

State Health Insurance Coverage Estimates: Why State-Survey Estimates Differ from CPS

Many states are conducting surveys to estimate rates of uninsurance, as well as to examine the characteristics of their uninsured populations. Yet, state generated estimates are likely to differ from the annual estimates of uninsurance rates based on the Census Bureau's Current Population Survey (CPS).¹ The CPS estimates are widely cited by the media and in the health policy literature, creating potential confusion when states use their own survey data for policy development. This issue brief highlights key reasons for the differences and discusses state health policy.

REASONS FOR DIFFERENCES

The key reasons for the variations between state estimates and CPS estimates of rates of uninsured are differences in:

- sample selection and size,
- survey administration,
- definitions of the uninsured, and
- survey question design.

Each will be discussed in turn.

Sample Selection and Size

The sample size for state health insurance surveys varies, but is generally much larger than the CPS sample for a given state. For example, Oregon's 1998 state health insurance survey collected data on over 11,000 persons, while the CPS sample for Oregon was less than 1,500. The larger sample in many

state-initiated surveys provides more precise estimates of health insurance coverage, as well as additional information about the characteristics of the uninsured. In addition, some states over-sample populations expected to have high uninsurance rates allowing for more precise estimates.

State surveys that sample large numbers of residents within the entire state provide a more comprehensive source of sub-state data on uninsurance than the CPS. State surveys may be able to provide data on specific regions within a state or specific populations of interest.

Often, CPS data cannot provide precise sub-state estimates of uninsurance rates due to small sample sizes and because the CPS sample does not include all Primary Sampling Units (PSUs) or counties within the state.² For most states, it is not possible to use the CPS to derive estimates for specific population groups defined by age, race or country of origin due to sample size limitations.

State surveys often focus on people under age 65 as those over 65 are likely to have health insurance coverage through Medicare. Because the CPS sample includes all ages, CPS estimates must be adjusted to exclude those 65 and over in order to be comparable to many state survey estimates.



Survey Administration

The method of survey administration also accounts for significant differences between state-generated estimates and CPS estimates of uninsurance rates. The CPS process includes greater use of in-person interviews than most state surveys. The use of in-person interviews allows households without phones to be included in the CPS sample, where these households would be excluded from telephone-only surveys. Once selected as part of the CPS sample, a household unit participates in eight monthly interviews - generally, two of these interviews are conducted in-person and the remainder by telephone. In-person interviews are conducted for all eight interviews if the respondent has no telephone, has poor English language skills, or requests exclusively in-person interviews.

Nationwide, only about five percent of U.S. households lack phone service. Certain subgroups (e.g., residents of southern states, minorities, and those in lower socioeconomic groups) are less likely to have phones.³ Households without phones are more likely to be uninsured than the general public. CPS data indicate for 1998-2000, persons living in households without phones have an uninsurance rate of 31.2 percent, as opposed to a rate of 15.4 percent for persons in households with telephones.⁴ Differences in state uninsurance estimates between surveys that are exclusively conducted by phone and those that use in-person interview, such as the CPS, will be greater in states where higher percentages of the population lack phones.

Definitions of Uninsured

The CPS defines a person as uninsured only if he or she lacked insurance for the entire year. A person covered by insurance at any time during the year is considered insured. Some states provide point-in-time estimates based on the insurance status of the respondents at the time of the survey. Others provide annual estimates which classify persons as uninsured if they lacked insurance all or part of the previous year.

CPS respondents are asked about their insurance status for the previous calendar year. This means they must try to recall a period that began 14 or 15 months prior to their interview. Such a long recall period may decrease the accuracy of reported health insurance status. Some researches argue that CPS respondents may be reporting their insurance status at the time they are interviewed instead of for the previous year.⁵

Survey Questions

The CPS may tend to underestimate public program coverage compared to state surveys that include state-specific names for all public health insurance programs. The CPS includes some, but not all, state-specific program names. For example, the CPS refers to California Medicaid as "Medi-Cal" and to Tennessee's state program as "TennCare." However, it does not provide an exhaustive list of all publicly funded health insurance programs in every state. In addition, the recent growth in uniquely labeled Medicaid managed care programs may be an additional source of confusion, causing respondents to fail to report Medicaid coverage.⁶

Historically, the CPS instrument relied on a single respondent to report the health insurance status of all household members. If no specific type of coverage (e.g., Medicaid, Medicare, or employer provided health insurance) was reported, the person was considered uninsured without confirmation. This strategy underestimates health insurance coverage and overestimates uninsurance rates by labeling people as uninsured without asking them directly if they are uninsured.⁷ A direct question is needed to verify that a person lacks insurance coverage. The CPS added such a question in the March 2000 instrument: (*"I have recorded that [you were] not covered by a health plan at any time during 1999. Is that correct?"*). This item is currently being evaluated by the Census Bureau. If the question is shown to increase the reliability of the estimate of uninsurance, it will be used in CPS health insurance rate calculations in the future.



Table 1. State Survey’s Point-in-Time and the CPS’s Annual Estimates of Uninsurance

State	State Survey Year	State Survey Point-in-Time Estimate	CPS Estimate From State Survey Year	CPS 3-Year Average (1997-1999)
Massachusetts	1998	8.1%	10.3%	11.1%
Minnesota	1998	5.3	8.0	8.8
New Hampshire	1999	6.6	10.2	11.1
Oregon	1998	12.2	14.3	14.1
Utah	1996	9.5	12.0	13.8
Vermont	1997	6.8	9.5	10.6
Wisconsin	1998	6.0	11.8	10.3

Sources: Haggard, 1996; Weinstein, 1998; 1999 Minnesota Health Access Survey; Clearwater Research, 1998; Kahn, 1998; Imm, 1999; Alpha Center, 2000; US Census Bureau, 2000; 1999.⁸

COMPARISON OF ESTIMATES DERIVED FROM STATE SURVEYS AND THE CPS

For the reasons discussed above, state uninsurance estimates derived from state surveys and the CPS are likely to be significantly different. Table 1 compares state uninsurance estimates derived from CPS data with estimates from state surveys conducted in six states. In general, CPS tends to provide higher estimates of the uninsured than estimates based on state survey data.

POLICY IMPLICATIONS

State policy makers and analysts should understand the reasons why the state and CPS estimates differ, as well as the appropriate uses of each type of estimate. The CPS estimates are consistent and available on an annual basis. They are more appropriate for examining aggregate data trends over time and for cross-state comparisons.

Estimates from state surveys are more useful for sub-state geographic and population estimates. State surveys can help define more specifically which populations are uninsured within the state to facilitate the design and evaluation of state-specific programs. They can also be used to detect year-to-year changes

in the uninsurance rate if the sample size is large enough. Due to small CPS sample size within many states, it is difficult to detect year-to-year changes in state uninsurance rates.

In Minnesota, for example, the CPS uninsurance estimate for all residents of 8.0 to 10.2 percent has not changed since 1988. In light of this CPS data, policy makers expressed concern that MinnesotaCare (the state-subsidized health insurance program for low-income families) was not reaching its goal of reducing the number of uninsured in the state. However, data collected in the state’s own survey demonstrated that, although Minnesota’s overall rate of uninsurance was stable over time, the percentage of uninsured children declined 31 percent. In addition, the state survey showed that the percentage of low-income uninsured persons declined by over 20 percent between 1990 and 1995. The state survey, conducted by the University of Minnesota, had a much larger sample than the CPS - 9,571 (state sample) vs. 1,750 (1999 CPS March Supplement sample). The larger sample size allowed analysis of targeted population sub-groups in the state and provided evidence to demonstrate the impact of MinnesotaCare on the uninsured in Minnesota.

Notes

¹ Call, K, Sommers, A, Feldman, R, Davidson, G, and Rockwood, T. "The CPS Versus State-Specific Estimates: Making Sense of Discrepant Rates of Uninsurance." University of Minnesota, Division of Health Services Research and Policy. Unpublished manuscript, 2000.

²State Health Access Data Assistance Center, University of Minnesota. Issue Brief #1: "The Current Population Survey (CPS) and State Health Insurance Coverage Estimates." SHADAC, 2221 University Avenue SE, Suite 345, Minneapolis, MN 55414.

³US Census Bureau. "Estimated Telephone Coverage: Current Population Survey, March 1998." Available at URL: www.cdc.gov/nccdphp/brfss/ti-docs.htm

⁴State Health Access Data Assistance Center, University of Minnesota. Calculations based on analysis of 1998, 1999 and 2000 March CPS data. SHADAC, 2221 University Avenue SE, Suite 345, Minneapolis, MN 55414

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⁶Fronstein, P. "Counting the Uninsured: A Comparison of National Surveys." Employee Benefit Research Institute, Issue Brief No. 225. September 2000.

⁸ Clearwater Research, Inc. State of Oregon Population Survey-1998 (Table of Insurance Rates) 1998. Accessed April 4, 2000. Available at URL: www.osl.state.or.us/csimages/orepop/36allreg.html.

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State-specific data were compiled in part through the Alpha Center workshop "Obtaining State-Level Data on the Uninsured" sponsored by the RWJF's State Coverage Initiatives Program, May 2, 2000 and correspondence with state panel participants.

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