



September 2006

Findings from the 2005 Current Population Survey SHADAC Conference Call Highlights

On August 30, 2006, the State Health Access Data Assistance Center (SHADAC) sponsored a conference call featuring Charles T. Nelson, Assistant Division Chief for Income, Poverty and Health Statistics, Housing and Household Economic Statistics Division at the U.S. Census Bureau. Nelson discussed the recently issued findings from the Current Population Survey, published in an August 2006 report, [Income, Poverty and Health Insurance Coverage in the United States: 2005](#) by Carmen DeNavas-Walt, Bernadette D. Proctor, and Cheryl Hill Lee. Approximately 54 state health policy and data analysts representing 25 states, several universities, federal agencies, and national health policy organizations participated in the audio conference.

Major Findings

- The number of uninsured grew from 45.3 million in 2004 to 46.6 million in 2005.
- The percentage of people without health insurance coverage increased from 15.6 percent in 2004 to 15.9 percent in 2005.
- The percentage of people covered by employment-based health insurance decreased between 2004 and 2005, from 59.8 percent to 59.5 percent.
- There was a decrease in total private health insurance coverage, from 68.2 percent in 2004 to 67.7 percent in 2005. The direct purchase of insurance declined from 9.3 percent to 9.1 percent.
- The percentage of children (under 18 years old) without health insurance increased between 2004 and 2005, from 10.8 percent to 11.2 percent. The percentage of uninsured aged 25-34 years also increased from 2004 to 2005.
- The percentage of uninsured households with household income below \$25,000 increased in 2005 as compared to 2004.
- The percentage of full time workers without health insurance increased from 17.3 percent in 2004 to 17.7 percent in 2005.
- While the number of people covered by government health programs increased between 2004 and 2005, from 79.4 million to 80.2 million, the percentage of people covered by government health insurance remained at 27.3 percent.
- The percentage of people with Medicaid coverage (13.0 percent) and the percentage of people covered by Medicare (13.7 percent) both were not statistically different between 2004 and 2005.
- The uninsurance rate in the South increased from 18.2 percent to 18.6 percent between 2004 and 2005. The West also experienced an increased uninsurance rate, from 17.4 percent in 2004 to 18.1 percent in 2005. The Midwest and the Northeast had the lowest uninsurance rates in 2005, at 11.9 percent and 12.3 percent, respectively.

- Comparing across states using 3-year average uninsurance rates for 2003–2005 shows that Texas (24.6 percent) had the highest uninsurance rate, while Minnesota (8.7 percent) had the lowest uninsurance rate.
- The uninsurance rate decreased for Idaho, Iowa, and New York. Four of the states that experienced increases were in the South (Delaware, Florida, Georgia, South Carolina), three were in the West (Arizona, California, Utah), and one was in the Northeast (Vermont).

Measurement Issues

There are two reasons for the differences in the estimates for 2004 from last year and the estimates from 2004 for this year.

1. The Census Bureau found a small weighting error in last year's file which affected health insurance estimates. The effect of the change was minor and could only be discerned by looking at the micro data.
2. The Census Bureau has improved its coverage edits from last year, disproportionately impacting the overall coverage rates for children and younger adults more than older adults. For instance, in 2004, the percentage of children under 18 years without insurance was 10.8 percent, in 2005 this figure was 11.2 percent. Attachment 2 shows the comparison in 2004 uninsurance rates, by state, using each methodology.

The Census Bureau's explanation of these changes is provided in Attachment 1.

Note to researchers:

There has been a change in the geographic fields as defined in the 2000 Census, so researchers would need to be cautious when they are looking at MSAs. Some fields have changed to micropolitan areas.

Summary of Conference Call Questions and Answers

Q: Switching to the new sampling frame adopted by the Census is a concern because it impacts the uninsurance rates for children, which have increased for many states. Comments?

A: The sampling frame for the CPS was phased in last year. Last year's estimates were based on half old and half new sample. This year the estimates are based on the new sample design only.

Q: How does the improved coverage edits impact the two-year averages for people without health insurance coverage in 2003-2004 and 2004-2005?

A: The 2004-2005 data are consistent and use the improved edits. Due to lack of resources, the 2003 files were not improved. Hence the 2003-2004 data are based on a year with improved data and a year without improved data.

For the overall population, the change was only 1/10th of a percentage point. There should be no major impact on the trends. However, there is cause for concern regarding coverage trends for children for whom the impact is greater, but these tables are not published.

Q: Were the persons displaced by Hurricane Katrina captured by the CPS?

A: If the displaced persons moved into other households and to the extent that those households were selected to be a part of the CPS sample, those people would have been captured. If some people

were displaced to areas that are not a part of the CPS sample universe (such as newly created shelter areas), then those people would not have been included.

Q: Were there any questions/indicators included while interviewing the persons displaced by Hurricane Katrina?

A: The BLS prepared an overview of how displaced CPS respondents were managed. This overview is available at <http://stats.bls.gov/katrina/cpscesquestions.htm> (listed in the reference section of this memo). In addition, there are displacement survey questions on the public use 2006 CPS data file.

Q: When in 2005 were the data collected for the CPS? Was it post-Katrina?

A: The data were collected in February through April of 2006 for CY 2005 estimates (post-Katrina). The data were collected in February through April of 2005 for CY 2004 estimates (pre-Katrina).

Q: Is there any plan to look at the small area health insurance estimates?

A: The Census Bureau has done some experimental modeling to get at the county-level estimates but this has not been updated. Federal financial support is necessary to continue this experiment.

Q: Figures for my state show that there is a decrease in private insurance, a decrease in the uninsurance rate, and an increase in Medicaid enrollment. Could this have been due to the revision in the name of my state's Medicaid program? The increased estimate is closer to the state's administrative records, and seems right. Is it possible to discern if this change is indeed due to the change in the name?

A: No, at this time it is not possible to tease this effect out from the data. However, it is certainly likely that the increase could be due to the update on that question.

Q: If the CY 2004 data were downloaded in January 2006, would this reflect the improved edits and other changes made to the data?

A: No, to match the numbers, the file that has been recently put out by the Census would have to be downloaded. See the reference section of this memo for a link.

Q: Montana question: The Coalition on Human Needs claims that there is a significant increase in the rate of uninsurance in the state, whereas the data show an insignificant decrease in the uninsurance rates. Could you please confirm this?

A: There is indeed an insignificant decrease in the number for Montana. It is possible that the organization may have been comparing numbers from 2000-2001 to 2004-2005.

Q: Please comment on whether small states should use the three-year averages when looking at the uninsurance.

A: Yes, this is recommended, given that small areas often have higher standard errors.

Q: Would you recommend using the new 2004 edited data?

A: Yes.

Q: Is the CPS a landline telephone survey? How is the initial contact made?

A: The CPS has both a telephone and an in-person component. The initial contact is made in person.

Q: Can we say that in the absence of the improved coverage edit, the uninsurance rates would be higher?

A: Yes.

Q: Due to the coverage edits, the number of uninsured children under 200% FPL in my state has dropped more than 50%. This is going to impact the SCHIP allotment formula and my state would need some special federal reassignment. This may impact other states too. Please comment.

A: SHADAC is currently updating done its analysis on how the SCHIP formula variability by state. More information will be available from SHADAC in the future.

Q: Do the edits impact all states similarly or did rates differ based on how much money states get for the SCHIP allotment?

A: This should affect all states equally because there is no state component included in the edit.

Q: Could you comment on the Medicaid undercount and its implications for the CPS?

A: Collaborative efforts are underway to match the Medicaid enrollment data with respondents in the CPS to check how enrollees report their health insurance status in the survey. So far only preliminary results are out, and further research is required to say anything conclusive. An interesting thing to note from such research is the characteristics of the people who are likely to under-report Medicaid coverage. Perhaps this would lead to an improvement in the way the question is drafted and asked to yield more accurate results. Under-reporting is fairly constant from one year to the next; it only impacts levels, not trends.

Q: Looking at the 2004-2005 estimates, there is a decrease in employer-sponsored insurance, but this decrease is not in the job-holders' own coverage but in the dependent coverage. Please comment.

A: That is indeed correct. On further research, the rates of coverage for overall employment-based coverage (that includes dependents) dropped from 59.8% to 59.5%. However, the rate for own-employment based coverage remained at 31.5% between 2004 and 2005.

Q: Please clarify what exactly is the 'improved coverage edit' and 'how' does it affect prior report results and current data. (e-mail question)

A: See Attachment 1 for and explanation from the Census Bureau regarding changes to the CPS, and Attachment 2 for comparison in 2004 uninsurance rates using each methodology.

Resources

- The report, "Income, Poverty and Health Insurance Coverage in the United States: 2005," along with related information, is available at: <http://www.census.gov/hhes/www/hlthins/hlthin05.html>
- Refer to the <http://www.sipp.census.gov/sipp/workpapr/wp243.pdf> for more information on comparing health insurance estimates in the SIPP and the CPS.
- Refer to http://www.bls.census.gov/cps_ftp.html#cpsmarch for new health insurance edits and weights for 2004. The Census Bureau report states "The estimates also reflect improvements to the algorithm that assigns coverage to dependents."
- For more information on comparative estimates of low-income children in the CPS and the ACS, refer to <http://finance.senate.gov/hearings/testimony/2005test/072506cptest.pdf>
- For Chris Peterson's (CRS) testimony before the Senate Finance Health Subcommittee regarding SCHIP, refer to <http://finance.senate.gov/sitepages/hearing072506.htm> More discussion is available at <http://finance.senate.gov/hearings/testimony/2005test/072506cpattach1.pdf>
- For the Census contact information and press release regarding Katrina, refer to <http://www.census.gov/Press-Release/www/2005/katrina.htm>
- BLS information regarding Katrina is available at <http://stats.bls.gov/katrina/cpscesquestions.htm>
- SHADAC's CPS Center web page, which includes links to a variety of CPS resources and historical documentation of CPS update calls, <http://www.shadac.umn.edu/shadac/cps.html>

Attachment 1: U.S. Census Bureau Documentation Regarding CPS Changes

Changes that have occurred within the CPS Health Insurance data

The programmers in DSD who work on the CPS health insurance data decided that the programs needed to be converted from FORTRAN to SAS. In order to properly convert the programs, there needed to be close coordination with the CPS Health Insurance Analyst to review the edit specifications to make sure that they were consistent with the SAS program language.

During the process of going through the revised SAS programs that were based on the health edit specifications, some inconsistencies were recognized. In the process of modernizing the SAS program, some enhancements were made to the algorithms that assign coverage to dependents. These improvements have resulted in increases in both the public and private health insurance coverage rates. The effect on the overall coverage rate is about .2 percentage points.

The increase in the private insurance coverage rate is based on some modifications in the SAS program to include dependent children on private plans that had previously been missed. For example, the algorithms to decide which dependents in single-parent households should be assigned coverage have been enhanced. In addition, previously the maximum number of dependent children that could be covered under a parent's plan was eight. This limitation has been eliminated under the new SAS program.

Similarly, for Medicaid coverage, the algorithm for assigning coverage to dependent children has been enhanced. For example, the new algorithm for assigning coverage in sub-families has been enhanced under the new programs.

Attachment 2: 2004 CPS Uninsurance Rates

	2004 Uninsurance Rate by State (0-64 years of age)			
	Previous Methodology		Current Methodology (2006)	
	Percent Uninsured	Standard Error	Percent Uninsured	Standard Error
ALABAMA	15.2%	1.03%	15.0%	1.03%
ALASKA	18.0%	1.20%	17.7%	1.14%
ARIZONA	19.7%	1.27%	19.6%	1.27%
ARKANSAS	19.1%	1.24%	19.0%	1.23%
CALIFORNIA	20.8%	0.54%	20.6%	0.54%
COLORADO	18.5%	1.01%	18.0%	1.00%
CONNECTICUT	13.4%	0.90%	12.9%	0.87%
DELAWARE	16.5%	1.12%	15.8%	1.11%
DISTRICT OF COLUMBIA	14.9%	1.17%	14.1%	1.17%
FLORIDA	23.6%	0.79%	23.5%	0.79%
GEORGIA	19.1%	1.05%	18.9%	1.04%
HAWAII	11.2%	0.94%	10.7%	0.92%
IDAHO	16.8%	1.16%	17.0%	1.17%
ILLINOIS	15.8%	0.75%	15.8%	0.75%
INDIANA	15.9%	1.00%	16.0%	1.01%
IOWA	11.0%	0.87%	10.8%	0.86%
KANSAS	12.5%	0.88%	12.5%	0.88%
KENTUCKY	16.3%	1.05%	16.3%	1.04%
LOUISIANA	19.6%	1.51%	19.0%	1.48%
MAINE	11.7%	0.82%	11.6%	0.82%
MARYLAND	16.4%	1.11%	16.0%	1.10%
MASSACHUSETTS	13.2%	0.92%	13.0%	0.92%
MICHIGAN	13.2%	0.73%	13.1%	0.72%
MINNESOTA	9.9%	0.77%	9.9%	0.77%
MISSISSIPPI	19.4%	1.34%	18.9%	1.32%
MISSOURI	14.4%	0.94%	14.3%	0.93%
MONTANA	22.3%	1.52%	22.4%	1.52%
NEBRASKA	13.0%	0.90%	12.7%	0.89%
NEVADA	20.8%	1.18%	21.1%	1.20%
NEW HAMPSHIRE	13.2%	0.93%	11.9%	0.86%
NEW JERSEY	17.2%	0.96%	16.2%	0.93%
NEW MEXICO	23.8%	1.45%	23.5%	1.45%
NEW YORK	16.1%	0.61%	14.8%	0.59%
NORTH CAROLINA	17.5%	0.98%	17.0%	0.92%
NORTH DAKOTA	13.0%	1.04%	12.2%	1.01%
OHIO	13.0%	0.70%	12.9%	0.70%
OKLAHOMA	23.1%	1.49%	22.7%	1.48%
OREGON	18.9%	1.19%	19.3%	1.21%
PENNSYLVANIA	14.0%	0.75%	13.6%	0.74%
RHODE ISLAND	12.9%	0.97%	12.3%	0.92%
SOUTH CAROLINA	16.9%	1.15%	17.0%	1.16%
SOUTH DAKOTA	13.8%	0.99%	13.6%	0.99%
TENNESSEE	16.3%	1.21%	15.8%	1.20%
TEXAS	27.6%	0.71%	27.4%	0.71%
UTAH	15.2%	1.14%	15.3%	1.16%
VERMONT	12.9%	1.02%	12.6%	1.01%
VIRGINIA	16.0%	1.01%	15.7%	0.99%
WASHINGTON	14.6%	0.93%	14.7%	0.93%
WEST VIRGINIA	19.3%	1.27%	19.0%	1.26%
WISCONSIN	11.9%	0.90%	11.8%	0.91%
WYOMING	15.9%	1.13%	15.2%	1.12%
UNITED STATES	17.8%	0.16%	17.5%	0.16%

Source: 2005 Current Population Survey. Please note: None of the rate significantly differ between methods at $p < 0.05$

	2004 Uninsurance Rate by State (0-17 years of age)			
	Previous Methodology		Current Methodology (2006)	
	Percent Uninsured	Standard Error	Percent Uninsured	Standard Error
ALABAMA	7.4%	1.19%	6.8%	1.17%
ALASKA	10.9%	1.85%	9.7%	1.56%
ARIZONA	14.7%	1.63%	14.3%	1.62%
ARKANSAS	6.8%	1.23%	6.2%	1.16%
CALIFORNIA	12.4%	0.70%	12.2%	0.70%
COLORADO	15.0%	1.53%	14.7%	1.51%
CONNECTICUT	8.5%	1.16%	7.5%	1.07%
DELAWARE	12.6%	1.63%	11.2%	1.56%
DISTRICT OF COLUMBIA	7.6%	1.62%	7.6%	1.68%
FLORIDA	15.1%	1.11%	14.7%	1.10%
GEORGIA	11.7%	1.42%	11.4%	1.39%
HAWAII	5.4%	1.08%	4.8%	1.02%
IDAHO	8.6%	1.32%	8.9%	1.37%
ILLINOIS	11.4%	1.08%	11.1%	1.07%
INDIANA	9.0%	1.34%	8.7%	1.35%
IOWA	6.0%	1.11%	5.9%	1.12%
KANSAS	6.6%	1.05%	6.4%	1.04%
KENTUCKY	8.4%	1.29%	8.3%	1.29%
LOUISIANA	8.0%	1.61%	7.2%	1.45%
MAINE	5.8%	0.99%	5.7%	0.97%
MARYLAND	9.6%	1.67%	9.7%	1.73%
MASSACHUSETTS	6.5%	1.05%	6.0%	1.01%
MICHIGAN	6.8%	0.93%	5.9%	0.87%
MINNESOTA	6.8%	1.07%	6.5%	1.04%
MISSISSIPPI	14.2%	1.93%	13.6%	1.91%
MISSOURI	8.5%	1.28%	8.1%	1.21%
MONTANA	15.4%	2.27%	15.3%	2.28%
NEBRASKA	6.0%	0.98%	5.8%	0.97%
NEVADA	16.1%	1.74%	16.1%	1.76%
NEW HAMPSHIRE	7.8%	1.12%	6.4%	0.95%
NEW JERSEY	11.7%	1.19%	10.5%	1.11%
NEW MEXICO	15.3%	2.20%	15.0%	2.20%
NEW YORK	8.6%	0.79%	7.1%	0.71%
NORTH CAROLINA	11.2%	1.45%	10.3%	1.14%
NORTH DAKOTA	9.6%	1.62%	9.3%	1.57%
OHIO	7.5%	0.99%	7.9%	1.04%
OKLAHOMA	16.9%	2.22%	16.3%	2.19%
OREGON	10.0%	1.40%	10.7%	1.44%
PENNSYLVANIA	10.7%	1.22%	10.2%	1.22%
RHODE ISLAND	7.4%	1.14%	7.2%	1.14%
SOUTH CAROLINA	7.7%	1.30%	7.7%	1.31%
SOUTH DAKOTA	8.3%	1.19%	8.2%	1.19%
TENNESSEE	10.1%	1.81%	9.8%	1.83%
TEXAS	21.4%	1.08%	21.1%	1.08%
UTAH	10.4%	1.45%	10.7%	1.49%
VERMONT	4.8%	0.99%	4.8%	1.01%
VIRGINIA	8.1%	1.39%	7.7%	1.36%
WASHINGTON	7.0%	1.20%	6.7%	1.12%
WEST VIRGINIA	8.8%	1.74%	8.9%	1.73%
WISCONSIN	5.1%	0.89%	4.9%	0.88%
WYOMING	9.7%	1.53%	9.2%	1.49%
UNITED STATES	11.2%	0.22%	10.8%	0.22%

Source: 2005 Current Population Survey. Please note: None of the rate significantly differ between methods at $p < 0.05$