverage before potentially benefiting from COBRA and HIPAA. Despite evidence that more employees are being offered health insurance, they are increasingly electing not to take up this coverage

(Cooper and Schone, 1997).<sup>12</sup> Much of this nonelection of coverage has been attributed to increased cost sharing required by firms as well as to workers' declining real incomes. For example, in 1987, 44.2 percent of

workers with employee-only coverage had that coverage fully financed by their employer, compared with 32.5 percent in 1996 (Fronstin, 1998b).<sup>13</sup> In addition, group health policies provided by employers are typically less expensive than the same policies in the individual market. Thus, the individual market is ruled out if the individual cannot afford the group policy. Consequently, increased cost sharing and lower real incomes make health insurance unaffordable for many workers. In fact, 55 percent of the individuals uninsured for the entire year had worked during that year. Therefore, the approximate 14 percent to 17 percent of the nonelderly uninsured as well as the 8 percent to 12 percent of the nonelderly with Medicaid coverage do not have access to the system that benefits from portability.

Aside from the provisions to expand coverage for children in the Balanced Budget Act of 1997, the 105th Congress has not particularly addressed health insur-

<sup>11</sup> COBRA requires continued access for 18 months (or 29 months if the qualified beneficiary is disabled) for covered employees, spouses, and dependent children who lose coverage when a covered employee terminates employment (for reasons other than gross misconduct) or if the worker's hours are reduced. In addition, COBRA requires continued access for 36 months for spouses and dependent children who lose coverage as a result of a covered employee's death, divorce, or legal separation or if a covered employee becomes eligible for the Medicare program.

<sup>12</sup> Fronstin (1997a) did find that the percentage of nonelderly covered by employment-based coverage increased slightly from 1993 to 1996 (63.5 percent to 64.0 percent), whereas, as stated above, the percentage of individuals who elect to take up employment-based coverage declined between 1987 and 1995.

<sup>13</sup> However, a survey by William M. Mercer of large employers shows that the average contribution paid by employees for their health insurance remained basically unchanged from 1995 to 1997. In addition, Jensen and Morrisey (1998) found that the percentage of workers in small firms that required workers to contribute toward their health insurance coverage declined between 1993 and 1995, but those who were required to contribute had to contribute an increased amount. Furthermore, federal workers continue to be required to contribute at least 25 percent of the premium of the health insurance plan they choose.

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ance affordability. Instead, it has been primarily concerned with quality and consumer rights in the health care market, which do not specifically or necessarily address affordability. In contrast, current proposals could lead to an increase in the number of uninsured Americans because they might increase costs by a significant amount (Copeland, 1998). However, Rep. Nancy Johnson (R-CT) has introduced legislation (H.R. 3475) that would reduce the real cost of health insurance. The measure would allow individuals to deduct the cost of premiums for an individual health insurance policy from the purchaser's taxable income, similar to the premiums for group health policies of those who receive insurance through their employer. Although some argue that the deduction would not represent a large enough subsidy for lower-income individuals to allow them to purchase health insurance, it might help individuals with moderate income to purchase it. Yet, this legislation could create an opportunity for higher-income individuals who already purchase individual policies to get a sizable tax break that could be used to purchase more generous coverage. Thus, this proposed new government subsidy could reduce tax revenue without significantly altering the number of uninsured.

Policymakers are discussing another proposal that would attempt to reduce the real cost of health insurance by accelerating the phase-in of full deductibility of the premiums of health insurance purchased by the self-employed,<sup>14</sup> who are the workers most likely to be uninsured for the entire year. This proposal would face the same questions as are raised about the deductibility for the individual policies in general. Yet, it might encourage small business owners to offer health insurance to their employees as a result of the increased tax savings they would receive.

## Conclusion

This *Issue Brief* estimated the distribution of the percentage of the

nonelderly population with selected sources of health insurance coverage. It also estimated the length of spells that the nonelderly had without health insurance. It found that 78 percent of the nonelderly had health insurance coverage for the entire year, 15 percent had coverage for only a portion of the year, and 7 percent were uninsured for the entire year. Of the spells without health insurance that had an observed beginning or end, one-half lasted 4 months or less. However, when all spells were examined, approximately one-half of the spells lasted 8 months or more. This was due to the fact that one-third of all spells without health insurance lasted for the entire year. Yet, 58 percent of the nonelderly who experienced a spell without health insurance were uninsured for less than 9 months.

Various demographic characteristics are associated with having or not having health insurance coverage as well as with the length of a spell without health insurance. Nonelderly individuals who are near poor (between the poverty level and 150 percent of the poverty level); young (ages 18–24); Hispanic; work in agriculture, mining, and construction; or are nonworking adults are the most likely to be uninsured for the entire year. Except for being young, those individuals with the above characteristics also have the highest likelihood of having a spell without health insurance that lasts for the entire year. However, white workers ages 25–44 who are near poor are the most commonly occurring nonelderly without health insurance for the entire year. This is true because this group is the largest occurring group in the sample.

This report found that two-thirds of spells without health insurance last for less than one year, which confirms previous research that a majority of these spells are for less than a year. However, this report also confirms the existence of a significant number, approximately one-third of all individuals with a spell

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<sup>14</sup> Currently, the self-employed will not be able to fully deduct the premiums of their health insurance policy until 2007.



without health insurance, of chronically uninsured individuals.<sup>15</sup> These individuals are the most likely to delay seeking treatment for illnesses and to use the emergency room as their only site of care. Because they are in poverty or near poverty, much of this care will not be paid for by these individuals. Thus, to the extent that providers can shift these costs onto other payers, all individuals and employers share in these costs through higher health insurance premiums or higher taxes to finance public hospitals and public insurance programs. Therefore, if one of policymakers' goals is to assure access to health care for all Americans, they need to determine whether there is a more efficient way to provide access to health care services to the uninsured.

Congress is currently focusing on consumer rights and quality for those with health insurance. If policymakers forget about the potential costs associated with these two issues, an increased number of uninsured may be the price of any increased satisfaction among those currently insured. This could lead some to wonder if achieving completely comprehensive coverage is worth causing more individuals to be without any coverage.

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<sup>15</sup> As described in the introductory sections, the data used in this report suffered from attrition problems, particularly for the individuals who were minorities, poor, or uninsured. However, the overall results are consistent with previous findings from studies of these issues, although they are somewhat biased downward in the percentage of uninsured for the entire year.

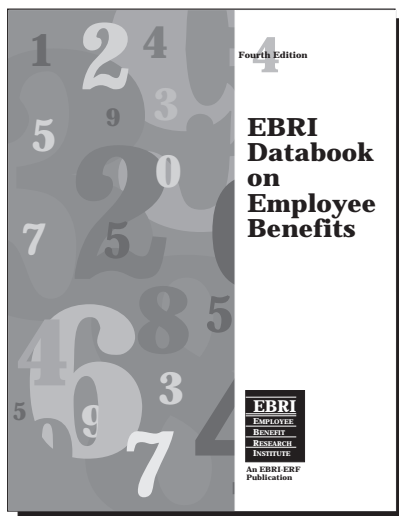
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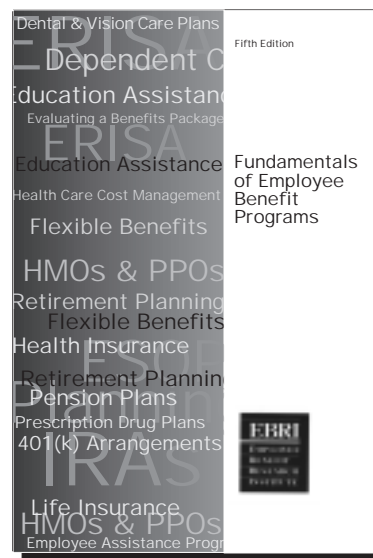
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