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New Research from EBRI:

High Levels of Insurance Coverage Among Adults Ages 55–64

WASHINGTON—Adults ages 55–64 were one of two groups—the other was children—most likely to have health insurance coverage in 2007, according to a study of the older age group released today by the nonpartisan Employee Benefit Research Institute (EBRI).

Eighty-eight percent of individuals ages 55–64 reported having some form of health insurance during 2007, while 12 percent were uninsured, said the study published in the August 2009 *EBRI Notes*, available at www.ebri.org. This compares with 82.8 percent of the entire population with insurance. Overall, 67.8 percent of the population ages 55–64 was covered by employment-based health benefits, and 19.9 percent was covered by a public program.

In 2007, 11 percent of children under age 18 were uninsured (and 89 percent had coverage), according to the EBRI study, which is based on the latest U.S. Census Bureau's Current Population Survey.

The study notes that important changes have taken place in the sources of coverage of the population ages 55–64. The most noticeable change, the study says, is related to the percentage of individuals purchasing health insurance directly from an insurer. In 1994, 11.4 percent of this population purchased insurance directly from an insurer, but by 2007 it was down to 9.7 percent, and there was a steady erosion between 1994 and 2005. Compared with 1994, more adults ages 55–64 were covered by employment-based health benefits in 2007 and slightly more were covered by public programs.

“These findings may seem surprising, given the fact that employers have been cutting back on employment-based health benefits for early retirees,” writes Paul Fronstin, director of the EBRI health research and education program and author of the study.

“However, simply examining overall trends for the 55–64-year-old population does not take into account the fact that most changes that employers have made to retiree health benefits for current early retirees are much more likely to affect *future* retirees than *early* retirees. It also does not take into account the changes that individuals ages 55–64 will make in response to changes in the availability of health insurance.”

Looking to the future, Fronstin says the erosion of retiree health insurance may ultimately change retirement patterns as employees nearing retirement age postpone their decision to retire upon learning that, without a job, they may not be able to obtain health insurance coverage or afford health care services that are not covered by insurance. The health insurance status of the population nearly eligible for Medicare also has implications for the Medicare program, to the degree that any increase in the uninsured population entering Medicare results in higher costs to the program, Fronstin writes.

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