



## Do National Surveys Overestimate the Number of Uninsured? Findings from the Medicaid Undercount Experiment in Minnesota

### OVERVIEW

General population surveys of health insurance coverage provide timely estimates of uninsurance. These estimates inform resource allocation and policy decisions made by Federal and state lawmakers trying to make health insurance more accessible and affordable. Policymakers and analysts use survey estimates of coverage and lack of coverage to monitor the dynamics of health insurance markets, evaluate the success of current programs in reaching target populations, and assess the costs and benefits of program changes, outreach activities, and other coverage initiatives. These survey estimates are also used in federal formulas that allocate billions of dollars annually to states for the State Children's Health Insurance Program (SCHIP). With these factors in mind, the importance of obtaining accurate estimates of the number of people lacking insurance becomes clear.

One area of ongoing concern to researchers is that general population surveys like the Current Population Survey (CPS) systematically *underestimate* the number of individuals known through administrative records to be enrolled in Medicaid programs. This discrepancy between survey and administrative counts of Medicaid enrollment—or the “Medicaid undercount”—is problematic, not in and of itself, but to the extent that it is thought

to cause upward bias in survey estimates of the number of uninsured. When survey estimates of Medicaid enrollment do not match administrative data counts, the discrepancy raises concerns about other estimates produced by the survey.

General population surveys are the only source of estimates on the number of people covered by private insurance, those who are uninsured, and those who are uninsured but eligible for public programs. This SHADAC issue brief summarizes our recent study of the Medicaid undercount in Minnesota.

### EXPLAINING THE MEDICAID UNDERCOUNT

Comparisons of survey estimates of Medicaid participation to Medicaid administrative data indicate that anywhere from 15 to 50 percent of Medicaid cases are missed by national population surveys such as the Current Population Survey (CPS), the Survey of Income and Program Participation, and the Community Tracking Study.<sup>1</sup> One might infer from these results that some portion of Medicaid recipients do not report their Medicaid coverage in surveys asking about health insurance coverage.

Medicaid enrollees might provide inaccurate responses to survey questions addressing insurance coverage for a number of reasons. Some Medicaid recipients may be confused

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<sup>1</sup>See Lewis, K., M. Ellwood, and J.L. Czajka. 1998. *Counting the Uninsured: A Review of the Literature*. Washington, D.C.: The Urban Institute.



about what program they are in, either because they haven't accessed health care services in some time, or because their enrollment status changes frequently. Others may provide misleading information because they are embarrassed to be associated with a welfare-like public program. Still others may report a source of coverage other than Medicaid if they: are confused by the similarity of the program names (e.g., Medicare and Medicaid); have multiple sources of coverage (e.g., Medicare, private third-party coverage); associate Medicaid coverage with a commercial product because they are enrolled in a Medicaid managed care plan; or think they are covered by a different state-subsidized health care program altogether.

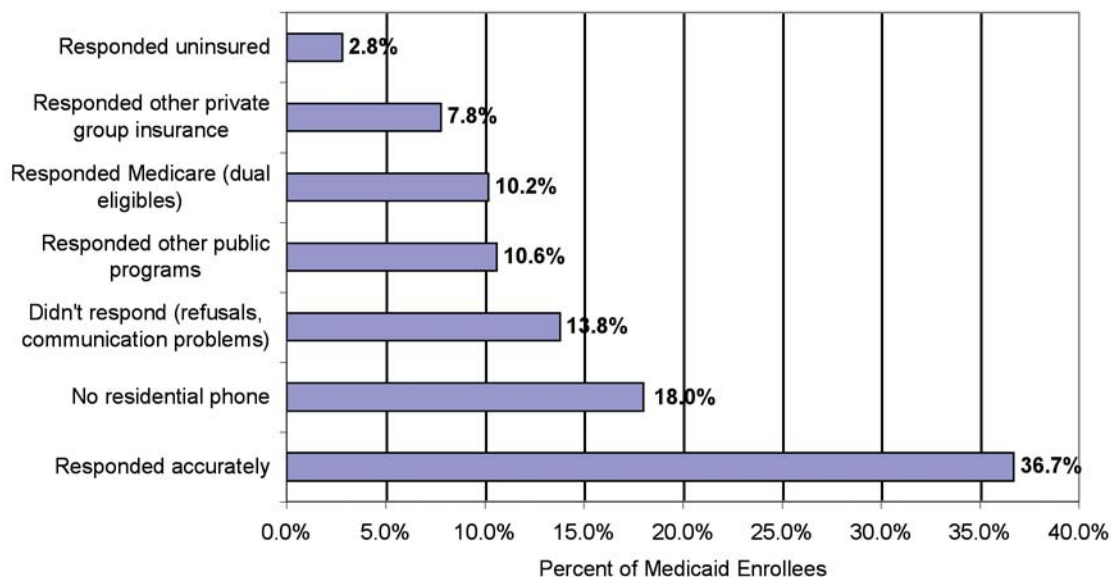
While the research community has established that the number of people reporting Medicaid coverage is consistently lower than the number enrolled in the program according to administrative records, the question remains whether some portion of Medicaid recipients report having no insurance or some other source of insurance in surveys asking about health insurance coverage.

## MINNESOTA'S MEDICAID UNDERCOUNT EXPERIMENT

To examine the accuracy of Medicaid enrollees' responses to health insurance surveys, SHADAC researchers conducted the Medicaid Undercount Experiment (MUE). By asking a random sample of known Minnesota Health Care Program enrollees (i.e., Medicaid, MinnesotaCare and General Assistance Medical Care) about their health insurance coverage in conjunction with a statewide general population survey, researchers were able to determine: (1) the frequency with which Medicaid recipients accurately reported their public coverage, and (2) the impact of inaccurate reports on survey estimates of coverage derived from the statewide survey.

As shown in Figure 1, only 37% of known Medicaid enrollees responded accurately to survey questions about their health insurance. The remaining 63% were labeled "missed Medicaid cases" due to the following: communication barriers or refusals (13.8%), lack of telephone (18.0%), or inaccurate responses to questions

**Figure 1: Responses of Known Medicaid Enrollees to Questions about Health Insurance Coverage**





about insurance coverage (31.4%). The inaccurate responses consisted of 2.8% reporting no coverage at all, 7.8% reporting private coverage, and 20.8% reporting the wrong type of public coverage (e.g., Medicare, MinnesotaCare, or General Assistance Medical Care). About half of the later group (10.2%) were eligible for both Medicare and Medicaid, and reported having Medicare, but not Medicaid, coverage.

The policy implications of these findings are important: the Medicaid undercount—at least as measured by the MUE in Minnesota—introduced only a negligible upward bias to estimates of the uninsured produced by the state survey. Specifically, we calculated the bias introduced by inaccurate survey responses among all public program enrollees in the MUE which reduced Minnesota’s uninsured estimate by only 0.26 percentage points, from 5.29 to 5.03 percent.<sup>2</sup> This difference is not significant; therefore inaccurate reports of coverage among Medicaid recipients were found not to bias the estimate of uninsured.

## IMPLICATIONS FOR POLICY AND FURTHER RESEARCH

SHADAC’s findings imply that while general population surveys like the CPS systematically underestimate participation in the Medicaid program, the effect on estimates of uninsured may be extremely modest. This seemingly technical result has real policy implications at state and national levels, and is good news for analysts concerned about the validity of survey estimates of those lacking health insurance coverage. Our research suggests that, at least with respect to the survey implemented in the state of Minnesota, health policy and resource allocation decisions have not been misinformed.

We recognize the importance of replicating our results in other states, as these findings have implications beyond Minnesota’s borders. We also acknowledge that differences in survey instruments, public

programs, the populations they serve, and in the health care delivery systems that serve them may affect the outcome of this research. Future work by SHADAC researchers will therefore repeat the MUE in additional states to determine the magnitude of the Medicaid undercount and examine sources of the undercount. This will allow us to assess the extent to which the results can be generalized to other states, and the feasibility of developing a method for adjusting survey estimates to account for the Medicaid undercount.

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<sup>2</sup>State estimate of uninsured reported in 1999 Minnesota Health Access Survey (MNHA).



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The State Health Access Data Assistance Center at the University of Minnesota promotes the effective use of available data to inform the debate on health coverage and access. For a complete account of this study, please see:

Call, Kathleen Thiede, Gestur Davidson, Anna Stauber Sommers, Roger Feldman, Paul Farseth, and Todd Rockwood, 2002. "Uncovering the Missing Medicaid Cases and Assessing their Bias for Estimates of the Uninsured." *Inquiry*. 38(4): 396-408.

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