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IS LACK OF COVERAGE A
SHORT- OR LONG-TERM CONDITION?

Prepared by
Jennifer Haley
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The Urban Institute

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The Kaiser Commission on Medicaid and the Uninsured serves as a policy institute and forum for analyzing health care coverage and access for the low-income population and assessing options for reform. The Commission, begun in 1991, strives to bring increased public awareness and expanded analytic effort to the policy debate over health coverage and access, with a special focus on Medicaid and the uninsured. The Commission is a major initiative of The Henry J. Kaiser Family Foundation and is based at the Foundation's Washington, D.C. office.

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Despite widespread discussion of the problems of being uninsured, there is still disagreement regarding the nature of the condition. Is it a problem of brief duration or a problem that persists over longer periods of time? The answer to this question could shape the types of policies that might be considered. If people who become uninsured remain so for very short periods of time, then policies designed to plug gaps in coverage (e.g., subsidies that would make COBRA coverage affordable to more people) might seem sensible. However, if people tend to be without coverage for longer periods of time, then policies aimed at making structural changes in health insurance that would enhance accessibility and affordability over the long run (e.g., permanent tax credits, insurance market reforms and/or expansions of public coverage beyond low income groups) might be needed.

A major reason that the nature of the problem remains unsettled is that the survey data that have been used to study the uninsured vary with respect to the reference periods for which insurance coverage is measured (Lewis, Ellwood, and Czajka 1998; Short 2001; Department of Health and Human Services 2002). For example, the Current Population Survey (CPS) – the most widely cited estimate of the number of uninsured – collects data that literally implies that its estimate refers to people who are uninsured for a full year. However, some analysts believe respondents report data about coverage at the time of the survey rather than throughout the prior year (Lewis, Ellwood, and Czajka 1998*)*. Alternatively, other surveys focus on people uninsured at the time of the survey (e.g., the National Health Interview Survey [NHIS] and Community Tracking Study [CTS]), while others can produce multiple estimates because they track people over time (e.g., the Medical Expenditure Panel Survey [MEPS] and Survey of Income and Program Participation [SIPP]). Although a careful interpretation of these data suggests that lack of coverage has been wrongly depicted as a temporary problem (Swartz 1994), this has not expunged the notion from the policy debate (National Association of Health Underwriters [NAHU] 2000).[1]

This paper produces alternative estimates of the numbers of uninsured within the context of a single survey and explores the distribution of the duration of uninsured spells for people who lacked coverage at some time during a 12-month period. We consider uninsured spells overall and for a variety of socioeconomic and demographic subgroups. Estimates are presented for the share of the population uninsured for short time periods as well as for the share uninsured for at least one year. We focus on people who lacked coverage at some time during a 12-month period instead of the narrower group that is uninsured at a point in time, because the 12-month period allows us to capture all uninsured spells that occurred during that year. To show the potential consequences of short and long spells without health coverage, we also examine the relationship between length of time without coverage and health care access and utilization. This paper uses the 1999 National Survey of America's Families (NSAF), a survey of nonelderly adults and children in over 42,000 households, which contains information on insurance coverage at the time of the survey and in the prior 12 months.

Based on NSAF, 36 million nonelderly individuals were uninsured at the time of the survey. A much larger number – 49 million – were uninsured at the time of the survey or at some point during the 12 months prior to the survey. Of these 49 million, 22 million

experienced short-term uninsured spells (i.e., were uninsured for less than a full year), while 27 million were uninsured for a year or more, indicating that a large share of the uninsured are experiencing long spells without coverage. The Congressional Budget Office (CBO, 2003) used data from the 1998 SIPP and MEPS to estimate that almost 60 million nonelderly people were uninsured at some time during the year. Another recent study estimated that 75 million nonelderly Americans were uninsured for at least one month over a recent two-year period (Families USA 2003). These estimates are substantially larger than the estimate based on NSAF for a number of methodological reasons related to differences in estimates of the number of people uninsured at the time of the survey, differences between the surveys with respect to how they measure changes in insurance coverage over time, and the timeframe of the estimates. These issues are discussed in more detail in the Discussion section of this paper.

BACKGROUND

There are excellent reviews of the surveys that are commonly used to produce estimates of the uninsured and how the differences between the surveys may yield different estimates (Short 2001; Fronstin 2000; Lewis, Ellwood and Czajka 1998). These studies typically address issues related to the design of the questionnaire, the time frame covered by the survey, the primary reason for conducting the survey, the sample frame and how the survey was administered. The timeframe referenced in the uninsured estimates has a direct effect on the number of uninsured. Estimates of those uninsured at the time of the survey (or on an average day) are larger than estimates of the numbers of full-year uninsured, but are not as large as the estimate of those uninsured at some time during, say, a one- or two-year period. Although these differences are not always apparent looking at estimates across surveys, they are displayed in the context of the MEPS (Rhoades, et al., 2002). The MEPS study showed that uninsured rates can vary up to twofold depending on the reference period for the estimates.

The most relevant research related to the present study comes from a series of analyses that used data from the SIPP. These studies (e.g., CBO 2003; Swartz and McBride 1990; Swartz, Marcotte, and McBride 1993; Nelson and Short 1990) showed that the majority of new uninsured spells (i.e., those that began within a specified time frame) end within 9 months and that the median spell length is 6 months. However, McBride (1994) showed that, although nearly 70 percent of all new spells ended in less than 9 months, over 50 percent of the people who were uninsured at a point in time had been without coverage for more than 2 years. In fact, the recent CBO report contains a detailed technical appendix that explains how three apparently different SIPP estimates of the distribution of uninsured spells are all consistent with one another. CBO shows that 29 percent of new uninsured spells last more than a year, 59 percent of people uninsured at some time during a year lack coverage for more than a year and 78 percent of people uninsured in a given month have been uninsured for at least a year.

As both McBride (1994) and Swartz (1994) point out, their findings were misinterpreted to conclude that the majority of *ongoing* uninsured spells are short and that, as a result, the severity of the problem was being overstated (e.g., *Wall Street Journal* 1993; Reynolds 1993; Council for Affordable Health Insurance 1993; Crane 1993). As recent evidence suggests, the notion still persists that a large share of the uninsured would be helped if policymakers developed approaches that carried people through their short periods without coverage (NAHU

2000). In part, this appears to be the motivation behind the tax credits provided in the Trade Adjustment Assistance Act of 2002.

In this paper, we reexamine the distribution of uninsured spells using data from 1999. In addition to focusing on many demographic and economic subgroups, we pay particular attention to differences across states and, for adults, differences related to eligibility for public coverage. Given that states have the primary responsibility for developing policies and approaches for covering the uninsured (e.g., through Medicaid, the State Children's Health Insurance Program [S-CHIP] or state programs), it is important to understand if the short- or long-term nature of the problem is fundamentally different across states and if eligibility for public coverage affects how long people are uninsured.

DATA AND METHODS

National Survey of America's Families

This analysis uses the 1999 National Survey of America's Families (NSAF), conducted by the Urban Institute as part of its *Assessing the New Federalism* (ANF) project. NSAF is a nationally representative survey of nonelderly adults and children in over 42,000 households that represents the non-institutionalized civilian population under age 65. It over-samples the low-income population (those with family incomes below 200 percent of the federal poverty level [FPL]) and populations in 13 states.[2] The survey contains detailed information on health insurance coverage, access, and utilization for up to two sampled children (one age 5 or under and one between ages 6 and 17) and one sampled adult in each household. The sample was weighted to population totals, and weights adjust for the design features of the sample, including over-sampling low-income households and those in the 13 study states, as well as non-response and under-coverage.

Measurement of Health Insurance Coverage

Respondents were asked about selected family members' health insurance coverage, including a question that confirmed lack of coverage for those not originally identified as having any type of coverage (Rajan, Zuckerman, and Brennan 2001). The health insurance coverage sequence allows for assessment of coverage both at the time of the survey and in the 12 months prior to the survey.

Individuals identified as having no health insurance coverage at the time of the survey are classified as being uninsured at a point in time. Those uninsured either at the time of the survey or at any time in the prior 12 months are classified as having been uninsured during the previous 12 months. Among those without coverage at some time during the 12-month period, a long-term spell was defined as being uninsured for a full year or more (that is, at the time of the survey and for all of the prior 12 months); individuals uninsured for less than 12 months are divided into two groups of short-term uninsured: those uninsured for 1 to 5 months and those uninsured for 6 to 11 months.

Measurement of Eligibility for Public Coverage

Adults and children were further classified according to whether or not they appeared to be eligible for public health insurance coverage (Medicaid or S-CHIP for children and Medicaid or other state programs for adults). The determination of eligibility mimics the eligibility determination process faced by families by comparing information collected in the survey on family structure, work status, income, and assets to the various state standards and eligibility thresholds in place at the time of the survey. Further information about these measures is available elsewhere (Dubay, Haley, and Kenney 2002; Davidoff et al. forthcoming).

Analyses Conducted

In this paper, we conduct bivariate analysis examining uninsured rates and length of uninsured spells by a variety of socioeconomic status and demographic characteristics, including the family's poverty level, highest education level among adults in the family, health status, age, race/ethnicity, citizenship status, state of residence, community type (inside or outside a metropolitan area), and whether or not individuals are eligible for public insurance coverage (the eligibility results are only presented for adults). Additional results about variations in health care access and utilization by length of time without coverage are based on regression-adjusted means derived from a two-step process. First, we estimated logistic regression models that control for differences in socioeconomic status, demographic characteristics and insurance status. Then, we predicted values of the access and utilization variables for each uninsured group using the full-year insured as a comparison group. Variances of estimates for both the bivariate and multivariate analysis were adjusted to account for the survey's complex sample design.
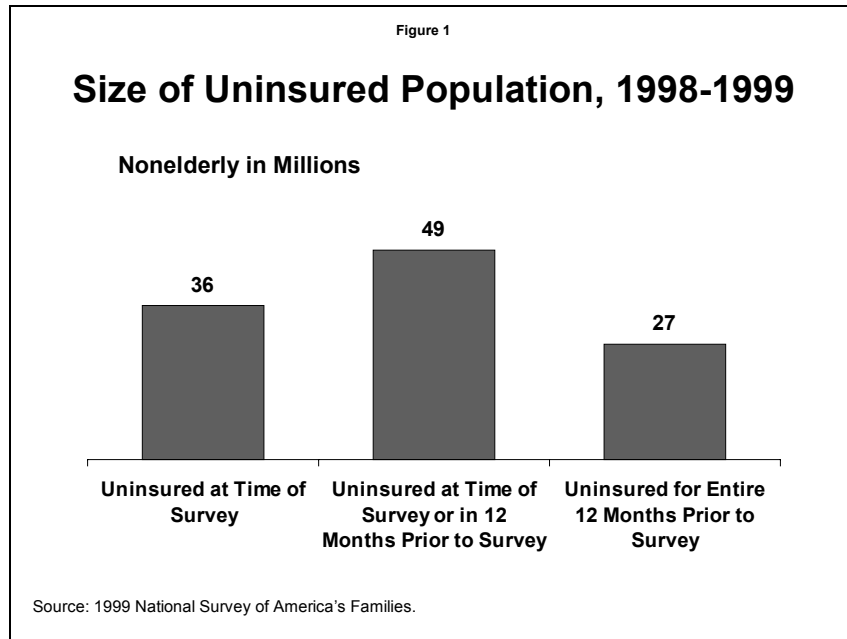
Limitations to the Data

While NSAF is a useful survey for examining insurance status over the course of a year, there are some limitations to using the data in this way. First, while many analyses of insurance coverage use longitudinal data, NSAF collects information on coverage during a 12-month period at a single point in time. Because information on past year coverage is retrospective, some respondents may forget about conditions in the past or report those conditions erroneously. In addition, for cases with between 2 and 11 months without coverage, the survey does not collect information about transitions between statuses – i.e., whether the person experienced one uninsured spell or intermittent periods without coverage. Finally, some characteristics examined in this report may not reflect the conditions during the time the person was uninsured. For instance, the family income measure reflects conditions during the entire calendar year prior to the survey and may not necessarily represent conditions during an uninsured spell.
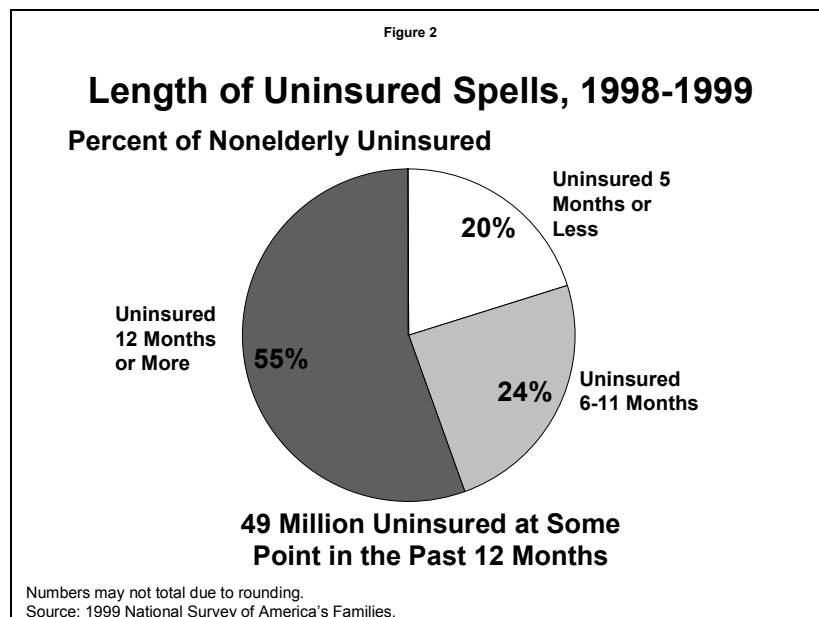
RESULTS

Estimates of the Uninsured

Figure 1 presents the number of nonelderly uninsured in NSAF using three different time frames. Thirty-six million people were uninsured at the time of the survey (a single point in time). An additional 13 million were uninsured during at least one of the 12 months prior to the survey but received coverage by the time of the survey. Combining these two groups, 49 million people were uninsured at the time of the survey or at some point in the 12 months prior to the

survey. Of those 49 million people, over half—27 million—were uninsured for the entire 12 months. As these estimates show, the size of the uninsured population varies considerably by time frame, even within a single survey.

Figure 1

Size of Uninsured Population, 1998-1999

Nonelderly in Millions

36	49	27
Uninsured at Time of Survey	Uninsured at Time of Survey or in 12 Months Prior to Survey	Uninsured for Entire 12 Months Prior to Survey

Source: 1999 National Survey of America's Families.

For the 49 million people who were uninsured at some point during the year, Figure 2 shows the number of months they spent without coverage. About 20 percent (10 million) were uninsured for five months or less, and 24 percent (12 million) were uninsured for more than five months but less than a year. Thus, 44 percent (22 million) were uninsured for part of the year and are defined in this study as the short-term uninsured, while 55 percent (27 million) lacked coverage for at least a full year, and are classified as long-term uninsured. (See Appendix A for a detailed comparison between this distribution of uninsured spells and the distribution presented in the recent CBO report.)

Figure 2

Length of Uninsured Spells, 1998-1999

Percent of Nonelderly Uninsured

Uninsured 5 Months or Less 20%

Uninsured 6-11 Months 24%

Uninsured 12 Months or More 55%

49 Million Uninsured at Some Point in the Past 12 Months

Numbers may not total due to rounding.
Source: 1999 National Survey of America's Families.

Variation in Uninsured Spells Across Subgroups

Health insurance coverage varies by several social and economic factors, as well as by state. We find that the share who are long-term uninsured varies more than the share who are short-term uninsured across subgroups and states, and, in fact, that the differences in long periods without coverage largely explain the disparities across groups in lacking coverage at all. Tables 1-4 present the share of the total population and selected subgroups that were uninsured at any point in the year and, of those, the share uninsured for various lengths of time.

Differences by Income, Education, Health Status, and Age

The first panel in Table 1 shows that the likelihood of being uninsured at some time during the year varied greatly with family income. Over 40 percent of people living in families with incomes below poverty experienced an uninsured spell, compared with just 9 percent of people in families with incomes greater than three times the poverty level. Although there were significant differences across income groups with respect to the probability of having a short episode without coverage, the most dramatic differences occurred among those lacking coverage for a year or more. The likelihood of a person in the highest income group being uninsured for a long spell was about 4 percent compared to 25 percent for people living in poverty. Looking just at the uninsured, about 40 percent of the uninsured in the highest income group were uninsured for a year or more, compared to over 60 percent of the poor uninsured.

The overall uninsured rates, as well as long-term uninsured rates, varied dramatically by education as well. Only 14 percent of those in families with the highest education experienced a spell without coverage, compared with almost half of those in families with no high school graduates. While both short- and long-term uninsured rates were higher among those with less education than among the more highly educated, the differences in long-term uninsured rates were larger. As a result, the share of the uninsured who were long-term uninsured was under half in the highest education group but nearly three-quarters in the lowest education group.

The differences in health coverage by health status were also large, with higher uninsured rates among those in fair or poor health status than among those in good health or better. The differences in short-term uninsured rates were small, but there was a twofold difference in the long-term uninsured rate (10 percent for those in excellent, very good, or good health, compared with 21 percent for those in fair or poor health).

There were interesting differences in the uninsured rates and length of time without coverage for different age groups. Overall, children had low uninsured rates of about 17-19 percent, young adults (ages 19 to 34) had the highest rate (about 30 percent), the rate of 35 to 54 year olds was about that of children, and the near elderly (ages 55 to 64) had the lowest rate of about 13 percent. However, these differences were due to several different underlying factors. The higher likelihood of being uninsured among young adults compared to children was due to a larger share of young adults with both short- and long-term spells without coverage, but particularly due to their higher frequencies of long-term spells. For example, 19 to 34 year olds had over twice the long-term uninsured rate of young children. While the overall uninsured rate for adults ages 35 to 54 was similar to the rate for children, adults in this age group were *less* likely to have short-term uninsured spells but *more* likely to have long-term uninsured spells than

young children. Finally, the near elderly (ages 55-64) were less likely than young children to go without coverage overall, particularly for short spells, but they had higher long-term uninsured rates. Interestingly, the near elderly had the *lowest* overall uninsured rate among the age subgroups (13 percent) but the *highest* long-term uninsured rate among those who lacked coverage (69 percent).

Table 1
Duration of Uninsured Spells: Rates by Family Income, Education, Health Status, and Age, Nonelderly Population, 1998-1999

	Number in Group (Millions)	Percent Ever Uninsured During Previous 12 Months	Length of Uninsured Spells			Ratio of Full-Year Uninsured to Ever Uninsured
			≤ 5 Months	6-11 Months	≥ 12 Months	
Total Nonelderly Population	238.6	20.5 %	4.1 %	5.0 %	11.4 %	0.56
Poverty Level						
<100% FPL	31.7	40.8 ***	6.3 ***	9.6 ***	25.0 ***	0.61
100-200% FPL	43.3	35.9 ***	6.1 ***	7.7 ***	22.1 ***	0.62
200-300% FPL	41.9	21.8 ***	4.7 ***	5.5 ***	11.6 ***	0.53
>300% FPL	*121.7*	*9.3*	*2.7*	*2.7*	*3.9*	*0.42*
Education^						
Less than High School	23.0	47.3 ***	5.4 ***	6.9 ***	34.9 ***	0.74
High School Degree or GED	65.3	25.4 ***	5.0 ***	6.4 ***	13.9 ***	0.55
Attended College	*148.0*	*14.0*	*3.6*	*4.1*	*6.4*	*0.46*
Health Status						
Excellent/Very Good/Good	*215.1*	*19.2*	*4.1*	*4.8*	*10.3*	*0.54*
Fair/Poor	23.5	32.2 ***	4.0	7.3 ***	20.8 ***	0.65
Age						
0-5	*23.6*	*17.2*	*5.2*	*5.1*	*7.0*	*0.41*
6-12	28.6	18.6 *	4.3	5.0	9.3 ***	0.50
13-18	24.1	18.1	3.4 ***	4.1 *	10.6 ***	0.59
19-34	59.8	31.4 ***	6.7 ***	8.8 ***	15.9 ***	0.51
35-54	79.5	17.0	2.7 ***	3.3 ***	11.0 ***	0.65
55-64	23.0	12.5 ***	1.7 ***	2.3 ***	8.6 **	0.69

Source: 1999 National Survey of America's Families (NSAF).
Notes: Italics indicate reference category for tests of statistical significance.
*** indicates group is significantly different from the reference category at the 0.01 level.
** indicates group is significantly different from the reference category at the 0.05 level.
* indicates group is significantly different from the reference category at the 0.10 level.
^ Education indicates the highest level of education among adults in the family.

Differences by Race/Ethnicity and Citizenship Status

As seen in Table 2, overall uninsured rates differed by race/ethnicity. Black non-Hispanics, Hispanics, and Native Americans were more likely to experience an uninsured episode than white non-Hispanics. There were statistically significant, but small, variations in the share of each of these groups without coverage for short periods and much larger disparities in long-term uninsured. For example, Hispanics were only slightly more likely than whites to be uninsured for a short period of time, but they were over three times as likely to be uninsured for a full year or more. As a result, just half of uninsured white non-Hispanics were long-term uninsured, while this is the case for nearly 70 percent of uninsured Hispanics.

The differences by citizenship status were also considerable – over half of non-citizens were uninsured during a 12-month period, compared with less than a fifth of citizens. Short-term uninsured rates were only slightly higher for non-citizens, but long-term uninsured rates were very different; less than 10 percent of citizens were uninsured for a year or more, compared to nearly 40 percent of noncitizens. Accordingly, just half of uninsured citizens were long-term uninsured, compared with over three-quarters of uninsured non-citizens.

Table 2
Duration of Uninsured Spells: Rates by Race/Ethnicity and Citizenship Status, Nonelderly Population, 1989-1999

	Number in Group (Millions)	Percent Ever Uninsured During Previous 12 Months	Length of Uninsured Spell			Ratio of Full-Year Uninsured to Ever Uninsured
			≤ 5 Months	6-11 Months	≥ 12 Months	
Total Nonelderly Population	238.6	20.5 %	4.1 %	5.0 %	11.4 %	0.56
Race/Ethnicity						
White, non-Hispanic	167.0	16.2	3.7	4.3	8.2	0.51
Black, non-Hispanic	30.9	26.3 ***	6.0 ***	6.7 ***	13.7 ***	0.52
Hispanic	29.1	39.1 ***	4.6 **	7.5 ***	27.1 ***	0.69
Native American	2.2	42.4 ***	6.4 **	9.3 ***	26.8 ***	0.63
Asian American	9.3	14.7	4.3	3.3	7.1	0.48
Citizenship Status						
US-Born or Naturalized Citizen	224.2	18.5	4.1	4.9	9.6	0.52
Non-Citizen	14.4	51.7 ***	5.3 **	7.2 ***	39.2 ***	0.76

Source: 1999 National Survey of America's Families (NSAF).
Notes: Italics indicate reference category for tests of statistical significance.
*** indicates group is significantly different from the reference category at the 0.01 level.
** indicates group is significantly different from the reference category at the 0.05 level.
* indicates group is significantly different from the reference category at the 0.10 level.

Differences by State and Residential Location

Table 3 presents the various uninsured rates by state and community type. We see that there is much less variation across states in short-term uninsured rates than in long-term uninsured rates. For example, in only 6 of the 13 NSAF states is the share of the population uninsured for 1 to 5 months significantly different from the national average of 4 percent. In contrast, the long-term uninsured rate in each of the 13 NSAF states is significantly different from the national average rate of 11 percent. Moreover, the range of uninsured rates varies dramatically across states when disaggregated by the amount of time uninsured. The rate of spells that are less than 5 months ranges from 3 to 5 percent, whereas the rate of long-term spells (those at least 12 months long) varies from 4 to 20 percent.

Table 3
Duration of Uninsured Spells: Rates by Geographic Characteristics,
Nonelderly Population, 1989-1999

	Number in Group (Millions)	Percent Ever Uninsured During Previous 12 Months	Length of Uninsured Spell			Ratio of Full-Year Uninsured to Ever Uninsured
			≤ 5 Months	6-11 Months	≥ 12 Months	
Total Nonelderly Population	238.6	20.5%	4.1%	5.0%	11.4%	0.56
State of Residence						
Texas	18.2	31.2***	3.9	7.0***	20.3***	0.65
Mississippi	2.5	25.6***	5.0*	6.2**	14.5***	0.57
Florida	12.4	24.6***	4.4	7.3***	13.0*	0.53
California	29.7	23.8***	3.9	5.1	14.8***	0.62
New York	15.9	19.7	5.1**	4.7	10.0**	0.51
Colorado	3.6	19.3	4.9	5.2	9.3***	0.48
Alabama	3.8	18.2**	4.1	4.8	9.3***	0.51
Washington	5.1	16.5***	4.1	4.8	7.5***	0.45
New Jersey	7.2	16.3***	3.3**	3.9***	9.2***	0.56
Michigan	8.7	14.4***	4.0	4.2	6.3***	0.44
Wisconsin	4.6	13.2***	3.2***	3.7***	6.3***	0.48
Massachusetts	5.4	11.1***	3.2**	3.1***	4.9***	0.44
Minnesota	4.2	11.1***	3.4**	4.0***	3.8***	0.34
Community Type						
Metropolitan Area	*190.1*	*19.5*	*4.1*	*4.8*	*10.6*	*0.54*
Non-Metropolitan Area	48.5	24.4***	4.2	5.7**	14.5***	0.59

Source: 1999 National Survey of America's Families (NSAF).
Notes: Italics indicate reference category for tests of statistical significance. For state, the reference category is the national average.
*** indicates group is significantly different from the reference category at the 0.01 level.
** indicates group is significantly different from the reference category at the 0.05 level.
* indicates group is significantly different from the reference category at the 0.10 level.

The four states with the highest probabilities of being uninsured at some time during the year show how much of a role moderate length spells (between 6 and 11 months) and year-long spells play in determining state differences. Although residents of Texas, Mississippi, Florida and California are all significantly more likely to be uninsured at some time during the year, there are virtually no differences in the probability of residents of these state experiencing an uninsured spell of less than 5 months. For these states, differences in overall uninsured rates are the result of differences in moderate length (between 6 and 11 months) and long (at least 12 months) spells. The most extreme example of this occurs in Texas. Thirty-one percent of Texans experienced an uninsured spell during the year and two-thirds of them were uninsured for at least 12 months. For contrast, consider Minnesota – one of the states with the lowest probability of being uninsured. Of the 11 percent of Minnesotans who were uninsured at some time during the year, only about one-third were uninsured for a year or more.

Differences between metropolitan and non-metropolitan communities follow a similar pattern. The rate of being uninsured at some time during the year is significantly higher for people living outside of metropolitan areas, but there is no significant difference in the probability of the shortest spells and a significant, but small, difference in the probability of a moderate spell. Again, most of the difference in uninsured rates between metropolitan and non-metropolitan residents is related to differences in their chances of being long-term uninsured.

Differences Among Adults by Eligibility for Public Coverage

Among low-income adults, Table 4 shows the relationship between eligibility for public coverage and duration of uninsured periods. Overall, low-income adults have one of the highest uninsured rates of the subgroups studied in this paper. However, the data show that poor adults are significantly less likely to be uninsured over the course of the year if they are eligible for some type of public coverage (38 percent for those who are eligible versus 53 percent for those who are ineligible). Virtually all of this difference is due to the fact they are less likely to be uninsured for a long period of time (12 months or longer).

The story is somewhat different among near-poor adults. Although the probability of being uninsured at some time during the year is still lower for eligible adults, the difference between eligibility groups is much smaller than for poor adults. In part, this is due to the higher probability of short-term episodes among the near-poor who are eligible for public programs compared to those not eligible. However, among the near-poor, those eligible for public coverage are still less likely to have a long episode without health coverage.

Table 4
**Duration of Uninsured Spells: Rates by Public Program Eligibility Status, Nonelderly
Low-Income Adult (Age 19-64) Population, 1998-1999**

	Number in Group (Millions)	Percent Ever Uninsured During Previous 12 Months	Length of Uninsured Spell			Ratio of Full-Year Uninsured to Ever Uninsured
			≤ 5 Months	6-11 Months	≥ 12 Months	
Low-Income Adult Population	44.1	40.2	6.4	9.2	24.6	0.61
<100% FPL						
Eligible for Public Coverage	*6.8*	*38.0 %*	*7.5 %*	*10.5%*	*20.0%*	*0.53*
Ineligible for Public Coverage	11.2	53.1***	5.2*	10.0	38.0***	0.71
100-200% FPL						
Eligible for Public Coverage	*3.8*	*35.0*	*8.5*	*11.5*	*15.0*	*0.43*
Ineligible for Public Coverage	22.3	40.4**	5.0***	7.3***	28.1***	0.70

Source: 1999 National Survey of America's Families (NSAF).
Notes: Italics indicate reference category for tests of statistical significance.
*** indicates group is significantly different from the reference category at the 0.01 level.
** indicates group is significantly different from the reference category at the 0.05 level.
* indicates group is significantly different from the reference category at the 0.10 level.
Low-income indicates below 200% of poverty.

Relationships Between Duration of Uninsured Spells and Health Care Access and Utilization

Previous evidence (e.g., Sudano and Baker 2003) suggests that lack of insurance coverage for even short periods of time results in lower rates of preventive service use. In this section, we examine differences in a variety of access and use indicators across individuals with varying lengths of uninsured spells. We use a series of multivariate models to control for the differences in the characteristics of people in the uninsured groups (e.g. health status and income) in order to measure the association between access, use and time without coverage. The results are presented in Table 5 as regression-adjusted means for each uninsured group and for the full-year insured.

All three of the access to care indicators deteriorate significantly if an insured individual becomes uninsured, even for a short period of time. For example, relative to having insurance for the full year, people who are uninsured for less than 6 months are 8 percentage points less likely to have a usual source of care that is not an emergency room, 8 percentage points more likely to lack confidence in their ability to get care and 12 percentage points more likely to have unmet medical or prescription drug needs. The problems associated with lacking insurance get worse with respect to having a usual source of care and lacking confidence in getting access to care as the amount of time without insurance increases.

In contrast, as the length of time without coverage increases, the chances of reporting unmet need decrease—that is, the long term uninsured report fewer unmet needs. This may reflect their increasing disconnection with the health care system, which is evidenced by the health service utilization measures (Table 5), and, consequently, a growing lack of awareness of health care problems. The chances of seeing a physician during the 12 months prior to the survey is 77 percent among those covered for the full year, but only 50 percent for those uninsured for at least a year. Similarly, the probability of seeing a health professional other than a physician (e.g., nurse practitioner or midwife) drops from 31 percent for the full-year insured to 19 percent for the long-term uninsured. Even emergency room use falls; 23 percent of the full-year insured visit an emergency room compared to 17 percent of the long-term uninsured.

Table 5
Patterns of Access to Care and Utilization, by Insurance Status, Nonelderly Population, 1998-1999

| | Full-Year Insured | Ever Uninsured During Previous 12 Months: Length of Uninsured Spell | | |
		≤ 5 Months	6-11 Months	≥ 12 Months
Access to Care				
Has a Usual Source of Care (Other than ER)	90.7 %	82.7 % ***	77.9 % ***	72.0 % ***
Is Not Confident in Access to Care	5.4	12.6 ***	16.8 ***	19.3 ***
Had Unmet Medical and/or Prescription Drug Need in Past Year	6.9	18.7 ***	17.4 ***	14.3 ***
Utilization				
Had a Doctor Visit in Past Year	77.4	72.4 ***	65.1 ***	50.1 ***
Had a Health Professional Visit in Past Year	30.5	31.7	29.2	19.1 ***
Had an Emergency Room Visit in Past Year	22.6	24.0	22.7	16.8 ***

Source: 1999 National Survey of America's Families (NSAF).
Notes: Estimates are regression-adjusted means that control for differences in socioeconomic and demographic characteristics, including race/ethnicity, age, education level, poverty level, gender, citizenship, health status, work status, community type, state of residence, eligibility status, and insurance status.
*** indicates group is significantly different from the full-year insured at the 0.01 level.
** indicates group is significantly different from the full-year insured at the 0.05 level.
* indicates group is significantly different from the full-year insured at the 0.10 level.

DISCUSSION

This study shows that lacking health insurance cannot simply be characterized as a short- or long-term problem. The majority of people (55 percent) who are uninsured at some point during a 12-month period lack coverage for a year or more; a substantial minority (44 percent) was uninsured for less than a year, and only 1 in 5 people (20 percent) experienced an interruption in coverage of less than six months. These data, along with data from other studies (e.g., Rhoades et al., 2002), show that the uninsured are not largely composed of people experiencing short-term gaps in coverage as they move between employers or between public and private coverage.

The persistence of a sizable short-term uninsured population among all the subgroups we examined is largely a byproduct of the existing health insurance system within the United States. This voluntary system of mixed public and private coverage creates many transitions that can result in short-term gaps in coverage. People may experience gaps in private coverage when they or their spouse change jobs, lose a job or get divorced. Although public coverage can fill gaps for most low-income children and some low-income adults, enrolling and staying enrolled in these programs can often be difficult (Ku and Cohen Ross 2002). To the extent that short-term gaps in coverage will persist in this type of system, our findings suggest that it may be difficult to reduce the uninsured rate below the 3 to 6 percent range. This range is based on estimated differences across demographic subgroups and states in the share of the population that experienced gaps in coverage of less than six months.

If policymakers want to tackle the uninsured problem and the associated health risks, they will need to consider approaches that meet the needs of both the short- and long-term uninsured. Focusing solely on "bridging" policies such as offering subsidies or tax credits that allow more people to purchase COBRA coverage or assuring that more eligible people fill coverage gaps by participating in Transitional Medicaid, regular Medicaid or S-CHIP, will not address the needs of the long-term uninsured. For this latter group, more basic structural reforms are likely to be needed. These reforms might include acceptance of a greater role for publicly subsidized care (through either tax credits or expansions in public programs) or extensive reforms in the insurance marketplace (e.g., broad purchasing cooperatives as a substitute for the non-group market or government reinsurance to ease private insurers' fears of catastrophic costs). When taken together, the policies needed to address both the short- and long-term uninsured may seem daunting. However, when studies show that almost 50 million Americans lack coverage in a given year, and the majority are uninsured for a full year or more—small incremental approaches are likely to leave many people without coverage.

Despite the need for extensive and potentially complex policy changes, reality suggests that efforts to move toward universal coverage are not likely in the near future. If policymakers need to prioritize their actions, the data presented here provide reasonably clear guidance as to which groups are most in need. The long-term uninsured are at a greater disadvantage than those who experience shorter uninsured spells. Those who have low incomes, are less educated, are in fair or poor health, are Hispanic or Native American or are not citizens are more likely to have been uninsured for a year or more. Among low-income adults, those who are not eligible for public coverage also are more likely to be long-term uninsured than those who are eligible. In fact, across the subgroups examined in this paper, it is long-term uninsured rates as opposed to short-term uninsured rates that drive differences in overall uninsured rates. These differences in coverage are also associated with more serious access problems and significantly lower levels of health care utilization among the long-term uninsured.

To the extent that policymakers agree that the most immediate focus should be on the long-term uninsured, these data show that the burden will not be evenly distributed across states. States such as Texas, California and Mississippi have estimated long-term uninsured rates among their non-elderly population that are almost three times the rates estimated for Minnesota and Massachusetts. These differences tend to parallel differences in employer-sponsored insurance (ESI) rates than have been shown to be largely beyond state control (Shen and Zuckerman 2003). In fact, as a result of having a strong base of ESI and broad eligibility for public coverage among

those without ESI (Spillman 2000), a few states face long-term uninsured rates that are comparable to their rates of short-term coverage gaps. However, it may be impractical at this time to expect states, with current levels of federal financial support, to address the needs of the long-term uninsured when these differences are so large.

This analysis indicates that a substantial proportion of the population experienced problems obtaining insurance coverage in 1998-1999: nearly 50 million people were uninsured at some point during the year, and more than half of them were uninsured for a full year or more. Another recent study estimated that over 70 million people were uninsured at some time over the two-year period covering 2001 and 2002 (Families USA 2003). The most direct reason that our estimate is smaller than the estimate from the Families USA study is that we look at health coverage over a shorter period of time. In fact, the recent CBO (2003) estimate of almost 60 million nonelderly persons experiencing some period without coverage during 1998, although greater than the NSAF estimate, is closer to NSAF because both studies focus on a 12-month time frame. The bigger time frame through which coverage is being observed in the Families USA study leads to a greater probability of observing someone without coverage. Nevertheless, the NSAF estimates of the number of uninsured from 1998-1999 are substantial and are likely to understate the current number of uninsured now that economic conditions have worsened. Thus, it is even more important to find solutions to the uninsured problem, both for those experiencing short-term episodes without coverage and for the long-term uninsured.

Appendix A
The Distribution of Uninsured Spells in NSAF and SIPP

A recent CBO report (2003) presented SIPP data on the distribution of the length of uninsured spells for three reference periods: (1) spells that began between July 1996 and June 1997; (2) spells in progress during March 1998 (a point-in-time context); (3) spells in progress between June 1997 and July 1998 (a full-year context). In this paper, we use NSAF to focus on the length of uninsured spells in progress at some time during a full year, i.e., mid-1998 through mid-1999. With the exception of the specific time period covered, our reference period corresponds to the concept behind the third of the CBO categories. NSAF can also be used to estimate the length of uninsured spells in progress at the time of the survey (approximately mid-1999), although we did not do that in this paper. Health coverage at the time of the survey is a point-in-time concept comparable to the second of the CBO reference periods. The goal of this Appendix is to compare the estimates of the share of the uninsured who are without coverage for short periods of time across the NSAF and CBO estimates based on SIPP.

Before turning to this comparison, we consider the results presented by CBO on their own. In Figure 2 of the CBO report, there are two pieces of data on short-term uninsured spells that could be compared to each other and could lead to different conclusions about the nature of uninsured spells. Based on SIPP, CBO reports that 45 percent of spells that began between July 1996 and June 1997 ended in 4 months or less. This would imply that a large number of spells end quickly. In fact, we know from other sources that many uninsured spells that begin and end quickly go unobserved in studies that estimate the uninsured during a fixed period of time. The other estimate in Figure 2 of the CBO report establishes this point quite clearly. CBO reports that only 8 percent of spells in progress during March of 1998 were for 4 months or less. This implies that, in any given month, very few uninsured spells are short spells. However, CBO explains in Appendix B of its report that these results are entirely consistent with each other and differ only because they are based on different reference periods and focus on spells in progress versus new spells.

A figure can be useful for explaining the relationship between the distribution of the length of uninsured spells, the nature of spells (new versus in-progress) and the length of the fixed reference period. Assume we observe 10 people who are uninsured at some time during a fixed calendar year. A hypothetical distribution of the length of the uninsured spells is shown in Appendix Figure 1. If we examine the distribution of new uninsured spells, we find four new spells during this hypothetical year, of which half are for 5 months or less and half are between 6 and 11 months.[3] If, instead, we look at the distribution of those uninsured at any time during the reference year, we would find that all ten people were uninsured at some point during the year and estimate that 20 percent were uninsured for 5 months or less, 20 percent were uninsured for between 6 and 11 months, and 60 percent were uninsured for at least the full year. However, if we observe the distribution of uninsured spells at a point in time such as December, we would find eight people were uninsured and that, of those people, 12.5 percent were uninsured for 5 months or less, 12.5 percent were uninsured for between 6 and 11 months, and 75 percent were uninsured for at least the entire year. This comparison shows that moving from the full year as the reference period to a single month of the year increases the share of long-term uninsured and reduces the share of the short-term uninsured.

Appendix Figure 1
Hypothetical Distribution of Uninsured Spells Within a Fixed Calendar Year
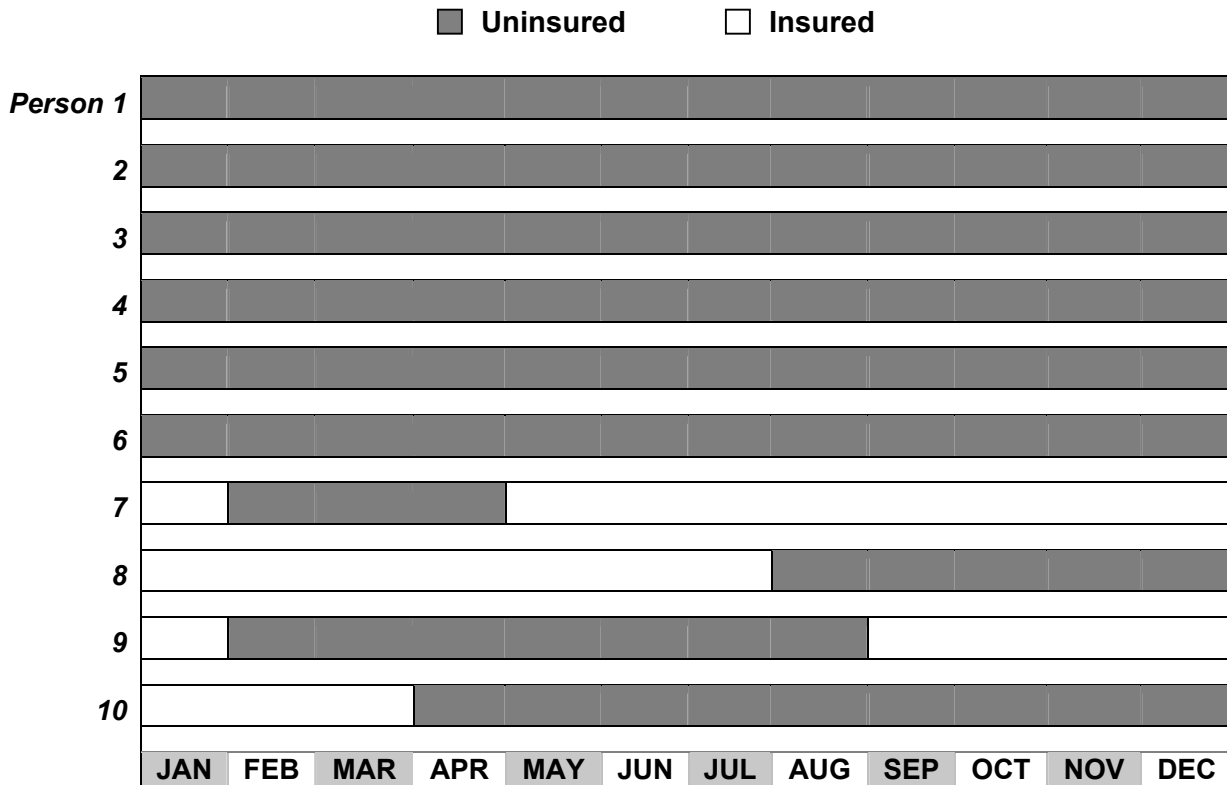
In this paper, we estimate that 20 percent of people who were uninsured at some time during the year were uninsured for 5 months or less. The CBO estimate of the share of short spells, either based on new spells or the March 1998 point in time estimate, is much different from our NSAF estimate largely because of differences that stem from the different reference periods. [4] The CBO estimate of the share of short-term spells based on new spells is larger than the NSAF estimate, because it fails to count long-term uninsured who became uninsured before the reference period. However, the NSAF estimate of the share of spells that are short-term is larger than the CBO March 1998 point-in-time estimate. The CBO estimate refers to uninsured spells observed during a single *month*, while the NSAF estimate is based on spells observed during a single *year*. As the reference period shortens, the likelihood of observing short uninsured spells decreases.

Appendix Table A provides a more comprehensive comparison of the CBO/SIPP estimates and those derived from NSAF. For the purpose of this table, we present NSAF estimates of the distribution of the length of uninsured spells for spells in progress at the time of the NSAF survey in addition to spells that occurred at some time during a 12-month period. In light of the differences in the time periods of the surveys, as well as between the definitions of short, moderate and long uninsured spells, we did not expect the results to line up exactly. However, for the two reference periods in which CBO/SIPP and NSAF estimates can be compared, we find that the results are quite similar.

Appendix Table A
Comparison of CBO/SIPP and NSAF Estimates of Distribution of Uninsured Spells

	CBO/SIPP	NSAF
New Spells Beginning During a Fixed Time Period	**July 96-June 97**	
Short	45 %	n/a
Moderate	26	n/a
Long	29	n/a
Spells in Progress at a Point in Time	**March 98**	**Mid-Year 99***
Short	8 %	13 %
Moderate	14	12
Long	78	75
Spells in Progress at Some Time During a Year	**July 97-June 98**	**Mid-Year 98-Mid-Year 99****
Short	22 %	20 %
Moderate	19	24
Long	59	56

Sources:

CBO/SIPP: Congressional Budget Office. 2003. "How Many People Lack Health Insurance and For How Long?" The Congress of the United States, Washington, DC.

NSAF: 1999 National Survey of America's Families (NSAF).

Notes:

Short: 4 months or less for CBO/SIPP; 5 months or less for NSAF.

Moderate: 5 to 12 months for CBO/SIPP; 6 to 11 months for NSAF.

Long: More than 12 months for CBO/SIPP; 12 or more months for NSAF.

*NSAF's point-in-time estimate is based on the point in time the survey was administered; NSAF was administered between February 1999 and October 1999.

**NSAF's estimate of spells in progress at some time during the year is based on the 12 months prior to the time the survey was administered and approximately represents the period from July 1998-June 1999.

ENDNOTES

[1] Recent legislation that provided tax credits to allow certain displaced workers to purchase coverage through COBRA suggests that Congress and the Administration see the short-term uninsured as worthy of a policy response.

[2] The 13 NSAF states are Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin. The rest of the sample was drawn from the balance of the nation to allow for nationally representative results.

[3] One of the uninsured spells – the one that is 9 months long - is still in progress at the end of this calendar year and could turn out to be a spell of much longer duration.

[4] We defined our short-term uninsured category as including spells of 5 months or less, whereas CBO defined its short-term category as 4 months or less. As a result, for comparable reference periods, one should expect to find fewer short-term uninsured in the CBO estimates than in the NSAF estimates.

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