

Who Loses Coverage and for How Long?

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Introduction

Many people are concerned about the growing number of Americans who lack health insurance. This report uses data from the Survey of Income and Program Participation (SIPP) to examine this issue. It focuses primarily on the extent to which people were covered by health insurance over a 36-month period beginning in early 1993. The source of this information is the first nine waves of the 1993 panel of the SIPP.

During each SIPP interview, information is collected on health insurance coverage (along with other information on income and labor force and program participation) for each month in the 4-month reference period. It is therefore possible to classify people by the number of months over the 36-month period that they were covered by one or more types of health insurance. It is also possible to measure the number of months continuously spent without insurance coverage, that is, spells of noncoverage.

Health insurance in this report refers to the following types of coverage: (1) employment-based insurance, (2) other privately purchased health insurance, (3) Medicare, (4) Medicaid, and (5) military health care.

Highlights¹

■ Estimates for 1994 show that 19.3 (± 1.1) million people were uninsured over the entire 12-month period, not significantly higher than the 1993 estimate of 19.0 (± 1.0) million uninsured people.

¹The figures in parentheses denote the 90-percent confidence intervals.

■ Nearly four out of five people or 79.2 (± 0.6) percent of all people had continuous health insurance coverage during 1994. Thus, 20.8 (± 0.6) percent, or 53.2 (± 1.6) million people, lacked insurance for at least 1 month. This percentage is significantly lower than the 21.9 (± 0.6) percent who experienced a lapse in coverage during calendar year 1993.

■ Over the 36-month period examined here, 71.0 (± 0.7) percent of all people had continuous health insurance coverage; therefore, 29.0 (± 0.7) percent, or 71.5 (± 1.9) million people, lacked insurance for at least 1 of those 36 months. Moreover, 3.7 percent (± 0.3) or 9.1 (± 0.8) million were uninsured for the full 36-month period. Half of all observed spells without health insurance lasted 5.3 months or longer, which was similar to the 1992-1994 period.

■ Young adults (those between the ages of 18 and 24 years old) were the most likely of any age group to lack insurance for at least 1 month—over one-half, or 55.2 percent (± 2.6) were not continuously insured during the 36-month period.

■ Work experience has a significant effect on health insurance coverage: 85.1 (± 1.2) percent of people who worked full time for the entire period were covered continuously by health insurance, compared with 69.9 (± 5.3) percent for full-period, part-time workers, and 56.1 (± 1.4) percent for workers with one or more job interruptions.

■ Those who were poor or near poor were less likely to have continuous health insurance coverage than others: 80.4 (± 0.8) percent of

those with an income-to-poverty ratio of 2.0 or greater had continuous coverage, compared with 50.5 (± 1.5) percent of those with an income-to-poverty ratio below 2.0.

A Dynamic View of Health Care Coverage

Health insurance coverage is commonly associated with other life circumstances, such as employment, retirement, and participation in government programs. As a result, there exists a strong likelihood that, for some segments of the population, health insurance status will change over time. Through the use of longitudinal estimates, it is possible to examine the dynamics of health insurance coverage, and the extent to which people experience a lapse in coverage during a given time period.

Data from the 1993 SIPP panel were used to examine the number of months people were covered by health insurance during a 36-month period. Interviews from this panel were conducted between February 1993 and January 1996. While data were collected for every month in 1993, 1994, and 1995, health insurance estimates were examined for only two of those years, 1993 and 1994. Calendar year 1995 estimates were not examined because data were collected for the entire sample only through September 1995.

During the 1994 calendar year, 79 percent of all people had health insurance coverage for the entire year; 21 percent or 53 million people lacked coverage for at least 1 month. Eight percent or 19 million people were never covered in 1994. The corresponding 1993 calendar year estimates were

78 percent, 22 percent, and 8 percent.

Between February 1993 and January 1996, 71 percent of all people had continuous health insurance coverage over the entire 36-month survey period; 29 percent lacked health insurance for at least 1 month. Six percent of all people were covered by insurance for 6 months or less, of whom 61 percent lacked coverage for the entire period, and 39 percent were covered for 1 to 6 months. (See Figure 1.)

Comparisons Over Time

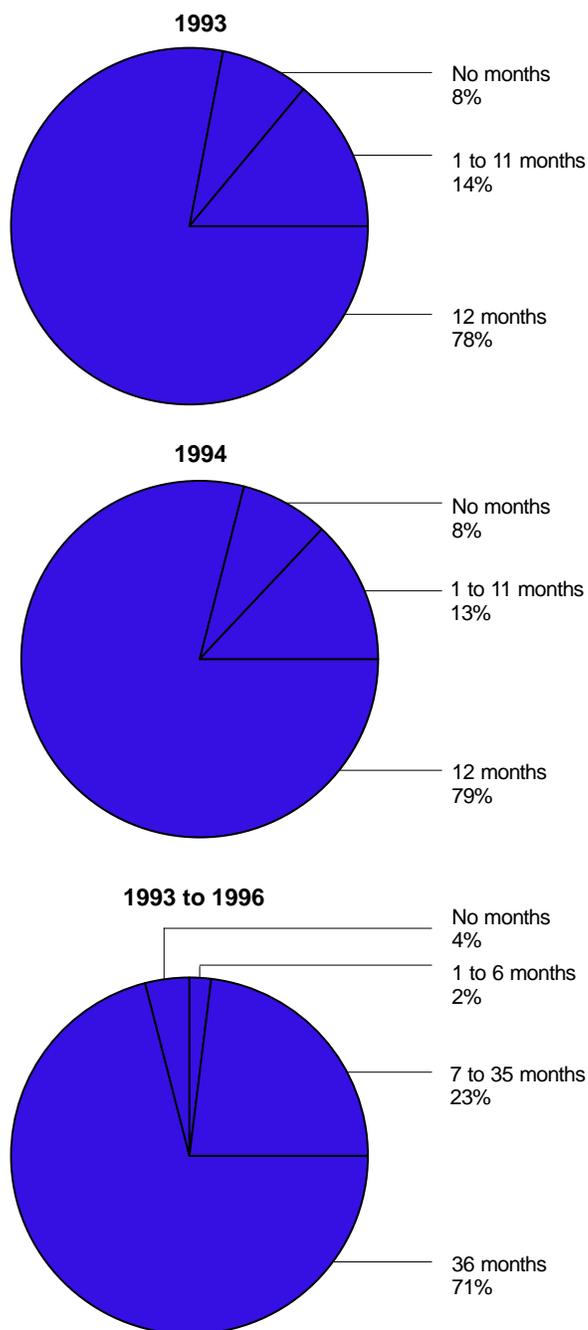
As time passes more people lose coverage.

The proportion of people with a lapse in coverage is greater when measured over a longer time period, as different people may lose coverage at different points in time. For example, proportions of those with lapses in coverage for calendar years 1993 and 1994 were 22 and 21 percent, respectively. However, over the full 36-month period, the proportion of those with a lapse in coverage increased to 29 percent.

Data from 1992 and 1993 panels show similar coverage patterns.

An earlier report examined health care coverage gaps over a 28-month period between 1992–1994, based on data from the 1992 SIPP panel. For an appropriate comparison, the 1993 panel was restricted to the first 28 months. The patterns of health insurance coverage were similar between the 1992–1994 period and the 1993–1995 period—74 percent had continuous coverage in the latter period, compared with 73 percent in the earlier period; 5 percent were never covered in each case. The remainder of this report will focus only on information collected for the 36 months between February 1993 and January 1996.

Figure 1.
Percent Covered by Health Insurance: 1993 to 1996



Source: U.S. Bureau of the Census, Survey of Income and Program Participation, 1993 Panel.

Who Loses Coverage . . .

Key factors influencing a lapse in coverage are:

Gender – As shown in Figure 2, over the 36-month interview period, women were less likely

than men to lack continuous health insurance coverage—27 percent of women compared with 31 percent of men. This difference is partially attributable to differences in economic status. Women

are more likely than men to live in families with incomes below poverty,² and are more likely to participate in means-tested government assistance programs.³ This suggests that women were more likely than men to take part in Medicaid.

A second factor contributing to the difference in health insurance coverage between men and women is age. More women than men are 65 years old and over, and virtually everyone in that age group is covered by Medicare.

Race and Hispanic Origin⁴ – The relationship between race and Hispanic origin and health insurance was a strong one. The percentages of people who spent at least 1 month without health insurance were 25 percent for Whites (not of Hispanic origin), 37 percent for African Americans, and 50 percent for Hispanics.

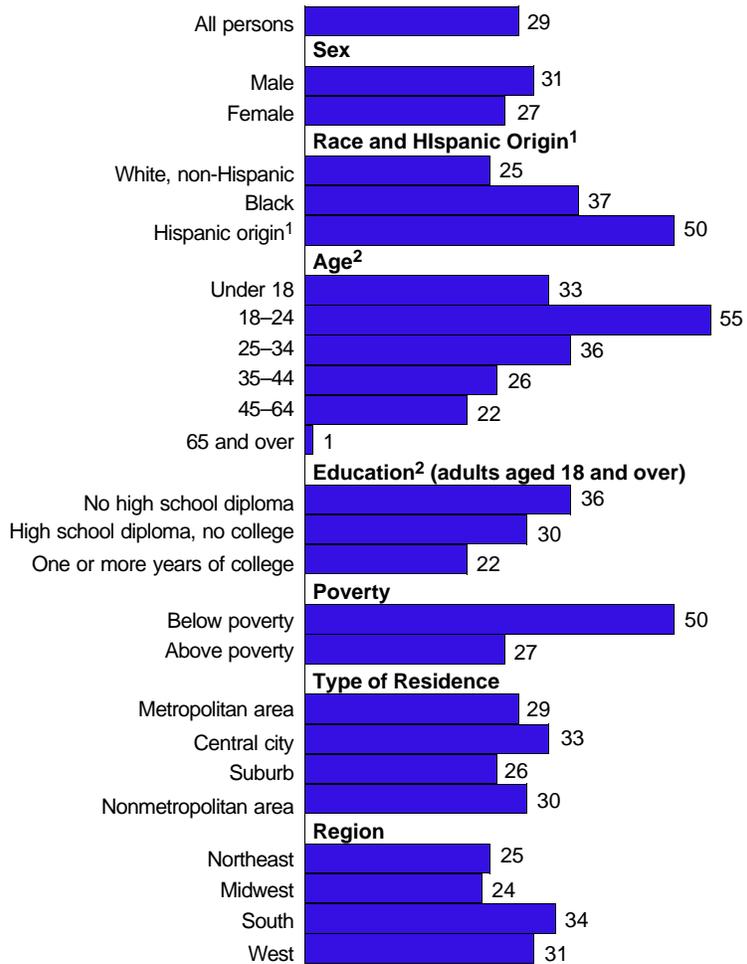
Age – Young adults (those between the ages of 18 and 24) were the most likely of any age group to spend at least 1 month without health insurance coverage—over one-half (55 percent) lacked insurance for at least 1 month during the 36-month period, while 9 percent were covered for less than 7 months. Moreover, as age increased among adults, continuous health insurance coverage became more common.

²In 1996, the official poverty rate was 12 percent for men and 15 percent for women. See Current Population Reports, Series P60-198, *Poverty in the United States: 1996*.

³For an average month in 1994, 17 percent of all women participated in means-tested assistance programs, compared with 13 percent of all men. (The source of these estimates is the 1993 SIPP panel.) This suggests that women were more likely than men to take part in Medicaid.

⁴Hispanics may be of any race. The information on the Hispanic population shown in this report was collected in the 50 states and the District of Columbia, and therefore, does not include residents of Puerto Rico.

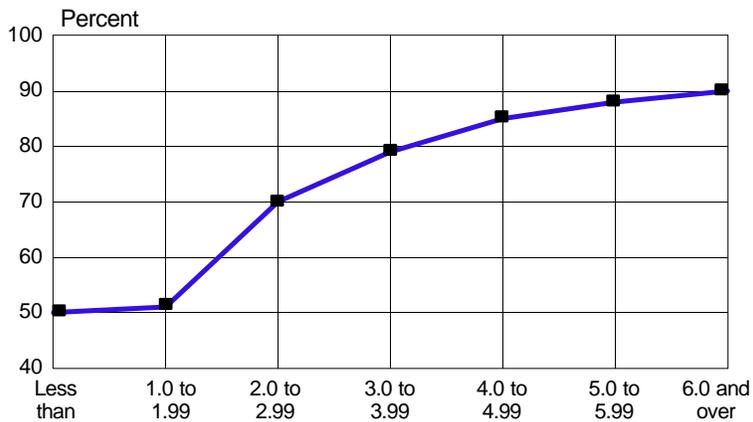
Figure 2. Percent Without Health Insurance for at Least 1 Month in 36: 1993 to 1996



¹ Persons of Hispanic origin may be of any race.
² Age and education refer to February 1993.

Source: U.S. Bureau of the Census, Survey of Income and Program Participation, 1993 Panel.

Figure 3. Percent Covered for 36 Months by Income-to-Poverty Ratios: 1993 to 1996



Source: U.S. Bureau of the Census, Survey of Income and Program Participation, 1993 Panel.

Education – People completing at least 1 year of college were less likely to spend at least 1 month without health insurance coverage than those with lower levels of educational attainment. For example, about 22 percent of those (18 years old and over) completing at least 1 year of college were without health insurance coverage for at least 1 month, compared with 30 percent for those who only completed high school and 36 percent for those with less than a high school diploma.

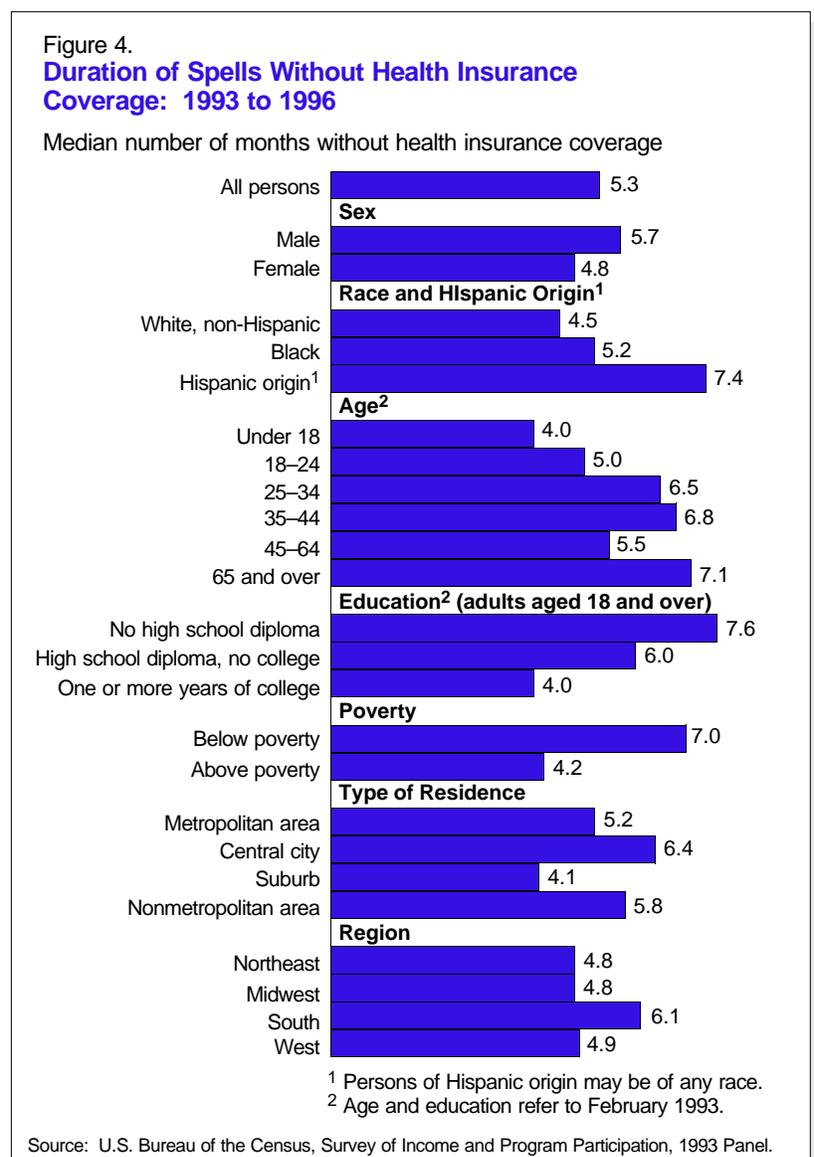
Residence⁵ – People living in suburban areas were more likely to have continuous health insurance coverage over the 36-month period than people living in central cities or outside of metropolitan areas—74 percent of those in the suburbs had continuous coverage compared with 68 percent in other areas.

People residing in the South were more likely to experience 1 or more months without health insurance coverage than those living in other regions of the country—34 percent of those living in the South had a lapse in coverage, compared with 31 percent in the West, 24 percent in the Midwest, and 25 percent in the Northeast.⁶ Perhaps the higher noncoverage rates in the South can be partially attributed to higher concentrations of poor people and African Americans in the South. These groups generally have higher noncoverage rates than those who are not poor or White.

Poverty Status – Income-to-poverty ratios represent one way of characterizing individuals by their relative economic status. These ratios are computed by summing the individual's or family's income over the entire 36-month period, and dividing this total by the

⁵The term "suburban areas" refers to portions of metropolitan areas outside of central cities.

⁶There was no significant difference between the noncoverage rate in the Northeast and in the Midwest.



summed monthly poverty thresholds. Thus, a ratio of less than 1.0 indicates that, on average, an individual's family income was less than the sum of that family's poverty threshold. In the 36-month period covered here, 11 percent of all people had an income-to-poverty ratio less than 1.0. One-half (50 percent) of them lacked continuous health insurance, and 9 percent were never covered, compared with 27 and 3 percent, respectively, for all others.

As would be expected, there is a strong correlation between income-to-poverty ratios and the likelihood of continuous health insurance. The percentage of people with health insurance for

the entire 36 months rose from 51 percent for those with an income-to-poverty ratio less than 2.0 to 90 percent for those with ratios of 6.0 and over (See Figure 3).

Employment Status – The relationship between health insurance coverage and employment is an important one, given that firms provide such a large proportion of coverage for employees and their dependents. In order to examine the relationship between health insurance coverage and employment status, wage and salary workers 18 to 64 years old were separated into three groups:

- Those who worked full time for the entire period.
- Those who worked for the en-

tire period but not always full time

- Those with one or more job interruptions.⁷

Eighty-five percent of all full-time, full-period workers were covered by health insurance for the entire period, but within this group there were significant differences for non-Hispanic Whites, African Americans, and Hispanics. The continuous coverage rates for these groups were 87, 81, and 71 percent, respectively.

Part-time, full-period workers were twice as likely than their full-time counterparts to lack continuous health insurance coverage—30 percent, compared with 15 percent.

About 44 percent of workers with one or more job interruptions experienced 1 or more months without health insurance coverage. Men in this category were more likely than women to lack health coverage for at least 1 month (51 percent versus 39 percent).

Younger full-time, full-period workers were less likely than their older counterparts to have been covered by health insurance continuously—one-third (33 percent) of those aged 18 to 24 years old spent 1 or more months without health insurance, compared with 19 percent of those aged 25 to 34 and 11 percent of those aged 35 to 44.

... and for How Long?

One of the major concerns regarding health insurance is how long Americans go without coverage. Using a technique known as survival analysis, it is possible to estimate the duration of spells without health insurance. A median spell of 5.3 months without health insurance was observed for

⁷Those individuals who did not work during the period are not included.

people who lost their health insurance after the beginning of the 36-month period of the 1993 panel. In other words, of all spells without health insurance (experienced by 29 percent of the people), half of them lasted for 5.3 months or longer. This was not significantly different from the 5.7-month median duration of noncoverage for the 1992–1994 period.

People without health care for long periods of time share these characteristics—

Education – Attaining a high level of education appears, on average, to shorten the time someone goes without health insurance (See Figure 4). The median spell of 7.6 months without health insurance coverage for those without a high school diploma was much longer than the 4.0 months of noncoverage for those with at least 1 year of college.

Age – Among the age groups examined, the median spells of 6.5 months and 6.8 months without coverage for individuals between 25–34 and 35–44 years of age, respectively, were significantly longer than spells for children under 18.⁸

Employment Status – As expected, full-time workers had a significantly shorter median spell without health insurance than those employed part time, those unemployed, or those not in the labor force—a 4.1-month median spell of noncoverage for full-time workers, compared with 7.0 months, 7.7 months, and 7.1 months, respectively, for the others.⁹

⁸No significant difference was observed between the 25–34 and 35–44 age groups.

⁹The estimates of 7.2 months, 7.6 months, and 7.1 months are not significantly different.

Note: Detailed tables are available on the Internet at <<http://www.census.gov/hhes/www/hlth9394.html>>

Accuracy Statement

All statistics are subject to sampling error, as well as non-sampling error such as survey design flaws, respondent classification and reporting errors, data processing mistakes, and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and edit procedures to reduce errors made by respondents, coders, and interviewers. Ratio estimation to independent age-race-Hispanic origin-sex population controls partially corrects for bias attributable to survey undercoverage. However, biases exist in the estimates when missed persons have characteristics different from those of interviewed persons in the same age-race-Hispanic origin-sex group.

Analytical statements in this report have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources. Contact Donald Keathley, Demographic Statistical Methods Division, at 301-457-4182 or on the Internet at dkeathle@census.gov for information on (1) the source of the data, (2) the accuracy of the estimates, (3) the use of standard errors, and (4) the computation of standard errors.

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