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New Research from EBRI:

Employment-Based Health Coverage Continues Decline; Uninsured Rate Shrinks as Public Coverage Grows

WASHINGTON—The uninsured rate for working-age Americans ticked down in 2011, but only because public program coverage grew faster than employment-based health insurance coverage declined, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

While employment-based health coverage is still the dominant source of health insurance in the United States, it has been steadily shrinking since 2000. The latest data show that it continued to do so last year.

The EBRI analysis finds that the percentage of the nonelderly population (under age 65) with health insurance coverage increased to 82 percent in 2011 (up about half a percentage point from 2010), which is notable since increases in health insurance coverage have been recorded in only three years since 1994.

However, different trends are taking place behind that overall result: Among the nonelderly population, employment-based coverage is trending down (58.4 percent had employment-based benefits in 2011, down from the peak of 69.3 percent in 2000), while public-program coverage is trending up (accounting for 22.5 percent of the nonelderly population, up from the low of 14.1 percent in 1999).

Enrollment in Medicaid (the federal-state health care program for poor) and the State Children's Health Insurance Program (S-CHIP) increased to a combined 46.9 million in 2011, covering 17.6 percent of the nonelderly population, significantly above the 10.2 percent level of 1999. Other sources of public health insurance include Medicare (which covers many disabled as well as the elderly), Tricare, CHAMPVA, and Veterans Administration (VA) health insurance.

Full details of the EBRI report, "Sources of Health Insurance and Characteristics of the Uninsured: Analysis of the March 2012 Current Population Survey," are published in the September 2012 *EBRI Issue Brief*, no. 376, online at www.ebri.org. The report is based primarily on the March 2012 Current Population Survey (CPS) conducted by the U.S. Census Bureau, with some analysis based on other Census surveys.

EBRI's estimates on the uninsured are somewhat higher than those reported by CPS: EBRI focuses on the nonelderly population (under age 65) because this group can receive health insurance coverage from a number of different sources, and because Medicare covers nearly all individuals age 65 and older.

Paul Fronstin, director of the EBRI's Health Research and Education Program, and author of the report, said the results are not surprising, given continued high unemployment and a sluggish economy—and he predicts employment-based health coverage will continue to decline when new data for this year are released in 2013.

"Until the economy gains enough strength to have a substantial impact on the labor market, a rebound in employment-based health coverage is unlikely," Fronstin said.

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