


Fast Facts from EBRI

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Tracking Health Care Coverage of the Near Elderly

WASHINGTON—Near elderly adults (those ages 55–64 and nearing the normal retirement age of 65) were one of the two groups (the other was children) most likely to have health insurance coverage in 2005. But coverage levels for near elderly adults differed significantly depending on whether members of this age group were working or retired. What are the differences? Are the differences significant?

An article in the January 2007 *EBRI Notes*, published by the nonpartisan Employee Benefit Research Institute (EBRI), provides this overall picture for near elderly adults in 2005:

Workers who were uninsured: 11.9 percent

Retirees who were uninsured: 17.3 percent

The percentage of *all near elderly* Americans with employment-based benefits hovered in a range from about 66 percent to 68 percent from 1994–2005, according to the article, available at www.ebri.org. But the number of *near elderly retirees* with employment-based coverage in 2005 was at its lowest point since 1994, with the exception of 2000 (53.7 percent). Here are the numbers for 2005:

Current workers with employment-based coverage: 77.6 percent

Retirees with employment-based coverage: 54.4 percent

Based on Census Bureau data, the article makes these additional points:

- Most changes that employers have made to retiree health benefits have affected *future* retirees rather than *early* retirees.
- Of the 55.4 percent of retirees who were covered by employment-based benefits in 2005, 35.9 percent were covered by a former employer or union and 18.5 percent were covered as dependents.
- The near elderly represented 10.6 percent of the total U.S. population in 2006, and are expected to represent 13 percent of the population by 2020.
- 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.

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