KEY FIGURES IN MARCH 1999 CPS

- **Number of uninsured Americans increased from 43.4 to 44.3 million in 1998.** The rate of uninsured Americans rose from 16.1 to 16.3 percent, not a statistically significant change. This is about half that of the increase between 1996 and 1997.

  - **Most of the increase is in the middle class.** The number of uninsured who are poor dropped by 87,000. This is even more dramatic for people below $25,000: there were over 1 million fewer uninsured in this income group. At the same time, the number of uninsured with income above $50,000 increased by 1.7 million.

UNINSURED BY INCOME

	1995	1996	1997	1998	1995-1998	1997-1998
< $25,000	18.713	18.47	18.361	17.229	**-1.484**	**-1.132**
Rate	*23.9%*	*24.3%*	*25.4%*	*25.2%*	***5.4%***	***-0.8%***
$25-49,999	13.697	13.585	14.527	14.807	**1.110**	**0.280**
Rate	*16.2%*	*16.6%*	*18.1%*	*18.8%*	***16.0%***	***3.9%***
$50-74,999	4.974	5.63	5.678	6.703	**1.729**	**1.025**
Rate	*9.3%*	*10.0%*	*10.1%*	*11.7%*	***25.8%***	***15.8%***
$75,000+	3.197	4.03	4.882	5.542	**2.345**	**0.660**
Rate	*6.7%*	*7.6%*	*8.1%*	*8.3%*	***23.9%***	***2.5%***

Note: Rate changes are percent change in rates (not the subtraction of rates).

  - **Number of uninsured children is stable.** There was a slight but statistically insignificant increase in the number of uninsured children, from 10.743 to 11.073 million, an increase of 330,000. As with adults, this change occurred among the non-poor and, similarly, Medicaid coverage was down for the poor but up for the non-poor. The number of uninsured adolescents (ages 12 to 17) declined while the number and rate of uninsured among younger children rose.

  - **Coverage trends vary by state**. Eight states saw the proportion of their populations who are uninsured fall: Arkansas, Florida, Iowa, Massachusetts, Missouri, Nebraska, Ohio and Tennessee. Most of these states have Medicaid waivers to expand coverage or aggressive CHIP and outreach programs. Additionally, four of these states (Florida, Missouri, Nebraska and Ohio) passed comprehensive patient protection bills in 1996 or 1997 – suggesting that concerns that such protections will increase the uninsured are unjustified.

HEALTH-
UNINSURED

QUESTIONS AND ANSWERS ON THE UNINSURED STATISTICS
October 5, 1999

Q: Yesterday, in reaction to a report of an increase in the number of uninsured, the President said that "The First Lady and I and the rest of us were right in 1994." Isn't this statement an indication that the President himself thinks that the you cannot rely on incremental reforms to insure Americans?

A. The President was simply saying that had we enacted the Health Security Act all Americans would be insured. He was not saying that targeted reforms should not be pursued. With a Republican Congress that has shown little interest in the uninsured, the President has been faced with two choices: do nothing or take aggressive steps to improve the accessibility and affordability of coverage.

While the President still firmly believes that every single American should be insured, he has not passed up opportunities to expand access to quality, affordable health insurance. In 1996, he enacted a law to enable workers to change jobs without fearing the loss of health insurance, among other provisions. In 1997, he worked with Congress to create the Children's Health Insurance Program (CHIP) that provides millions of working families with an affordable insurance option. And the President continues to support policies like the Medicare buy in, small business purchasing coalitions, and the Jeffords-Kennedy Work Incentives Improvement Act that provide vulnerable options with new, affordable health insurance choices. Incremental policies not only provide immediate needed help to American families but takes steps towards reaching the goal of eliminating the lack of insurance.

Q: You claim that there are a million fewer uninsured with income below $25,000. Isn't this because there are just fewer people below $25,000?

A: Although there has been dramatic income gains and fewer Americans in poverty, even controlling for this trend, the rate of uninsured below $25,000 decreased. The rate takes into account the decline in the number of people in that income category. The reported increase in the uninsured of 1 million results from there being 2 million more Americans without insurance with incomes above $25,000 and 1.1 million fewer uninsured with income less than $25,000. Consistent with this finding, the rate of lack of insurance for those with income above $25,000 has increased – with a dramatic hike for those with income above $50,000 (from 10.1 to 11.7 percent for those with income between $50,000 to $75,000.

These trends are not temporary. Comparing 1995 to 1998, the rate of being uninsured for those with income below $25,000 grew one-third to one-fifth the rate increase for higher income categories.

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Q: The economy is doing well and the poverty rate has fallen, so why is the number of uninsured increasing?

A: The problem of the uninsured in the United States is a complicated issue. We have just received the 1998 Census data and will be analyzing the data closely in the coming days. But it appears that the increase in the proportion of uninsured between 1997-1998, which is not statistically significant, is not concentrated among the poor. Neither the number nor the rate of uninsured poor people increased significantly. In fact, the number of the uninsured who are classified as poor dropped by 87,000.

However, the rate of uninsured among the middle class did go up: the percent of people with income between $50,000 and $75,000 who lack insurance increased from 10.1 to 11.7 percent -- or over a million people. This appears to be happening because slightly fewer middle-class people are insured through their employers. Also, as people leave poverty, fewer are eligible for Medicaid, limiting access to affordable options.

Q: What is the Administration going to do to reduce the numbers of uninsured?

A: The President has been aggressively pushing to enroll the millions of Americans now eligible for coverage and urging the Congress to pass additional reforms that would succeed in insuring more people. We will step up efforts both to create new options and to increase participation in existing options. The Administration's efforts include:

Ensuring rapid, aggressive implementation of the new Children's Health Insurance Program (CHIP) which targets uninsured children of working families. In addition to approving all state plans, the Administration has launched an aggressive public-private outreach campaign to educate families about this new program. Last month, the Departments of Health and Human Services, Justice and Education and 10 national, nonprofit organizations, kicked off more than 45 community events to enroll children around the country in CHIP and Medicaid. These efforts focused on outreach to minority communities, including the Hispanic community to which we have distributed Spanish language television and radio PSAs and print articles and op-eds on how to enroll in CHIP and Medicaid. Earlier this year, the President, along with the National Governors' Association, launched the Insure Kids Now campaign, including a national toll free number, 1-877-KIDS-NOW and the *insurekidsnow.gov* web site, which gives families specific information on how to enroll in CHIP and Medicaid.

Improving Medicaid. This Fall, HHS will send teams to work with state officials this fall to review programs and identify and remove possible barriers to enrollment in Medicaid and CHIP. Earlier this year, we also took action to assure and encourage legal immigrants to receive health insurance through Medicaid and CHIP. Since 1993, HHS has approved several Medicaid waivers to states for comprehensive health care reform projects to control costs and expand coverage and waivers for welfare reform projects. When fully implemented, these demonstration projects will extend health coverage to 2.2. million parents and children who otherwise would be uninsured.

Creating new insurance options. The President also continues to support policies to improve the affordability and accessibility of health insurance. These proposals include the Medicare buy-in for certain people ages 55 to 65; new Medicaid options including the ability to cover legal immigrants in Medicaid or CHIP; the small business purchasing coalitions; and the Work Incentives Improvement Act that allows more people with disabilities return to work by providing Medicare and a Medicaid buy-in.

Q: Why hasn't CHIP reduced the number of uninsured children already?

A: We are encouraged that the CPS numbers show the number of uninsured children remained stable from 1997 to 1998. We expect that this number will begin to decline now that CHIP is fully implemented. CHIP was only passed by Congress and signed by President Clinton in August of 1997. To date, HHS has approved 56 plans -- all 50 states, 5 U.S. territories and the District of Columbia. So far, we estimate that 1.3 million children have been enrolled and states expect to enroll 2.6 million by October 2000. In 1998, the year that the Census data covers, 43 states had programs in operation, but only 4 states had been enrolling children throughout that year.

We will continue to work with state and local communities and forge more public-private partnerships in our efforts to enroll all eligible children in CHIP and Medicaid.

Q: Isn't welfare reform and Medicaid declines the reason why the uninsured has increased?

A: Since it appears that the increase in the uninsured is concentrated in the middle class, and there have been slight declines in the uninsured who are low-income, the data do not validate that welfare reform contributed to the increase in the number of uninsured.

This Administration has demonstrated an unprecedented commitment to reducing the numbers of uninsured and would not take any action that would reduce access to health insurance for low-income people.

Q: But isn't it true that Medicaid roles have declined due to welfare?

A: Why Medicaid rolls are declining is a complex question with no easy answer. One explanation is that the improving economy has made it possible for many low-income people once enrolled in the Medicaid program to find jobs that offer health insurance benefits. The Census data show that the decline in Medicaid coverage occurred only among poor people, where there was also an offsetting increase in private coverage. Another answer is that individuals may not realize they are still eligible for the Medicaid program even if their income increases slightly. A recent report from the General Accounting office found that Medicaid enrollment has not declined as rapidly as welfare rols, suggesting that Federal and state efforts to provide protections and new options have had a positive effect on enrollment,

It is also important to note that the Census Bureau explicitly warns that the changes in Medicaid coverage estimates from one year to the next should be viewed with caution, since Census Bureau data under-reports Medicaid coverage. In fact, preliminary 1998 Medicaid enrollment data from the Health Care Financing Administration show that there were close to 40 million Medicaid enrollees, while the 1998 Census Bureau numbers only report 28 million Medicaid enrollees. As such, it would not be appropriate to rely on the Census Bureau data to draw conclusions about the effect of welfare reform on Medicaid.