



# Issue Brief

## Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help

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This is a revision of the issue brief *Rite of Passage*, first released in May 2003. It updates analyses with new data from the March 2006 Current Population Survey, the 2004 Medical Expenditure Panel Survey, and the Commonwealth Fund Biennial Health Insurance Survey (2005). It also provides new information on state legislation and other proposals recently introduced to increase health insurance coverage among young adults.

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**ABSTRACT:** Young adults (ages 19 to 29) are one of the largest segments of the U.S. population without health insurance: 13.3 million lacked coverage in 2005. Young adults often lose coverage at age 19 or upon high school or college graduation. Nearly two of five college graduates and one-half of high school graduates who do not enroll in college will be uninsured for a time during the first year after graduation. Several states have passed laws to expand coverage of dependent young adults up to age 24 or 25 under parents' insurance policies. Three policy changes could further help uninsured young adults gain coverage and prevent others from losing it: extending eligibility for public insurance programs beyond age 18; extending dependents' eligibility for their parents' private coverage beyond age 18 or 19; and ensuring that colleges require full- and part-time students to have coverage, and that colleges offer coverage to them.

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### OVERVIEW

Young adults between the ages of 19 and 29 represent one of the largest and fastest-growing segments of the U.S. population that lack health insurance. Often dropped from their parents' policies or from public insurance programs at age 19 or on graduation day, they are left to find insurance on their own while making the often uneasy transition from high school to college or the working world. Yet the jobs available to young adults are typically

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low-wage or temporary—the type of jobs that generally do not come with health benefits. Young adults who are able to go to college full-time may have some protection through their parents' insurance policies, but upon graduation they usually lose their eligibility for family coverage.

The lack of continuity and stability in coverage experienced by young adults puts their health at risk. It also subjects them and their families to financial stress right when they are starting out in the workforce. This issue brief assesses the health insurance deficit facing young adults, including the scope of the problem, the causes and implications, and actions taken at the federal and state level. The authors also offer some targeted policy steps that could help young adults stay insured as they make the transition to independent living.

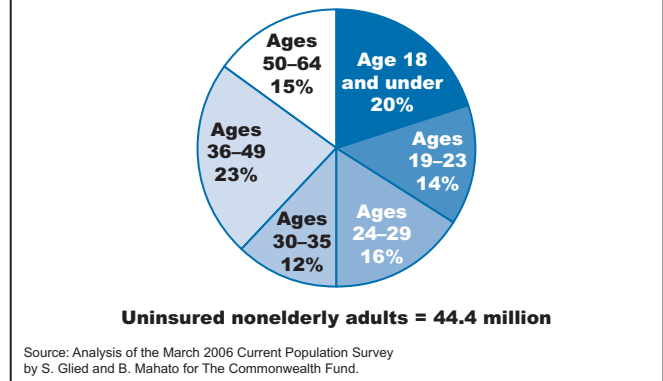
### A LARGE AND GROWING PROBLEM

The number of uninsured young adults ages 19 to 29 climbed to 13.3 million in 2005, from 12.9 in 2004.<sup>1</sup> Young adults accounted for 30 percent of the increase in the number of uninsured Americans under age 65 during the 2004–2005 period. Even though they comprise just 17 percent of the under-65 population, young adults account for 30 percent of the nonelderly uninsured (Figure 1).<sup>2</sup>

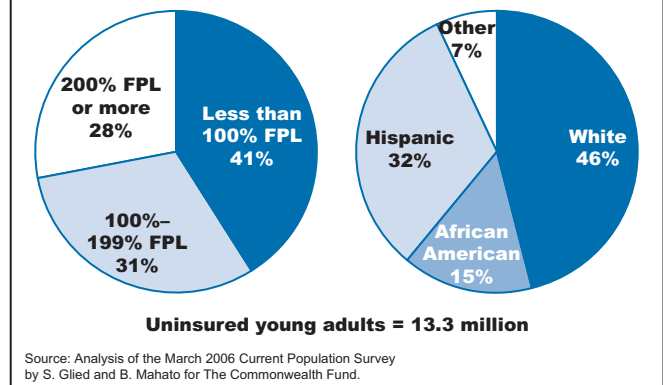
By far, the young adults most at risk of lacking coverage are those from low-income households. These individuals, like children and older adults in low-income families, are disproportionately represented among the uninsured. About 24 percent of adults ages 19 to 29 live in households with incomes below 100 percent of the poverty level, but more than two-fifths (41%) of the 13.3 million young adults who are uninsured live in households with incomes below poverty (Figure 2).<sup>3</sup>

Nearly half of uninsured young adults are white. But Hispanics are disproportionately represented among the young and uninsured. While Hispanics represent 19 percent of adults ages 19 to

**Figure 1. There Are 13.3 Million Uninsured Young Adults Ages 19–29, 30 Percent of the Nonelderly Uninsured, 2005**



**Figure 2. Distribution of Uninsured Young Adults Ages 19–29 by Poverty Status and Race/Ethnicity, 2005**



29, they represent 32 percent of uninsured young adults (Figure 2). Hispanics and African Americans are both at greater risk of being uninsured than white young adults: 34 percent of African Americans and 52 percent of Hispanics ages 19 to 29 are uninsured, compared with 23 percent of whites in that age range (data not shown).

### WHAT A DIFFERENCE A YEAR CAN MAKE

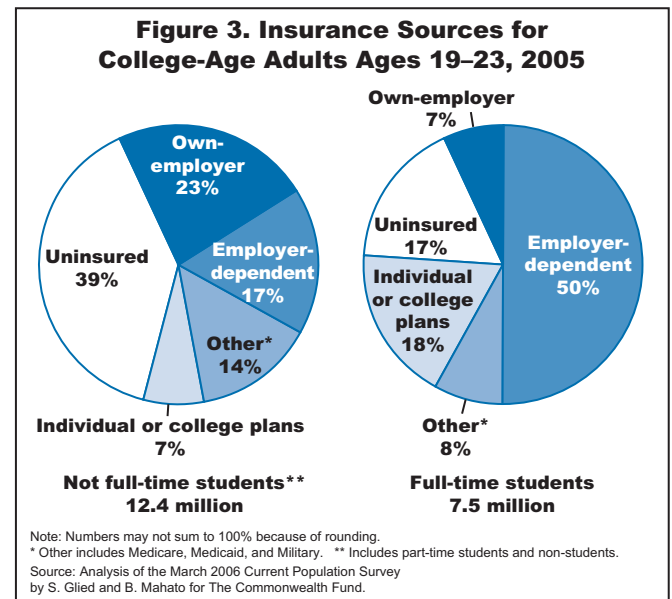
Nineteenth birthdays are crucial milestones in Americans' health insurance coverage. Both public

and private insurance plans treat this age as a turning point for coverage decisions. Employer health plans often do not cover young adults as dependents after age 18 or 19 if they do not go on to college. Public programs, such as Medicaid and the State Children's Health Insurance Program (SCHIP), also typically have one set of income and eligibility standards for children and another for adults—with the 19th birthday as the critical divide.

### Losing Coverage Under a Parent's Policy

Employer-sponsored health insurance is the mainstay of most family and dependent coverage. Typically, such policies cover children as dependents as long as they meet eligibility rules. After age 18 or 19, coverage continues for the most part only for those young adults who attend college full-time. A 2004 Commonwealth Fund study found that among employers who offer coverage, nearly 60 percent do not insure dependent children over age 18 or 19 if they do not attend college.<sup>4</sup>

Young adults who enroll in college full-time when they graduate from high school are the most likely in their age group to have insurance coverage, primarily because they are able to maintain eligibility under their parents' employer's policies. A small share of full-time students also gains coverage through plans offered by universities. Roughly 38 percent of public universities and 79 percent of private universities and colleges require that students have health insurance as a condition of enrollment.<sup>5</sup> Six states (California, Idaho, Illinois, Massachusetts, Montana, and New Jersey) have either a state mandate or a higher education governing board mandate that full-time undergraduate students who are U.S. citizens must have health insurance in order to enroll.<sup>6</sup> Half (50%) of full-time students ages 19 to 23 receive health insurance through their parents' employer-sponsored plans, while another 18 percent have individual coverage, including college and university plans (Figure 3).



Young adults who are not in school full-time following graduation from high school are much more likely to be uninsured, primarily because it is much harder for them to gain access to employer coverage. Thirty-nine percent of part-time and non-students ages 19 to 23 are uninsured, compared with 17 percent of full-time students (Figure 3). Young adults who opt to enter the labor market rather than go to college are unlikely to be eligible for coverage under their parents' policies, and may have difficulty finding a job with health benefits. For those entering the labor market without the benefit of a college education, the jobs available are those that are least likely to have health benefits—jobs that pay low wages, are with small companies, or are part-time or temporary.<sup>7</sup> The Commonwealth Fund Biennial Health Insurance Survey (2005) found that 43 percent of all workers ages 19 to 29 who earn less than \$10 per hour are uninsured.<sup>8</sup> Almost one-third (31%) of workers between ages 19 and 29 have jobs that pay less than \$10 per hour.<sup>9</sup>

**Losng Medicaid/SCHIP Coverage at Age 19**

Medicaid and SCHIP reclassify all teenagers as adults the day they turn 19. As a result, young adults who had been insured under Medicaid or SCHIP as children typically do not have an option to stay on public coverage, unless they are able to qualify for Medicaid as adults. Regardless of school, work, or dependent status, they lose their eligibility as dependents or children. Most low-income young adults become ineligible for public programs, since eligibility for adults generally is restricted to very-low-income parents or disabled adults. Even teenagers with disabilities who qualified for Medicaid before their 19th birthdays have to go through a new set of screening tests to determine whether they will still be eligible for benefits as disabled adults.<sup>10</sup>

**Net Impact of the 19th Birthday**

As a result of the combined impact of such public and private insurance rules, uninsured rates jump sharply at age 19. Turning 19 increases the uninsured rate nearly threefold; it rises from 11 percent among children age 18 and under to 30 percent among those ages 19 to 29 (Figure 4).

families living below the poverty level, more than half (51%) are uninsured, compared with about one of five (20%) low-income children age 18 and under. Those young adults with slightly higher incomes (100%–199% of poverty) fare only marginally better—roughly two of five (42%) are uninsured. High uninsured rates are also seen in older age groups with low incomes; for example, 47 percent of adults ages 30 to 35 who live in poverty are uninsured (Table 1).

**THE (UNINSURED) GRADUATE**

The transitional nature of young adults’ lives following their 19th birthday makes it difficult to secure a stable and consistent source of health insurance coverage. Young adults move in and out of school and jobs throughout their 20s. Full-time students might take a leave of absence from school, attend college part-time, or graduate—effectively closing off access to their parents’ insurance policies or university-sponsored plans. In addition, job tenure is shorter among younger workers, thus increasing the risk that they will be without health insurance coverage for periods of weeks, months, or even years.

Surveys that track people over time provide an opportunity to examine what happens to the insurance coverage of young adults as they graduate from high school or college or move through their early adult years. The federal multiyear longitudinal survey known as SIPP (Survey of Income and Program Participation) interviewed a sample of people about their health insurance and other characteristics in 1996 and tracked their history through 2000.

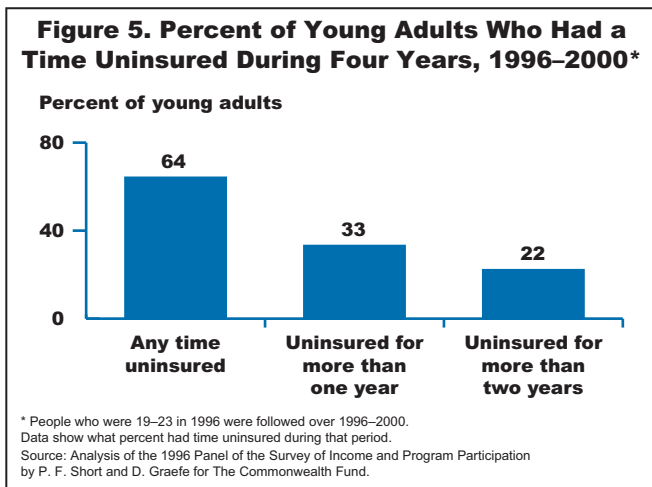
The four-year insurance history of all young adults who were ages 19 to 23 at the beginning of 1996 reveals the extent to which life transitions disrupt insurance coverage. Over the 1996–2000 period, two-thirds (64%) of this cohort of young adults went without coverage for at least part of the time (Figure 5).<sup>11</sup> One-third were uninsured for more than a year, while one-fifth were uninsured for more than two years.

**Figure 4. Percent Uninsured, Children and Young Adults, by Poverty Level, 2005**

Percent Uninsured	Children Age 18 and Under	Young Adults Ages 19–29
<b>Total</b>	<b>11%</b>	<b>30%</b>
<b>&lt;100% FPL</b>	<b>20</b>	<b>51</b>
<b>100%–199% FPL</b>	<b>16</b>	<b>42</b>
<b>≥200% FPL</b>	<b>7</b>	<b>16</b>

Source: Analysis of the March 2006 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Low-income young adults are particularly vulnerable to being uninsured. Among those in



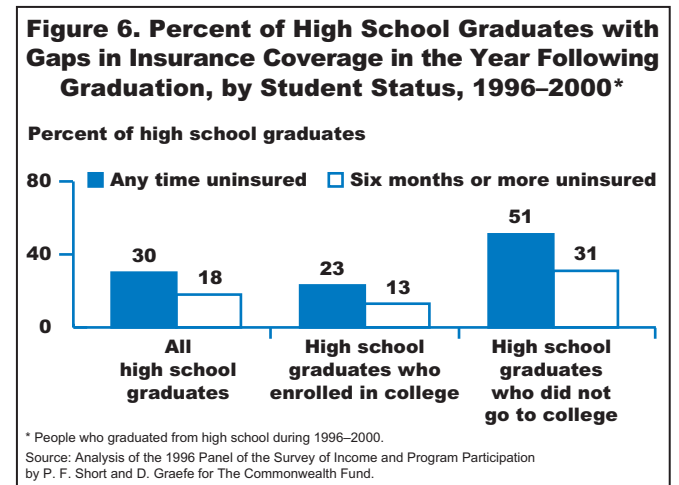
Young adults from households with low incomes were most exposed: they were both more likely to go without insurance for at least some period and more likely to endure long periods without insurance. Nearly 80 percent of young adults living under 200 percent of the poverty level were uninsured for at least part of the four-year period; more than half (52%) were uninsured for 13 months or more (Table 2). Reflecting their generally lower incomes, Hispanic and African American young adults were at similarly high risk of losing insurance and experiencing long spells without coverage. Fifteen percent of Hispanic young adults ages 19 to 23 at the beginning of the four years were uninsured for the entire period.

**Graduation: High School and College**

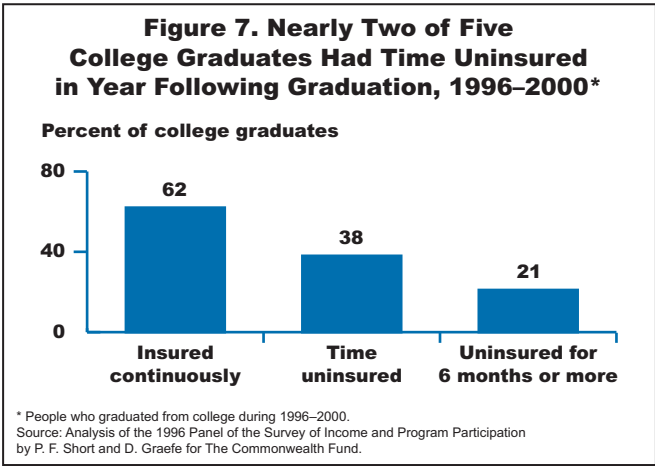
Tracking people over time also reveals how the major life events of early adulthood noted in this report disrupt insurance coverage.

Graduation from high school marks a key juncture in the health insurance coverage of young adults. Tracking a sample of young adults in the year following graduation reveals the extent to which college enrollment is correlated with more secure insurance coverage. Among all young adults graduating from high school, three of 10 were uninsured for some time in the year following high school (Figure 6). Half of young adults who

graduated from high school but did not go to college were uninsured for some time during the year following their graduation—twice the rate for young adults who attended college that year.



Among those young adults who go to college, the year following their college graduation also can be a time during which connections to the health system are fragile and break down. The protections afforded them by virtue of being a full-time student—coverage through a parent’s employer policy or a student health plan—are lost upon graduation. As new, albeit college-educated, entrants to the labor force, they confront similar hazards that high school graduates face: waiting periods, temporary positions, lower-wage jobs, employment in small firms, and job turnover. Of those college students who graduated during 1996 to 2000, 38 percent were uninsured for at least part of the time in the year following graduation, with 21 percent uninsured for six months or more (Figure 7). Based on the experiences of recent graduates, nearly two of five college graduates can expect to spend at least some time uninsured in the year just after graduation.



**WHY COVERAGE IS IMPORTANT FOR YOUNG ADULTS**

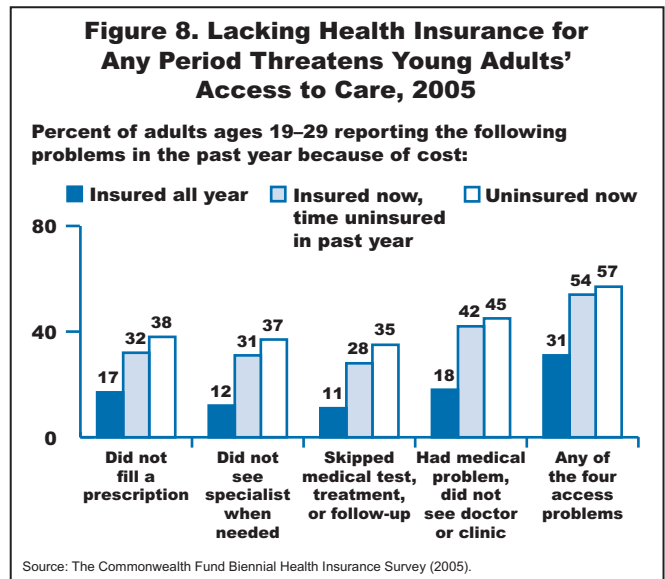
Although young adults in general constitute a healthy group, going without insurance disrupts their access to the health care system, introduces barriers to care when it is needed, and leaves young adults and their families at risk for high out-of-pocket costs in the event of a serious illness or severe injury. Young adults, particularly women, are in need of regular preventive care. If young adults lose their coverage at age 19 or upon graduation from college, their ties with primary care physicians may be severed at precisely the time they should be forming stronger links to the health care system and taking responsibility for their own care. The following are just a few reasons coverage is so important for young adults:

- 14 percent of adults ages 18 to 29 are obese. In the 1990s, obesity increased by 70 percent in this age group—the fastest rate of increase among all adults.<sup>12</sup>
- There are 3.5 million pregnancies each year among the 21 million women ages 19 to 29.<sup>13</sup>
- One-third of all HIV diagnoses are made among young adults.<sup>14</sup>
- Injury-related visits to emergency rooms are far more common among young adults

than they are among either children or older adults.<sup>15</sup>

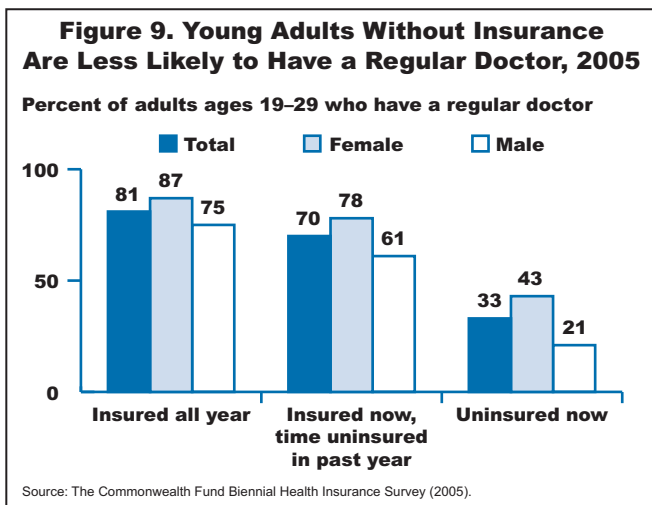
- More than 20,000 people with congenital heart disease reach their 19th birthday each year.<sup>16</sup>

The Commonwealth Fund Biennial Health Insurance Survey (2005) shows that being uninsured or having unstable health insurance hampers access to the health care system. More than half (54%–57%) of young adults ages 19 to 29 who either were uninsured for the entire year or had a time without coverage said that they had gone without needed health care because of the cost (Figure 8). Forgone care included failing to fill a prescription, not seeing a doctor or specialist when sick, or skipping a recommended medical test, treatment, or follow-up visit.

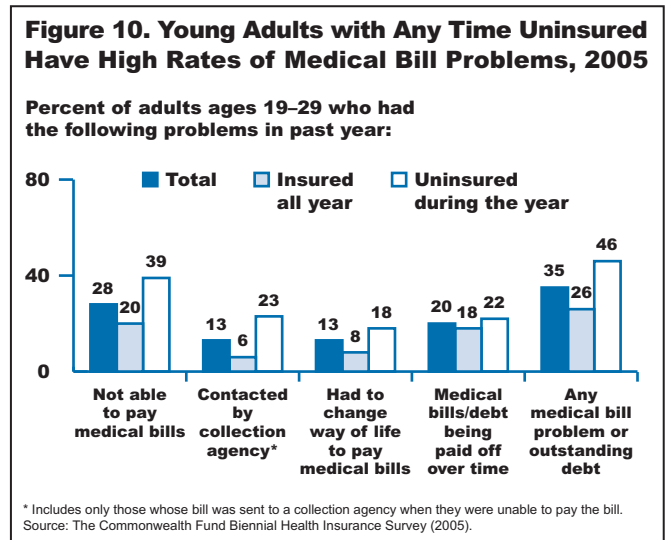


In addition, uninsured young adults are far less likely than those with coverage to have a regular doctor. In the survey, only one-third of uninsured young adults ages 19 to 29 had a regular

doctor, compared with 81 percent of those who were insured all year (Figure 9). Uninsured female young adults had regular doctors at about half the rate of young women who were insured all year. Male young adults who were uninsured had the most fragile link to the health care system: just 21 percent had a regular doctor, compared with 75 percent of male young adults who were insured all year.



Many young adults have problems paying medical bills or are paying off medical debt over time. More than one-third (35%) of all young adults surveyed, both insured and uninsured, reported problems with medical bills: including having trouble making payments, being contacted by a collection agency because of inability to pay bills, significantly changing their way of life in order to pay medical bills, or paying off medical debt over time (Figure 10). About one of five (20%) young adults were paying off medical debt over time. Uninsured young adults were the most burdened with medical bills and debt; 46 percent reported at least one bill-related problem.



Contrary to conventional wisdom, young adults appear to value the protection that health insurance coverage provides. The Commonwealth Fund survey found that nearly three-quarters (73%) of employed young adults accept health insurance coverage when their employer offers it to them, only slightly less than the take-up rate (82%) of workers age 30 or older (Table 3).

**POLICY OPTIONS TO HELP YOUNG ADULTS STAY INSURED**

Health insurance coverage of young adults would be improved by systemwide changes to expand access to and stabilize coverage among the general population. Several recent federal and state proposals that aim for universal insurance coverage have also included specific provisions to increase coverage among young adults in existing private and public insurance arrangements. At the federal level, Representative Pete Stark’s (D-Calif.) AmeriCare Act,<sup>17</sup> Senator Ted Kennedy (D-Mass.) and Representative John Dingell’s (D-Mich.) Medicare for All Act,<sup>18</sup> and Senator Ron Wyden’s (D-Ore.) Healthy Americans Act<sup>19</sup> would all achieve coverage for the full population, including young adults. Senator Barack Obama’s (D-Ill.) proposal

for universal coverage would allow young adults up to age 25 to continue coverage under their parents' plans.

The Commonwealth Fund's Karen Davis and Cathy Schoen have proposed a framework for achieving near-universal coverage that includes a requirement for companies to extend coverage to dependent young adults under age 23 through their parents' insurance plan.<sup>20</sup> Still other, more incremental, proposals would expand coverage for children as well as young adults, or exclusively target young adults. A bill passed by the House of Representatives to reauthorize SCHIP would give states the option to cover children enrolled in Medicaid and SCHIP up to age 25.<sup>21</sup> A bill introduced by Senator Hillary Clinton (D–N.Y.) would allow states to expand Medicaid and SCHIP to young adults up to age 25.<sup>22</sup> Senator John Kerry (D–Mass.), meanwhile, has introduced legislation that would extend SCHIP and Medicaid to children up to age 21.<sup>23</sup>

### Recent State Action

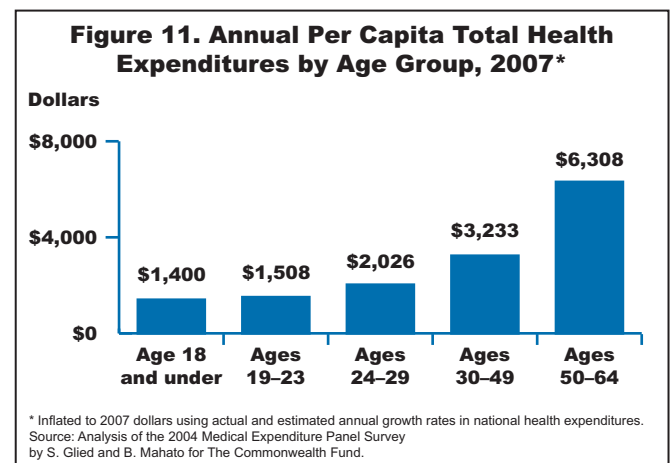
In the absence of federal action to expand insurance coverage, 17 states have passed legislation that increases the age of dependency for young adults for purposes of private insurance coverage (Table 4).<sup>24</sup> Legislatures or governors in Connecticut, Florida, Illinois, New York, and Pennsylvania have introduced similar proposals. New ages of dependency range from 24 in Delaware, Indiana, and South Dakota to 30 in New Jersey. Eleven states have settled on age 25. Some laws apply to students only. In general, these laws apply to plans covered under state insurance regulations and thus do not apply to self-insured employers.

Some of the new laws and proposals are part of broader state efforts to expand coverage. As part of Massachusetts' April 2006 health insurance expansion law, young adults are considered dependents for insurance purposes up to age 25

or for two years after they are no longer claimed on their parents' tax returns—whichever comes first.<sup>25</sup> The state's new Commonwealth Care Connector also provides lower-cost insurance products for young adults ages 19 to 26.<sup>26</sup> Pennsylvania Governor Ed Rendell's health reform proposal includes a requirement that insurers offer coverage to unmarried dependents up to age 30, and it would require all full-time college and graduate students to have health coverage that meets minimum requirements.<sup>27</sup> In Illinois, Governor Rod Blagojevich's proposal for universal coverage in his state includes a provision to increase the dependent age for young adults up to age 30.<sup>28</sup>

### Targeted Policy Options

Whether they are included in a broader coverage expansion plan or implemented on their own, targeted policy options like those described above could improve access to coverage for young adults and help them stay insured. At the same time, expanding coverage for this group could very well lower the average cost of group insurance, since young adults are generally healthier than older adults and have far lower per capita health care expenditures (Figure 11).<sup>29</sup>



Three policy changes could extend coverage to a substantial portion of uninsured young adults and prevent others from losing coverage in the future.

1. *Extend eligibility for Medicaid/SCHIP public coverage beyond age 18.* Congress could allow or require states to extend coverage to those young adults in Medicaid and SCHIP who lose their eligibility because of age, with federal matching funds provided. Young adults in households with incomes under 100 percent of poverty are by far the group most at risk of lacking health insurance coverage. Such an expansion would have the biggest impact in terms of lowering the number of uninsured young adults. Young adults with incomes of 100 percent to 199 percent of poverty also lack insurance at a high rate. States would have the option of extending coverage up to a target age such as 25, and could phase in coverage one year at a time.

Alternatively, Congress could require states to extend coverage to those currently enrolled in the programs and who “age off,” just as states are now required to extend Medicaid coverage to those who become ineligible because of higher earnings.<sup>30</sup> Such a policy change could help the 3.3 million uninsured young adults ages 19 up to 25 with incomes under 100 percent of poverty or the 5.7 million uninsured young adults ages 19 up to 25 with incomes under 200 percent of poverty.<sup>31</sup>

2. *Extend eligibility for dependents under private coverage beyond age 18 or 19.* Private insurers and both public and private employers could be required to define dependent coverage as all unmarried dependents beyond age 18 or 19. As noted above, many states have recently redefined the age at which a young adult is no longer a dependent. Some private and public employers already provide such coverage voluntarily. Under the Federal

Employees Health Benefits Program, government employees and members of Congress currently enjoy coverage for unmarried dependent children under age 22.<sup>32</sup>

Such an expanded benefit could be either structured as a rider with a supplemental premium or simply extended to all policies and covered by the family premium. Even increasing the age to 23 could cover an estimated 1.4 million unmarried, dependent young adults.<sup>33</sup> If the benefit requirement were extended to family policies, the average premium for those plans would rise by about 3 percent to 5 percent.<sup>34</sup>

3. *States could ensure that all colleges and universities require full-time and part-time students to have health insurance, and that they offer health insurance coverage to both.* Many colleges and universities already require health insurance coverage as a condition of enrollment, and a handful of states (California, Idaho, Illinois, Massachusetts, Montana, and New Jersey) have either a state mandate or a higher education governing board mandate requiring that full-time undergraduate students who are U.S. citizens have health insurance in order to enroll. Students at these institutions generally can choose to enroll in a school health plan or provide proof of coverage from another source, usually a parent’s employer-based plan.

The cost of the school plans, which ranges from about \$500 to \$2,400 per year, is usually added to tuition along with other required fees.<sup>35</sup> Increasing the number of schools that require students to have health insurance coverage and that offer such coverage through state mandates could help cover the 1.6 million part-time and full-time uninsured students ages 19 to 23. Federal or state subsidies for premiums would help offset the costs of insurance coverage for students.

## NOTES

- <sup>1</sup> In March 2007, the Census Bureau revised its estimate of the number of people without health insurance in the U.S. The Bureau has updated the March 2006 and 2005 Current Population Surveys (CPS). A full revision for all years is anticipated later this year.
- <sup>2</sup> All analyses of the March Annual Social and Economic Supplement to the Current Population Survey are from S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See [Methodology](#) for a description of the CPS.
- <sup>3</sup> In 2005, the under-65 poverty thresholds were \$10,160 for one person, \$13,078 for two adults, \$15,720 for two adults and one child under 18, and \$19,806 for two adults and two children under 18. See C. DeNavas-Walt, B. D. Proctor and C. H. Lee, *Income, Poverty, and Health Insurance Coverage in the United States: 2005*, Current Population Reports, Consumer Income (Washington, D.C.: U.S. Census Bureau, Aug. 2006).
- <sup>4</sup> S. R. Collins, C. Schoen, M. M. Doty, and A. L. Holmgren, [Job-Based Health Insurance in the Balance: Employer Views of Coverage in the Workplace](#) (New York: The Commonwealth Fund, Mar. 2004).
- <sup>5</sup> D. M. Mills, “The State of Student Health Insurance: Implications for ACHA’s Standards,” 2007 Student Health Insurance/Benefit Plan Survey Results, presentation at ACHA’s Annual Meeting, Jun 1 2007; Communication with S. Beckley, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo., June 9, 2007.
- <sup>6</sup> Ibid.
- <sup>7</sup> S. R. Collins, K. Davis, and A. Ho, “[A Shared Responsibility: U.S. Employers and the Provision of Health Insurance to Employees](#),” *Inquiry*, Spring 2005 42(1): 6–15; S. R. Collins, K. Davis, M. M. Doty, and A. Ho, [Wages, Health Benefits, and Workers’ Health](#) (New York: The Commonwealth Fund, Oct. 2004); S. R. Collins, C. Schoen, D. Colasanto, and D. A. Downey, [On the Edge: Low-Wage Workers and Their Health Insurance Coverage, Findings from the 2001 Health Insurance Survey](#) (New York: The Commonwealth Fund, Mar. 2003); B. Garret, L. M. Nichols, and E. K. Greenman, *Workers Without Health Insurance: Who Are They and How Can Policy Reach Them?* (Washington, D.C.: Urban Institute, Sept. 2001); S. H. Long and M. S. Marquis, “Low-Wage Workers and Health Insurance Coverage: Can Policymakers Target Them Through Their Employers?” *Inquiry*, Fall 2001 38(3):331–37.
- <sup>8</sup> Authors’ analysis of the [Commonwealth Fund Biennial Health Insurance Survey \(2005\)](#).
- <sup>9</sup> Ibid.
- <sup>10</sup> E. Fishman, “Aging Out of Coverage: Young Adults with Special Health Needs,” *Health Affairs*, Nov./Dec. 2001 20(6):254–66.
- <sup>11</sup> All analyses of the 1996 Panel of the Survey of Income and Program Participation (SIPP) are from P.F. Short and D. Graefe, Pennsylvania State University, for The Commonwealth Fund. See [Methodology](#) for a description of the SIPP.
- <sup>12</sup> A. H. Mokdad, E. S. Ford, B. A. Bowman et al., “Prevalence of Obesity, Diabetes, and Obesity-Related Health Risk Factors, 2001,” *Journal of the American Medical Association*, Jan. 1, 2003 289(1):76–79; T. A. Hillier and K. L. Pedula, “Complications in Young Adults with Early Onset Type 2 Diabetes: Losing the Relative Protection of Youth,” *Diabetes Care*, Nov. 2003 26 (11):2999–3005; A. H. Mokdad et al., “The Spread of the Obesity Epidemic in the United States, 1991–1998,” *Journal of the American Medical Association*, Oct. 27, 1999 282(16):1519–22.
- <sup>13</sup> K. Quinn, C. Schoen, and L. Buatti, [On Their Own: Young Adults Living Without Health Insurance](#) (New York: The Commonwealth Fund, May 2000).
- <sup>14</sup> Ibid.
- <sup>15</sup> National Center for Health Statistics, *Health, United States, 2005* (Hyattsville, Md.: NCHS, Nov. 2005), Table 89.
- <sup>16</sup> G. Rosenthal, “Prevalence of Congenital Heart Disease,” in *The Science and Practice of Pediatric Cardiology*, Second Edition, A. Garson, J. T. Bricker, D. J. Fisher, and S. R. Neish (eds.) (Baltimore: Williams and Wilkins, 1998), pp. 1095–96.
- <sup>17</sup> AmeriCare Health Care Act of 2007, H.R. 1841, introduced 3/29/2007.
- <sup>18</sup> Medicare for All Act, S. 1218 and H.R. 2034, introduced 4/25/2007.
- <sup>19</sup> Healthy Americans Act, S. 334, introduced 3/22/2007.
- <sup>20</sup> K. Davis and C. Schoen, “[Creating Consensus on Coverage Choices](#),” *Health Affairs* Web Exclusive (Apr. 23, 2003):W3-199–W3-211.

- <sup>21</sup> H.R. 3162, The Children's Health and Medicare Protection Act of 2007.
- <sup>22</sup> S.895, Children's Health First Act.
- <sup>23</sup> S.95, Kids Come First Act of 2007.
- <sup>24</sup> See National Conference of State Legislatures, <http://www.ncsl.org/programs/health/dependentstatus.htm>; State Coverage Initiatives, <http://www.statecoverage.net/matrix/dependentcoverage.htm>.
- <sup>25</sup> Massachusetts H.B. 4850, <http://www.mass.gov/legis/laws/seslaw06/sl060058.htm>.
- <sup>26</sup> "Health Care Access and Affordability Conference Committee Report," Apr. 2006, <http://www.mass.gov/legis/summary.pdf>.
- <sup>27</sup> Pennsylvania Governor Rendell's "Prescription for Pennsylvania" proposal, <http://www.gohcr.state.pa.us/prescription-for-pennsylvania/index.html>.
- <sup>28</sup> "Illinois Covered" plan, <http://www.illinoiscovered.com/details.html>.
- <sup>29</sup> Analysis of the Medical Expenditure Panel Survey (MEPS), 2004, by S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See [Methodology](#) for a description of the MEPS.
- <sup>30</sup> J. M. Lambrew and A. Garson, Jr., *Small But Significant Steps to Help the Uninsured* (New York: The Commonwealth Fund, Jan. 2003).
- <sup>31</sup> Analysis of the March 2006 Annual Social and Economic Supplement to the CPS, S. Glied and B. Mahato.
- <sup>32</sup> Federal Employees Health Benefits Program Handbook, see <http://www.opm.gov/insure/handbook/fehb00.asp>.
- <sup>33</sup> Analysis of the March 2006 Annual Social and Economic Supplement to the CPS, S. Glied and B. Mahato.
- <sup>34</sup> This estimate is based on the costs of adding the estimated number of adults 19 to 23 who currently do not have employer-sponsored health insurance to different types of family policies. The range reflects the average premium increases resulting from spreading those costs across family policies with dependent children (5%) or all non-single policies (3%).
- <sup>35</sup> The range reflects the costs of those school health plans that are consistent with standards recommended by the American College Health Association. Communication with S. Beckley, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo.; L. Rosellini, "Healthcare Headaches," *U.S. News & World Report*, Apr. 15, 2002, p. 52.

**Table 1. Uninsured Rates by Age Group and Selected Demographic Characteristics**

	<b>Age Group</b>				
	<b>18 &amp; under</b>	<b>19-29</b>	<b>30-35</b>	<b>36-49</b>	<b>50-64</b>
<b>Total (millions)</b>	77.7	43.5	24.1	61.3	49.2
<b>Total (% uninsured)</b>	11%	30%	22%	17%	12%
<b>Gender</b>					
Male	11	34	25	18	13
Female	11	26	20	16	13
<b>Poverty</b>					
<100%	20	51	47	43	32
100%–199%	16	42	39	34	24
200%+	7	16	13	9	8
<b>Education</b>					
Less than 12th grade	11	55	51	41	28
12th grade/high school	19	38	30	21	15
More than high school	16	23	19	14	10
Bachelor's degree or more	—	15	9	7	7
<b>Race/Ethnicity</b>					
White	7	23	16	12	10
Black	12	34	25	21	18
Hispanic	22	52	41	36	30
Other	12	30	19	18	19
<b>Student Status</b>					
Full-time student	13	18	—	—	—
Part-time student	14	28	—	—	—
Non-student	11	33	22	17	13
<b>Employment Status</b>					
Self employed	8	39	31	28	22
Employed part-time	10	25	27	20	16
Employed full-time	23	28	19	13	9
Not employed	11	38	32	26	17
<b>Firm Size</b>					
(Base: those employed full-time or part-time)					
<25 employees	13	41	35	26	19
25 or more employees	12	23	15	10	7
<100 employees	12	37	30	23	16
100 or more employees	12	21	13	9	6

Source: Analysis of the March 2006 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

**Table 2. Months Uninsured Among Young Adults, 1996–2000**

	<b>Population in millions</b>	<b>Any part of 4-year period</b>	<b>13 months or more</b>	<b>25 months or more</b>	<b>48 months</b>
<b>Total 19–23*</b>	17	64%	33%	22%	6%
<b>Poverty</b>					
≤ 200% FPL	5	79	52	37	12
> 200% FPL	12	57	25	15	3
<b>Race</b>					
White	12	61	29	18	3
Black	2	65	38	25	11
Hispanic	2	76	52	39	15

\* People who were 19–23 at beginning of survey in 1996.

Source: Analysis of the 1996 Panel of the Survey of Income and Program Participation by P. F. Short and D. Graefe for The Commonwealth Fund.

**Table 3. Availability of and Workers' Eligibility for Employer Insurance  
(base: workers ages 19–64)**

	<b>Total</b>	<b>Ages 19–29</b>	<b>Ages 30–64</b>
<b>Total (millions)</b>	125.8	26.0	99.8
<b>Eligibility</b>			
Employer offers a plan	77%	71%	78%
Eligible for employer plan	71	62	73
<b>Coverage</b>			
Covered through own employer	57	45	60
Covered through someone else's employer	17	15	17
Covered through public program	4	6	3
Individual	5	5	6
Other	3	6	2
Uninsured	15	23	13
Take-up rate of own-employer insurance	80	73	82

Note: Workers include full-time and part-time workers.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2005).

**Table 4. State Laws That Increase the Age Up to Which Young Adults Are Considered Dependents for Insurance Purposes**

<b>State</b>	<b>Year law passed or implemented</b>	<b>Limiting age of dependency status</b>	<b>Applies to non-students?</b>
Colorado <sup>1</sup>	2006	25	Yes
Delaware <sup>2</sup>	2006	24	Yes
Idaho <sup>3</sup>	2007	25	No
Indiana <sup>4</sup>	2007	24	Yes
Maine <sup>5</sup>	2007	25	Yes
Maryland <sup>6</sup>	2007	25	Yes
Massachusetts <sup>7</sup>	2006	25	Yes
Minnesota <sup>8</sup>	2007	25	Yes
New Hampshire <sup>9</sup>	2007	26	Yes
New Jersey <sup>10</sup>	2006	30	Yes
New Mexico <sup>11</sup>	2005	25	Yes
Rhode Island <sup>12</sup>	2006	25	No
South Dakota <sup>13</sup>	2005	24	No
Texas <sup>14</sup>	2003	25	Yes
Utah <sup>15</sup>	1994	26	Yes
Washington <sup>16</sup>	2007	25	Yes
West Virginia <sup>17</sup>	2007	25	Yes

<sup>1</sup> Colorado House Bill 05-1101; Requires group and privately purchased individual health plans to cover unmarried dependents up to age 25. Dependents must be unmarried or financially dependent, or live at the same address as parents, but eligibility is not dependent on full-time enrollment in school.

<sup>2</sup> Delaware House Bill 446, Chapter No. 419; Requires insurance providers to cover unmarried young adults under a pre-existing family policy up to age 24. Applicable as long as the young adult has no dependents and either lives in the state of Delaware or is a full-time student.

<sup>3</sup> Idaho Senate Bill 1105, Chapter No. 148; Allows unmarried financially dependent full-time students up to age 25 to remain on their parents' health insurance, and unmarried non-students up to age 21.

<sup>4</sup> Indiana House Bill 1678; Requires commercial health insurers and health maintenance organizations to cover dependents up to age 24 on their parents' insurance.

<sup>5</sup> Maine Chapter 115 Title 24-A; Requires individual and group health insurance policies to continue coverage for a dependent child up to age 25 if the child is financially dependent on the policyholder and has no dependents of his/her own.

<sup>6</sup> Maryland House Bill 1057; Allows young adults up to age 25 to receive coverage through their parents' health insurance as long as they live with the policyholder and are unmarried.

<sup>7</sup> Massachusetts House Bill 4850; As part of Massachusetts' April 2006 health insurance expansion law, young adults are considered dependents for insurance purposes up to age 25 or for two years after they are no longer claimed on their parents' tax returns, whichever comes first.

<sup>8</sup> Minnesota House Bill 475; Effective January 1, 2008; Allows dependents up to age 25 to remain on their parents' private health insurance plans.

<sup>9</sup> New Hampshire Senate Bill 183-FN; Applies to dependents up to age 26 who are unmarried, have no dependents of their own, are residents of New Hampshire or full-time students, and are not provided coverage through another group or individual health plan.

<sup>10</sup> New Jersey Public Act 2005 Chapter 375; Requires most group health plans to cover single adult dependents up to age 30.

<sup>11</sup> New Mexico House Bill 335; Requires that all insurance policies provide coverage for unmarried dependents up to age 25, regardless of school enrollment.

<sup>12</sup> Rhode Island Senate Bill 2211; Requires health insurance plans to cover unmarried dependent children up to age 19, or age 25 for financially dependent students.

<sup>13</sup> South Dakota Codified Law 58-17-2.3; Prohibits any insurance provider that offers dependent benefits from terminating coverage before age 19, or 24 if the dependent is a full-time student.

<sup>14</sup> Texas House Bill 1446; Allows dependents up to age 25 to be covered by their parents' insurance plans. Full-time students age 25 and older are also eligible to remain on their parents' health insurance.

<sup>15</sup> Utah Code, Title 31A-22-610.5; Requires insurance policies that include dependent coverage to cover unmarried dependents up to age 26.

<sup>16</sup> Washington Chapter 259, 2007 Laws PV (Senate Bill 5930); effective January 1, 2009; Requires all commercial insurance carriers and the state employee programs to offer enrollees the opportunity to extend coverage to unmarried dependents up to age 25.

<sup>17</sup> West Virginia Chapter 134, Acts, 2007; Requires health insurance plans to cover unmarried dependent children up to age 25.

Note: Five states have passed laws to extend the dependency eligibility age for young adults in the military or who are disabled. Pennsylvania requires that full-time students whose studies are interrupted by military service are considered dependents until they finish school, regardless of age; Illinois requires that full-time students whose studies are interrupted by military service are considered dependents for the amount of time they spent serving, up to age 25. Idaho allows unmarried disabled children to remain dependents for insurance purposes up until any age; Oregon includes disabled adult children in the definition of dependent; Maine requires that children with a mental or physical disability that prevents them from enrolling in school are considered dependents up to age 24.

Additional sources: National Conference of State Legislatures, *Changing Definition of 'Dependent': Who Is Insured and For How Long?* (Washington, D.C.: NCSL). Available at <http://www.ncsl.org/programs/health/dependentstatus.htm>; State Coverage Initiatives, *Dependent Coverage*, <http://www.statecoverage.net/matrix/dependentcoverage.htm>.

## METHODOLOGY

Most data in this issue brief are from four surveys: the March Annual Social and Economic Supplement to the Current Population Survey (CPS), 2006 (revised in March 2007); the Medical Expenditure Panel Survey (MEPS), 2004; the 1996 Panel of the Survey of Income and Program Participation (SIPP); and the [Commonwealth Fund Biennial Health Insurance Survey \(2005\)](#). Sherry Glied and Bisundev Mahato of Columbia University, Mailman School of Public Health, provided analysis of the CPS and MEPS. Pamela Farley Short and Deborah Graefe of Pennsylvania State University, Center for Health Care and Policy Research, provided analysis of the SIPP. The authors analyzed the Commonwealth Fund Biennial Health Insurance Survey.

The CPS, MEPS and SIPP are federal surveys sponsored by the Census Bureau (CPS and SIPP) and the Agency for Healthcare Research and Quality (MEPS). The CPS, the primary source of information on U.S. labor force characteristics, is conducted monthly on a sample of about 57,000 households representing approximately 140,000 people. The Annual Social and Economic Supplement to the CPS is conducted in March of each year with a sample of about 99,000 households. The MEPS uses an overlapping panel design in which data are collected in a series of five interviews over a 30-month period, with a new panel started each year. The sample size in 2004 was 13,018 families, representing 32,737 people. The SIPP is a multiyear panel survey that interviews a sample of households every four months for several years. The 1996 panel was fielded for four years and consisted of 37,000 households.

The [Commonwealth Fund Biennial Health Insurance Survey \(2005\)](#) was conducted by Princeton Survey Research Associates International from August 18, 2005, through January 5, 2006. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 4,350 adults age 19 and older living in the continental United States. The analysis in this report is based on 603 adults ages 19 to 29 in the sample. Statistical results are weighted to correct for the disproportionate sample design and to make the final total sample results representative of all adults age 19 and older living in the continental U.S. The data are weighted to the U.S. adult population by age, sex, race/ethnicity, education, household size, geographic region, and telephone service interruption, using the U.S. Census Bureau's 2005 Annual Social and Economic Supplement. The resulting weighted sample is representative of the approximately 212 million adults age 19 and older, including 35.5 million young adults ages 19 to 29.

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