

STATISTICAL BRIEF #267

October 2009

Group and Non-Group Private Health Insurance Coverage, 1996 to 2007: Estimates for the U.S. Civilian Noninstitutionalized Population under Age 65

Joel W. Cohen, PhD and Jeffrey A. Rhoades, PhD

Introduction

Estimates of the health insurance status of the U.S. civilian noninstitutionalized population are critical to policymakers and others concerned with access to medical care and the cost and quality of that care. Health insurance helps people secure timely access to medical care and protects them against the risk of expensive and unanticipated medical events. Private health insurance in the U.S. is primarily obtained either through employment or individually through the private market. Employment-based insurance is typically called group insurance because the employer purchases coverage for a group of individuals, its employees. Insurance purchased individually is typically called non-group insurance because the insurance is purchased directly from the insurer by a single individual or family.

Using data from the Household Component of the Medical Expenditure Panel Survey (MEPS-HC), this Statistical Brief examines the trends in group and non-group private health insurance coverage between 1996 and 2007 for the U.S. civilian noninstitutionalized population under age 65. All differences between estimates discussed in the text are statistically significant at the 0.05 level or better.

Findings

As shown in figure 1, a majority of non-elderly Americans have private health insurance through the group market. In 2007, almost two-thirds (65 percent) of the population under age 65 (171 million people, figure 2) had private group health insurance at some time during the year. Sixty percent of the population had private group insurance at the time of the interview during the first half of 2007, and 56 percent (146 million people) had it for the entire year. Although there was an increase in the percentage of the population that had private group insurance for the full year between 1996 and 1999 (from 57.7 to 60.8 percent), by 2007 that percentage dropped back to approximately the 1996 level. Although the percentage of the population with private group insurance for the full year was similar in 1996 and 2007, the number of individuals with this type of coverage did increase over this period, from 135 million in 1996 to 146 million in 2007, reflecting overall growth in the U.S. civilian noninstitutionalized population. Most of that increase occurred between 1996 and 1999.

In 2007, 4.0 percent of the population under age 65 had private non-group insurance at some time during the year, 3.2 percent had it at the time of the interview during the first half of the year, and 2.5 percent had it for the full year (figure 3). These percentages correspond to 10.6, 8.3, and 6.6 million individuals, respectively (figure 4). The trend over this period shows a decline in both the percentage and number of individuals with this type of insurance. Between 1996 and 2007, the number of individuals with private non-group insurance for the full year fell from 9.0 million to 6.6 million. There was a corresponding decline in the percentage of people with full year non-group insurance, from 3.8 to 2.5 percent. Thus, by 2007 the proportion of the privately insured population that had non-group insurance only represented about 4 percent of the full year private market, down from about 6 percent in 1996 (figure 5).

Highlights

- In each year between 1996 and 2007, the majority of the U.S. civilian noninstitutionalized population under age 65 obtained private health insurance coverage through the group market.
- From 1996 to 2007 the number of non-elderly individuals with private group health insurance for the full year rose from 135.4 million to 146.0 million, but the proportion of the population with this type of insurance did not increase.
- From 1996 to 2007 the number of non-elderly individuals with private non-group health insurance for the full year fell from 9.0 million to 6.6 million, and declined as a proportion of the population from 3.8 to 2.5 percent.
- Between 1996 and 2007 the proportion of the full year privately insured population that had private non-group health insurance only declined from 5.9 to 4.1 percent.

Data Source

The estimates shown in this Statistical Brief are drawn from analyses conducted by the MEPS staff from the following public use files: 1996 to 2007 Full Year, Point-in-Time, and Person Round Plan Files, which are available on the MEPS Web site, <http://www.meps.ahrq.gov>.

Definitions

Group coverage

Group private health insurance coverage was defined as nonpublic insurance that provided coverage for hospital and physician care and was identified as one of the following by the respondent: employer/union group, policy holder outside the household, and do not know. Do not know responses were assumed to belong to this modal category.

Non-Group coverage

Non-group private health insurance coverage was defined as nonpublic insurance that provided coverage for hospital and physician care and was identified as one of the following by the respondent: non-group, other group plan, and self employed.

About MEPS-HC

The MEPS-HC is a nationally representative longitudinal survey that collects detailed information on health care utilization and expenditures, health insurance, and health status, as well as a wide variety of social, demographic, and economic characteristics for the U.S. civilian noninstitutionalized population. It is cosponsored by the Agency for Healthcare Research and Quality and the National Center for Health Statistics.

For more information about MEPS, call the MEPS information coordinator at AHRQ (301) 427-1406 or visit the MEPS Web site at <http://www.meps.ahrq.gov>.

References

For a detailed description of the MEPS-HC survey and sample design, and methods used to minimize sources of nonsampling error, see the following publications:

Cantor, J., Monheit, A., Brownlee, S., and Schneider, C. The Adequacy of Household Survey Data for Evaluating the Nongroup Health Insurance Market. *Health Services Research* 42(4): 1739-1757, August 2007.

Cohen, J. *Design and Methods of the Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 1. AHCPR Pub. No. 97-0026. Rockville, MD: Agency for Healthcare Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr1/mr1.shtml

Cohen, S. *Sample Design of the 1996 Medical Expenditure Panel Survey Household Component*. MEPS Methodology Report No. 2. AHCPR Pub. No. 97-0027. Rockville, MD: Agency for Health Care Policy and Research, 1997. http://www.meps.ahrq.gov/mepsweb/data_files/publications/mr2/mr2.shtml

Cohen, S. Design Strategies and Innovations in the Medical Expenditure Panel Survey. *Medical Care*, July 2003: 41(7) Supplement: III-5-III-12.

Suggested Citation

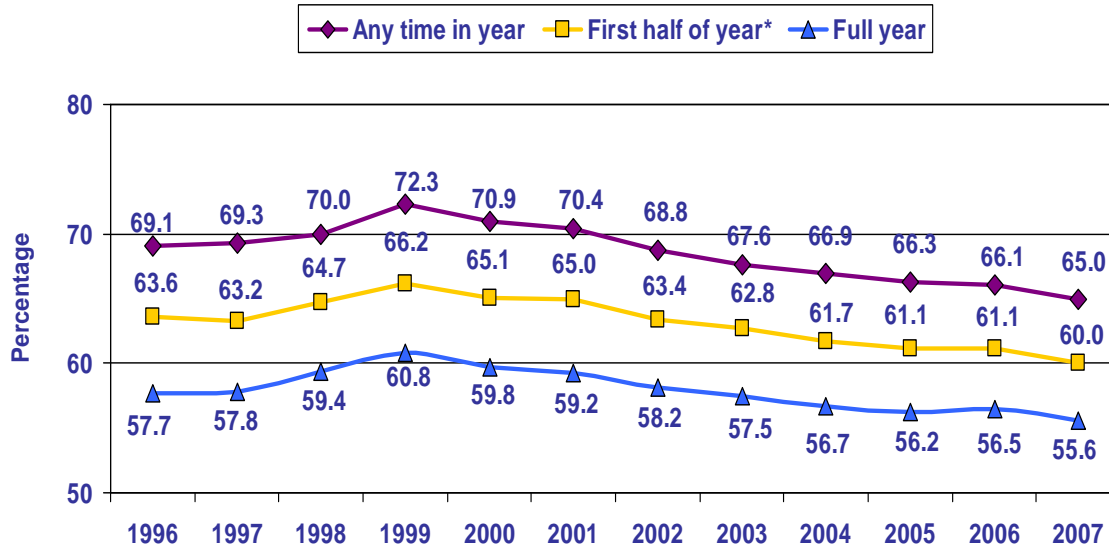
Cohen, J. W. and Rhoades, J.A. *Group and Non-Group Private Health Insurance Coverage, 1996 to 2007: Estimates for the U.S. Civilian Noninstitutionalized Population under Age 65*. Statistical Brief #267. October 2009. Agency for Healthcare Research and Quality, Rockville, MD. http://www.meps.ahrq.gov/mepsweb/data_files/publications/st267/stat267.pdf.

AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepsprojectdirector@ahrq.hhs.gov or send a letter to the address below:

Steven B. Cohen, PhD, Director
Center for Financing, Access, and Cost Trends
Agency for Healthcare Research and Quality
540 Gaither Road
Rockville, MD 20850



Figure 1: Percentage with group private health insurance, under age 65, 1996 to 2007

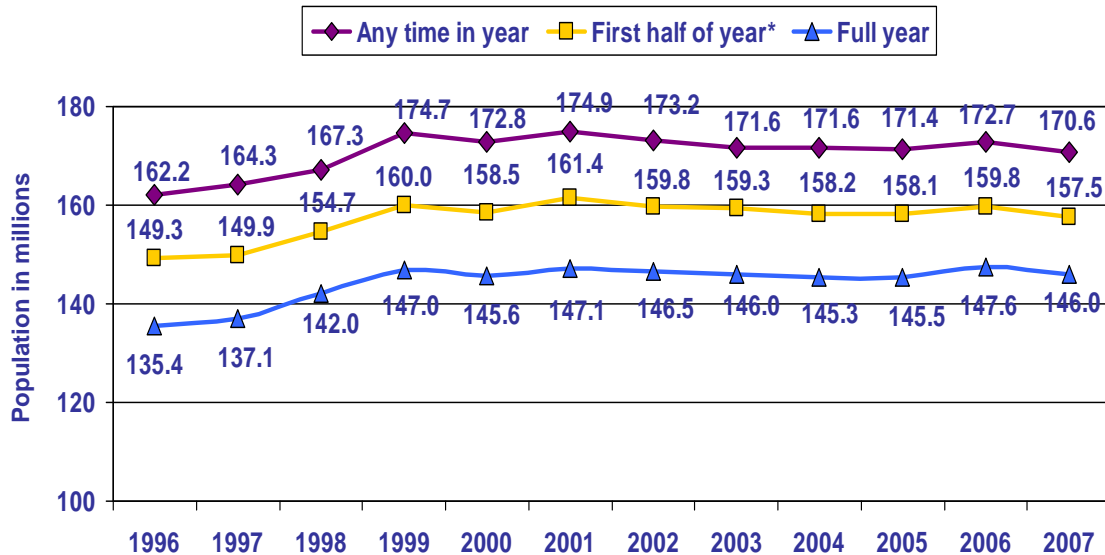


*At MEPS interview date.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2007 Full-Year, Point-in-Time, and Person Round Plan Files



Figure 2: Population with group private health insurance, under age 65, 1996 to 2007

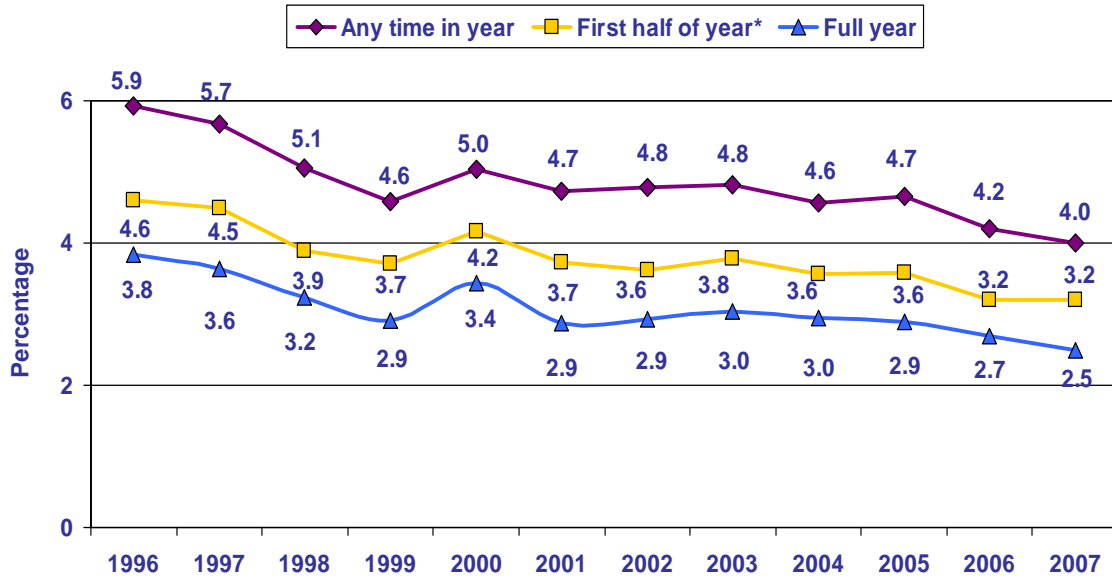


*At MEPS interview date.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2007 Full-Year, Point-in-Time, and Person Round Plan Files



Figure 3: Percentage with non-group private health insurance, under age 65, 1996 to 2007

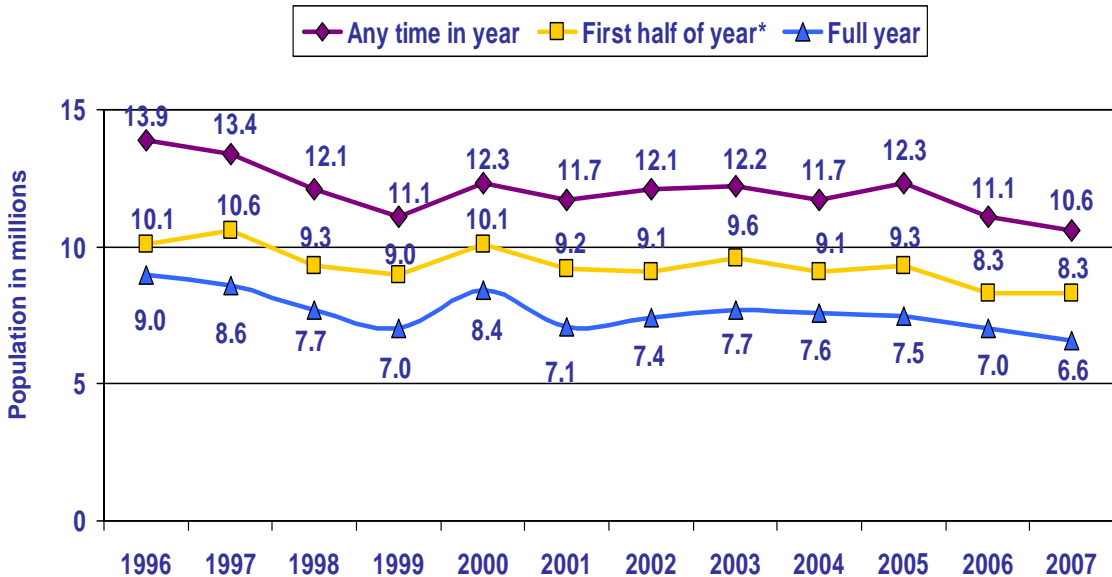


*At MEPS interview date.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2007 Full-Year, Point-in-Time, and Person Round Plan Files



Figure 4: Population with non-group private health insurance, under age 65, 1996 to 2007

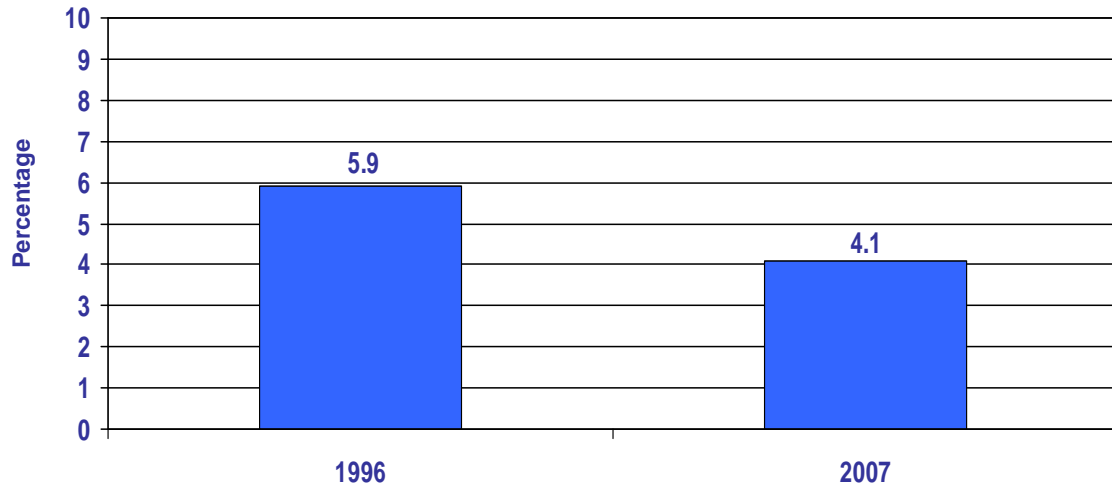


*At MEPS interview date.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2007 Full-Year, Point-in-Time, and Person Round Plan Files



Figure 5: Percentage of full year privately insured with non-group coverage only, under age 65, 1996 and 2007



Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 1996–2007 Full-Year, Point-in-Time, and Person Round Plan Files