
Wrong Direction:

*One Out of Three
Americans Are
Uninsured*

A REPORT BY
Families USA

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**Wrong Direction:
One Out of Three Americans Are Uninsured**

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INTRODUCTION

According to public opinion surveys, health care is currently the top domestic concern for Americans. There are many reasons for this concern, but one of the most important is the relentless growth in the number of people without health coverage.

To find out how many people are affected by this lack of health coverage, Families USA commissioned The Lewin Group to analyze data from the Census Bureau's Current Population Survey (CPS) and the Survey of Income and Program Participation (SIPP). This analysis enabled us to determine how many people were uninsured for some portion of the 2006-2007 two-year period.

The analysis found that 89.6 million people under the age of 65 were uninsured for some or all of that two-year period. This constitutes more than one out of every three non-elderly Americans. That also represents an increase of 17 million uninsured Americans from 1999-2000 to 2006-2007.

This report provides a detailed analysis of who these uninsured Americans are, where they live, how long they have been without health coverage, and their demographic characteristics. It also shows that four out of five Americans who were uninsured during the 2006-2007 period were in working families.

With more and more people directly experiencing a lack of health coverage, this problem is already receiving top priority attention from the political candidates running for office in 2008. It remains to be seen, however, whether this attention will ultimately translate into policy changes that will result in every American having reliable and continuous access to high-quality, affordable health coverage.

KEY FINDINGS

More Americans Are Uninsured: 1999-2000 to 2006-2007

- 89.6 million people under the age of 65 went without health insurance for some or all of the two-year period from 2006-2007 (Table 1).
- 72.5 million people under the age of 65 went without health insurance for some or all of 1999-2000 (Table 1).
- The number of people who were uninsured at some point in a two-year period increased by more than 17 million between 1999-2000 and 2006-2007 (Table 1).
- More than one out of three people (34.7 percent) under the age of 65 were uninsured for some or all of 2006-2007 (Table 1).
- 29.6 percent of people under the age of 65 were uninsured for some or all of 1999-2000 (Table 1).

Table 1

Uninsured People under Age 65

	1999-2000	2006-2007	Increase
Total Number Uninsured	72,534,000	89,558,000	17,024,000
Total Percent Uninsured	29.6%	34.7%	

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

More States Are Affected: 1999-2000 to 2006-2007

- The number of states where more than one-third of the people under the age of 65 were uninsured for all or part of a two-year period more than doubled—rising from nine states in 1999-2000 to 20 states plus the District of Columbia in 2006-2007 (Table 2).
- The states where more than one-third of the people under the age of 65 were uninsured for one month or more in 2006-2007 are: Texas (45.7 percent of the total non-elderly population was uninsured), New Mexico (44.3 percent), Arizona (41.8 percent), California (40.5 percent), Florida (40.1 percent), Mississippi (38.7 percent), Nevada (38.4 percent), Louisiana (38.1 percent), Oklahoma (37.7 percent), Georgia (37.6 percent), South Carolina (37.4 percent), Arkansas (37.2 percent), Utah (35.2 percent), Alabama (35.1 percent), the District of Columbia (35.1 percent), West Virginia (35.1 percent), Alaska (34.8 percent), North Carolina (34.6 percent), Oregon (34.6 percent), Colorado (34.2 percent), and Montana (33.9 percent) (Table 2).

Table 2

Uninsured People under Age 65, by State

State	1999-2000		2006-2007		Rank by Percent Uninsured, 2006-2007
	Total Number	Percent of Non-Elderly Population	Total Number	Percent of Non-Elderly Population	
Alabama	1,183,000	30.1%	1,383,000	35.1%	16
Alaska	186,000	30.7%	215,000	34.8%	17
Arizona	1,607,000	36.8%	2,216,000	41.8%	3
Arkansas	697,000	31.0%	899,000	37.2%	12
California	10,909,000	35.2%	12,987,000	40.5%	4
Colorado	1,161,000	29.6%	1,443,000	34.2%	20
Connecticut	632,000	21.8%	837,000	27.5%	44
Delaware	171,000	24.7%	226,000	30.8%	31
District of Columbia	142,000	31.4%	168,000	35.1%	14
Florida	4,363,000	34.4%	6,039,000	40.1%	5
Georgia	2,231,000	31.3%	3,096,000	37.6%	10
Hawaii	308,000	28.3%	321,000	29.3%	38
Idaho	385,000	34.4%	426,000	32.9%	24
Illinois	3,049,000	27.7%	3,601,000	32.4%	25
Indiana	1,315,000	25.0%	1,757,000	31.7%	27
Iowa	553,000	22.3%	664,000	26.2%	48
Kansas	613,000	26.4%	682,000	29.1%	39
Kentucky	972,000	27.7%	1,109,000	31.0%	29
Louisiana	1,471,000	37.6%	1,344,000	38.1%	8
Maine	277,000	24.2%	311,000	27.1%	45
Maryland	1,048,000	23.7%	1,522,000	30.9%	30
Massachusetts	1,291,000	22.3%	1,439,000	25.8%	49
Michigan	2,237,000	24.5%	2,524,000	28.5%	40
Minnesota	873,000	20.2%	1,084,000	24.2%	50
Mississippi	785,000	32.2%	967,000	38.7%	6
Missouri	1,075,000	21.8%	1,465,000	29.3%	37
Montana	271,000	33.6%	271,000	33.9%	21
Nebraska	352,000	23.9%	437,000	28.2%	41
Nevada	627,000	35.6%	826,000	38.4%	7
New Hampshire	252,000	22.1%	271,000	23.9%	51
New Jersey	1,871,000	26.1%	2,447,000	32.0%	26
New Mexico	659,000	41.7%	745,000	44.3%	2
New York	4,984,000	30.3%	5,491,000	33.2%	22
North Carolina	1,982,000	29.5%	2,609,000	34.6%	19
North Dakota	141,000	26.7%	152,000	28.0%	42
Ohio	2,534,000	25.3%	2,936,000	29.6%	35
Oklahoma	914,000	32.2%	1,144,000	37.7%	9
Oregon	861,000	28.1%	1,094,000	34.6%	18
Pennsylvania	2,326,000	22.9%	2,918,000	27.8%	43
Rhode Island	173,000	20.2%	278,000	29.8%	34
South Carolina	1,037,000	30.9%	1,372,000	37.4%	11
South Dakota	152,000	24.6%	195,000	29.4%	36
Tennessee	1,278,000	25.3%	1,687,000	33.1%	23
Texas	7,063,000	38.7%	9,320,000	45.7%	1
Utah	570,000	28.1%	822,000	35.2%	13
Vermont	134,000	24.2%	145,000	26.6%	47
Virginia	1,599,000	26.2%	2,018,000	30.3%	33
Washington	1,436,000	27.5%	1,698,000	30.6%	32
West Virginia	473,000	31.9%	540,000	35.1%	15
Wisconsin	1,183,000	24.2%	1,281,000	26.8%	46
Wyoming	129,000	29.6%	141,000	31.4%	28
U.S. Total *	72,534,000	29.6%	89,558,000	34.7%	

* Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

- The 10 states with the largest number of uninsured people for some or all of 2006-2007 were California (12,987,000), Texas (9,320,000), Florida (6,039,000), New York (5,491,000), Illinois (3,601,000), Georgia (3,096,000), Ohio (2,936,000), Pennsylvania (2,918,000), North Carolina (2,609,000), and Michigan (2,524,000) (Table 2).

Number of Months Uninsured

- Of the 89.6 million uninsured individuals, more than half (50.2 percent) were uninsured for nine months or more. Nearly two-thirds (63.9 percent) were uninsured for six months or more (Tables 3 and 4).
- Among all people under the age of 65 who were uninsured in 2006-2007, nearly one in five (18.7 percent) were uninsured for the full 24 months during 2006-2007; 19.4 percent were uninsured for 13 to 23 months; 12.1 percent were uninsured for 9 to 12 months; 13.7 percent were uninsured for 6 to 8 months; and 29.5 percent were uninsured for 3 to 5 months. Only 6.7 percent were uninsured for 2 months or less (Tables 3 and 4).

Table 3

Duration without Health Insurance for Uninsured People Under Age 65, 2006-2007

Months Uninsured	Number Uninsured	As Percent of All Uninsured
1-2 Months	5,966,000	6.7%
3-5 Months	26,415,000	29.5%
6-8 Months	12,252,000	13.7%
9-12 Months	10,794,000	12.1%
13-23 Months	17,360,000	19.4%
24 Months	16,772,000	18.7%
Total*	89,558,000	100.0%

* Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

Work Status of the Uninsured

- Four out of five individuals (79.3 percent) who went without health insurance during 2006-2007 were from working families: 70.6 percent were employed full-time, and 8.7 percent were employed part-time (Table 5).
- In addition, 4.2 percent were looking for work (Table 5).
- Of the people who were uninsured during 2006-2007, only 16.5 percent were not in the labor force—because they were disabled, chronically ill, family caregivers, or were not looking for employment for other reasons (Table 5).

Table 4

People under Age 65 Who Were Uninsured for Six Months or More During 2006-2007, by State

State	Uninsured During 2006-2007		Uninsured 6+ Months	
	Number	Number	Percent	
Alabama	1,383,000	876,000	63.3%	
Alaska	215,000	132,000	61.4%	
Arizona	2,216,000	1,492,000	67.3%	
Arkansas	899,000	576,000	64.1%	
California	12,987,000	8,557,000	65.9%	
Colorado	1,443,000	954,000	66.1%	
Connecticut	837,000	503,000	60.1%	
Delaware	226,000	135,000	59.7%	
District of Columbia	168,000	98,000	58.3%	
Florida	6,039,000	4,106,000	68.0%	
Georgia	3,096,000	2,012,000	65.0%	
Hawaii	321,000	180,000	56.1%	
Idaho	426,000	270,000	63.4%	
Illinois	3,601,000	2,226,000	61.8%	
Indiana	1,757,000	1,084,000	61.7%	
Iowa	664,000	380,000	57.2%	
Kansas	682,000	410,000	60.1%	
Kentucky	1,109,000	678,000	61.1%	
Louisiana	1,344,000	859,000	63.9%	
Maine	311,000	182,000	58.5%	
Maryland	1,522,000	936,000	61.5%	
Massachusetts	1,439,000	838,000	58.2%	
Michigan	2,524,000	1,479,000	58.6%	
Minnesota	1,084,000	604,000	55.7%	
Mississippi	967,000	618,000	63.9%	
Missouri	1,465,000	874,000	59.7%	
Montana	271,000	178,000	65.7%	
Nebraska	437,000	262,000	60.0%	
Nevada	826,000	559,000	67.7%	
New Hampshire	271,000	157,000	57.9%	
New Jersey	2,447,000	1,572,000	64.2%	
New Mexico	745,000	497,000	66.7%	
New York	5,491,000	3,363,000	61.2%	
North Carolina	2,609,000	1,691,000	64.8%	
North Dakota	152,000	95,000	62.5%	
Ohio	2,936,000	1,739,000	59.2%	
Oklahoma	1,144,000	740,000	64.7%	
Oregon	1,094,000	715,000	65.4%	
Pennsylvania	2,918,000	1,726,000	59.2%	
Rhode Island	278,000	168,000	60.4%	
South Carolina	1,372,000	880,000	64.1%	
South Dakota	195,000	117,000	60.0%	
Tennessee	1,687,000	1,036,000	61.4%	
Texas	9,320,000	6,507,000	69.8%	
Utah	822,000	535,000	65.1%	
Vermont	145,000	84,000	57.9%	
Virginia	2,018,000	1,260,000	62.4%	
Washington	1,698,000	1,034,000	60.9%	
West Virginia	540,000	353,000	65.4%	
Wisconsin	1,281,000	760,000	59.3%	
Wyoming	141,000	88,000	62.4%	
U.S. Total*	89,558,000	57,178,000	63.9%	

* Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

Table 5

People under Age 65 without Health Insurance during 2006-2007, by Family Employment Status

Family Employment Status At End of Period	Number Uninsured	As Percent of All Uninsured
Employed Full- or Part-Time	71,051,000	79.3%
Employed Full-Time	63,229,000	70.6%
Employed Part-Time	7,822,000	8.7%
Unemployed (seeking work)	3,730,000	4.2%
Not in Labor Force	14,777,000	16.5%
Total*	89,558,000	100.0%

* Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

Every Racial and Ethnic Group Is Affected

- Although racial and ethnic minorities are more likely to be uninsured, white, non-Hispanic people accounted for nearly half (48.5 percent) of the uninsured in 2006-2007 (Table 6).
- Every racial and ethnic group experienced significant growth in the proportion of the non-elderly population that was uninsured between 1999-2000 and 2006-2007 (Table 7).
 - From 1999-2000 to 2006-2007, the proportion of the white, non-Hispanic population under the age of 65 that experienced a period without health insurance grew from 22.9 percent to 26.0 percent.
 - For the black, non-Hispanic population, the proportion increased from 39.8 percent to 44.5 percent.
 - For Hispanics, the proportion increased from 51.5 percent to 60.7 percent.
 - For other minorities, the proportion increased from 37.5 percent to 38.2 percent.

Nearly Every Age Group Is Affected

- Of the total 89.6 million uninsured people in 2006-2007, 64.2 million were uninsured adults (18 to 64 years old) (Table 8).
- More than one-third of the uninsured (34.9 percent) were ages 25 to 44—the age group that makes up the largest percentage of the uninsured (Table 8).

Table 6

**People under Age 65 without Health Insurance during 2006-2007,
By Race and Hispanic Origin**

Race and Hispanic Origin	Number Uninsured	As Percent of All Uninsured
White, Non-Hispanic	43,463,000	48.5%
Black, Non-Hispanic	14,579,000	16.3%
Hispanic	24,806,000	27.7%
Other*	6,711,000	7.5%
Total**	89,558,000	100.0%

* "Other" includes those who identify themselves as American Indian, Aleut or Eskimo, Asian or Pacific Islander, or as a member of more than one group (e.g., white-black, white-Asian, black-Asian).

** Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

Table 7

Uninsured People under Age 65, by Race and Hispanic Origin

Race and Hispanic Origin	1999-2000	2006-2007
White, Non-Hispanic		
Number Uninsured	38,789,000	43,463,000
Percent of Subgroup Uninsured	22.9%	26.0%
Black, Non-Hispanic		
Number Uninsured	12,838,000	14,579,000
Percent of Subgroup Uninsured	39.8%	44.5%
Hispanic		
Number Uninsured	16,242,000	24,806,000
Percent of Subgroup Uninsured	51.5%	60.7%
Other*		
Number Uninsured	4,664,000	6,711,000
Percent of Subgroup Uninsured	37.5%	38.2%

* "Other" includes those who identify themselves as American Indian, Aleut or Eskimo, Asian or Pacific Islander, or as a member of more than one group (e.g., white-black, white-Asian, black-Asian).

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

Table 8

**People under Age 65 without Health Insurance during
2006-2007, by Age**

Age	Number Uninsured	As Percent of All Uninsured
0-17 Years	25,382,000	28.3%
18-24 Years	15,017,000	16.8%
25-44 Years	31,212,000	34.9%
45-54 Years	11,003,000	12.3%
55-64 Years	6,944,000	7.8%
Total*	89,558,000	100.0%

* Numbers do not add due to rounding.

Source: Estimates prepared by The Lewin Group for Families USA (see Technical Appendix for details).

The Census Bureau and the Families USA Study: Two Different and Valid Measures of the Uninsured

The estimates of the number of Americans facing the physical and financial consequences of being uninsured that are presented in this study are based on a methodology that Families USA developed with The Lewin Group, a health and human services research consulting firm with more than 35 years of experience in empirical research and data analysis.

The estimates presented here are a different measure than the widely quoted estimates of uninsured Americans that are released by the Census Bureau each year. The most recent Census Bureau release reports an estimated 47.0 million (15.8 percent of the population) uninsured Americans in 2006. This number, derived from the Census Bureau's annual Current Population Survey, is intended to offer an estimate of how many people did not have any type of health insurance for an entire calendar year. There are many people, however, who are uninsured for a portion of a year but not for the entire year. These individuals are not reflected in the Census Bureau's estimate.

Thus, this study was designed to take a closer look and improve our understanding of how many people experience a significant gap in coverage. The Census Bureau's Current Population Survey (CPS) asks respondents a series of questions in March, which a respondent must answer by looking back at the time period from January 1 through December 31 of the previous year. If, and only if, the respondent answers that he or she did not have any kind of health insurance at any point during that previous calendar year will that person be counted as uninsured. (In spite of this, some health policy experts maintain that

the CPS more closely reflects a point-in-time estimate of the uninsured.) However, there are many people who are uninsured for periods of time that do not neatly fall within a 12-month calendar year. The Families USA-Lewin methodology used in this study examines how many people under the age of 65 were without health insurance for at least one month—and up to the entire 24 months—during the two-year periods of 1999-2000 and 2006-2007.

By taking this closer look, we found that many more people experienced a significant gap in health coverage than is usually recognized, and that number is increasing rapidly. Our methodology includes, for example, a person who was uninsured from August 1, 2006, to April 1, 2007. This person would not be counted as uninsured in either 2006 or 2007 by the Census Bureau's Current Population Survey. Similarly, a person who was uninsured from January 1, 2006, until November 1, 2007—22 months without health insurance—would be counted by the Census Bureau as uninsured in 2006 but not counted as uninsured in 2007 (even though the person was uninsured for 10 months of 2007). No picture of the causes and consequences of being uninsured is complete unless it includes all who experience a significant gap in health coverage.

As described more fully in the Technical Appendix (see page 21), this study's estimates of the number of uninsured Americans are based exclusively on the most recent data projections from the Census Bureau's Current Population Survey, as well as its Survey of Income and Program Participation.

DISCUSSION

According to the U.S. Census Bureau, an estimated 47.0 million Americans were uninsured in 2006. This widely quoted number, which was derived from the Census Bureau's annual Current Population Survey (CPS), is designed to be an estimate of how many people did not have any type of health insurance for the entire previous calendar year. Although the CPS numbers provide a useful annual estimate of coverage and a tool that can be used to track trends in coverage from year to year, they are limited in their ability to paint a complete picture of the health insurance crisis.

This study was designed to take a closer look at the uninsured in America and to improve our understanding of how many people experience significant gaps in coverage and how this has changed over time. For this analysis, Families USA examined trends in health insurance coverage from the beginning of 1999 to the end of 2007 (our methodology allowed us to project through the end of 2007—see the Technical Appendix for details). We looked at trends in health insurance over two two-year periods: 1999-2000 and 2006-2007. This study not only measures the number of uninsured people over a longer period of time than the CPS alone (two years versus one), it also measures the number of people who are uninsured for different lengths of time (see box on page 8).

Our analysis yielded disturbing results: We found that 89.6 million people under the age of 65—more than one out of every three (34.7 percent) non-elderly Americans—went without health insurance for all or part of 2006-2007. In addition, we found that the number of uninsured people increased dramatically over our study period: Between 1999-2000 and 2006-2007 alone, more than 17.0 million Americans under the age of 65 joined the ranks of the uninsured (Table 1).

A Shared Problem

Our findings demonstrate that uninsurance affects a diverse array of people. Americans from every income group, every racial and ethnic group, and nearly every age group are uninsured. Moreover, this is a problem that has grown significantly over the years. Between 1999-2000 and 2006-2007, the number of states where more than one out of three people under the age of 65 were uninsured for all or part of the two-year period more than doubled—rising from nine states in 1999-2000 to 20 states plus the District of Columbia in 2006-2007 (Table 2).

Our analysis also found several key characteristics that the uninsured have in common. First and foremost, as previous research has demonstrated, the vast majority of the uninsured are from working families.¹ Four out of five individuals (79.3 percent) who were uninsured during 2006-2007 were from working families; 70.6 percent of the uninsured were from families with one or more people employed full-time (Table 5).

Why Do the Numbers of Uninsured Vary across States?

Four primary factors influence the uninsured rate in each state:

- 1. Labor market variations:** The composition of a state's labor market affects the state's percentage of uninsured. Individuals who work in low-wage jobs, and those who work on a part-time, temporary, or seasonal basis ("nontraditional workers"), are less likely to have health insurance than those who work in higher-wage, full-time jobs. In states with a larger proportion of nontraditional or low-wage workers, the rates of uninsured tend to be higher.
- 2. Demographics:** Demographic factors such as the age of state residents influence the uninsured rate. Among adults, the likelihood of being uninsured declines as individuals age. A state with a higher proportion of non-elderly individuals over the age of 45 is therefore likely to have lower levels of uninsured than a state with a higher proportion of individuals under the age of 45.
- 3. Public programs:** Medicaid and CHIP eligibility levels, as well as the availability of other state health insurance programs, affect insurance coverage in each state. States that have expanded Medicaid or Children's Health Insurance Program (CHIP) coverage beyond federally set minimums, and those states that offer coverage through other state-run health insurance programs, tend to have lower rates of uninsured than states that have not expanded coverage.
- 4. State policies and insurance laws:** Today, the regulation of the health insurance industry is a hodgepodge of federal and state rules. Some states provide stronger protection against discrimination than others, and there are few limits on insurance company profits. State rules, such as those that govern whether insurance companies can deny coverage and the price that can be charged, affect the rate of uninsured.

Second, the majority of people who are uninsured remain uninsured for substantial periods of time. Our findings demonstrate that nearly two-thirds (63.9 percent) of those who went without health insurance for some or all of 2006-2007 were uninsured for six months or more. More than half (50.2 percent) were uninsured for nine months or more. The effects of being uninsured—even for a period of a few months—can be devastating, both financially and physically (see “Why Insurance Matters” on page 16). Furthermore, as the duration of uninsurance increases, so do the chances of facing catastrophic financial and health problems.²

Why Is the Number of Uninsured on the Rise?

The results of our analysis are clear: Millions of people are currently uninsured, and this problem has grown substantially between 1999 and today. How have we gone so far in the wrong direction? Increases in health insurance premiums, a changing labor market, and underfunded health care safety net programs have all contributed to the growth in the number of uninsured Americans during this period.

■ Health Insurance Premiums on the Rise

Premiums for both job-based and individual health insurance have risen rapidly between 1999 and today, increasing by double-digit amounts annually between 2001 and 2004. Moreover, these rising premiums have far outstripped increases in worker earnings.³ Between 2000 and 2006, premiums for job-based health insurance increased by 73.8 percent, while median worker earnings rose by only 11.6 percent.⁴ As premium costs outpace wages, more people end up without health insurance: For each percentage point increase in health care costs relative to income, the number of uninsured people increases by 246,000.⁵

Faced with the rising cost of health insurance premiums, employers must make difficult decisions. Some employers, particularly small businesses, have concluded that they can no longer afford to offer health insurance to their workers and have dropped coverage, further increasing the number of uninsured Americans.⁶ Other employers continue to offer health insurance, but they now ask their employees to pay a greater share of the premiums. In addition, a growing number of employers seek to hold down costs by offering “thinner coverage”—coverage that offers fewer benefits and/or that comes with higher deductibles, copayments, and co-insurance.⁷

Working families also must contend with a set of difficult decisions. Even if someone in the family has an offer of coverage through his or her employer, he or she is likely to be required to pay more for fewer benefits than in the past. Between 2000 and 2006, the employee share of family insurance premiums increased by 78.2 percent.⁸ As a result, more and more working families are being priced out of job-based insurance.⁹

Workers without an offer of job-based coverage—and those who cannot afford to purchase their employer’s plan—may seek coverage on their own. Finding an individual insurance plan that meets their needs and their budget is likely to be extremely challenging. One recent survey found that nine out of 10 people who sought individual coverage never purchased a plan—either because they couldn’t find an affordable plan, they were rejected for coverage, or they were offered a plan that excluded coverage for the very care they are most likely to need.¹⁰

In order to bring America’s uninsurance crisis under control, the rapid rise in premiums must be slowed. To do this, we must address the root causes of premium increases. One of the main causes is the rise of underlying health care costs: Throughout the study period of this report, both hospital and prescription drug costs increased at rates far greater than inflation.¹¹

While these cost increases were some of the primary drivers of rising overall health care costs, the development and increased use of new medical technologies also played a significant role.¹² Advances in medicine, such as the development of new biological drugs, surgical procedures, and diagnostic tools, have improved the quality of care for a number of medical conditions. New technology, however, comes at a high price. Some health care experts estimate that the costs associated with these new medical technologies account for as much as half of the increase in overall health care spending.¹³

New medical technologies and rising underlying costs have led to rapid increases in the amount we spend on health care. Between 1999 and 2007, the amount we spent annually on health care for each American grew from \$3,818 to a projected \$6,249—an increase of 63.7 percent.¹⁴ As underlying health care costs continue to go up, health insurance becomes even less affordable, and the number of uninsured people rises.

Premium increases caused by the rise in underlying health care costs are compounded by policies that favor insurance companies over working families. Many states lack consumer protections that would help ensure that insurance companies treat people fairly. In some markets, for example, insurers can discriminate against people because of age, health status, and a range of other factors. In these markets, insurers are free to charge high premiums, eliminate coverage of certain services, or deny coverage. Moreover, health insurance companies are generally free to decide how much of each dollar they collect in premiums will be spent on health care, how much will be spent on overhead (such as marketing and advertising), and how much will be retained as profits. Health insurance companies are now spending more than ever on overhead and pulling in record profits, even as the price of insurance continues to rise and more and more working Americans find themselves uninsured.¹⁵

Lack of consumer protections is exacerbated by a trend in mergers among insurance companies. A 2007 study found that there were more than 400 insurance company mergers in the last 12 years, which resulted in near-monopoly power among insurance companies. In nearly two-thirds of major metropolitan areas, a single insurer controls half or more of the market; in 96 percent of metropolitan areas, a single insurer controls at least 30 percent of the market.¹⁶ Without rules to govern the influence and growth of large insurers, premiums are likely to continue their rapid ascent. Appropriate oversight can help bring down the cost of premiums, making health care more affordable for all Americans.

■ A Changing Labor Market

Labor market dynamics also have a profound effect on insurance coverage. The likelihood that workers are offered health insurance is closely related to a range of factors, including the industry that they work in, the hours that they work, whether they are permanent or temporary employees, and the size of the company. Traditionally, full-time, permanent employees in professional or government jobs—so-called “white-collar” workers—have been the most likely to have job-based health insurance. The vast majority of white-collar workers have health coverage. In contrast, so-called “blue-collar” workers who are employed in the service or agricultural sectors, as well as workers who are employed on a part-time, temporary, seasonal, or contract basis, are far less likely to have insurance. One recent study found that just one out of five (21 percent) such “nonstandard” workers had job-based health insurance. In contrast, three-quarters (74 percent) of full-time, permanent, salaried employees had job-based coverage.¹⁷

Although these differences in coverage between white- and blue-collar workers have existed for years, data indicate that job-based health insurance is becoming increasingly scarce in all sectors. The proportion of Americans with employer-based insurance dropped by 4.5 percentage points between 2000 and 2006 (from 64.2 percent in 2000 to 59.7 percent in 2006).¹⁸ This decline has been driven in part by a shift from jobs that typically offer health insurance, such as those in the manufacturing sector, to those that typically do not offer health insurance, such as those in the retail and service sectors.¹⁹

In addition, much of the decline in employer-based insurance is associated with the rising costs of that coverage. As insurance premiums rise, employers have an incentive to shift workers to positions that do not offer health coverage. Moving workers into part-time, seasonal, temporary, or other nonstandard positions enables employers to avoid the cost of providing health insurance. Currently, 34.3 million people—about a quarter of the U.S. workforce—are nonstandard workers, and the proportion of nonstandard workers is likely to grow if premiums continue to rise.²⁰

These labor market dynamics also help explain some of the demographic trends we discussed earlier in this analysis. Although rising health care costs lead to declines in health insurance across the board, individuals in low-wage, nonstandard jobs are less likely to have insurance in the first place, and they are more likely to lose coverage when premiums rise. As a result, racial and ethnic minorities—who are disproportionately employed in sectors that do not typically offer health benefits or in nonstandard jobs—are more likely to be uninsured.²¹

■ **An Underfunded Safety Net**

Medicaid and the Children's Health Insurance Program (CHIP) provide health coverage to more than 60 million low-income people, primarily children and families.²² Without these programs, millions more would be uninsured.

Although these programs are vitally important, many people wrongly assume that Medicaid and CHIP offer coverage to all low-income and vulnerable Americans. Contrary to this assumption, Medicaid and CHIP are targeted programs that serve specific groups of low-income people—mainly children and their parents. These programs do not cover millions of other low-income Americans who are uninsured and no less needy—typically low-wage workers and their dependents.²³ Moreover, the current structures of Medicaid and CHIP give each state and the District of Columbia wide latitude to set their own rules about who is eligible, in addition to income guidelines and enrollment procedures.

In almost all states, income eligibility levels differ radically based on family status. In nearly four out of five states, for example, a child is eligible for public health coverage (through either Medicaid or CHIP) if that child's family income is below 200 percent of the federal poverty level (\$34,340 for a family of three in 2007). However, the eligibility standards are much lower for parents than they are for children. The average income eligibility level for working parents is 65 percent of the federal poverty level—only \$11,161 in annual income for a family of three in 2007.²⁴ Even worse, in an overwhelming majority of states, childless adults who do not qualify for disability-related coverage can be penniless and still not qualify for meaningful public health coverage.²⁵ In addition, most states that offer any form of coverage to childless adults either charge hefty out-of-pocket costs or provide limited benefits that do not include all of the services typically provided by health insurance, such as catastrophic care and specialty services.²⁶ Bare-bones plans such as these leave working adults exposed to the same financial and physical risks that the uninsured face.

In light of state variations in Medicaid and CHIP, it is clear that there are many holes in the current safety net. To reduce the number of uninsured, states must have the resources necessary to extend vitally important coverage to Americans in need.

CONCLUSION

This study sheds more light on one of the worst predicaments facing our country today: More Americans than ever before are uninsured, and the situation is rapidly worsening. With more than one out of three non-elderly Americans now uninsured—17 million more than just a few years ago—the problem is reaching crisis proportions. Rising health insurance premiums are putting health coverage out of reach for many workers and employers, while changing labor markets and employment patterns are leaving more workers without even an offer of coverage. At the same time, mergers in the insurance industry are increasing the power that insurance companies have over vulnerable consumers. Furthermore, federal rules leave public health programs, such as Medicaid, unable to provide assistance to the millions of low-income working people who are uninsured but do not meet eligibility requirements. Together, these factors are crippling our nation's health care system.

Our country is at a crossroads: We can make addressing the health coverage crisis the top domestic priority, or we can continue moving in the wrong direction. The trends documented in this report show the terrible consequences of inaction. This crisis will only worsen until there is national leadership in Washington, D.C. that takes decisive and meaningful action to ensure that health coverage is available and affordable for all.

Why Insurance Matters

1 The uninsured are less likely to have a usual source of care outside the emergency room.

- Uninsured adults are up to four times less likely to have a regular source of care than the insured.²⁷
- Uninsured children are nearly 13 times less likely to have a regular source of care than insured children.²⁸
- Uninsured adults are almost seven times more likely than insured adults to consider the emergency room their usual source of care (19 percent compared to 3 percent).²⁹
- Two-thirds of all care provided to uninsured Americans is provided by hospitals.³⁰

2 The uninsured often go without screenings and preventive care.

- Uninsured adults are more than 30 percent less likely than insured adults to have had a checkup in the past year.³¹
- Uninsured women are two times less likely than insured women to have had a pap test in the last year.³²
- Uninsured adults are more likely to be diagnosed with a disease in an advanced stage. For example, uninsured women are substantially more likely to be diagnosed with advanced stage breast cancer than women with private insurance.³³
- Even when uninsured adults do receive preventive care and know they have a chronic condition, they are less likely to receive proper follow-up care. For example, uninsured patients with high blood pressure are less likely to have their blood pressure monitored and controlled, and they are less likely to receive disease management services.³⁴

3 The uninsured often delay or forgo needed medical care.

- Uninsured Americans are up to three times more likely to report having problems getting needed medical care.³⁵ Uninsured adults are more than three times as likely as insured adults to delay seeking medical care (47 percent versus 15 percent).³⁶ And uninsured children are nearly five times more likely than insured children to have at least one delayed or unmet health care need.³⁷
- Nearly 70 percent of uninsured adults who are in poor health, and nearly 50 percent of uninsured adults in fair health, report that when they needed care in the past year, they were unable to see a physician because of cost.³⁸
- One in three uninsured adults did not fill a drug prescription in the past year, and the same proportion went without recommended tests or treatment due to cost.³⁹
- Uninsured people with chronic health conditions or injuries receive less care than their insured counterparts and are less than half as likely to receive any of the recommended follow-up care.⁴⁰ For example, uninsured people with heart disease have 28 percent fewer ambulatory care visits (in physicians' offices, clinics, or hospital outpatient settings) than insured people with heart disease.⁴¹

- Previously uninsured adults report greater use of health services and require more costly care once they obtain Medicare coverage at age 65 compared to those who were previously insured.⁴²

4 Uninsured Americans are sicker and die earlier than those who have insurance.

- The uninsured consistently report that they are in poorer health than people with private insurance. Lower levels of self-reported health status, in turn, are a powerful predictor of future illness and premature death.⁴³
- Uninsured adults are 25 percent more likely to die prematurely than adults with private health insurance coverage.⁴⁴
- Every year, the deaths of 18,000 people between the ages of 25 and 64 can be attributed to a lack of health insurance. This makes uninsurance the sixth leading cause of death, ahead of HIV/AIDS and diabetes.⁴⁵
- Uninsured Americans between 55 and 64 years of age are at much greater risk of premature death than their insured counterparts. This makes uninsurance the third leading cause of death for the near elderly, following heart disease and cancer.⁴⁶
- Uninsured children admitted to the hospital due to injuries were twice as likely to die while in the hospital as their insured counterparts.⁴⁷
- Uninsured patients are three times more likely to die in the hospital than insured patients.⁴⁸ Moreover, uninsured patients are more likely to experience lower-quality care. For example, uninsured patients with colorectal carcinoma (a type of colon cancer) were found to have worse postoperative outcomes, such as complications of surgery, and a greater risk of dying after surgery.⁴⁹

5 The uninsured pay more for care—and so do the rest of us.

- Uninsured patients are unable to negotiate the discounts on hospital and doctor charges that insurance companies do. As a result, uninsured patients are often charged more than 2.5 times what insured patients are for hospital services.⁵⁰
- Three out of five uninsured adults (60 percent) under the age of 65 reported problems with medical bills.⁵¹
- Nearly one-third of uninsured adults under age 65 had to make significant changes to their lifestyle to pay medical bills.⁵²
- Over the course of a year, more than one out of three uninsured people are contacted by a collection agency about outstanding medical bills.⁵³
- Uninsured Americans received approximately \$43 billion in “uncompensated care”—care for which the provider was not paid—in 2005.⁵⁴ Although the uninsured struggle to pay as much as they can, the average premium for family health insurance provided by an employer was \$922 higher in 2005 due to the cost of health care for the uninsured that they could not afford to pay themselves.⁵⁵

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TECHNICAL APPENDIX

Estimating Lack of Health Insurance at the National and State Level at Any Time in 1999-2000 and 2006-2007

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EXECUTIVE SUMMARY

The Lewin Group estimated the number of individuals under age 65 without health insurance for at least one month over the 1999-2000 and the 2006-2007 periods. Estimates were calculated by combining several data sources. National and state estimates were calculated using the Survey of Income and Program Participation (SIPP) and the Current Population Survey (CPS). The SIPP was chosen because of its large sample size, state identifiers, and monthly reporting of health insurance status. The CPS provides the most recent data on health insurance coverage, employment, income, and population estimates, and it supports state-level estimates.

For the 1999-2000 period, national estimates were based on waves seven through 12 of the 1996 Panel of the SIPP and adjusted to reflect the population characteristics of the March 2000 CPS. For the 2006-2007 period, national estimates were based on waves four through nine of the SIPP and adjusted to reflect the population characteristics of the March 2006 CPS.

State-level estimates were derived by applying a set of SIPP-derived regression equations to data from the March 2000 CPS and March CPS respectively. In the case of the 1999-2000 period, the logistic regression models predicted whether an individual would not have health insurance for at least one month over a 24-month period from the beginning of April 1998 to the end of March 2000. The 2006-2007 models predicted whether an individual would not have health insurance over a 24-month period from the beginning of February 2006 through January 2008.

Separate equations were estimated for children and non-elderly adults. In addition to demographic and socioeconomic variables directly in the CPS, we added state-level variables to reflect changes in Medicaid coverage for children through the end of 2000 for the 1999-2000 estimates and through 2006 for the 2006-2007 estimates.

INTRODUCTION

For this report, we developed state-level estimates of the number of individuals who did not have health insurance at any point over a two-year period and of those without insurance for six months or more over a two-year period. We produced separate estimates for children (those younger than 18) and non-elderly adults (adults ages 18-64). We also produced tables showing the number and proportion of uninsured by selected characteristics.

There are several methods for estimating the number of uninsured people. A point-in-time estimate reports the number of people who are without health insurance at one point in time (e.g., on a given day or in a given month). Alternatively, an estimate over a period of time reports the number of people who are without health insurance at any time during the period (e.g., during the last year).

We used an estimate of the uninsured over a period of time for both analyses for several reasons. First, because many of the uninsured are without insurance for a short period of time, a point-in-time estimate understates the population at risk of being without health insurance. Second, estimates based on individuals who are uninsured over a period of time provide a more accurate representation of all of the people who lose their insurance. This is because a point-in-time estimate will contain a disproportionate share of people who were uninsured for a long period of time, and these individuals often have a different mix of characteristics than those who are uninsured for a short period of time.¹

For the 1999-2000 analyses, we used the 1996 SIPP and the March Annual Supplement of the 2000 CPS. We used the 1996 SIPP because it contains the data to provide monthly insurance information longitudinally over the two-year period. We used the CPS because it provides the state-level estimates. Both surveys are nationally representative and contain basic demographic and economic characteristics of the non-institutionalized population. The 1996 SIPP contains 48 months of data, from which we used records for individuals with 24 months of data spanning 1998 and 2000. This file contained approximately 47,642 individuals, of which about 40,570 were non-elderly people, including 11,592 children. The 2000 CPS contained data on approximately 133,710 individuals, of which about 117,802 were non-elderly people, including 36,493 children.

In the case of the 2006-2007 analyses, we used the 2001 Panel of the Survey of Income and Program Participation (SIPP) and the March Annual Supplement of the 2006 Current Population Survey (CPS). This SIPP file contained approximately 51,788 individuals, of which about 44,308 were non-elderly people, including 12,808 children. The 2006 CPS contained data on approximately 208,562 individuals, of which about 188,149 were non-elderly people, including 62,810 children.

STATE-LEVEL ESTIMATES

There are no reliable state-level estimates of health insurance coverage over a period of time. Although the SIPP allows estimates over a period of time and specifically captures coverage of dependents, its sample does not support state-level estimates (although it includes state identifiers for analytic purposes). The CPS allows state-level estimates, and the March 2000 and 2006 CPS reflects augmented samples, which allow greater statistical accuracy for state-level estimates. The CPS asks whether an individual was covered at any time over the prior year by each of the following: Medicare, Medicaid, private health insurance, or military health.² Combining the questions allows one to count individuals who, in theory, were not covered by any type of insurance during the year. The resulting estimate, which should be a period-of-time estimate, actually appears to be more comparable to a point-in-time estimate generated from the SIPP than to an all-year estimate (Table 1).

Technical Appendix Table 1

1999 Estimates of the Prevalence of Uninsurance among People under Age 65

Data Source	Percent Uninsured All Year	Percent Uninsured At Any Time during The Year	Percent Uninsured At a Point In Time
Current Population Survey	15.9%	n/a	n/a
Survey of Income and Program Participation	8.5% ^a	25.4% ^a	16.6% ^b
Medical Expenditure Panel Survey	12.2%	25.0%	17.3%

^a Calculated using longitudinal weight for year 1999.

^b Calculated using monthly weight for month 24, roughly representing the end of 1999.

Note: The Medical Expenditure Panel Survey (MEPS) asks about health insurance status in each quarter over a one-year period.

Some researchers have hypothesized that the CPS may be closer to a point-in-time estimate because the individuals who are interviewed may be reporting their current health insurance status rather than their coverage over the past year.³ However, Robert Bennefield of the Bureau of the Census argued that the CPS primarily appears to underreport insurance coverage in general, resulting in higher than expected reporting of the percent uninsured.⁴ However, a verification question added to the CPS beginning in 2001 only modestly reduced the CPS uninsured estimate (e.g., from 17.4 percent to 16.1 percent in the March 2002 CPS). Given that the point-in-time prevalence of uninsurance from the SIPP was much closer to the CPS prevalence rate than the uninsured-all-year estimate from the SIPP, we chose to treat the CPS data as point-in-time estimates in order to generate our over-a-period-of-time estimates.

SIPP Equations

In order to use the state-level information available from the CPS to generate estimates of the lack of health insurance for one or more months among those with health insurance at a point in time, we estimated logistic regression equations that describe the relationship between an individual's characteristics at a point in time and their health insurance status over the course of two years. We generated these equations using data from the SIPP. Tables 2a and 2b present selected characteristics of the population that is insured at a point in time from the SIPP and CPS files used in the analysis.

The SIPP files for both analysis periods necessarily include individuals with data over the two-year periods 1999-2000 and 2003-2004 respectively. Survey dropouts and additions over the period tend to distort the sample because lack of insurance may be more common among survey dropouts, whose lives may be more transient and subject to dislocation (as demonstrated by their lack of continued participation in the survey). To adjust for this, we used the weights made available by the Census for both periods and adjusted them by age, sex, race, and income group to match the population in both periods.⁵ Adjusting the weights this way mitigates the bias in health insurance coverage caused by survey dropouts because health insurance coverage is also correlated with the factors used to adjust the weights. Moreover, the regression equations include these same factors and therefore control for them. We note that results from the logistic regression equations were very similar with and without the weights, suggesting that the bias produced by survey dropouts is minimal.⁶

Because we are using the CPS as a point-in-time insurance estimate, we assume that people indicating no coverage in the March CPS lack coverage in March of each of the CPS survey years. Using March as a proxy for the end of the prior calendar year, we already know that all individuals reporting a lack of coverage in the March CPS are uninsured for at least one month over the two-year reference period. Thus, we exclude these individuals from the 1+ month equations and leave the equation to predict which of those who have coverage at the end of the survey year lack it at some other point during the previous two years. In contrast, all records are used for the 6+ month equations, and lack of insurance at the end of the year is used to predict lack of insurance for 6+ months.

We estimated four separate equations for each of the analysis periods from the SIPP data to predict the following outcomes:

- Children uninsured 1+ months over two years
- Children uninsured 6+ months over two years
- Adults uninsured 1+ months over two years
- Adults uninsured 6+ months over two years

Technical Appendix Table 2a

Comparison of SIPP and CPS Data Used in Model Characteristics of People Under 65 without Health Insurance at a Point in Time, 1999-2000 Estimates

	SIPP 1999-2000 ^a	CPS March 2000 ^b
Age		
Less than 6	4.3%	7.8%
6 to 17	22.9%	16.0%
18 to 34	39.7%	39.0%
35 to 64	33.1%	37.2%
Family Income as Percent of Federal Poverty Level		
<100%	23.6%	27.4%
100-199%	30.0%	28.2%
200-299%	19.5%	17.5%
300-399%	11.8%	9.6%
400%+	15.2%	17.2%
Race		
White, non-Hispanic	57.8%	50.2%
Black, non-Hispanic	18.7%	17.1%
Hispanic	18.9%	25.8%
Other Race	4.6%	7.0%

^a Based on 1999-2000 SIPP sample, weighted using monthly weight for month 24.

^b Model assumes that estimate of lack of insurance from March 2000 CPS represents a point-in-time measure for March 2000.

Technical Appendix Table 2b

Comparison of SIPP and CPS Data Used in Model Characteristics of People Under 65 without Health Insurance at a Point in Time, 2006-2007 Estimates

	SIPP 2003-2004 ^a	CPS March 2006 ^b
Age		
Less than 6	13.3%	5.7%
6 to 17	17.7%	12.4%
18 to 34	37.0%	41.4%
35 to 64	32.0%	40.5%
Family Income as Percent of Federal Poverty Level		
<100%	26.1%	28.0%
100-199%	26.1%	29.0%
200-299%	18.5%	18.3%
300-399%	10.3%	9.6%
400%+	19.0%	15.1%
Race		
White, non-Hispanic	48.5%	46.7%
Black, non-Hispanic	16.3%	14.9%
Hispanic	28.1%	31.2%
Other Race	7.1%	7.3%

^a Based on 2003-2004 SIPP sample, weighted using monthly weight for month 24.

^b Model assumes that estimate of lack of insurance from March 2006 CPS represents a point-in-time measure for March 2006.

We estimated separate equations for children and adults because children's insurance coverage has been driven in recent years by changes in the State Children's Health Insurance Program (SCHIP). These equations perform two functions: First, applying them to the CPS allows us to generate state-level, over-time estimates of uninsurance from the (assumed) point-in-time information available from the CPS. Second, by incorporating key state-level variables that influence insurance coverage (i.e., unemployment and SCHIP enrollment), the equations allow us to reflect insurance trends through the end of the analysis years.

Table 3 summarizes the samples and variables used for each equation. The equations use a combination of variables representing characteristics of the individual, their parents (for children), and their state. The following variables represent the characteristics of the individual in all equations:

- **Age** (0-5, 6-16, 17, 18-20, 21-34, 35-60, 61-64): Age groups were chosen to correspond to likely differences in availability of insurance by age. For example, Medicaid eligibility in some states is more restrictive for children ages 6-16 than for children ages 0-5, and more restrictive still for children above age 16.
- **Family income as a percent of the federal poverty level (FPL)** (<= 100%, 101-199%, 200%+): Family income is the same for all members of a family. The poverty level used is the Federal Poverty Threshold, which is the measure typically used for statistical reporting of poverty rates.
- **Race/ethnicity** (white, non-Hispanic; black, non-Hispanic; Hispanic; other)
- **Sex** (male/female)

The following variable represents the characteristic of the individual for adults, but represents the characteristics of the parents of children:

- **Education** (less than high school diploma, high school diploma [including some college], college degree or higher): For children, if both parents have the same employment status, education represents the education of the most educated parent. If one parent is employed and the other is not, education represents the education of the working parent.

The following state-level variables were added to the SIPP to capture characteristics of an individual's state that could affect his/her likelihood of having insurance:

- **Children's Medicaid coverage** (continuous variable): This variable is important because changes in Medicaid coverage for children between the two analysis years may vary considerably by state as SCHIP coverage expands in some states and contracts in others (see Tables 4a and 4b). We calculated annual children's Medicaid enrollment as a percentage of children in the state with family income below 200 percent of the Federal Poverty Threshold. This measure is meant to capture states' progress in covering low-income children through the end of the analysis year. Enrollment includes standard Medicaid plus the State Children's Health Insurance Programs. To

Technical Appendix Table 3

Samples and Variables Used for Logistic Regression Equations from SIPP Predicting Lack of Insurance over 24 Months

	Children		Adults	
	Uninsured 1+ Months	Uninsured 6+ Months	Uninsured 1+ Months	Uninsured 6+ Months
Sample	Sample: Children (age <18) with health insurance in month 24	Sample: Children (age <18) with health insurance	Sample: Adults (ages 18-64) in month 24	Sample: Adults (ages 18-64)
Dependent	Uninsured any time over 2 years	Uninsured for 6+ months over 2 years	Uninsured any time over 2 years	Uninsured for 6+ months over 2 years
Independent Variables:				
Age	0-5 6-16* 17	0-5* 6-16 17*	18-20 21-24 25-34 35-60* 61-64	18-20 21-24 25-34 35-60* 61-64
Family Income (as % of federal poverty level)	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*	<100% FPL 100-199% FPL 200%+ FPL*
Race/Ethnicity	White, non-Hispanic* Black, non-Hispanic Hispanic Other	White, non-Hispanic* Black, non-Hispanic Hispanic Other	White, non-Hispanic* Black, non-Hispanic Hispanic Other	White, non-Hispanic* Black, non-Hispanic Hispanic Other
Sex	(Not used)	(Not used)	Male	Male
Education	Parent has less than high school diploma Parent is a high school graduate Parent is a college graduate* (Note: Child assigned education of the more highly educated parent, or education of employed parent if only one parent employed)	Parent has less than high school diploma Parent is a high school graduate Parent is a college graduate* (Note: Child assigned education of the more highly educated parent, or education of employed parent if only one parent employed)	Individual has less than high school diploma Individual has high school diploma Individual has college degree or higher*	Individual has less than high school diploma Individual has high school diploma Individual has college degree or higher*
Employment Status	Employed @ month 24* Unemployed @ month 24 Not in labor force*	(Not used)	Employed @ month 24* Unemployed @ month 24 Not in labor force*	(Not used)
Health Coverage Status for Month 24	(Not used)	Uninsured for month 24	(Not used)	Uninsured for month 24
Medicaid	Percent of children in state < 200% of Federal Poverty Threshold enrolled in Medicaid/SCHIP annually	Percent of children in state < 200% of Federal Poverty Threshold enrolled in Medicaid/SCHIP annually	(Not used)	(Not used)

* Indicates reference group omitted from equation.

calculate, we summed Medicaid enrollment estimates and counts of the number of children covered by SCHIP plans that are not already part of the state Medicaid plan. We then divided by the estimated number of children with family incomes below 200 percent of the Federal Poverty Threshold from the CPS to calculate enrollment rates in the general target population. This measure may not, and is not meant to, resemble states' own estimates of children's Medicaid enrollment rates. For example, combining annual enrollment counts with point-in-time estimates from CPS tends to systematically inflate enrollment rates. This bias should have no meaningful effect on the projected estimates or a state's ranking because it is consistent across all states and between years.

- **Employment status** (employed, unemployed, not in labor force): We used employment at the end of the period.

Explanatory variables were generally kept in the modeling equations only if they were significant at the 0.05 level. For example, in the children equation, employment was significant in the 1+ month equation but not significant in the 6+ month equation. The resulting coefficients for the four equations are described in Tables 5a and 5b and 6a and 6b.

In each case, the probability that an individual lacks health insurance (for 1+ or 6+ months) for each analysis period is $e^y/(1+e^y)$.

Applying Equations to the CPS Data

Before applying the equations to the March CPS, we added the most recent state-level data on Medicaid enrollment. The added variables reflect changes through the end of 2000 and 2006 respectively (see Tables 4a and 4b). Thus, in applying these equations to the March CPS, we produced state-level estimates that reflect coverage conditions through the end of each of the analysis years. We note, however, that the population reflected in these estimates represents the total U.S. population as of March of the analysis year. We further adjusted the weights to reflect population growth between March and December of the analysis year.

Applying the equation to the augmented March CPS produces the probability that each individual would not have health insurance at some point during a two-year period. We then sum the product of individuals' probabilities and their weights to calculate the number of people without coverage. For the 1+ month estimates, we then add the individuals who report no coverage in March (because individuals already known to lack insurance at a point in time were excluded from the equation). The sum of the individuals estimated to currently have health insurance but who are predicted to not have health insurance for at least one of the other 23 months and those who reported no health insurance in the CPS equals the total number of people who were reported to be uninsured at some point over a two-year period.

For the 6+ month estimate, we simply apply the equation to produce the probability of lacking insurance for six months or more and multiply these probabilities by the weights.

Technical Appendix Table 4a

Annual Percent of Children under 200% Federal Poverty Level Enrolled in Medicaid/SCHIP, 1999-2000

State	1999	2000	State	1999	2000
Alabama	69.4%	65.7%	Montana	49.3%	44.5%
Alaska	100.8%	104.1%	Nebraska	91.5%	92.7%
Arizona	67.4%	56.8%	Nevada	50.5%	35.7%
Arkansas	64.6%	85.0%	New Hampshire	72.8%	70.4%
California	85.6%	77.2%	New Jersey	81.4%	88.1%
Colorado	62.4%	59.6%	New Mexico	85.6%	76.7%
Connecticut	93.7%	89.8%	New York	100.5%	68.2%
Delaware	116.8%	74.2%	North Carolina	79.1%	84.7%
District of Columbia	116.6%	141.2%	North Dakota	45.7%	45.3%
Florida	77.1%	73.6%	Ohio	75.3%	64.6%
Georgia	87.3%	71.2%	Oklahoma	73.4%	108.7%
Hawaii	70.1%	72.9%	Oregon	73.3%	68.8%
Idaho	35.6%	59.3%	Pennsylvania	87.3%	76.7%
Illinois	84.8%	85.9%	Rhode Island	105.3%	106.6%
Indiana	66.0%	85.2%	South Carolina	88.8%	103.7%
Iowa	69.4%	70.3%	South Dakota	90.7%	97.6%
Kansas	62.1%	59.8%	Tennessee	103.5%	116.7%
Kentucky	76.8%	104.5%	Texas	58.1%	61.5%
Louisiana	72.9%	76.4%	Utah	50.4%	47.1%
Maine	86.3%	87.8%	Vermont	128.1%	104.0%
Maryland	118.2%	136.9%	Virginia	77.9%	76.6%
Massachusetts	97.0%	77.9%	Washington	94.8%	132.4%
Michigan	84.2%	74.7%	West Virginia	100.2%	92.9%
Minnesota	93.0%	87.9%	Wisconsin	68.9%	62.8%
Mississippi	70.1%	90.4%	Wyoming	62.4%	54.5%
Missouri	102.9%	107.6%			

Note: Some states exceed 100 percent because 1) eligibility has been extended to children with family incomes greater than 200 percent of the Federal Poverty Level, and 2) the numerator represents enrollment over a one-year period, while the denominator represents population at a point in time.

Source: Lewin analysis of annual enrollment data for Medicaid and SCHIP, and CPS data on children by family income.

Technical Appendix Table 4b

Annual Percent of Children under 200% Federal Poverty Level Enrolled in Medicaid/SCHIP, 2005-2006

State	2005	2006	State	2005	2006
Alabama	92.0%	90.9%	Montana	57.8%	61.6%
Alaska	119.3%	119.5%	Nebraska	101.0%	99.3%
Arizona	93.3%	94.2%	Nevada	57.7%	54.9%
Arkansas	111.1%	119.9%	New Hampshire	129.3%	134.3%
California	104.9%	102.9%	New Jersey	90.3%	81.9%
Colorado	77.7%	80.9%	New Mexico	109.4%	102.1%
Connecticut	127.9%	117.0%	New York	112.0%	117.8%
Delaware	111.2%	105.8%	North Carolina	85.0%	88.7%
District of Columbia	129.8%	124.2%	North Dakota	68.2%	74.2%
Florida	93.5%	100.1%	Ohio	106.7%	111.1%
Georgia	107.3%	105.1%	Oklahoma	111.5%	111.2%
Hawaii	116.3%	108.4%	Oregon	70.7%	64.2%
Idaho	88.8%	94.9%	Pennsylvania	91.7%	92.1%
Illinois	105.4%	114.1%	Rhode Island	105.2%	111.4%
Indiana	93.3%	87.7%	South Carolina	104.6%	101.5%
Iowa	93.1%	97.6%	South Dakota	106.6%	108.7%
Kansas	78.1%	76.2%	Tennessee	119.0%	116.5%
Kentucky	92.8%	98.4%	Texas	79.6%	82.2%
Louisiana	124.9%	145.0%	Utah	60.0%	64.0%
Maine	115.7%	112.9%	Vermont	166.9%	178.1%
Maryland	114.2%	108.4%	Virginia	86.8%	83.8%
Massachusetts	112.6%	115.1%	Washington	113.2%	119.1%
Michigan	99.5%	103.8%	West Virginia	98.4%	100.5%
Minnesota	125.0%	120.5%	Wisconsin	87.9%	94.6%
Mississippi	102.1%	100.5%	Wyoming	124.1%	90.9%
Missouri	123.8%	119.1%			

Note: Some states exceed 100 percent because 1) eligibility has been extended to children with family incomes greater than 200 percent of the Federal Poverty Level, and 2) the numerator represents enrollment over a one-year period, while the denominator represents population at a point in time.

Source: Lewin analysis of annual enrollment data for Medicaid and SCHIP, and CPS data on children by family income.

Technical Appendix Table 5a

SIPP Logistic Regression Equation Results for Children 1999-2000

	Children 1+ Months Uninsured	Children 6 Months Uninsured
Intercept	-1.7201 *	-2.3640 *
Age 0-5	0.00274	(Not used)
Age 6-16	(Not used)	0.0921
Age 17	-0.5192 *	(Not used)
Poverty Level 0-100%	0.9566 *	0.7872 *
Poverty Level 100-200%	0.8059 *	0.7091 *
Black, non-Hispanic	0.4399 *	0.4606 *
Hispanic	0.3991 *	0.5732 *
Other Race	0.5350 *	0.5037 *
< High School	0.8930 *	1.1943 *
High School	0.7140 *	0.8342 *
State Medicaid Enrollment	-0.0890 *	-0.0167 *
Unemployed	-0.0944 *	0.0210 *
Employed	-0.0711 *	(Not used)
Uninsured (month 24)	(Not used)	3.7274

* Significant at the 0.05 level.

Technical Appendix Table 5b

SIPP Logistic Regression Equation Results for Children 2006-2007

	Children 1+ Months Uninsured	Children 6 Months Uninsured
Intercept	-1.6873 *	-2.4781 *
Age 0-5	0.0447	(Not used)
Age 6-16	(Not used)	0.2244
Age 17	-0.7688 *	(Not used)
Poverty Level 0-100%	0.8254 *	0.5636 *
Poverty Level 100-200%	0.5848 *	0.4997 *
Black, non-Hispanic	0.3173 *	0.2935 *
Hispanic	0.5165 *	0.5105 *
Other Race	0.4639 *	0.5159 *
< High School	0.8498 *	0.9742 *
High School	0.6092 *	0.7128 *
State Medicaid Enrollment	-0.3103 *	-0.9488 *
Unemployed	-0.0943 *	0.3202 *
Employed	-0.0606 *	(Not used)
Uninsured (month 24)	(Not used)	3.3822

* Significant at the 0.05 level.

Technical Appendix Table 6a

SIPP Logistic Regression Equation Results for Adults 1999-2000

	Adults 1+ Months Uninsured	Adults 6 Months Uninsured
Intercept	-3.1386*	-3.8742*
Age 18-20	0.5282*	(Not used)
Age 21-24	1.4206*	1.0174*
Age 25-34	1.0102*	0.7326*
Age 61-64	-0.3748*	-0.4890*
Poverty Level 0-100%	1.0493*	0.8328*
Poverty Level 100-200%	0.8652*	0.8066*
Black, non-Hispanic	0.3240*	0.3682*
Hispanic	0.4797*	0.6169*
Other Race	0.3365*	0.3169*
Unemployed	0.4184*	(Not used)
< High School	0.9331*	1.0477*
High School	0.5812*	0.6412*
Uninsured (month 24)	(Not used)	4.3552*

* Significant at the 0.05 level.

Technical Appendix Table 6b

SIPP Logistic Regression Equation Results for Adults 2006-2007

	Adults 1+ Months Uninsured	Adults 6 Months Uninsured
Intercept	-2.9753*	-3.8090*
Age 18-20	0.2884*	(Not used)
Age 21-24	1.349*	0.8979*
Age 25-34	0.8178*	0.6387*
Age 61-64	-0.5013*	-0.3710*
Poverty Level 0-100%	1.0261*	0.8677*
Poverty Level 100-200%	0.8089*	0.7544*
Black, non-Hispanic	0.5354*	0.4814*
Hispanic	0.9187*	0.9304*
Other Race	0.4212*	0.3988*
Unemployed	0.3419*	(Not used)
< High School	0.9312*	1.0943*
High School	0.5537*	0.7081*
Uninsured (month 24)	(Not used)	4.3139*

* Significant at the 0.05 level.

DEFINITION OF OUTPUT TABLE VARIABLES

Below we define the variables used to report the results by individuals' characteristics.

Health insurance: We defined individuals as being uninsured if they did not report having private health insurance, Medicaid, Medicare, CHAMPUS, CHAMPVA, or military health insurance in a given month of the two-year period. We counted the duration without insurance as the total number of months during the two years observed from the data that an individual lacked insurance. Months without insurance need not be consecutive. This distribution by number of months is truncated for those whose spell began before the observed period and those whose spell continued beyond the end of the 24-month period. Therefore, the distribution should not be interpreted as total spell duration. The distribution likely over-represents shorter stays.

Income: The income measure we use is family income as a percentage of the Federal Poverty Threshold. U.S. tables show a detailed distribution (<100%, 100-199%, 200-299%, 300-399%, 400%+), while selected state-level tables show a more aggregated distribution (<200%, 200%+) due to sample size restrictions.

Race/Ethnicity: We present the distribution of uninsured individuals across racial and ethnic groups. We divided people into four mutually exclusive racial-ethnic categories: White, non-Hispanic; Black, non-Hispanic; Hispanic; and Other. We classified people as Hispanic if they reported their ethnic origin as Mexican, Chicano, Puerto Rican, Cuban, Central or South American, or other Spanish.

Education: For adults, we report the educational attainment of the individual. For children, we report the educational attainment of the most highly educated parent if both or neither parents are working, or the employed parent if only one parent is working. The levels we created were: less than high school graduate, high school graduate (including some college), and college graduate or higher.

Family employment: Family employment was constructed by using the highest employment status between the reference person and his/her spouse. For example, if the reference person worked part-time but his/her spouse worked full-time, the family would be categorized as working full-time.

Family employment status at the end of 24-month period: We report the family employment status for the last month of the 24-month period (in the output tables, roughly January 2003). The variable was composed of the following categories: employed full-time, employed part-time, unemployed, and not in the labor force.

Family employment status over 24 months: At the national level only, we also report duration of family employment over the 24-month period. Because employment duration is available from the SIPP but not the CPS (which provides state-level estimates), we could not report it at the state level. The variable was composed of the following categories: employed full-time all 24 months, employed at least part-time all 24 months, unemployed at least one month, unemployed for 24 months, and not in the labor force.

Age: We report age at the end of the 24-month period.

CAVEATS AND LIMITATIONS

As we indicated earlier, there are no direct estimates of the number of individuals without health insurance over a period of time by state. Therefore, similar to small area analyses developed by the Census, we used the econometric models to calculate these estimates. All of the variables included in the model had significant coefficients, with the exception of the 0-5 age group dummy variable in the children's equations and the male dummy variable in the adult 1+ month equation. The state-level employment and Medicaid enrollment variables produced large coefficients and therefore had relatively large impacts on the resulting estimates of lack of insurance.

Even though the CPS sample was enhanced beginning in 2001, bias in the state estimates introduced by the sampling frame within a state still exists. For example, if all the households interviewed in a small state come from the same metropolitan statistical area in the state, they may not accurately represent the characteristics of residents of the entire state.

The model we specified assumed that the reported percent of uninsured children from the CPS was similar to the point-in-time estimate of the SIPP. As indicated earlier, researchers have differing opinions on this matter.

¹ Katherine Swartz and Timothy McBride "Spells without Health Insurance: Distributions of Durations and Their Link to Point-in-Time Estimates of the Uninsured," *Inquiry* 27 (1990): 281-288.

² In 2001, a verification question that asks specifically whether someone was uninsured all of last year was added.

³ Charles Nelson and Kathleen Short, *Health Insurance Coverage 1986-88* (Washington: Bureau of the Census, 1990); Katherine Swartz, "Dynamics of People without Health Insurance: Don't Let the Numbers Fool You," *Journal of the American Medical Association* 271, no. 1 (1994): 64-6.

⁴ Robert L. Bennefield, *A Comparative Analysis of Health Insurance Coverage Estimates: Data from CPS and SIPP*, presented at the 1996 Joint Statistical Meetings of the American Statistical Association, 1996.

⁵ The exclusion of individuals with fewer than two years of data necessarily excludes children younger than age 2. Analysis of monthly samples indicated that insurance coverage rates for children under age 2 were similar to the rates for children ages 2 to 5. We therefore assigned coverage to the under 2 group at the same rate as the 2 to 5 group.

⁶ It was beyond the scope of this report to quantify the extent to which those who dropped out of the survey might have different health insurance coverage patterns even after controlling for age, sex, race, and income.

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