

## Who Loses Coverage and for How Long?

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C E N S U S   B U R E A U

P70-54  
May 1996

### 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 are covered by health insurance over a 28-month period beginning in early 1992. The source of this information is the first seven waves of the 1992 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 28-month period that the person was 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) employer- or union-provided insurance, 2) other privately purchased health insurance, 3) medicare, 4) military health care, and 5) medicaid.

### Highlights

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

- Estimates for 1993 show that 19.4 ( $\pm 1.1$ ) million people were uninsured over that 12-month period. That estimate was not significantly higher than the 1992 estimate of 19.0 ( $\pm 1.0$ ) million uninsured people.

- Nearly 4 out of 5 people—78.8 ( $\pm 0.6$ ) percent of all people—had continuous health insurance coverage all months of 1993. Thus, 21.2 ( $\pm 0.6$ ) percent, or 53.6 ( $\pm 1.6$ ) million people, lacked insurance for at least 1 month. This percentage was not significantly different from the 21.6 ( $\pm 0.6$ ) percent who experienced a lapse in coverage during calendar year 1992.

- Over a 28-month period during 1992 to 1994, 73.0 ( $\pm 0.8$ ) percent of all people had continuous health insurance coverage; therefore, 27.0 ( $\pm 0.8$ ) percent, or 66.6 ( $\pm 1.7$ ) million people, lacked insurance for at least 1 of those 28 months— 4.8 percent ( $\pm 0.4$ ) or 11.9 ( $\pm 0.8$ ) million were uninsured for the full 28-month period from early 1992 to mid-1994.

- 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 51.5 percent ( $\pm 2.5$ ) were not continuously insured during the 28-month period.

- Work experience has a significant effect on health insurance coverage: 86.5 ( $\pm 1.1$ ) percent of people who worked full time for the entire period were covered continuously by health insurance, compared with 73.5 ( $\pm 4.7$ ) percent for full-period, part-time workers, and 58.1 ( $\pm 1.4$ ) 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: 82.5 ( $\pm 0.7$ ) percent of those with an income-to-poverty ratio of 2.0 or greater had continuous coverage, compared with 52.8

( $\pm 1.4$ ) percent of those with an income-to-poverty ratio below 2.0.

- Twenty-seven ( $\pm 0.8$ ) percent of all people experienced at least one period of time without health insurance coverage during the 28-month survey period. Of all observed spells without health insurance, half lasted for 5.7 months or longer. This estimate was significantly shorter than the 7.1 months of noncoverage for the 1991-1993 period.

### Estimates of Health Insurance Coverage

Health insurance coverage is commonly associated with other life circumstances, such as employment, retirement, and government program participation. 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.

The first seven waves of the 1992 SIPP panel file were used to examine the number of months people were covered by health insurance during a 28-month period. Interviews from this panel were conducted between February 1992 and May 1994, allowing examination of health insurance coverage for 2 calendar years, 1992 and 1993. During the 1993 calendar year, 79 percent of all people had health insurance coverage for the entire year; 21 percent, or 54 million people, lacked coverage for at least 1 month. Eight percent, or 19 million people, were never covered in

1993. The 1992 calendar year estimates were similar, showing 78 percent, 22 percent, and 8 percent, respectively.

Between 1992 and early 1994, 73 percent of all people had continuous health insurance coverage over the entire 28-month survey period; 27 percent lacked health insurance for at least 1 month. Eight percent of all people were covered by insurance for 6 months or less (5 percent lacked coverage for the entire period, and another 3 percent were covered for 1 to 6 months) (see figure 1).

### Comparisons Over Different Time Periods

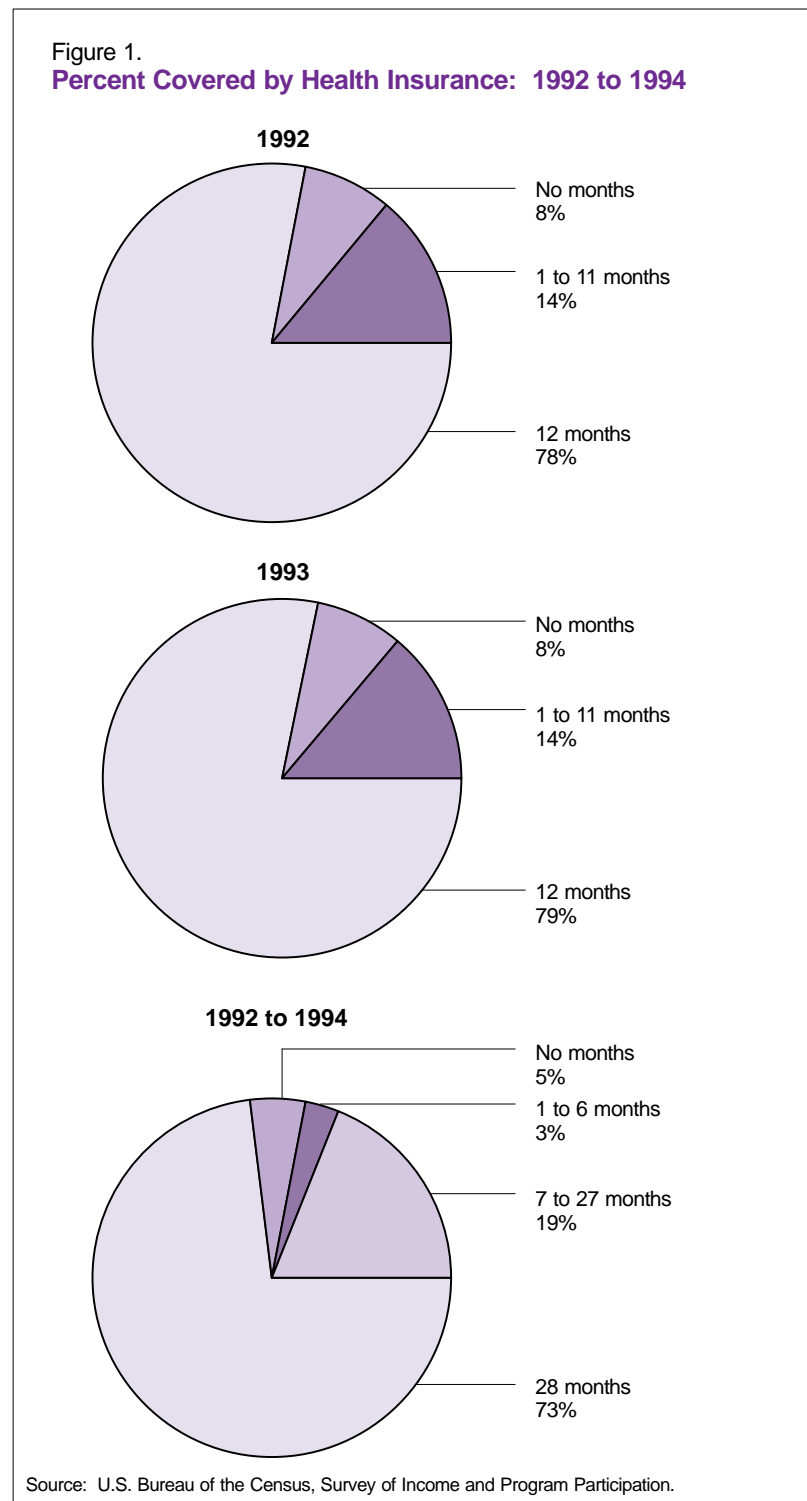
The proportion of people with lapses in coverage is greater when measured over a longer time period, as different people may lose coverage in different years. For example, proportions of those with lapses in coverage were similar for calendar years 1992 and 1993; 22 and 21 percent, respectively. However, over the full 28-month period, the proportion of those with a lapse in coverage increased to 27 percent.

Comparisons of estimates over a 28-month period from the 1992 panel with those from the 1991 panel show almost similar patterns of health insurance coverage between the 1991-1993 period and the 1992-1994 period. A slightly lower proportion of people had continuous coverage in the later period—the percent covered for the entire 28-month period dropped from 75 percent in the 1991-1993 period to 73 percent from 1992 to 1994. The remainder of this report will focus only on information collected for the 28 months between February 1992 and May 1994.

### Sex, Race, and Hispanic Origin<sup>1</sup>

As shown in figure 2, over the 28-month interview period

<sup>1</sup> Persons of Hispanic origin 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.



beginning in February 1992, women were more likely than men to have continuous health insurance coverage—75 percent of women compared with 71 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,<sup>2</sup> and are more likely to participate in means-tested government

<sup>2</sup> In 1994 the official poverty rate was 12.8 percent for men and 16.3 percent for women. See Current Population Reports, Series P60-189, "Income, Poverty, and Valuation of Noncash Benefits: 1994."

assistance programs.<sup>3</sup> Thus, 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.

The relationship between race or Hispanic origin and health insurance was a strong one. The percentages of people who spent at least 1 month without health insurance were 23 percent for Whites (not of Hispanic origin), 36 percent for Blacks, and 49 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—about one-half (52 percent) lacked insurance for at least 1 month during the 28-month period, while 13 percent were covered for less than 7 months. Moreover, as age increased among adults, continuous health insurance coverage became more common.<sup>4</sup>

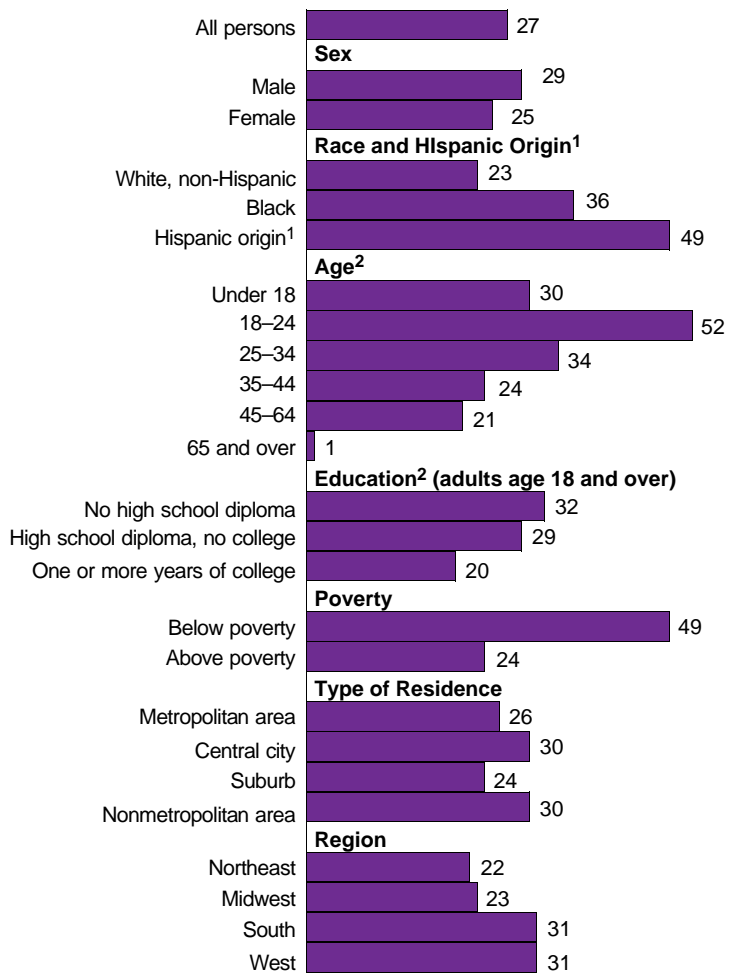
**Years of School Completed**

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 20 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 29 percent for those who only completed high school and 32 percent for those with less than a high school diploma.

<sup>3</sup> For an average month in 1993, 16.0 percent of all women participated in means-tested assistance programs, compared with 11.8 percent of all men. (The source of these estimates is the 1992 SIPP panel file.)

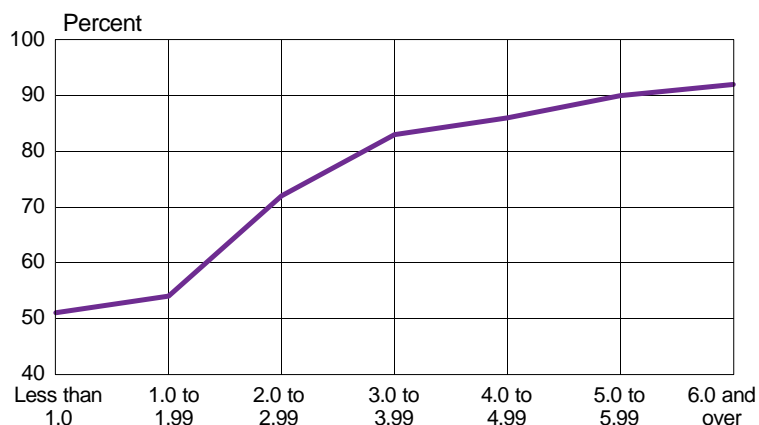
<sup>4</sup> The difference between the two age groups 35 to 44 and 45 to 64 was not statistically different.

Figure 2.  
**Percent Without Health Insurance for at Least 1 Month: 1992 to 1994**



<sup>1</sup> Persons of Hispanic origin may be of any race.  
<sup>2</sup> Age and education refer to February 1992.  
Source: U.S. Bureau of the Census, Survey of Income and Program Participation.

Figure 3.  
**Percent Covered for 28 Months by Income-to-Poverty Ratios: 1992 to 1994**



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

### Type of Residence and Region

People living in suburban areas<sup>5</sup> were more likely to have continuous health insurance coverage over the 28-month period than people living in central cities or outside of metropolitan areas—76 percent of those in the suburbs compared with 70 percent in other areas.

People residing in the South and West were more likely to experience 1 or more months without health insurance coverage than those living in the Northeast or Midwest—31 percent in both the South and West compared with 23 percent in the Midwest and 22 percent in the Northeast.<sup>6</sup> Perhaps the higher noncoverage rates in the South and West can be partially attributed to higher concentrations of Blacks in the South and Hispanics in the West. These groups had higher noncoverage rates than Whites who were non-Hispanic.

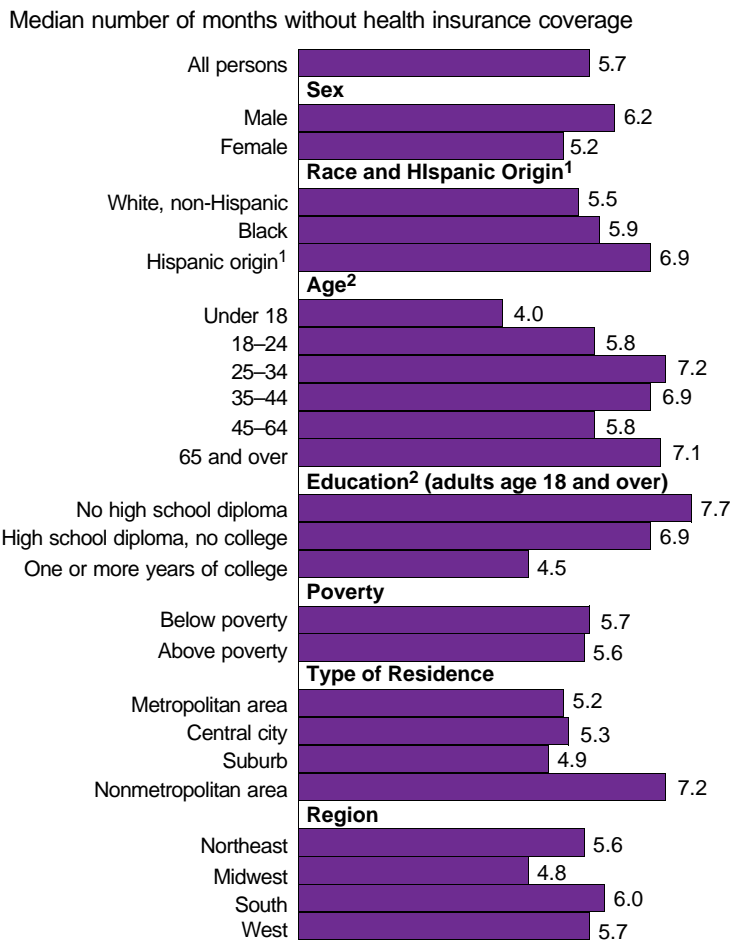
### Income-to-Poverty Ratios

Income-to-poverty ratios represent one way of characterizing individuals by their relative economic status. These ratios are computed by summing the person or family income over the entire 28-month period, and dividing this total by the summed monthly poverty thresholds. Thus, a ratio of under 1.0 indicates that, on average, an individual's family income was less than the sum of that family's poverty threshold. In the 28-month period covered here, 11 percent of all people had an income-to-poverty ratio less than 1.0. About one-half (49 percent) of them lacked continuous health insurance, and 12 percent were not covered at all, compared with 24 and 4 percent, respectively, for all others.

<sup>5</sup> The term "suburban areas" refers to portions of metropolitan areas outside of central cities.

<sup>6</sup> There was no significant difference between the noncoverage rate in the Northeast (22 percent) and in the Midwest (23 percent).

Figure 4.  
**Duration of Spells Without Health Insurance Coverage: 1992 to 1994**



<sup>1</sup> Persons of Hispanic origin may be of any race.

<sup>2</sup> Age and education refer to February 1992.

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

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 28 months rose from 53 percent for those with ratios under 2.0 to 92 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 total health insurance 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:

1. Those who worked full time for the entire period
2. Those who worked for the entire period but not always full time
3. Those with one or more job interruptions.

Eighty-seven percent of all full-time, full-period workers were covered by health insurance for the entire period, but there were significant differences for Whites (non-Hispanic), Blacks, and Hispanics. The continuous coverage rates for these groups were 89, 81, and 69 percent, respectively.

Part-time, full-period workers were more likely than their full-time counterparts to lack continuous health insurance coverage—27 percent, compared with 14 percent.

About 42 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 to 35 percent).

Younger full-time, full-period workers were less likely than their older counterparts to have been covered by health insurance continuously—38 percent of those age 18 to 24 years old spent 1 or more months without health insurance, compared with 17 percent of those age 25 to 34 and 10 percent of those age 35 to 44.<sup>7</sup>

### Spells of Noncoverage

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 5.7 months without health insurance was observed for people who lost their health insurance after the beginning of the 28-month period of the 1992 panel. In other words, of all spells without health insurance (experienced by 27 percent of the

people), half of them lasted for 5.7 months or longer. This estimate is significantly shorter than the 7.1-month median duration of noncoverage for the 1991-1993 period.

Attaining a high level of education appears to shorten the time someone goes without health insurance (see figure 4). The median spell of 7.7 months without health insurance coverage for those without a high school diploma was significantly different from 4.5 months of noncoverage for those with at least 1 year of college.<sup>8</sup>

Among the age groups examined, the median spell of 4.0 months without coverage for children less than 18 years of age was significantly shorter than spells for other age groups, except for those 45-64.

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—5.0 months for full-time workers, compared with 7.2 months, 7.6 months, and 7.1 months, respectively, for the others.<sup>9</sup>

<sup>8</sup> No statistical difference was observed between other comparisons by educational level.

<sup>9</sup> Estimates of 7.2 months, 7.6 months, and 7.1 months are not significantly different.

### 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 under-coverage. 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-sex population controls partially corrects for bias attributable to survey under-coverage. However, biases exist in the estimates when missed persons have characteristics different from those of interviewed persons in the same age-race-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 Tracy James, Demographic Statistical Methods Division, at 301-457-4182 or on the Internet at [tjames@census.gov](mailto:tjames@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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