OTA's Derivation of the Estimate of the Population of Children Without Health Insurance[1]

As noted in chapter 3, the Current Population Survey (CPS) overestimates the population of children without health insurance because it does not directly ask about whether they have health insurance coverage through a noncustodial parent. Rather, if a parent responds that he or she has a policy that also covers the children, the CPS editing routine records a yes or no response for private health insurance. Consequently, children who are covered by a private policy bought by a parent who does not live in the household, such as a noncustodial divorced parent, are incorrectly listed as uninsured.

Although it is impossible to precisely adjust the estimates for this problem, one can estimate roughly how many children are in this position by using the April 1984 CPS.[2] The April 1984 CPS had a supplemental questionnaire for women with children under 21 years of age from absent fathers. On the basis of this survey, the U.S. Bureau of the Census estimated that there were 8,690,000 women (±190,000) who had custody of children under the age of 21 from absent fathers. A quarter of these women had married again and would be indistinguishable from women who had been married only once on the March CPS—i.e., their marital status in March would be "married. "

Among all the women with children from an absent father, 3,995,000 (46 percent) were supposed to receive child support payments in 1983, but only 3,037,000 (35 percent) actually received the payments. Thus, just over a third of all women with children under 21 years of age from an absent father received child support payments in 1983. Of the women who actually received child support payments, just over half had health insurance included in the child support award or agreement (1,641,000). On average, these women had about 1.8 children, or about 2,954,000 children under 21 years of age altogether nationwide.

In 1984, 59.1 percent of all children under 21 were 12 years old or younger, so for this age group, about 1,746,000 children had health insurance from absent parents. An unknown percentage of these children would have been reported as uninsured, when in fact they had insurance through their child custody agreements. If the child had no other source of insurance but that of the absent parent, then the CPS would have shown him or her to be uninsured.

On the basis of the information just presented, OTA calculated a lower bound on the percentage of children who were without health insurance. According to the March 1984 CPS, 7,873,000 children between O and 12 years of age—18 percent of all children in that age group—were uninsured. If one assumes that none of the 1,746,000 children with health insurance through child custody agreements had other sources of insurance, then the actual number of children age 12 or younger who did not have health insurance would be 6,127,000 (7,873,000 — 1,746,000), 14 percent of the total O- to 12-year-old population in 1984. Since 6,127,000 is 78 percent of 7,873,000, the lower bound estimate of the number of uninsured children O to 12 years old in 1984 is 78 percent of the number reported by the CPS.

Applying this figure (78 percent) to the 1986 CPS data on insuredness of children gives a lower bound estimate of the percentage of children without health insurance in 1986 of 14 percent. The upper bound estimate, taken directly from 1986 CPS data, is 19 percent. Thus, OTA estimates that the true percentage of children between O and 12 years of age who were without health insurance in 1986 lies somewhere in the range of 14 to 19 percent.

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[1] This appendix is based on a background paper prepared for OTA by Katherine Swartz (631)

[2] 'The information that follows comes from Child Support and Alimony 1983 (Supplemental Report)," **Current Population Reports,** Special Stud] es, Series P-13, No. 148 by the Bureau of the Census, U S Department of Commerce Washington, DC, 1986