

## STATISTICAL BRIEF #252

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# Characteristics of People Insured through COBRA versus through a Current Job, 2005–2006

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### Introduction

Under the 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA), workers with employer-sponsored health insurance coverage who lose their jobs may continue their employer-sponsored health insurance coverage, typically for 18 months. Coverage through COBRA is available to these individuals if they pay the full insurance premium plus a 2 percent administrative fee and their former employer continues to offer health insurance, does not go out of business, and has at least 20 employees.

This Statistical Brief compares selected characteristics of people who reported health insurance coverage through COBRA and people who reported coverage through a current job with 20 or more employees for the years 2005 and 2006. The populations include workers and their dependents. Four characteristics are compared: 1) age, 2) race/ethnicity, 3) general health status and disability, and 4) presence of selected chronic conditions. The age distribution is compared for children (age 17 and younger) and adults. All other comparisons are made for adults age 18 and older. Estimates in this Brief are based on data from the Household Component of the Medical Expenditure Panel Survey (MEPS-HC) pooled for 2005 and 2006. Data for 2 years were combined to improve the precision of the estimates. All differences between estimates discussed in the text are statistically significant at the 0.05 level.

### Findings

For the period 2005 through 2006, people with health insurance through COBRA were older than people with insurance through a current job with 20 or more employees (figure 1). COBRA enrollees were 20.0 percentage points more likely than people insured through a current job to be age 55 or older (31.6 percent of COBRA enrollees versus 11.6 percent of people insured through a current job). COBRA enrollees were 15.1 percentage points less likely than people insured through a current job to be age 18 through 44 (27.7 percent of COBRA enrollees versus 42.8 percent of people insured through a current job). Fewer COBRA enrollees were children (18.2 percent) compared with people insured through a current job (27.4 percent).

### Highlights

- For the period 2005 through 2006, COBRA enrollees, on average, were older than people insured through a current job. For instance, COBRA enrollees were 20.0 percentage points more likely than people insured through a current job to be age 55 or older (31.6 percent of COBRA enrollees versus 11.6 percent of people insured through a current job).
- Adults insured through COBRA were more likely than adults insured through a current job to report poor or fair general health. For instance, COBRA enrollees were 7.7 percentage points more likely to report poor or fair health (13.6 percent of COBRA enrollees versus 5.9 percent of adults insured through a current job).
- Adults insured through COBRA were more than 5 times as likely as adults insured through a current job to report a limitation in their ability to work because of an impairment or a physical or mental health problem. 9.2 percent of COBRA enrollees reported a work limitation compared with 1.7 percent of adults insured through a current job.
- 25.3 percent of adults insured through COBRA had high blood pressure, compared with 16.9 percent of adults insured through a current job—a difference of 8.4 percentage points.
- Adults insured through COBRA were more than twice as likely to report heart disease—12.5 percent of COBRA enrollees, compared with 5.4 percent of adults insured through a current job.
- 3.9 percent of adults insured through COBRA were Hispanic, compared with 9.5 percent of adults insured through a current job.

As shown in figure 2, a smaller percentage of adults insured through COBRA were Hispanic (3.9 percent) compared with adults insured through a current job (9.5 percent)—a difference of 5.6 percentage points. There are no statistically significant differences in the percentages of enrollees who were white, black, or other race.

On average, adults insured through COBRA reported lower levels of health status than adults insured through a current job, as shown in figure 3. A substantially higher percentage of COBRA enrollees (13.6 percent) reported poor or fair general health, compared with adults insured through a current job (5.9 percent)—a difference of 7.7 percentage points. Furthermore, adults insured through COBRA were more than 5 times as likely as adults insured through a current job to report a limitation in their ability to work at a job because of impairments or physical or mental health problems. During 2005 and 2006, 9.2 percent of adults enrolled through COBRA reported a work limitation, compared with 1.7 percent of adults insured through a current job. In addition, when other major activities—doing housework and going to school—are included with work, COBRA enrollees (9.2 percent) were still more likely to report being limited in their major activities because of impairments or physical or mental health problems than adults insured through a current job (2.0 percent).

There were no significant differences in the percentage of adults enrolled through COBRA and adults enrolled through a current job who reported having at least one of nine chronic conditions, as shown in figure 4. The nine chronic conditions are diabetes, active asthma, high cholesterol, high blood pressure, ischemic heart disease, stroke, emphysema, arthritis, and obesity. However, COBRA enrollees were more likely than adults insured through a current job to report high blood pressure, heart disease, or two or more of the nine chronic conditions. Two or more chronic conditions were reported by 40.5 percent of the adults insured through COBRA, compared with 31.1 percent of the adults insured through a current job. For the period 2005 through 2006, 25.3 percent of COBRA enrollees and 16.9 percent of adults insured through a current job reported high blood pressure. COBRA enrollees were more than twice as likely to report heart disease. Heart disease was reported by 12.5 percent of COBRA enrollees, compared with 5.4 percent of adults insured through a current job. Differences for the other chronic conditions were not statistically significant (not shown).

## Data Source

The estimates in this Statistical Brief are based on data from the MEPS-HC pooled for 2005 through 2006. The data are pooled to increase statistical precision.

## Definitions/Methodology

### *COBRA enrollees*

COBRA enrollees include policyholders and their dependents who reported coverage through COBRA as of December 31, or when they left the U.S. civilian noninstitutionalized population. To reduce potential misreported coverage in our estimates, people who reported COBRA coverage from jobs that ended more than 3 years before the end of the year are excluded.

### *Insurance through current job*

People insured through a current job include policyholders (employees) and their dependents covered as of December 31, or when they left the U.S. civilian noninstitutionalized population. We excluded people with coverage through firms with less than 20 employees to ensure that people with insurance through a current job are comparable to those with COBRA coverage.

### *Age*

Age is the last available age for the sampled person. For most persons, this was their age at the end of the year.

### *Adults*

Adults are age 18 and older.

### *Racial and ethnic classifications*

Classification by race and ethnicity is mutually exclusive and based on information reported for each family member. Respondents were asked if each family member's race was best described as white,

black, Asian, American Indian, Alaska Native, native Hawaiian, Pacific Islander, or multiple races. All persons whose main national origin or ancestry was reported as Hispanic, regardless of racial background, are classified as Hispanic. All non-Hispanic persons whose race was reported as Asian, American Indian, Alaska native, native Hawaiian, Pacific Islander, or multiple races are classified in the other race category.

#### *Work limitation*

Adults with a work limitation were reported by the respondent to be limited in any way in the ability to work at a job because of impairments or physical or mental health problems.

#### *Major activity limitation*

Adults with a major activity limitation were reported by the respondent to be limited in any way in the ability to work at a job, do housework, or go to school because of impairments or physical or mental health problems.

#### *Chronic conditions*

The indicator for chronic conditions was drawn from variables indicating the presence of any of the following chronic conditions: diabetes, active asthma, high cholesterol, high blood pressure, ischemic heart disease (including coronary heart disease, angina, heart attack, or any other heart related disease), arthritis, emphysema, stroke, and obesity. Obesity is defined as a body mass index (BMI) equal to or greater than 30. BMI is equal to an individual's weight in kilograms divided by his or her height in meters squared. Height and weight were self-reported. For each of the remaining conditions listed, the chronic condition was identified if the sample member was reported to have been told by a doctor or other health professional that he or she had the condition. Active asthma was identified for sample members who were reported to have asthma at the time of the interview. High blood pressure was identified for sample members who reported being told on two or more different visits that they had high blood pressure.

## **About MEPS-HC**

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 (301-427-1656) or visit the MEPS website at <http://www.meps.ahrq.gov/>.

## **References**

For information on COBRA, see the following publications:

Employee Benefits Security Administration, U.S. Department of Labor. *FAQs for Employees about COBRA Continuation Health Coverage*. Available at [http://www.dol.gov/ebsa/faqs/faq\\_consumer\\_cobra.HTML](http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.HTML) [Accessed on July 28, 2009.]

Yacker, H. *Health Insurance Continuation Coverage Under COBRA*. Congressional Research Service Report for Congress. Order Code RL30626. Washington, DC: Congressional Research Service, 2005.

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

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 Health Care Policy and Research, 1997. [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/mr1/mr1.shtml](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](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

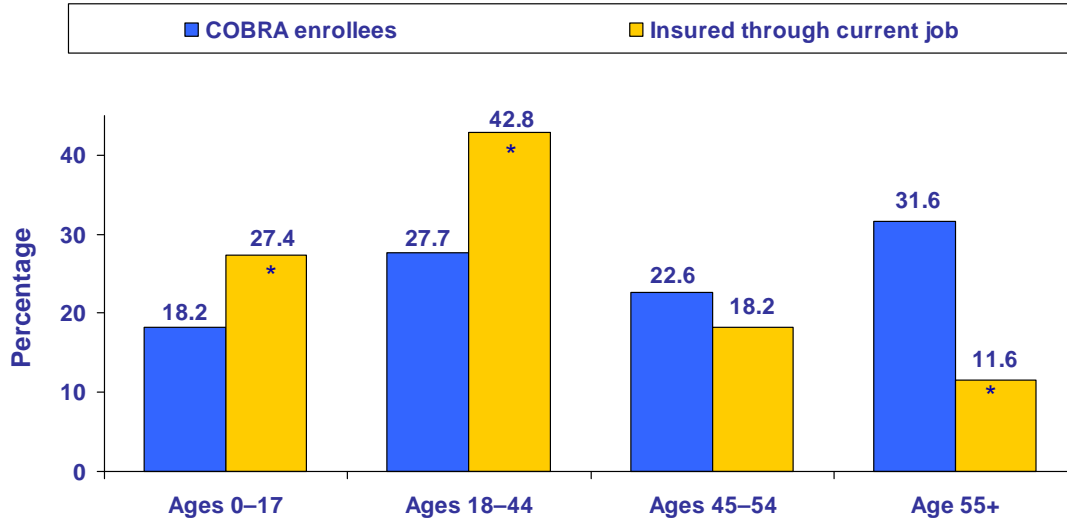
Sing, M. and Hill, S.C. *Characteristics of People Insured through COBRA versus through a Current Job, 2005–2006*. Statistical Brief #252. July 2009. Agency for Healthcare Research and Quality, Rockville, MD. [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/st252/stat252.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/st252/stat252.pdf)

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 [mepsdpd@ahrq.gov](mailto:mepsdpd@ahrq.gov) or send a letter to the address below:

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**Figure 1. Percentage distribution by age of people insured through COBRA versus through a current job, 2005–2006**

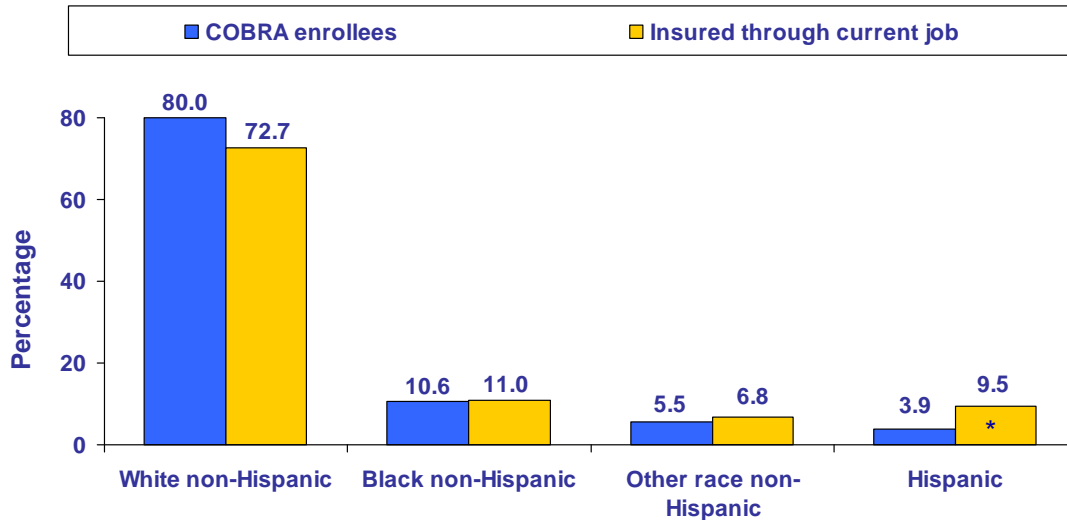


\*Statistically significant difference at 0.05 percent or better.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2005–2006



**Figure 2. Percentage distribution by race/ethnicity of adults insured through COBRA versus through a current job, 2005–2006**

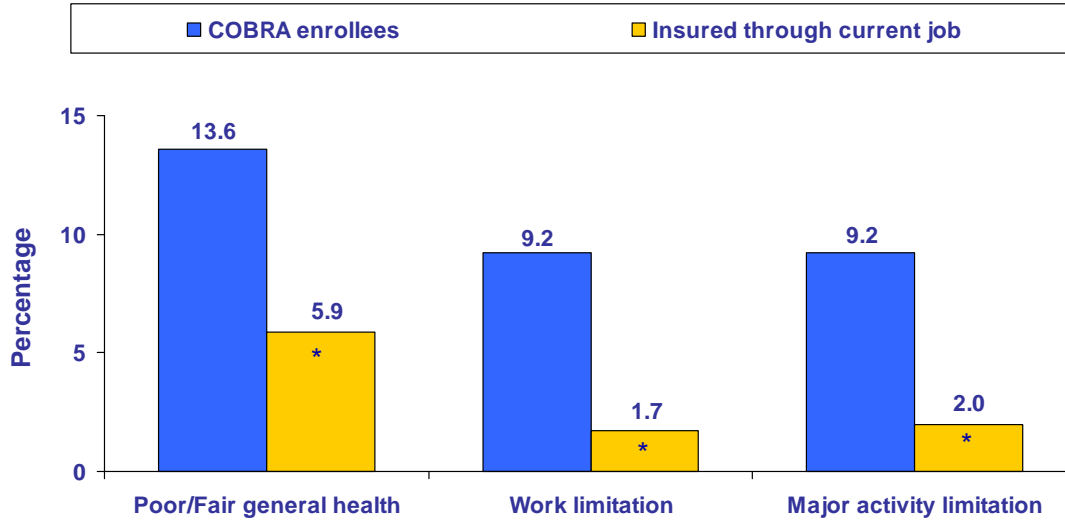


\*Statistically significant difference at 0.05 percent or better.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2005–2006



**Figure 3. Health status and disability of adults insured through COBRA versus through a current job, 2005–2006**

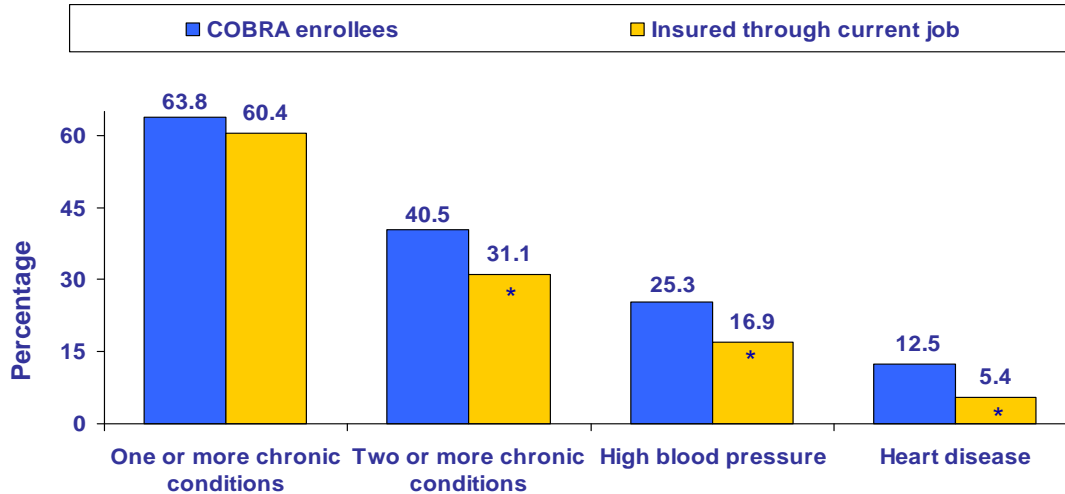


\*Statistically significant difference at 0.05 percent or better.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2005–2006



**Figure 4. Chronic conditions for adults insured through COBRA versus through a current job, 2005–2006**



\*Statistically significant difference at 0.05 percent or better.

Note: The chronic conditions include diabetes, active asthma, high cholesterol, high blood pressure, ischemic heart disease, stroke, emphysema, arthritis, and obesity.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Household Component of the Medical Expenditure Panel Survey, 2005–2006