Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2001 Current Population Survey

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Issue Brief

- This *Issue Brief* provides summary data on the insured and uninsured populations in the nation and in each state. It discusses the characteristics most closely related to an individual's health insurance status. Based on EBRI estimates from the March 2001 Current Population Survey (CPS), it represents 2000 data—the most recent available.

- Between 1999 and 2000, the percentage of Americans with health insurance increased: 84.2 percent of nonelderly Americans were covered by some form of health insurance in 2000, up from 83.8 percent in 1999. The percentage of nonelderly Americans without health insurance coverage declined from 16.2 percent in 1999 to 15.8 percent in 2000, continuing a trend that started between 1998 and 1999.

- The main reason for the decline in the number of uninsured Americans was the strong economy and low unemployment. Between 1999 and 2000, the percentage of nonelderly Americans covered by employment-based health insurance increased from 66.6 percent to 67.3 percent, continuing a longer-term trend that started between 1993 and 1994.

- In 2000, 34.3 million Americans received health insurance from public programs, and an additional 16.1 million purchased it directly from an insurer. More than 25 million Americans participated in Medicaid or the State Children's Health Insurance Program, and 6.2 million received their health insurance through the Tricare and CHAMPVA programs and other government programs designed to provide coverage for retired military members and their families.

- Even though the number and percentage of uninsured declined substantially between 1998 and 2000, more than 38 million Americans remain uninsured. While an increasing percentage of Americans were being covered by employment-based health plans, this trend may not continue because of the combined re-emergence of health care cost inflation and the weak economy. As long as the economy is strong and unemployment is low, employment-based health insurance coverage will expand and the uninsured will decline gradually. However, the combination of the current weak economy and the rising cost of providing health benefits will likely result in more Americans without health insurance coverage. Should the uninsured remain unchanged and continue to represent 15.8 percent of the nonelderly population, 40 million nonelderly Americans would be uninsured by 2005. If the uninsured represented 25 percent of the population, 63 million would be uninsured in 2005 and 65 million would be uninsured by 2010.

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Paul Fronstin of EBRI wrote this *Issue Brief* with assistance from the Institute's research and editorial staffs.

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Introduction

In 2000, continuing a trend that started between 1998 and 1999, the percentage of Americans with health insurance increased slightly: 84.2 percent of nonelderly Americans were covered by some form of health insurance in 2000, up from 83.8 percent in 1999 (calculated from table 1). As a result, 204.4 million nonelderly Americans had health insurance coverage in 2000, while 38.4 million were uninsured. The percentage of nonelderly Americans without health insurance coverage declined from 16.2 percent in 1999 to 15.8 percent in 2000 (table 1). The data presented in this paper reflect trends that were taking place before the economic slowdown in 2001. These trends are expected to reverse in the future as the combined effect of the economic slowdown and rising health benefit costs affect health insurance coverage in the workplace.

The main reason for the decline in the number of uninsured Americans in 2000 was the strong economy and low unemployment. More workers and their dependents were being covered by employment-based health insurance. Between 1999 and 2000, the percentage of nonelderly Americans covered by employment-based health insurance increased from 66.6 percent to 67.3 percent (table 1).

While the majority of nonelderly Americans with health insurance in 2000 received coverage through an employment-based health plan, 34.3 million Americans received health insurance from public programs, and an additional 16.1 million purchased it directly from an insurer. More than 25 million Americans participated in the Medicaid or State Children's Health Insurance Program (S-CHIP),[1] and 6.2 million received their health insurance through the Tricare and CHAMPVA[2] programs and other government programs designed to provide coverage for retired military members and their families.

The purpose of this *Issue Brief* is to examine the status of health insurance coverage in the United States. The data are based primarily on the March 2001 Current Population Survey (CPS), with some analysis based on surveys of earlier CPS years. The report focuses on the nonelderly population (under age 65) because this group can receive health insurance coverage from a number of different sources, depending, for example, on income, employment status, and location. By contrast, Medicare covers nearly all of the elderly population. The next section discusses recent trends in health insurance coverage and some of the underlying factors affecting these trends. The following section discusses the determinants of having employment-based health insurance coverage and other sources of coverage. The section after that discusses the uninsured population and the factors associated with being uninsured, and is followed by a section examining policy implications. The final section presents conclusions. Data sources are discussed in the appendix.

Trends

Prior to 1999, the uninsured rate had increased for a number of reasons. For instance, between 1987 and 1993, the increase in the uninsured can be attributed to the erosion of *employment-based* health benefits.[3] While public programs were covering an increasing percentage of Americans prior to 1993, the growth in these programs was not enough to offset the erosion in employment-based health insurance, so the uninsured increased. By contrast, between 1993 and 1998, the portion of Americans covered by employment-based health insurance increased, but the percentage of Americans without health insurance coverage continued to increase. During this period, the decline in *public* sources of health insurance would mostly explain the increase in the uninsured population.

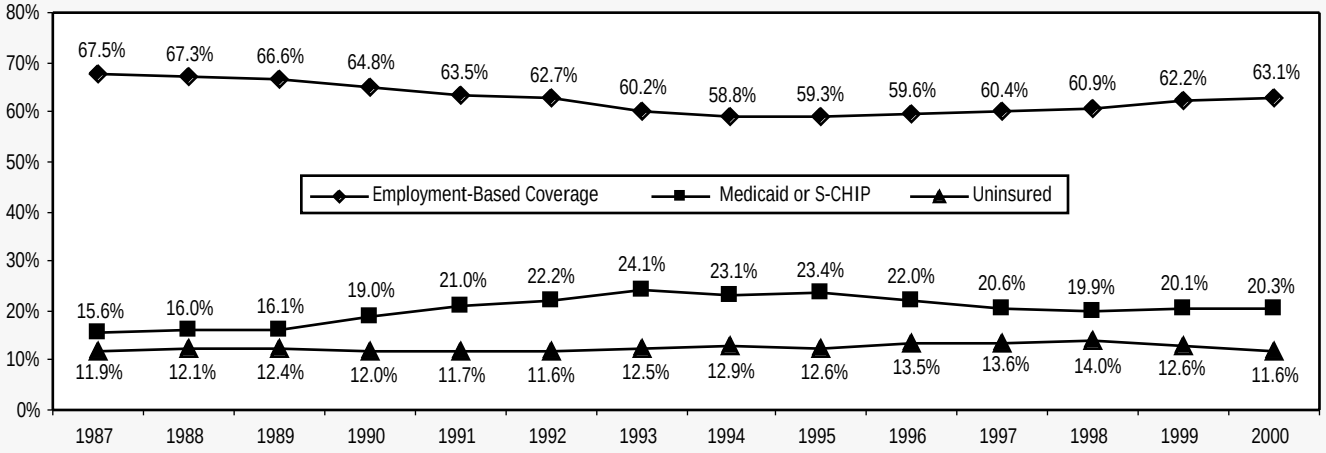
Table 1
Nonelderly Americans With Selected Sources of Health Insurance Coverage, 1987–2000

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
							(millions)							
Total Population	214.4	216.6	218.5	220.6	222.9	225.5	228.0	229.9	231.9	234.0	236.2	238.6	240.7	242.8
Employment-Based Coverage	150.3	151.2	151.7	149.6	149.5	147.8	146.7	148.1	149.7	151.7	153.6	156.7	160.3	163.4
Ownname	73.5	74.5	75.1	74.1	74.1	72.7	76.0	76.3	76.9	78.0	78.5	80.2	81.4	83.7
Dependent coverage	76.8	76.7	76.6	75.5	75.4	75.0	70.7	71.9	72.8	73.7	75.1	76.5	78.9	79.7
Individually Purchased	15.0	14.3	15.2	15.1	14.3	15.3	17.5	17.3	16.8	16.8	16.6	16.3	16.6	16.1
Public	28.8	29.1	29.1	32.2	34.8	36.4	38.5	39.4	38.8	37.8	35.3	34.6	34.5	34.3
Medicare	3.1	3.2	3.2	3.5	3.5	4.0	3.7	3.7	4.1	4.6	4.7	4.8	4.9	5.3
Medicaid	18.6	19.1	19.5	22.7	25.2	26.9	29.4	29.1	29.4	28.6	26.4	25.2	25.3	25.3
Tricare/CHAMPVA[a]	8.6	8.2	7.9	7.9	7.9	7.5	7.5	8.7	7.5	6.9	6.6	6.9	6.6	6.2
No Health Insurance	29.5	31.1	31.7	32.9	33.6	35.4	36.4	36.5	37.3	38.3	39.9	40.7	39.0	38.4
							(percentage)							
Total Population	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Employment-Based Coverage	70.1	69.8	69.4	67.8	67.1	65.5	64.3	64.4	64.6	64.8	65.0	65.7	66.6	67.3
Own name	34.3	34.4	34.4	33.6	33.2	32.2	33.3	33.2	33.2	33.3	33.2	33.6	33.8	34.5
Dependent coverage	35.8	35.4	35.1	34.2	33.8	33.3	31.0	31.3	31.4	31.5	31.8	32.1	32.8	32.8
Individually Purchased	7.0	6.6	7.0	6.8	6.4	6.8	7.7	7.5	7.2	7.2	7.0	6.8	6.9	6.6
Public	13.4	13.4	13.3	14.6	15.6	16.1	16.9	17.1	16.7	16.2	15.0	14.5	14.3	14.1
Medicare	1.5	1.5	1.5	1.6	1.6	1.8	1.6	1.6	1.8	2.0	2.0	2.0	2.0	2.2
Medicaid	8.7	8.8	8.9	10.3	11.3	11.9	12.9	12.7	12.7	12.2	11.2	10.6	10.5	10.4
Tricare/CHAMPVA[a]	4.0	3.8	3.6	3.6	3.5	3.3	3.3	3.8	3.2	2.9	2.8	2.9	2.7	2.5
No Health Insurance	13.7	14.4	14.5	14.9	15.1	15.7	16.0	15.9	16.1	16.4	16.9	17.0	16.2	15.8

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1988–2001 Supplements.
Note: Details may not add to totals because individuals may receive coverage from more than one source.
[a]TRICARE (formerly known as CHAMPUS) is a program administered by the Department of Defense for military retirees as well as families of active duty, retired, and deceased service members. CHAMPVA, the Civilian Health and Medical Program for the Department of Veterans Affairs, is a health care benefits program for disabled dependents of veterans and certain survivors of veterans.

Chart 1

Percentage of American Children Under Age 18 With Employment-Based Health Benefits, Medicaid or S-CHIP and Without Health Insurance, 1987–2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1988–2001 Supplements.

For example, the percentage of nonelderly Americans covered by Tricare or CHAMPVA declined from 3.8 percent to 2.9 percent between 1994 and 1998, and continued down to 2.5 percent in 2000, in large part due to downsizing in the military. Similarly, between 1993 and 2000, the percentage of nonelderly Americans covered by Medicaid or S-CHIP declined from 12.9 percent to 10.4 percent as welfare reform, coupled with the strong economy, resulted in fewer people in the welfare ranks and more former welfare recipients moving into private- and public-sector employment.

It appears the S-CHIP program is having an impact on overall coverage rates for children. Between 1998 and 2000, the percentage of children covered by Medicaid or S-CHIP increased from 19.9 percent to 20.3 percent (chart 1). At the same time, the percentage of children with employment-based health insurance increased from 60.9 percent to 63.1 percent. As a result, the percentage of children without any form of health insurance coverage declined from 14 percent in 1998 to 11.6 percent in 2000.

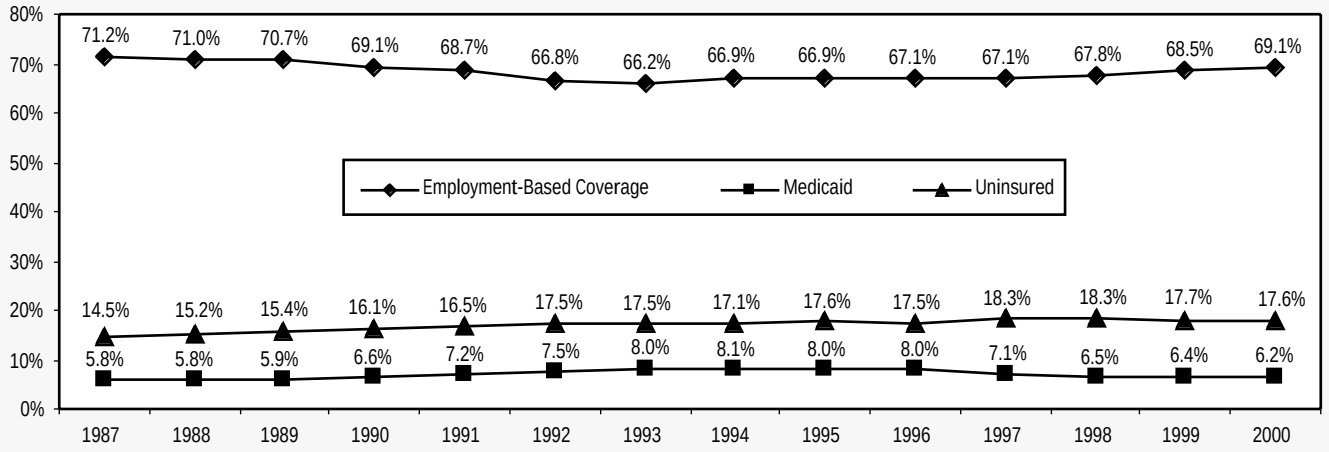
Since 1994, the percentage of nonelderly Americans covered by an employment-based health insurance plan has been increasing (table 1). In 1994, 64.4 percent of nonelderly Americans were covered by employment-based health benefits. By 2000, 67.3 percent were covered. At the same time, the percentage of nonelderly Americans with Medicaid coverage declined from 12.7 percent to 10.4 percent. These trends, however, mask important differences among various groups in the U.S. population. For example, the increase in employment-based health benefits was limited to children between 1994 and 1997; during that period, the percentage of children covered by an employment-based health plan increased from 58.8 percent to 60.4 percent (chart 1), while for adults it was virtually unchanged (chart 2). In contrast, between 1997 and 2000, the percentage of adults with employment-based health benefits increased from 67.1 percent to 69.1 percent (chart 2).

Fronstin (1999b) has shown that the likelihood of a child being covered by employment-based health benefits increased for a number of reasons. The study found that the percentage of children with a working parent increased, the percentage of children in families with incomes below the poverty level decreased, and more children had a working parent employed in a large firm. The increase in employment-based coverage among children during this period can in part be attributed to a combination of welfare reform and the strong economy, both of which resulted in fewer adult women on welfare and more adult women working. Chart 3 shows how the percentage of women ages 18–45 in families receiving public assistance or welfare income declined, while the employment rate increased, trends that continued through 2000.

Between 1994 and 1997, the percentage of working adults with employment-based health insurance coverage held steady at roughly 73.2 percent (chart 4). During this period, inflation in the cost of providing health benefits to employees was essentially nonexistent. Between 1997 and 2000, the percentage of working adults with employment-based health insurance increased from 73.1 percent to 74.7 percent. This occurred in part because the percentage of small firms offering health benefits was increasing (Gabel et al., 2001), despite the fact that health care cost inflation was rising,

Chart 2

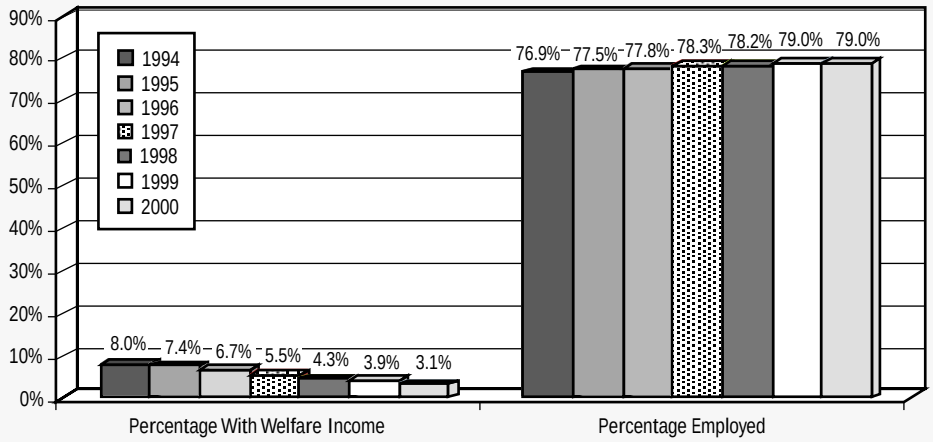
Percentage of American Adults, Ages 18–64, With Employment-Based Health Benefits, Medicaid, and Without Health Insurance, 1987–2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1988–2001 Supplements.

Chart 3

Percentage of Women Ages 18–45 Who Are in Families With Welfare Income or Who Are Employed, 1994–2000



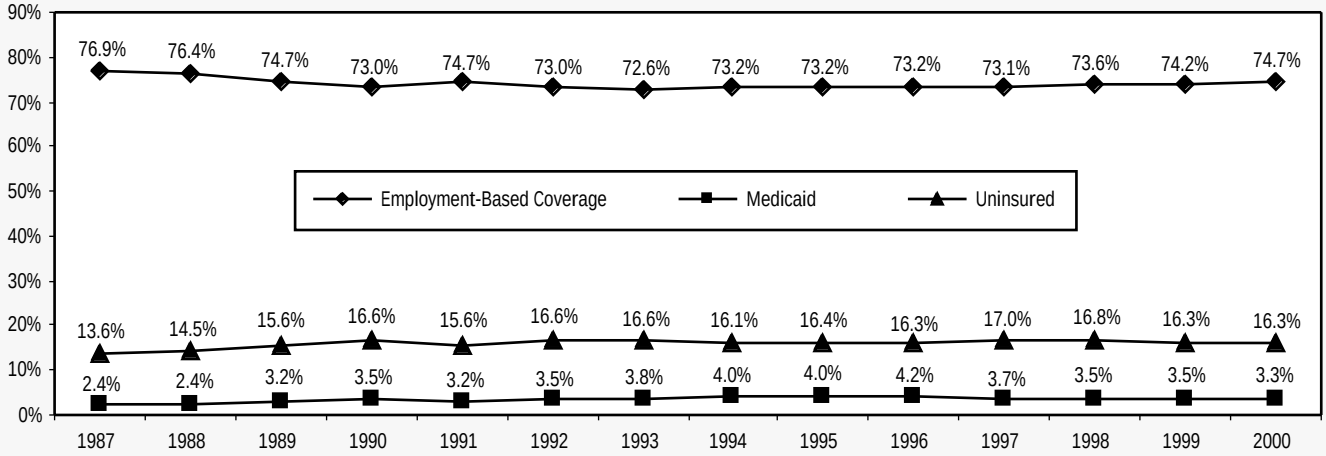
Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1995–2001 Supplements.

especially among small firms (chart 5). It is also likely that the changing composition of the labor force accounted for some of the increase in employment-based coverage. For example, the percentage of workers who were self-employed declined between 1997 and 2000, as did the percentage of workers employed on a part-time basis (chart 6).

The increase in the percentage of Americans with employment-based health benefits between 1997 and 2000 is both surprising and not surprising. It is not surprising because the strong economy and low unemployment rates caused more employers to provide health benefits in order to attract and retain workers, and also may have resulted in more workers being able to afford health insurance. It is surprising because 1998 saw the return of health care cost inflation, and this inflationary trend accelerated in 1999 and 2000. In the late 1980s and early 1990s, the percentage of Americans covered by employment-based health benefits declined in large part because of health care cost inflation. In the late 1980s, health care costs increased an average of between 15 percent and 20 percent in some years. However, between 1994 and 1997, health care costs barely changed. In 1998, they started to increase again, but the increase does not appear to have affected the percentage of Americans with employment-based health benefits, although it could also

Chart 4

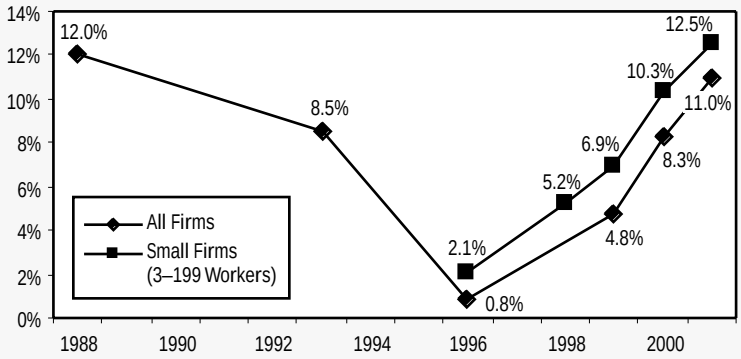
Percentage of Workers, Ages 18–64, With Employment-Based Health Benefits, Medicaid, and Without Health Insurance, 1987–2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1988–2001 Supplements.

Chart 5

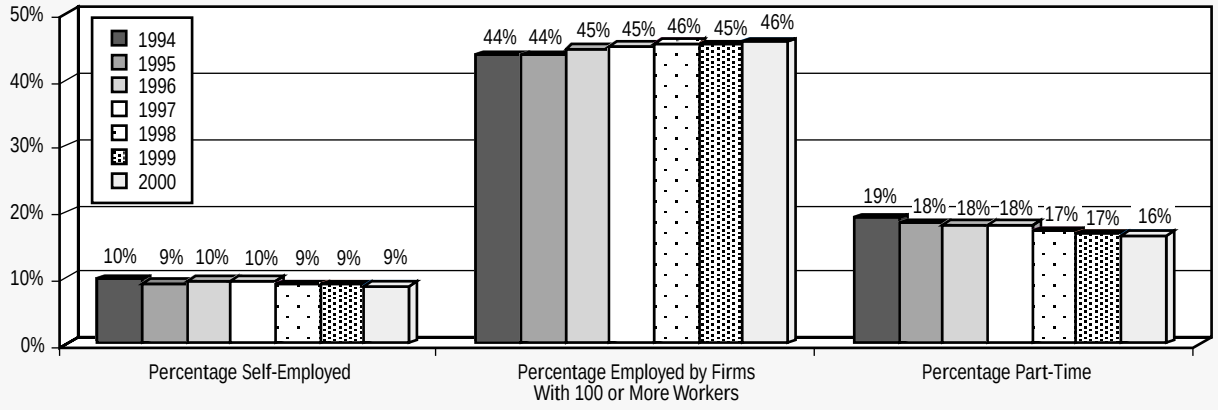
Health Premium Increases by Firm Size, 1988–2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits.

Chart 6

Percentage of Workers Who Are Self-Employed or Part Time, 1994–2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1995–2001 Supplements.

Table 2

Nonelderly Population With Selected Sources of Health Insurance, by Age and Own Work Status, and Work Status of Family Head, 2000

Own Work Status and Work Status of Family Head	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.3	38.4
Own Work Status								
Child	72.5	45.8	0.3	45.5	5.4	16.9	14.7	8.4
Adult								
worker	139.6	104.3	79.8	24.5	8.0	7.9	4.6	22.8
nonworker	30.6	13.3	3.6	9.7	2.7	9.5	6.0	7.2
Work Status of Family Head								
Full-year, full-time worker	188.5	144.9	72.2	72.7	9.8	16.0	10.5	24.3
Other worker	31.9	13.3	7.8	5.6	3.9	8.1	6.9	8.3
Nonworker	22.4	5.2	3.7	1.5	2.5	10.2	7.9	5.9
				(percentage within coverage category)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Own Work Status								
Child	29.9	28.0	0.3	57.1	33.6	49.3	58.2	21.9
Adult								
worker	57.5	63.8	95.3	30.8	49.6	23.1	18.2	59.3
nonworker	12.6	8.2	4.3	12.2	16.8	27.6	23.6	18.8
Work Status of Family Head								
Full-year, full-time worker	77.7	88.7	86.3	91.2	60.7	46.6	41.6	63.1
Other worker	13.1	8.2	9.3	7.0	23.9	23.6	27.2	21.7
Nonworker	9.2	3.2	4.4	1.8	15.4	29.8	31.3	15.2
				(percentage within work status categories)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.8%
Own Work Status								
Child	100.0	63.1	0.4	62.7	7.5	23.3	20.3	11.6
Adult								
worker	100.0	74.7	57.1	17.6	5.7	5.7	3.3	16.3
nonworker	100.0	43.6	11.9	31.7	8.9	31.0	19.5	23.6
Work Status of Family Head								
Full-year, full-time worker	100.0	76.9	38.3	38.6	5.2	8.5	5.6	12.9
Other worker	100.0	41.8	24.3	17.5	12.1	25.3	21.6	26.1
Nonworker	100.0	23.2	16.6	6.6	11.1	45.7	35.4	26.2

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

be argued that the percentage of Americans with employment-based health benefits would have increased even faster were it not for the rising costs of providing those benefits. Rising health benefit costs are an even greater concern now. According to one survey, health benefits costs increased 12.5 percent for small firms in 2001 (chart 5). Coupled with the impact of a weaker economy, the return of health care cost inflation will tend to result in fewer workers being covered by health benefits and an increase in the uninsured.

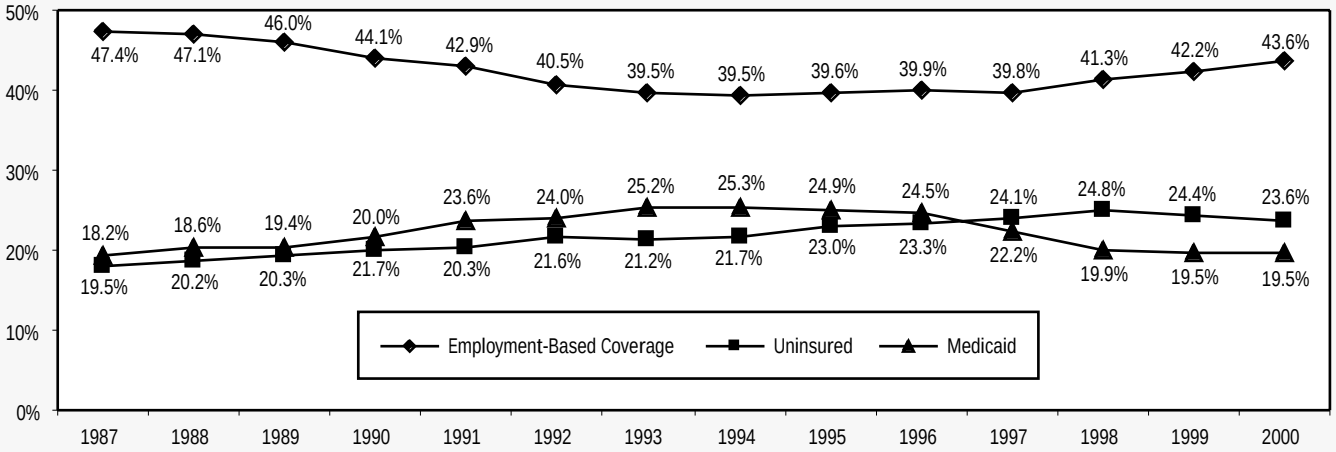
Determinants of Coverage

Full-time workers, public-sector employees, workers employed in manufacturing, and individuals living in families with high levels of income are most likely to be covered by employment-based health insurance. Persons in families with income below the poverty level, especially children and single-parent families, are most likely to be covered by public health insurance such as Medicaid or S-CHIP.

Employment status is the most important determinant of health insurance coverage. More than two-thirds of the nonelderly population have employment-based coverage. This coverage can be obtained either directly through one's employer/union or previous employer or indirectly through an employed person in one's family. In this report, individuals who receive coverage directly through their employer/union or a previous employer are categorized as having coverage in

Chart 7

Percentage of Nonworkers, Ages 18–64, With Employment-Based Health Benefits, Medicaid, and Without Health Insurance, 1987–2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 1988–2001 Supplements.

Table 3

Workers Ages 18–64 With Selected Sources of Health Insurance, by Industry of Primary Employment, 2000

Industry	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	139.6	104.3	79.8	24.5	8.0	7.9	4.6	22.8
Agriculture, forestry, fishing, mining, and construction	12.9	7.3	5.2	2.1	1.1	0.6	0.4	4.1
Manufacturing	29.0	24.3	21.2	3.1	0.9	1.1	0.6	3.4
Wholesale and retail trade	47.3	32.5	22.9	9.6	3.3	3.1	2.0	9.5
Personal services	30.5	22.6	15.5	7.0	2.1	1.8	1.1	4.7
Public sector	20.0	17.7	14.9	2.8	0.5	1.3	0.5	1.2
				(percentage within coverage category)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agriculture, forestry, fishing, mining and construction	9.2	7.0	6.5	8.4	14.0	8.0	9.7	17.8
Manufacturing	20.8	23.3	26.5	12.6	10.7	14.5	13.1	14.8
Wholesale and retail trade	33.9	31.1	28.7	39.0	41.8	38.9	43.1	41.6
Personal services	21.8	21.7	19.5	28.7	26.6	22.4	24.1	20.5
Public sector	14.3	17.0	18.7	11.3	6.8	16.3	10.0	5.3
				(percentage within industry categories)				
Total	100.0%	74.7%	57.1%	17.6%	5.7%	5.7%	3.3%	16.3%
Agriculture, forestry, fishing, mining and construction	100.0	56.5	40.5	16.0	8.7	4.9	3.5	31.5
Manufacturing	100.0	83.7	73.0	10.6	3.0	3.9	2.1	11.6
Wholesale and retail trade	100.0	68.7	48.5	20.2	7.1	6.5	4.2	20.1
Personal services	100.0	74.2	51.0	23.1	7.0	5.8	3.7	15.3
Public sector	100.0	88.5	74.7	13.9	2.7	6.4	2.3	6.1

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

Table 4
Workers Ages 18–64 With Selected Sources of Health Insurance, by Firm Size, 2000

Firm Size	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	139.6	104.3	79.8	24.5	8.0	7.9	4.6	22.8
Self-Employed	12.1	6.6	3.2	3.4	2.3	0.6	0.3	2.8
Wage and Salary Workers	127.5	97.7	76.6	21.1	5.7	7.3	4.3	20.0
Public sector	20.0	17.7	14.9	2.8	0.5	1.3	0.5	1.2
Private sector	107.5	80.0	61.7	18.4	5.1	6.0	3.8	18.8
fewer than 10	15.1	8.1	4.4	3.8	1.4	1.1	0.8	4.8
10–24	11.9	7.5	4.9	2.7	0.7	0.7	0.5	3.2
25–99	16.5	12.0	9.0	2.9	0.8	0.9	0.6	3.2
100–499	16.5	13.3	10.9	2.4	0.6	0.8	0.6	2.2
500–999	6.3	5.2	4.3	0.9	0.2	0.3	0.2	0.7
1,000 or more	41.3	34.0	28.2	5.8	1.5	2.1	1.3	4.7
				(percentage within coverage category)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Self-Employed	8.7	6.3	4.0	13.9	29.3	7.9	7.0	12.3
Wage and Salary Workers	91.3	93.7	96.0	86.1	70.7	92.1	93.0	87.7
Public sector	14.3	17.0	18.7	11.3	6.8	16.3	10.0	5.3
Private sector	77.0	76.7	77.3	74.8	63.9	75.8	83.0	82.4
fewer than 10	10.8	7.8	5.5	15.3	17.3	13.7	16.5	21.1
10–24	8.5	7.2	6.1	10.8	8.9	9.4	10.7	14.0
25–99	11.8	11.5	11.3	11.9	9.6	11.0	12.5	14.0
100–499	11.8	12.7	13.6	9.8	7.1	10.7	11.9	9.6
500–999	4.5	4.9	5.4	3.6	2.8	3.9	3.9	3.3
1,000 or more	29.6	32.6	35.4	23.4	18.2	27.1	27.4	20.5
				(percentage within firm size categories)				
Total	100.0%	74.7%	57.1%	17.6%	5.7%	5.7%	3.3%	16.3%
Self-Employed	100.0	54.3	26.3	28.0	19.3	5.2	2.7	23.1
Wage and Salary Workers	100.0	76.7	60.1	16.6	4.4	5.7	3.4	15.7
Public sector	100.0	88.5	74.7	13.9	2.7	6.4	2.3	6.1
Private sector	100.0	74.5	57.4	17.1	4.8	5.6	3.6	17.5
fewer than 10	100.0	53.8	28.9	24.9	9.2	7.2	5.1	31.9
10–24	100.0	63.2	41.0	22.3	6.0	6.2	4.1	26.7
25–99	100.0	72.6	54.9	17.7	4.7	5.3	3.5	19.4
100–499	100.0	80.6	66.0	14.6	3.5	5.1	3.3	13.2
500–999	100.0	82.3	68.2	14.1	3.6	4.9	2.9	11.8
1,000 or more	100.0	82.4	68.4	13.9	3.5	5.2	3.1	11.4

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

their *own name*. Individuals who receive employment-based coverage indirectly are categorized as having *dependent* coverage.

Large employers that provide access to group health insurance often are able to provide health benefits at lower cost than small employers, because they are subject to less adverse selection and their average administrative costs and marketing costs are lower. However, examination of health benefit costs across firms usually shows that per-person costs are higher in larger firms than in smaller firms. This occurs because large firms typically offer more extensive health benefits than small firms. Furthermore, the nature of employment, the industry, and the firm's size often determine the cost and extent of coverage. Workers in large firms are more likely to be covered by health insurance than those in small firms.

In 2000, 67.3 percent of the nonelderly were covered by employment-based health insurance (table 1). Workers were much more likely to be covered by employment-based health insurance than nonworkers (table 2). Nearly 75 percent of workers were covered by an employment-based plan, compared with 43.6 percent of nonworkers (table 2, chart 7). In addition, 76.9 percent of

Table 5
Nonelderly Population With Selected Sources of Health Insurance, by Family income, 2000

Family Income	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.3	38.4
Under $5,000	10.1	1.5	0.8	0.7	1.2	3.7	3.5	4.1
$5,000–$9,999	9.6	1.4	0.9	0.5	1.1	5.0	4.5	2.6
$10,000–$14,999	12.1	2.9	2.0	0.9	1.3	4.3	3.7	4.1
$15,000–$19,999	13.5	5.1	3.2	1.9	1.4	3.7	3.2	4.0
$20,000–$29,999	27.3	14.5	9.1	5.4	2.1	5.3	4.1	6.8
$30,000–$39,999	26.7	18.0	10.1	7.9	1.9	3.4	2.4	4.6
$40,000–$49,999	23.4	17.3	8.9	8.4	1.5	2.4	1.4	3.3
$50,000 and over	120.0	102.7	48.7	54.0	5.7	6.5	2.7	9.0
				(percentage within coverage category)				
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Under $5,000	4.2	0.9	0.9	0.9	7.6	10.9	13.6	10.6
$5,000–$9,999	4.0	0.9	1.1	0.6	6.5	14.5	17.6	6.7
$10,000–$14,999	5.0	1.8	2.4	1.2	8.2	12.6	14.6	10.6
$15,000–$19,999	5.5	3.1	3.8	2.4	8.5	10.9	12.6	10.4
$20,000–$29,999	11.3	8.9	10.8	6.8	13.2	15.4	16.1	17.6
$30,000–$39,999	11.0	11.0	12.0	9.9	11.7	9.9	9.4	12.1
$40,000–$49,999	9.6	10.6	10.7	10.5	9.1	6.9	5.4	8.6
$50,000 and over	49.4	62.8	58.2	67.7	35.3	19.0	10.7	23.4
				(percentage within family income categories)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.8%
Under $5,000	100.0	14.7	7.5	7.2	12.1	36.8	34.1	40.1
$5,000–$9,999	100.0	14.9	9.7	5.3	11.0	52.0	46.5	26.9
$10,000–$14,999	100.0	24.2	16.6	7.6	10.8	35.5	30.5	33.5
$15,000–$19,999	100.0	38.2	23.8	14.4	10.1	27.7	23.7	29.7
$20,000–$29,999	100.0	53.0	33.2	19.8	7.8	19.3	14.9	24.8
$30,000–$39,999	100.0	67.3	37.6	29.6	7.0	12.7	8.9	17.3
$40,000–$49,999	100.0	73.9	38.2	35.7	6.3	10.1	5.8	14.2
$50,000 and over	100.0	85.5	40.6	45.0	4.7	5.4	2.2	7.5

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

individuals in families headed by full-year, full-time workers were covered by employment-based health insurance, compared with 41.8 percent of those in families headed by other workers, and 23.2 percent of individuals in families headed by nonworkers (table 2).

With respect to industry, workers employed in the public sector and in manufacturing were more likely to have employment-based coverage in their own name than other workers (table 3). In addition, the larger the firm the more likely workers were to have employment-based coverage in their own name. Just over 26 percent of self-employed workers and nearly 29 percent of private-sector workers in firms with fewer than 10 employees were covered through a group health plan sponsored by their own employer/union or former employer in 2000, compared with 68.4 percent of private-sector workers in firms with 1,000 or more employees (table 4).

Health insurance coverage is also related to income. In general, individuals with higher levels of income are more likely to be covered by employment-based health insurance, while those with lower levels of income are more likely to be covered by a publicly sponsored plan. In 2000, 14.7 percent of individuals in families with annual income below $5,000 were covered by employment-based health insurance, compared with 85.5 percent of those in families with annual income of $50,000 or more (table 5).

Although many individuals in poor families are covered by public health plans, more than half were not. In 2000, 44.6 percent of the nonelderly with family incomes below the poverty line were covered by a public plan—41.4 percent by Medicaid (table 6)—although many low-income individuals may be eligible for Medic-

Table 6

Nonelderly Population With Selected Sources of Health Insurance, by Race and Family Poverty Status, 2000

Race and Family Poverty Status	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.3	38.4
0–99% of poverty	28.3	4.9	2.4	2.6	2.7	12.6	11.7	9.3
100%–149% of poverty	19.9	7.1	3.2	3.9	2.0	5.8	4.9	6.0
150%–199% of poverty	20.4	11.2	4.8	6.4	1.6	4.0	3.0	4.8
200% of poverty or more	174.1	140.2	73.3	66.9	9.9	11.9	5.7	18.3
White	166.3	123.3	63.1	60.2	12.5	18.0	11.7	18.8
0–99% of poverty	12.5	2.6	1.3	1.2	1.9	5.1	4.5	3.7
100%–149% of poverty	10.2	3.9	1.9	2.0	1.5	2.9	2.4	2.5
150%–199% of poverty	11.2	6.4	2.8	3.7	1.2	2.1	1.4	2.2
200% of poverty or more	132.4	110.4	57.1	53.3	8.0	7.9	3.3	10.4
Black	31.9	17.8	9.9	7.9	1.7	8.0	6.4	6.3
0–99% of poverty	7.1	1.2	0.6	0.6	0.4	4.0	3.7	1.9
100%–149% of poverty	3.7	1.4	0.7	0.8	0.2	1.3	1.1	1.0
150%–199% of poverty	3.8	2.3	1.0	1.3	0.2	0.8	0.6	0.7
200% of poverty or more	17.3	12.8	7.7	5.2	0.7	2.0	1.1	2.7
Hispanic	31.9	14.6	6.8	7.7	1.2	6.4	5.8	10.7
0–99% of poverty	6.9	0.9	0.3	0.6	0.2	2.9	2.8	3.1
100%–149% of poverty	5.0	1.5	0.5	0.9	0.2	1.3	1.3	2.2
150%–199% of poverty	4.4	1.9	0.8	1.1	0.2	0.9	0.8	1.7
200% of poverty or more	15.5	10.3	5.2	5.1	0.6	1.3	1.0	3.7
Other	12.6	7.8	3.8	4.0	0.8	1.9	1.5	2.6
0–99% of poverty	1.7	0.3	0.1	0.1	0.1	0.7	0.7	0.6
100%–149% of poverty	1.0	0.4	0.2	0.2	0.1	0.3	0.3	0.3
150%–199% of poverty	1.0	0.6	0.2	0.3	0.0	0.2	0.2	0.2
200% of poverty or more	8.9	6.6	3.3	3.3	0.6	0.7	0.4	1.4
				(percentage within race and poverty categories)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.8%
0–99% of poverty	100.0	17.5	8.4	9.1	9.6	44.6	41.4	33.0
100%–149% of poverty	100.0	35.7	16.3	19.5	9.8	29.3	24.7	30.2
150%–199% of poverty	100.0	54.6	23.3	31.3	7.8	19.3	14.5	23.6
200% of poverty or more	100.0	80.5	42.1	38.4	5.7	6.8	3.3	10.5
White	100.0	74.1	38.0	36.2	7.5	10.8	7.0	11.3
0–99% of poverty	100.0	20.5	10.6	9.9	15.3	40.3	36.1	29.3
100%–149% of poverty	100.0	38.2	18.6	19.5	14.3	29.0	23.2	24.4
150%–199% of poverty	100.0	57.3	24.5	32.8	10.4	18.7	12.7	19.6
200% of poverty or more	100.0	83.4	43.2	40.2	6.0	6.0	2.5	7.9
Black	100.0	55.7	31.0	24.6	5.2	25.0	20.1	19.7
0–99% of poverty	100.0	17.0	8.2	8.7	6.1	55.9	52.5	26.5
100%–149% of poverty	100.0	38.2	17.4	20.7	6.5	33.6	28.5	26.9
150%–199% of poverty	100.0	60.2	26.4	33.7	6.2	20.7	14.9	18.7
200% of poverty or more	100.0	74.4	44.4	30.0	4.3	11.3	6.1	15.6
Hispanic	100.0	45.6	21.4	24.1	3.6	20.1	18.1	33.6
0–99% of poverty	100.0	13.1	4.9	8.2	3.2	41.4	39.9	44.9
100%–149% of poverty	100.0	29.1	10.8	18.3	3.4	26.8	24.9	43.8
150%–199% of poverty	100.0	42.1	17.6	24.5	3.5	19.6	17.9	38.2
200% of poverty or more	100.0	66.4	33.4	33.1	4.0	8.6	6.2	24.0
Other	100.0	61.9	30.4	31.5	6.5	15.1	11.6	20.7
0–99% of poverty	100.0	14.9	6.7	8.2	8.3	42.5	39.2	37.5
100%–149% of poverty	100.0	35.0	15.0	20.0	8.2	28.4	24.5	33.4
150%–199% of poverty	100.0	59.3	23.6	35.7	3.9	20.5	16.8	22.7
200% of poverty or more	100.0	74.3	37.4	36.9	6.2	7.7	4.2	15.8

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

aid coverage even though they do not report coverage. Other sources of public health insurance include S-CHIP, Medicare (which primarily covers the elderly but also covers qualified nonelderly disabled persons), Tricare, CHAMPVA, and Veterans Administration (VA) health insurance.

The Uninsured

Many factors influence whether or not an individual has any type of health insurance coverage. This section presents data on the characteristics of the uninsured population.

Location

The proportion of the nonelderly population with and without health insurance varies by location. In eight states, 20 percent or more of the population was uninsured in 2000 (table 7). These states are in large part concentrated in the south central United States (chart 8). In many of these states, a smaller proportion of the population was eligible for employment-based insurance and/or a larger proportion was eligible for publicly financed health programs than the national average. Lower average income and higher unemployment rates both may contribute to this difference. In addition, many of these states have a higher concentration of racial and ethnic groups that are less likely to be covered by health insurance.[4] In contrast, states with a low percentage of uninsured individuals include Rhode Island, New Hampshire, Wisconsin, and Pennsylvania.

The percentage of the population without any form of health insurance coverage also varies by metropolitan region. On average, 17 percent of the population residing in Consolidated Metropolitan Statistical Areas (CMSAs) was uninsured in 2000 (table 8). The Miami-Fort Lauderdale, FL, CMSA had the highest percentage uninsured among CMSAs, at 25.6 percent, followed by Los Angeles-Riverside-Orange County, CA, at 23.6 percent, Houston-Galveston-Brazoria, TX at 23.1 percent, and Dallas-Fort Worth, TX at 21.8 percent. This compares with 6.9 percent in Milwaukee-Racine, WI, 10.2 percent in the Boston-Worcester-Lawrence, MA-NH-ME-CT, and 10.4 percent in Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD CMSAs.

Citizenship

Citizenship is a primary factor in the likelihood of an individual having coverage and in the source of that coverage. In California, for example, 16.5 percent of nonelderly individuals reported that they were noncitizens, compared with 7.3 percent of the nation as a whole (table 9). Nearly 43 percent of nonelderly respondents indicating they were noncitizens were uninsured in 2000, compared with 13.7 percent of citizens. In New Mexico, 60 percent of the noncitizen population was uninsured, while in Colorado, 58.5 percent was uninsured, and in Texas, 53.6 percent was uninsured. High uninsured rates may be due in part to the fact that a higher proportion of noncitizens than citizens were in low-income families, were likely to be nonworkers, or were likely to work in small firms.

Employment

Eighty-five percent of the uninsured lived in families headed by workers in 2000, primarily because most people (90.8 percent) live in families headed by workers, including one-person families (table 2). Fifteen percent of the uninsured were in families in which the family head did not work.

Industry

Uninsured workers were most likely to be employed in the wholesale and retail trade industry (table 3). This is not surprising, as workers in general are most likely to be employed in the wholesale and trade industry. About

Table 7

Nonelderly Population With Selected Sources of Health Insurance, by Region and State, 2000

Region and State	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	242.8	163.4	83.7	79.7	16.1	34.3	25.3	38.4
New England	11.8	8.6	4.4	4.2	0.8	1.7	1.4	1.2
Maine	1.1	0.8	0.4	0.4	0.1	0.2	0.1	0.1
New Hampshire	1.1	0.8	0.4	0.4	0.1	0.1	0.1	0.1
Vermont	0.6	0.4	0.2	0.2	0.0	0.1	0.1	0.1
Massachusetts	5.5	3.9	2.0	1.8	0.4	0.9	0.8	0.6
Rhode Island	0.8	0.6	0.3	0.3	0.1	0.1	0.1	0.1
Connecticut	2.8	2.2	1.0	1.2	0.2	0.2	0.2	0.3
Middle Atlantic	33.7	23.7	11.8	11.8	1.9	4.7	3.9	4.7
New York	16.1	10.3	5.3	5.0	0.9	2.7	2.3	2.8
New Jersey	7.2	5.3	2.6	2.7	0.3	0.8	0.6	1.0
Pennsylvania	10.4	8.0	3.9	4.1	0.6	1.3	1.0	0.9
East North Central	39.8	29.1	14.1	15.0	2.5	4.6	3.5	4.9
Ohio	10.2	7.5	3.5	3.9	0.6	1.2	0.9	1.3
Indiana	5.0	3.7	1.9	1.7	0.3	0.4	0.3	0.7
Illinois	11.0	7.7	3.9	3.8	0.7	1.2	1.0	1.6
Michigan	8.8	6.5	3.1	3.4	0.5	1.1	0.9	1.0
Wisconsin	4.8	3.7	1.7	2.0	0.3	0.6	0.4	0.4
West North Central	16.4	11.8	6.0	5.8	1.5	1.9	1.3	1.9
Minnesota	4.3	3.2	1.6	1.6	0.4	0.5	0.4	0.4
Iowa	2.5	1.9	0.9	1.0	0.2	0.2	0.1	0.2
Missouri	4.9	3.4	1.9	1.5	0.4	0.6	0.5	0.6
North Dakota	0.5	0.4	0.2	0.2	0.1	0.1	0.0	0.1
South Dakota	0.6	0.4	0.2	0.2	0.1	0.1	0.0	0.1
Nebraska	1.4	1.0	0.5	0.5	0.2	0.2	0.1	0.2
Kansas	2.2	1.5	0.8	0.7	0.2	0.3	0.1	0.3
South Atlantic	42.5	29.0	15.8	13.3	2.6	5.8	3.6	6.9
Delaware	0.7	0.5	0.3	0.3	0.0	0.1	0.1	0.1
Maryland	4.4	3.4	1.8	1.7	0.2	0.4	0.2	0.5
District of Columbia	0.4	0.3	0.2	0.1	0.0	0.1	0.1	0.1
Virginia	6.1	4.4	2.4	2.0	0.3	0.7	0.3	0.9
West Virginia	1.5	1.0	0.5	0.5	0.1	0.3	0.2	0.3
North Carolina	6.6	4.6	2.5	2.0	0.4	1.0	0.6	1.0
South Carolina	3.3	2.3	1.3	1.0	0.2	0.5	0.3	0.4
Georgia	7.0	4.9	2.6	2.2	0.4	0.9	0.5	1.1
Florida	12.6	7.7	4.2	3.5	0.9	1.7	1.3	2.6
East South Central	14.7	9.7	5.1	4.6	1.0	2.7	2.0	2.0
Kentucky	3.5	2.4	1.2	1.2	0.1	0.6	0.4	0.5
Tennessee	4.9	3.2	1.7	1.5	0.4	1.1	0.9	0.6
Alabama	3.9	2.6	1.3	1.2	0.3	0.6	0.5	0.6
Mississippi	2.4	1.5	0.8	0.7	0.2	0.5	0.4	0.4
West South Central	27.2	16.2	8.4	7.8	1.8	4.0	2.7	6.2
Arkansas	2.2	1.4	0.7	0.7	0.2	0.5	0.3	0.4
Louisiana	3.7	2.1	1.1	1.0	0.3	0.7	0.4	0.8
Oklahoma	2.8	1.5	0.8	0.8	0.2	0.5	0.3	0.6
Texas	18.5	11.2	5.9	5.4	1.1	2.3	1.7	4.4
Mountain	15.7	10.2	5.1	5.1	1.1	2.2	1.5	2.8
Montana	0.8	0.4	0.2	0.2	0.1	0.1	0.1	0.2
Idaho	1.1	0.7	0.4	0.3	0.1	0.2	0.1	0.2
Wyoming	0.4	0.3	0.1	0.1	0.0	0.1	0.0	0.1
Colorado	3.7	2.7	1.4	1.3	0.3	0.4	0.2	0.6
New Mexico	1.6	0.8	0.4	0.4	0.1	0.3	0.2	0.4
Arizona	4.3	2.7	1.4	1.3	0.4	0.7	0.5	0.8
Utah	2.0	1.5	0.6	0.9	0.1	0.2	0.2	0.3
Nevada	1.8	1.2	0.6	0.6	0.1	0.2	0.1	0.3

(continued)

Table 7 (continued)

Region and State	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Pacific	40.9	25.1	13.0	12.1	3.0	6.7	5.3	7.7
Washington	5.2	3.5	1.9	1.7	0.4	0.8	0.6	0.8
Oregon	3.0	2.0	1.1	0.9	0.2	0.4	0.3	0.5
California	31.1	18.6	9.5	9.1	2.3	5.1	4.2	6.2
Alaska	0.6	0.4	0.2	0.2	0.0	0.1	0.1	0.1
Hawaii	1.0	0.7	0.4	0.3	0.1	0.2	0.1	0.1
				(percentage)				
Total	100.0%	67.3%	34.5%	32.8%	6.6%	14.1%	10.4%	15.8%
New England	100.0	72.7	37.0	35.7	7.0	14.4	12.2	10.2
Maine	100.0	68.7	36.9	31.9	7.7	16.1	9.8	13.0
New Hampshire	100.0	75.9	38.4	37.4	8.6	13.0	9.4	7.8
Vermont	100.0	66.0	32.4	33.6	7.2	22.0	20.4	12.0
Massachusetts	100.0	70.1	36.7	33.4	6.6	16.7	15.3	10.8
Rhode Island	100.0	76.4	40.1	36.3	7.6	13.8	11.0	6.9
Connecticut	100.0	78.5	37.3	41.2	6.5	8.3	6.8	9.3
Middle Atlantic	100.0	70.2	35.0	35.2	5.6	13.9	11.5	14.0
New York	100.0	64.3	33.0	31.3	5.8	16.5	14.4	17.2
New Jersey	100.0	74.1	36.0	38.1	4.5	10.8	8.2	14.5
Pennsylvania	100.0	76.6	37.5	39.1	6.0	12.1	9.3	8.7
East North Central	100.0	73.1	35.5	37.6	6.2	11.5	8.9	12.4
Ohio	100.0	73.3	34.6	38.7	6.1	11.7	9.0	12.3
Indiana	100.0	73.7	38.5	35.1	6.4	8.2	5.8	14.0
Illinois	100.0	70.0	35.3	34.7	6.3	11.3	8.9	15.0
Michigan	100.0	73.9	35.3	38.6	6.2	12.9	10.6	11.0
Wisconsin	100.0	78.0	35.0	43.0	6.3	12.2	9.0	7.8
West North Central	100.0	71.8	36.7	35.0	9.1	11.8	8.0	11.4
Minnesota	100.0	74.3	36.5	37.8	9.1	10.5	8.3	9.9
Iowa	100.0	78.3	37.5	40.7	7.7	8.2	6.0	9.9
Missouri	100.0	70.3	39.1	31.2	8.5	11.9	9.6	12.0
North Dakota	100.0	67.9	33.3	34.7	11.2	13.0	7.4	13.3
South Dakota	100.0	66.6	34.5	32.2	13.3	11.4	6.8	14.0
Nebraska	100.0	65.9	32.1	33.8	12.0	16.4	8.8	11.4
Kansas	100.0	69.0	35.4	33.6	8.5	14.7	6.1	13.6
South Atlantic	100.0	68.2	37.1	31.2	6.1	13.6	8.4	16.3
Delaware	100.0	72.6	36.3	36.4	4.2	13.8	11.1	11.9
Maryland	100.0	78.1	40.3	37.7	5.3	9.3	5.2	11.3
District of Columbia	100.0	62.9	42.1	20.8	7.0	15.6	12.6	16.4
Virginia	100.0	71.8	38.9	32.9	5.5	12.2	4.4	14.4
West Virginia	100.0	63.6	32.7	30.9	5.0	20.1	14.6	16.8
North Carolina	100.0	69.7	38.7	31.1	5.6	15.0	9.1	14.9
South Carolina	100.0	69.2	38.3	30.9	6.1	15.4	10.2	13.7
Georgia	100.0	70.2	37.9	32.3	5.4	13.2	7.5	16.1
Florida	100.0	61.4	33.8	27.6	7.5	13.9	10.0	20.8
East South Central	100.0	65.9	34.5	31.4	6.6	18.6	13.8	13.9
Kentucky	100.0	68.7	34.6	34.1	4.0	16.9	10.6	14.6
Tennessee	100.0	65.6	35.3	30.3	7.3	21.4	17.2	11.7
Alabama	100.0	65.7	34.3	31.4	7.1	15.7	11.8	15.2
Mississippi	100.0	62.9	32.9	30.0	8.1	19.8	14.9	15.1
West South Central	100.0	59.7	31.1	28.6	6.5	14.7	9.9	22.8
Arkansas	100.0	60.4	30.1	30.2	8.3	20.9	13.0	16.2
Louisiana	100.0	56.3	30.0	26.3	7.9	18.0	11.9	22.0
Oklahoma	100.0	55.3	28.1	27.2	7.6	19.0	10.9	22.6
Texas	100.0	60.9	31.8	29.1	5.8	12.6	9.0	23.8

(continued)

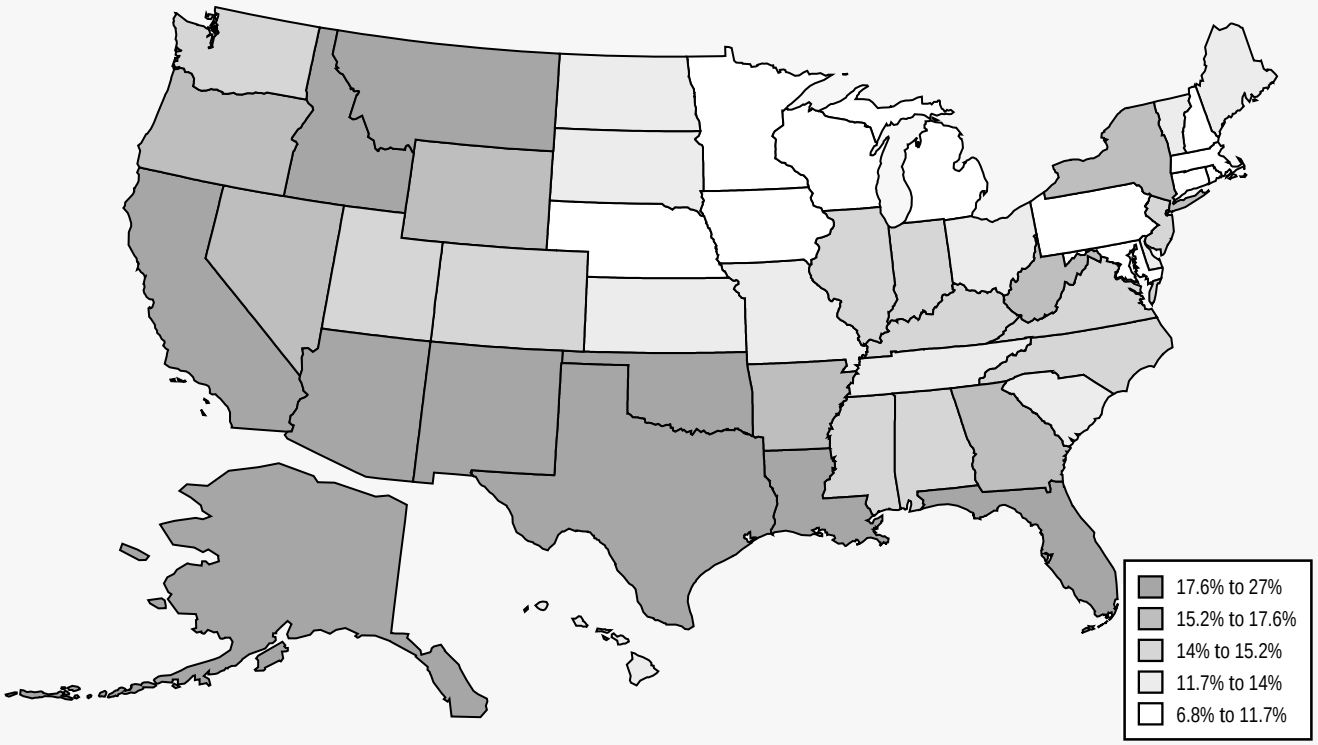
Table 7 (continued)

Region and State	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(percentage)				
Mountain	100.0	65.3	32.5	32.8	7.2	14.1	9.6	17.9
Montana	100.0	55.3	29.9	25.5	11.0	16.3	10.7	21.4
Idaho	100.0	63.7	32.7	31.0	9.8	15.8	10.6	17.6
Wyoming	100.0	63.7	31.2	32.6	10.6	14.4	9.3	16.5
Colorado	100.0	71.4	37.0	34.4	6.9	11.4	6.3	15.1
New Mexico	100.0	52.8	27.0	25.8	4.7	19.4	14.6	27.0
Arizona	100.0	62.0	31.3	30.8	8.2	15.9	11.1	18.1
Utah	100.0	72.9	28.6	44.3	5.7	11.3	9.0	14.5
Nevada	100.0	68.3	36.4	31.9	5.5	11.6	8.3	17.6
Pacific	100.0	61.4	31.8	29.6	7.3	16.4	13.0	18.8
Washington	100.0	67.6	35.4	32.2	7.0	15.9	11.8	14.9
Oregon	100.0	65.7	36.0	29.6	8.4	14.7	11.7	15.6
California	100.0	59.7	30.5	29.2	7.3	16.5	13.5	20.0
Alaska	100.0	59.5	28.6	30.9	3.9	24.3	13.5	20.8
Hawaii	100.0	70.5	42.3	28.1	7.2	15.6	10.0	11.7

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

Chart 8

Percentage Uninsured, by State, 2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

Table 8

Nonelderly Population Living in Consolidated Metropolitan Statistical Areas (CMSAs) With Selected Sources of Health Insurance, by CMSA,[a] 2000

CMSA	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	98.1	66.9	34.3	32.7	5.8	11.9	9.4	16.7
Boston-Worcester-Lawrence, MA-NH-ME-CT	5.2	3.8	2.0	1.8	0.4	0.7	0.6	0.5
Chicago-Gary-Kenosha, IL-IN-WI	7.8	5.5	2.8	2.7	0.5	0.7	0.5	1.3
Cincinnati-Hamilton, OH-KY-IN	1.7	1.2	0.6	0.6	0.1	0.2	0.1	0.3
Cleveland-Akron, OH	2.9	2.1	1.0	1.1	0.2	0.3	0.3	0.4
Dallas-Fort Worth, TX	5.0	3.4	1.8	1.6	0.2	0.4	0.3	1.1
Denver-Boulder-Greeley, CO	2.3	1.6	0.9	0.7	0.1	0.2	0.1	0.4
Detroit-Ann Arbor-Flint, MI	5.2	3.7	1.8	2.0	0.4	0.7	0.6	0.6
Houston-Galveston-Brazoria, TX	4.8	3.1	1.6	1.6	0.2	0.6	0.3	1.1
Los Angeles-Riverside-Orange County, CA	14.8	8.5	4.3	4.2	1.0	2.1	1.9	3.5
Miami-Fort Lauderdale, FL	3.3	1.9	1.0	0.9	0.3	0.4	0.3	0.8
Milwaukee-Racine, WI	1.8	1.5	0.6	0.8	0.1	0.3	0.2	0.1
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA	17.9	11.8	6.0	5.9	0.9	2.5	2.2	3.2
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	5.5	4.2	2.1	2.1	0.3	0.7	0.5	0.6
Portland-Salem, OR-WA	2.2	1.6	0.8	0.7	0.1	0.3	0.2	0.3
Sacramento-Yolo, CA	1.6	1.1	0.5	0.5	0.1	0.2	0.2	0.2
San Francisco-Oakland-San Jose, CA	6.4	4.6	2.6	2.1	0.4	0.6	0.4	0.9
Seattle-Tacoma-Bremerton, WA	3.2	2.3	1.2	1.0	0.2	0.5	0.3	0.4
Washington-Baltimore, DC-MD-VA-WV	6.6	5.1	2.8	2.4	0.3	0.6	0.3	0.8
				(percentage within CMSA category)				
Total	100.0%	68.3%	35.0%	33.3%	5.9%	12.1%	9.6%	17.0%
Boston-Worcester-Lawrence, MA-NH-ME-CT	100.0	73.4	38.3	35.1	7.1	14.0	12.5	10.2
Chicago-Gary-Kenosha, IL-IN-WI	100.0	70.7	36.2	34.6	6.1	8.7	6.9	16.5
Cincinnati-Hamilton, OH-KY-IN	100.0	70.3	34.4	35.9	6.3	10.6	7.5	16.6
Cleveland-Akron, OH	100.0	71.4	34.5	37.0	5.3	11.4	9.3	14.9
Dallas-Fort Worth, TX	100.0	67.7	36.4	31.3	4.2	8.7	6.5	21.8
Denver-Boulder-Greeley, CO	100.0	70.4	38.9	31.6	6.3	7.7	5.1	17.6
Detroit-Ann Arbor-Flint, MI	100.0	72.2	34.3	37.9	6.9	13.6	11.3	11.6
Houston-Galveston-Brazoria, TX	100.0	64.8	32.4	32.4	4.6	11.5	7.1	23.1
Los Angeles-Riverside-Orange County, CA	100.0	57.2	28.6	28.6	6.9	14.3	12.6	23.6
Miami-Fort Lauderdale, FL	100.0	57.2	30.8	26.4	8.2	11.2	9.7	25.6
Milwaukee-Racine, WI	100.0	79.8	34.6	45.2	3.4	14.3	11.0	6.9
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA	100.0	66.2	33.3	32.8	5.2	14.1	12.1	17.8
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	100.0	75.8	37.4	38.4	4.6	12.3	9.3	10.4
Portland-Salem, OR-WA	100.0	71.6	38.9	32.7	6.5	12.1	10.3	13.8
Sacramento-Yolo, CA	100.0	69.9	34.9	35.0	9.5	13.4	9.9	14.4
San Francisco-Oakland-San Jose, CA	100.0	72.6	40.2	32.4	6.5	9.4	6.7	14.2
Seattle-Tacoma-Bremerton, WA	100.0	71.5	38.5	33.0	6.5	14.8	9.6	13.9
Washington-Baltimore, DC-MD-VA-WV	100.0	77.9	41.9	35.9	4.7	9.1	4.3	12.4

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

Note: Details may not add to totals because individuals may receive coverage from more than one source.

[a]The specific metropolitan identifiers on this file are based on the Office of Management and Budget's June 30, 1993 definitions.

Table 9

Nonelderly Population With and Without Health Insurance, by Region, State, and Citizenship, 2000 (In Regions and States With 75,000 or More Noncitizens Where the Percentage of Noncitizens is Greater Than 5 Percent)

Region and State	Total Population	Percentage Noncitizens	Insured			Uninsured			Percentage Uninsured	
			Total	Citizen	Noncitizen	Total	Citizen	Noncitizen	Citizen	Noncitizen
	(millions)	(percentage)	(millions)						(percentage)	
Total	242.8	7.3%	204.3	194.3	10.1	38.4	30.9	7.6	13.7%	42.9%
New England	11.8	6.6	10.6	10.0	0.6	1.2	1.0	0.2	9.2	24.5
Massachusetts	5.5	9.0	4.9	4.5	0.4	0.6	0.5	0.1	9.5	24.6
Connecticut	2.8	6.8	2.5	2.4	0.1	0.3	0.2	a	8.1	25.7
Middle Atlantic	33.7	8.7	29.0	27.3	1.7	4.7	3.5	1.2	11.4	41.5
New York	16.1	12.0	13.3	12.3	1.0	2.8	1.9	0.9	13.3	46.1
New Jersey	7.2	10.8	6.1	5.6	0.5	1.0	0.8	0.3	12.1	33.8
East North Central	39.8	3.7	34.8	33.9	1.0	4.9	4.4	0.5	11.5	35.0
Illinois	11.0	6.8	9.3	8.9	0.5	1.6	1.4	0.3	13.3	38.0
South Atlantic	42.5	6.4	35.6	34.0	1.6	6.9	5.8	1.1	14.6	41.4
Maryland	4.4	6.4	3.9	3.7	0.2	0.5	0.4	0.1	9.5	38.5
Florida	12.6	11.8	10.0	9.2	0.8	2.6	1.9	0.7	17.3	46.5
West South Central	27.2	7.7	21.0	20.0	1.0	6.2	5.1	1.1	20.4	51.9
Texas	18.5	10.6	14.1	13.2	0.9	4.4	3.4	1.0	20.3	53.6
Mountain	15.7	6.8	12.9	12.4	0.5	2.8	2.3	0.5	15.4	50.7
Colorado	3.7	6.2	3.2	3.1	0.1	0.6	0.4	0.1	12.2	58.5
New Mexico	1.6	5.3	1.1	1.1	a	0.4	0.4	a	25.1	60.0
Arizona	4.3	10.1	3.5	3.3	0.2	0.8	0.6	0.2	14.4	51.1
Utah	2.0	5.1	1.7	1.7	0.1	0.3	0.3	a	13.6	32.5
Nevada	1.8	9.4	1.4	1.4	0.1	0.3	0.2	0.1	14.8	44.3
Pacific	40.9	14.1	33.2	30.0	3.2	7.7	5.1	2.6	14.6	44.5
Washington	5.2	5.9	4.5	4.3	0.2	0.8	0.7	0.1	13.3	41.1
Oregon	3.0	7.6	2.5	2.4	0.1	0.5	0.4	0.1	12.8	49.0
California	31.1	16.5	24.9	22.0	2.8	6.2	3.9	2.3	15.1	44.7
Hawaii	1.0	10.2	0.9	0.8	0.1	0.1	0.1	a	9.8	29.1

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
[a]Fewer than 50,000 respondents (weighted) in this category.

one-third of all workers are employed in the wholesale and retail trade industry, while 41.6 percent of uninsured workers are in this industry. This indicates that workers employed in the wholesale and retail trade industry are more likely to be uninsured than most other workers. (These data are shown in the middle part of table 3.) Workers employed in agriculture, forestry, fishing, mining, and construction were also disproportionately more likely to be uninsured, accounting for 17.8 percent of the uninsured population, while representing 9.2 percent of the working population.

Firm Size

More than 60 percent of all uninsured workers were either self-employed or working in private-sector firms with fewer than 100 employees in 2000 (table 4). More than 23 percent of self-employed workers were uninsured, compared with 16.3 percent of all workers. Nearly 32 percent of workers in private-sector firms with fewer than 10 employees were uninsured, compared with 11.4 percent of workers in private-sector firms with 1,000 or more employees.

Income

The uninsured are concentrated disproportionately in low-income families. In 2000, 38.3 percent of the uninsured were in families with annual incomes of less than $20,000 (table 5). More than 40 percent of individuals in families with incomes less than $5,000 were uninsured, compared with 7.5 percent of those in families with annual incomes of $50,000 or more. Generally, as income increases, the percentage of the population without health insurance decreases, the percentage covered by private health insurance increases, and the percentage covered by publicly financed health insurance programs decreases.

Workers with low earnings are much more likely to be uninsured than those with high earnings. More than 28 percent of workers with earnings of less than $10,000 were uninsured, compared with 4.6 percent of workers with earnings of $50,000 or more (chart 9). Low-income workers are employed generally in industries that are less likely to offer health insurance, may have a weaker (or temporary) attachment to the work force, and have less disposable income to allocate to the purchase of health insurance.

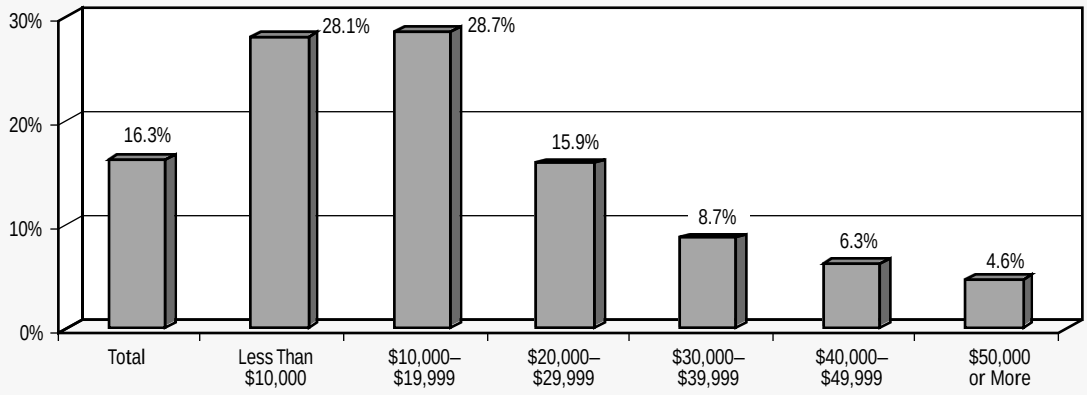
Race and Ethnic Origin

While 68 percent of the nonelderly population is white, whites comprised 49 percent of the uninsured 2000. Individuals of Hispanic origin were more likely to be uninsured than other groups (33.6 percent) (table 6). This may be due in part to the fact that 49 percent of the Hispanic population reported income of less than 200 percent of the federal poverty level. However, even at higher income levels, Hispanics generally were more likely to be uninsured than other racial groups and were less likely to be covered by employment-based health insurance.

Family Type

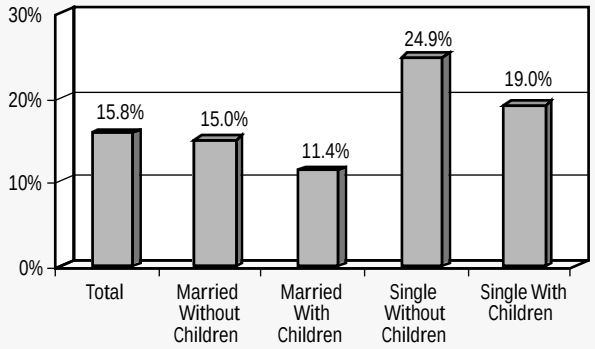
Single individuals and individuals in single-parent families were more likely to be uninsured than married couples either with or without children (chart 10).

Chart 9
Percentage Uninsured Among Workers Ages 18–64, by Total Earnings, 2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

Chart 10
Percentage Uninsured Among the Nonelderly Population, by Family Type, 2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

Among the reasons for this are that married couples and two-parent families may have higher income levels, and both adults may be employed, increasing their chances of being offered employment-based coverage.

Age

Individuals ages 45–54 were less likely to be uninsured (12 percent), and individuals ages 21–24 were more likely to be uninsured (30.1 percent), than those in all other age groups in 2000 (table 10). The high proportion of young adults without health insurance may occur because they are no longer covered by a family policy and may not have established themselves as permanent members of the work force. Some young adults may also have lost access to Medicaid, which covered them up through age 18 in some states. Many in this age group may think that they do not need health insurance because their probability of encountering a high-cost medical event is very low.[5] In addition, young workers may be ineligible for an employment-based plan because of waiting periods imposed prior to eligibility.

Children

Nearly 12 percent of all children—or 8.4 million children—were not covered by employment-based health insurance or privately purchased health insurance and were either ineligible or did not receive publicly financed medical insurance in 2000 (table 11). Sixty-three percent of all uninsured children were in families with incomes below 200 percent of the poverty level. More than 21 percent of children whose family head did not work were uninsured (chart 11). Most uninsured children were in families whose head was employed year-round, either full time or part time, with no unemployment (73 percent) (chart 12). However, children in families headed by full-year, full-time workers were much less likely to be uninsured than those whose family head worked part time or experienced some unemployment (chart 11).

Policy Implications

Americans without health insurance are a concern for a number of reasons. First, individuals without health insurance are less likely to receive basic health care services than insured individuals. The uninsured report having fewer ambulatory visits than individuals with private or public health insurance, in part because of the greater difficulty in obtaining access to care, and, as a result, are more likely to seek care in a more costly emergency room setting.[6] Hence, the population's overall health status may be lower, and individuals' overall productivity may be lower (Fronstin and Holtmann, 2000). Second, providers of health care, especially hospitals but also physicians, are often uncompensated for the care that they provide to uninsured individuals, and may seek to shift the cost of that care to other private and public payers.[7] However, the movement toward a more competitive health care market and the use of alternative forms of third-party reimbursement arrangements, such as capitation, fee schedules, and discounting, have made it more difficult for health care providers to shift these costs to other payers of health care. As a result, the nature of cost shifting may be changing. For example, Cunningham et al. (1999) found that physicians involved with managed care plans and those who practice in areas of high managed care penetration tend to provide less uncompensated care to the uninsured.

Both the combination of a growing economy and the lowest unemployment rates in more than 25 years

Table 10

Persons Ages 18–64 With Selected Sources of Health Insurance, by Gender and Age, 2000

Gender and Age	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
				(millions)				
Total	170.2	117.7	83.4	34.2	10.7	17.4	10.6	30.0
Ages 18–20	12.1	6.7	1.3	5.3	1.5	1.5	1.2	2.9
Ages 21–24	14.8	7.7	4.9	2.8	1.6	1.5	1.2	4.4
Ages 25–34	37.2	25.4	19.8	5.6	1.5	3.1	2.4	7.9
Ages 35–44	44.5	33.1	23.9	9.2	2.0	3.6	2.4	6.9
Ages 45–54	38.0	29.0	21.5	7.4	2.0	3.7	1.9	4.6
Ages 55–64	23.8	15.9	12.1	3.8	2.1	3.9	1.6	3.2
Males	83.2	57.9	46.9	11.0	5.0	7.1	3.9	15.6
Ages 18–20	6.1	3.5	0.7	2.8	0.7	0.6	0.5	1.5
Ages 21–24	7.2	3.7	2.4	1.2	0.7	0.4	0.3	2.5
Ages 25–34	18.2	12.4	11.1	1.3	0.7	1.0	0.7	4.3
Ages 35–44	21.9	16.3	14.0	2.3	1.0	1.4	0.9	3.7
Ages 45–54	18.5	14.2	12.0	2.2	1.0	1.8	0.9	2.2
Ages 55–64	11.3	7.9	6.8	1.1	0.9	1.8	0.6	1.3
Females	87.0	59.8	36.5	23.3	5.7	10.3	6.7	14.4
Ages 18–20	5.9	3.1	0.6	2.5	0.8	0.9	0.7	1.4
Ages 21–24	7.6	4.0	2.4	1.6	0.8	1.1	0.8	1.9
Ages 25–34	19.0	13.0	8.7	4.3	0.8	2.1	1.6	3.6
Ages 35–44	22.6	16.8	9.9	6.9	1.0	2.2	1.5	3.2
Ages 45–54	19.4	14.8	9.5	5.3	1.1	1.9	1.0	2.3
Ages 55–64	12.5	8.0	5.3	2.7	1.2	2.2	1.0	1.9
				(percentage within gender and age categories)				
Total	100.0%	69.1%	49.0%	20.1%	6.3%	10.2%	6.2%	17.6%
Ages 18–20	100.0	55.2	11.1	44.1	12.4	12.7	9.7	24.2
Ages 21–24	100.0	51.9	33.0	18.9	10.7	10.3	7.9	30.1
Ages 25–34	100.0	68.4	53.2	15.2	4.0	8.3	6.3	21.3
Ages 35–44	100.0	74.4	53.6	20.8	4.4	8.1	5.4	15.6
Ages 45–54	100.0	76.3	56.7	19.5	5.4	9.8	4.9	12.0
Ages 55–64	100.0	66.8	50.7	16.1	9.0	16.6	6.8	13.7
Males	100.0	69.6	56.4	13.2	6.1	8.5	4.7	18.8
Ages 18–20	100.0	57.4	11.8	45.6	12.0	10.4	7.8	24.4
Ages 21–24	100.0	50.9	33.7	17.3	10.4	6.0	4.5	34.7
Ages 25–34	100.0	68.1	60.8	7.3	4.1	5.5	4.0	23.9
Ages 35–44	100.0	74.2	63.7	10.5	4.4	6.4	4.2	16.9
Ages 45–54	100.0	76.4	64.8	11.6	5.1	9.9	4.7	12.0
Ages 55–64	100.0	70.2	60.2	10.0	8.0	15.6	5.1	12.0
Females	100.0	68.7	41.9	26.8	6.5	11.9	7.7	16.6
Ages 18–20	100.0	53.0	10.3	42.7	12.8	15.1	11.8	23.9
Ages 21–24	100.0	52.9	32.3	20.5	11.0	14.3	11.2	25.6
Ages 25–34	100.0	68.6	45.9	22.7	4.0	11.0	8.5	18.9
Ages 35–44	100.0	74.6	43.8	30.7	4.4	9.8	6.5	14.3
Ages 45–54	100.0	76.1	49.1	27.1	5.6	9.6	5.1	12.1
Ages 55–64	100.0	63.7	42.1	21.5	9.9	17.5	8.3	15.2

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

Table 11

Children With Selected Sources of Health Insurance, by Poverty Level and Age, 2000

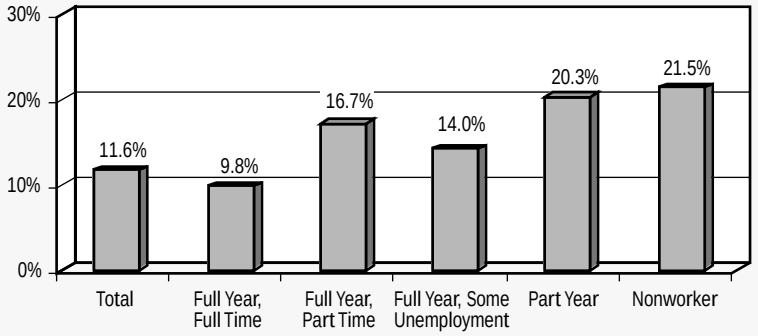
Poverty Level and Age	Total	Employment-Based Coverage	Individually Purchased	Public		Uninsured
				Total	Medicaid	
			(millions)			
Total	72.5	45.8	5.4	16.9	14.7	8.4
Under age 6	23.7	14.7	1.2	6.5	5.7	2.6
Ages 6–12	28.8	18.2	2.3	6.7	5.8	3.3
Ages 13–17	20.0	13.0	1.9	3.8	3.2	2.5
0–99% of Poverty	12.2	1.9	1.1	7.3	7.0	2.7
Under age 6	4.2	0.6	0.3	2.7	2.6	0.9
Ages 6–12	5.0	0.7	0.5	3.0	2.9	1.1
Ages 13–17	2.9	0.6	0.3	1.5	1.4	0.8
100%–149% of Poverty	7.7	2.8	0.8	3.2	3.0	1.5
Under age 6	2.7	0.9	0.2	1.3	1.2	0.5
Ages 6–12	3.2	1.2	0.3	1.2	1.2	0.6
Ages 13–17	1.9	0.7	0.2	0.6	0.6	0.4
150%–199% of Poverty	7.6	4.4	0.6	2.1	1.8	1.1
Under age 6	2.6	1.5	0.1	0.9	0.8	0.3
Ages 6–12	3.1	1.8	0.3	0.8	0.7	0.4
Ages 13–17	1.9	1.1	0.2	0.4	0.4	0.4
200% or More of Poverty	45.0	36.7	3.0	4.4	2.9	3.1
Under age 6	14.1	11.6	0.6	1.6	1.1	0.9
Ages 6–12	17.6	14.4	1.2	1.6	1.1	1.2
Ages 13–17	13.3	10.7	1.1	1.2	0.7	1.0
			(percentage within age and poverty categories)			
Total	100.0%	63.1%	7.5%	23.3%	20.3%	11.6%
Under age 6	100.0	61.9	5.2	27.5	24.2	11.1
Ages 6–12	100.0	62.9	8.1	23.1	20.3	11.4
Ages 13–17	100.0	64.7	9.3	18.7	15.7	12.5
0–99% of Poverty	100.0	15.7	8.8	59.6	57.5	22.3
Under age 6	100.0	14.3	6.6	64.8	62.5	20.9
Ages 6–12	100.0	15.0	9.7	60.1	58.2	21.0
Ages 13–17	100.0	19.1	10.3	51.3	49.2	26.4
100%–149% of Poverty	100.0	35.8	9.9	41.4	39.3	19.7
Under age 6	100.0	33.5	7.4	49.1	45.8	17.6
Ages 6–12	100.0	38.3	10.6	38.7	37.6	19.8
Ages 13–17	100.0	34.9	12.5	34.9	33.0	22.9
150%–199% of Poverty	100.0	58.0	7.4	27.5	23.9	14.4
Under age 6	100.0	58.4	4.4	33.6	29.0	12.2
Ages 6–12	100.0	59.0	8.8	25.6	22.2	13.8
Ages 13–17	100.0	56.0	9.4	22.2	19.4	18.5
200% or More of Poverty	100.0	81.4	6.7	9.7	6.4	6.8
Under age 6	100.0	82.3	4.5	11.0	7.7	6.7
Ages 6–12	100.0	81.7	7.0	9.3	6.0	6.7
Ages 13–17	100.0	80.2	8.6	8.8	5.5	7.2

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

finally had an impact on the uninsured in 1999 and 2000. Between 1998 and 2000, the uninsured declined from 17 percent to 15.8 percent of the nonelderly population. Furthermore, the number of nonelderly Americans without health insurance coverage declined from 40.7 million to 38.4 million, even though the size of the population increased by 4.2 million persons.

While the percentage of Americans who were uninsured declined slightly between 1998 and 2000, the uninsured will continue to be an important public policy issue for a number of reasons. The expansion in employment-based health insurance and the decline in the uninsured occurred at a time when health insurance costs were rising relative to overall inflation and wages. When health care costs increase, the percentage of Americans covered by employment-based health insur-

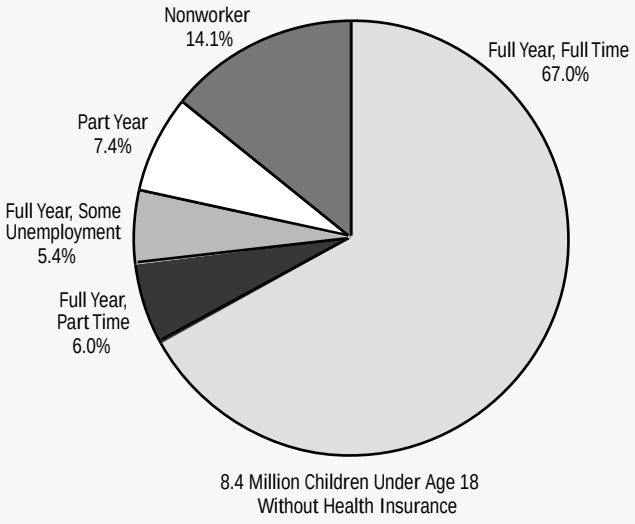
Chart 11
Percentage Uninsured Among Children Under Age 18, by Work Status of the Family Head, 2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

ance coverage is expected to decline, with employers shifting the cost of coverage onto workers, or even dropping coverage completely. But as shown in this report, more workers and their dependents were covered by employment-based health insurance coverage in 2000 than in 1998. For one reason, employers did not shift rising premiums onto workers. An annual survey by William M. Mercer indicates that the worker share of the premium has been unchanged since 1993 (William M. Mercer, 2000), while an annual survey by the Kaiser Family Foundation and the Health Research and Educational Trust found that there was a slight *reduction* between 1996 and 2001 in the percentage of the premium workers were required to pay (Gabel et al., 2001). Employers, however, have recently made changes to prescription drug benefits in response to rising prescription drug costs and have made it more difficult for active workers to qualify for company subsidized retiree health benefits when they retire (Fronstin, 2001a and 2001b). Even though the number and percentage of uninsured declined between 1998 and 2000, nearly 39 million Americans remain uninsured. As long as the economy is strong and unemployment is low, employment-based health insurance coverage will expand and the unin-

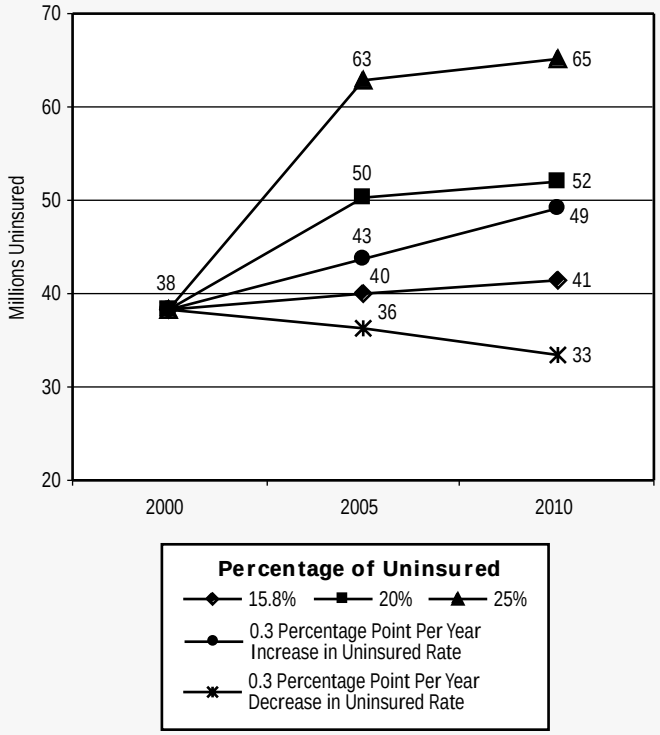
Chart 12
Children Under Age 18 Without Health Insurance, by Work Status of the Family Head, 2000



Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2001 Supplement.

Chart 13

Number of Uninsured Americans, Ages 0–64, Various Assumptions About Percentage Uninsured, 2000–2010



Source: Employee Benefit Research Institute.

sured will decline gradually. However, the combination of the current weak economy and the rising cost of providing health benefits will likely result in more Americans without health insurance coverage. Should the uninsured remain unchanged and continue to represent 15.8 percent of the nonelderly population, 40 million would be uninsured by 2005 (chart 13). Should the uninsured represent 20 percent of the nonelderly population, 50 million Americans would be uninsured. If the uninsured represented 25 percent of the population, 63 million would be uninsured in 2005 and 65 million nonelderly Americans would be uninsured by 2010.

Ultimately, the challenge is how to continue to substantially reduce the number and percentage of uninsured. A number of proposals to reduce the number of Americans without health insurance coverage have been offered in the past (Fronstin, 2000a). While they often recognize that the bulk of uninsured Americans are either children or workers employed by small firms, the proposed strategies to deal with these populations are incremental, and are unlikely to have a substantial impact on the number of uninsured Americans.

Conclusion

This *Issue Brief* has provided data on recent trends in health benefits, a summary of the characteristics of people with and without health insurance, and the sources of the health insurance, from the March 2001 CPS. The data in this paper are important not only to policymakers, but also to employers—both private and public, whether or not they offer health benefits—because health insurance is the benefit most valued by workers and their families. Sixty-five percent of workers rate health insurance as the most important employee benefit (Salisbury and Ostuw, 2000). Health benefits provide Americans workers and their families with financial security against losses that can accompany unexpected serious illness or injury. Employers offer health insurance as an employee benefit for a number of reasons—to promote health and increase worker productivity, as well as to provide financial security. Health benefits also are a form of compensation

used to recruit and retain workers. There also may be a business case for health benefits, meaning employers may want to offer them if a compensation package comprised of both wages and health benefits is more profitable than providing wages alone.

This report finds that many factors affect the likelihood of an individual having health insurance and the source of that coverage. These factors include the strength of the economy, demographics, and employment characteristics, and often vary by location. For example, work status and income play a dominant role in determining an individual's likelihood of having health insurance. In addition, age, gender, firm size, hours of work, and industry are all important determinants of an individual's likelihood of having coverage; however, these variables are also closely linked to employment status and income. Variations by race, ethnicity, and citizenship also are closely linked to employment status and income.

Recent trends in coverage also have been presented. The data indicate that while the percentage of Americans who were uninsured between the late 1990s and 2000 was in fact declining, there were still nearly 39 million Americans without health insurance coverage in 2000. While an increasing percentage of Americans were being covered by employment-based health plans, this trend may not continue because of the combined re-emergence of health care cost inflation and the weak economy.[8] Research illustrates the advantages to consumers of having health insurance and the benefits to employers of offering it. In general, the availability of health insurance allows consumers to avoid unnecessary pain and suffering and improves the quality of life, and employers offering benefits report that has a positive impact on worker recruitment, retention, health status, and productivity (Fronstin and Helman, 2000). Ultimately, the challenge is how to reduce substantially the number and percentage of the uninsured.

Appendix

Current Population Survey

The data presented in this *Issue Brief* come from the March Current Population Survey (CPS), conducted by the Census Bureau (part of the U.S. Department of Commerce) for the Bureau of Labor Statistics (BLS, part of the U.S. Department of Labor) every month for more than 50 years. It is the primary source of data on labor force characteristics of the U.S. civilian noninstitutionalized population. It is also the official source of data on unemployment rates, poverty, and income in the United States. Approximately 50,000 households, representing over 130,000 individuals, are interviewed each month.

Households are scientifically selected on the basis of geographic region of residence to collect data representative of the nation, individual states, and other specified areas. Eight panels are used to rotate the sample each month. This improves the reliability of estimates of month-to-month and year-to-year changes. A sample unit is interviewed for four consecutive months, and then is interviewed again for the same four months a year later. The unit is not interviewed during the eight months in between.

Theoretically, individuals can be followed over time. For example, approximately 50 percent of the sample interviewed in January of 1999 will have been re-interviewed in January 2000. But in practice, the survey does not re-interview *individuals*: Instead, the survey re-interviews the occupants of the *households* that were selected for inclusion in the sample. If the occupants of a household change over the course of the eight interviews, the new occupants in the household will take the place of the former occupants for the remaining interviews.

The first- and the fifth-month interviews are almost always conducted in person by an interviewer.

More than 90 percent of the interviews conducted in months two through four and six through eight are conducted by telephone. Interviewers continue to visit households without telephones, with poor English-language skills, or that decline a telephone interview. Interviewers usually obtain responses from more than 93 percent of their eligible cases. The response rate varies by type of area and the mix of telephone versus personal-visit interviews.

Since 1980, the supplement to the March CPS has included questions on health insurance coverage. Separate questions are asked about employment-based health insurance, health insurance purchased directly from an insurer, insurance from a source outside of the household, Medicare, Medicaid, Tricare, CHAMPVA, Indian Health Service, or other state-specific health programs for low-income uninsured individuals. These questions are asked of the household respondent, and potentially could miss nonrespondents, but the CPS also follows each question with a question about who else in the household is covered by the health plan.
Until recently, a question about being uninsured was never asked. Estimates of the uninsured were calculated as a residual; that is, persons were counted as being uninsured if they did not report having any type of health insurance coverage.

The questions on health insurance refer to the previous year. For example, in March 2001, interviewers asked about health insurance coverage during 2000. Assuming that respondents answered the questions correctly, the uninsured estimate should represent the number of people who were uninsured for the entire previous calendar year. One measurement issue that arises in this structure is that individuals potentially are asked to recall the type of health insurance they had 14 months prior to being interviewed. A second issue is that some individuals do not understand the question and report the type of health insurance they have as of the interview date. Third, the CPS may not be picking up all Medicaid recipients because some states do not call the program Medicaid. In fact, there is strong evidence that the CPS under-reports Medicaid coverage, based on comparisons of these data with enrollment and participation data provided by the Centers for Medicare and Medicaid Services (CMS), the federal agency primarily responsible for administering Medicaid.

Because respondents are asked to provide information about all sources of health insurance coverage during the previous calendar year, some individuals reported having health insurance coverage from more than one source. It is not possible to determine when during the calendar year an individual was covered by multiple sources of health insurance. While these plans may have been held simultaneously, they were more likely held at different points during the year.

The CPS has undergone a number of changes over the years that affect the comparability of data in the time series. The remainder of this section discusses those changes.

In March 1988, the CPS questionnaire was substantially changed. Among the changes that were made, questions were added that inevitably picked up more people with health insurance coverage and reduced the number of uninsured in the survey (Moyer, 1989; and Swartz and Purcell, 1989). Prior to the March 1988 CPS, only employed persons were asked about employment-based health insurance. Starting with the March 1988 CPS, all persons ages 15 and older were asked about employment-based coverage. This change resulted in the identification of coverage for persons (and their families) covered by former employers through either retiree health benefits or COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1985).

Another major change in March 1988 affected the health insurance coverage of children. Questions were added about coverage from sources outside the household. Imputation methods for children's coverage were also revised to collect more accurate information about coverage type and policyholder. An additional set of questions was added to get more accurate information about children on Medicaid and those covered by a plan purchased directly from an insurer. Finally, weighting,

programming, and processing improvements were made to the survey (Levit et al., 1992).

In March 1995, the CPS questionnaire was revised again. The Census Bureau utilized a more detailed set of health insurance questions designed to take advantage of computer-assisted survey interviewing collection (CASIC) technology. The order of the questions was changed, and the wording in some of the questions was changed. In addition, the sampling frame was changed, potentially complicating comparability of the estimates prior to March 1995 with those starting in or after March 1995. The new questions appear to have affected responses regarding the total number of respondents covered by employment-based health insurance coverage, individually purchased coverage, Tricare, and CHAMPVA. Questions on Medicare and Medicaid were also revised, but because estimates of Medicare and Medicaid from the CPS do not vary much from year to year even when the survey is unchanged, it is difficult to know how much the estimates were affected by changes to the survey and how much represents true changes. The longer-term trends in coverage are likely to be representative of the true change, because the estimates do not change much from year to year. Swartz (1997) documents these data issues in greater detail.

In order to compare the March 1995 CPS and later years with earlier years in this report, data from the March 1988 CPS through March 1994 CPS have been adjusted to reflect two changes that occurred with the change between the March 1994 CPS and March 1995 CPS. First, the data analyzed prior to March 1995 have been re-weighted to reflect the revised sampling framework that occurred in the mid-1990s. Second, the data on employment-based health insurance coverage and individually purchased coverage have been adjusted in response to the reallocation of coverage from individually purchased coverage to employment-based coverage between the March 1994 CPS and the March 1995 CPS.

In March 1998, the Census Bureau made another change in the CPS by modifying its definition of the population with Medicaid coverage. Previously, an individual reporting coverage from the Indian Health Service (IHS) only was counted as part of the Medicaid population. Beginning with the March 1998 CPS, individuals covered solely by IHS are counted as uninsured. This methodological change affected roughly 300,000 individuals. If this change had not taken place, the Medicaid population would have fallen by 0.9 percentage points between 1996 and 1997, instead of by 1.1 percentage points, and the uninsured would have increased to only 18.1 percent instead of 18.3 percent. Overall, this was a minor change to the uninsured estimates in the CPS.

In March 2000, the Census Bureau added a question to the CPS to verify whether or not a person was uninsured. In essence, anyone who did not report any health insurance coverage during 2000 was asked an additional question about whether they were uninsured. Those who reported that they had coverage were then asked about the type of coverage. The verification questions resulted in the Census Bureau providing a "corrected" estimate for the uninsured in 1999. As shown in table A.1, prior to the correction, 17.5 percent of the nonelderly population, representing 42.1 million Americans, were estimated to be uninsured in 1999. The verification questions resulted in a 7.4 percent decline in the number and percentage of nonelderly Americans without health insurance coverage in 1999. Some of the persons who would have been counted as uninsured under the old methodology are now counted as having either employment-based health insurance or having purchased health insurance directly from an insurer. Hence, the corrected estimate for the uninsured in 1999 is 16.2 percent or 39 million, down from 17.5 percent or 42.1 million.[9]

The verification questions were not asked prior to the March 2000 CPS. As a result, data prior to 1999 are not directly comparable to data after 1999. In order to provide roughly comparable estimates over time, the estimates of health insurance coverage for 1987–1998 in this report have been recalculated using the one-time percent change in the 1999 health insurance coverage

Table A1
Change in the Number and Percentage of Nonelderly Americans With Selected Sources of Health Insurance Due to Change in CPS Methodology for Counting the Uninsured, 1999

	Millions of Americans by Coverage Type		Percentage of Americans by Coverage Type		Change in Estimate Due to New Methodology
	Old Methodology	New Methodology	Old Methodology	New Methodology	
Total Population	240.7	240.7	100.0%	100.0%	0.0%
Employment-based coverage	158.4	160.3	65.8%	66.6%	1.2%
Own name	80.3	81.4	33.4	33.8	1.4
Dependent coverage	78.1	78.9	32.4	32.8	1.1
Individually Purchased	15.8	16.6	6.6	6.9	5.2
Public	34.1	34.5	14.2	14.3	1.1
Medicare	4.8	4.9	2.0	2.0	0.4
Medicaid	25.0	25.3	10.4	10.5	1.3
Tricare/CHAMPVA[a]	6.5	6.6	2.7	2.7	0.5
No Health Insurance	42.1	39.0	17.5	16.2	-7.4

Source: Employee Benefit Research Institute estimates from the March Current Population Survey, 2000 Supplement.
Note: Details may not add to totals because individuals may receive coverage from more than one source.
[a]TRICARE (formerly known as CHAMPUS) is a program administered by the Department of Defense for military retirees as well as families of active duty, retired, and deceased service members. CHAMPVA, the Civilian Health and Medical Program for the Department of Veterans Affairs, is a health care benefits program for disabled dependents of veterans and certain survivors of veterans.

estimates shown in table A.1.

An additional change may or may not affect uninsured estimates from the CPS in the future. In 2001, the sample was expanded to improve state estimates of S-CHIP enrollees. The Census Bureau will be examining the effect of the expanded sample on its estimates of the uninsured and may revise its estimate of the uninsured in the future based on the expanded sample.[10]

Duration of Coverage

Data from the March CPS do not allow researchers to determine the length of time that an individual is insured or uninsured. The Survey of Income and Program Participation (SIPP), another survey conducted by the Census Bureau, allows longitudinal analysis of the uninsured. Copeland (1998) found that 37 percent of the uninsured population was uninsured for one to four months, 22 percent was uninsured for five to eight months, 9 percent was uninsured for nine to 11 months, and 33 percent was uninsured for 12 months or longer. Similarly, Bennefield (1998) found that 29 percent of all uninsured spells lasted 5.3 months or longer. These data would seem to indicate that even though many individuals may lose health insurance during any given month, the majority remain uninsured for a short time, and may even be eligible for coverage under COBRA or various state continuation-of-coverage laws.

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End Notes

[1] The estimate for Medicaid also includes children enrolled in the State Children's Health Insurance Program (S-CHIP). Medicaid and S-CHIP (and Medicare) estimates are under-reported in the CPS, according to comparisons of these data with enrollment and participation data provided by the Centers for Medicare and Medicaid Services (CMS—formerly the Health Care Financing Administration (HCFA)). See Robert L. Bennefield, "Health Insurance Coverage: 1997," *Current Population Reports*, P60-202 (Washington, DC: U.S. Department of Commerce, Economics and Statistics Administration, September 1998).

[2] Tricare (formerly known as CHAMPUS) is a program administered by the Department of Defense for military retirees as well as families of active duty, retired, and deceased service members. CHAMPVA, the Civilian Health and Medical Program for the Department of Veterans Affairs, is a health care benefits program for disabled dependents of veterans and certain survivors of veterans.

[3] See Fronstin and Snider (1996/97) for an analysis of the decline in employment-based health insurance between 1988 and 1993.

[4] See Fronstin (2000b).

[5] Both Fronstin (1999a) and Cooper and Schone (1997) found that young workers are less likely than older workers to be covered by employment-based health insurance even when a plan is offered to them.

[6] Krauss et al., (1999) found that 55.7 percent of the uninsured had at least one ambulatory medical care visit in 1996, compared with 76.2 percent of individuals with only public insurance and 77.2 percent of individuals with any private insurance. They also found that among persons with at least one visit, the uninsured had an average of 5.1 visits, compared with 8.7 visits by persons with only public insurance and 6.5 visits by those with any private insurance. Another study found that among persons visiting a health care provider, 17 percent of the uninsured received health care in an emergency room, compared with 9 percent of the privately insured (Cunningham and Whitmore, 1998). Furthermore, Fronstin (1998 and 2000a) found that 22 percent of the uninsured were in a family where someone had difficulty obtaining needed care, compared with 10 percent to 11 percent of the insured population, mainly because they could not afford health care.

[7] Traditionally, cost shifting occurs when a health care provider raises its prices to one set of payers because it lowered them to another set (Morrisey, 1996).

[8] Data from the March 2002 CPS, which will provide estimates of the uninsured population during 2001, may not show an increase in the number of uninsured, despite the fact that in 2001 the economy was weak, unemployment was rising, and health benefit costs were rising. Data for 2001 may not show an increase in the uninsured because of the way the uninsured are counted. The March CPS counts a person as uninsured if he or she did not have any form of health insurance for the entire calendar year. Consider the following illustration: If layoffs from the weakening economy did not start until February of 2001 and everyone who was working in 2000 was employed through January 2001 and their health insurance status had not changed, then since they would

have had insurance for at least one month during 2001 they could not be counted as being uninsured by the CPS, even if they became unemployed and lost health insurance coverage after February 2001.

[9] See Nelson and Mills (2001) for additional information about the verification questions.

[10] More information can be found at www.bls.census.gov/cps/ads/data_dissem_letterng.htm

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