



ASPE

ISSUE BRIEF

REPORT SHOWS AFFORDABLE CARE ACT HAS EXPANDED INSURANCE COVERAGE AMONG YOUNG ADULTS OF ALL RACES AND ETHNICITIES

[Note: this is a revised issue brief containing more recent data. The original version of this issue brief was posted on April 10, 2012].

The Affordable Care Act requires insurance plans to allow young adults up to age 26 to remain on their parents' plans. This policy took effect for insurance plan renewals beginning on September 23, 2010, and was designed to address the fact that young adults have traditionally been the age group least likely to have health insurance.¹

Previous reports indicate that approximately 3.1 million young adults who would otherwise be uninsured gained coverage due to this provision, through December 2011.^{2,3} Research published in the *Journal of the American Medical Association (JAMA)* shows that these gains in coverage were broad-based and benefited young Americans of all races and ethnicities.⁴ More specifically, the study found that an additional 2.9% of all young adults between 19 and 25 had acquired insurance due to the Affordable Care Act through the end of 2010, with larger increases in insurance among minorities: 3.5% for blacks, 4.0% for Latinos, 5.4% for Asians, and 18.4% for Native Americans.

Using the most recent information on insurance coverage from the National Health Interview Survey (NHIS), we estimated the number of young adults who acquired coverage by the end of 2011, by race and ethnicity. For these estimates, we started with NHIS data, which indicated that the overall coverage increase among young adults was 3.1 million, and then divided that total proportionally based on the composition of the uninsured in the 19-25 age group prior to the Affordable Care Act (estimated from Current Population Survey data for calendar year 2009).⁵ Table 1 summarizes the results.

¹ 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.

² Cohen RA, Martinez ME. Health insurance coverage: Early release of estimates from the National Health Interview Survey, 2011. National Center for Health Statistics. June 2012. (Accessed at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/Insur201206.pdf>)

³ Sommers BD. *Number of Young Adults Gaining Health Insurance Due to the Affordable Care Act Now Tops 3 Million*. Office of the Assistant Secretary for Planning and Evaluation, Department of Health and Human Services, 2012. (Accessed at <http://aspe.hhs.gov/aspe/gaininginsurance/rb.shtml>)

⁴ Sommers BD, Kronick R. The Affordable Care Act and Insurance Coverage for Young Adults. *JAMA* 2012;307:913-4.

⁵ This approach assumes a proportional reduction in the number of uninsured young adults in each racial/ethnic group, which means that the absolute gain in coverage will be higher among those groups with a higher baseline rate of uninsurance. This approach is consistent with the findings in the *JAMA* article, in which minorities with higher rates of uninsurance experienced the largest gains in coverage. We

Using a similar method, we also calculated the number of young adults gaining coverage based on urban versus rural residence.⁶ We estimate that 489,000 young adults in rural areas gained coverage, and 2,611,000 young adults in urban areas gained coverage.

Table 1: Estimated Number of Young Adults (19-25) Acquiring Health Insurance Due to the Affordable Care Act, By Race and Ethnicity

Group*	Additional Young Adults with Health Insurance
White non-Latino	1,468,000
Latino	913,000
Black	509,000
Asian	121,000
American Indian / Alaska Native	36,000
Other	53,000
TOTAL	3,100,000

Notes:

*Race/ethnicity based on self-report from the Current Population Survey. White non-Latino, Black, Asian, and American Indian/Alaska Native groups exclude Latinos, who comprise their own category. 'Other' contains any individuals not included in the first five categories (including biracial and multiracial individuals).

See text for details on methods.

did not directly use the *JAMA* estimates, however, since those only capture the effect of the dependent coverage provision through the end of 2010, and from NHIS data, we know that much of the gains in coverage occurred in calendar year 2011.

⁶ We use the Census definition in the CPS of living in a 'metropolitan area' as urban, and all others as rural. 84.23% of uninsured young adults in the 2010 CPS lived in metropolitan areas, and the remaining 15.77% of uninsured young adults lived in rural areas.