



## NEWS RELEASE

Embargoed for release:  
9:00 a.m., Wednesday,  
November 12, 2003

For further information, contact:  
Mary Mahon: (212) 606-3853 / mm@cmwf.org  
cell phone (917) 225-2314  
Bill Byrne: (212) 606-3826 / bkb@cmwf.org

# 85 MILLION AMERICANS HAD NO HEALTH INSURANCE AT SOME POINT DURING FOUR YEARS

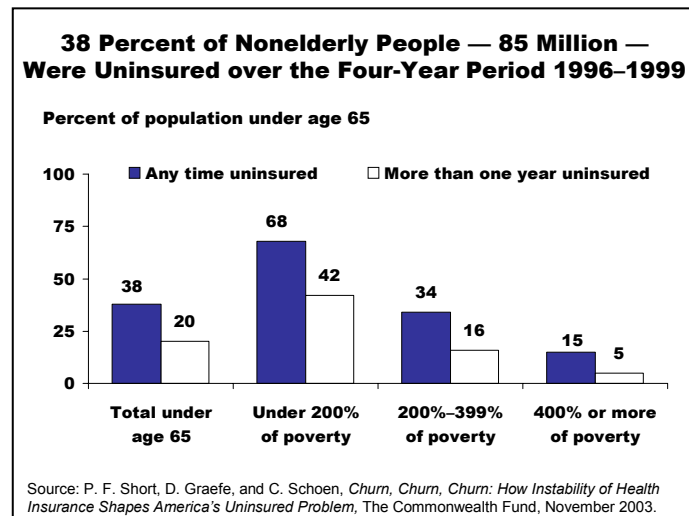
## Unstable Coverage Doubles the Number of People that Appear in Annual Counts of the Uninsured

38 Percent of the Under-65 Population Had a Time Uninsured

New York City, November 12, 2003—Nearly two of five (38%) Americans under age 65, and more than two-thirds (68%) of those with low incomes, had no health insurance at some point during 1996-1999, according to a new analysis for The Commonwealth Fund of a survey that tracks coverage over time. The number of people with a time uninsured during these four years—85 million—is more than double the number who were uninsured at any one point in time or any one year during 1996 to 1999. The longer view provided by the four-year time period reveals that unstable insurance put millions more at risk than the numbers estimated from annual "snapshots" by year. These higher rates are due to millions of people cycling on and off coverage, or "churning."

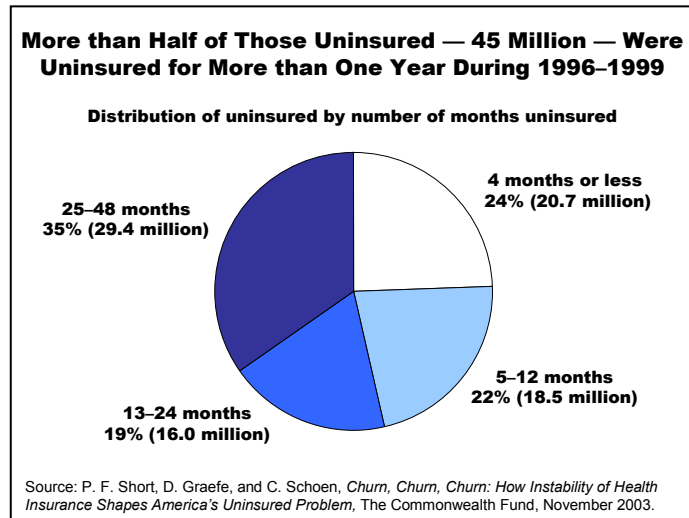
In an article published today in the journal *Health Affairs* and an accompanying new report by the Commonwealth Fund, analysis of insurance loss over time reveals a complex and troubling picture of insurance instability.

"These high rates uninsured indicate that far greater numbers of Americans are at risk of going without needed health care, having difficulties paying medical bills, and experiencing financial stress than we see in any annual survey," said Cathy Schoen, vice president at The Commonwealth Fund. "Insurance churning disrupts and undermines efforts to provide timely medical care and



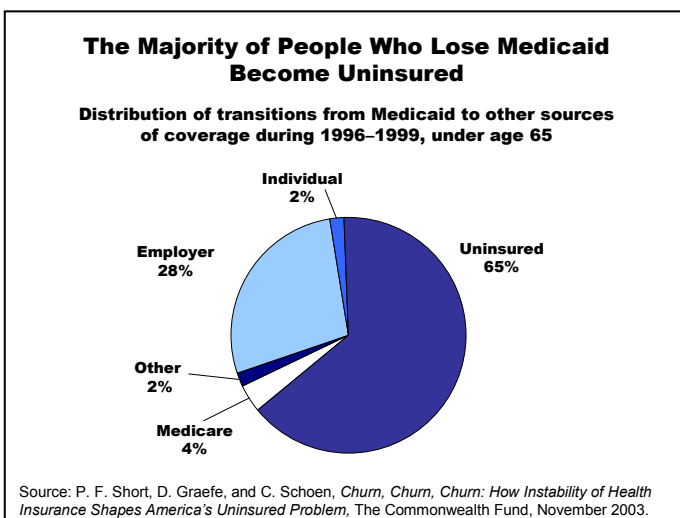
likely raises public and private health insurance costs due to frequent cycling on and off coverage."

As a result of recurring gaps in coverage, months uninsured accumulate over time. A majority (54%) of those uninsured during the four-year period—45 million people—lacked coverage for more than one year out of four (13 months or more). Nearly 30 million people were uninsured for more than two years in total—25 to 48 months.



Minorities were at high risk of gaps in coverage and extensive time uninsured. Half (50%) of African Americans and three of five (61%) Hispanics were uninsured during the four years. Among those with low incomes, Hispanics stand out for high rates uninsured and for the number of months uninsured. Young adults were also at high risk, with over half uninsured during the study period.

Instability of both public and private sources of coverage exposed those with lower incomes to repeated, recurring loss of insurance as well as long periods continuously uninsured. Unstable work patterns contributed to unstable insurance; however, uninsured rates remained high among low income households headed by full-time workers throughout the four years. More than half (56%) in families with full-time employment during the entire four years had a time uninsured during the four-year period.



Churning on and off coverage was a frequent problem. One third of all those with a time uninsured—28 million people—had multiple spells without insurance as they gained and lost coverage over time. Nearly two of five (38%) of those living on low incomes had more than one time when they were uninsured.

Medicaid is a particularly unstable source of coverage, and transitions

off Medicaid usually resulted in a time uninsured. Two-thirds (65%) of those who lost Medicaid coverage during the four years became uninsured. Further, a large proportion (40%) of those ever on Medicaid lost coverage and then reenrolled later, in a repeated pattern of cycling in and out of public coverage.

“These findings indicate an overarching need for policy reform that makes stability and retention of coverage an explicit and central goal,” said Pamela Farley Short, professor of Health Policy and Administration at Pennsylvania State University and lead author of the analyses. “The failure to help people keep coverage when their jobs, incomes, or family circumstances change, exposes tens of millions to the constant threat of losing their health insurance.”

The article published today in *Health Affairs* entitled "Battery-Powered Health Insurance? Stability in Coverage of the Uninsured," by Pamela Farley Short and Deborah Graefe of Pennsylvania State University and a companion Commonwealth Fund report, *Churn, Churn, Churn: How Instability of Health Insurance Shapes American's Uninsured Problem*, by Short and Graefe and coauthor Cathy Schoen of The Commonwealth Fund are based on analysis of data from the 1996 panel of the Census Bureau's Survey of Income and Program Participation (SIPP), a national survey tracking more than 40,000 people under age 65 over the four years 1996 through 1999.

The study points to the need for policy reforms that emphasize coverage stability and continuity. Types of reforms that could improve coverage by reducing insurance loss include extension of eligibility and simplified administrative procedures for Medicaid or the Children's Health Insurance Program (CHIP) that would make it easier to keep coverage, new coverage policies that blend public and private coverage for those with less stable sources of private coverage, and bridging policies that cover relatively short and isolated gaps in employer insurance.

**The Commonwealth Fund is a private foundation supporting independent research on health and social issues.  
To read or download publications, visit our website at [www.cmwf.org](http://www.cmwf.org).**