Why Did the Number of Uninsured Continue to Increase in 2005?

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Alliance for Health Reform
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Key Findings: 2004-2005

- The number of uninsured increased in 2005 by 1.3 million: 44.8 → 46.1 million
  - Adults accounted for 1.0 million of the increase
  - 1.1 million were from low-income families (less than 200% FPL)

- The uninsured grew in 2005 primarily because of the continued decline in employer-sponsored insurance (ESI)
Key Findings: 2004-2005 (cont.)

• Unlike previous years, there was no increase in Medicaid/SCHIP coverage to offset the ESI decline ➔ both the uninsured rate and the number of uninsured increased

• ESI decreases were greatest among children from low and middle-income families

• These changes created an increase of 300,000 uninsured children, reversing the small gain (400,000) in coverage among children between 2000 and 2004
Figure 3


<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>At Least 1 Full Time Worker</td>
<td>0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Part Time Worker</td>
<td>2.2*</td>
<td>3.6*</td>
</tr>
<tr>
<td>No Workers</td>
<td>5.4*</td>
<td>1.2*</td>
</tr>
</tbody>
</table>

* Statistically significant change (p<.10).
Figure 4

Changes in Health Insurance Coverage of the Nonelderly
-- Percentage Point Changes --

<table>
<thead>
<tr>
<th>Year</th>
<th>Change in Population</th>
<th>Change in Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2003</td>
<td>7.6 Million*</td>
<td>5.1 Million*</td>
</tr>
<tr>
<td>2003-2004</td>
<td>2.4 Million*</td>
<td>0.8 Million*</td>
</tr>
<tr>
<td>2004-2005</td>
<td>2.4 Million*</td>
<td>1.3 Million*</td>
</tr>
</tbody>
</table>

* Statistically significant change (p<.10). Medicaid also includes SCHIP, other state programs.

Figure excludes changes in CHAMPUS/Medicare and private nongroup insurance for ease of presentation because changes in coverage are generally small.  
Source: Urban Institute
Figure 5
Changes in Health Insurance Coverage of Low Income (<200% FPL) Children
-- Percentage Point Changes --

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>7.5*</td>
<td>-1.6*</td>
<td>0.7</td>
<td>0.9*</td>
</tr>
<tr>
<td>-5.2*</td>
<td>-0.3</td>
<td>-0.8</td>
<td>-1.0*</td>
</tr>
<tr>
<td>Change in Population</td>
<td>2.0 Million*</td>
<td>0.0 Million</td>
<td>-0.2 Million</td>
</tr>
<tr>
<td>Change in Uninsured</td>
<td>-0.1 Million</td>
<td>-0.3 Million</td>
<td>0.3 Million</td>
</tr>
</tbody>
</table>

* Statistically significant change (p ≤ .10). Medicaid also includes SCHIP, other state programs.

Figure excludes changes in CHAMPUS/Medicare and private nongroup insurance for ease of presentation because changes in coverage are generally small. Source: Urban Institute
Figure 6
Changes in Employment of Nonelderly Workers, By Firm Size, 2000-2005

In Millions of People

- Self-Employed
- Small Firms
- Medium Firms
- Large Firms

ESI Rates
- 50%
- 53%
- 76%
- 81%

Uninsured Rates
- 27%
- 32%
- 16%
- 11%

* Statistically significant change (p<.10).
Changes in Employment of Nonelderly Workers, By Industry, 2000-2005

In Millions of People

ESI Rates
83% 64%

Uninsured Rates
10% 23%

* Statistically significant change (p<.10).
Summary

• Despite an improving economy after 2003, the share of Americans with job-based insurance continued to decline.

• By 2005, Medicaid and SCHIP were no longer growing to fill this gap.

• The large majority of the 1.3 million growth in the uninsured between 2004 and 2005 were adults and most were from low-income families.

• New development: the number of uninsured children grew slightly in 2005, where declines in ESI were deep—among low and middle income children.