MEPS HIGHLIGHTS

Medical Expenditure Panel Survey

May 1998

Number 4

Health Insurance Coverage in America—1996

Estimates for the U.S. Civilian Noninstitutionalized Population

Introduction

Compared to people without health care coverage, insured people are more likely to have a regular source of medical care and to spend less out of pocket on health services. Moreover, insured and uninsured people experience different treatment patterns, quality, and continuity in their health care. Medical Expenditure Panel Survey (MEPS) data show that 83 percent of Americans, 218.8 million people, had some type of private or public insurance coverage during the first half of 1996. Roughly 68 percent had private health insurance, while approximately 15 percent were covered only by Medicare, Medicaid, or other public sources. The remaining 17 percent of the population were uninsured. Nearly 61 percent of the population had job-related coverage. Coverage through the workplace represented more than 89 percent of all private insurance. This *Highlights* describes the distribution of health insurance according to demographic characteristics such as age and race/ethnicity.

Briefly stated:

- During the first half of 1996, 83 percent of Americans, 218.8 million people, had some type of private or public health insurance coverage. About 68 percent had private health insurance; 15 percent were covered only by Medicare, Medicaid, or other public sources; and the remaining 17 percent were uninsured.
- Nearly 61 percent of the population had job-related coverage. Employment-based coverage represented more than 89 percent of all private insurance.
- Nearly 69 percent of people under 65 years of age were covered by private insurance, 12 percent were covered by public insurance, and 19 percent were uninsured.
- Groups at high risk of being uninsured included racial/ethnic minorities (particularly Hispanic males), young adults ages 19-24, and people under 65 who were in good or fair health.

Agency for Health Care Policy and Research

MEPS Definitions of Private and Public Insurance

Private health insurance is defined as insurance that provides coverage for hospital and physician care. Insurance that provides coverage for a single service only, such as dental or vision coverage, is not counted as private insurance.

Individuals are considered to have ***public insurance*** if they have coverage only under Medicare, Medicaid, CHAMPUS/CHAMPVA (Civilian Health and Medical Programs for the Uniformed Services and Veterans' Affairs), or some other type of public hospital and physician coverage.

Age

Of persons under 65 years of age, 69 percent had private insurance coverage, 12 percent had public coverage, and 19 percent were uninsured.

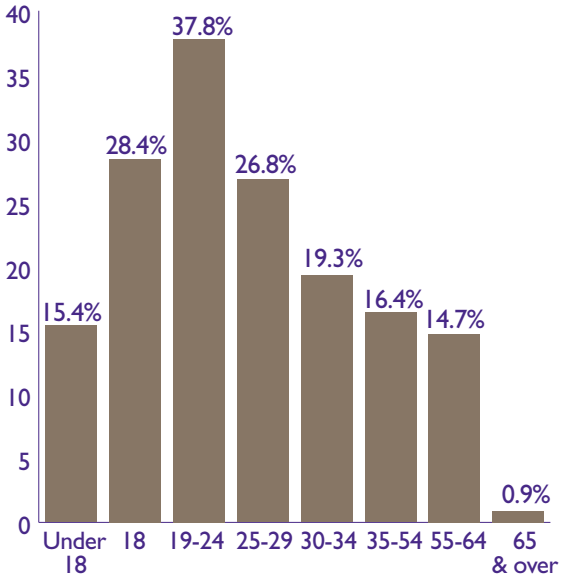
In general, children under age 18 are more likely than adults to be insured. Public insurance plays a key role in insuring low-income children. One in four children under age 4, nearly the same proportion ages 4-6, and one in five children ages 7-12 obtained public coverage, usually through Medicaid. Despite the existence of the Medicaid safety net, however, 11 million children lacked health insurance coverage.

Young adults ages 19-24 had the highest risk of being uninsured (Figure 1). Over a third of them (38 percent) were uninsured, more than twice the rate for all Americans. Two partial explanations of the low rate of insurance among this age group are the fact that young adults who are not full-time students are likely to lose dependent coverage on their parents' plans and the tendency of young people to be employed in transitory or low-wage jobs that do not offer health insurance coverage. Although they comprised less than a tenth of the non-elderly population, young adults represented nearly a fifth of the uninsured population. They also had the lowest rates of private insurance coverage.

MEPS data also show that, although 6 out of 10 elderly Americans were covered by private insurance (almost always in addition to Medicare), nearly 4 out of 10 were covered only by public insurance (Medicare only or Medicare in conjunction with Medicaid or another public source).

DATA SOURCE: 1996 Medical Expenditure Panel Survey Household Component, Round 1.

Figure 1. Risk of being uninsured by age: First half of 1996



▶ Young adults ages 19-24 were the age group most likely to lack health insurance. Over a third of young adults were uninsured, more than twice the rate for all Americans.

Race/Ethnicity

Figure 2 shows that no more than half of all Hispanic and black Americans under age 65 (45 and 50 percent, respectively) were covered by private health insurance, compared to more than three-quarters of whites (77 percent). Hispanic and black Americans were more than twice as likely as white Americans to be covered by public health insurance, although they also were more likely to be uninsured.

Young adults ages 19-24 were the non-elderly age group most at risk of

lacking private insurance and of being uninsured. There are also striking disparities in health insurance coverage when racial/ethnic background is considered. Half of all Hispanic and black young adults were uninsured (53 percent and 50 percent, respectively) compared to 31 percent of white young adults. In addition, white young adults were significantly more likely to obtain private insurance and less likely to rely on public insurance than their Hispanic and black counterparts.

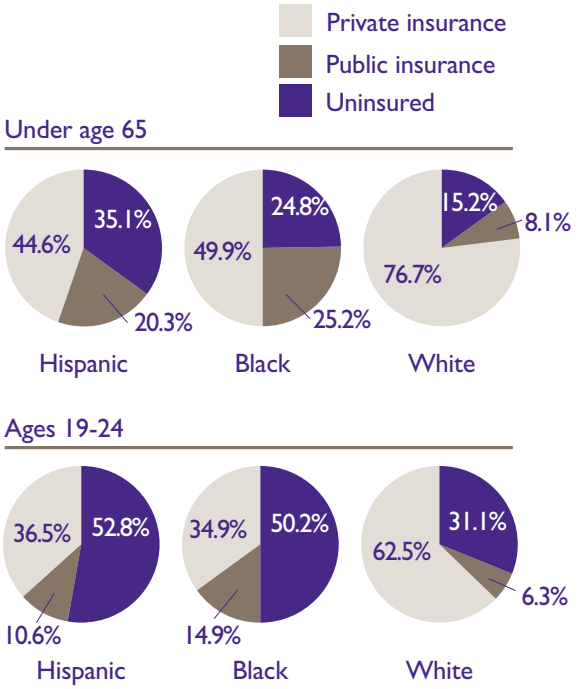
Health Status

Non-elderly persons in fair or poor health were less likely than those in better health to have private insurance (Figure 3). However, public insurance helped reduce the health-related disparities in private coverage. Nearly 25 percent of persons in fair health and almost 40 percent of persons in poor health obtained public coverage.

About MEPS

The Medical Expenditure Panel Survey (MEPS) collects nationally representative data on health care use, expenditures, source of payment, and insurance coverage for the U.S. civilian noninstitutionalized population. MEPS is cosponsored by the Agency for Health Care Policy and Research and the National Center for Health Statistics. This *Highlights* summarizes data concerning the distribution of insurance coverage in the United States during the first half of 1996, as derived from the MEPS Household Component, Round 1. For more information about MEPS, see the sources listed on the back page.

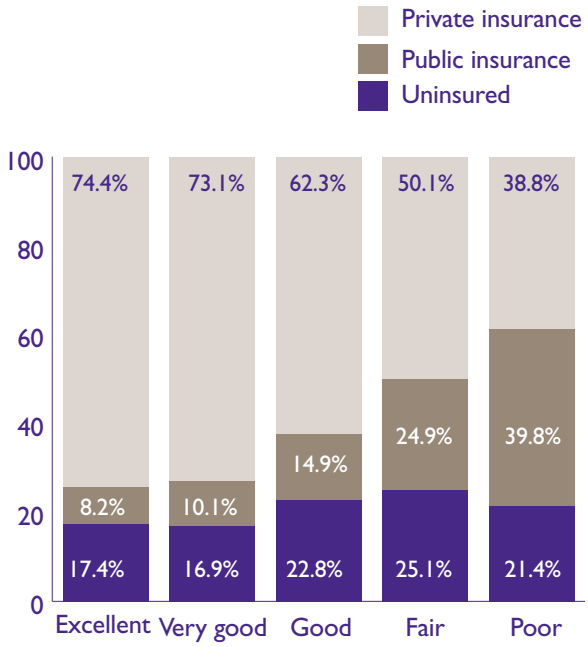
Figure 2. Race/ethnicity and health insurance status: First half of 1996



Hispanic and black Americans were less likely than white Americans to be privately insured, but they were more likely to have public insurance.

DATA SOURCE: 1996 Medical Expenditure Panel Survey Household Component, Round 1.

Figure 3. Perceived health status and health insurance status of the population under age 65: First half of 1996



The proportion of persons without any insurance did not vary greatly among health status groups because those in poorer health were more likely to be covered by public insurance.

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For more information on MEPS, call the MEPS information coordinator at AHCPR (301/594-1406) or visit the MEPS section of the AHCPR Web site at

http://www.ahcpr.gov/

For a detailed description of the MEPS survey design, sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cohen J. Design and methods of the Medical Expenditure Panel Survey Household Component. Rockville (MD): Agency for Health Care Policy and Research; 1997. *MEPS Methodology Report No. 1*. AHCPR Pub. No. 97-0026.

Cohen S. Sample design of the 1996 Medical Expenditure Panel Survey Household Component. Rockville (MD): Agency for Health Care Policy and Research; 1997. *MEPS Methodology Report No. 2*. AHCPR Pub. No. 97-0027.

The estimates in this *Highlights* are based on the following, more detailed publication:

Vistnes JP, Monheit AC. Health insurance status of the civilian noninstitutionalized population: 1996. Rockville (MD): Agency for Health Care Policy and Research; 1997. *MEPS Research Findings No. 1*. AHCPR Pub. No. 97-0030.

These publications are available from the AHCPR Clearinghouse (800/358-9295) and through the AHCPR Web site.

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Look for the MEPS Web site at:

http://www.ahcpr.gov/