



REVISIONS TO THE CURRENT POPULATION SURVEY: IMPACT ON STATE HEALTH POLICY

Key Facts for States

- In March 2000, the Census Bureau added a verification component to the Current Population Survey (CPS) health insurance module. For the first time, respondents were asked directly whether they were uninsured. The Census Bureau found that using the verification item results in a more accurate estimate of the rate of uninsurance.
- Without the verification question, the 1999 estimate of the number of uninsured was 42.6 million; with the verification question, the 1999 estimate of the uninsured population is 39.3 million, a decrease of 7.7%.
- The new, adjusted estimate of the uninsured does not represent a trend, merely a more accurate survey measurement. The new estimate, however, may have broader ramifications on state policy.
- The CPS estimates of *state* uninsurance rates will be adjusted based on the new verification question. The adjusted rates will be lower and the change similar to that of the national estimate. See table of [Preliminary State Estimates](#).
- Many states conduct surveys to estimate health insurance coverage to better understand the characteristics of their uninsured populations. State generated estimates differ from the CPS estimates because of differences in survey design and administration. ([SHADAC Issue Brief #3](#)) The revision of the CPS estimates adds another number to the mix of conflicting estimates of the uninsured in a given state.
- CPS estimates are used in the allocation formula for the State Children's Health Insurance Program (SCHIP). It is not clear if and how the allocation formula will take into account the new CPS methodology.
- States that use the CPS health insurance data for forecasting budgets and monitoring trends will have to re-evaluate their current models to take into account the change in methodology.

Background

Since the early 1990s with the defeat of health care reform, efforts to expand access to health care have shifted from the federal to the state level. The increased state role requires that state policy makers develop a better understanding of the characteristics of the uninsured to enable them to target outreach efforts, develop new programs, and evaluate new initiatives. To do this, states rely on a variety of data sources that includes the Census Bureau's Current Population Survey (CPS).

An example of this trend toward state-level responsibility for addressing the concerns of the uninsured is the State Children's Health Insurance Program (SCHIP). Enacted in 1997, SCHIP made approximately \$40 billion in federal matching funds available to states to expand health insurance coverage for uninsured children over ten years.

Currently, all states have some type SCHIP program, and several states have received federal waivers enabling them to extend public health insurance coverage to certain adults. The CPS health insurance estimates are used in the federal funding formula to determine each state's allocation and are an important source of data for monitoring rates of uninsurance.

Role of the CPS for States

The CPS state estimates are cited by the media and in the health policy literature because these estimates are consistent, available on an annual basis, and are useful for examining health insurance trends. The CPS state estimates of uninsurance are used as a benchmark for other data collected on health insurance coverage through state specific surveys.

- Many states rely on CPS in targeting new programs, for forecasting budgets, and for determining the numbers of people who will be eligible for public programs.
- The CPS estimates are also being used to allocate federal funding to states for the State Children's Health Insurance Program (SCHIP). It is not clear if the allocation formula will be changed based on the new CPS methodology.
- The CPS is the only ongoing survey that provides an annual estimate of health insurance coverage that can be used for cross-state comparisons of uninsurance rates.
- The Census Bureau will be adjusting their state estimates of health insurance coverage based on the results from the verification question. Preliminary adjustments of the state rates of uninsurance are included in the table ["State 1999 Uninsurance Rates With and Without Verification, and Expected State Uninsurance Rates With Verification."](#)

State Health Access Data Assistance Center (SHADAC)

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<http://www.shadac.org/>.

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