

2. INTRODUCTION AND CURRENT NUMBER OF UNINSURED ADOLESCENTS

This paper examines the health insurance status of adolescents, aged 10 to 18 years, and addresses the following questions:

- How many adolescents are without health coverage and why are some adolescents insured and others not?
- Has the number of uninsured adolescents changeover time? If so, why has this change occurred?
- How many adolescents would be affected by three potential approaches to reducing the number of uninsured: a mandate that employers provide health insurance to their workers (and workers' dependents); an expansion of the Medicaid program; or a combination of the two?

The first section of the paper briefly describes its principal data source, the Current Population Survey (CPS), and important issues in using the CPS to measure insurance status. The second section provides a preliminary analysis of the size and characteristics of the uninsured adolescent population in 1987 and also examines the sociodemographic factors related to health insurance status. Next, trends in the number of uninsured adolescents from 1979 to 1986¹ are assessed. The final section provides estimates of the potential effects of an employer mandate, Medicaid expansion, or combination approach on the number of uninsured adolescents.

In light of today's pressing debate concerning the uninsured, this preliminary report has been prepared based on currently available information. An update, based on final results from the 1988 and 1989 March sur-

veys, will be released as soon as possible.²

Data and Related Issues

Current Population Survey

Data for this study come from the CPS, a household survey that is fielded monthly by the U.S. Bureau of the Census to approximately 60,000 families (including 160,000 individuals). The chief objective of the CPS is to provide monthly estimates of the nation's unemployment rate and other characteristics of the labor force. Starting in 1980, a set of questions about health insurance coverage during the previous year³ was added to the survey in the month of March.⁴ The supplement also asks a variety of questions about work history and income during the previous year. Responses to questions in the supplement are the basis for the analyses presented in this paper.

Important Issues in Using the Current Population Survey

Important adjustments to the 1988 data were required to estimate and describe uninsured adolescents (see appendix A for greater detail). Each March from 1980 through 1987,⁴ the CPS used identical health

² At the time this Background Paper was published, data from the March 1989 CPS were not available for analysis. Note, however, that because of question wording changes initiated in March 1988, data collected in 1988, 1989, and subsequent years, will never be able to be compared to data collected from March 1980 through March 1986. When the March 1989 CPS becomes available, some analysis will be able to be made comparing 1987 and 1988. (Note further that the data collected each March pertain to the previous calendar year; thus, data collected in March 1980 pertain to calendar year 1979, and data collected in March 1989 pertain to calendar year 1988.)

³ There is some controversy about the way respondents interpret the CPS questions. Some analysts have argued that people respond as to their insurance status at the point in time at which the survey is fielded, not for the calendar year preceding the survey. For discussion of this issue, see appendix A.

⁴ The March 1981 survey is an exception; the complete set of health insurance questions were not asked in that year.

¹ The year 1987 is not included because as explained below, questions asked for that year are not comparable to past years.

insurance questions (see appendix B). In 1988, new questions were introduced and the others were changed materially. The March 1988 health insurance questions (see appendix C) provide an improved and more accurate estimate of the number of adolescents who are uninsured.

One of the principal problems with the earlier CPS was that it did not ask if adolescents or other children received health insurance coverage from absent parents (*or* anyone outside the household). Thus, any adolescent or child who was covered under an absent parent's health policy was almost always reported as uninsured. As a result, the March 1980 to 1987 surveys almost certainly overestimated the actual number of uninsured adolescents.

Two changes were made in the March 1988 CPS to fix this problem. First, questions directed to respondents 15 years of age and older were modified and second, new questions about children 14 and younger were introduced.⁵ In the 1980 to 1987 surveys, there was no direct question inquiring whether each individual in the household was covered by a health plan; the Census Bureau had to "infer" coverage when a private insurance subscriber reported that his or her children were covered. Adolescents and other dependents were counted as insured only if they resided with a subscriber to a policy or they themselves were a subscriber to a health insurance plan. In contrast, the new 1988 questions specifically ask whether each person in the household, age 15 and above, was covered by a health insurance plan. Those who answer yes are then asked if the plan is in their own name or not. Thus, for example, adolescents (age 15 and older) who reside with their mother but are enrolled in an absent father's health insurance policy, would be reported as insured in the 1988 survey but uninsured in the 1987 survey. In addition, a

separate set of 1988 questions explicitly ask if children 14 and younger were covered by a nonresident parent.

Responses to the new questions aimed at the 15 and older group are included in OTA's preliminary analysis, but answers to the new questions concerning children 14 and younger have not yet been provided by the Census Bureau. The final, complete data will not be released until later this year.

Before any adjustment, 1988 estimates indicated that 15 percent of 15- to 18-year-olds and 22 percent of 10- to 14-year-olds were uninsured in 1987. Yet earlier surveys found little difference in the health insurance status of these two age groups. It is most likely that this discrepancy in coverage rates is because data for the 10- to 14-year-olds is not yet complete. It is likely that the final data will show similar rates of coverage for these two groups of adolescents. Therefore, the 1988 CPS data presented in this report assume similar coverage rates among adolescents aged 10 to 14 and 15 to 18 given the same family income relative to the Federal poverty level, living arrangement (*i.e.*, two-parent family, one-parent family, or no parent present), and parent's insurance status.

Finally, in this report, the March 1980 through March 1987 data serve as the basis for describing trends in adolescent health insurance status. Keep in mind that because of the changes in the survey, the 1988 findings cannot be directly compared with earlier results.

Number of Uninsured Adolescents, 10- to 18-Years-Old, 1987⁶

Approximately 4.6 million adolescents, 15 percent overall, were without either public or

⁵ Questions are asked directly of respondents 15 years and older and of the parents of those under 15.

⁶ Throughout this report, adolescents are defined to be aged 10- to 18-years inclusive.

private health coverage in 1987 (table 2).⁷ Adolescents are slightly more likely to be uninsured than children aged 9 and younger and adults aged 25- to 54-years-old.⁸ Those adolescents who do have health insurance,

however, are more than twice as likely as 25- to 54-year-olds to be covered by a public program, particularly Medicaid. 'Almost 10 percent of adolescents have Medicaid coverage compared to 4.5 percent of 25- to 54-year-olds. Note also that while about 70 percent of adolescents have private insurance, 25- to 54-year-olds are privately insured at a somewhat higher rate (i.e., 76 percent).

⁷ As noted earlier, preliminary 1988 CPS data have been adjusted to facilitate the analysis. See "Data and Methods" and appendix A for details on the CPS and adjustments to the data.

⁸ While earlier CPS data indicate that adolescents (and younger children) are significantly more likely to be uninsured than adults (Chollet, 1988), the preliminary 1988 data suggest little difference in the proportion of adults and adolescents who are uninsured. These findings are similar to those from the 1986 National Health Interview Survey and preliminary results from the 1987 National Medical expenditure Survey (U.S. Department of Health and Human Services [USDHHS], 1987; Short, et al., 1988).

Table 2---Health Insurance Status of the 10- to 64-year-old Population, by Age Group, 1987

Age group	Total population	No health insurance		Insured: private and public ^{a,b}		
		Number	Percent	Private only	Medicaid only	Other
10-18 ^c	31,006,189	4,612,366	14.9%	69.9%	9.9%	5.3%
19-24	22,331,823	5,482,490	24.6	63.1	6.3	6.0
25-54	101,413,818	14,134,455	13.9	76.1	4.5	5.3
55-64	21,635,137	2,418,154	11.2	71.4	4.0	13.4

^aPrivate only includes all with employment-based coverage from someone in or outside the household and non-group insurance from household numbers; Medicaid includes all those with only Medicaid coverage; and other includes CHAMPUS, Medicare, or a combination of public and private coverage.

^bRow percentages may not total 100 percent due to rounding.

^cHealth insurance status for 10- to 14-year-olds has been estimated based on currently available information. See appendix A for details.

SOURCE: Office of Technology Assessment, 1989, based on estimates from the March 1988 Current Population Survey.