

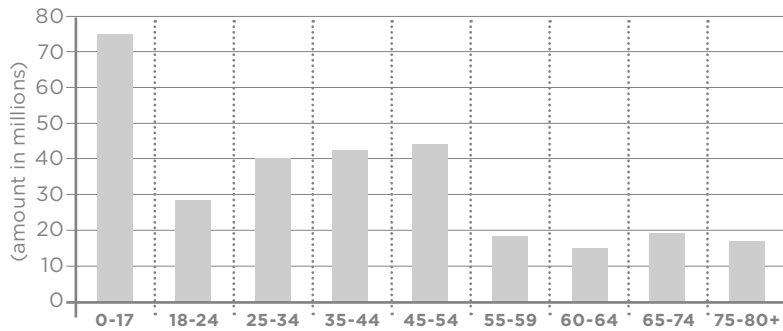


*Issue Brief II:*

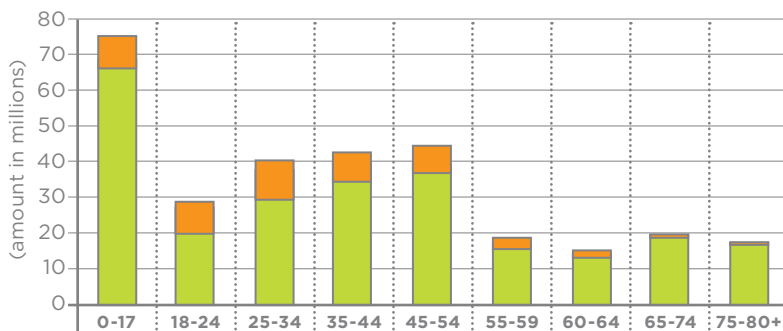
# Who Has Health Care Coverage in the U.S. and From What Source

ACCORDING TO DATA from the U.S. Census Bureau<sup>1</sup>, the population of the United States for 2007 approximated 300 million persons. The distribution of this population across a variety of demographic categories (age, gender, employment status, race, income) necessarily changes over time due to a variety of factors. A distribution of the U.S. population in 2007 by age group and insured status is presented in the tables below<sup>2</sup>.

DISTRIBUTION OF U.S. POPULATION, 2007



DISTRIBUTION OF INSURED AND UNINSURED BY AGE



It is estimated that 253.4 million people were covered by some type of health insurance during the 2007 year, while 45.7 million were without any form of health coverage (uninsured for an entire year).<sup>3</sup>

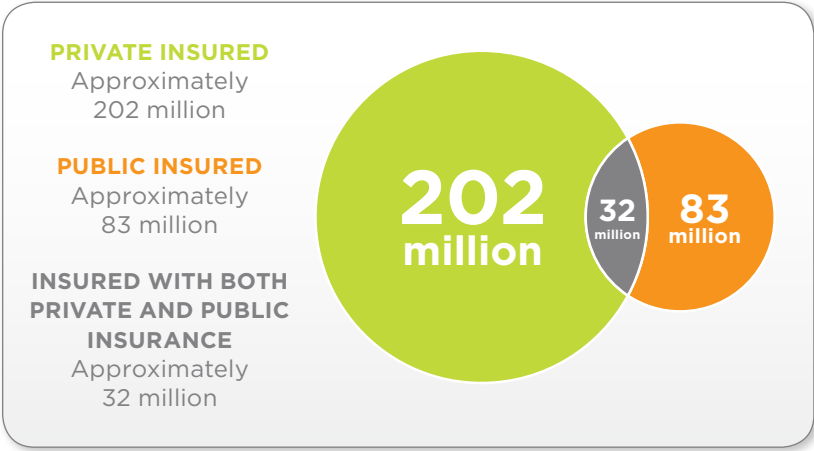
### THE INSURED

Coverage type (private versus public) for the 253.4 million persons with insurance is somewhat difficult to clearly illustrate. This difficulty relates to the multiple forms of insurance that are simultaneously available to a large group of the population.

In 2007, 202 million persons had private health insurance while 83 million had public health coverage.

Implicit in this data is that 31.6 million of the 253.4 million have some combination of private and public coverage.

*NB: Numbers in this Brief are approximations. Numbers in tables and charts may not add due to rounding.*



**PRIVATE INSURED:** Of the 202 million persons with at least private insurance, census estimates are that 177.4 million obtain their insurance through employer-sponsored coverage while 26.7 million purchase insurance directly. Census data also indicates that:

Insurance Source	Employer-Based	Direct Purchased	TOTALS <sup>4</sup>
<b>TOTALS:</b>	<b>177.4</b>	<b>26.7</b>	<b>204.1</b>
Add'l Coverage:	23.1	11.5	34.6
<b>MEDICARE</b>	12.6	9.6	22.2
<b>MEDICAID</b>	5.8	1.0	6.8
<b>MILITARY</b>	4.7	0.9	5.6

- Of the 177.4 million persons with employer-based private coverage, approximately 23.1 million have additional public-based insurance;
- Of the 26.7 million persons with direct purchased private coverage, 11.5 million have additional public-based insurance; and
- The discrepancy (26.7 million + 177.4 million is greater than 202.0 million) is due to some insured persons having at least 3 coverage types.

Potential reasons for combination coverage:

*Private/Medicare:* Of the 177.4 million persons covered through an employer-based plan, 12.6 million were 65 or older and Medicare eligible;

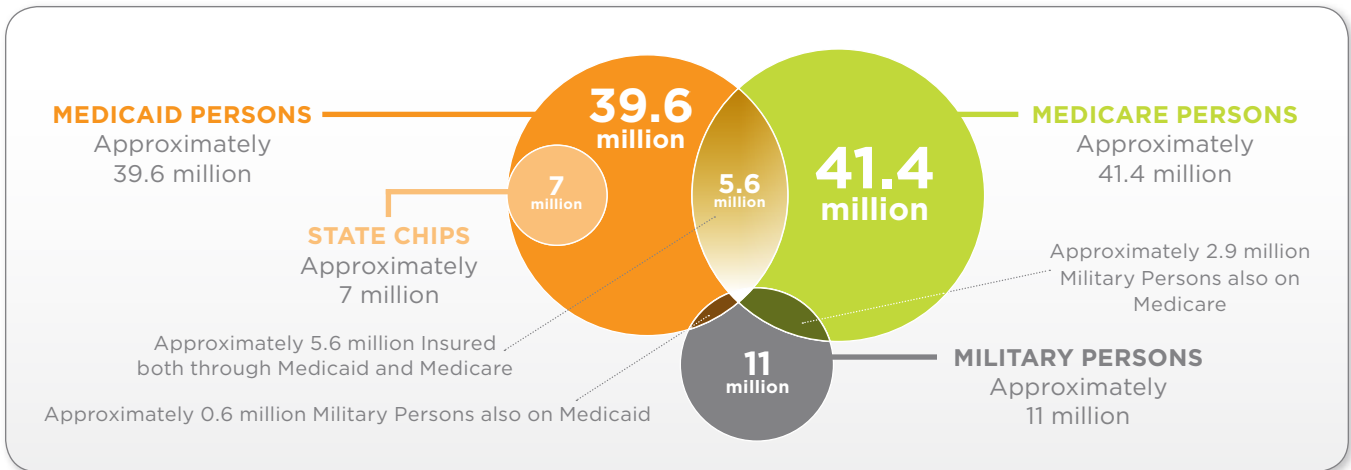
*Private/Medicaid:* Employed health plan participants whose income is low or have disabled dependents; and

*Private/Military:* Retired military or reservists who also are employed and are offered health coverage through their employer.

**PUBLIC INSURED:** The total public coverage population is 83 million, comprised of three overlapping groups: 39.6 million Medicaid<sup>5</sup> beneficiaries, 41.4 million Medicare beneficiaries and 11 million military persons (7 million CHIPS children are included in Medicaid).

- The sum of the individual Military, Medicare and Medicaid populations total 92 million while the 2007 Census indicates that 83 million have public coverage. This difference is accounted for by virtue of the Military persons receiving Medicaid benefits or Medicare benefits, and the dual eligible for Medicaid and Medicare.
- Census data shows 5.8 million persons covered through public insurance receive both Medicaid and Medicare. This group, typically referred to as dual eligible, are among the most chronically

Insurance Source	TOTAL	MEDICARE	MEDICAID	MILITARY
Add'l Coverage:	-	41.4	39.6	11.0
<b>MEDICARE</b>	8.7	-	5.8	2.9
<b>MEDICAID</b>	6.4	5.8	-	0.6
<b>MILITARY</b>	3.5	2.9	0.6	-



ill and costly patients and account for nearly half of all Medicaid spending and one-fourth of spending within Medicare.

- There are 600,000 military beneficiaries who also receive Medicaid benefits and 2.9 million military beneficiaries who also receive Medicare benefits.

Potential explanations for combination coverage include:

*Medicare/Medicaid:* Dual eligibles are individuals who are entitled to Medicare Part A and/or Part B and are eligible for some form of Medicaid (low income);

*Military/Medicaid:* Whenever a TRICARE beneficiary is also eligible for

Medicaid (low income), TRICARE is always the primary payer; and

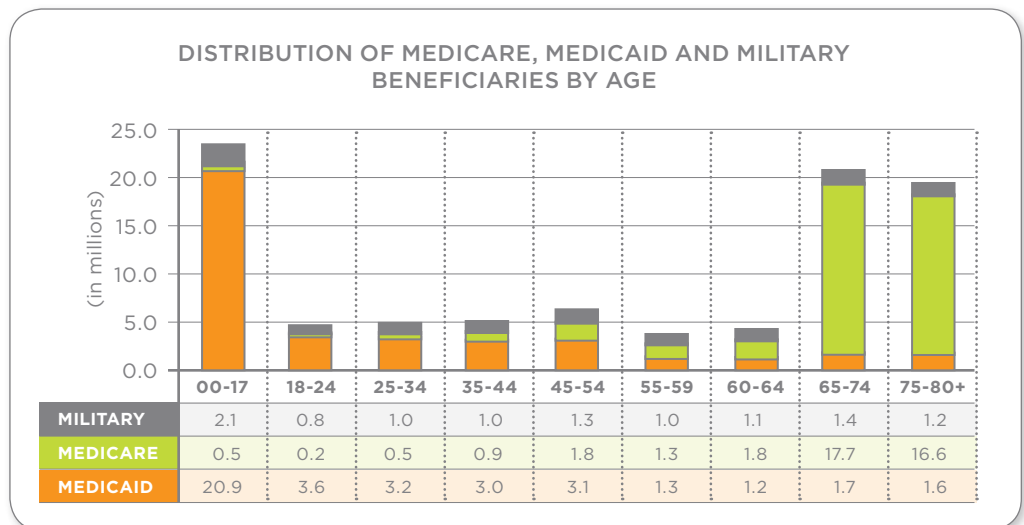
*Military/Medicare:* Medicare eligible uniformed services retirees, their spouses, and survivors who also have coverage under TRICARE (as secondary).

A graphical presentation of the table data is presented at the top of this page.

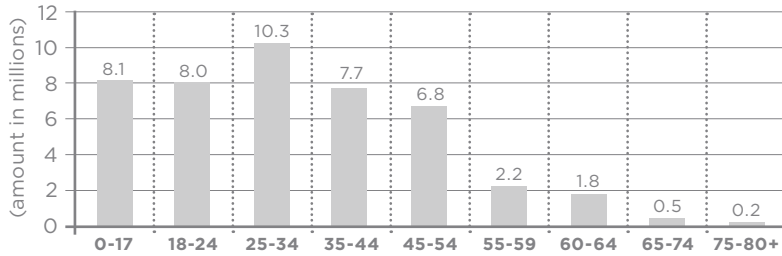
A distribution of the public coverage population by age group is presented in the table below.

### THE UNINSURED

It is estimated that 45.7 million persons in the United States were without insurance of any kind for the entire year of



**DISTRIBUTION OF UNINSURED POPULATION BY AGE, 2007**



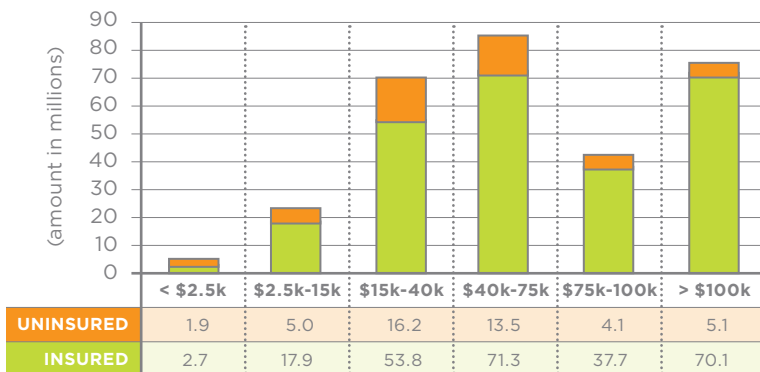
2007. This population is a significant constituent that drives much of the initiative for health care policy discussions at both the state and federal levels.

Of the Uninsured, there are 24.3 million employed, 3.2 million unemployed, 8.1 million under the age of 18, and a remainder of 10 million who are otherwise not in the labor force.

TOTAL UNINSURED (in millions)	
Employed	24.3
Unemployed	3.2
Children Under 18	8.1
Otherwise not in Labor Force	10.0
<b>TOTAL:</b>	<b>45.7</b>

The uninsured population is distributed in the graph below by income groups. The 2009 federal poverty guidelines are \$10,830 for a family of one, \$22,050 for a family of four and \$37,010 for a family of eight.

**DISTRIBUTION OF THE INSURED AND UNINSURED BY INCOME GROUP**



**UNINSURED AGE AND INCOME DISTRIBUTION (in thousands)**

Uninsured Income Distribution	0 to 17	18 to 64	65 to 80+
No Income or Loss	343	1,477	119
\$1 to 15k	787	4,092	74
\$15k to 40k	3,062	12,946	152
\$40k to 75k	2,448	10,798	210
\$75k to 100k	642	3,365	48
Over \$100k	864	4,144	82
<b>TOTAL:</b>	<b>8,146</b>	<b>36,822</b>	<b>685</b>

Above is a table which distributes the uninsured by income and age groups. A few additional observations can be made from the data:

- 9.3 million of uninsured are non-citizens;
- About one-half of the children less than 18 years of age are in families with incomes above \$40,000;
- There are significant numbers of persons with incomes that appear sufficient to allow them to purchase insurance who apparently choose not to;
- There is a significant group of persons who appear to have incomes low enough to qualify for Medicaid but apparently have not enrolled; and
- There is a significant population of working age individuals who are employed and either are not offered coverage through their employer or decide not to participate in coverage. •

## End Notes

<sup>1</sup> Health insurance data are collected from people (health insurance consumers) in the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS), and in the Survey of Income and Program Participation (SIPP).

<sup>2</sup> Health Insurance Coverage Status and Type of Coverage—All Persons by Sex, Race and Hispanic Origin: 1999 to 2007.

<sup>3</sup> Recent research suggests that the number of uninsured may be over-estimated by several million, primarily due to a Medicaid undercount. Source: Kieman et al, Understanding the Current Population Survey's Insurance Estimates and the Medicaid "Undercount." Health Affairs Web Exclusive, w. 991, Sept. 10, 2009.

<sup>4</sup> Some amount of the Employer-based insured also purchase direct policy coverage as well.

<sup>5</sup> Medicaid allows states flexibility in determining eligibility. States currently cover children whose family incomes range generally from below the federal poverty level (FPL) to as high as 350 percent FPL (Federal Poverty Level). The majority of states' Medicaid programs cover children in families between 100 and 150 percent of the FPL.



---

*ABOUT VITA ADVISORS, LLC: VITA Advisors is a research-based merger & acquisition and strategic advisory firm serving the health care industry. The VITA founders have significant industry experience and relationships and have earned reputations for success with integrity.*

---



VITA ADVISORS, LLC | 10400 Viking Drive | Suite 150 | Minneapolis, MN 55344

[contact@vitaadvisors.com](mailto:contact@vitaadvisors.com) | 952 942 3377 | [vitaadvisors.com](http://vitaadvisors.com)