

Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2003 Current Population Survey

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Issue Brief

- This *Issue Brief* provides historic data through 2002 on the number and percentage of nonelderly Americans with and without health insurance. It discusses trends in coverage for the 1987–2002 period and highlights characteristics that typically indicate whether an individual is insured. Based on EBRI estimates from the U.S. Census Bureau's March 2003 Current Population Survey (CPS), it represents 2002 data.
- The percentage of the nonelderly American population (under age 65) with health insurance coverage declined in 2002 to a post-1987 low of 82.7 percent. Declines in health insurance coverage have been recorded in all but three years since 1987, when 29.5 million nonelderly Americans were uninsured; in 2002, the uninsured population was 43.3 million.
- The main reason for the increase in the number of uninsured Americans in 2002 was the weak economy coupled with the rising cost of providing health benefits. Fewer workers and their families were covered by employment-based health benefits. The segment of the American population with employment-based health coverage dropped from 70.1 percent in 1987 to 64.2 percent in 2002. In 2001 and 2002, both the number and percentage of Americans covered by health insurance declined.
- The largest public program, state-administered Medicaid, increased enrollment by 1.6 million from 2001 to 2002, to cover 11.9 percent of the nonelderly population. That figure is significantly above the 8.7 percent level in 1987 but below the high of 12.9 percent in 1993.
- Public-sector health coverage increased to 15.9 percent of the nonelderly population in 2002, and remains above the pre-1990 low of 13.3 percent.
- Individually purchased health coverage rose slightly, from 6.6 percent in 2001 to 6.7 percent in 2002, yet remains less popular than it was in 1987. This type of health insurance coverage recorded a high of 7.7 percent in 1993. The number of people with such coverage rose from 15 million in 1987 to 16.8 million in 2002.
- No type of health insurance coverage has recorded an unbroken trend since 1987. There were crosscurrents: Employment-based coverage declined significantly enough in the 1987–1993 period to overwhelm growth in public programs. In the next six years, the dynamic reversed, as public programs declined more quickly than growth in employment-based coverage. Public programs declined as the poverty population dropped during an economic boom that pulled the poor into the work force while welfare reform pushed them in the same direction.

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Introduction

In 2002, continuing a trend that has occurred during most years since 1987, the percentage of nonelderly

Americans with health insurance decreased: 82.7 percent of Americans were covered in 2002, down from 83.5 percent in 2001 (calculated from Figure 1). More than 206 million Americans had insurance coverage in 2002, while 43.3 million were uninsured. The percentage of nonelderly Americans without health insurance coverage increased from 16.5 percent in 2001 to 17.3 percent in 2002 (Figure 1).

The main reason for the increase in the number of uninsured Americans in 2002 was the weak economy coupled with the rising cost of providing health benefits. Fewer workers and their families were covered by employment-based health benefits. In 2002, the percentage of nonelderly Americans covered by employment-based health benefits declined to 64.2 percent from 65.6 percent in 2001 and more than 67 percent in 2000 (Figure 1).

While the majority of Americans insured in 2002 received coverage through an employment-based health plan, 40 million were covered by public programs, and an additional 16.8 million purchased policies directly from an insurer. Nearly 30 million Americans participated in the Medicaid or State Children's Health Insurance Program (S-CHIP),¹ and 6.9 million received their health insurance through the Tricare and CHAMPVA² programs and other government programs for retired military and their families.

This *Issue Brief* examines the status of health insurance coverage in the United States. The data are based primarily on the March 2003 Current Population Survey (CPS), with some analysis based on other CPS surveys.³ The report focuses on the nonelderly population (under age 65) because this group can receive health insurance coverage from a number of different sources. By contrast, Medicare covers nearly all of the elderly

population. The next section discusses recent trends in health insurance coverage and some of their causes. The following section discusses the determinants of having employment-based or other types of health insurance 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

The percentage of Americans without health insurance coverage has increased significantly since 1987 for a number of

reasons. Between 1987 and 1993, for example, the increase in the uninsured can be attributed to the erosion of *employment-based* health benefits.⁴ This decline overwhelmed the growth in public programs. By contrast, between 1993 and 1999, the dynamic reversed and the growth in employment-based coverage was overshadowed by a reduction in those covered by public programs.

For example, between 1993 and 2000, the percentage of nonelderly Americans covered by Medicaid declined from 12.9 percent to 10.4 percent as former welfare recipients entered the work force, encouraged by the carrot of a booming economy and the stick of benefit limits imposed by welfare reform.⁵

Similarly, the percentage of nonelderly Americans covered by Tricare or CHAMPVA declined from 3.8 percent to 2.6 percent between 1994 and 2000 in large part due to downsizing in the military.

By contrast, the S-CHIP program is having a positive impact on coverage rates for children. Between 1998 and 2002, the percentage of children covered by Medicaid or S-CHIP increased from 20 percent to nearly 24 percent (Figure 2). Between 1998 and 2000, the percentage of children covered by employment-based

**Figure 1
NONELDERLY AMERICANS WITH SELECTED SOURCES OF HEALTH INSURANCE COVERAGE, 1987-2002**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 ^b	2000 ^c	2001	2002
	(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	244.8	247.5	250.8
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	164.4	162.3	161.0
Own name	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	84.8	84.1	82.5
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	79.6	78.2	78.5
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	16.1	16.4	16.8
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	34.6	37.9	40.0
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	5.3	5.6	5.8
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	25.5	28.3	29.9
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	6.2	6.6	6.9
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	39.4	40.9	43.3
	(percentage)																
Total Population	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
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	67.1	65.6	64.2
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	34.6	34.0	32.9
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	32.5	31.6	31.3
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	6.6	6.6	6.7
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	14.1	15.3	15.9
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	2.2	2.3	2.3
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	10.4	11.4	11.9
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	2.6	2.5	2.7	2.8
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	16.1	16.5	17.3

Source: Employee Benefit Research Institute estimates of the March Current Population Survey, 1988-2003 Supplements.

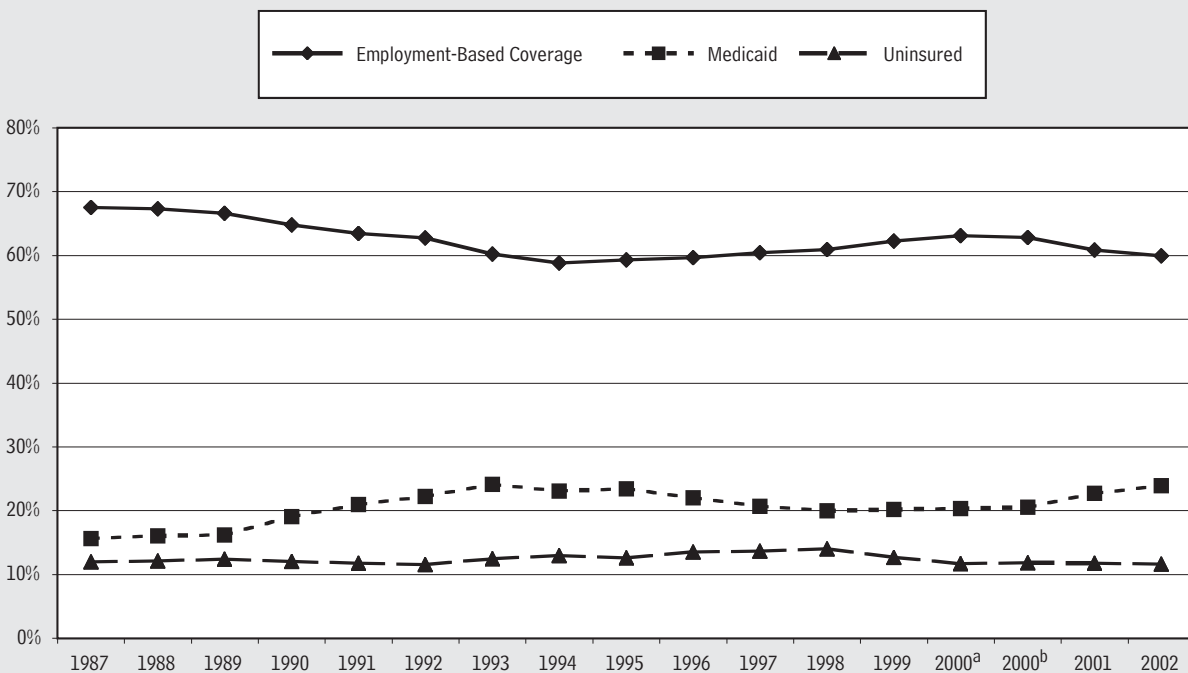
Note: Details may not add to totals because individuals may receive coverage from more than one source.

^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.

^b Results are based on Census 1990-based weights.

^c Results are based on Census 2000-based weights.

**Figure 2
PERCENTAGE OF AMERICAN CHILDREN UNDER AGE 18 WITH EMPLOYMENT-BASED HEALTH BENEFITS, MEDICAID, AND WITHOUT HEALTH INSURANCE, 1987-2002**

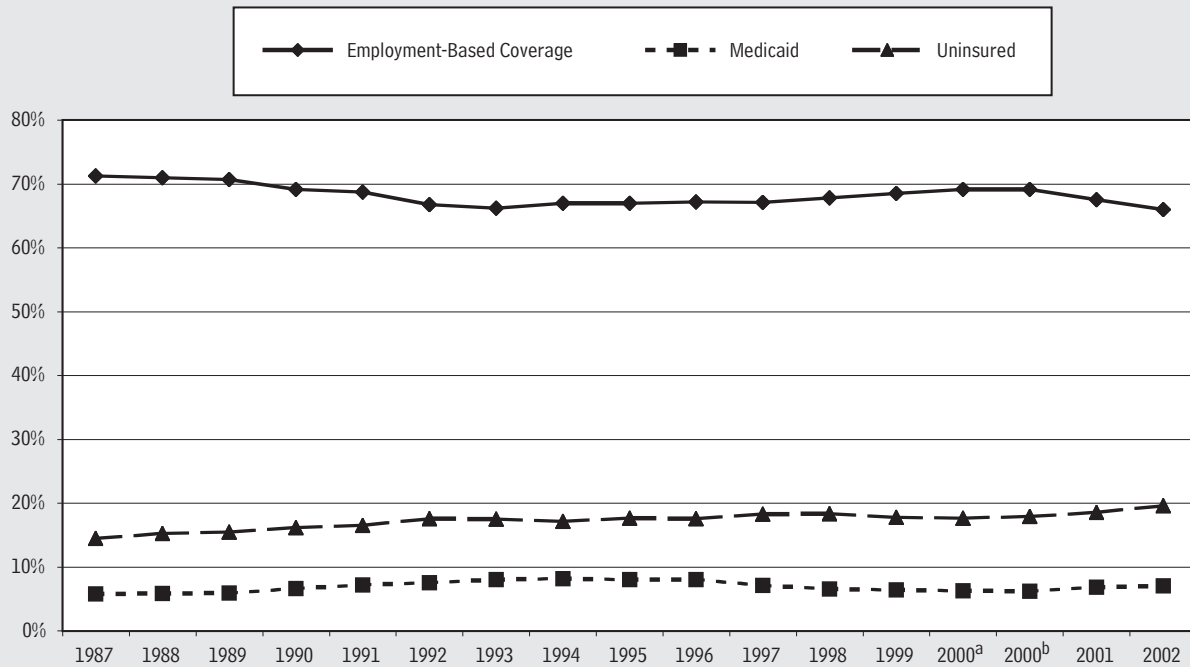


Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1988-2003 Supplements.

^a Results are based on Census 1990-based weights.

^b Results are based on Census 2000-based weights.

Figure 3
PERCENTAGE OF AMERICAN ADULTS, AGES 18-64, WITH EMPLOYMENT-BASED HEALTH BENEFITS, MEDICAID, AND WITHOUT HEALTH INSURANCE, 1987-2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1988–2003 Supplements.
^a Results are based on Census 1990-based weights.
^b Results are based on Census 2000-based weights.

health benefits increased, while it declined between 2000 and 2002. Overall, the percentage of children without health insurance coverage declined from 14 percent in 1988 to 11.6 percent in 2002.

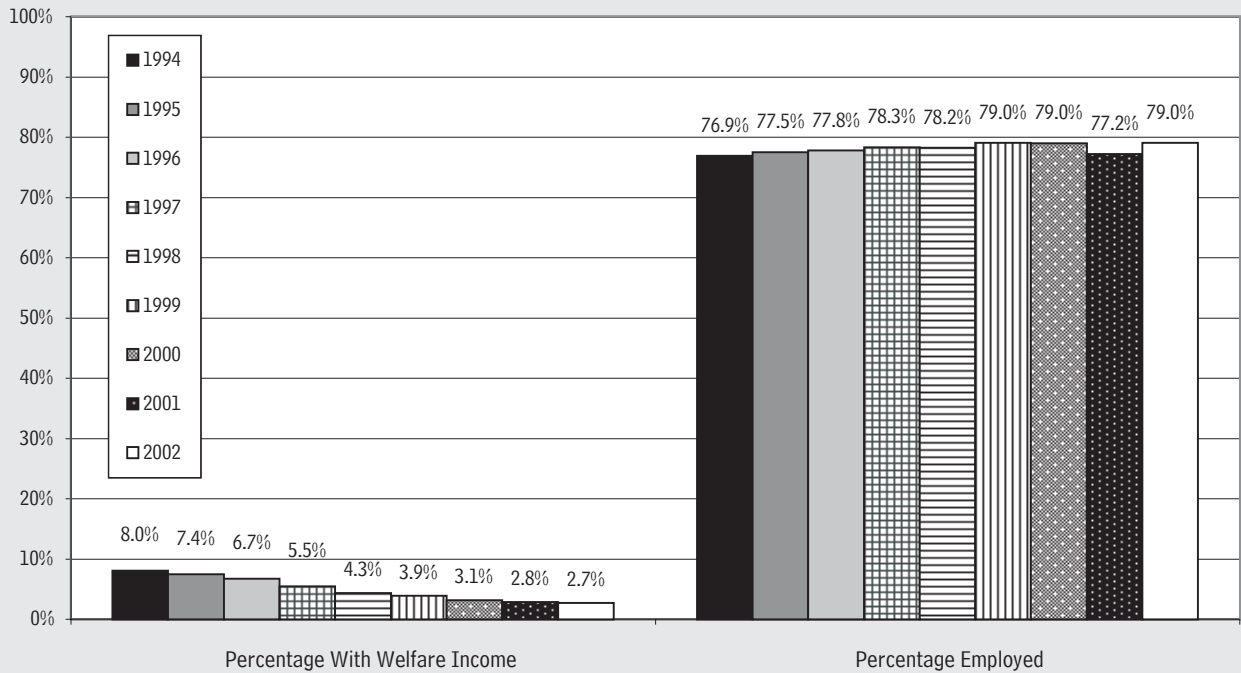
Between 1994 and 2000, the percentage of nonelderly Americans covered by employment-based health benefits increased (Figure 1). In 1994, 64.4 percent of nonelderly Americans had employment-based health benefits. By 2000, 67.3 percent were covered. At the same time, the percentage with Medicaid coverage 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 (Figure 2), while for adults it was virtually unchanged (Figure 3). In contrast, between 1997 and 2000, the percentage of adults with employment-based health benefits increased from 67.1 percent to 69.1 percent (Figure 3).

Fronstin (1999b) has shown why the likelihood of a child being covered by employment-based health benefits increased. 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 an increase in the number of adult women working. Figure 4 shows how the percentage of women ages 18–45 in families receiving public assistance or welfare income declined, while employment increased.

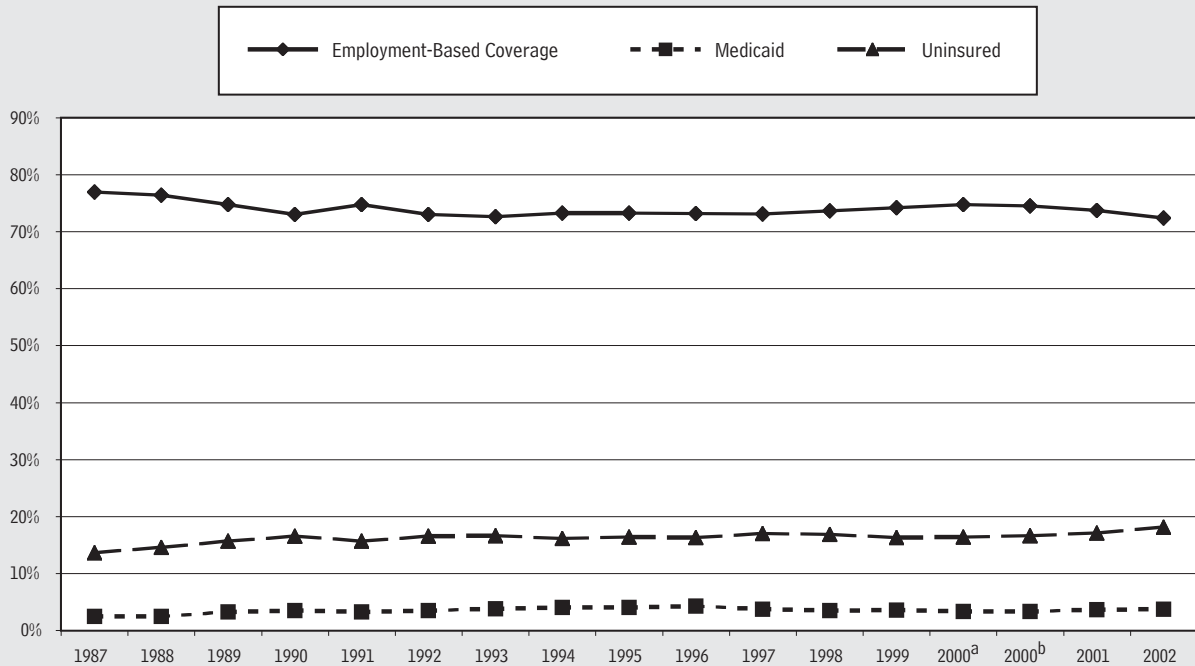
Between 1994 and 1997, the percentage of working adults with employment-based health benefits held steady at roughly 73 percent (Figure 5). During this period, the cost of providing health benefits to employees was flat. Between 1997 and 2000, the percentage of working adults with employment-based health insurance increased from 73.1 percent to 74.7 percent. This occurred in part because the percentage of small firms offering health benefits increased (Gabel et al., 2001), despite the rising cost of health benefits, especially among small firms (Figure 6). It is also likely that the changing composition of the labor force accounted for some of the increase in the percentage of workers covered by employment-based health benefits. For example, the percentage of workers who were self-employed declined between 1997 and 2000, as did the

Figure 4
PERCENTAGE OF WOMEN AGES 18-45 WHO ARE IN FAMILIES WITH WELFARE INCOME OR WHO ARE EMPLOYED, 1994-2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1995-2003 Supplements.

Figure 5
PERCENTAGE OF WORKERS, AGES 18-64, WITH EMPLOYMENT-BASED HEALTH BENEFITS, MEDICAID, AND WITHOUT HEALTH INSURANCE, 1987-2002

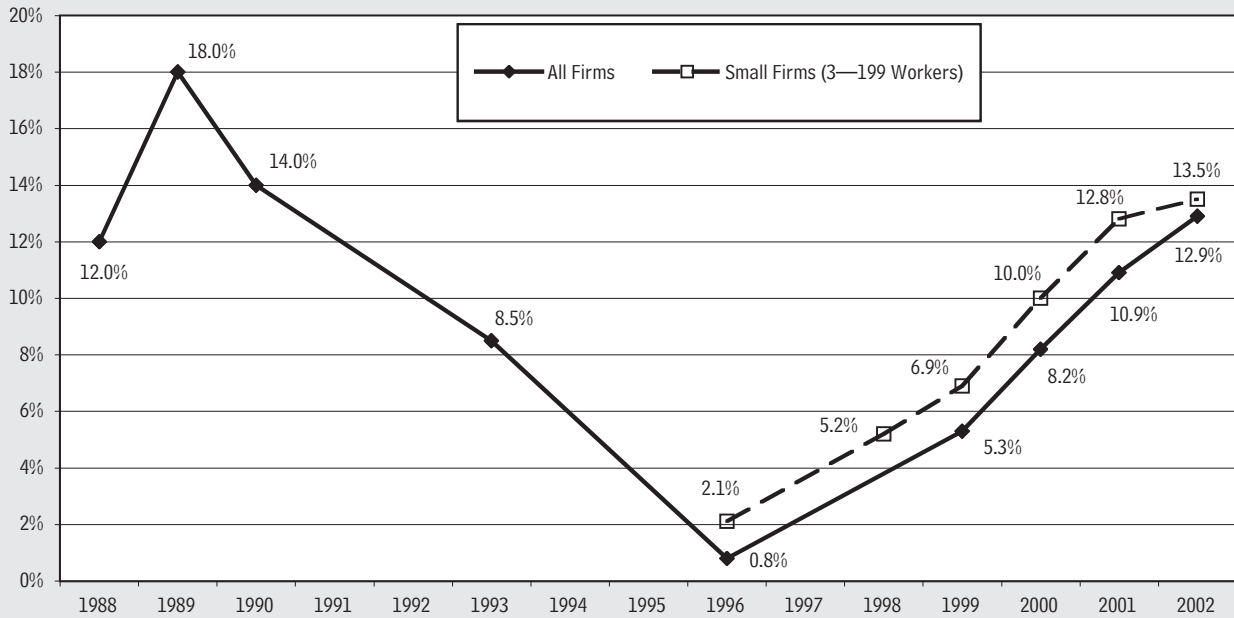


Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1988-2003 Supplements.

^a Results are based on Census 1990-based weights.

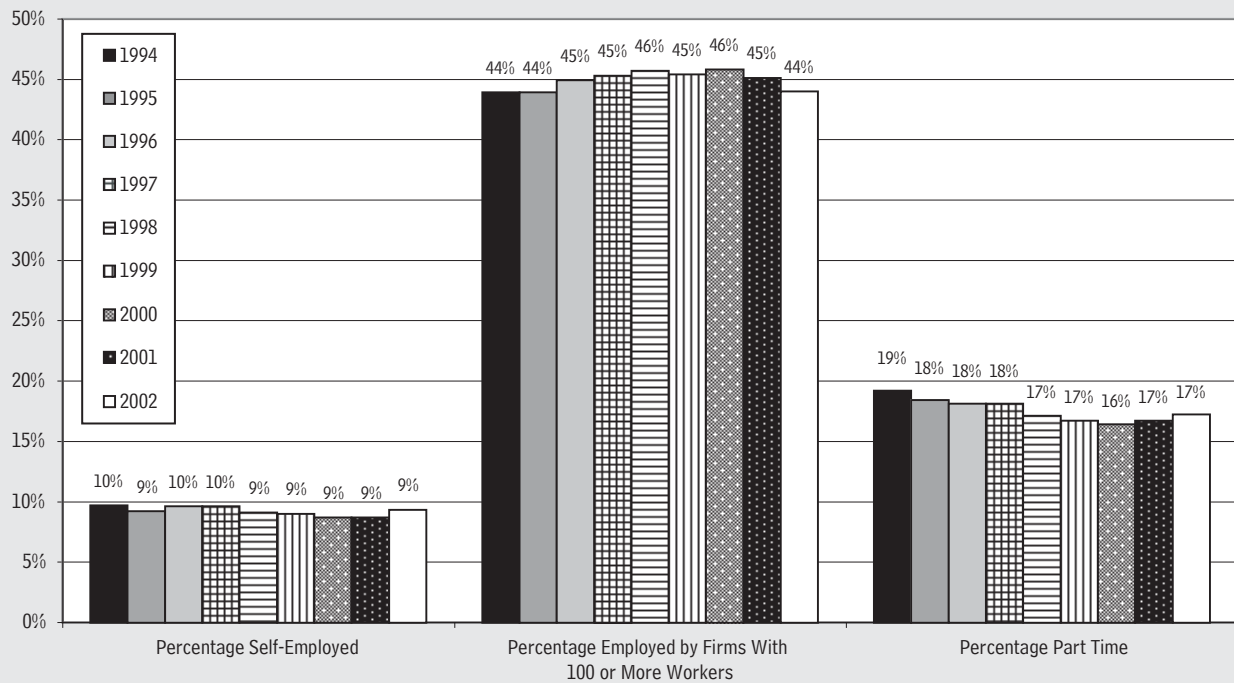
^b Results are based on Census 2000-based weights.

Figure 6
PREMIUM INCREASES BY FIRM SIZE, 1988-2002



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

Figure 7
PERCENTAGE OF WORKERS WHO ARE SELF-EMPLOYED, EMPLOYED IN LARGE FIRMS, OR EMPLOYED PART TIME, 1994-2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 1995-2003 Supplements.

percentage of workers employed on a part-time basis (Figure 7).

The increase in the percentage of Americans with employment-based health benefits between 1997 and 2000 has several explanations. A 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. On the other hand, the cost of providing health benefits to workers was increasing faster than inflation, and this trend accelerated in 1999 and 2000.

In the late 1980s and early 1990s, the percentage of Americans covered by employment-based health benefits declined largely because of rising costs. In the late 1980s, the cost 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 during this period, although it also could be argued that the percentage of Americans with employment-based health benefits would have increased even faster had it not been for the rising costs.

Beginning in 2001, rising health benefit costs coupled with the weak economy began to have an effect on health insurance coverage. According to one survey, the cost of providing health benefits increased nearly 11 percent in 2001 and 12.9 percent in 2002, still well below the increases in the late 1980s (Figure 6). As a result, between 2000 and 2002, the percentage of nonelderly Americans with employment-based health benefits declined from 67.1 percent to 64.2 percent.

Determinants of Coverage

Full-time, full-year workers, public-sector employees, workers employed in manufacturing, managerial and

professional workers, and individuals living in high-income families are most likely to have employment-based health benefits. Poor 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. Roughly two-thirds of the nonelderly population have employment-based health benefits. 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.⁶

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 administrative costs and marketing costs are lower. But the larger firms often provide broader coverage and thus ultimately pay more per worker covered.

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 than those in small firms.

In 2002, 64.2 percent of the nonelderly were covered by employment-based health benefits (Figure 1). Workers were much more likely to have employment-based health benefits than nonworkers, who typically receive such coverage through spouses or parents (Figure 8). More than 72 percent of workers had employment-based health benefits, compared with 40.3 percent of nonworkers. In addition, 74.5 percent of individuals in families headed by full-year, full-time workers had employment-based health benefits, compared with 42.8 percent of those in families headed by other

Figure 8
**NONELDERLY POPULATION WITH SELECTED SOURCES OF HEALTH INSURANCE, BY AGE AND OWN WORK STATUS
 AND WORK STATUS OF FAMILY HEAD, 2002**

Own Work Status and Work Status of Family Head	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	250.8	161.0	82.5	78.5	16.8	40.0	29.9	43.3
Own Work Status								
Child	73.3	43.9	0.2	43.7	5.6	19.7	17.5	8.5
Adult								
worker	142.1	102.8	78.6	24.3	8.3	9.0	5.3	25.7
nonworker	35.4	14.3	3.7	10.5	3.0	11.3	7.2	9.1
Work Status of Family Head								
Full-year, full-time worker	187.7	139.9	69.8	70.0	10.0	18.5	12.8	26.2
Other worker	37.2	15.9	9.0	6.9	4.1	9.5	8.0	9.7
Nonworker	26.0	5.3	3.7	1.6	2.7	12.0	9.2	7.3
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Own Work Status								
Child	29.2	27.3	0.2	55.7	33.0	49.2	58.5	19.7
Adult								
worker	56.7	63.9	95.2	30.9	49.3	22.5	17.6	59.3
nonworker	14.1	8.9	4.5	13.4	17.7	28.2	23.9	21.0
Work Status of Family Head								
Full-year, full-time worker	74.8	86.9	84.6	89.2	59.6	46.2	42.6	60.5
Other worker	14.8	9.9	10.9	8.8	24.4	23.7	26.6	22.5
Nonworker	10.4	3.3	4.5	2.0	16.0	30.2	30.8	17.0
(percentage within work status category)								
Total	100%	64.2%	32.9%	31.3%	6.7%	15.9%	11.9%	17.3%
Own Work Status								
Child	100	59.9	0.3	59.6	7.6	26.8	23.9	11.6
Adult								
worker	100	72.4	55.3	17.1	5.8	6.3	3.7	18.1
nonworker	100	40.3	10.6	29.7	8.4	31.9	20.2	25.7
Work Status of Family Head								
Full-year, full-time worker	100	74.5	37.2	37.3	5.3	9.8	6.8	14.0
Other worker	100	42.8	24.2	18.6	11.1	25.4	21.4	26.2
Nonworker	100	20.3	14.1	6.1	10.3	46.4	35.5	28.3

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

workers, and 20.3 percent of individuals in families headed by nonworkers.

Workers employed in the public sector and in manufacturing were more likely to have employment-based health benefits in their own name than other workers (Figure 9). More than 25 percent of self-employed workers and nearly 29 percent of private-sector workers in firms with fewer than 10 employees had employment-based health benefits in their own name in 2002, compared with 67.1 percent of private-sector workers in firms with 1,000 or more employees (Figure 10).

Occupation also has an impact. More than 67 percent of workers in managerial and professional occupations had employment-based health benefits in their own name, compared with 36 percent among workers in service occupations (Figure 11). In addition, hours worked and weeks worked have a strong impact on the

likelihood that a worker has employment-based health benefits. More than 67 percent of workers employed full time and full year had employment-based health benefits from their own employer, compared with 23.7 percent among part-time, full-year employees; 41.4 percent among full-time, part-year employees; and 14.5 percent among part-time, part-year employees (Figure 12).

In general, individuals with high levels of income are more likely to be covered by employment-based health benefits. In 2002, 12 percent of individuals in families with annual income below \$5,000 had employment-based health benefits, compared with 83.7 percent of those in families with annual income of \$50,000 or more (Figure 13).

Although public programs cover many individuals in poor families, most were not covered. In 2002, 46 percent of the nonelderly with family incomes below

Figure 9
WORKERS AGES 18-64 WITH SELECTED SOURCES OF HEALTH INSURANCE, BY INDUSTRY,^a 2002

Own Work Status and Work Status of Family Head	Total	Employment-Based Coverage			Individually	Public		
		Total	Own name	Dependent	Purchased	Total	Medicaid	Uninsured
(millions)								
Total	142.1	102.8	78.6	24.3	8.3	9.0	5.3	25.7
Agriculture, forestry, fishing, mining and construction	13.0	7.2	5.4	1.8	1.0	0.7	0.4	4.3
Manufacturing	26.7	21.4	18.5	2.9	0.9	1.2	0.7	3.8
Wholesale and retail trade	44.5	32.0	23.4	8.5	3.0	2.7	1.6	7.8
Personal services	37.5	24.4	16.2	8.2	2.8	3.1	2.1	8.2
Public sector	20.5	17.8	15.0	2.9	0.6	1.4	0.5	1.5
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Agriculture, forestry, fishing, mining and construction	9.1	7.0	6.9	7.4	12.0	7.6	8.4	16.8
Manufacturing	18.8	20.8	23.6	11.8	10.4	13.1	12.5	15.0
Wholesale and retail trade	31.3	31.1	29.8	35.1	36.6	30.1	31.1	30.6
Personal services	26.4	23.7	20.6	33.9	33.9	34.2	39.1	31.9
Public sector	14.4	17.4	19.1	11.8	7.0	15.0	8.8	5.8
(percentage within industry category)								
Total	100%	72.4%	55.3%	17.1%	5.8%	6.3%	3.7%	18.1%
Agriculture, forestry, fishing, mining and construction	100	55.6	41.7	13.9	7.7	5.3	3.4	33.2
Manufacturing	100	80.1	69.4	10.7	3.2	4.4	2.5	14.4
Wholesale and retail trade	100	71.8	52.7	19.1	6.8	6.1	3.7	17.6
Personal services	100	65.2	43.2	22.0	7.5	8.2	5.5	21.8
Public sector	100	87.2	73.1	14.0	2.9	6.6	2.3	7.3

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

^a Estimates by industry are not comparable with prior years because of definitional changes to industry codes.

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

the poverty line were covered by a public plan—41.9 percent by Medicaid (Figure 14)—although many more low-income individuals may be eligible for Medicaid coverage. Other sources of public health insurance include S-CHIP, Medicare (which covers many disabled as well as the elderly), Tricare, CHAMPVA, and Veterans Administration (VA) health insurance.

Access to Coverage

Access to coverage is also a major determinant of whether a worker has health benefits. Data from the February 2001 supplement to the CPS indicate that only 13 percent of uninsured workers are eligible to take health benefits from their own employer (Figure 15).⁷ Twenty percent of uninsured workers are employed by a firm that offers health benefits to some workers, but the worker is not eligible. The remainder are employed by firms that do not offer health benefits.

Among the 13 percent of uninsured workers eligible for health benefits, two-thirds report they decline it because of the cost (Figure 16). Only 6 percent report that they declined it because they did not think they

needed coverage. Among uninsured workers not eligible for health benefits, most either did not work enough hours or weeks (33 percent) or were contract or temporary workers (51 percent) (Figure 17). Only 6 percent were subject to and had not met the waiting period.

The Uninsured

Many factors influence whether an individual has any 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 10 states, at least 20 percent of the population was uninsured in 2002 (Figure 18). These states are generally in the south central United States (Figure 19). In many of these states, a smaller proportion of the population was

Figure 10
WORKERS AGES 18-64 WITH SELECTED SOURCES OF HEALTH INSURANCE, BY FIRM SIZE, 2002

Firm Size	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	142.1	102.8	78.6	24.3	8.3	9.0	5.3	25.7
Self-Employed	13.2	6.7	3.4	3.3	2.6	0.7	0.4	3.5
Wage and Salary Workers	128.9	96.1	75.2	20.9	5.7	8.3	4.9	22.2
Public sector	20.5	17.8	15.0	2.9	0.6	1.4	0.5	1.5
Private sector	108.4	78.3	60.2	18.1	5.1	7.0	4.4	20.7
Fewer than 10 employees	16.6	8.3	4.8	3.5	1.6	1.3	1.0	5.7
10-24 employees	12.3	7.6	4.9	2.7	0.8	0.9	0.6	3.3
25-99 employees	17.1	12.1	9.1	2.9	0.7	1.1	0.7	3.5
100-499 employees	16.8	13.3	10.8	2.5	0.5	0.9	0.6	2.5
500-999 employees	6.3	5.2	4.3	0.9	0.2	0.3	0.2	0.7
1,000 or more employees	39.4	31.9	26.4	5.5	1.3	2.3	1.4	5.0
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Self-Employed	9.3	6.5	4.3	13.8	31.0	7.8	7.2	13.6
Wage and Salary Workers	90.7	93.5	95.7	86.2	69.0	92.2	92.8	86.4
Public sector	14.4	17.4	19.1	11.8	7.0	15.0	8.8	5.8
Private sector	76.3	76.1	76.7	74.4	61.9	77.2	84.0	80.6
Fewer than 10 employees	11.7	8.1	6.1	14.6	18.8	14.6	18.1	22.3
10-24 employees	8.7	7.4	6.3	11.1	9.5	10.0	11.1	12.8
25-99 employees	12.0	11.7	11.6	12.1	9.0	12.6	13.5	13.8
100-499 employees	11.8	12.9	13.7	10.4	6.5	10.4	11.4	9.6
500-999 employees	4.4	5.0	5.4	3.6	3.0	3.4	3.5	2.9
1,000 or more employees	27.7	31.0	33.6	22.6	15.2	26.1	26.4	19.3
(percentage within firm size categories)								
Total	100%	72.4%	55.3%	17.1%	5.8%	6.3%	3.7%	18.1%
Self-Employed	100	50.7	25.4	25.3	19.5	5.3	2.9	26.4
Wage and Salary Workers	100	74.6	58.3	16.2	4.4	6.4	3.8	17.2
Public sector	100	87.2	73.1	14.0	2.9	6.6	2.3	7.3
Private sector	100	72.2	55.5	16.7	4.7	6.4	4.1	19.1
Fewer than 10 employees	100	50.1	28.7	21.4	9.4	8.0	5.8	34.5
10-24 employees	100	61.8	40.0	21.8	6.4	7.3	4.7	26.7
25-99 employees	100	70.7	53.4	17.3	4.4	6.7	4.2	20.7
100-499 employees	100	78.9	63.9	15.0	3.2	5.6	3.5	14.6
500-999 employees	100	81.8	67.8	14.0	3.9	4.9	2.9	11.7
1,000 or more employees	100	81.0	67.1	13.9	3.2	6.0	3.5	12.6

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

eligible for employment-based health benefits and/or a larger proportion was eligible for publicly financed health programs than the national average. Both lower average income and higher unemployment rates 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.⁸

States with a low percentage of uninsured individuals include Minnesota, Iowa, Wisconsin, New Hampshire, and Delaware.

Citizenship

Citizenship is a primary factor in the likelihood of an individual having coverage and in the source of that coverage. More than 45 percent of nonelderly noncitizens were uninsured in 2002, compared with 14.9 percent of citizens (Figure 20). In Texas and Oregon, nearly 62 percent of the noncitizen population was uninsured, while in California, 43.5 percent was uninsured, and in North Carolina, 56.8 percent was uninsured. High uninsured rates may reflect 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.

Figure 11
WORKERS AGES 18-64 WITH SELECTED SOURCES OF HEALTH INSURANCE, BY OCCUPATION, 2002

Occupation	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	142.1	102.8	78.6	24.3	8.3	9.0	5.3	25.7
Managerial and professional specialty	48.1	40.3	32.3	7.9	2.8	2.0	0.8	4.2
Service occupations	23.2	12.9	8.3	4.6	1.6	2.5	1.7	6.8
Sales and office occupations	36.7	27.2	19.4	7.8	2.4	2.5	1.5	5.6
Farming, fishing, and forestry	1.1	0.5	0.3	0.1	0.1	0.1	0.1	0.4
Construction, extraction, and maintenance	14.0	8.7	7.1	1.6	0.7	0.7	0.4	4.2
Production, transportation, and material moving	19.1	13.3	11.1	2.2	0.7	1.2	0.8	4.3
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Managerial and professional specialty	33.8	39.1	41.2	32.6	33.2	22.5	14.6	16.4
Service occupations	16.3	12.6	10.6	18.9	19.8	27.7	33.1	26.6
Sales and office occupations	25.8	26.5	24.7	32.3	29.1	27.3	27.6	22.0
Farming, fishing, and forestry	0.8	0.5	0.4	0.6	0.9	1.3	1.9	1.7
Construction, extraction, and maintenance	9.9	8.4	9.0	6.5	8.5	7.6	7.4	16.5
Production, transportation, and material moving	13.4	12.9	14.1	9.1	8.6	13.5	15.5	16.8
(percentage within industry category)								
Total	100%	72.4%	55.3%	17.1%	5.8%	6.3%	3.7%	18.1%
Managerial and professional specialty	100	83.7	67.3	16.5	5.7	4.2	1.6	8.7
Service occupations	100	55.8	36.0	19.8	7.1	10.8	7.5	29.5
Sales and office occupations	100	74.1	52.8	21.4	6.6	6.7	4.0	15.4
Farming, fishing, and forestry	100	43.7	30.4	13.4	6.9	11.0	9.3	41.4
Construction, extraction, and maintenance	100	61.8	50.5	11.3	5.0	4.9	2.8	30.2
Production, transportation, and material moving	100	69.7	58.1	11.6	3.7	6.4	4.3	22.6

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

Employment

Eighty-three percent of the uninsured lived in families headed by workers in 2002. Most people (90 percent) live in families headed by workers, including one-person families (Figure 8).

Industry

Workers employed in agriculture, forestry, fishing, mining, and construction were also disproportionately more likely to be uninsured, with about one-third being uninsured. Uninsured workers were most likely to be employed in the wholesale and retail trade or service industry, which collectively account for over 60 percent of employment (Figure 9). This compares to 14.4 percent uninsured among workers in the manufacturing sector, 17.6 percent in wholesale and retail trade, and 22 percent in the service sector.

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 2002 (Figure 10). More than 26 percent of self-employed workers were uninsured, compared with 18.1 percent of all workers. More than 34 percent of workers in private-sector firms with fewer than 10 employees were uninsured, compared with 12.6 percent of workers in private-sector firms with 1,000 or more employees.

Occupation

The uninsured are concentrated disproportionately in service sector occupations or blue-collar jobs. In 2002, 15 percent of workers were employed in blue-collar-type jobs, that is jobs in farming, fishing, forestry, construction, extraction, maintenance, production, transportation, and material moving, yet 24 percent of uninsured workers were in these types of jobs (Figure 11).

Figure 12

WORKERS AGES 18-64 WITH SELECTED SOURCES OF HEALTH INSURANCE, BY HOURS AND WEEKS WORKED, 2002

Hours and Weeks Worked	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	142.1	102.8	78.6	24.3	8.3	9.0	5.3	25.7
Full-time, full-year	97.6	77.0	65.5	11.5	4.3	3.9	1.8	14.5
Part-time, full-year	12.5	7.4	3.0	4.4	1.4	1.2	0.7	3.0
Full-time, part-year	20.1	12.0	8.3	3.6	1.3	2.2	1.5	5.4
Part-time, part-year	11.9	6.4	1.7	4.7	1.4	1.7	1.2	2.8
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Full-time, full-year	68.6	74.9	83.4	47.3	51.3	43.5	33.7	56.4
Part-time, full-year	8.8	7.2	3.8	18.3	16.5	12.9	14.0	11.6
Full-time, part-year	14.1	11.6	10.6	15.0	15.4	24.3	28.6	21.1
Part-time, part-year	8.4	6.3	2.2	19.4	16.8	19.3	23.6	10.9
(percentage within hours and weeks category)								
Total	100%	72.4%	55.3%	17.1%	5.8%	6.3%	3.7%	18.1%
Full-time, full-year	100	78.9	67.2	11.8	4.4	4.0	1.8	14.8
Part-time, full-year	100	59.1	23.7	35.4	10.9	9.3	5.9	23.7
Full-time, part-year	100	59.5	41.4	18.1	6.3	10.9	7.5	27.0
Part-time, part-year	100	54.0	14.5	39.5	11.7	14.6	10.4	23.4

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

Hours of Work

Part-time or part-year workers accounted for 31.3 percent of the employed population, but accounted for 43.6 percent of uninsured workers (Figure 12).

Income

The uninsured tend to be members of low-income families. In 2002, 36.4 percent of the uninsured were in families with annual incomes of less than \$20,000 (Figure 13). More than 40 percent of individuals in families with incomes less than \$5,000 were uninsured, compared with 8.4 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 as the percentage covered by employment-based benefits increases more than 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 30 percent of workers with earnings of less than \$20,000 were uninsured, compared with 5.7 percent of workers with earnings of \$50,000 or more (Figure 21). Low-income workers are employed generally in industries that are less likely to offer health benefits, may have a

weaker (or temporary) attachment to the work force, and have less disposable income to allocate to the purchase of health benefits.

Race and Ethnic Origin

While 66 percent of the nonelderly population is white, whites comprised 48 percent of the uninsured. Individuals of Hispanic origin were more likely to be uninsured than other groups (34.1 percent) (Figure 14). This may be due in part to the fact that 52 percent of the Hispanic population reported income of less than 200 percent of the federal poverty level. Also, a higher proportion of Hispanics are immigrants and may work for small firms or be employed on a part-time or part-year basis. However, even at high income levels, Hispanics generally were more likely to be uninsured than other racial groups and were less likely to have employment-based health benefits. Citizenship may also be a factor here.

Family Type

Single individuals and individuals in single-parent families were more likely to be uninsured than married couples (Figure 22). Among the reasons for this are that married couples tend to have higher income levels. When both adults are employed, the odds of having access to employment-based health benefits are greater.

Figure 13
NONELDERLY POPULATION WITH SELECTED SOURCES OF HEALTH INSURANCE, BY FAMILY INCOME, 2002

Family Income	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	250.8	161.0	82.5	78.5	16.8	40.0	29.9	43.3
Under \$5,000	11.5	1.4	0.7	0.7	1.4	4.4	3.9	4.6
\$5,000–\$9,999	10.0	1.2	0.8	0.4	1.1	5.3	4.7	2.9
\$10,000–\$14,999	12.2	2.4	1.7	0.8	1.3	4.8	4.1	4.2
\$15,000–\$19,999	12.9	4.3	2.8	1.5	1.0	4.3	3.6	4.0
\$20,000–\$29,999	28.2	13.3	8.2	5.0	2.1	6.5	5.2	7.9
\$30,000–\$39,999	26.7	16.5	9.7	6.8	1.9	4.3	3.2	5.3
\$40,000–\$49,999	24.0	17.1	9.1	7.9	1.4	2.8	1.8	3.9
\$50,000 and over	125.3	104.9	49.5	55.5	6.6	7.7	3.4	10.5
(percentage within coverage category)								
Total	100%	100%	100%	100%	100%	100%	100%	100%
Under \$5,000	4.6	0.9	0.8	0.9	8.5	10.9	13.1	10.7
\$5,000–\$9,999	4.0	0.7	0.9	0.5	6.6	13.2	15.7	6.7
\$10,000–\$14,999	4.9	1.5	2.0	1.0	7.7	12.1	13.7	9.7
\$15,000–\$19,999	5.1	2.6	3.4	1.9	6.1	10.7	12.0	9.3
\$20,000–\$29,999	11.3	8.2	10.0	6.4	12.2	16.2	17.4	18.2
\$30,000–\$39,999	10.7	10.2	11.7	8.7	11.2	10.8	10.7	12.3
\$40,000–\$49,999	9.6	10.6	11.1	10.1	8.6	7.0	5.9	8.9
\$50,000 and over	50.0	65.2	60.0	70.6	39.2	19.2	11.4	24.2
(percentage within family income category)								
Total	100%	64.2%	32.9%	31.3%	6.7%	15.9%	11.9%	17.3%
Under \$5,000	100	12.0	6.1	5.9	12.5	38.1	34.3	40.4
\$5,000–\$9,999	100	11.9	7.8	4.1	11.0	52.4	46.9	28.9
\$10,000–\$14,999	100	19.9	13.7	6.2	10.7	39.6	33.7	34.5
\$15,000–\$19,999	100	33.0	21.7	11.3	7.9	33.1	27.9	31.1
\$20,000–\$29,999	100	47.0	29.2	17.8	7.3	22.9	18.4	28.0
\$30,000–\$39,999	100	61.7	36.3	25.4	7.0	16.2	12.0	19.9
\$40,000–\$49,999	100	71.2	38.1	33.1	6.0	11.6	7.4	16.1
\$50,000 and over	100	83.7	39.5	44.3	5.3	6.1	2.7	8.4

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

Age

Individuals ages 55–64 were less likely to be uninsured (12.9 percent), and individuals ages 21–24 were more likely to be uninsured (33.9 percent), than those in all other age groups in 2002 (Figure 23). Young adults are often more likely to be uninsured 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. Many in this age group may think that they do not need health insurance because the likelihood of encountering a high-cost medical event is very low.⁹ In addition, young workers may be ineligible for employment-based health benefits because of waiting periods imposed prior to eligibility.

Children

More than 11 percent of all children—or 8.5 million children—were uninsured in 2002 (Figure 24). Sixty-five 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 (Figure 25). Most uninsured children were in families whose head was employed year-round, either full time or part time (71 percent) (Figure 26). In families where the head worked part time or experienced some unemployment the probability of being uninsured was even higher (Figure 25).

Figure 14

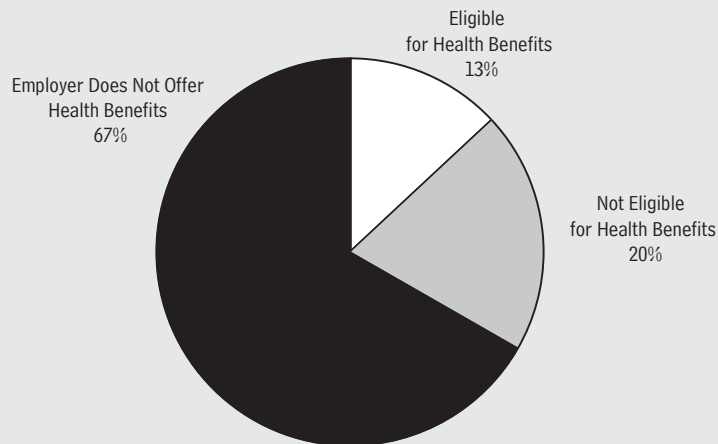
**NONELDERLY POPULATION WITH SELECTED SOURCES OF HEALTH INSURANCE,
BY RACE AND FAMILY POVERTY STATUS, 2002**

Race and Family Poverty Status	Total	Employment-Based Coverage			Individually Purchased	Public		Uninsured
		Total	Own name	Dependent		Total	Medicaid	
(millions)								
Total	250.8	161.0	82.5	78.5	16.8	40.0	29.9	43.3
0-99% of poverty	31.6	4.5	2.2	2.3	3.2	14.5	13.2	10.6
100%-149% of poverty	21.5	6.9	3.2	3.8	1.7	7.1	6.0	7.0
150%-199% of poverty	21.2	10.4	4.8	5.6	1.6	4.6	3.7	5.7
200% of poverty or more	176.6	139.2	72.3	66.9	10.4	13.7	7.1	20.0
White	165.8	119.0	61.1	57.9	12.7	20.1	13.1	20.7
0-99% of poverty	13.5	2.3	1.2	1.1	2.1	5.7	4.9	4.0
100%-149% of poverty	10.3	3.6	1.7	1.9	1.2	3.2	2.6	2.9
150%-199% of poverty	11.4	6.1	2.8	3.3	1.1	2.4	1.7	2.5
200% of poverty or more	130.7	107.0	55.4	51.6	8.3	8.8	3.8	11.3
Black	31.6	16.3	9.0	7.3	1.4	8.8	7.4	6.8
0-99% of poverty	7.7	1.1	0.5	0.6	0.5	4.3	4.0	2.2
100%-149% of poverty	3.9	1.3	0.6	0.7	0.2	1.6	1.4	1.1
150%-199% of poverty	3.2	1.6	0.8	0.8	0.1	0.8	0.7	0.8
200% of poverty or more	16.8	12.3	7.1	5.2	0.6	2.1	1.3	2.7
Hispanic	37.2	16.1	7.8	8.2	1.4	8.3	7.4	12.7
0-99% of poverty	8.3	0.8	0.4	0.5	0.3	3.7	3.5	3.7
100%-149% of poverty	5.9	1.6	0.7	0.9	0.2	1.7	1.6	2.5
150%-199% of poverty	5.2	2.1	0.9	1.2	0.2	1.1	1.0	2.0
200% of poverty or more	17.8	11.5	5.9	5.7	0.7	1.8	1.3	4.4
Other	16.2	9.7	4.6	5.1	1.3	2.8	2.1	3.1
0-99% of poverty	2.1	0.3	0.2	0.1	0.3	0.9	0.8	0.7
100%-149% of poverty	1.5	0.5	0.2	0.3	0.1	0.5	0.5	0.4
150%-199% of poverty	1.4	0.6	0.3	0.3	0.1	0.3	0.3	0.4
200% of poverty or more	11.3	8.4	4.0	4.3	0.7	1.0	0.6	1.6
(percentage within race and poverty category)								
Total	100%	64.2%	32.9%	31.3%	6.7%	15.9%	11.9%	17.3%
0-99% of poverty	100	14.3	7.0	7.3	10.1	46.0	41.9	33.7
100%-149% of poverty	100	32.1	14.7	17.4	7.9	32.9	27.8	32.3
150%-199% of poverty	100	49.1	22.6	26.5	7.4	21.9	17.3	26.9
200% of poverty or more	100	78.8	41.0	37.9	5.9	7.8	4.0	11.3
White	100	71.7	36.8	34.9	7.6	12.1	7.9	12.5
0-99% of poverty	100	17.0	8.8	8.1	15.6	42.0	36.6	29.7
100%-149% of poverty	100	34.9	16.6	18.3	11.5	31.5	25.1	27.8
150%-199% of poverty	100	53.4	24.8	28.7	9.7	21.0	15.3	21.7
200% of poverty or more	100	81.9	42.4	39.5	6.3	6.7	2.9	8.7
Black	100	51.6	28.4	23.2	4.5	28.0	23.3	21.6
0-99% of poverty	100	14.6	6.6	8.0	6.6	56.4	52.1	28.2
100%-149% of poverty	100	32.5	15.0	17.5	4.4	40.1	35.0	29.2
150%-199% of poverty	100	50.5	24.4	26.1	4.2	25.8	20.6	25.2
200% of poverty or more	100	73.2	42.2	31.0	3.6	12.5	7.8	16.1
Hispanic	100	43.1	21.0	22.1	3.8	22.3	19.9	34.1
0-99% of poverty	100	10.1	4.3	5.8	3.5	44.1	42.2	44.8
100%-149% of poverty	100	27.0	11.7	15.3	3.9	29.6	26.8	43.0
150%-199% of poverty	100	40.2	17.4	22.8	3.6	20.7	18.9	39.3
200% of poverty or more	100	64.6	32.9	31.8	4.1	10.2	7.5	24.6
Other	100	59.9	28.6	31.3	8.0	17.1	13.0	19.3
0-99% of poverty	100	13.1	7.7	5.4	13.2	40.9	38.1	35.3
100%-149% of poverty	100	32.3	12.8	19.5	8.8	36.6	31.3	29.4
150%-199% of poverty	100	44.4	20.5	23.8	10.3	25.4	19.5	25.9
200% of poverty or more	100	74.1	35.5	38.6	6.6	9.2	5.2	14.3

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

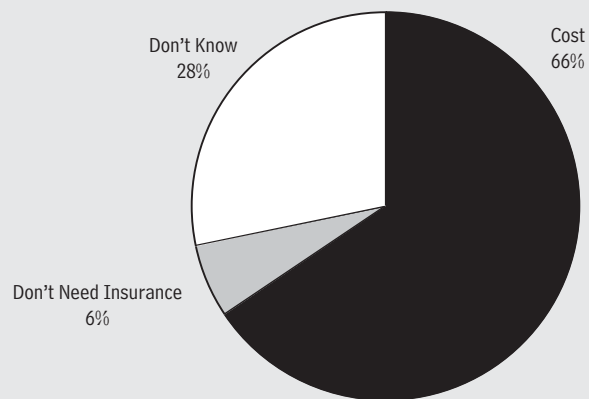
Note: Details may not add to totals because individuals may receive coverage from more than one source.

Figure 15
UNINSURED WORKERS, BY WORKER ELIGIBILITY, WAGE AND SALARY WORKERS AGES 18-64, 2001



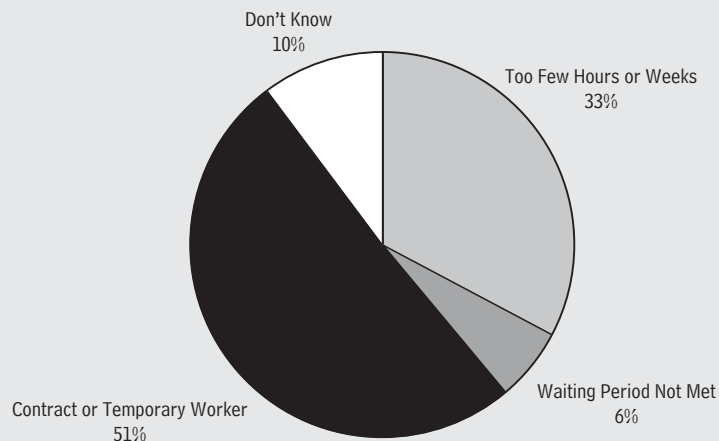
Source: Employee Benefits Research Institute estimates from the Current Population Survey, February 2001 supplement.

Figure 16
REASONS ELIGIBLE WORKERS ARE UNINSURED, 2001



Source: Employee Benefits Research Institute estimates from the Current Population Survey, February 2001 supplement.

Figure 17
REASONS NONELIGIBLE WORKERS ARE UNINSURED, 2001



Source: Employee Benefits Research Institute estimates from the Current Population Survey, February 2001 supplement.

Figure 18

NONELDERLY POPULATION WITH SELECTED SOURCES OF HEALTH INSURANCE, BY REGION AND STATE, 2002

Region and State	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	250.8	161.0	82.5	78.5	16.8	40.0	29.9	43.3
New England	12.1	8.6	4.3	4.3	0.7	1.8	1.5	1.4
Maine	1.1	0.7	0.4	0.3	0.1	0.2	0.2	0.1
New Hampshire	1.1	0.9	0.4	0.4	0.1	0.1	0.1	0.1
Vermont	0.5	0.4	0.2	0.2	0.0	0.1	0.1	0.1
Massachusetts	5.6	4.0	2.0	2.0	0.3	0.8	0.7	0.6
Rhode Island	0.9	0.6	0.3	0.3	0.1	0.2	0.2	0.1
Connecticut	2.9	2.1	1.0	1.1	0.2	0.4	0.3	0.4
Middle Atlantic	34.6	23.1	11.7	11.4	1.9	5.2	4.4	5.6
New York	16.8	10.4	5.4	5.0	0.9	3.0	2.7	3.0
New Jersey	7.5	5.3	2.6	2.7	0.3	0.9	0.7	1.2
Pennsylvania	10.4	7.3	3.7	3.7	0.7	1.3	1.1	1.4
East North Central	39.9	28.1	13.7	14.4	2.4	5.2	4.2	5.6
Ohio	9.9	7.1	3.4	3.7	0.5	1.3	1.0	1.3
Indiana	5.4	3.8	1.9	1.9	0.3	0.6	0.4	0.8
Illinois	11.0	7.5	3.7	3.8	0.6	1.3	1.1	1.8
Michigan	8.8	6.2	3.0	3.2	0.5	1.3	1.1	1.2
Wisconsin	4.8	3.4	1.7	1.8	0.4	0.6	0.5	0.5
West North Central	16.9	11.9	6.1	5.9	1.5	2.4	1.7	1.9
Minnesota	4.5	3.4	1.7	1.6	0.4	0.6	0.4	0.4
Iowa	2.5	1.8	0.9	0.9	0.2	0.3	0.3	0.3
Missouri	4.9	3.4	1.8	1.6	0.4	0.7	0.6	0.6
North Dakota	0.5	0.3	0.2	0.2	0.1	0.1	0.1	0.1
South Dakota	0.7	0.4	0.2	0.2	0.1	0.1	0.1	0.1
Nebraska	1.5	1.0	0.5	0.5	0.2	0.2	0.2	0.2
Kansas	2.3	1.6	0.8	0.8	0.2	0.4	0.2	0.3
South Atlantic	45.6	29.0	15.4	13.6	3.1	7.5	4.8	8.1
Delaware	0.7	0.5	0.3	0.2	0.0	0.1	0.1	0.1
Maryland	4.8	3.5	1.7	1.8	0.3	0.5	0.3	0.7
District of Columbia	0.5	0.3	0.2	0.1	0.0	0.1	0.1	0.1
Virginia	6.3	4.3	2.2	2.1	0.4	1.0	0.4	1.0
West Virginia	1.5	0.9	0.4	0.4	0.1	0.4	0.3	0.3
North Carolina	7.1	4.4	2.5	1.9	0.4	1.3	0.9	1.4
South Carolina	3.4	2.2	1.1	1.1	0.2	0.8	0.6	0.5
Georgia	7.7	5.1	2.7	2.4	0.4	1.1	0.8	1.4
Florida	13.6	8.0	4.3	3.7	1.3	2.2	1.5	2.8
East South Central	14.8	9.4	4.9	4.4	0.9	3.2	2.3	2.2
Kentucky	3.5	2.2	1.2	1.0	0.2	0.7	0.4	0.5
Tennessee	5.0	3.1	1.7	1.5	0.4	1.3	1.0	0.6
Alabama	3.8	2.6	1.3	1.3	0.2	0.6	0.4	0.6
Mississippi	2.5	1.4	0.8	0.6	0.1	0.6	0.5	0.5
West South Central	28.5	15.6	8.2	7.4	1.9	4.9	3.5	7.4
Arkansas	2.3	1.2	0.7	0.6	0.2	0.6	0.4	0.4
Louisiana	3.9	2.1	1.1	1.0	0.3	0.9	0.7	0.8
Oklahoma	3.0	1.8	0.9	0.9	0.2	0.5	0.4	0.6
Texas	19.4	10.5	5.6	4.9	1.3	2.9	2.2	5.5
Mountain	16.6	10.2	5.1	5.1	1.3	2.6	1.7	3.2
Montana	0.8	0.4	0.2	0.2	0.1	0.1	0.1	0.1
Idaho	1.1	0.7	0.4	0.4	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	4.0	2.6	1.4	1.2	0.3	0.5	0.3	0.7
New Mexico	1.6	0.9	0.4	0.4	0.1	0.4	0.3	0.4
Arizona	4.7	2.7	1.4	1.3	0.4	0.9	0.6	0.9
Utah	2.1	1.4	0.6	0.9	0.2	0.3	0.2	0.3
Nevada	1.9	1.2	0.7	0.6	0.1	0.2	0.1	0.4
Pacific	41.7	25.1	13.1	12.0	3.2	7.2	5.7	8.0
Washington	5.4	3.4	1.9	1.5	0.4	1.0	0.7	0.8
Oregon	3.1	2.0	1.0	0.9	0.3	0.5	0.4	0.5
California	31.6	18.6	9.6	9.0	2.4	5.4	4.4	6.4
Alaska	0.6	0.3	0.2	0.2	0.0	0.2	0.1	0.1
Hawaii	1.0	0.7	0.4	0.3	0.1	0.2	0.1	0.1

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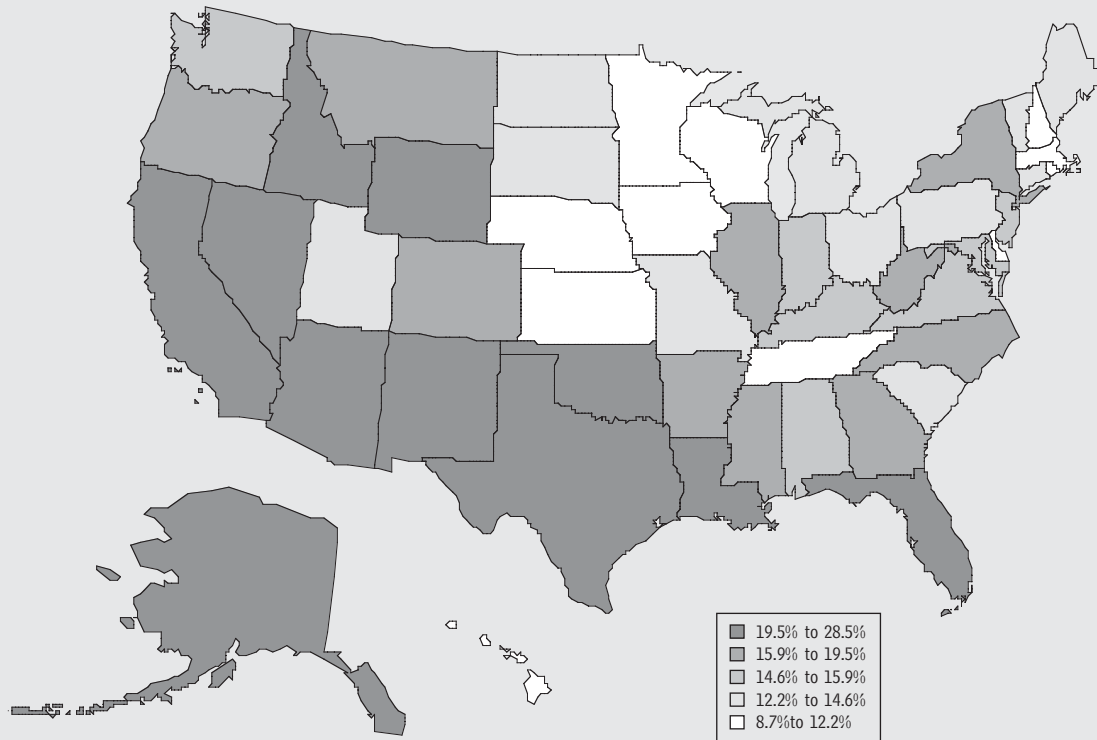
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Region and State	Total	Employment-Based Coverage			Individually	Public		
		Total	Own name	Dependent	Purchased	Total	Medicaid	Uninsured
(percentage)								
Total	100%	64.2%	32.9%	31.3%	6.7%	15.9%	11.9%	17.3%
New England	100	70.7	35.4	35.3	5.8	15.0	12.2	11.8
Maine	100	63.9	33.8	30.1	7.0	21.8	17.0	13.5
New Hampshire	100	77.1	37.2	39.9	5.5	9.4	6.5	11.2
Vermont	100	66.7	34.3	32.3	6.5	21.5	18.6	12.2
Massachusetts	100	70.8	35.7	35.1	5.6	14.6	12.4	11.4
Rhode Island	100	68.1	35.6	32.5	6.2	18.3	16.5	11.3
Connecticut	100	72.1	34.6	37.5	5.7	13.1	9.6	12.3
Middle Atlantic	100	66.7	33.7	33.0	5.4	14.9	12.8	16.1
New York	100	62.0	32.3	29.8	5.1	17.8	15.8	17.9
New Jersey	100	71.5	34.9	36.6	4.0	11.4	9.5	15.8
Pennsylvania	100	71.0	35.3	35.6	6.7	12.8	10.4	13.3
East North Central	100	70.5	34.3	36.2	5.9	13.0	10.4	14.0
Ohio	100	72.1	34.8	37.4	5.5	13.1	10.3	13.5
Indiana	100	71.2	35.1	36.1	5.9	10.7	8.0	14.8
Illinois	100	68.2	33.7	34.5	5.6	12.2	9.9	15.9
Michigan	100	70.7	33.9	36.8	5.6	14.9	12.5	13.1
Wisconsin	100	71.4	34.9	36.5	8.0	13.3	10.6	11.1
West North Central	100	70.5	35.8	34.7	8.8	14.0	10.2	11.4
Minnesota	100	74.7	38.5	36.2	7.9	12.5	9.8	8.8
Iowa	100	71.0	35.9	35.1	9.7	13.0	10.2	10.9
Missouri	100	69.0	35.8	33.2	7.8	14.6	11.3	13.2
North Dakota	100	64.7	31.5	33.3	12.1	14.9	9.4	12.8
South Dakota	100	66.4	34.5	31.9	10.8	14.9	10.5	13.0
Nebraska	100	66.1	32.4	33.7	11.2	15.4	10.8	11.6
Kansas	100	70.0	34.1	35.9	8.7	15.4	8.5	12.1
South Atlantic	100	63.6	33.7	29.9	6.9	16.5	10.6	17.8
Delaware	100	71.4	37.8	33.6	5.8	15.5	11.6	11.3
Maryland	100	72.3	35.5	36.8	5.9	10.2	6.3	15.0
District of Columbia	100	61.4	43.8	17.6	6.1	21.4	19.5	14.6
Virginia	100	68.6	35.7	32.9	6.6	16.2	6.7	15.4
West Virginia	100	58.3	28.7	29.6	4.4	25.9	18.3	17.3
North Carolina	100	61.3	34.9	26.3	5.6	18.4	12.1	19.2
South Carolina	100	62.7	32.3	30.5	6.5	22.8	16.0	14.4
Georgia	100	66.4	35.1	31.3	5.6	14.3	10.2	17.7
Florida	100	58.4	31.2	27.2	9.2	16.3	10.8	20.6
East South Central	100	63.1	33.2	29.9	6.2	21.7	15.7	14.7
Kentucky	100	63.9	34.6	29.3	6.4	20.5	11.7	15.6
Tennessee	100	61.8	33.0	28.9	7.4	25.3	20.1	12.0
Alabama	100	68.3	33.6	34.7	4.8	16.4	10.6	14.8
Mississippi	100	56.6	31.2	25.4	5.7	24.6	19.9	18.8
West South Central	100	54.7	28.9	25.8	6.7	17.0	12.4	25.8
Arkansas	100	54.2	28.7	25.4	7.5	24.7	15.4	19.1
Louisiana	100	54.6	27.8	26.8	6.6	21.9	16.8	20.9
Oklahoma	100	59.1	30.3	28.8	7.1	17.9	12.0	20.0
Texas	100	54.1	28.9	25.2	6.5	15.0	11.2	28.5
Mountain	100	61.6	30.7	30.9	7.7	15.7	10.5	19.2
Montana	100	53.7	28.3	25.4	14.1	18.8	12.3	18.0
Idaho	100	62.5	31.4	31.1	7.1	14.7	11.5	20.2
Wyoming	100	63.4	31.7	31.7	6.8	13.9	9.2	20.1
Colorado	100	65.0	34.1	30.9	8.5	12.5	6.4	18.0
New Mexico	100	53.6	27.4	26.2	4.0	23.1	17.9	24.2
Arizona	100	57.8	28.9	28.8	8.0	19.7	13.2	19.5
Utah	100	67.5	26.8	40.6	8.9	12.6	9.9	14.4
Nevada	100	66.1	35.2	31.0	5.2	9.8	5.8	22.3
Pacific	100	60.2	31.5	28.7	7.6	17.3	13.7	19.1
Washington	100	63.5	34.9	28.5	7.6	18.0	13.6	15.8
Oregon	100	63.1	33.6	29.4	8.7	17.5	13.2	16.5
California	100	59.0	30.5	28.5	7.7	17.0	13.8	20.1
Alaska	100	60.0	29.6	30.4	3.9	26.3	15.0	20.3
Hawaii	100	69.7	37.4	32.4	5.7	19.2	10.6	11.6

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

Figure 19
PERCENTAGE UNINSURED, BY STATE, 2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2003 Supplement.

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. The uninsured report having fewer ambulatory visits than individuals with health insurance, and, as a result, are more likely to seek care in a more costly emergency room setting.¹⁰ This population's overall health status may be lower, and individuals' overall productivity may be lower (Fronstin and Holtmann, 2000). Historically, providers of health care, especially hospitals but also physicians, have not been paid for care provided to uninsured individuals, and have tried to shift the cost of that care to other payers.¹¹

But the movement toward a more competitive health care market has undermined this strategy. As a result, 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. This trend could

put increased pressure on the public sector to subsidize providers.

A recent Institute of Medicine report provides detailed information on the cost of the uninsured on society (Institute of Medicine, 2003). According to the report, society is affected in a number of ways. There is lost work-place productivity. There is lost health and longevity, financial risk, uncertainty and anxiety. And there are financial stresses and instability for health care providers and institutions in communities with relatively high uninsured rates. Overall, the mortality rate is 25 percent higher among the uninsured than it is among the insured. In addition, uninsured children are at greater risk of suffering delays in development that may affect their educational achievements and prospects later in life. Overall, the report suggests that the aggregate, annualized cost of diminished health and shorter life spans of uninsured Americans is between \$65 billion and \$135 billion.

While the combination of a growing economy in the 1990s and the lowest unemployment rates in more than 25 years increased insurance in 1999 and 2000, the more recent weakened economy, rising unemployment, and increasing cost of providing health benefits have

Figure 20

**NONELDERLY POPULATION WITH AND WITHOUT HEALTH INSURANCE, BY REGION, STATE, AND CITIZENSHIP, 2002
(IN REGIONS AND STATES WITH 75,000 OR MORE NONCITIZENS)**

Region and State	Total Population	Percentage Noncitizens	Insured			Uninsured			Percentage Uninsured	
			Total	Citizen	Noncitizen	Total	Citizen	Noncitizen	Citizen	Noncitizen
	(millions)	(percentage)	(millions)					(percentage)		
Total	250.8	7.8%	207.5	196.9	10.6	43.3	34.5	8.8	14.9%	45.4%
New England	12.1	6.1	10.7	10.2	0.5	1.4	1.2	0.2	10.7	29.2
Massachusetts	5.6	7.6	5.0	4.7	0.3	0.6	0.5	0.1	10.0	28.4
Rhode Island	0.9	9.9	0.8	0.7	0.1	0.1	0.1	0.0	9.1	31.4
Connecticut	2.9	5.9	2.5	2.4	0.1	0.4	0.3	0.1	11.2	31.2
Middle Atlantic	34.6	8.7	29.1	27.3	1.8	5.6	4.4	1.2	13.8	40.0
New York	16.8	11.7	13.8	12.7	1.2	3.0	2.2	0.8	14.8	41.5
New Jersey	7.5	10.5	6.3	5.8	0.5	1.2	0.9	0.3	13.2	38.6
Pennsylvania	10.4	2.4	9.0	8.8	0.2	1.4	1.3	0.1	12.8	32.1
East North Central	39.9	4.1	34.3	33.4	1.0	5.6	4.9	0.6	12.9	39.5
Ohio	9.9	2.4	8.5	8.4	0.2	1.3	1.3	0.1	13.1	30.3
Indiana	5.4	1.7	4.6	4.5	0.1	0.8	0.8	0.0	14.4	40.3
Illinois	11.0	8.4	9.3	8.8	0.5	1.8	1.3	0.4	13.1	46.4
Michigan	8.8	2.8	7.7	7.5	0.2	1.2	1.1	0.1	12.7	25.0
Wisconsin	4.8	2.5	4.3	4.2	0.1	0.5	0.5	0.0	10.5	32.8
West North Central	16.9	3.4	15.0	14.7	0.4	1.9	1.7	0.2	10.4	38.2
Minnesota	4.5	4.0	4.1	4.0	0.1	0.4	0.3	0.1	7.3	43.7
Iowa	2.5	4.4	2.2	2.2	0.1	0.3	0.2	0.0	9.9	31.6
Missouri	4.9	2.2	4.3	4.2	0.1	0.6	0.6	0.0	12.6	37.2
Kansas	2.3	4.2	2.0	2.0	0.1	0.3	0.2	0.0	10.9	38.0
South Atlantic	45.6	7.2	37.5	35.7	1.7	8.1	6.6	1.6	15.5	47.3
Maryland	4.8	9.7	4.1	3.8	0.2	0.7	0.5	0.2	11.6	46.6
Virginia	6.3	6.4	5.3	5.0	0.2	1.0	0.8	0.2	13.9	37.8
North Carolina	7.1	5.2	5.7	5.6	0.2	1.4	1.2	0.2	17.1	56.8
Georgia	7.7	4.4	6.3	6.1	0.2	1.4	1.2	0.2	16.4	45.2
Florida	13.6	11.6	10.8	10.0	0.8	2.8	2.0	0.8	17.0	48.9
East South Central	14.8	1.9	12.6	12.5	0.1	2.2	2.0	0.1	14.1	47.6
Tennessee	5.0	3.1	4.4	4.4	0.1	0.6	0.5	0.1	10.8	50.3
West South Central	28.5	9.1	21.2	20.1	1.0	7.4	5.8	1.6	22.3	60.8
Oklahoma	3.0	2.7	2.4	2.3	0.0	0.6	0.6	0.0	19.3	45.3
Texas	19.4	12.5	13.9	12.9	0.9	5.5	4.0	1.5	23.7	61.9
Mountain	16.6	8.3	13.4	12.7	0.7	3.2	2.5	0.7	16.5	50.1
Colorado	4.0	7.7	3.3	3.1	0.2	0.7	0.6	0.1	15.9	42.4
New Mexico	1.6	5.4	1.2	1.2	0.0	0.4	0.3	0.0	22.6	52.4
Arizona	4.7	12.5	3.8	3.5	0.3	0.9	0.6	0.3	14.5	54.6
Utah	2.1	5.2	1.8	1.8	0.1	0.3	0.3	0.0	12.7	44.4
Nevada	1.9	11.9	1.5	1.3	0.1	0.4	0.3	0.1	18.5	50.2
Pacific	41.7	14.4	33.7	30.3	3.4	8.0	5.4	2.6	15.0	43.3
Washington	5.4	5.7	4.5	4.3	0.2	0.8	0.7	0.1	14.7	33.5
Oregon	3.1	6.6	2.6	2.5	0.1	0.5	0.4	0.1	13.3	61.8
California	31.6	17.0	25.2	22.2	3.0	6.4	4.0	2.3	15.3	43.5

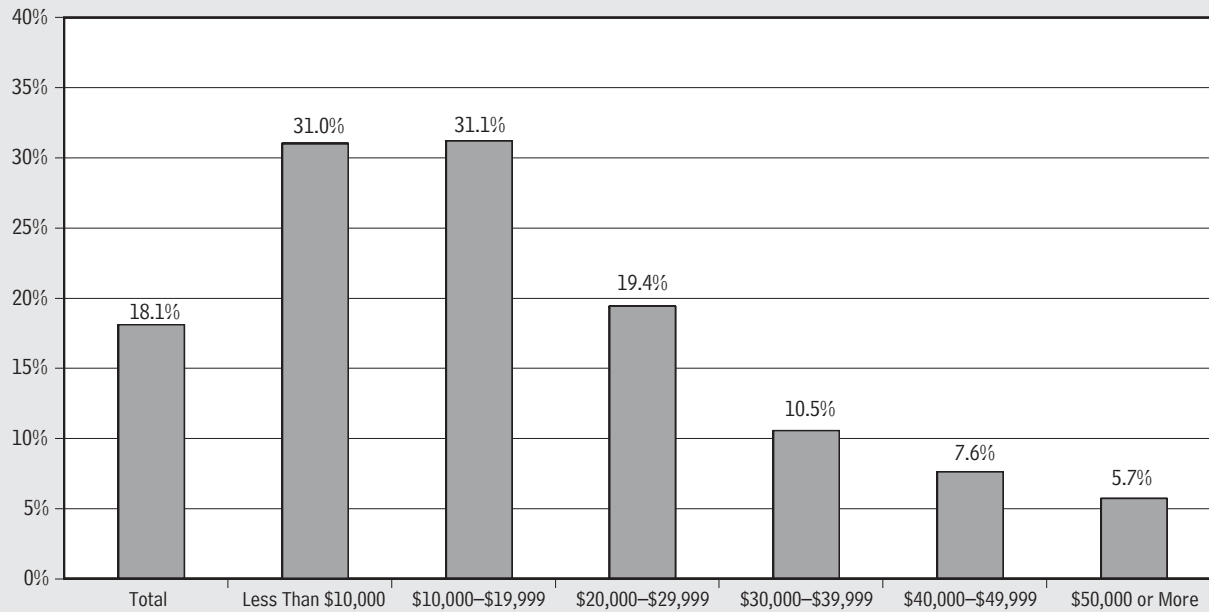
Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

contributed to the erosion of employment-based health benefits and the increase in the uninsured between 2000 and 2002. If current economic conditions persist or worsen, coupled with the rising cost of providing health benefits, they will likely continue to result in fewer Americans with employment-based health benefits and more Americans without health insurance coverage. Should the uninsured population continue to increase by 0.8 percentage points as it did between 2001 and 2002, 50 million nonelderly Americans would be uninsured by 2005 and 63 million would be uninsured by 2010 (Figure 27). Should the uninsured represent 20 percent of the

nonelderly population, 51 million Americans would be uninsured by 2005. If the uninsured represented 25 percent of the population, 64 million would be uninsured in 2005. In contrast, were the economy to turn around, resulting in a 0.8 percentage point decline in the percentage of nonelderly Americans who were uninsured, 38 million would still be uninsured in 2005 and 29 million would be uninsured by 2010.

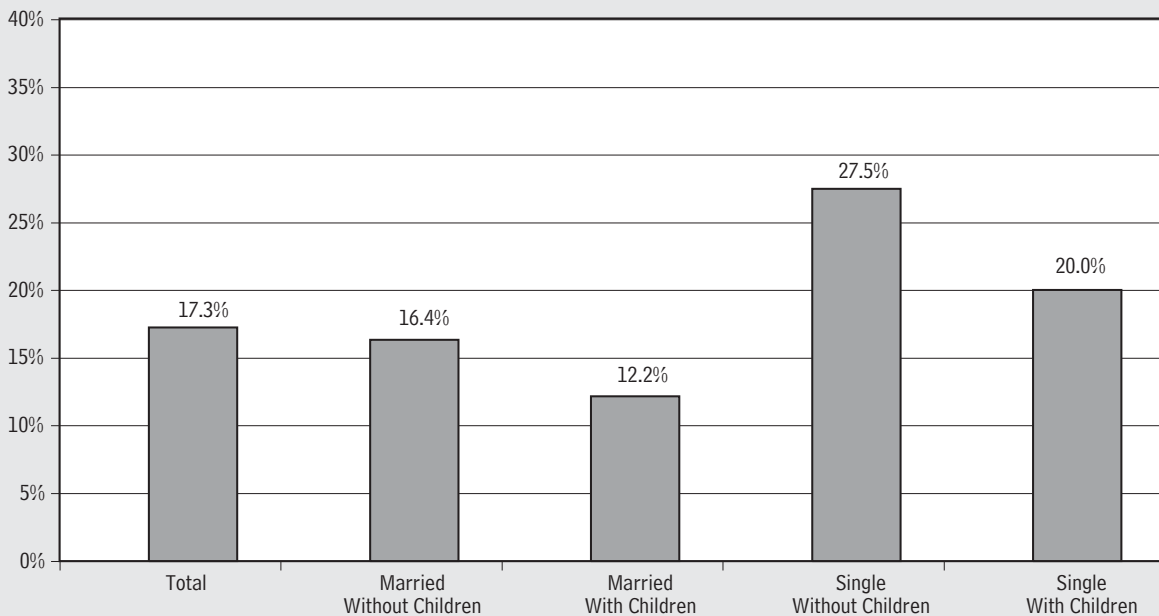
Ultimately, the challenge is how to substantially reduce the number and percentage of uninsured and maintain such reductions through economic and other cycles. A number of proposals to reduce the number of

Figure 21
PERCENTAGE UNINSURED AMONG WORKERS AGES 18-64, BY TOTAL EARNINGS, 2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2003 Supplement.

Figure 22
PERCENTAGE UNINSURED AMONG THE NONELDERLY POPULATION, BY FAMILY TYPE, 2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2003 Supplement.

Figure 23

PERSONS AGES 18-64 WITH SELECTED SOURCES OF HEALTH INSURANCE, BY GENDER AND AGE, 2002

Gender and Age	Total	Employment-Based Coverage			Individually	Public		Uninsured
		Total	Own name	Dependent	Purchased	Total	Medicaid	
(millions)								
Total	177.5	117.1	82.3	34.8	11.3	20.3	12.4	34.8
Ages 18-20	11.7	6.2	1.0	5.3	1.4	1.7	1.4	2.9
Ages 21-24	15.5	7.1	4.3	2.8	1.7	1.8	1.5	5.3
Ages 25-34	38.9	24.7	18.9	5.8	1.7	3.6	2.8	9.8
Ages 35-44	43.8	31.0	22.4	8.6	2.1	4.0	2.7	7.8
Ages 45-54	40.2	29.6	21.9	7.7	2.1	4.3	2.2	5.6
Ages 55-64	27.4	18.5	13.9	4.6	2.3	4.9	1.8	3.5
Males	87.1	57.4	46.2	11.2	5.2	8.4	4.6	18.8
Ages 18-20	6.0	3.3	0.5	2.8	0.7	0.8	0.6	1.5
Ages 21-24	7.6	3.5	2.2	1.2	0.8	0.5	0.4	3.0
Ages 25-34	19.3	11.9	10.6	1.4	0.8	1.2	0.8	5.6
Ages 35-44	21.5	15.1	13.0	2.1	0.9	1.6	1.1	4.2
Ages 45-54	19.5	14.3	12.2	2.2	1.0	2.0	1.0	2.8
Ages 55-64	13.1	9.2	7.7	1.5	0.9	2.3	0.7	1.6
Females	90.4	59.7	36.1	23.6	6.1	11.9	7.8	16.0
Ages 18-20	5.7	3.0	0.5	2.5	0.7	0.9	0.8	1.3
Ages 21-24	7.9	3.6	2.0	1.6	1.0	1.3	1.1	2.3
Ages 25-34	19.6	12.7	8.3	4.4	0.8	2.5	2.0	4.1
Ages 35-44	22.3	15.9	9.4	6.5	1.1	2.4	1.6	3.6
Ages 45-54	20.6	15.2	9.8	5.5	1.1	2.3	1.3	2.8
Ages 55-64	14.2	9.2	6.2	3.1	1.4	2.6	1.1	2.0
(percentage within gender and age categories)								
Total	100%	66.0%	46.4%	19.6%	6.3%	11.4%	7.0%	19.6%
Ages 18-20	100	53.3	8.4	44.9	11.8	14.9	12.1	24.4
Ages 21-24	100	45.7	27.4	18.3	11.2	11.7	9.5	33.9
Ages 25-34	100	63.4	48.4	14.9	4.3	9.4	7.2	25.1
Ages 35-44	100	70.9	51.1	19.7	4.7	9.0	6.2	17.8
Ages 45-54	100	73.6	54.6	19.1	5.2	10.6	5.5	13.9
Ages 55-64	100	67.5	50.7	16.8	8.4	17.8	6.5	12.9
Males	100	65.9	53.1	12.8	5.9	9.6	5.3	21.5
Ages 18-20	100	54.5	8.9	45.6	10.9	13.6	10.6	25.5
Ages 21-24	100	45.2	29.0	16.1	10.3	6.9	5.3	39.3
Ages 25-34	100	61.8	54.8	7.1	4.4	6.1	4.4	29.2
Ages 35-44	100	70.5	60.7	9.8	4.4	7.5	5.1	19.6
Ages 45-54	100	73.4	62.2	11.2	5.1	10.1	4.9	14.5
Ages 55-64	100	70.3	58.7	11.5	7.1	17.4	5.2	11.9
Females	100	66.1	39.9	26.2	6.8	13.2	8.6	17.7
Ages 18-20	100	52.1	8.0	44.2	12.8	16.3	13.6	23.1
Ages 21-24	100	46.2	25.8	20.3	12.0	16.4	13.6	28.7
Ages 25-34	100	64.8	42.2	22.6	4.3	12.6	10.0	21.1
Ages 35-44	100	71.2	42.0	29.2	5.0	10.5	7.3	16.0
Ages 45-54	100	73.9	47.3	26.5	5.4	11.1	6.1	13.4
Ages 55-64	100	65.0	43.3	21.7	9.5	18.1	7.6	13.8

Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.

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

Americans without health insurance coverage have been offered in the past. While they often recognize that the bulk of uninsured Americans are either children, workers with lower incomes, or workers employed by small firms, most proposed strategies to deal with these

populations being considered by public officials are incremental, and are unlikely individually to have a substantial impact on the number of uninsured Americans.

Figure 24
CHILDREN WITH SELECTED SOURCES OF HEALTH INSURANCE, BY POVERTY LEVEL AND AGE, 2002

Poverty Level and Age	Total	Employment-Based Coverage	Individually Purchased	Public		
				Total	Medicaid	Uninsured
(millions)						
Total	73.3	43.9	5.6	19.7	17.5	8.5
Under age 6	23.7	13.6	1.4	7.6	6.9	2.6
6–12	28.6	17.3	2.3	7.6	6.7	3.2
13–17	21.1	13.0	1.9	4.5	3.9	2.8
0–99% of Poverty	12.7	1.6	1.1	8.1	7.8	2.6
Under age 6	4.6	0.5	0.3	3.3	3.1	0.8
6–12	5.1	0.7	0.5	3.2	3.1	1.1
13–17	3.0	0.4	0.3	1.7	1.6	0.8
100%–149% of Poverty	8.2	2.6	0.6	3.9	3.7	1.7
Under age 6	2.8	0.9	0.2	1.5	1.4	0.5
6–12	3.2	1.1	0.3	1.5	1.4	0.7
13–17	2.1	0.7	0.2	0.9	0.9	0.5
150%–199% of Poverty	7.5	3.8	0.6	2.5	2.3	1.2
Under age 6	2.5	1.3	0.1	0.9	0.9	0.4
6–12	3.0	1.5	0.3	1.0	0.9	0.4
13–17	2.0	1.0	0.2	0.6	0.5	0.4
200% or More of Poverty	44.9	35.9	3.2	5.1	3.8	3.0
Under age 6	13.7	11.0	0.7	1.8	1.5	0.9
6–12	17.3	14.0	1.3	1.9	1.4	1.0
13–17	13.9	10.9	1.2	1.3	0.9	1.1
(percentage within age and poverty categories)						
Total	100%	59.9%	7.6%	26.8%	23.9%	11.6%
Under age 6	100	57.5	5.9	32.1	29.1	10.9
6–12	100	60.4	7.9	26.4	23.6	11.1
13–17	100	62.0	9.0	21.4	18.5	13.1
0–99% of Poverty	100	12.6	9.0	63.8	61.4	20.7
Under age 6	100	10.7	7.5	71.1	68.0	17.0
6–12	100	13.9	9.0	62.4	60.1	20.8
13–17	100	13.1	11.2	55.2	53.6	26.2
100%–149% of Poverty	100	32.4	7.3	48.1	45.0	20.3
Under age 6	100	30.4	6.4	54.9	50.7	17.5
6–12	100	33.7	7.9	45.2	42.8	20.5
13–17	100	32.9	7.5	43.4	40.8	23.6
150%–199% of Poverty	100	50.6	8.0	33.3	30.1	16.3
Under age 6	100	51.9	4.7	37.6	33.9	15.1
6–12	100	50.4	9.4	32.5	29.4	14.9
13–17	100	49.2	10.0	29.0	26.5	19.6
200% or More of Poverty	100	79.9	7.1	11.4	8.4	6.7
Under age 6	100	79.9	5.4	13.3	10.7	6.8
6–12	100	80.9	7.3	11.2	8.2	5.9
13–17	100	78.8	8.6	9.6	6.4	7.7

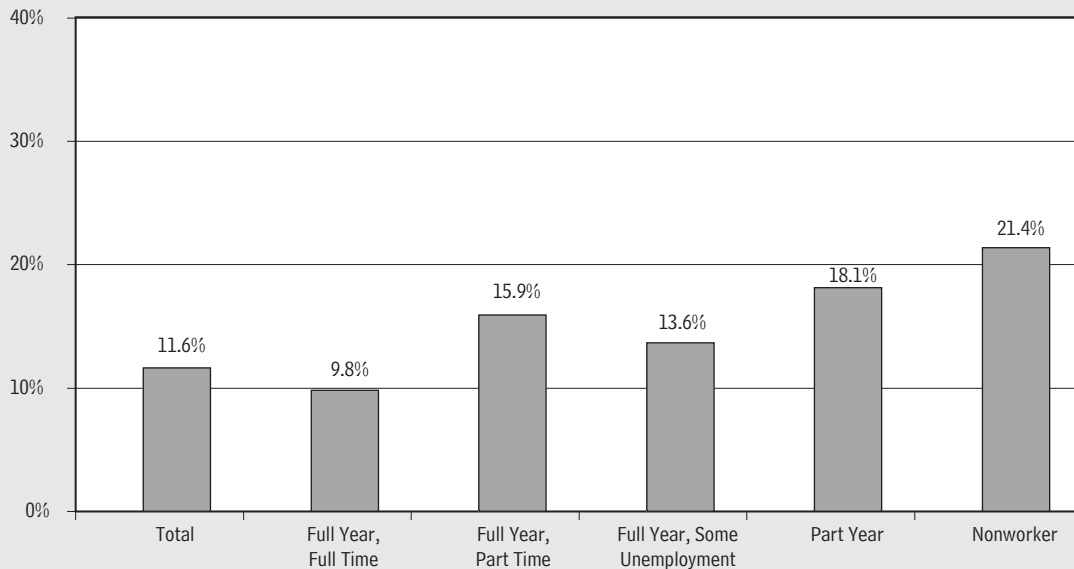
Source: Employee Benefit Research Institute estimates of the Current Population Survey, March 2003 Supplement.
 Note: Details may not add to totals because individuals may receive coverage from more than one source.

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 2003 CPS. The data and issues discussed are important not only to policymakers

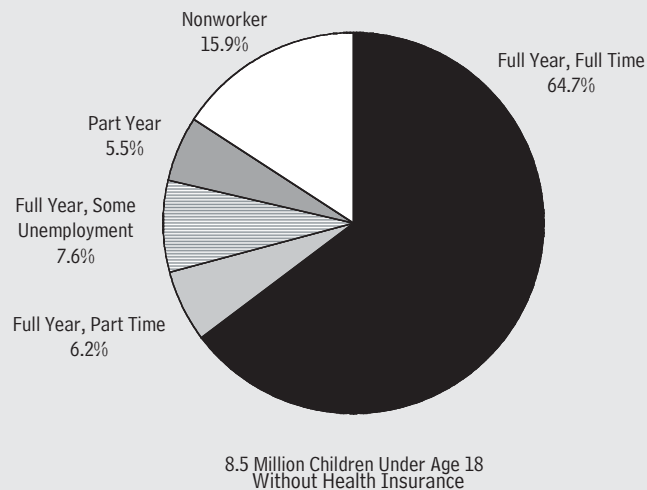
but also to all employers because health insurance is the benefit most valued by workers and their families. Sixty percent of workers responding to a recent survey rated employment-based health benefits as the most important benefit (Christensen, 2002). Health benefits provide Americans workers and their 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

Figure 25
PERCENTAGE UNINSURED AMONG CHILDREN UNDER AGE 18, BY WORK STATUS OF THE FAMILY HEAD, 2002



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2003 Supplement.

Figure 26
CHILDREN UNDER AGE 18 WITHOUT HEALTH INSURANCE, BY WORK STATUS OF THE FAMILY HEAD, 2002



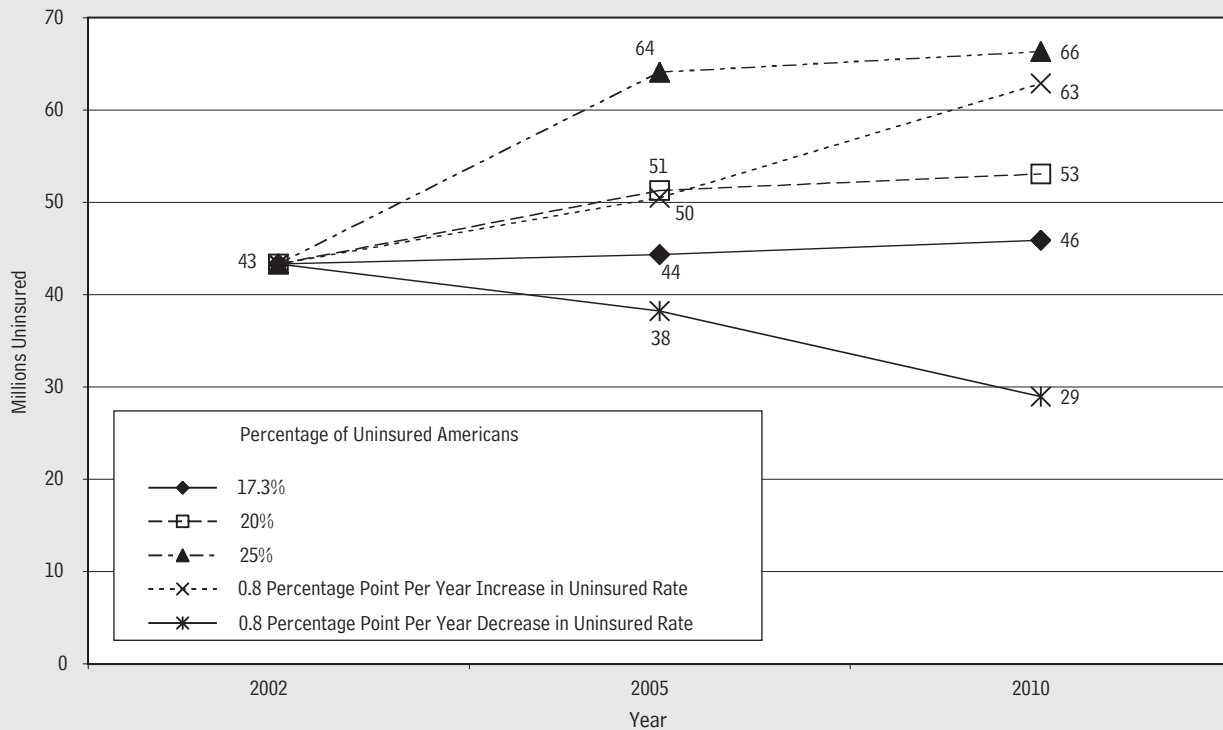
Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2003 Supplement.

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 *Issue Brief* 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

Figure 27
**NUMBER OF UNINSURED AMERICANS, AGES 0-64,
 VARIOUS ASSUMPTIONS ABOUT PERCENTAGE UNINSURED, 2001-2010**



Source: Employee Benefit Research Institute.

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 was in fact declining between the late 1990s and 2000, it is now increasing again. As a result, there were more than 43 million Americans without health insurance coverage in 2002, up from 39.4 million as recently as 2000. While an increasing percentage of Americans were covered by employment-based health benefits between 1994 and 2000, this trend has not continued because of the combination of a weak economy and rising health benefit costs. 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 Supplement to the 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 & 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-

Figure A.1

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%	100%	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 of the Current Population Survey, March 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.

Figure A.2

CHANGE IN THE NUMBER AND PERCENTAGE OF NONELDERLY AMERICANS WITH SELECTED SOURCES OF HEALTH INSURANCE DUE TO INTRODUCTION OF CENSUS 2000-BASED WEIGHTS, 2000

	Millions of Americans by Coverage Type		Change in Population Estimate Due to New Weights	Percentage of Americans by Coverage Type		Change in Insurance Status Estimate Due to New Weights
	Census 1990- Based Weights	Census 2000- Based Weights		Census 1990- Based Weights	Census 2000- Based Weights	
Total Population	242.8	244.8	0.9%	100%	100%	0.0%
Employment-Based Coverage	163.4	164.4	0.6	67.3	67.1	-0.3
Own Name	83.7	84.8	1.3	34.5	34.6	0.4
Dependent Coverage	79.7	79.6	-0.2	32.8	32.5	-1.0
Individually Purchased	16.1	16.1	-0.1	6.6	6.6	-0.9
Public	34.3	34.6	0.8	14.1	14.1	-0.1
Medicare	5.3	5.3	0.7	2.2	2.2	-0.2
Medicaid	25.3	25.5	0.8	10.4	10.4	0.0
Tricare/CHAMPVA ^a	6.2	6.2	-0.8	2.6	2.5	-1.6
No Health Insurance	38.4	39.4	2.5	15.8	16.1	1.6

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

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 paper, 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. Most 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.¹²

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 paper have been recalculated using the one-time percentage change in the 1999 health insurance coverage estimates shown in Figure A.1.

In 2001, two changes were made to the CPS. First, the sample was expanded to improve state estimates of S-CHIP enrollees. Overall this change increased the uninsured estimate from 14 percent of the population to 14.1 percent, which accounted for an increase of nearly 200,000 persons uninsured (Mills, 2002). However, the change in the uninsured percentage varied significantly from state to state, ranging from a 1.8 percentage point increase in Connecticut to a 2 percentage point decline in Vermont. The Census Bureau also introduced Census 2000-based weights starting with the March 2002 CPS and provided new estimates for the March 2000 and March 2001 CPS that are based on the new weights. When using the Census 1990-based weights for the March 2001 CPS, 15.8 percent of the nonelderly population, or 38.4 million people, were uninsured (Figure A.2). However, when using the Census 2000-based weights, 16.1 percent of the nonelderly population is estimated to be uninsured, representing 39.4 million people.

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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Endnotes

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 & Medicaid Services (CMS). See Mills (2002).

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 The uninsured estimates from the March CPS are supposed to represent the percentage of Americans without health insurance coverage during an entire calendar year. However, based on comparisons with other surveys, many researchers concur that the uninsured estimate from the CPS is closer to a point-in-time estimate than a calendar year estimate. If the CPS is a point-in-time estimate and not a calendar year, it would mean that the data from the March 2003 CPS represent the number of uninsured during March 2003 instead of during the previous calendar year. More information about the CPS, and other surveys that collect data on the uninsured, can be found in Paul Fronstin, "Counting the Uninsured: A Comparison of National Surveys," *EBRI Issue Brief*, no. 225 (Employee Benefit Research Institute, September 2000). See also U.S. Congressional Budget Office, *How Many People Lack Health Insurance and For How Long?* www.cbo.gov/showdoc.cfm?index=4211&sequence=0 (Last reviewed October 2003).

⁴ See Fronstin and Snider (1996/97) for an analysis of the decline in employment-based health insurance between 1988 and 1993.

⁵ Expansion in S-CHIP during the late 1990s may have offset the decline in Medicaid coverage.

⁶ In this report, individuals who receive coverage directly through their employer, union, or a previous employer are categorized as having coverage in their *own name*. Individuals who receive employment-based coverage indirectly are categorized as having *dependent* coverage.

⁷ The percentage of uninsured workers eligible for health benefits through a family member is not included in this estimate.

⁸ See Fronstin (2000b).

⁹ 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 benefits even when a plan is offered to them.

¹⁰ 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 10–11 percent of the insured population, mainly because they could not afford health care.

¹¹ 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).

¹² See Nelson and Mills (2001) for additional information about the verification questions.



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