

CRS Report for Congress

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Health Insurance Coverage of Children, 2003

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Summary

In 2003, 9.1 million children (11.8%) went without health insurance. This was not significantly different than in 2002. However, for the third year in a row, the number of children covered by employment-based health insurance dropped but was more than offset by the increase in public coverage. In 2003, 1.1 million fewer children had job-based coverage, compared to 2002, but 1.8 million more children had public coverage. In 2003, 62% of children had employment-based health insurance at any time during the year, and 26% had publicly provided health insurance.

Only 8% of non-Hispanic white children were uninsured in 2003, compared to 22% of Hispanic children. Children in poor or near-poor families were more likely to be uninsured than those in higher-income families. Children whose parents worked in a small firm were much more likely to be uninsured (21% in firms with less than 10 workers) than those whose parents worked in a large firm (6% in firms with 1,000 or more workers). Of uninsured children, more than half (57%) live in a household with a parent where at least one adult worked full time for the entire year.

This report will be updated annually each fall, when new data are released.

Health Insurance Coverage of Children Over Time

In 2003, the estimated number of uninsured children (under age 19, 9.1 million) did not change significantly from 2002. From 1998 to 2000, the number of uninsured children dropped significantly because the number covered through employment-based health insurance and through public coverage each increased. From 2000 to 2003, however, the percentage of children covered by employment-based health insurance dropped significantly from 67% to 62% — a decrease of nearly 2.6 million children. That decrease was offset by an increase in public coverage of nearly 4.3 million children. More than one out of four children (26%) had publicly provided health insurance in 2003. In spite of these changes in the sources of children's health insurance, the percentage of children without health insurance remains at its lowest level in more than a decade, as shown in **Table 1**.

Table 1. Health Insurance Coverage of Children, 1991 to 2003

	Children <19 (thousands)	Employment Based	Other Private HI	Medicaid/ Other Public ^a	No Health Insurance
2003	77,607	62.3%	5.3%	26.1%	11.8%
2002	77,276	63.9%	5.3%	23.8%	12.0%
2001	76,559	64.9%	5.0%	22.6%	12.1%
2000	76,321	66.7%	4.9%	20.8%	12.3%
1999	76,303	66.0%	5.6%	20.1%	13.2%
Results Using pre-1999 Questionnaire ^b					
	Children <19 (thousands)	Privately Insured		Medicaid ^c	No Health Insurance
1999	76,303	68.6%		18.6%	14.4%
1998	76,004	67.7%		18.6%	15.6%
1997	75,491	67.0%		19.4%	15.4%
1996	74,899	67.4%		21.3%	15.1%
1995	74,766	67.1%		22.8%	14.0%
1994	73,973	66.9%		22.5%	14.4%
1993	73,182	67.6%		23.5%	14.0%
1992	70,376	69.4%		21.2%	12.8%
1991	69,367	70.0%		20.1%	13.0%

Source: CRS analysis of data from the 1992-2004 Current Population Surveys.

Note: Children may be covered by more than one type of insurance; thus, percentages may total to more than 100. For 1999 onward, population weights were based on the 2000 census.

- Includes the State Children's Health Insurance Program (SCHIP), other state programs for low-income individuals, and Medicare. Excludes military and veterans coverage.
- The numbers from the new questionnaire are more reliable but go back no earlier than 1999. For more information on the changes in the CPS questionnaire, see CRS Report RL31275, *Health Insurance: Federal Data Sources for Analyses of the Uninsured*, by Chris L. Peterson and Christine Devere. "Employment based" and "other private health insurance" are grouped into "privately insured" because changes to the Current Population Survey (CPS) beginning with the March 1995 survey resulted in a greater proportion of private insurance being classified as employment based.
- Includes the State Children's Health Insurance Program (SCHIP). Excludes Medicare, military and veterans coverage. The percentage covered by Medicaid using the pre-1999 questionnaire does not include other state programs for low-income individuals.

Health Insurance Coverage and Demographic Characteristics

As shown in **Table 2**, children ages 13 to 18 were more likely to be covered by employment-based coverage in 2003 than younger children. Yet those teenage children were more likely to be uninsured because rates of coverage for them through Medicaid and other public programs were much lower than for children 12 and under. Black and Hispanic children were less likely to have employment-based coverage and were more likely to be without health insurance, compared to non-Hispanic white children. However, black and Hispanic children were more than twice as likely as non-Hispanic white children to receive coverage through Medicaid or some other public program. Children in the South and the West were more likely to be uninsured than children in the Northeast or the Midwest.

Table 2. Health Insurance Coverage and Demographic Characteristics of Children under 19, 2003

	Population (thousands)	Employment Based	Other Private HI	Medicaid/ Other Public ^a	CHAMPUS or VA	Uninsured
Age						
Under 6	23,834	58.7%	4.8%	31.9%	2.9%	10.3%
6 to 12	28,243	62.8%	5.2%	26.3%	2.6%	11.0%
13 to 18	25,531	65.1%	5.9%	20.4%	2.8%	14.0%
Race/ethnicity						
White	46,044	73.6%	6.6%	17.4%	3.1%	7.7%
Black	11,570	46.2%	2.9%	43.1%	2.8%	14.9%
Hispanic	14,518	40.0%	2.8%	39.9%	1.4%	21.9%
Asian	2,854	66.2%	7.6%	19.2%	2.1%	12.7%
Other	2,620	52.9%	4.7%	34.8%	4.5%	12.6%
Region						
Northeast	13,734	68.5%	4.1%	24.2%	1.4%	9.4%
Midwest	17,339	70.4%	5.3%	22.6%	2.0%	8.3%
South	27,995	57.3%	5.2%	28.1%	3.6%	14.3%
West	18,539	57.6%	6.5%	27.7%	3.2%	13.0%
Total	77,607	62.3%	5.3%	26.1%	2.7%	11.8%

Table 3. Health Insurance Coverage and Family Characteristics of Children under 19, 2003

	Population (thousands)	Employment Based	Other Private HI	Medicaid/ Other Public ^a	CHAMPUS or VA	Uninsured
<i>Child not with parent</i>	3,755	25.4%	1.4%	41.0%	1.4%	34.9%
<i>Child with parent</i>	73,852	64.2%	5.5%	25.3%	2.8%	10.6%
Family type						
Two-parent ^b	52,513	72.6%	6.2%	17.2%	3.3%	8.9%
Single dad	4,077	48.8%	6.0%	32.7%	2.1%	18.9%
Single mom	17,262	41.9%	3.1%	48.4%	1.5%	13.8%
Poverty status						
Under 100%	12,246	17.1%	3.0%	67.1%	1.8%	18.3%
100% to 149%	7,923	37.9%	3.7%	48.7%	2.4%	18.0%
150% to 199%	7,707	54.5%	5.1%	31.5%	3.2%	16.9%
200% to 299%	13,592	71.9%	6.2%	18.5%	3.2%	9.7%
300% and higher	32,383	87.4%	6.7%	5.1%	3.0%	4.7%
Parent's insurance						
Employment based	50,316	91.8%	3.0%	11.1%	2.4%	2.3%
Other private HI	2,951	4.6%	86.2%	15.6%	1.8%	2.1%
Medicaid/other pub.	7,802	3.3%	0.1%	96.7%	1.4%	2.7%
CHAMPUS or VA	697	2.6%	0.2%	7.7%	98.9%	0.3%
Uninsured	12,087	6.4%	0.2%	41.8%	0.2%	52.7%

Source: Tables are from CRS analysis of data from the March 2004 Current Population Survey.

Note: Children may have more than one type of insurance, so percentages can sum to more than 100%.

- a. Includes the State Children's Health Insurance Program (SCHIP), other state programs for low-income individuals, and Medicare. Excludes military and veterans coverage.
- b. Includes stepparent.

Insurance Coverage and Family Characteristics

Children's insurance coverage also differs by family structure. As shown in **Table 3**, 35% of children not living with a parent lacked health insurance, compared to 11% of children living with at least one parent. Among children living with a parent, family structure still had an impact on health insurance coverage. Less than 10% of children in a two-parent family were uninsured in 2003. Compared to children living with their single mothers, children living with their single fathers were more likely to have employment-based health insurance but were less likely to have insurance overall because they were much less likely to be enrolled in Medicaid or other public coverage.

Among children in poverty,¹ 17% had employment-based coverage, while two-thirds were covered by Medicaid or other public coverage; 18% were uninsured. As the income-to-poverty ratio increases, so does the likelihood of children having employment-based coverage. Among children in families with income three or more times the poverty level, 87% had job-based coverage; 5% were uninsured.

A child's source of health insurance is strongly affected by the insurance coverage of his or her parents. Approximately 92% of children who had one or more parents with employment-based coverage in 2003 also had employment-based coverage.² Likewise, about 97% of children in families in which the parent(s) had Medicaid or other public coverage were also in Medicaid or other public coverage. In 2003, of children in families in which the parent(s) was uninsured, 53% had no insurance coverage and 42% were covered by Medicaid or some other public program.

Insurance Coverage and Parents' Employment

In 2003, of children in families where at least one parent worked year-round and full-time, 74% had job-based coverage, 16% were enrolled in Medicaid or other public coverage, while about 9% were uninsured, as shown in **Table 4**. In families where at least one parent worked but only part-year or part-time, 37% of children had job-based coverage, while half (51%) were covered by public coverage, and 15% were uninsured. Where children lived with at least one parent but no parent was working, 71% had public coverage, and 19% were uninsured.

Employment-based health insurance coverage is less common for workers in small firms than in larger ones. Rates of job-based coverage were lowest and lack of health insurance coverage was highest among children in families where the primary worker was employed by a firm with fewer than 10 employees. In four industry groups, less than half of workers' dependent children had employment-based coverage. However, less than 10% of workers' dependent children were uninsured in several other sectors.

¹ Among children living with at least one parent. In 2003, the poverty threshold for a family with two adults and two children was \$18,660.

² When a parent had more than one source of coverage, the following hierarchy was used to determine "primary" coverage: employment based, private, Medicaid/Medicare, CHAMPUS or VA, and other public. Then the parent with the "highest" coverage was used to classify both parents' insurance coverage. Thus, if one parent had employment-based coverage and the other had private insurance, the parents' coverage was classified as employment based.

Table 4. Health Insurance Coverage and Parents' Employment, Among Children Living with at Least 1 Parent, 2003

	Population (thousands)	Employment Based	Other Private HI	Medicaid/ Other Public ^a	CHAMPUS or VA	Uninsured
Custodial parents' work status						
At least 1 worked year-round, full-time	57,288	74.4%	5.6%	16.0%	2.9%	9.0%
None full time; at least 1 part-year or part-time	11,199	36.9%	6.1%	51.2%	2.4%	14.8%
Did not work	5,364	11.3% ^b	2.9%	71.2%	2.2%	18.7%
Firm size						
Under 10 workers	11,141	35.7%	14.7%	33.3%	1.4%	21.0%
10 to 24	5,819	50.2%	7.3%	29.0%	1.3%	18.5%
25 to 99	8,542	62.1%	5.2%	26.9%	1.1%	12.0%
100 to 499	9,202	75.2%	3.3%	20.4%	1.5%	7.5%
500 to 999	3,490	75.3%	3.7%	19.6%	1.4%	7.1%
1,000 or more	26,561	80.6%	2.8%	15.5%	4.9%	5.5%
<i>Not applicable</i> ^c	9,096	46.2%	4.2%	47.6%	3.1%	11.0%
Industry						
Agriculture, forestry, fishing and hunting	1,153	24.8%	12.3%	37.3%	1.1%	28.7%
Construction	5,939	49.4%	7.5%	28.3%	1.3%	20.6%
Arts, entertainment, recreation, food services, accomm.	3,898	36.6%	5.1%	43.5%	1.0%	18.9%
Other services	2,611	41.3%	6.9%	39.7%	1.4%	17.7%
Mining	408	75.7%	5.3%	11.5%	1.3%	12.2%
Wholesale, retail trade	8,238	63.4%	6.8%	25.1%	1.5%	11.1%
Professional, manager, administrative services	6,263	64.1%	9.2%	21.4%	1.4%	10.5%
Transportation, utilities	3,692	75.5%	3.8%	18.2%	2.1%	9.1%
Finance, insurance, real estate, rental, leasing	4,630	76.8%	8.1%	11.9%	1.2%	8.7%
Educational, health, and social services	12,242	72.4%	4.7%	21.7%	2.0%	7.4%
Manufacturing	9,829	80.0%	3.1%	16.6%	1.0%	6.3%
Information	1,772	85.0%	4.0%	10.2%	1.3%	5.0%
Public administration	3,379	89.8%	2.0%	10.1%	6.2%	2.9%
Armed forces, military	702	42.1%	2.2%	5.1%	100.0%	0.0%
<i>Not applicable</i> ^c	9,096	46.2%	4.2%	47.6%	3.1%	11.0%
Total	73,852	64.2%	5.5%	25.3%	2.8%	10.6%

Source: CRS analysis of data from the March 2004 Current Population Survey.

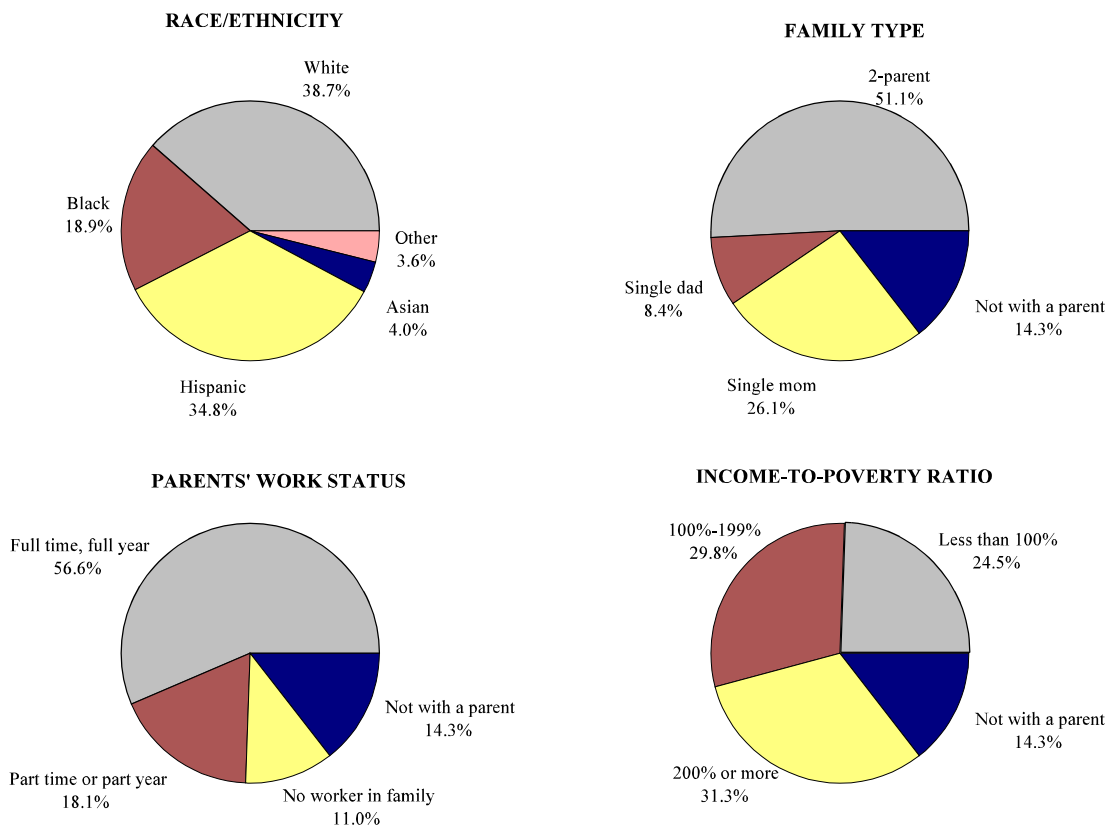
Note: Children may have more than one type of insurance, so percentages can sum to more than 100%.

- Includes the State Children's Health Insurance Program (SCHIP), other state programs for low-income individuals, and Medicare. Excludes military and veterans coverage.
- Child's employment-based coverage may be through a parent's former employer, from someone outside the household (e.g., noncustodial parent), or from coverage in the child's name (e.g., the child's own job).
- No firm-size or industry information is provided because the parent did not work (5.5 million), or coverage is from outside the household (3.2 million) or in the child's own name (0.4 million).

Characteristics of Uninsured Children

In the preceding discussion, children were grouped according to various characteristics, with their rates of health insurance coverage compared. For example, in 2003, 8% of non-Hispanic white children were uninsured, compared to 22% of Hispanics. However, because the United States has many more non-Hispanic white children (46 million) than Hispanic children (15 million), the population of *uninsured* children actually consists of more non-Hispanic white children than Hispanic children, as shown in **Figure 1**. This apparent paradox — that the group least likely to be uninsured makes up the greatest portion of the uninsured — exists when looking at other characteristics as well. The children of full-time, full-year workers are least likely to be uninsured (9%), compared to the other workforce-attachment categories, yet comprise 57% of the population of uninsured children. Children in two-parent families are least likely to be uninsured (9%), compared to the other family types, yet make up more than half of the population of uninsured children. This makes it more difficult for those developing proposals to help uninsured children. For example, should proposals be targeted at uninsured children in two-parent families because they are more numerous, or at other uninsured children because they are more likely to be uninsured?

Figure 1. Characteristics of Uninsured Children Under Age 19, 2003 (9.1 million)



Source: CRS analysis of data from the 2004 Current Population Survey.

Note: Totals may not sum to 100% due to rounding. “Full time, full year” means at least one parent living with the child was a full-time, full-year worker. “Part time or part year” means that at least one parent living with the child worked but not full time and full year. Hispanics may be of any race. In this chart, whites, blacks and Asians are non-Hispanic and report only one race. Among non-Hispanics, individuals who report any other single race (e.g., American Indian) or multiple races are categorized as “other.”