



Who are the Uninsured?

Examining Insurance Coverage Among Working-Age Adults (19 to 64 years)

Introduction

This is the second in a series of issue briefs examining the results of the 2001 Household Survey conducted by the University of Connecticut Center for Survey Research and Analysis on behalf of the Connecticut Office of Health Care Access (OHCA). The survey explored Connecticut residents' health insurance coverage and their utilization of health care services.¹ Although the survey found that the state had a high rate of insured, it also revealed that 5.6% of respondents were uninsured at the time of the survey, which translates to 185,201 civilian non-institutionalized Connecticut residents.²

This issue brief focuses on working-age adults between 19 and 64, a group that is not automatically eligible for any public health insurance programs.³ While the survey revealed that this group had relatively high levels of insurance coverage and used health care services extensively, it illuminated subpopulations that had higher than average rates of uninsured; specifically, singles, young adults, those without a college degree, and the unemployed or self-employed. The strongest factor related to insurance status, however, was family income.

Insurance Coverage

The state's high rate of insured mirrors results of national surveys in which Connecticut usually ranks in the top five states for insurance coverage.⁴ OHCA's 2001 Household Survey found most working-age adults had health insurance (92.7%),

OHCA's 2001 Household Survey found that most working age adults had health insurance, primarily through an employer.

primarily through an employer (78% - Figure 1). Conversely, 7.3% or 150,800 civilian, non-institutionalized working-age adults were uninsured at the time of the survey.

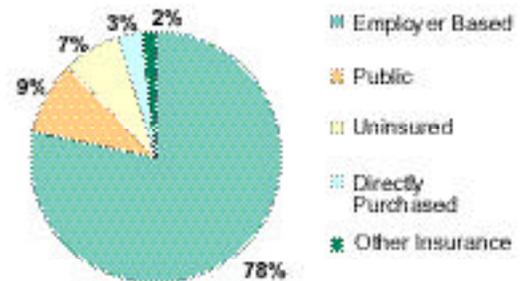


Figure 1: Insurance Type for Working-Age Adults

Dental coverage was not as widespread as health care coverage, however. Three-quarters of all working age adults had dental insurance, but 20% of those with health insurance did not have dental coverage.

The Face of the Uninsured

Although Connecticut had a very high rate of insured, there are subpopulations that had higher than average concentrations of uninsured. Who were the approximately 150,800 Connecticut residents without health insurance coverage? This issue brief identifies relationships, or consistent associations, between insurance status and demographic characteristics.⁵

Income and Federal Poverty Level

National studies have consistently shown that lower-income families are at greater risk of being uninsured.⁶ OHCA's 2001 Household Survey results reinforced this conclusion, as family income was the demographic characteristic most strongly related to insurance status.

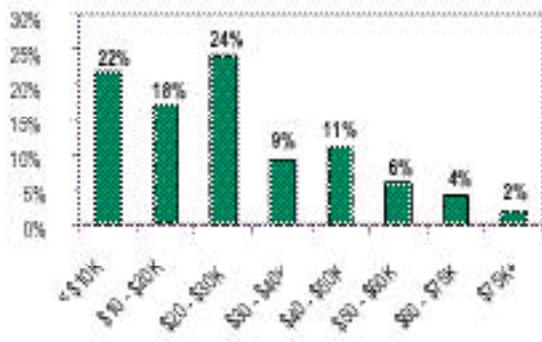


Figure 2: Percent of Working-Age Uninsured Adults by Income

The population of uninsured ranged from 22% for those whose family income was less than \$10,000 to 2% for those who earned \$75,000 or more (Figure 2).⁷

While the percent of uninsured generally declined as family income increased, it should be noted that those who earned between \$20,000 and \$30,000 had the highest rate of uninsured, and there was also a moderate increase in the rate of uninsured for those who earned between \$40,000 to \$50,000. These increases may be related to ineligibility for government programs at higher incomes. Generally, as family income crossed the \$30,000 threshold, the proportion of uninsured was markedly smaller. The survey found that nearly half of Connecticut's uninsured had family incomes of \$30,000 or less. In comparison, nearly half of the insured earned \$75,000 or more annually.

Family income has a strong and direct influence upon insurance status because it affects the ability to purchase coverage and to afford co-pays and deductibles. It also determines eligibility for public coverage. A recent report by the Institute of Medicine indicated that workers pay an average of 14% of the total cost of individual coverage and 27% for family coverage.⁸ When asked, a majority of the uninsured working-age adults responded that they could not afford to purchase insurance on their own.

The Federal Poverty Level (FPL), which takes into account a family's income and size, was also significantly related to insurance status. The rate of uninsured among respondents whose family income was 200% of the FPL or below was 20%, while only 4% of those who earned more than 300% of the FPL were uninsured. As

with income, the percentage of uninsured working-age adults declined as FPL increased. The exception to this was that families who earned 151% to 200% of the FPL were more likely to be uninsured than those whose incomes were between 134% and 150% of the FPL. Like income, this may be related to eligibility for government assistance.

Education, Marital Status, Age and Race

Education, marital status, age, and race were all significantly associated with insurance status and, therefore, helped identify the uninsured (Figure 3). However, when income was taken into consideration and people within the same income range were compared, educational, marital, age, and racial differences were no longer significantly associated with insurance coverage. This demonstrates that of all the demographic factors, family income was the best indicator of whether or not someone had health insurance.

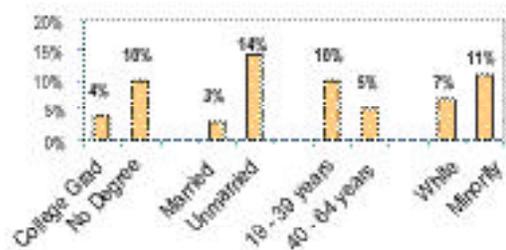


Figure 3: Rate of Uninsured for Selected Educational, Marital, Age, and Racial Groups – Working-Age Adults

Whites (7%) had a lower rate of uninsured than minority groups such as blacks (8%), Hispanics (11%), and others (14%).⁹ Minorities also had a higher likelihood of being uninsured, as they comprised 17% of the survey population but accounted for 24% of the uninsured.

In terms of education, college graduates were the least likely to be uninsured (4%) while those without a high school diploma were the most likely (21%). Under-scoring the importance of a college degree, twice as many people with some college or post-secondary technical education were uninsured (8%) than were college graduates (4%). Three-quarters of the uninsured were not college graduates.

As with a college degree, marital status was strongly associated with insurance coverage. Only 3% of all

High rates of uninsured younger adults also affect the cost of insurance. The absence of young, healthy adults from insurance risk pools eliminates cross subsidies they would normally pay, thus raising premiums for the insured.

married adults were uninsured, as opposed to 15% of singles and those living with their partner, 14% of the divorced, 10% of those who were separated, and 7% of those who were widowed. Among

the uninsured, 70% were not married.

Married persons sometimes have opportunities to obtain insurance through their spouses' employers. In fact, the survey revealed nearly one-quarter of all insured working-age adults had coverage through their spouses' employers, and an additional 18% were eligible for, but not enrolled in coverage through their spouse's employer. In contrast, very few uninsured people (less than 1%) had the opportunity to obtain coverage through their spouse's employer.

When marital status was combined with gender, significant differences between men and women were revealed. Almost half of all uninsured men were single (47%) as compared to 39% of uninsured women. Nearly one in every five divorced, separated or widowed men were uninsured (18%), while only 9% of women in this category did not have health coverage.

While the relationship between marital status and insurance coverage generally diminished when income was taken into account, for those earning \$50,000 or more, married people were still significantly more likely to be insured than those who were not married.

Age was related to insurance status, as two-thirds of the uninsured were under age 44. Among 19- to 29-year-olds, 13% were uninsured, compared to only 4% of those age 50 to 64. Nationally, people in their twenties have the highest rate of uninsured.¹⁰ Higher rates of uninsured among younger adults may be because they are in the process of establishing themselves professionally and generally have lower

incomes. Younger adults are also more likely to be single and thus unable to obtain coverage through a spouse.

High rates of uninsured younger adults also affect the cost of insurance. Unfortunately, the absence of young, healthy adults from insurance risk pools eliminates cross subsidies they would normally pay, thus raising premiums for the insured.

As with marital status, there were notable differences in insurance coverage between men and women at different ages. For men, lack of insurance coverage was a problem concentrated among the young, as 57% of uninsured men were between 19 and 34 years old. For women, this problem was more evenly distributed across age groups, as 44% of uninsured women were under 35 years old, 30% were between 35 and 44 years, and 26% were between 45 and 64 years old.

Employment and Insurance Coverage

While the issue of employment and insurance coverage will be more thoroughly examined in a future issue brief, their relationship is noted here. As shown in Figure 4, the insured were more likely to be gainfully employed (i.e., either employed by someone or self-employed) than the uninsured (82% versus 68%).



Figure 4: Employment Status for Insured and Uninsured Working-Age Adults

The uninsured were more likely than the insured to be unemployed (19% versus 10%) or self-employed, and thus be responsible for acquiring their own insurance coverage. In purchasing health coverage, the self-employed and small business-person may face higher premiums because they do not have the purchasing power of larger enterprises.

As previously mentioned, more than three-quarters of the state's insured working-age adults obtained health insurance coverage through an employer. Most uninsured working-age adults were gainfully employed; however, 41% reported that their employer did not offer health insurance.¹¹ In sharp contrast, the vast majority of the insured worked in firms that offered health coverage.

More than three-quarters of the state's insured working-age adults obtained health insurance coverage through an employer. While most uninsured working-age adults were gainfully employed, 41% reported that their employer did not offer health insurance.

When family income was taken into account, it was only among middle income families who earned between \$30,000 and \$60,000 that work remained a significant factor in insurance coverage; only 6% of those working for someone were uninsured while the unemployed (18%) and the self employed (28%) had much higher rates.

Conclusion

OHCA's 2001 Household Survey found that nearly all working-age adults had health insurance coverage (93%); most through an employer (78%). Fewer persons, however, had dental insurance (74%).

Although there was widespread health insurance coverage, 7.3% or approximately 150,800 working-age Connecticut residents were uninsured. Singles, young adults, people without a college degree and minorities had higher than average rates of uninsured. Family income had the strongest effect on insurance status, as the lack of coverage was much more extensive among low-income families.

Although most of the uninsured were gainfully employed, they were still more likely than those with insurance coverage to be self-employed or unemployed,

and therefore responsible for acquiring their own insurance coverage. Based on the survey, there were an estimated 101,300 gainfully employed adults who were uninsured. A future issue brief will focus on these uninsured workers.

The next brief in this series on OHCA's 2001 Household Survey will examine the utilization of health services by working-age adults and highlight the association between health insurance coverage and access to care.

NOTES

For technical/statistical questions on this issue brief, please contact Michael Sabados at (860) 418-7069 or michael.sabados@po.state.ct.us.

¹ The survey, consisting of 3,985 interviews, was conducted in the Fall of 2001.

² Unless specified otherwise, "uninsured" refers to anyone who reported they did not have health insurance coverage at the time of the survey, i.e., the "point in time" uninsured. This includes those who were continuously uninsured for the year preceding the survey and those who had insurance at some point during that time but did not have coverage at the time of the survey.

³ Connecticut's uninsured children have access to HUSKY, the state's SCHIP Program. Senior citizens were excluded from this analysis because they are eligible for Medicare. While working-age adults may qualify for Medicaid, they must pass means testing to be eligible.

⁴ For example, Connecticut ranked 4th in the Current Population Survey, March 2000. *Table HI06 Health Insurance Coverage by State for all People: 2000*: U.S. Census Bureau and Bureau of Labor Statistics.

⁵ Only associations that were statistically significant are discussed in this issue brief.

⁶ Rhoades JA, Vistnes JP, Cohen JW. *The Uninsured in America: 1996 – 2000*. Rockville (MD): Agency for Healthcare Research and Quality; 2002. MEPS Chartbook #9. AHRQ Pub. No. 02-0027, and Kaiser Commission on Medicaid and the Uninsured. *Health Insurance Coverage in America: 2000 Update, Publication #4007*, February 2002.

⁷ Percentages based on those survey responses providing a valid family income.

⁸ Institute of Medicine. *Health Insurance is a Family Matter*. The National Academies Press. 2002.

⁹ "Other" category includes Asians, Native Americans, Hawaiians and Pacific Islanders, and others. "Whites," "blacks," and "other" are all non-Hispanic.

¹⁰ Rhoades JA, Vistnes JP, Cohen JW. *The Uninsured in America: 1996 – 2000*. Rockville (MD): Agency for Healthcare Research and Quality; 2002. MEPS Chartbook #9. AHRQ Pub. No. 02-0027. This study identified 18 to 24 year olds as having the highest rate of uninsured.

¹¹ 32% of the uninsured respondents to the OHCA survey said their employer offered insurance coverage but they were not enrolled, and 27% did not provide a valid response.