Changes In Insurance Coverage: 1994-2000 And Beyond

Mary Beth Pohl, John Holahan

Although the number of Americans with employer coverage increased dramatically, the rate of uninsurance remained essentially unchanged. (The full text of this paper is available online on the Health Affairs Web site, posted 3 April 2002.)

ABSTRACT: Despite two consecutive years of declines in the number of uninsured Americans at the end of the 1990s boom, essentially the same percentage of the U.S. population was uninsured in 2000 as was in 1994 — about 17 percent. This analysis of Census Bureau data by John Holahan and Mary Beth Pohl explores the trends in insurance coverage during a period of economic expansion in the 1990s.

More Americans fell under the umbrella of employer coverage as job rolls expanded and economic prosperity pulled many families up the income ladder. As the low-income population dropped by 8.2 million and the middle- and highincome populations rose by 2 million and 19.2 million, respectively, the employer coverage rate climbed from 64.2 percent to 67.3 percent.

But that expansion masked declines in other types of coverage. Enrollment in Medicaid and other state-sponsored insurance programs declined because of welfare reform and the improving economy; many low-income people obtained higherpaying jobs and received coverage from their employers. Enrollment in private nongroup insurance products also fell, which the authors attribute to problems in the individual insurance market, as well as expansion in employer coverage.

The authors also focus on the decline in the number of uninsured persons between 1999 and 2000. This reduction has been attributed to the continued expansion of employer coverage. However, increases in this coverage for adults were offset by declines in other kinds of coverage. Because public coverage for children also increased, seemingly because of the new State Children's Health Insurance Program (SCHIP), there was a reduction in the number of uninsured children and an overall decline in coverage for children and adults. The authors warn that if a period of great economic expansion can't budge the uninsurance rate, rising premiums and higher unemployment rates could reduce employer coverage and raise the number of uninsured. How many newly uninsured persons there are depends on whether and how much Medicaid enrollment and private nongroup coverage increase. John Holahan is director of the Urban Institute’s Health Policy Center, and Mary Beth Pohl is a research assistant there.

Other Publications by the Authors

- Mary Beth Pohl
- John Holahan

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