



# ASPE RESEARCH NOTES

INFORMATION FOR DECISION MAKERS

FOCUS ON: Health Insurance

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## NUMBER OF MEDICAID RECIPIENTS UP: CPS SHOWS THE NUMBER OF UNINSURED ALSO RISES

The March 1991 Current Population Survey (CPS) shows that the number of uninsured persons was 34.7 million in 1990, up 1.3 million from 33.4 million in 1989 (Table 1) and up 3.7 million from 31.0 million in 1987 (not shown in the table).<sup>1</sup> At the same time, the total number of insured persons also rose by 1.4 million from 212.8 million in 1989 to 214.2 million in 1990, largely because of growing numbers of Medicaid recipients under 15. Among children under 15, the number of insured rose by a million, while the number of uninsured actually fell marginally in 1990 (Table 2).

by Medicaid because of wage cuts or job loss are likely to be covered again by ESI, by non-group insurance, or to be uninsured. For other reasons, though, the Medicaid increase is likely to be long lasting. In fact, expansions of eligibility enacted in 1989 and 1990, and effective in 1991 or later, are likely to make future coverage increases even larger. As the population ages, Medicare enrollment is also likely to continue to rise. In addition, the number covered by ESI will probably rise in the future. The combination of these coverage increases should cause the number of insured to increase even further and the number of uninsured to remain the same or fall.

**TABLE 1: Health Insurance Coverage in 1989 and 1990 from the March 1990 and 1991 Current Population Surveys--All Ages**

	1989	1990	Percent Increase
Employer-Sponsored Insurance	151.6	150.2	-0.9%
Medicare	31.5	32.3	2.4%
Medicaid	21.2	24.3	14.5%
Champus, VA	9.9	9.9	0.4%
Non-group	32.0	31.9	-0.2%
Insured	212.8	214.2	0.6%
Uninsured	33.4	34.7	4.0%
Total	246.2	248.9	1.1%

**SOURCE:** ASPE Tabulations.  
**NOTE:** Persons with more than one kind of insurance are included more than once. Person counts are in millions of persons.

Since some persons eligible for Medicaid choose not to enroll and others are not aware of their eligibility, the CPS statistics on Medicaid coverage are somewhat understated and those on the uninsured somewhat overstated. Hospitals admitting eligibles who are not enrolled often help them apply for Medicaid. Only about 3/4 of the persons on the March 1988 CPS who were eligible for Medicaid actually indicated that they had Medicaid coverage.<sup>2</sup> If all those eligible for Medicaid had enrolled and responded that they were covered by the program, the count of the uninsured shown on the file would have been somewhat smaller.

The most important new information is that the number of persons being helped by Medicaid rose by about 3.1 million, or 14.5% from 1989 to 1990, because of the recession and of recent eligibility expansions.

A second important finding is that the number of persons with Medicare rose by about 800,000 from 1989 to 1990. Although 3/4 of this increase represents an increase in the number of persons aged 65 or older, the number of disabled persons on Medicare also rose by about 7%.

A third important finding on insurance coverage in 1990 is less encouraging. The number of persons with employer-sponsored insurance (ESI) fell by 1.4 million, approximately equal to the increase in the number of uninsured. If the recession is responsible for the decrease in the number of those covered by ESI, it is likely to be a temporary decrease.

The Medicaid increase is also partially the result of the recession. When the recession is over, people covered

**TABLE 2: Health Insurance Coverage in 1989 and 1990 from the March 1990 and 1991 Current Population Surveys--Under Age 15**

	1989	1990	Percent Increase
Employer-Sponsored Insurance	34.5	34.1	-1.2%
Medicare	---	---	---
Medicaid	9.1	10.8	19.3%
Champus, VA	2.0	1.9	-1.7%
Non-group	5.5	5.2	-5.2%
Insured	47.4	48.4	2.2%
Uninsured	7.0	7.0	-0.8%
Total	54.4	55.4	1.8%

**SOURCE:** ASPE Tabulations.  
**NOTE:** Persons with more than one kind of insurance are included more than once. Person counts are in millions of persons.

New data also show that the uninsured receive large amounts of subsidized health care. There are many public and private programs (such as public hospitals) which provide health care to the uninsured, but which are not insurance in the usual sense and which are not captured by the CPS questions about health insurance.<sup>3</sup>

Collectively, these programs provided over \$60 billion in health care in 1990.<sup>4</sup> This does not include the \$19 billion that governments spent on public health activities, some of which may have involved care for individuals.<sup>5</sup>

Preliminary results from the National Medical Expenditure Survey show (Table 3) that the average out-of-pocket health expenditure of persons who were uninsured for the entire year 1987 was 38% of their average medical expenditures. In spite of the fact that the uninsured had no insurance of the usual kind, almost 2 / 3 of the health care they received in 1987 was paid for by some funding source other than their own funds. They received considerable health care at no cost or at a reduced rate.

TABLE 3: Average Health Care Expenses Paid Out-of-Pocket as a Percent of Average Total Medical Expenses by Insurance Class in 1987: Preliminary Results from the National Medical Expenditure Survey	
Insured At Some Time	24%
Never Insured	38%
Total	24%
SOURCE: ASPE Tabulations.	

## References

1. The 1987 number is slightly different from the one published in the author's 1989 article in Health Affairs (Summer 1989, pp. 102-110). The article contained preliminary values. The preliminary count of uninsured persons in 1987 was 31.1 million; the final number was 31.0 million.

2. John Holahan and Sheila Zedlewski, "Insuring Low-Income Americans: Is Medicaid the Answer?", The Urban Institute, Project Report Number 3836-03, July 1990 (Revised), p. 3.
3. These programs include Workers Compensation, Community Health Centers funded by a federal grant program, the Indian Health Service, other health activities funded by federal grants, and a myriad of other federal, state, and local programs (including school health) for providing health care to individuals. In addition, hospitals, private contributors, and employers provide considerable subsidized care to individuals. The Bureau of the Census is in the process of revising the health insurance questions to be asked in its 1994 Survey. The revisions may capture coverage by some of these programs.
4. Katherine R. Levit, Helen C. Lazenby, Cathy A. Cowan, and Suzanne W. Lesch, "National Health Expenditures, 1990", Health Care Financing Review, Fall 1991, Volume 13, Number 1, Tables 12 and 13, pp. 52-53. The article shows (billions) \$4.2 for state and local public assistance programs, \$14.6 for Workers Compensation, \$14.1 for state and local (mainly public) hospitals, and \$6.0 for other public programs. These amounts sum to \$38.9 billion. Private spending termed "other private third party payments" add another \$21.3 billion. Physicians also provided considerable free or discounted health care in 1990, but no estimates of the value of those health services seem to be available.
5. Ibid.

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