

Disparities in Private Health Insurance Loss in the Wake of the Great Recession

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BACKGROUND

Health insurance coverage is critical to accessing health care, yet disparities exist in coverage rates across the population. Coverage losses in the wake of the Great Recession may have further deepened these preexisting disparities.

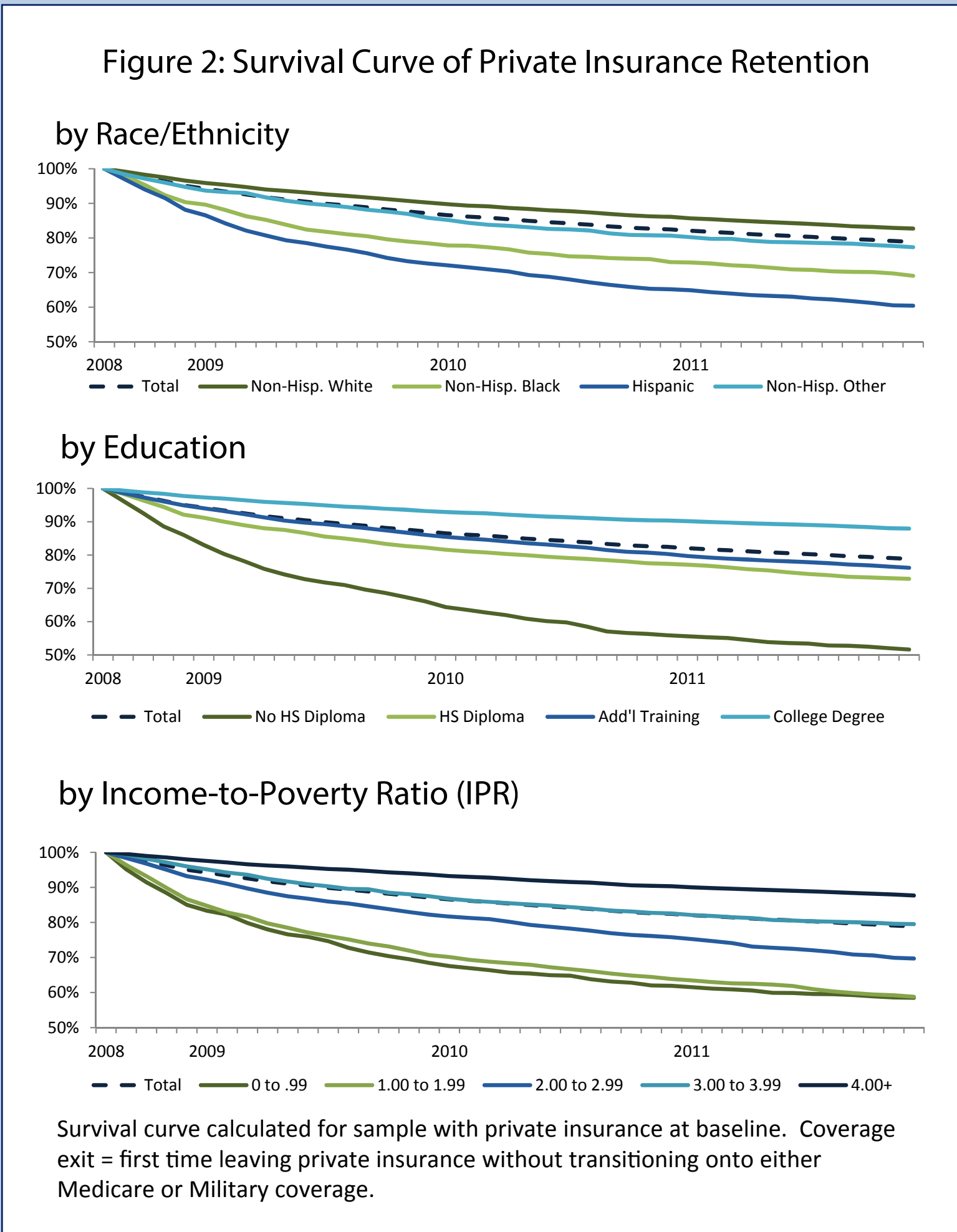
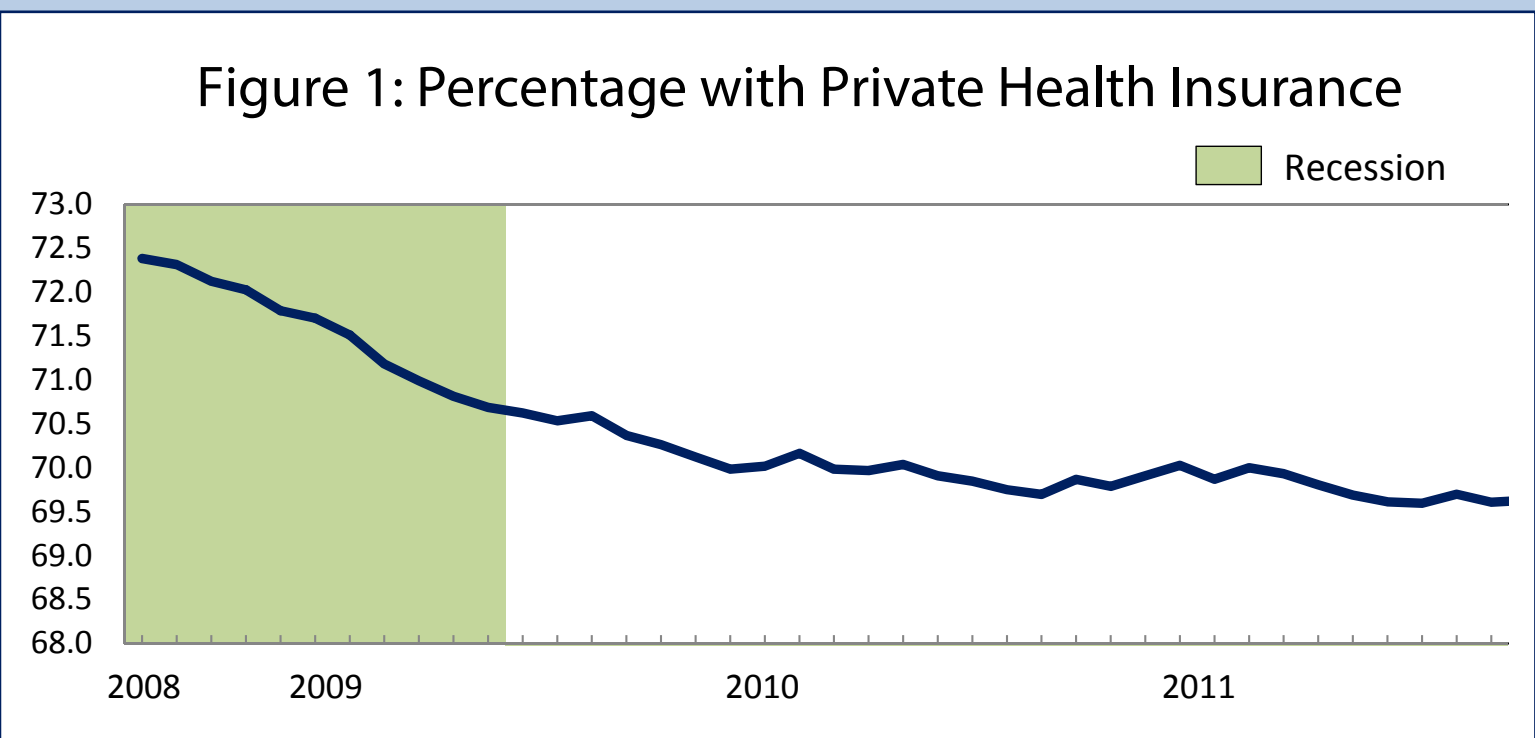
Only longitudinal analysis can identify rates of health insurance loss; cross-sectional analysis reflects net change due to both entrances and exits from coverage.

This analysis uses the 2008 Panel of the Survey of Income and Program Participation to evaluate the risk of private health insurance loss between August 2008 through December 2011, relative to many socioeconomic and demographic characteristics.

DATA

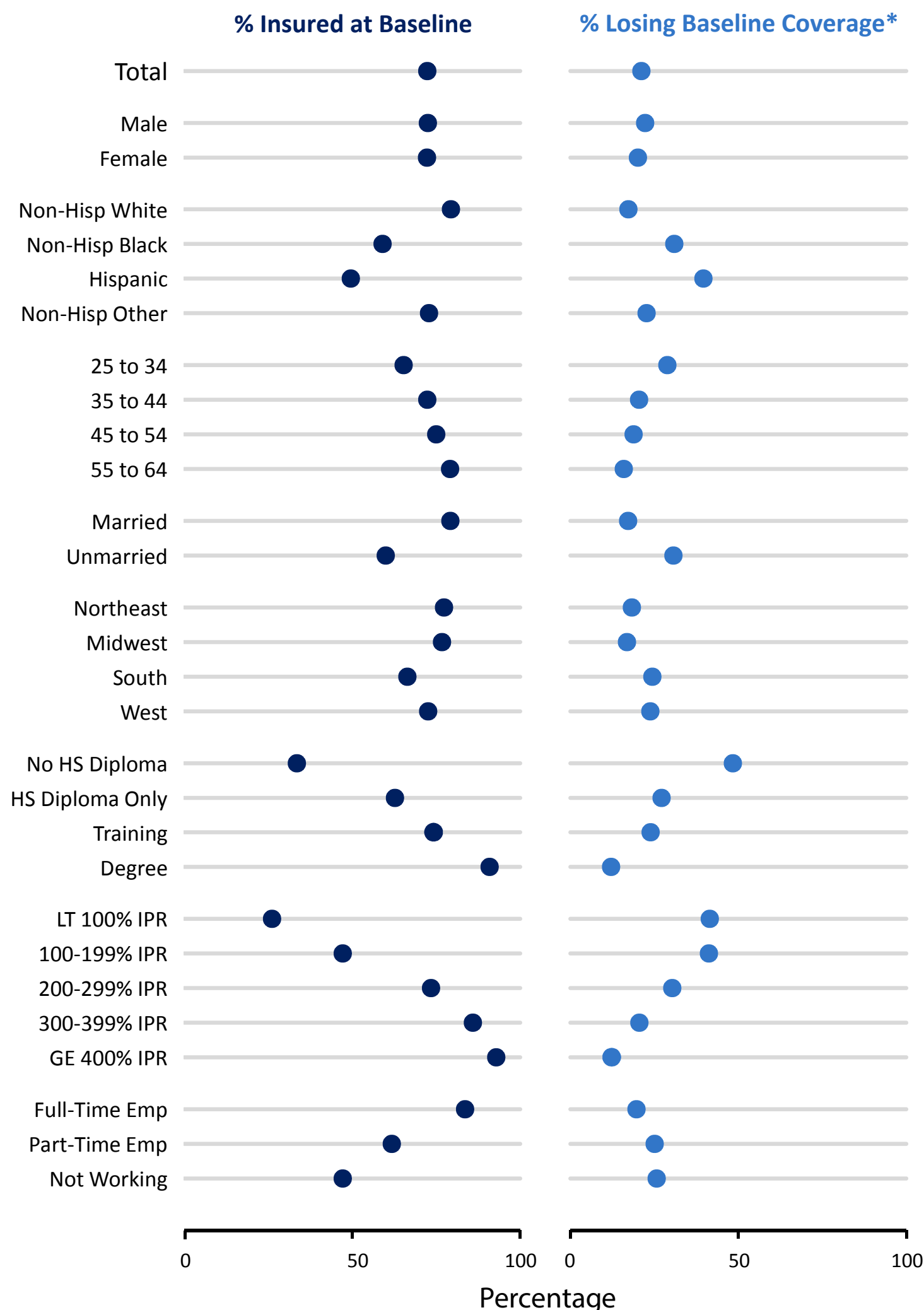
- 2008 Panel of the Survey of Income and Program Participation (SIPP). The SIPP is a nationally representative longitudinal sample of the non-institutionalized U.S. population.
- Reference Period: 41-month period from August 2008 to December 2011.
- Analytic sample includes persons age 25-64, who participated in all 41 months of data collection (24,202 individuals).
- Private health insurance includes insurance obtained through a job or union, or purchased directly from an insurance company. It excludes coverage through the military.
- Private coverage loss is defined as the end of a spell of private insurance, without immediate replacement by either Medicare or military coverage.
- 72.4 percent of the sample had private health insurance coverage at baseline.
- Among those covered at baseline, 21.1 percent lost private health insurance coverage at least once between September 2008 and December 2011.

TABULAR ANALYSIS



Survival curve calculated for sample with private insurance at baseline. Coverage exit = first time leaving private insurance without transitioning onto either Medicare or Military coverage.

Figure 3: Rates of Private Health Insurance at Baseline, and Subsequent Loss, by Selected Characteristics



Baseline (Aug 2008) private insurance rates are estimated for the full sample.
*Loss is defined as losing private insurance in any month from Sept 2008-Dec 2011, without immediately transitioning onto either Medicare or Military coverage.
Rates of loss are estimated among the subsample of respondents that had private coverage at baseline.

COX PROPORTIONAL HAZARDS MODEL

Table 1: Cox Proportional Hazards Model Predicting Loss of Private Insurance		
Variable	Hazard Ratio	Std. Err.
Male (=1)	1.208 ***	0.043
Race/Hisp. origin (Non-Hisp. White)		
Non-Hispanic Black	1.475 ***	0.080
Hispanic	1.846 ***	0.099
Non-Hispanic Other	1.561 ***	0.098
Age (35-44)		
25 to 34	1.297 ***	0.061
45 to 54	0.914 *	0.042
55 to 64	0.768 ***	0.042
Married (=1)	0.575 ***	0.021
Marriage Loss	5.329 ***	1.057
Region (Northeast)		
Midwest	0.839 ***	0.046
South	1.154 **	0.057
West	1.084	0.060
Education (Degree+)		
No HS Diploma	3.308 ***	0.219
HS Diploma Only	2.082 ***	0.107
Some College/Training	1.826 ***	0.084
Employment (Part-Time Empl)		
Full-Time Empl	0.816 ***	0.044
Not Working	1.071	0.068
Full-Time Loss (=1)	5.380 ***	0.349
Job Loss (=1)	8.484 ***	0.526
IPR (>= 400%)		
< 100%	3.070 ***	0.209
100-199%	2.884 ***	0.153
200-299%	2.068 ***	0.103
300-399%	1.526 ***	0.081
IPR Decrease (=1)	3.210 ***	0.165

* p<0.05 ** p<0.01 ***p<0.001
All independent variables are measured at baseline, except for marriage loss, full-time and job loss, and IPR decrease (which may occur in any months after baseline). IPR decrease is a decline by 100% (regardless of IPR category).

RESULTS

Rates of private health insurance in March 2009, and all months following, were significantly lower* than the baseline of August 2008. Rates of private insurance in September 2008 through February 2009 were not significantly different than in August 2008.

Survival curves across race/ethnicity, education, and Income-to-Poverty Ratio (IPR) indicate differences in retention of private health insurance across groups.

Rates of private insurance at baseline varied significantly across most demographic and socioeconomic groups. In the majority of cases, those groups least likely to be covered at baseline were most likely to lose coverage in the months following.

Race/ethnicity, education, and IPR groups showed significant differences in rates of coverage and loss. All differences across these groups were statistically significant, with the exception of coverage loss for <100% vs. 100-199% IPR.

The Cox Event History model considers the monthly timing of private insurance loss, in conjunction with the monthly timing of job, full-time status, and income loss (while controlling for the full set of baseline characteristics). Within this model, the demographic and socioeconomic differences in coverage loss observed in the tabular analyses remain statistically significant.

*Unless otherwise noted, all stated comparisons are statistically significant at the 10 percent significance level.

DISCUSSION

Overall, I find evidence that the effects of the Great Recession on private insurance coverage loss were uneven across the population, and often hit hardest those populations who were less likely to have private health insurance at baseline. In particular, race/ethnicity, education, and IPR groups displayed strong differences both in coverage at baseline and subsequent loss.

As more data becomes available following implementation of health reform, it is important that ongoing research continues to monitor insurance differentials across demographic and socioeconomic groups.