

Current Population Reports

Consumer Income

Health Insurance Coverage: 1996

By Robert L. Bennefield

C E N S U S B U R E A U

P60-199

Issued September 1997

Who Goes Without Health Insurance?

An estimated 41.7 million people in the United States (15.6 percent) were without health insurance coverage during the entire 1996 calendar year. This number was up 1.1 million from the previous year, but the proportion was statistically unchanged.

Employment is the leading source of health insurance coverage.

Most people (70.2 percent) were covered by a private insurance plan for some or all of 1996. A private plan is one that was offered through employment (either one's own or a relative's) or privately purchased. Almost all private insurance was obtained through a current or former employer or union (that is, was employment-based). (See Figure 1.)

The remaining insured people (25.9 percent) had government coverage—medicare (13.2 percent of the population), medicaid (11.8 percent), and military health care (3.3 percent). Many people carry coverage from more than one plan.

The poor are more likely not to have coverage.

Despite the existence of programs such as medicaid and medicare, 30.8 percent of the poor (11.3 million) had no health insurance of any kind during 1996. This percentage—which was double the rate for all people—was statistically unchanged from the previous year. Poor people comprised

27.0 percent of all uninsured people, although they make up only 13.7 percent of the total population.

Medicaid was the most widespread type of coverage among the poor. About 45.5 percent of all poor people were covered by medicaid at some time during the year.

Other characteristics also influence the extent of coverage.

There were several key factors that influenced the chances of lacking health

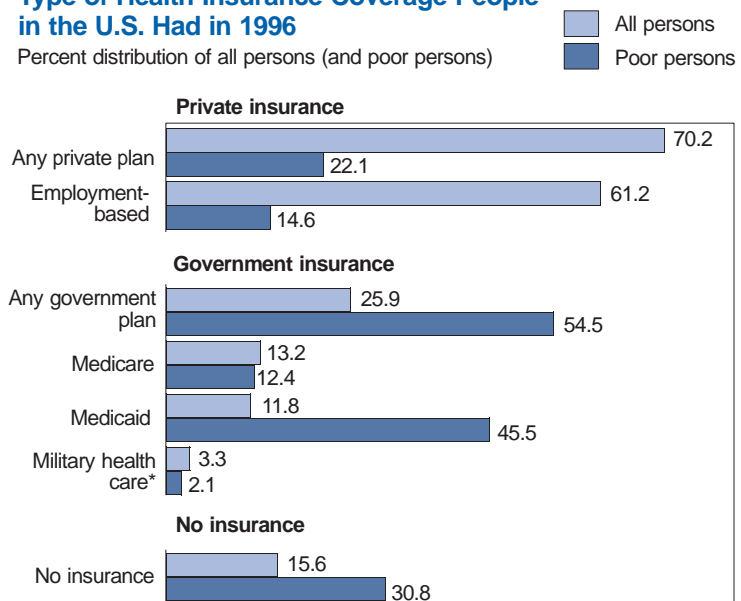
insurance coverage. (See Figure 2.) They included—

- **Age** – Young adults aged 18 to 24 were more likely than other age groups to lack coverage during all of 1996 (28.9 percent). Because of medicare, the elderly were at the other extreme (only 1.1 percent lacked coverage). Among the poor, adults aged 18 to 64 had much higher noncoverage rates than either children or the elderly.
- **Race and Hispanic origin** – Persons of Hispanic origin

Figure 1.

Type of Health Insurance Coverage People in the U.S. Had in 1996

Percent distribution of all persons (and poor persons)



*Military health care includes CHAMPUS (Comprehensive Health and Medical Plan for Uniformed Services)/Tricare, CHAMPVA (Civilian Health and Medical Program of the Department of Veteran's Affairs), Veteran's and military health care.

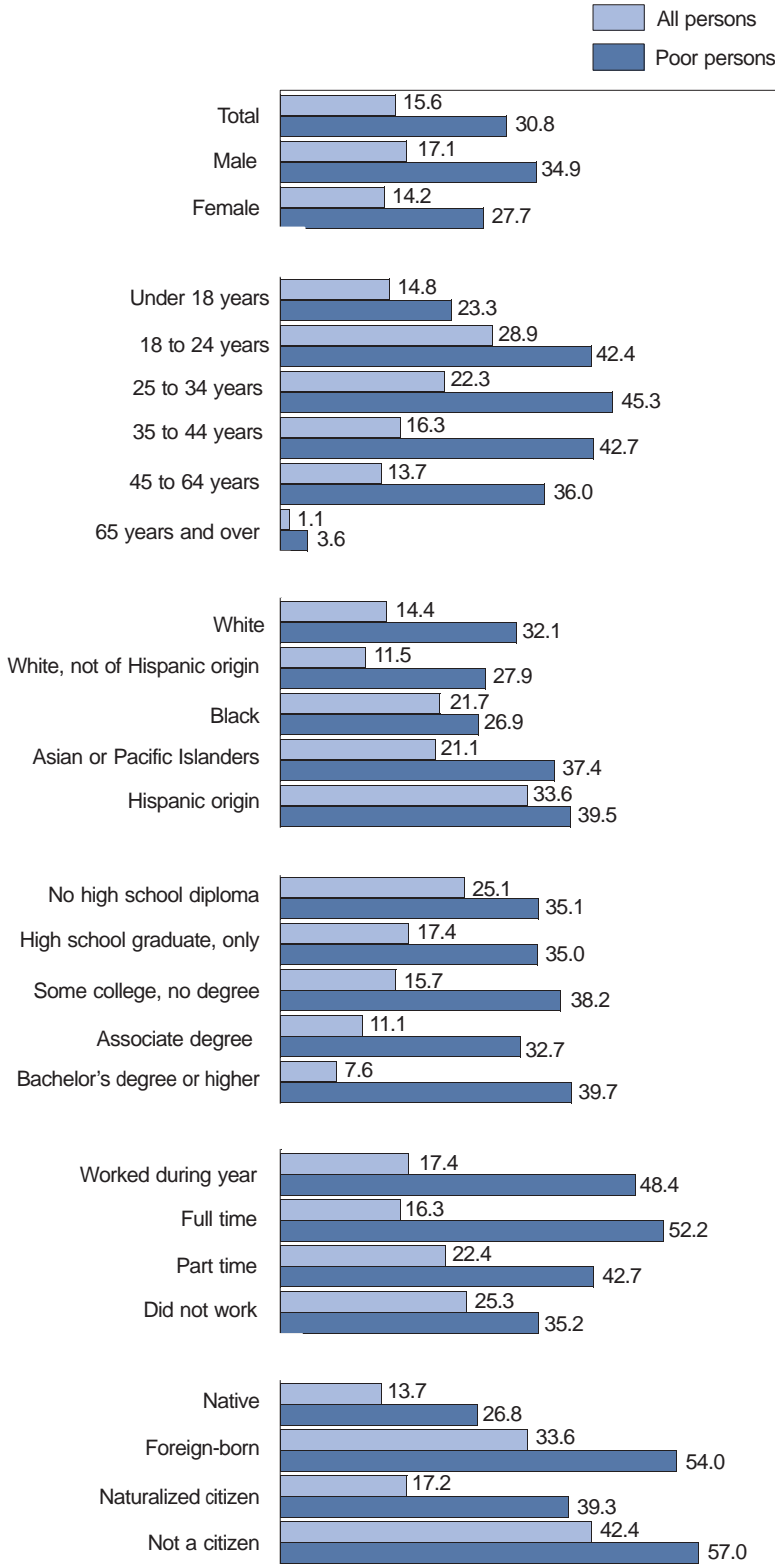
Note: The percentages by type of coverage are not mutually exclusive; in other words, persons can be covered by more than one type of health insurance during the year.

Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

Figure 2.

Who Lacked Coverage in 1996?

Percent of all persons (and poor persons) never covered by health insurance during the year, by selected characteristics



Note: Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

had the highest chance of lacking coverage throughout 1996. Among the poor, African-Americans had the lowest uninsured rate.

- **Educational attainment** – Among all adults, the likelihood of being uninsured declined as the level of education rose. Among those who were poor in 1996, however, there were no significant differences across the education groups.
- **Work experience** – Of those 18-64 years old who worked, part-time workers had the highest noncoverage rate, 22.4 percent. The rate for full-time workers was 16.3 percent¹. Among the general population 18-64, workers (full- and part-time) were less likely to be uninsured than nonworkers, but among the poor, workers had a higher uninsured rate than nonworkers. More than one-half of poor full-time workers were uninsured in 1996 (52.2 percent).
- **Foreign-born** – In 1996, a higher proportion of the foreign-born population in the United States was without health insurance (33.6 percent), compared with natives² (13.7 percent). Of the foreign-born, noncitizens had a noncoverage rate more than twice as high as naturalized citizens, 42.4 percent versus 17.2 percent. Poor immigrants were even worse-

¹ Workers were classified as part-time if they worked less than 35 hours per week in the majority of the weeks they worked in 1996.

² "Natives" are persons born in the United States, Puerto Rico, or an outlying area of the U.S., such as Guam or the U.S. Virgin Islands, and persons who were born in a foreign country but who had at least one parent who was a U.S. citizen. All other persons born outside the U.S. are "foreign-born."

off; over one-half of them (54.0 percent) were without health insurance.

Income and firm size play important roles.

Noncoverage rates fall as household income rises. In 1996, the percent of persons without health insurance ranged from 7.6 percent (among those in households with incomes of \$75,000 or more) to 24.3 percent (among those in households with incomes less than \$25,000), as shown top right in Figure 3.

Of the 142.9 million workers, 53.1 percent had employment-based health insurance policies in their own name. The proportion varied by size of employer, with workers employed by small firms (less than 25 people) being least likely to have employment-based health insurance policies in their own name. (See Figure 4.) These estimates do not reflect the fact that some workers are covered by employment-based coverage through another family member. In fact, 92 percent of firms with 1,000 or more employees offered health insurance plans in 1993.³

More children lacked coverage in 1996 than in 1995.

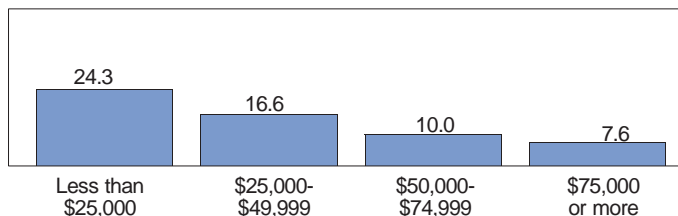
The number of uninsured children less than 18 years of age grew to 10.6 million (14.8 percent) in 1996; both the number and percent were statistically higher than the 1995 figures of 9.8 million and 13.8 percent, respectively.

Among poor children, 3.4 million (23.3 percent) were uninsured in 1996, statistically unchanged from the previous year. Poor children comprised

Figure 3.

As Income Rises, Chances of Having No Insurance Generally Decline

Percent of persons never covered by health insurance during the year, by household income: 1996

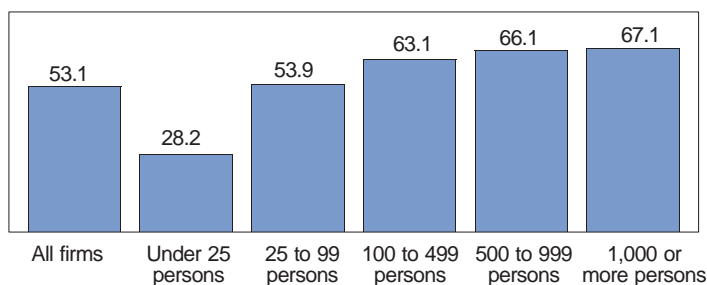


Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

Figure 4.

Workers in Large Firms Are the Most Likely to Have Employment-Based Insurance

Percent of workers (aged 15 and over) with employment-based health insurance policies in their own name, by size of firm they worked for: 1996

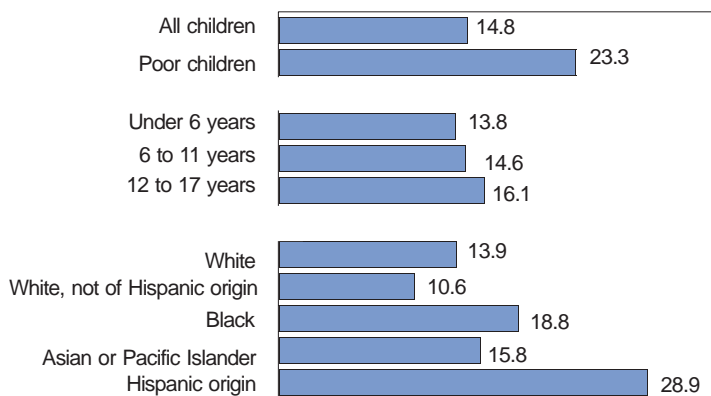


Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

Figure 5.

Who Are the Uninsured Children?

Percent of children without health insurance in 1996



Note: Persons of Hispanic origin may be of any race.

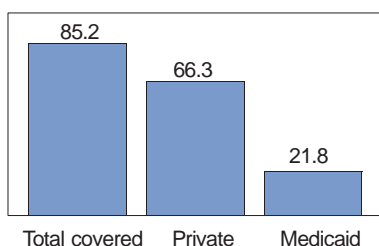
Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

³Pension and Health Benefits of American Workers: New Findings from the April 1993 Current Population Survey, 1994; published by U.S. Dept. of Labor, Social Security Administration, U.S. Small Business Administration, and Pension Benefit Guaranty Corporation.

Figure 6.

A Large Proportion of Children Were Covered by Medicaid.

Percent of children covered by health insurance: 1996

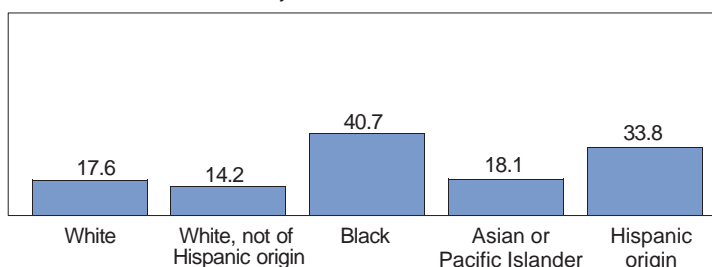


Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

Figure 7.

Black and Hispanic Children Were Much More Likely to Have Medicaid Coverage Than White or Asian/Pacific Islander Children

Percent of children covered by medicaid: 1996



Note: Persons of Hispanic origin may be of any race.

Source: U.S. Bureau of the Census, March 1997 Current Population Survey.

nearly one-third of all uninsured children in 1996 (31.9 percent). Some of the other findings are—

- Older children (12 to 17 years of age) were less likely to have health care coverage than younger children (under 6 or 6 to 11 years of age). Uninsured rates for children by age group were— 13.8 percent of children under 6, 14.6 percent of children 6 to 11, and 16.1 percent of children 12 to 17. (See Figure 5 on page 3.)
- Hispanic children were far more likely to be uninsured than White children not of Hispanic origin, African-American children, or Asian and Pacific Islander children; and African-American children were more likely to be uninsured than White children or Asian and Pacific Islander children: 28.9 percent of Hispanic children were without health care coverage in 1996, 18.8 percent of African-American children, 15.8 percent of Asian and Pacific Islander children, 13.9 percent of White children, and 10.6 percent of

White children, not of Hispanic origin.

- While most children were covered by a private health insurance plan (employment-based or privately purchased) in 1996, a large proportion were also covered by Medicaid: 66.3 percent were covered by a private plan and 21.8 percent (15.5 million) were covered by Medicaid in 1996. (See Figure 6 top left.)
- Significantly more African-American and Hispanic children than White or Asian and Pacific Islander children were covered by Medicaid in 1996—40.7 percent of African-American children, 33.8 percent of Hispanic children, 18.1 percent of Asian and Pacific Islander children, 17.6 percent of White children, and 14.2 percent of White children, not of Hispanic origin. (See Figure 7.)

States show differences in noncoverage rates.

Using 3-year averages between 1994 and 1996, uninsured rates ranged from 8.2 percent in Wisconsin to 24.3 percent in

Texas, as shown in Table 1. However, we advise against using these estimates to rank the states. Results from different samples could easily show different estimates and rankings because of small sample sizes. For example, the high noncoverage rate for Texas was not statistically different from that in New Mexico, while the rates for South Dakota, Minnesota, Hawaii, and North Dakota were not statistically different from Wisconsin.

Based on comparisons of 2-year averages (1994-95 versus 1995-96), higher coverage rates were recorded for Alabama and Michigan. Meanwhile, coverage rates fell in six states: Arizona, Arkansas, Colorado, New Jersey, North Carolina, and Tennessee.

This report presents data on the health insurance coverage of people in the United States during the 1996 calendar year. The data, which are shown by selected demographic and socioeconomic characteristics, as well as by state, were collected by the March 1997 Supplement to the Current Population Survey (CPS).

Technical Note

In the Current Population Survey (CPS), Medicare and Medicaid coverage is under-

reported, compared with enrollment and participation data from the Health Care Financing Administration (HCFA).⁴ A major reason for the lower CPS estimates is the fact that the CPS is not designed specifically to collect health insurance data. Instead, it is largely a labor force survey, with minimum interviewer training on health insurance concepts. Data from HCFA represent the actual number of people who were enrolled or participated in these programs and is, therefore, a more accurate source of data on levels of coverage. Also, it is believed that many people are not aware that they or their children are covered by a health insurance program, and therefore do not report coverage.

Accuracy of the Estimates

All statistics from surveys are subject to sampling error, as well as nonsampling error such as survey design flaws, respondent classification and reporting errors, data processing mistakes and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and editing procedures to reduce errors made by respondents, coders, and interviewers. Ratio estimation to independent age-race-sex-Hispanic population controls partially corrects for bias attributable to survey undercoverage. However, biases exist in the estimates when missed people have characteristics different from those of interviewed people in the same age-race-sex-Hispanic group.

⁴The Health Care Financing Administration (HCFA) is the federal agency primarily responsible for administering the Medicare and Medicaid programs at the national level.

Table 1.

Percent of Persons Without Health Insurance Coverage Throughout the Year, by State: 1994 to 1996

State	3-year average		2-year moving averages				Difference in 2-year moving averages	
	1994-1996		1995-1996		1994-1995		1995-96 less 1994-95	
	Percent	Stand-ard error	Percent	Stand-ard error	Percent	Stand-ard error	Percent change	Stand-ard error
Alabama	15.2	0.9	13.2	1.0	16.4	1.1	*-3.2	1.0
Alaska	13.1	0.8	13.0	1.0	12.9	1.0	0.1	0.9
Arizona	21.6	1.0	22.3	1.2	20.3	1.2	*2.0	1.0
Arkansas	19.0	1.0	19.8	1.3	17.7	1.2	*2.1	1.1
California	20.6	0.4	20.4	0.5	20.9	0.5	-0.5	0.4
Colorado	14.6	0.9	15.7	1.1	13.6	1.0	*2.1	0.9
Connecticut	10.1	0.9	9.9	1.0	9.6	1.0	0.3	1.0
Delaware	14.2	1.0	14.6	1.3	14.6	1.2	-	1.0
D.C.	16.2	1.1	16.1	1.3	16.9	1.3	-0.8	1.1
Florida	18.1	0.5	18.6	0.6	17.8	0.6	0.8	0.5
Georgia	17.3	0.9	17.9	1.0	17.1	1.0	0.8	0.9
Hawaii	8.9	0.8	8.8	1.0	9.1	0.9	-0.3	0.8
Idaho	14.8	0.9	15.3	1.1	14.0	1.0	1.3	0.9
Illinois	11.2	0.5	11.2	0.6	11.2	0.5	-	0.5
Indiana	11.2	0.8	11.6	1.0	11.6	1.0	-	0.8
Iowa	10.9	0.8	11.5	1.0	10.5	0.9	1.0	0.9
Kansas	12.2	0.9	11.9	1.0	12.7	1.0	-0.8	0.9
Kentucky	15.1	0.9	15.0	1.1	14.9	1.1	0.1	1.0
Louisiana	20.2	1.0	20.7	1.2	19.9	1.2	0.8	1.1
Maine	12.9	1.0	12.8	1.2	13.3	1.1	-0.5	1.0
Maryland	13.1	0.9	13.4	1.1	14.0	1.1	-0.6	0.9
Massachusetts	12.0	0.6	11.8	0.8	11.8	0.6	-	0.6
Michigan	9.8	0.5	9.3	0.6	10.3	0.5	*-1.0	0.5
Minnesota	9.2	0.8	9.1	0.9	8.8	0.9	0.3	0.8
Mississippi	18.7	1.0	19.1	1.2	18.8	1.1	0.3	1.0
Missouri	13.3	0.9	13.9	1.1	13.4	1.1	0.5	1.0
Montana	13.3	0.9	13.2	1.0	13.2	1.0	-	0.9
Nebraska	10.4	0.8	10.2	1.0	9.9	0.9	0.3	0.9
Nevada	16.7	1.0	17.2	1.3	17.2	1.1	-	1.0
New Hampshire	10.5	0.9	9.8	1.1	11.0	1.1	-1.2	1.0
New Jersey	14.6	0.6	15.5	0.8	13.6	0.6	*1.9	0.6
New Mexico	23.7	1.0	24.0	1.3	24.4	1.2	-0.4	1.0
New York	16.1	0.4	16.1	0.5	15.6	0.4	0.5	0.4
North Carolina	14.5	0.6	15.2	0.8	13.8	0.7	*1.4	0.6
North Dakota	8.8	0.8	9.1	0.9	8.4	0.8	0.7	0.8
Ohio	11.5	0.5	11.7	0.6	11.5	0.6	0.2	0.5
Oklahoma	18.0	1.0	18.1	1.2	18.5	1.2	-0.4	1.0
Oregon	13.6	1.0	13.9	1.2	12.8	1.1	1.1	1.0
Pennsylvania	10.0	0.5	9.7	0.6	10.3	0.5	-0.6	0.5
Rhode Island	11.4	0.9	11.4	1.1	12.2	1.1	-0.8	0.9
South Carolina	15.3	1.0	15.9	1.3	14.4	1.1	1.5	1.0
South Dakota	9.6	0.7	9.5	0.9	9.7	0.8	-0.2	0.7
Tennessee	13.4	0.9	15.0	1.1	12.5	1.0	*2.5	0.9
Texas	24.3	0.6	24.4	0.7	24.4	0.7	-	0.6
Utah	11.7	0.8	11.9	1.0	11.6	0.9	0.3	0.8
Vermont	11.0	0.9	12.2	1.2	10.9	1.1	1.3	0.9
Virginia	12.7	0.8	13.0	1.0	12.8	0.9	0.2	0.8
Washington	12.9	0.9	13.0	1.1	12.6	1.0	0.4	0.9
West Virginia	15.5	0.9	15.1	1.0	15.8	1.1	-0.7	1.0
Wisconsin	8.2	0.7	7.9	0.8	8.1	0.8	-0.2	0.7
Wyoming	14.9	1.0	14.7	1.1	15.7	1.2	-1.0	1.0

*Statistically significant change at the 90-percent confidence level.

-Represents or rounds to zero.

Source: U.S. Bureau of the Census, March 1995, 1996, and 1997 Current Population Survey.

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 Andrew Zbikowski, Demographic Statistical Methods Division, at 301-457-4214 or on the Internet

at azbikows@census.gov for information on the source of the data, the accuracy of the estimates, the use of standard errors, and the computation of standard errors.

Contact:

Robert Bennefield
301-763-8576

U.S. Department of Commerce
Economics and Statistics Administration
BUREAU OF THE CENSUS

Washington, DC 20233

OFFICIAL BUSINESS

Penalty for Private Use \$300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
Bureau of the Census
Permit No. G-58