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New Research from EBRI:

New Health Law Increased Insurance Coverage of Adult Children

WASHINGTON—The new federal insurance law has increased the health insurance coverage of adult children between 2009 and 2011, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

The Patient Protection and Affordable Care Act (PPACA) enacted March 23, 2010, requires that group health plans and insurers make dependent coverage available for children until they attain the age of 26, regardless of tax or student status, or dependent status as it relates to financial support. The mandate to offer coverage to adult children ages 19–25 took effect for policy years that began on or after Sept. 23, 2010, but since January is the beginning of the plan year for many employment-based health plans, many insurers adopted the requirements of the law before the effective date.

To determine whether the coverage mandate had an effect, EBRI examined data from two U.S. Census Bureau surveys (the Current Population Survey, CPS, and the Survey of Income and Program Participation, or SIPP), as well as from the National Health Interview Survey (NHIS) by the Centers for Disease Control. The data indicated:

- The percentage of persons ages 19–25 with employment-based coverage as a dependent increased from 24.7 percent in 2009 to 27.7 percent in 2010, according to the CPS.
- The percentage of individuals ages 19–25 with employment-based health coverage as a dependent averaged 26.9 percent during January–September 2010, and increased to an average 27.1 percent during October and November, per SIPP.
- The percentage with private insurance increased from 51 percent to 55.8 percent, and the percentage uninsured fell from 33.9 percent during 2010 to 28.8 percent during the first half of 2011 among those ages 19–25, according to data from the NHIS.

“Data from these three surveys show that PPACA has had a positive effect on the percentage of young adults with employment-based coverage as a dependent,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report.

Full results of the report are published in the January 2012 *EBRI Notes*, “The Impact of PPACA on Employment-Based Health Coverage of Adult Children to Age 26,” online at www.ebri.org

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