



ASPE

ISSUE BRIEF

ONE MILLION YOUNG ADULTS GAIN HEALTH INSURANCE IN 2011 BECAUSE OF THE AFFORDABLE CARE ACT

The Affordable Care Act allows children to remain on their parents' health insurance plans until age 26. This policy took effect for insurance plan renewals beginning on September 23, 2010, and was designed to address the fact that young adults are the age group least likely to have health insurance. This is one of the important early provisions in the Affordable Care Act designed to expand insurance coverage to uninsured Americans.

New results released today by the National Center for Health Statistics show that this policy has had a significant impact on improving insurance coverage among young adults. Data from the National Health Interview Survey (NHIS) show that in the first quarter of 2011, the percentage of adults between the ages of 19 and 25 with health insurance increased to 69.6%, from 66.1% in 2010.¹ This 3.5 percentage-point increase represents approximately one million additional young adults with insurance.² During this time period, the rate of being insured for all other age groups was essentially unchanged, from 85.9% in 2010 to 86.3% in 2011, which makes clear that the gains in coverage were specific to 19-25 year-olds and can be directly attributed to the Affordable Care Act's new dependent-coverage provision.

These results are consistent with reports from other data sources as well. A newly-released Gallup-Healthways Well-Being Index Survey shows a similar significant increase in rates of insured adults ages 18-25, from 71.0% in the first quarter of 2010 to 75.2% in the first quarter of 2011 and 75.1% in the second quarter.³ This 4.1 percentage-point increase is consistent with the findings from the National Health Interview Survey. Earlier this month, the Census Bureau released its results from the Current Population Survey, describing insurance coverage for calendar year 2010.⁴ The Census Bureau found a significant increase in coverage for young

¹ Cohen RA, Martinez ME. *Health insurance coverage: Early release of estimates from the National Health Interview Survey*, January–March 2011. National Center for Health Statistics. September 2011. Available from: <http://www.cdc.gov/nchs/nhis/releases.htm>

² There are 29.7 million adults in this age group, as of the most recent Census data (see footnote 4). 3.5% of 29.7 million is 1.0 million young adults. The total number of uninsured young adults in NHIS data went from 10.0 to 9.1 million, but this also includes roughly 100,000 additional uninsured individuals solely due to population growth.

³ Gallup-Healthways Well-Being Index. *In U.S., Significantly Fewer 18- to 25-year-olds Uninsured*. 21 September 2011. Available from: <http://www.gallup.com/poll/149558/Significantly-Fewer-Year-Olds-Uninsured.aspx>

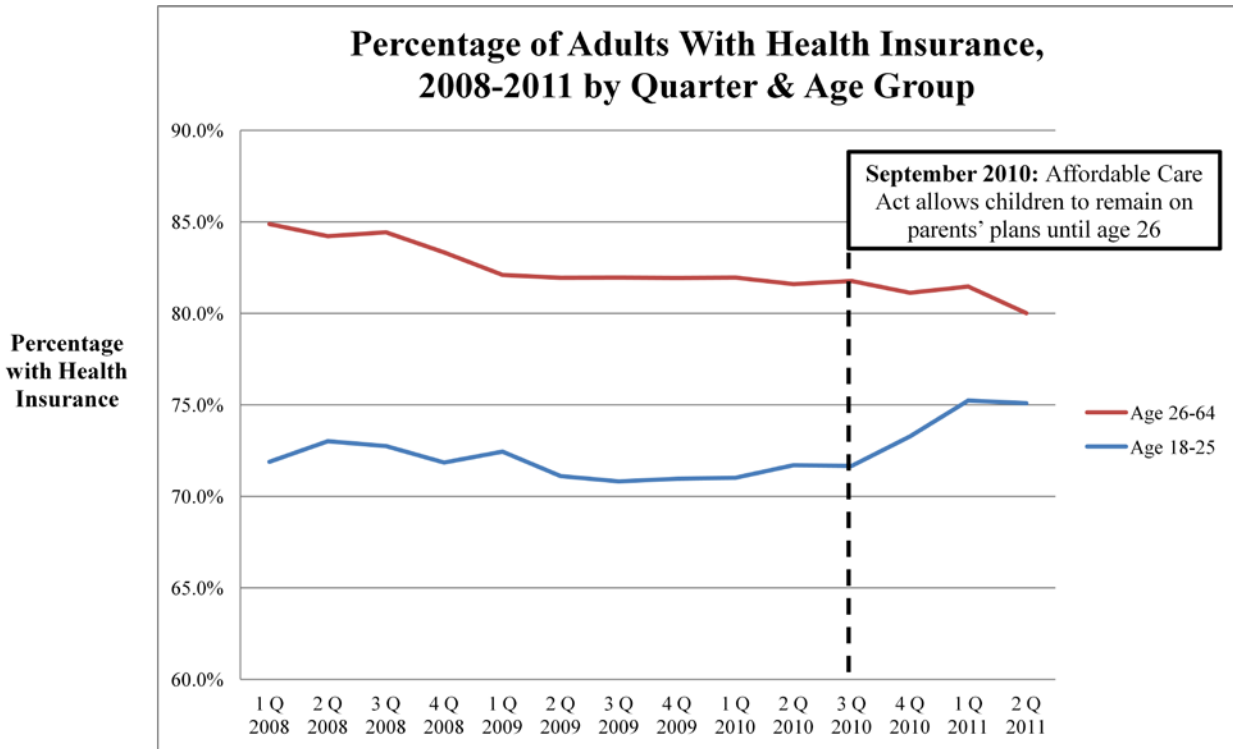
⁴ DeNavas-Walt C, Proctor BD, Smith JC. Census Bureau, Current Population Reports, P60-239, *Income, Poverty, and Health Insurance Coverage in the United States: 2010*, Government Printing Office, Washington, DC, 2011.

adults, with roughly 400,000 additional adults ages 19-25 insured during 2010 compared to 2009.⁵ The Census results only capture the effect of the new policy during the latter portion of 2010 and do not yet reflect coverage from 2011; therefore, the measured effect is smaller than in the more recent results from Gallup and NHIS. Overall, these three national surveys show a consistent pattern of expanded health coverage among young adults due to the Affordable Care Act.

While it is theoretically possible that the increase in insurance coverage for young adults in 2011 is due to some factor other than the Affordable Care Act, it is hard to identify a plausible alternative explanation for the increase in coverage among young adults. One possibility is that the recession did not affect young adults as much as other age groups, but in fact, the opposite occurred. Unemployment among 20-24 year-olds increased by 7.3 percentage points (from 8.2% to 15.5%) from 2006 to 2010, compared to a 4.8 percentage-point increase among 25-54 year-olds (from 3.8% to 8.6%).⁶ Given the toll the recession has taken on employment among young adults, we would expect that insurance rates would, if anything, have *decreased* in this group compared to older adults. This observation bolsters the conclusion that the increase in coverage among young adults is a result of the Affordable Care Act.

⁵ The Census Bureau recently added the 19-25 age group to its estimates. In prior years, the 18-24 year-old age group was the basis for analyzing coverage among young adults. This group experienced a similar-sized increase in coverage from 2009 to 2010, of 500,000 individuals.

⁶ Labor Force Statistics from the Current Population Survey. *Employment status of the civilian noninstitutional population by age, sex, and race, 2006, 2010*. Bureau of Labor Statistics, 2011. Available from: <http://www.bls.gov/cps/tables.htm>.



Source: Gallup-Healthways Well-Being Index