

Data Bulletin

Findings from the Current Population Survey



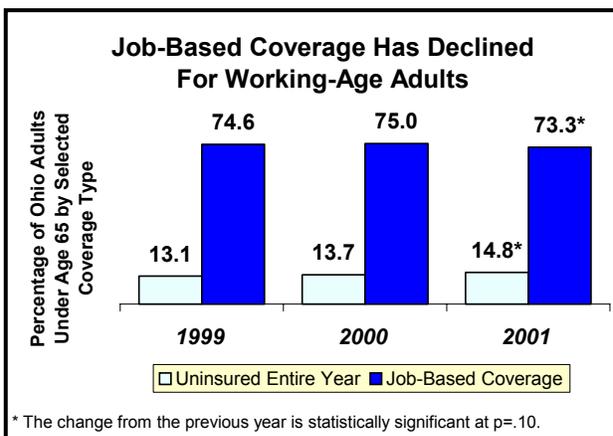
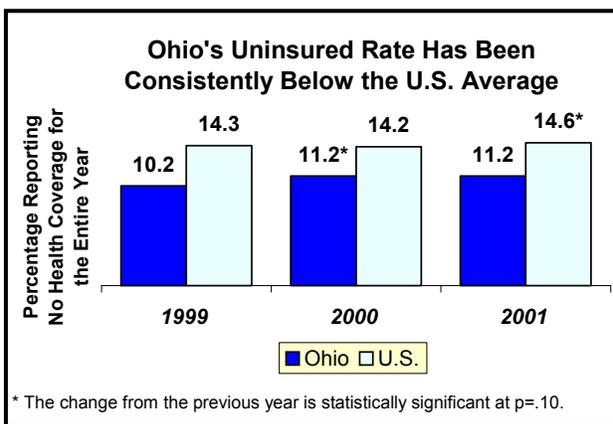
Health Insurance Coverage in Ohio, 1999-2001^a

by Dave Dorsky

Center for Public Health Data and Statistics
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More than one in ten Ohio residents were without health insurance coverage in 2001.

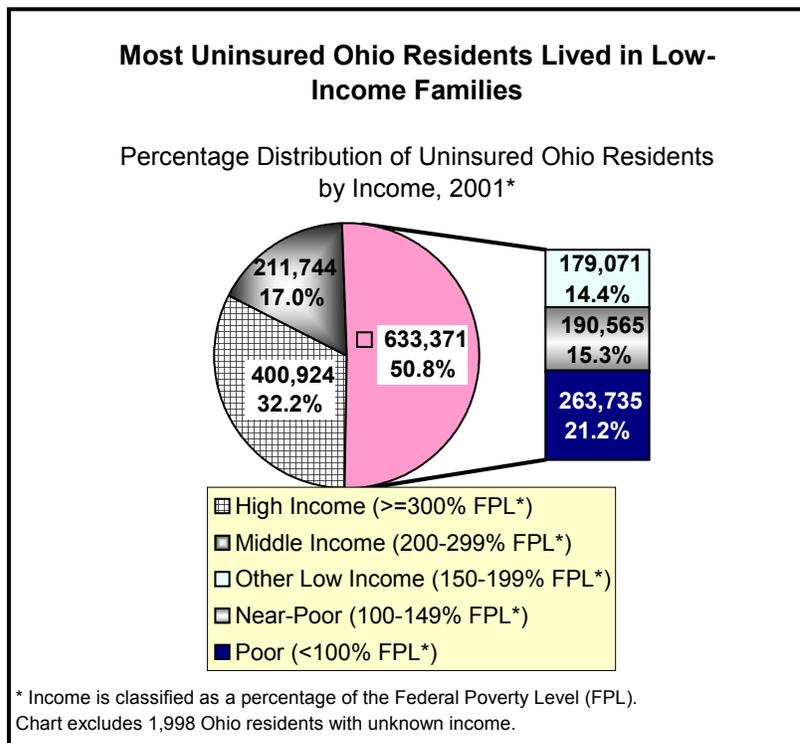
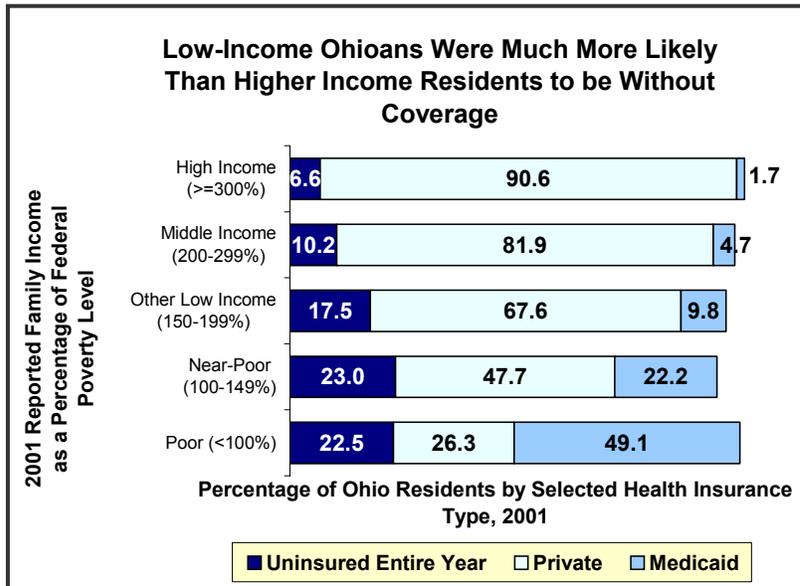
- The percentage of Ohio residents who reported having no coverage for the entire year increased from 10 percent in 1999 to 11 percent in 2000 and 2001. About 1.25 million Ohioans were reported to be without health coverage in 2000 and 2001.
- The uninsured rate in Ohio was significantly below the U.S. average, but was consistent with most other midwestern states.
- Private health coverage rates in Ohio declined slightly from 78 percent in 1999 to 77 percent in 2001.
- The uninsured rate for Ohio adults under age 65 increased from 13 percent in 1999 to 15 percent in 2001. Job-based coverage for this group fell from 75 percent in 2000 to 73 percent in 2001.



^a For information about children's health insurance coverage, see *Data Bulletin: Children's Health Insurance Coverage in Ohio, 1999-2001*.

Nearly one quarter of poor and near-poor Ohio residents were uninsured in 2001.^b

- Although approximately half (49 percent) of the poor were covered by Medicaid, only about one fourth (26 percent) had any private coverage.^c
- Private coverage for the near-poor declined from 59 percent in 1999 to 48 percent in 2001, but this was largely offset by an increase in Medicaid coverage from 13 percent to 22 percent. Eligibility expansions, more outreach, and a faltering economy all contributed to the rise in Medicaid participation.
- About half (51 percent) of Ohio residents without health insurance coverage lived in low-income families. Approximately one fifth (21 percent) were living in poverty.
- Nearly one third of the uninsured lived in families with income at or above three times the Federal Poverty Level.

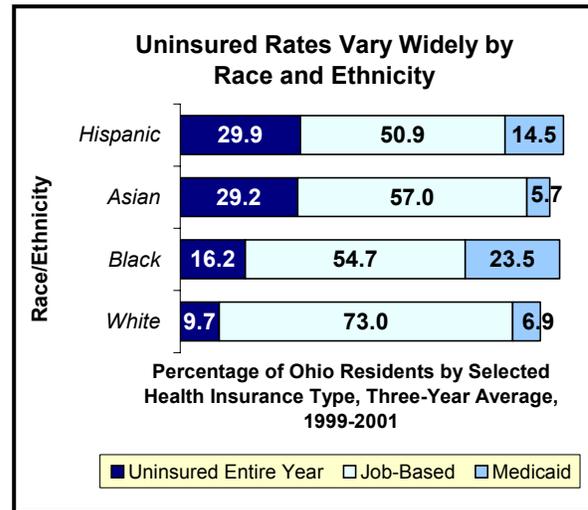


^b “Poor” refers to Ohioans living in families with income under the Federal Poverty Level, which varies by family size and was \$17,650 for a family of four in 2001. “Near poor” refers to Ohioans with incomes between 100 percent and 149 percent of the Federal Poverty Level. “Low Income” refers to Ohioans with incomes under 200 percent of poverty, “middle income” 200 to 299 percent of the Federal Poverty Level, and “high income” 300 percent or more of the Federal Poverty Level.

^c Medicaid includes the Children’s Health Insurance Program (CHIP). Medicaid is a partnership between the federal government and the states, with the federal government paying for about two-thirds of the cost. Ohio Medicaid participation as reported in this survey is lower than administrative records from the Ohio Department of Job and Family Services. Underreporting of Medicaid coverage is a common problem in household surveys. See the Notes section at the end of this report for further details.

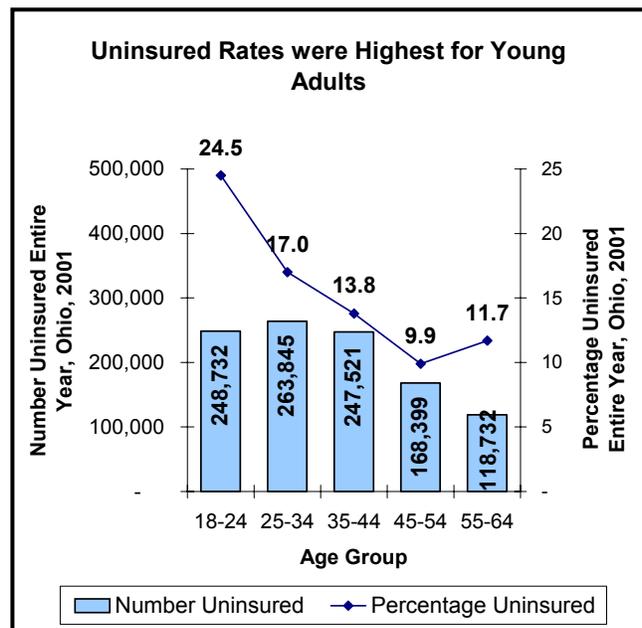
In 1999-2001, Hispanic, Asian, and Black Ohio residents were more likely to be uninsured than White Ohioans.

- Nearly one third of Hispanic and Asian Ohioans and one sixth of Black Ohioans were without health coverage in 1999-2001, compared to one out of every ten White residents.^d
- Only about half of Black Ohio residents (55 percent) were insured through an employer plan, compared to nearly three quarters (73 percent) of White Ohioans. However, Black Ohio residents were about three times more likely to be covered by Medicaid (24 percent versus 7 percent).
- In 1999-2001, Hispanic and Asian Ohio residents had about the same job-based coverage rates as Black Ohioans, but were much less likely to be insured by Medicaid.
- From 1999 to 2001, the uninsured rate for White Ohioans increased slightly due to a decline in private coverage. However, the uninsured and private coverage rates for Black Ohioans did not change significantly. This is consistent with national trends.



One of four Ohio adults between ages 18 and 24 were without health coverage in 2001.

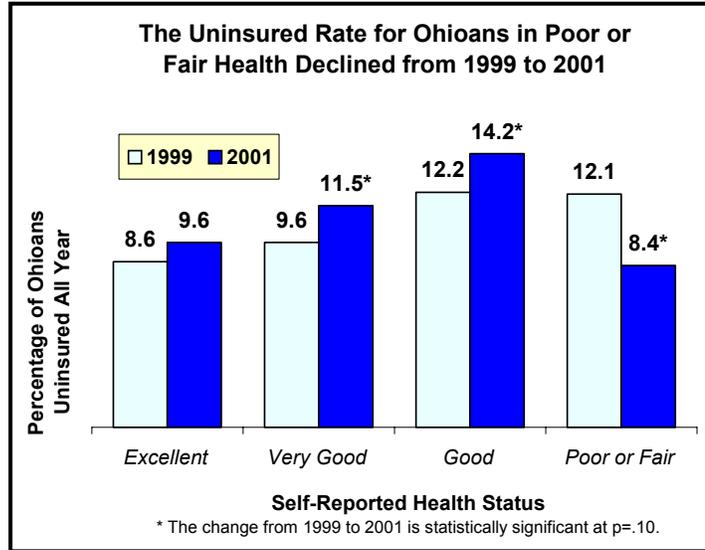
- Ohio adults between the ages of 25 and 34 were also more likely to be uninsured than older adults.
- Only 55 percent of Ohio adults ages 18 to 24 and 70 percent of adults ages 25 to 34 had coverage through an employer in 2001, compared to about 80 percent of adults ages 35 to 54.
- Although uninsured rates for adults generally decline with age, the near-elderly are especially vulnerable to losing job-based coverage because of early retirement. Premiums for directly purchased health insurance increase substantially as adults age because of their higher medical expenses.



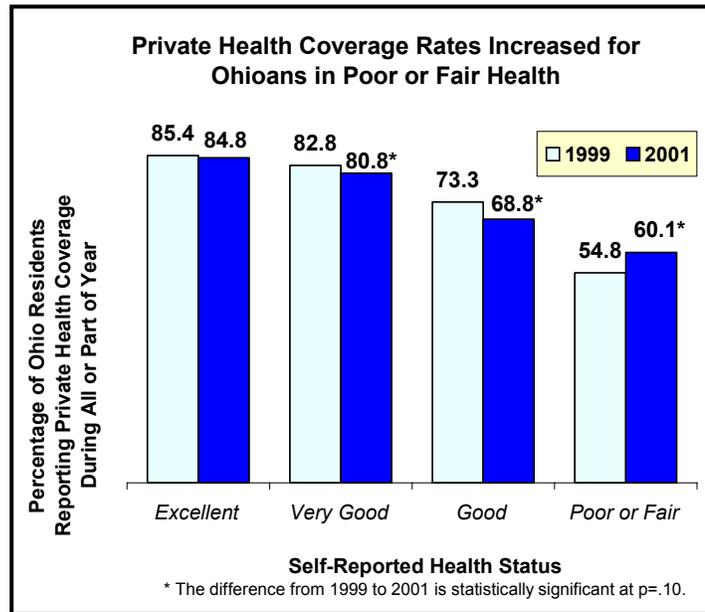
^d Three-year averages are presented here because the survey sample sizes for individual years were not large enough to produce reliable estimates for Asian or Hispanic residents.

From 1999 to 2001, the percentage of Ohio residents in poor or fair health who were without health coverage declined from 12 percent to 8 percent.

- The improvement in insurance coverage for persons in poor or fair health was not a regional trend.^e However, the U.S. uninsured rate for persons in poor or fair health fell slightly from 12.8 percent in 1999 to 12.1 percent in 2001.
- Uninsured rates increased significantly for Ohioans in good or very good health and remained relatively constant for Ohioans in excellent health.



- Private health coverage rates increased significantly for Ohio residents who reported poor or fair health, while decreasing slightly for Ohioans in good or very good health.
- Nationally, private health coverage rates declined by about one percentage point for each health status category. In the East North Central region, private health coverage rates declined for persons in poor or fair health while remaining unchanged for persons in excellent health.^f

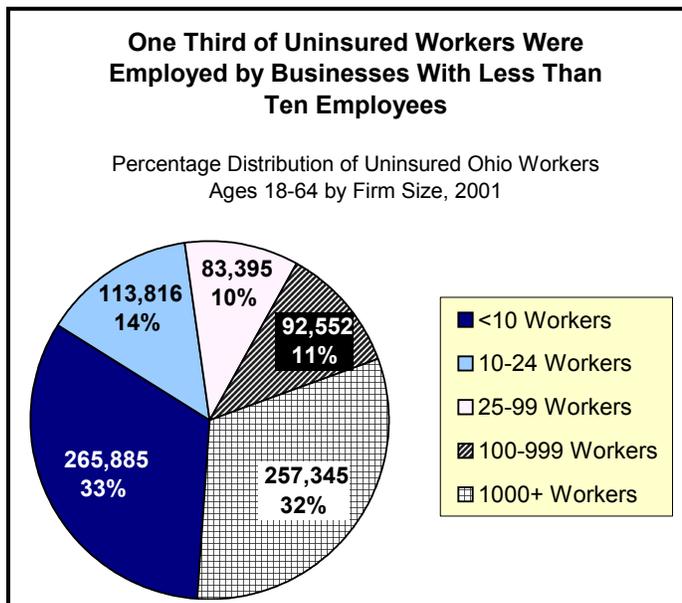
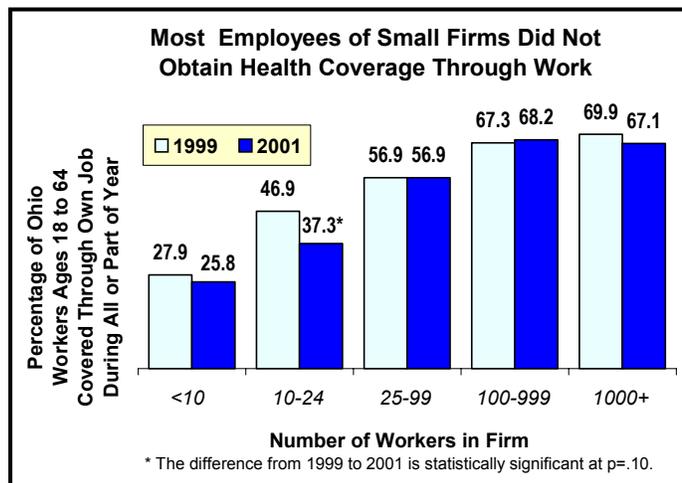
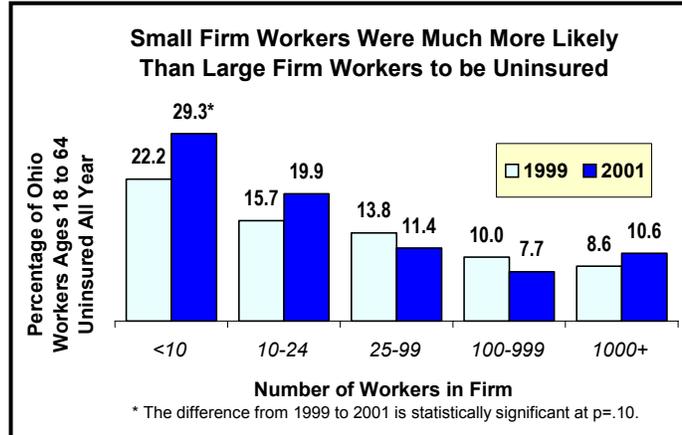


^e The Census Bureau classifies Ohio in the East North Central region, which also includes Illinois, Indiana, Michigan, and Wisconsin.

^f It is not clear why private health coverage rates for persons in poor or fair health increased in Ohio but declined in most other states. Most of the change in Ohio occurred from 1999 to 2000. Analysis of a bridge file for the latter year that included the prior year's weighting controls and sample design ruled out a change in weighting or sample design as an explanation for the increase.

Many employees of small businesses lost coverage between 1999 and 2001.

- Among Ohio adults under age 65 who worked in firms of less than 10 employees, the uninsured rate increased from 22 percent in 1999 to 29 percent in 2001. Job-based and directly purchased coverage rates both declined for this group. Only about one quarter (26 percent) of these small firm workers had coverage through their work.
- Workers in firms of 10 to 24 employees were about twice as likely to be uninsured as workers in larger firms. One fifth (20 percent) of workers in firms of 10 to 24 employees were uninsured in 2001.
- The percentage of workers in firms of 10 to 24 employees who were covered by their own work fell from 47 percent in 1999 to 37 percent in 2001. This erosion of job-based coverage for small firm workers is consistent with national trends.
- About two out of three workers in firms of 100 or more employees were covered through their own work in 1999 and 2001.
- In 2001, nearly half of uninsured Ohio workers were employed by firms with less than 25 employees. About one third worked in businesses with less than 10 employees, and one of seven were employed by firms of 10 to 24 workers.
- Nearly one third of uninsured workers were employed by firms of 1,000 or more employees.



Recent trends suggest that Ohio may be experiencing further erosion of private health coverage and rising uninsured rates.

The health insurance statistics in this report probably underestimate the adverse effects of rising health insurance costs and the recession on insurance coverage. Ohioans who lost coverage during 2001 because of job loss, discontinuation of a health plan by an employer, or inability or unwillingness to pay a higher premium were classified as insured if they reported having coverage for at least a part of 2001.

It has been estimated that 85 people lose their health insurance for every 100 people losing their jobs.¹ The number of unemployed Ohioans increased from a seasonally adjusted average to 231,000 in December, 2000 to 332,000 in October, 2002.² Therefore, there are an estimated 86,000 additional Ohio residents without health insurance because of recent job losses.

Other Ohioans have remained employed but lost their health insurance coverage because premium increases priced them or their employer out of the market. In 2001 and 2002, health insurance premiums paid by U.S. employers increased by an annual average of more than 10 percent each year. Some employers responded to these rising costs by reducing benefits or increasing employee cost sharing. Average required employee contributions also increased by more than 10 percent from 2001 to 2002. Other employers – mainly small businesses - dropped coverage entirely. The percentage of U.S. firms with less than 200 employees that offered health insurance to any of their workers decreased from 67 percent in 2000 to 61 percent in 2002.³

Additional double-digit increases in health insurance premiums and employee cost-sharing are widely expected for 2003.⁴ This could make health insurance less affordable for more employers, employees, and their families, resulting in further erosion of coverage. Employees of small businesses may be especially vulnerable to losing coverage. A recent national survey revealed that one out of every six small businesses (17 percent) were likely to respond to continued double-digit premium increases by no longer offering coverage.⁵ Low-income employees are also at risk for losing coverage since they are more likely to have difficulty absorbing increases in the employee share of health premiums.

Medicaid or directly purchased individual health insurance is an option for some Ohioans who lose employer coverage, but for many others the coverage is unavailable or prohibitively expensive. Although nearly all low-income children in Ohio are now eligible for Medicaid benefits due to recent expansions, the eligibility requirements for adults are much more restrictive. Most low-income adults earn too much money to qualify for Medicaid.

The individual private market also has several potential barriers to coverage. Because of underwriting restrictions, many persons with health problems do not qualify for coverage, are only eligible for coverage that excludes their pre-existing health conditions, or are only eligible for plans with premiums that are substantially higher than typical group plans. A 2001 multi-state survey revealed that nearly two-thirds (62 percent) of non-elderly adults who reported poor or fair health or one of six chronic health conditions stated that it was “very difficult or impossible” to find an affordable plan.⁶ Many adults in good to excellent health also find the cost of directly purchased coverage to be prohibitive. The average directly purchased premium for each adult in excellent health who was between the ages of 55 and 64 was \$2,124 in 2002.⁷ A poor couple would have needed to spend more than one third of their income to purchase this insurance for themselves.⁸ Nearly half (46 percent) of adults in good to excellent health who were searching for individual coverage reported that it was “very difficult or impossible” to find an affordable plan.⁶

⁸ Assumes a childless couple who earned less than \$11,940, which was the Federal Poverty Level for a family of two in 2002.

NOTES

All statistics unless otherwise stated are based on tabulations of the March 2000, 2001, and 2002 Annual Demographic Supplements to the Current Population Survey (CPS) conducted by the U.S. Census Bureau.

CPS respondents were asked whether they had any kind of health insurance coverage at any time in the previous calendar year. “Uninsured” refers to respondents who reported not having any health coverage during the entire year. However, several studies have suggested that there is significant recall error for these questions because some respondents do not remember coverage that they had in the previous year. Recall error is more likely for respondents who had coverage for a short time period early in the year. The CPS also underreports Medicare and Medicaid coverage compared to enrollment and participation data from the Centers for Medicare and Medicaid Services (CMS). According to the CPS, 1,060,000 Ohioans participated in Medicaid during 2001. However, the Ohio Department of Job and Family Services reported 1,676,000 Medicaid beneficiaries during Fiscal Year 2001.⁸

Medicaid coverage in this report refers to both the traditional Medicaid program and the Children’s Health Insurance Program (CHIP). Ohio’s CHIP program offers Medicaid benefits to children from low-income families who would not otherwise qualify for Medicaid. Children in families with income up to 200 percent of poverty are potentially eligible for coverage. However, some persons in families with reported annual income above this level are also eligible for Medicaid because of income disregards, changes in income during the year, and transitional coverage that provides for a temporary extension of benefits if income rises above standard eligibility limits.

Health insurance coverage information in this report may vary slightly from previously published Census Bureau statistics. This is because the Census Bureau recently released an expanded sample for the 2001 CPS and revised weights based on the 2000 Census for the 2000 and 2001 CPS. This report includes the expanded sample and weighting updates that were not included in earlier Census Bureau reports and tabulation.

References to statistical significance refer to 90 percent confidence intervals. Standard errors and tests for statistical significance were based on tables and calculations recommended by the Census Bureau at <http://www.bls.census.gov/cps/ads/adsmain.htm>.

The information in this report is not directly comparable to health insurance coverage estimates for earlier years. In 2000, the CPS included a new verification question that significantly increased the reported rate of private health coverage while reducing reported uninsured rates. 1998 Ohio Family Health Survey (OFHS) results were based on different sampling frames and different sets of health insurance coverage questions than the CPS. For example, most of the published information about insurance coverage from the OFHS was based on reported insurance status the week before surveyed, while the CPS attempts to measure insurance status during the previous calendar year. Estimates prior to the 2000 CPS also were based on Census Bureau population projections from the 1990 census enumeration, while estimates from the 2000-2002 CPS were based on the 2000 census enumeration and projections.

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⁷ *Tax Credits and the Affordability of Individual Health Insurance: Issue Brief No. 53*, J Hadley and J Reschovsky, The Center for Studying Health System Change, July 2002.

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The Ohio Department of Health

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To protect and improve the health of all Ohioans

Bob Taft, Governor
J. Nick Baird, M.D., Director of Health

Center for Public Health Data and Statistics
Jim Pearsol, Assistant Director

Health Care Data and Statistics Unit
William Ramsini, Ph.D., Chief
Dave Dorsky, Health Policy Specialist

For additional information about this report, contact Dave Dorsky at
ddorsky@gw.odh.state.oh.us, 614-728-4738

or:

Ohio Department of Health
246 N. High St.
Center for Public Health Data and Statistics- 7th Floor
P.O. Box 118
Columbus, OH 43216-0118
Phone: 614-466-0121
Fax: 614-644-8526