Health insurance coverage following a job separation. A longitudinal analysis of data from the Survey of Income and Program Participation (SIPP) for 2004-2005.

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Section 1:

Focus: All Unemployment Spells

all unemployment spells.

Questions: What was the relative significance of

unemployment spells for job-separated workers with

Most of the 37.5 Million Unemployment Spells

in 2004-2005 Did Not Involve Job-Separated

Workers Potentially At Risk of Losing Health

Insurance Coverage Because of a Job Separation.

Job-separated workers who were covered by private

health insurance prior to job separation (blue bar)

old and over that began and ended in 2004 and

Iob-separated workers with employer-provided

experienced about 7 million spells, or only 18 percent

of all spells of unemployment among people 15 years

coverage (red bar) accounted for about 15 percent of

Number of spells in millions

Spells for pre-spell privately-covered Spells for employer-covered job-

(Note that the red bar is a subset of the blue bar.)

pre-spell health insurance coverage among all spells of

Context

unemployment?

Data Source: Survey of Income and **Program Participation (SIPP)**

In general:

- Longitudinal survey conducted, over different panels, since the 1980s. The ongoing 2008 Panel began in September 2008. Typically each panel is 2 ½ to 4 years in length.
- Multistage-stratified sample of the U.S. civilian non-
- institutionalized population. Collects demographic, labor force, income, and program participation data.
- For this study:
- Longitudinal data from the 2004 SIPP Panel, Waves 1 to 7, for calendar years 2004 and 2005; collected from February 2004 to April 2006, from approximately 132,000 longitudinallyinterviewed individuals.
- Longitudinal data from the 2008 SIPP Panel. Waves 1 to 5. for calendar year 2009; collected from February to April 2009, from approximately 109,000 longitudinally-interviewed individuals.

Plan of the Analysis

- Unit of analysis: Individual spells of unemployment that began and ended in calendar years 2004 and 2005 (or, for spells for 2009, that were fully contained within 2009 or lasted more than three months in 2009). The characteristics of the *spell owner* (the person experiencing the spell), such as sex and race, are attributed to the spell. A person may have had multiple spells in a time period, so a given person may be represented more than once in the counts of
- **Analytic sample:** Spells of unemployment that began *after a job* separation (losing or leaving a job) for people who were 20 to 64 years old at the start of the spell and who were employed at some time in the calendar month prior to the month in which the spell started.
- This sample targets workers who were most likely to be dependent on their own resources for health-insurance coverage (rather than resources, for example, of parents – for teenage workers; or Medicare – for workers 65 years old and over).
- It does not include spells of unemployment, for example, of people looking for their first job or re-entering the labor force after a lengthy withdrawal.
- **Basic classification of spells of unemployment:** By the health-insurance coverage status and types of coverage of the job separated worker.

Economic Backdrop

2004 and 2005:

- Continued improvement in labor market in 2004 and 2005 from the weakness of the 2001-2003 period
- Unemployment decreased and employment increased; long-
- term unemployment (27+ weeks) declined Unemployment rate: 5.5% in 2004; 5.1% in 2005
- Employment-population ratio: 62.3% in 2004; 62.7% in 2005
- Source: U.S. Bureau of Labor Statistics

Definitions

- **Spell of Unemployment:** One or more consecutive months in which an individual was without a job, but was looking for work or on layoff from a job. A person may experience more than one spell of unemployment in a suitable time period.
- **Job-Separated Worker:** An individual 20 to 64 years old who had a job at any time in the calendar month before starting a spell of unemployment. The individual either *lost or left* the job prior to the start of the spell. *Job-separated workers* are a subset of all unemployed people (other kinds of unemployed people include, for example, teenagers looking for their first job).
- Health-Insurance Categories of Job-Separated Workers: Covered Worker: A job-separated worker who was covered
- by health insurance from any source, either public or private, in either the worker's own name or in someone else's name. Privately-Covered Worker: A job-separated worker who was covered by employer-provided health insurance, in either the worker's own name or in someone else's name, or by a

health insurance plan purchased in the worker's own name

- Employer-Covered Worker: A job-separated worker who was covered by health insurance provided by either a current or former employer, in either the worker's own name or in someone else's name.
- Other Privately-Covered Worker: A job-separated worker who was covered by a health insurance plan offered through a labor union or directly purchased in the worker's own name or in someone else's name.
- Publicly-Covered Worker: A job-separated worker who was covered by a government-sponsored health insurance plan, such as Medicaid or Medicare, or through military health care.

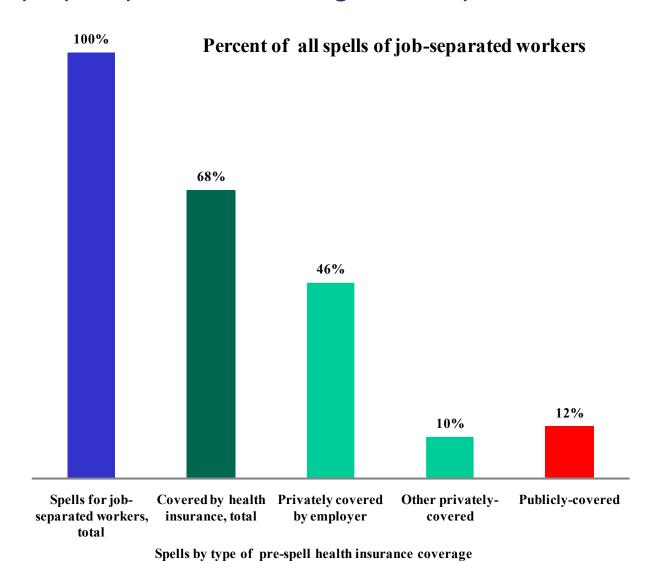
Section 2: Before the Spell

Focus: Unemployment Spells for All Job-Separated Workers Questions: Who, among job-separated workers, were at risk of losing, changing, or paying more for health

insurance as a result of a job separation? Which workers had what kind of safety net? Unemployment Potentially Threatened Health Insurance Coverage in a Slight Majority of the

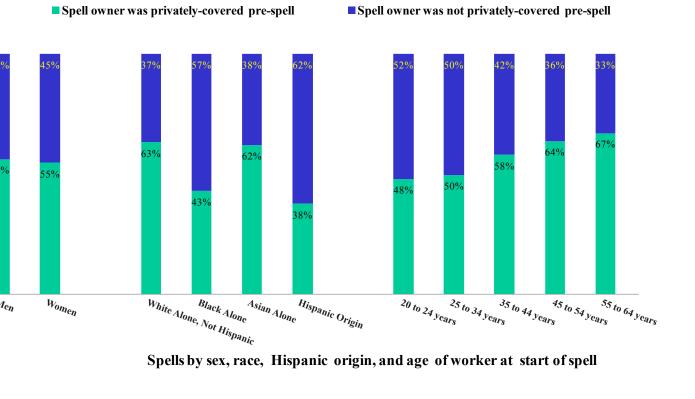
12.3 Million Spells for Job-Separated Workers.

- About two-thirds of job-separated workers were covered by health insurance in the month prior to their spell of unemployment.
- Slightly more than half (56 percent) were covered by private insurance.
- Employers provided coverage for 46 percent.



The Potential Threat Varied By Race, Hispanic Origin, and Age.

Rates of pre-spell private coverage for spells of men and women were not statistically different. Rates for spells of Whites and Asians, however, were higher than those of Blacks or Hispanics. In general, the older the age group, the greater the rate of pre-spell coverage.



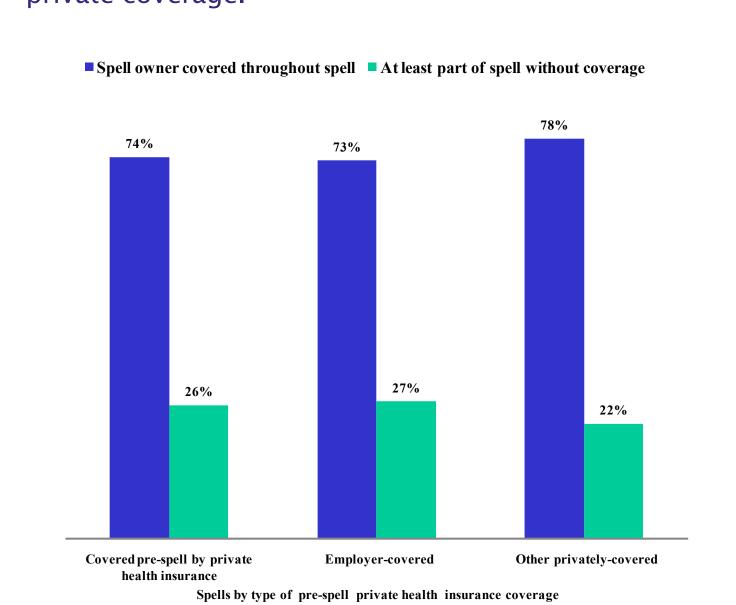


Analysis Section 3: During the Spell

Focus: Unemployment Spells for Pre-Spell Privately-

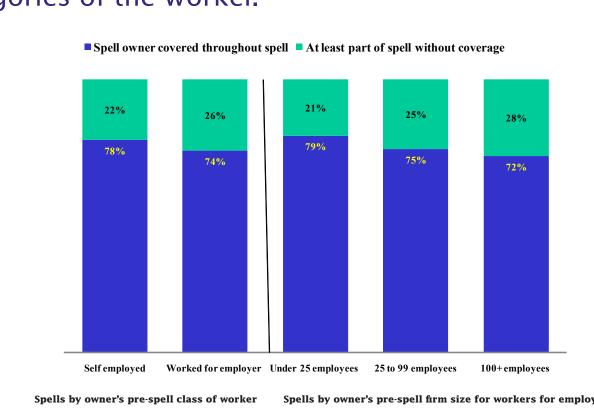
Questions: Among pre-spell privately-covered jobseparated workers, who kept, who lost, coverage during a spell? What factors were associated with retention? How long did losses last? Why did losses occur?

- In Most of the 6.8 Million Spells for Pre-Spell Privately-Covered Job-Separated Workers, the Worker Retained Some Type of Coverage Throughout the Spell.
- In about three fourths of the spells for pre-spell privately-covered workers, the worker had some type of health insurance coverage throughout their unemployment spell.
- This was true regardless of the type of pre-spell private coverage.



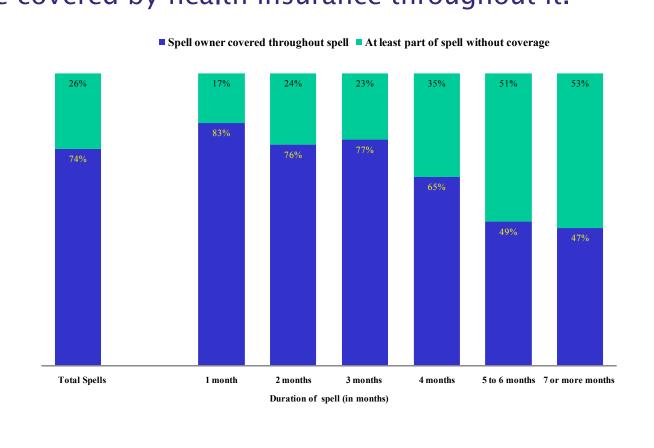
Coverage Retention Was Similar Across Pre-Spell Class-of-Worker and Size-of-Employer Categories.

Coverage retention rates for spells of pre-spell privatelycovered workers all fell between 70 and 80 percent among the pre-spell class-of-worker and size-of-firm categories of the worker.



Coverage Retention Varied, However, With Spell **Duration.**

For spells of pre-spell privately-covered workers, the longer the spell lasted, the less likely the worker was to be covered by health insurance throughout it.



Section 4: After the Spell

Focus: Unemployment Spells for Pre-Spell Privately-

private means.

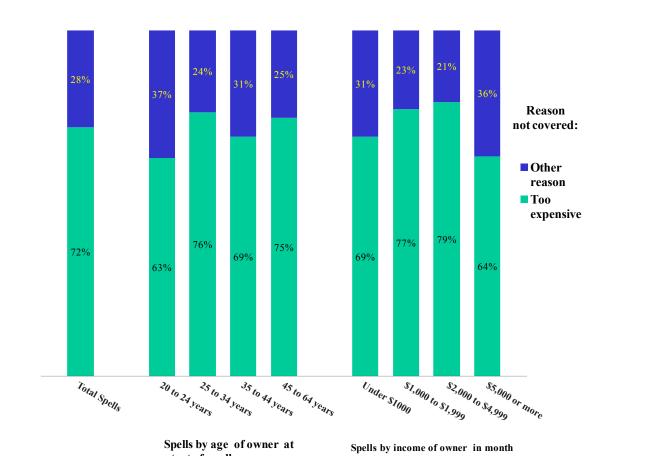
Ouestions: What immediate health-insurance outcomes were At a minimum, in about 40 percent of the 1.8 million associated with a spell of unemployment for job-separated workers? Who bounced back? How long did it take?

spells for workers who lost coverage during a spell of unemployment, the worker spent 2 months or more during the spell without health insurance. Post-Spell Coverage Often Differed from Pre-Spell Coverage for the 6.8 Million Spells for Pre-Spell

For Those Losing Coverage, the Loss Could Be



- "Coverage Too Expensive" was Most-Often Cited Reason for Coverage Loss.
- In 72 percent of the 1.8 million spells of workers who lost coverage in the spell, the worker reported that they did not have coverage because it was "too expensive."
- "Too expensive" was the predominant reason for coverage loss regardless of the pre-spell age or prespell income of the worker.



Percent of spells within pre-spell coverage category insurance coverage: Covered by former ■ Publicly-covered

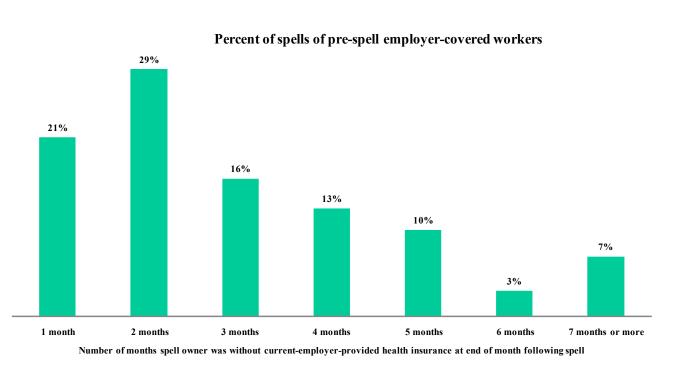
by a current employer after the end of the spell; in

about 30 percent, the worker was covered post-

spell by a former employer or by some other

Recovery of Coverage From a Current Employer **Was Often Delayed.**

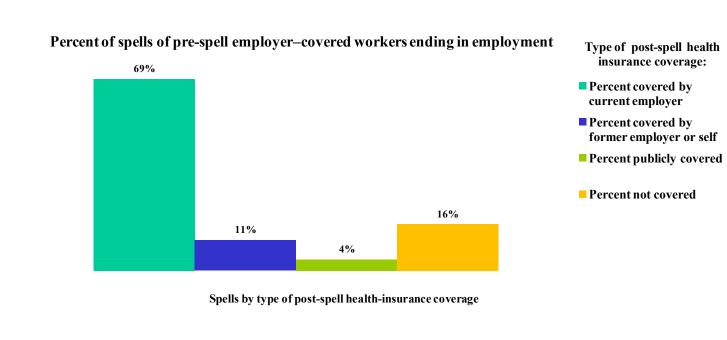
By the end of the month following the spell, for 80 percent of the spells of pre-spell employer-covered workers, the worker had spent at least two months without health insurance coverage from a current employer; for 7 percent, the worker had spent at least seven or more months.



Re-Employment Did Not Guarantee Recovery of **Employer-Provided Coverage.**

About 73 percent of the spells for pre-spell employercovered workers ended in employment (either a new job or a return to the pre-spell job). For these 4.1 million

- About 70 percent of the workers obtained health insurance in their new employment from their current employer.
- About 15 percent were not covered by health insurance in the new employment.

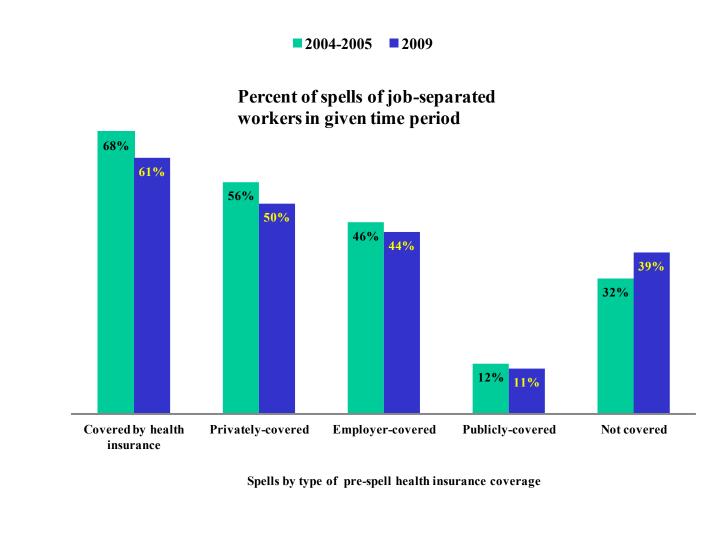


Section 5: A Brief Comparison of 2004-2005 with 2009

Focus: Unemployment Spells for Job Separated Workers Ouestions: Are there differences in the relationship of

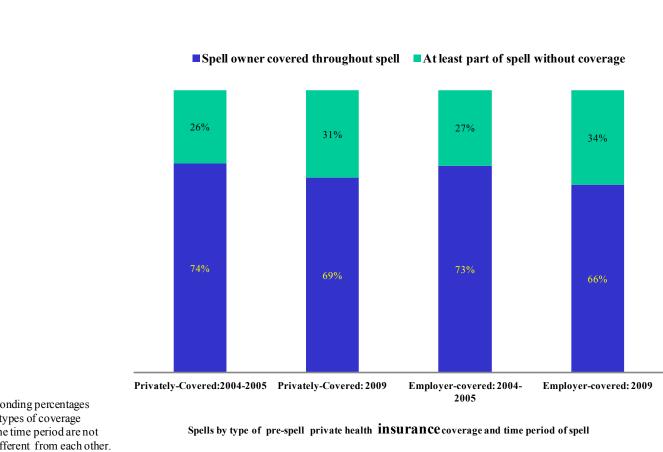
unemployment to health insurance coverage between the relatively good economic times of 2004-2005 and the difficult times of 2009?

- Background: In 2009 -
- Economy in recession until mid-year
- Unemployment rate reached double digits
- Employment-population ratio fell
- Long-term unemployment increased
- Relatively Fewer Job-Separated Workers Had Some Kind of Pre-Spell Health Insurance Coverage in 2009 than in 2004-2005.
- In 39 percent of the spells for job-separated workers in 2009, the worker was *not* covered prior to the spell of unemployment, compared with 32 percent in
- The percentage *privately covered* in 2009 was 50 percent, down from 56 percent in 2004-2005.



Pre-Spell Privately-Covered Workers Were Less **Likely to Retain Coverage Throughout Their** Unemployment Spell in 2009 than in 2004-2005.

- 74 percent of *pre-spell privately-covered workers* retained continuous overage during spells in 2004-2005, compared with 69 percent for spells in 2009.
- For pre-spell employer-covered workers, the comparable figures were 73 percent and 66 percent respectively.



Summary of Findings

2011 Southern Demographic Association Annual Meeting.

2004-2005:

Tallahassee, Florida,

October 19 – 21, 2011

- Most unemployment spells did not involve job-separated workers who had pre-spell private health insurance.
- About 44 percent of spells for job-separated workers involved workers who either did not have pre-spell health insurance coverage or who were covered by publicly-provided health
- About three-fourths of privately-covered workers retained coverage throughout their spells. Coverage retention rates were similar across pre-spell class-ofworker and size-of-employer categories.
- The longer the spell, the less likely the worker was to be covered throughout it.
- For those losing coverage, the loss could be lengthy. Almost three-fourths of those who lost coverage during a spell reported that they did not have it because it was "too
- A spell of unemployment often ended without the immediate recovery of health insurance provided by a current
- Many months may have passed after a job separation before job-separated workers reacquired coverage provided by a
- current employer, if they did at all. Comparisons of 2004-2005 with 2009:
- Relatively fewer job-separated workers had pre-spell health insurance coverage in 2009 than was true for those in the 2004-2005 period.
- Job-separated workers in 2009 who had pre-spell privatecoverage were less likely to retain health insurance coverage throughout their spells of unemployment than was true for their 2004-2004 counterparts.

Contact information

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or in someone else's name.

The estimates in this poster (which may be shown in text or figures) are based on responses from a sample of the population and may differ from actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90-percent confidence level unless otherwise noted.