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Unequal Access: Insurance Instability Among Low-Income Workers and Minorities

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ABSTRACT: Analysis of health insurance coverage and employment patterns from 1996 through 1999 reveals even higher uninsured rates and greater insurance instability among low-income adults and minorities than had been previously documented. Most low-income adults worked during the four years, but many had no or only intermittent job-based coverage. Low-income Hispanic adults were particularly hard hit: more than one-third (37%) of this group were never insured with private coverage, even though they worked all four years. Policies that expand coverage to low-income families could help reduce racial and ethnic disparities in access to care.

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Introduction

In the United States, racial and ethnic minorities have disproportionately low incomes as well as low rates of health insurance, compared with white adults.[1] This uninsured crisis is linked to minorities' low rates of employer-sponsored coverage and to a fragmented public insurance system that prevents many low-income adults from getting and keeping coverage.

A new analysis of health insurance coverage and employment patterns from 1996 through 1999 reveals even higher uninsured rates and greater insurance instability among low-income adults and minorities than had been previously documented. As many as 80 percent of low-income Hispanics were uninsured at some point from 1996 through 1999, compared with 66 percent of low-income African Americans and 63 percent of low-income whites. Although the majority of low-income adults worked during this period, many had no or only intermittent coverage from their employers. Low-income Hispanics were particularly hard hit, even though they were more likely than other groups to have stable employment. More than one-third (37%) of this group were never insured with private coverage, even though they worked full time all four years.

This issue brief focuses on low-income working-age minorities (ages 19 to 64), a population disproportionately affected by high uninsured rates and unstable health coverage.[2] It draws primarily from two federally funded national surveys, the 1996 panel of the Survey of Income and Program Participation (SIPP) and the 2000 Medical Expenditure Panel Survey (MEPS) (see Methodology). The analysis finds that policies that expand coverage to low-income adults and their families could help to reduce racial disparities in access to care.

Low-Income Adults—Especially Hispanics—Have Unstable Coverage

Tracking health coverage over a four-year period reveals that unstable health coverage is a widespread concern for low-income adults with incomes below 200 percent of poverty: uninsured rates for this group over four years were much higher than rates in any one year. Sixty-eight percent of low-income adults were uninsured at some point during the four years, compared with 26 percent of adults with higher incomes (Figure 1). Uninsured rates were high for all low-income adults, but particularly for Hispanics—80 percent of Hispanics were uninsured at some point during the four years studied. Low-income Hispanics also had higher rates of being uninsured for cumulative months. Nearly two-thirds were uninsured for 13 months or more, compared with two-fifths of African Americans and whites.

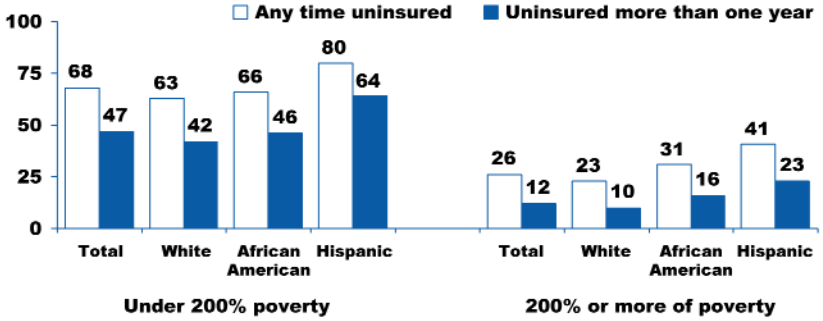
Yet, disparities in insurance rates between whites and minorities persist across income levels, particularly for Hispanics. Two of five Hispanics and 31 percent of African Americans with incomes above 200 percent of poverty were uninsured at some point during a four-year period, compared with one of four whites in this income group.

Most Low-Income Adults Work, But Even Stable Jobs Leave Them Uninsured

The majority of adults with low incomes—about 86 percent—were in families in which a family member worked during the four years, although these workers often had fluctuations in hours or gaps in employment. One-third (34%) of low-income Hispanics, 24 percent of whites, and 16 percent of African Americans were in families in which the head of the household worked full time without interruption during the entire four-year period (Figure 2). Unstable work patterns or part-time employment increase the risk that families will experience gaps in coverage or multiple months without insurance. Adults working less

Figure 1

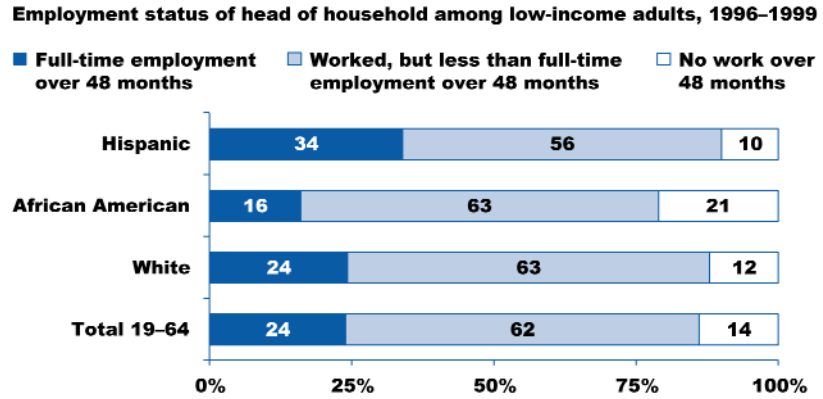
Low-Income Adults—Especially Hispanics—Have High Uninsured Rates; Racial Disparities in Insurance Persist Across Income Levels



Source: The Commonwealth Fund and Pennsylvania State University analysis of the 1996 panel of the Survey of Income and Program Participation.

Figure 2

The Majority of Low-Income Adults Are in Working Families, but Employment Is Unstable



Source: The Commonwealth Fund and Pennsylvania State University analysis of the 1996 panel of the Survey of Income and Program Participation.

than full time were more likely to lack insurance at some point during the survey period than were those working full time.

Still, even full-time work provides only marginal protection, particularly for Hispanics. Low-income Hispanics were more likely than other groups to be in families headed by an adult who worked full time without interruption. Yet, Hispanics had the highest uninsured rates and were more likely to endure several months without insurance. As many as 73 percent of Hispanics in families with an adult working full time throughout the four years spent some time without insurance during this period, compared with 55 percent of African Americans and 47 percent of whites (Figure 3). Fifty-seven percent of such Hispanics were uninsured for 13 months or more. In contrast, these rates were about twice that of low-income white and African American adults in similar working families.

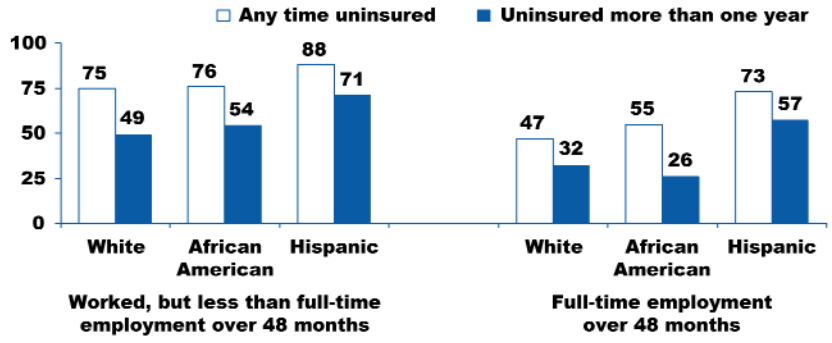
These high uninsured rates among Hispanic workers are partly explained by their lack of access to job-based coverage. Rates of private insurance coverage were dramatically lower for low-income working Hispanics than for low-income whites or African Americans, regardless of their work status. In fact, even when household heads were employed full time over four years, 37 percent of low-income Hispanics never had private insurance, compared with 14 percent of whites and 8 percent of African Americans (Figure 4).

Insurance Instability Undermines Access to Care and Use of Preventive Services

Analysis of the Commonwealth Fund Biennial Health Insurance Survey finds that gaps in health insurance coverage impede people's ability to get needed care and increase the risk of burdensome medical bills.[3] In fact, more than half of minority adults with health problems reported medical bill problems in the past year, including having difficulty paying bills, being contacted by a collection agency, or having to change their way of life significantly to meet their obligations (Figure 5). These problems were most severe for adults who were uninsured during the year, but even the continually insured had problems. Furthermore, analysis of a federal survey (MEPS) reveals that adults without insurance during all or part of 2000 had lower rates of recommended preventive care than those who were continuously insured that year. This pattern held across all racial and ethnic groups. Women who were insured all year had

Figure 3

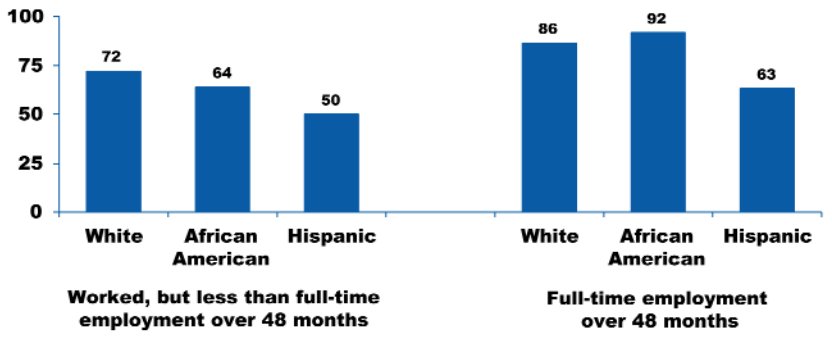
Low-Income Hispanics Are Less Likely to Have Insurance—Though More Likely to Be Steadily Employed



Source: The Commonwealth Fund and Pennsylvania State University analysis of the 1996 panel of the Survey of Income and Program Participation.

Figure 4

Low-Income Hispanics Are Least Likely to Have Private Insurance, Even with Stable Employment



Source: The Commonwealth Fund and Pennsylvania State University analysis of the 1996 panel of the Survey of Income and Program Participation.

rates of mammogram screening that were 1.5 times higher than those uninsured part of the year (Figure 6). Similarly, screening rates for prostate cancer were notably lower among those with some period of time uninsured, particularly among Hispanics (Figure 7).

Summary and Policy Implications

Lack of insurance coverage and unstable coverage are persistent problems for low-income adults and racial and ethnic minorities. The vast majority of uninsured working-age minorities who had unstable coverage during the four years of the survey had very low incomes. Indeed, 70 percent or more of African Americans and Hispanics who were uninsured for 13 or more months had incomes 200 percent below poverty (Figure 8).

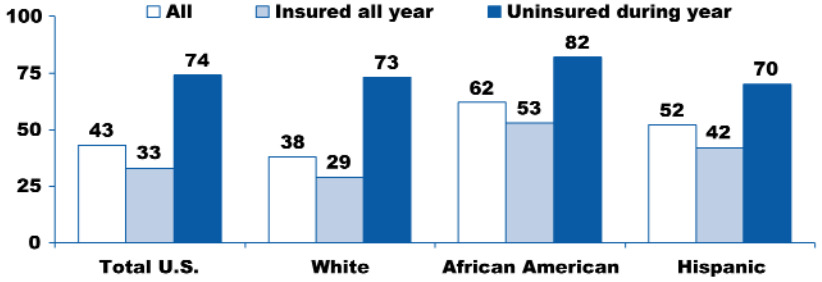
Although many minority adults work, they have disproportionately low incomes compared with working-age whites. In the four-year survey, almost half of Hispanics (47%) and 44 percent of African Americans had average incomes below 200 percent of poverty, while 17 percent of whites had incomes this low. The majority of low-income adults have children.[4] Although many children qualify for public insurance, most states set income thresholds so low for parents—well below the poverty line—that few would be eligible for public insurance coverage, even when working part time in a minimum-wage job.[5]

The U.S. Department of Health and Human Services has said that closing the health gap for minorities is a key public policy priority.[6]

Figure 5

More than Half of Minorities with Health Problems Have Medical Bill Problems—the Uninsured Are Most Vulnerable

Percent of adults 19–64 with a chronic disease experiencing any medical bill problems* within past year



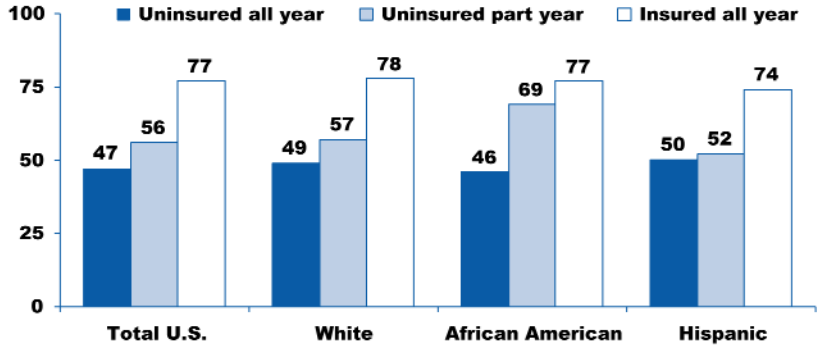
* Not able to pay medical bills, contacted by collection agency, or had to change way of life significantly to pay for medical bills.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2003).

Figure 6

Women with Gaps in Health Coverage Have Lower Breast Cancer Screening Rates

Percent of women ages 40–64 receiving mammogram in past two years, 2000

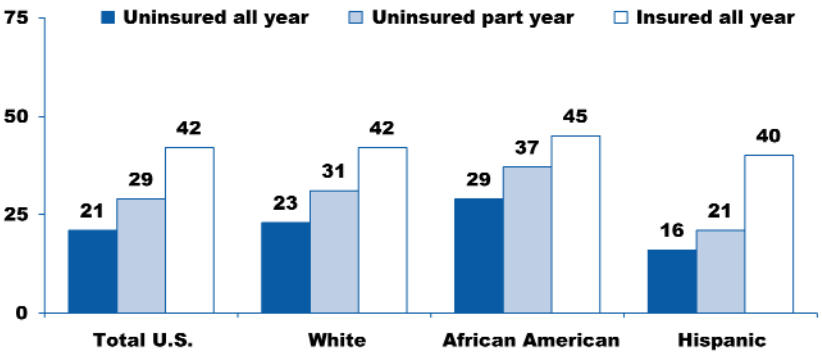


Source: The Commonwealth Fund and Columbia University analysis of MEPS 2000.

Figure 7

Men with Gaps in Health Coverage Are Less Likely to Get Routine Prostate Exams

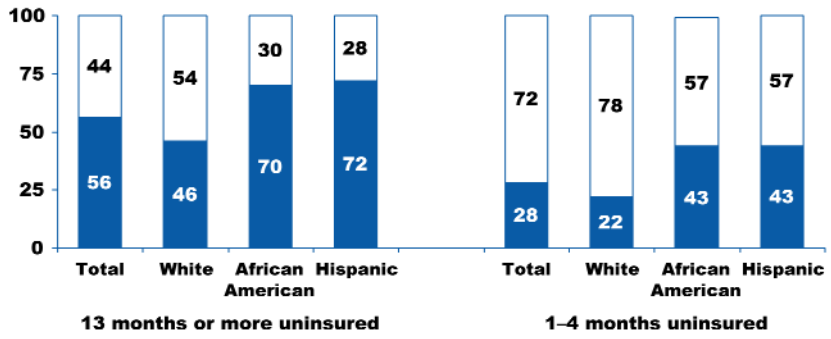
Percent of men ages 40–64 receiving prostate exam in past two years, 2000



Source: The Commonwealth Fund and Columbia University analysis of MEPS 2000.

Figure 8

Nearly Three-Quarters of Long-Term Uninsured Minority Adults Live on Low Incomes



Source: The Commonwealth Fund and Pennsylvania State University analysis of the 1996 panel of the Survey of Income and Program Participation.

Creating new and affordable health insurance options and strengthening and expanding the health care safety net would help to accomplish this goal. Expanding public programs to low-income working adults would be of particular benefit to minority households. Over the past several years, many states have expanded eligibility for public insurance to low-income working parents, thereby providing a safety net for adults working in jobs that are not likely to provide coverage. However, recent budget crises have led many states to raise income eligibility levels or retract eligibility for parents altogether.[7] Scaling back public programs for low-income parents will further widen the racial and ethnic disparities in insurance coverage and access to care, and further burden a population that is already vulnerable.

Notes

[1] S. Zuvekas and G. S. Taliaferro, "Pathways to Access: Health Insurance, The Health Care Delivery System, and Racial/Ethnic Disparities, 1996–1999," *Health Affairs* 22 (Mar./Apr. 2003): 139–53; A. C. Monheit and J. P. Vistnes, "Race/Ethnicity and Health Insurance Status: 1987 and 1996," *Medical Care Research and Review* 57 (2000 Suppl.): 11–35; E. R. Brown et al., *Racial and Ethnic Disparities in Access to Health Insurance and Health Care* (Los Angeles and Menlo Park, Calif.: UCLA Center for Health Policy Research and Henry J. Kaiser Family Foundation, Apr. 2000).

[2] P. F. Short, D. Graefe, and C. Schoen, *Churn, Churn, Churn: How Instability of Health Insurance Shapes America's Uninsured Problem* (New York: The Commonwealth Fund, Nov. 2003).

[3] S. R. Collins et al., *The Affordability Crisis in U.S. Health Care: Findings from The Commonwealth Fund Biennial Health Insurance Survey* (New York: The Commonwealth Fund, Mar. 2004).

[4] In the four-year survey, 88 percent of Hispanic, 81 percent of African American, and 79 percent of white low-income adults had children.

[5] The 2003 federal poverty level for a family of three was $15,260. In 2003, Medicaid eligibility income thresholds for working parents were less than 50 percent of poverty in 14 states, 50 to 99 percent of poverty in 21 states, and 100 percent of poverty in 15 states and the District of Columbia. D. Cohen Ross and L. Cox, *Preserving Recent Progress on Health Coverage for Children and Families: New Tensions Emerge* (Menlo Park, Calif.: The Henry J. Kaiser Family Foundation, July 2003).

[6] *National Healthcare Disparities Report* (Washington, D.C.: Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services, Dec. 2003). Available at http://www.qualitytools.ahrq.gov/disparitiesreport/download_report.aspx/.

[7] Cohen Ross, *Preserving Recent Progress,* July 2003.

About the Authors

Michelle McEvoy Doty, Ph.D., senior analyst for the Health Policy, Research, and Evaluation Department at The Commonwealth Fund, conducts research examining health care access and quality among vulnerable populations and the extent to which lack of health insurance contributes to barriers to health care and inequities in quality of care. She received her M.P.H. and Ph.D. in public health from the University of California, Los Angeles.

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Methodology

This report is based primarily on analysis of the 1996 Panel of the Survey of Income and Program Participation (SIPP) and the 2000 Medical Expenditure Panel Survey (MEPS). SIPP is a multi-year panel survey conducted by the U.S. Bureau of the Census that interviews a sample of households every four months for several years. The 1996 panel was fielded for four years and included 40,731 people who were living in the U.S. at the beginning of the survey and were under age 65, including 13,759 who were uninsured at some point during the survey period. This sample represents an estimated 225.6 million people who were under age 65 during this four-year period. Information on insurance status, income, and employment is obtained every four months.

During the four years, respondents' income and insurance status may have changed. This study assigned people to income categories by looking at monthly income relative to poverty thresholds over the four-year period. The categories represent average, long-term income relative to poverty. All analyses of SIPP data were performed for The Commonwealth Fund by Pamela Farley Short and Deborah Graefe of Pennsylvania State University, Center for Health Care and Policy Research.

MEPS 2000 uses an overlapping panel design in which data are collected in a series of five interviews over a 30-month period, with a new panel started every year. MEPS collects data on health care utilization, health status, and on the scope and breadth of health insurance. The sample size in 2000 was about 9,500 families representing 23,000 people. Sherry Glied and Douglas Gould of Columbia University, Department of Health Policy and Management, provided analyses of MEPS data.

The Commonwealth Fund Biennial Health Insurance Survey was conducted from September 3, 2003, through January 4, 2004, among a random, nationally representative sample of 4,052 adults ages 19 and older living in the continental United States. Statistical results are weighted to correct for the disproportionate sampling design and to make the results representative of all adults ages 19 and older living in the continental United States. See Sara R. Collins et al., *The Affordability Crisis in U.S. Health Care: Findings from The Commonwealth Fund Biennial Health Insurance Survey,* for more detailed information.

Pamela Farley Short and Deborah R. Graefe's article, "Battery-Powered Health Insurance: Stability in Coverage of the Uninsured" (*Health Affairs* 22, Nov./Dec. 2003: 244–55), provides further description of SIPP data, changes in coverage experienced by the uninsured over time, as well as additional methodological details about the survey and its analysis.