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Issue Brief

Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help, 2008 Update

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ABSTRACT: Young adults, ages 19 to 29, are one of the largest segments of the U.S. population without health insurance: 13.7 million lacked coverage in 2006. They often lose coverage at age 19 or upon high school or college graduation—almost two of five (38%) high school graduates who do not enroll in college and one-third of college graduates are uninsured for a time during the first year after graduation. Several states have passed laws to expand coverage of dependents up to age 24 or 25 under parents' insurance policies. This policy change, in addition to two others—extending eligibility for public insurance programs beyond age 18 and ensuring that colleges require and offer coverage to full- and part-time students to have coverage—could help uninsured young adults gain coverage and prevent others from losing it. This issue brief, the sixth in a series, updates an earlier version of *Rite of Passage.*

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OVERVIEW

Young adults between the ages of 19 and 29 represent one of the largest and fastest-growing segments of the U.S. population without health insurance. Often dropped from their parents' policies or from public insurance programs at age 19 or on graduation day, they are left to find insurance on

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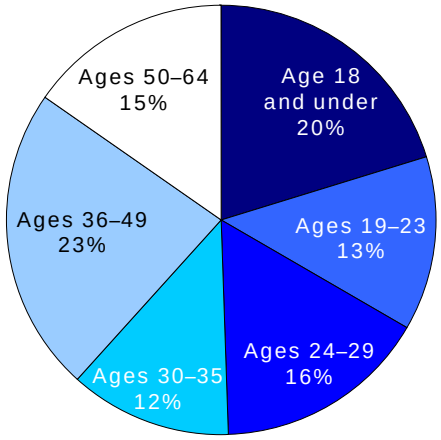
their own while making the often uneasy transition from high school to college or the working world. Yet the jobs available to young adults are typically low-wage or temporary—the type of jobs that generally do not come with health benefits. Young adults who are able to go to college full-time may have some protection through their parents' insurance policies, but upon graduation usually lose their eligibility for family coverage.

The lack of continuity and stability in coverage experienced by young adults puts their health at risk. It also subjects them and their families to financial stress right when they are starting out in the workforce. This issue brief assesses the health insurance deficit facing young adults, including the scope of the problem, the causes and implications, and actions taken at the federal and state level to reverse this trend. The authors also offer some targeted policy steps that could help young adults stay insured as they make the transition to independent living. This issue brief, the sixth in a series, updates an earlier version of *Rite of Passage.*

A LARGE AND GROWING PROBLEM

The number of uninsured young adults ages 19 to 29 climbed to 13.7 million in 2006, from 13.3 million in 2005.Young adults accounted for 17 percent of the increase in the number of uninsured Americans under age 65 during the 2005–2006 period. Even though they comprise just 17 percent of the under-65 population, young adults account for almost 30 percent of the nonelderly uninsured (Figure 1).[1]

Figure 1. There Are 13.7 Million Uninsured Young Adults, Ages 19–29, Almost 30 Percent of Nonelderly Uninsured, 2006

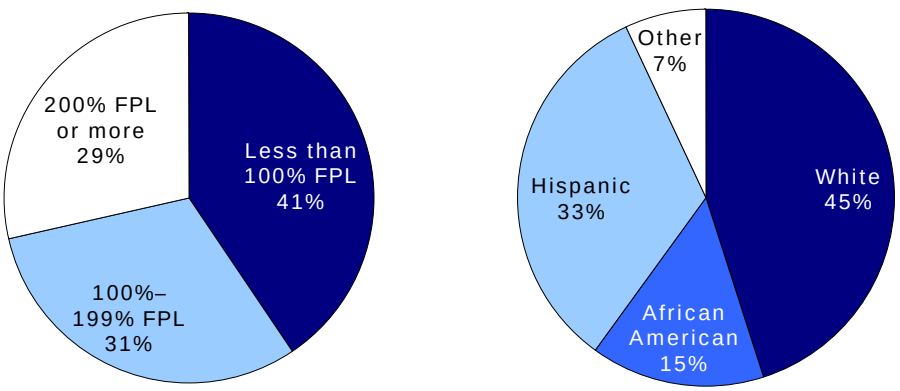


Nonelderly uninsured = 46.4 million

Note: Numbers may not sum to 100% because of rounding.
Source: Analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

By far, the young adults most at risk of lacking coverage are those from low-income households. These individuals, like children and older adults in low-income families, are disproportionately represented among the uninsured. About 23 percent of adults ages 19 to 29 live in households with incomes below 100 percent of the federal poverty level, but more than two-fifths (41%) of the 13.7 million young adults who are uninsured live in households with incomes below the poverty level (Figure 2).[2]

Figure 2. Uninsured Young Adults, Ages 19–29, by Poverty Status and Race/Ethnicity, 2006



Uninsured young adults = 13.7 million

Note: Numbers may not sum to 100% because of rounding.
Source: Analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Nearly half of uninsured young adults are white. But Hispanics are disproportionately represented among the young and uninsured. While Hispanics represent 19 percent of adults ages 19 to 29, they represent 33 percent of uninsured young adults (Figure 2). Hispanic and African American young adults are at greater risk of being uninsured than are white young adults: 36 percent of African Americans and 53 percent of Hispanics ages 19 to 29 are uninsured, compared with 23 percent of whites in that age range (Table 1).

WHAT A DIFFERENCE A YEAR CAN MAKE

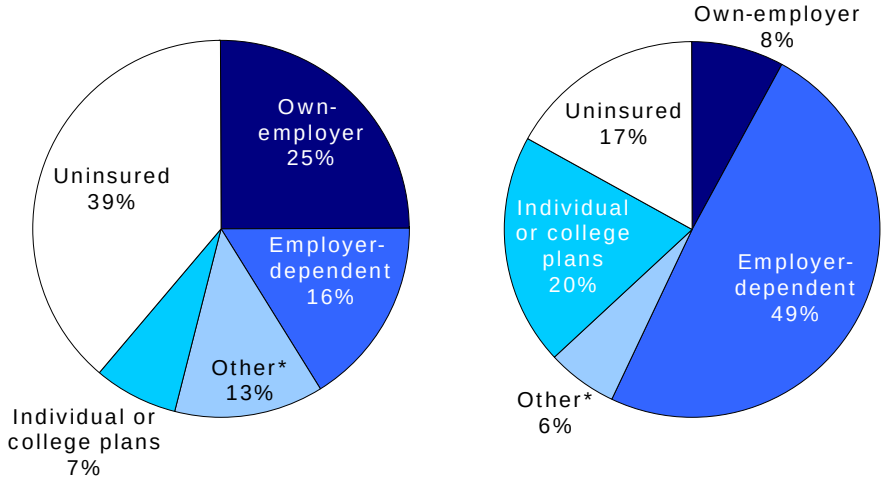
Nineteenth birthdays are crucial milestones in Americans' health insurance coverage. Both public and private insurance plans treat this age as a turning point in coverage decisions. Employer health plans often do not cover young adults as dependents after age 18 or 19 if they do not go on to college. Public programs, such as Medicaid and the State Children's Health Insurance Program (SCHIP), also typically have one set of income and eligibility standards for children and another for adults—with the 19th birthday set as the critical divide.

Losing Coverage Under a Parent's Policy

Employer-sponsored health insurance is the mainstay of most family and dependent coverage. Typically, such policies cover children as dependents as long as they meet eligibility rules. After age 18 or 19, coverage continues for the most part only for those young adults who attend college full-time. A 2004 Commonwealth Fund study found that among employers who offer coverage, nearly 60 percent do not insure dependent children over age 18 or 19 if they do not attend college.[3]

Young adults who enroll in college full-time when they graduate from high school are the most likely in their age group to have insurance coverage, primarily because they are able to maintain eligibility under their parents' employer-based policies. In addition, a small share of full-time students gains coverage through plans offered by universities. Roughly 38 percent of public four-year universities and colleges and 79 percent of private four-year universities and colleges require students have health insurance as a condition of enrollment.[4] Six states (California, Idaho, Illinois, Massachusetts, Montana, and New Jersey) have either a state or higher-education governing board mandate to require that full-time undergraduate students who are U.S. citizens have health insurance. Several additional states have also been studying the possibility of adopting a student health insurance requirement policy.[5] Half (49%) of full-time students ages 19 to 23 receive health insurance through their parents' employer-sponsored plans, while another 20 percent have individual coverage, including college and university plans (Figure 3).

Figure 3. Insurance Sources for Young Adults, Ages 19–23, 2006



* Other includes Medicare, Medicaid, and Military.
** Includes part-time students and non-students.
Source: Analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Young adults who are not in school full-time following graduation from high school are much more likely to be uninsured, primarily because it is much harder for them to gain access to employer coverage. Thirty-nine percent of part-time and non-students ages 19 to 23 are uninsured, compared with 17 percent of full-time students (Figure 3). Young adults who opt to enter the labor market rather than go to college are unlikely to be eligible for coverage under their parents' policies, and may have difficulty finding a job with health benefits. For those entering the labor market without the benefit of a college education, the jobs available—positions that pay low wages, are with small companies, or are part-time or temporary—often come without health benefits.[6] The Commonwealth Fund Biennial Health Insurance Survey (2007) found that 40 percent of all workers ages 19 to 29 who earn less than $10 per hour are uninsured.[7] More than one-third (36%) of workers between ages 19 and 29 have jobs that pay less than $10 per hour.[8]

Losing Medicaid/SCHIP Coverage at Age 19

Medicaid and SCHIP reclassify all teenagers as adults the day they turn 19. As a result, young adults who had been insured under Medicaid or SCHIP as children typically do not have an option to stay on public coverage, unless they are able to qualify for Medicaid as adults. Regardless of school, work, or dependent status, they lose their eligibility as dependents or children. Most low-income young adults become ineligible for public programs, since eligibility for adults generally is restricted to very-low-income parents or disabled adults. Even teenagers with disabilities who qualified for Medicaid before their 19th birthdays must go through a new set of screening tests to determine whether they are still eligible for benefits as disabled adults.[9]

The needs of foster children aging off Medicaid have been addressed through the federal Foster Care Independence Act of 1999, which allows states to continue Medicaid coverage for former foster children up to age 21.[10] However, few states have taken advantage of this legislation.[11] In October 2007, North Carolina implemented the Expanded Foster Care Program, which extends Medicaid coverage to children who were in foster care at their 18th birthday through the month they turn 21. These young adults are automatically enrolled in this program without regard to income or assets.[12] So far, only a handful of states, including Texas[13] and recently Ohio,[14] have implemented programs to cover former foster children through Medicaid up to age 21.

Net Impact of the 19th Birthday

As a result of the combined impact of these public and private insurance rules, uninsured rates jump sharply at age 19. Turning 19 increases the uninsured rate nearly threefold. It rises from 12 percent among children age 18 and under to 30 percent among those ages 19 to 29 (Figure 4).

Figure 4. Uninsured Children and Young Adults, by Poverty Level, 2006

Percent Uninsured	Children, Ages 18 and Under	Young Adults, Ages 19–29
Total	12%	30%
<100% FPL	22	53
100%–199% FPL	16	41
≥200% FPL	8	16

Source: Analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Low-income young adults are particularly vulnerable. Among those in families living below the poverty level, more than half (53%) of young adults are uninsured, as are one of five (22%) children ages 18 and under (Figure 4). Young adults with slightly higher incomes (100% to 199% of the poverty level) fare only marginally better—roughly two of five (41%) are uninsured. High uninsured rates are also noted in older age groups with low incomes. For example, 48 percent of adults ages 30 to 35 with incomes below poverty are uninsured (Table 1).

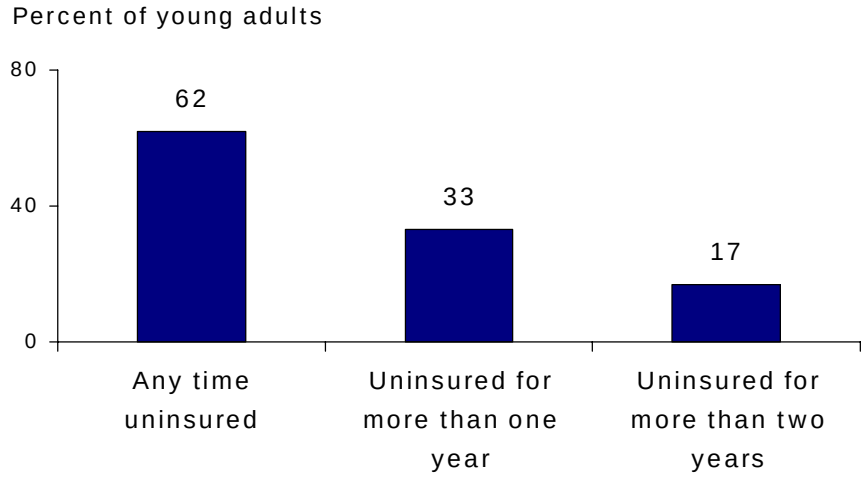
THE (UNINSURED) GRADUATE

The transitional nature of young adults' lives following their 19th birthday makes it difficult to secure a stable and consistent source of health insurance coverage. Young adults move in and out of school and jobs throughout their 20s. Full-time students might take a leave of absence from school, attend college part-time, or graduate—effectively closing off access to their parents' insurance policies or university-sponsored plans. In addition, job tenure is shorter among younger workers, thus increasing the risk that they will be without health insurance coverage for periods of weeks, months, or even years.

Surveys that track people over time provide an opportunity to examine what happens to the insurance coverage of young adults as they graduate from high school or college or move through their early adult years. The federal multiyear longitudinal survey,

Survey of Income and Program Participation (SIPP), interviewed a sample of people about their health insurance and other characteristics in 2001 and tracked their history through 2003. The three-year insurance history reveals the extent to which life transitions disrupt insurance coverage. Over the 2001–2003 period, almost two-thirds (62%) of young adults who were ages 19 to 23 at the beginning of 2001 went without coverage for at least part of the time (Figure 5).[15] One-third were uninsured for more than one year, while almost one-fifth were uninsured for more than two years.

Figure 5. Young Adults Who Spent Time Uninsured During 2001–2003*



* Young adults who were 19 to 23 in 2001 were followed over 2001–2003.
Data show what percent had time uninsured during that period.
Source: Analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

Young adults from households with low incomes were most exposed: they were both more likely to go without insurance for at least some period and more likely to endure long periods without insurance. Eighty percent of young adults living under 200 percent of the poverty level were uninsured for at least part of the three-year period, and half (50%) were uninsured for 13 months or more (Table 2). Reflecting their generally lower incomes, Hispanic and African American young adults were at similarly high risk of losing insurance and experiencing long spells without coverage. Nineteen percent of Hispanic young adults ages 19 to 23 at the beginning of the three years were uninsured for the entire period.

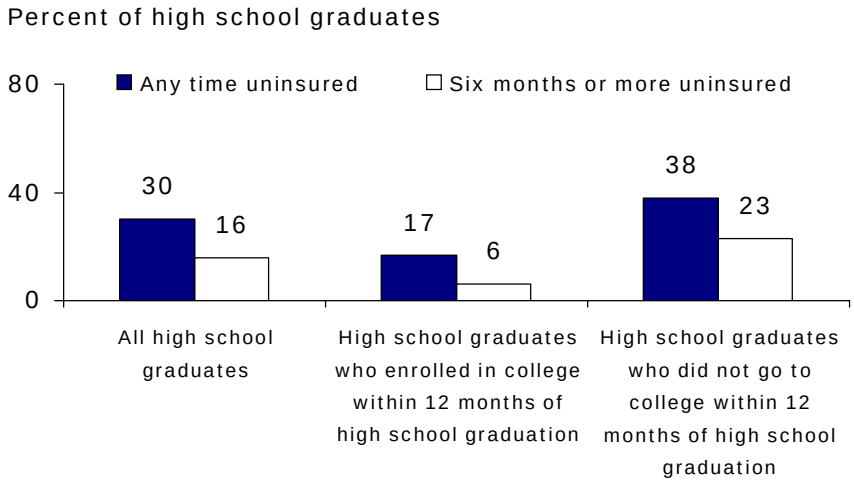
Coverage stability was only somewhat better for young adults ages 24 to 29, with 46 percent uninsured for any time over the three-year period, and 25 percent uninsured for more than one year. Most of the improvement in this age group—compared with the

19-to-23-year-olds—occurred among young adults with higher incomes. About one-third of young adults ages 24 to 29 with household incomes of 200 percent of the poverty level or higher were uninsured during part of the three-year period; 15 percent were uninsured for one year or more. In contrast, 72 percent of young adults with incomes of less than 200 percent of the poverty level were uninsured during part of the three-year period; 50 percent were uninsured for one year or more.

Graduation: High School and College

Graduation from high school marks a key juncture in the health insurance coverage of young adults. Tracking a sample of young adults in the year following graduation reveals the extent to which college enrollment is correlated with more secure insurance coverage. Among all young adults graduating from high school, three of 10 were uninsured for some time in the year following high school (Figure 6). Thirty-eight percent of young adults who graduated from high school but did not go to college within 12 months of graduation were uninsured for some time during the year following their graduation—more than twice the rate for young adults who attended college that year.

Figure 6. High School Graduates with Gaps in Insurance Coverage in the Year Following Graduation, by Student Status, 2001–2003*

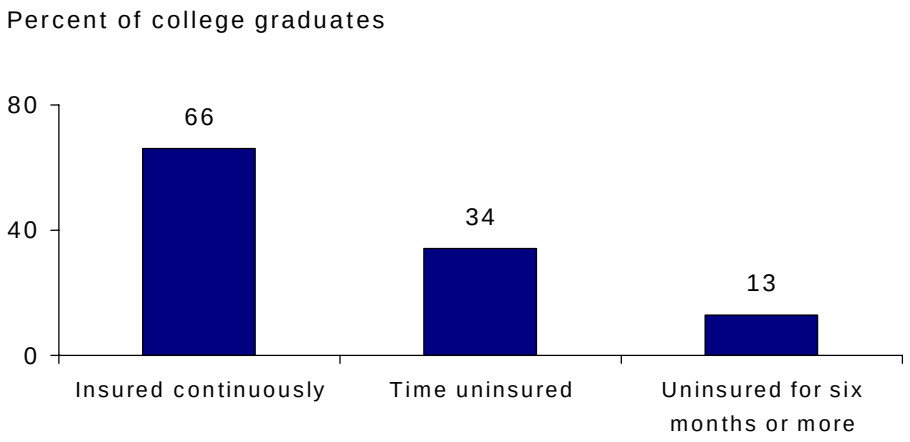


* People who graduated from high school during 2001–2003.
Source: Analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

The year following college graduation also can be a time during which connections to the health system are fragile and break down. The protections afforded young adults by virtue of being a full-time student—coverage through a parent's employer-based policy or

a student health plan—are lost upon graduation. As new, albeit college-educated, entrants to the labor force, they confront similar hazards that high school graduates face: waiting periods, temporary positions, lower-wage jobs, employment in small firms, and job turnover. Of the college students who graduated during 2001 to 2003, 34 percent were uninsured for at least part of the time in the year following graduation, with 13 percent uninsured for six months or more (Figure 7). Based on the experiences of recent graduates, one-third of college graduates can expect to spend at least some time uninsured in the year after graduation.

Figure 7. One-Third of College Graduates Had Time Uninsured in Year Following Graduation, 2001–2003*



* People who graduated from college during 2001–2003.
Note: College graduates are defined as those with at least a bachelor degree.
Source: Analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

NEW ENTRANTS TO THE LABOR FORCE

Working young adults ages 19 to 29 are less likely than working adults ages 30 to 64 to work for a company that offers health benefits and to be eligible for those benefits, if offered (Table 3). They are also less likely to take up coverage when it is offered. The Commonwealth Fund Biennial Health Insurance Survey found that only slightly more than half (53%) of 19-to-29-year-olds who were working part-time or full-time were eligible for coverage offered by their employers, compared with three-quarters (74%) of 30-to-64-year-olds. Just one-third were covered by their employer plan and 28 percent of workers in this age group were uninsured, nearly three times the rate of older workers. Overall, two-thirds (66%) of working young adults take up coverage when it is offered by their employer, compared with 84 percent of workers ages 30 and older. Of all the age

groups, young working adults under age 24 were the least likely to be eligible for coverage and the least likely to take up coverage when it was offered. The lower take-up rates among 19-to-23-year-olds are partly explained by their greater likelihood of being covered as dependents on parents' policies, compared with young adults age 24 and older.

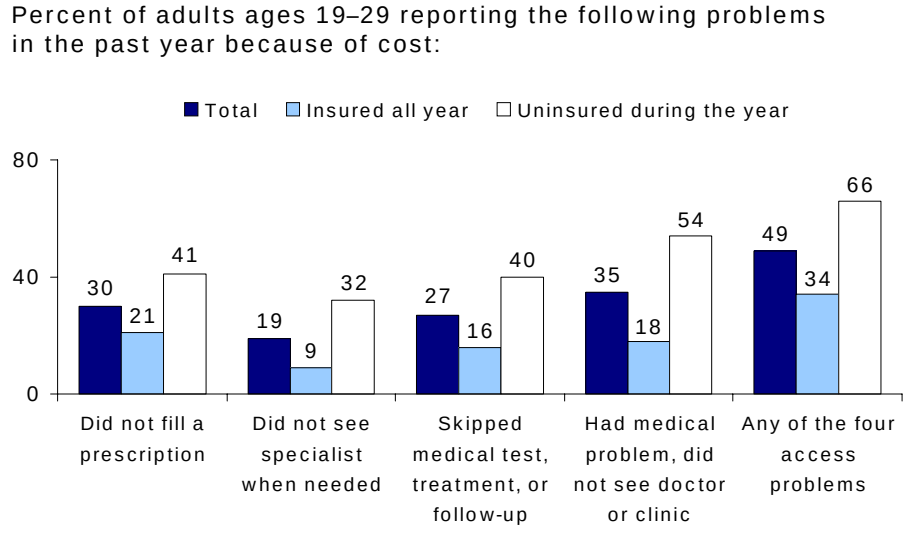
WHY COVERAGE IS IMPORTANT FOR YOUNG ADULTS

Although young adults generally constitute a healthy group, going without insurance disrupts their access to the health care system, introduces barriers to care when it is needed, and leaves young adults and their families at risk for high out-of-pocket costs in the event of a serious illness or severe injury. Young adults, particularly women, are in need of regular preventive care. If young adults lose their coverage at age 19 or upon graduation from college, their ties with primary care physicians may be severed at precisely the time they should be forming stronger links to the health care system and taking responsibility for their own care. The following are just a few reasons coverage is so important for young adults:

- 14 percent of adults ages 18 to 29 are obese. In the 1990s, obesity increased by 70 percent in this age group—the fastest rate of increase among all adults.[16]
- There are 3.5 million pregnancies each year among the 21 million women ages 19 to 29.[17]
- One-third of all HIV diagnoses are made among young adults.[18]
- Injury-related visits to emergency rooms are far more common among young adults than among either children or older adults.[19]
- More than 20,000 people with congenital heart disease reach their 19th birthday each year.[20]

The Commonwealth Fund Biennial Health Insurance Survey (2007) shows that being uninsured or having unstable health insurance hampers access to the health care system. Two-thirds (66%) of young adults ages 19 to 29 who had a time without insurance coverage in the past year said they had gone without needed health care because of cost (Figure 8). Forgone care included failing to fill a prescription, not seeing a doctor or specialist when sick, or skipping a recommended medical test, treatment, or follow-up visit.

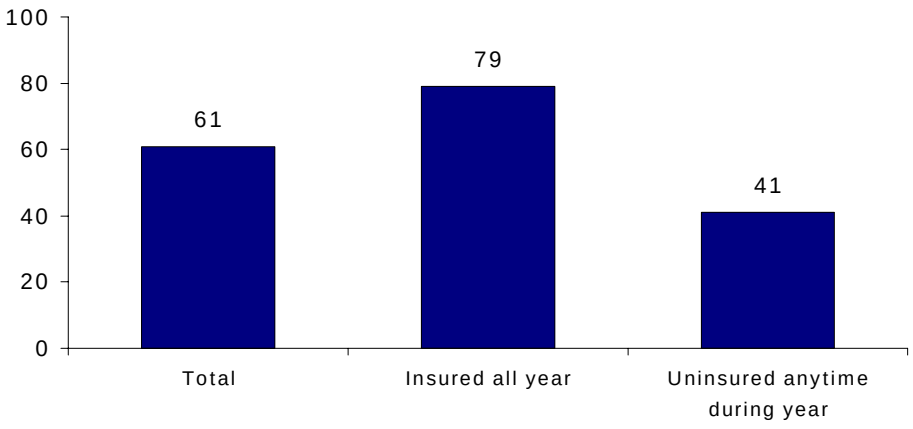
Figure 8. Lacking Health Insurance Threatens Young Adults' Access to Care, 2007



Source: The Commonwealth Fund Biennial Health Insurance Survey (2007) (unpublished).

In addition, uninsured young adults are far less likely than those with coverage to have a regular doctor. The survey found that only 41 percent of uninsured young adults ages 19 to 29 had a regular doctor, compared with more than three-quarters (79%) of those who were insured all year (Figure 9).

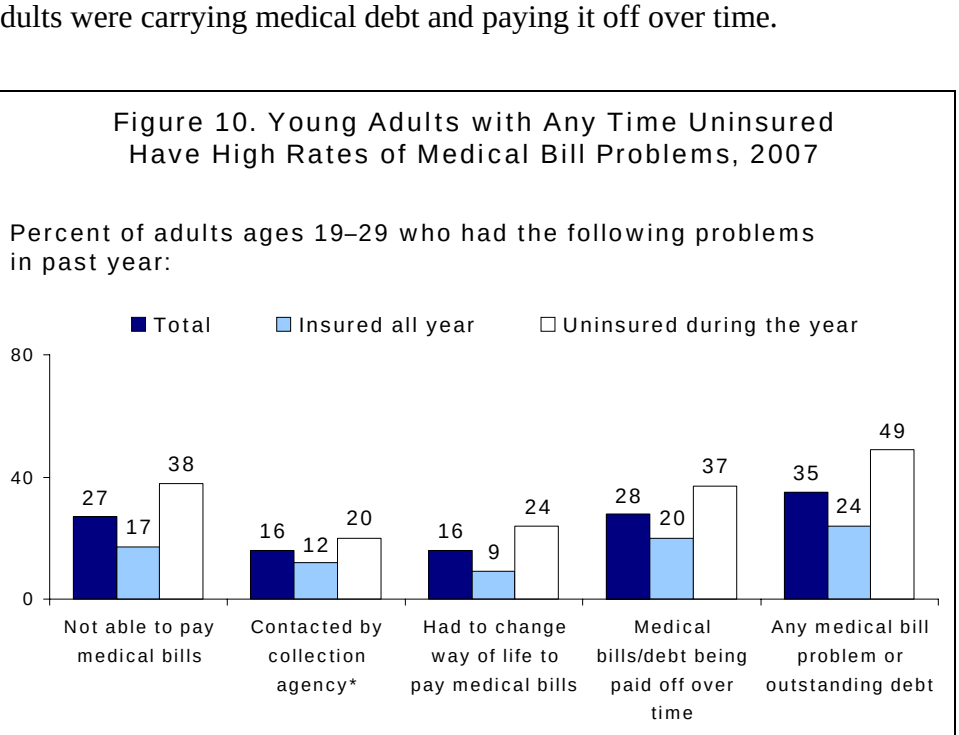
Figure 9. Young Adults Without Insurance Are Less Likely to Have a Regular Doctor, 2007



Source: The Commonwealth Fund Biennial Health Insurance Survey (2007) (unpublished).

Many young adults have problems paying medical bills or are paying off medical debt over time. More than one-third (35%) of all young adults surveyed, both insured and uninsured, report problems with medical bills: including having trouble making payments, being contacted by a collection agency because of inability to pay bills, significantly changing their way of life in order to pay medical bills, or paying off medical debt over time (Figure 10). About one of four (28%) young adults was paying off medical debt over time. Uninsured young adults were the most burdened with medical bills and debt—49 percent reported at least one bill-related problem. Nearly two of five (37%) uninsured young adults were carrying medical debt and paying it off over time.

Figure 10. Young Adults with Any Time Uninsured Have High Rates of Medical Bill Problems, 2007



* Includes only those whose bill was sent to a collection agency when they were unable to pay the bill.
Source: The Commonwealth Fund Biennial Health Insurance Survey (2007) (unpublished).

POLICY OPTIONS TO HELP YOUNG ADULTS STAY INSURED

Systemwide changes to expand access to and stabilize coverage among the general population could improve the health insurance coverage of young adults. Several recent federal and state proposals that propose universal insurance coverage have included specific provisions to increase coverage among young adults in existing private and public insurance arrangements. In Congress, Representative Pete Stark's (D–Calif.) AmeriCare Act,[21] Senator Ted Kennedy (D–Mass.) and Representative John Dingell's (D–Mich.) Medicare for All Act,[22] and Senator Ron Wyden's (D–Ore.) Healthy Americans Act[23] would all achieve coverage for the full population, including young adults.[24] In 2006, Massachusetts passed a universal coverage law, which includes specific provisions for

young adults. Presidential candidates Senator Hillary Clinton (D–N.Y.) and Senator Barack Obama (D–Ill.) have proposed approaches to achieve universal health insurance similar to the universal coverage law passed in Massachusetts.[25] Senator Obama's proposal for universal coverage would allow young adults up to age 25 to continue coverage under their parents' plans.

In an article for *Health Affairs*, The Commonwealth Fund's Cathy Schoen, Karen Davis, and Sara Collins proposed a framework for achieving near-universal coverage that includes a requirement for companies to extend coverage to dependent young adults under age 26 under their parents' policies.[26] In addition, other, more incremental proposals would expand coverage for children and young adults. A bill passed by the House of Representatives to reauthorize SCHIP would give states the option to cover children enrolled in Medicaid and SCHIP up to age 21.[27] A bill introduced by Senator Clinton would allow states to expand Medicaid and SCHIP to young adults up to age 25.[28] Senator John Kerry (D–Mass.), meanwhile, introduced legislation that would extend SCHIP and Medicaid to children up to age 21.[29]

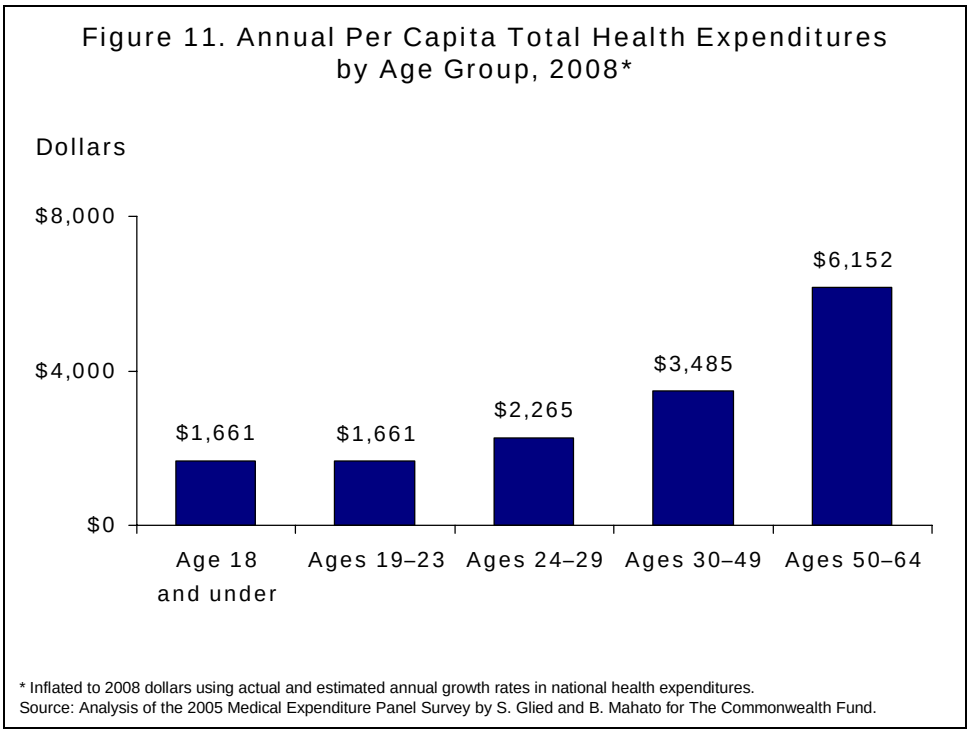
Recent State Action

In the absence of federal action to expand insurance coverage, 20 states have passed legislation that increases the age of dependency for young adults for purposes of private insurance coverage (Table 4).[30] Legislatures or governors in Illinois, New York, and Pennsylvania have introduced similar proposals. New ages of dependency range from 24 in Delaware, Indiana, and South Dakota to 30 in New Jersey. Thirteen states have settled on age 25. Some laws apply to students only. In general, these laws apply to plans covered under state insurance regulations and thus, do not apply to self-insured employers.

Some of the new laws and proposals are part of broader state efforts to expand coverage. As part of Massachusetts' health insurance expansion law, young adults are considered dependents for insurance purposes up to age 25 or for two years after they are no longer claimed on their parents' tax returns—whichever comes first.[31] The state's new Commonwealth Choice program also provides lower-cost insurance products for young adults, ages 18 to 26.[32] Pennsylvania Governor Edward Rendell's health reform proposal includes a requirement that insurers offer coverage to unmarried dependents up to age 30, and that all full-time college and graduate students have health coverage that meets minimum requirements.[33] In Illinois, Governor Rod Blagojevich's proposal for universal coverage includes a provision to increase the dependent age to 29.[34] In February 2008, Governor Chet Culver of Iowa proposed a set of health care reform measures, including one that would require insurers to cover adult children of family policyholders up to age 25.[35]

Targeted Policy Options

Whether they are included in a broader coverage expansion plan or implemented on their own, targeted policy options like those described above could improve access to coverage for young adults and help them stay insured. At the same time, expanding coverage for this group could lower the average cost of group insurance, because young adults are generally healthier than older adults and have lower per capita health care expenditures (Figure 11).[36]



The following three policy changes could extend coverage to a substantial portion of uninsured young adults and prevent others from losing coverage in the future:

1. *Extend eligibility for Medicaid/SCHIP public coverage beyond age 18.* Congress could allow or require states to extend coverage to young adults in Medicaid and SCHIP who lose their eligibility because of age, with federal matching funds provided. In addition, the Foster Care Independence Act of 1999, which allows states to extend Medicaid coverage to children in foster care beyond age 18, could be expanded to cover all children in Medicaid. Young adults in households with incomes under 100 percent of the poverty level are the group most at risk of lacking health insurance coverage. Many young adults with incomes of 100 percent to 199 percent of the poverty level also lack insurance coverage. Such an expansion would

have the biggest impact in terms of reducing the number of uninsured young adults. States could have the option of extending coverage up to a target age, such as 25, and could phase in coverage one year at a time. Alternatively, Congress could require states to extend coverage to young adults who are currently enrolled in the programs and are "aging off," similar to the way states are now required to extend Medicaid coverage to individuals who become ineligible because of higher earnings.[37] These policy changes could help young adults ages 19 to 25—3.6 million uninsured with incomes under 100 percent of poverty or 7.6 million uninsured with incomes under 200 percent of poverty. The Congressional Budget Office estimated that giving states the option to cover children enrolled in SCHIP up to age 21 would cost the federal budget about $2.3 billion over 10 years.[38]

2. *Extend eligibility for dependents under private coverage beyond age 18 or 19.* Private insurers and public and private employers could be required to define dependent coverage as all unmarried dependents beyond age 18 or 19. As noted above, many states have recently redefined the age at which a young adult is no longer a dependent. Some private and public employers already provide such coverage voluntarily. Under the Federal Employees Health Benefits Program (FEHBP), government employees and members of Congress currently enjoy coverage for unmarried dependent children under age 22.[39] A recently introduced bill would extend health insurance under FEHBP to dependents up to age 25.[40] Such an expanded benefit could be either structured as a rider with a supplemental premium or could be extended to all policies and covered by the family premium. Increasing the age to 23 could cover an additional estimated 1.4 million unmarried, dependent young adults with parents who have employer-sponsored insurance, and increasing the age to 25 could cover 1.9 million unmarried, dependent young adults.[41] If the benefit requirement were extended to all family policies, with the dependency age limit increased from 19 to 23, the average premium for those plans is estimated to rise by about 3 percent. Because fewer young adults over age 23 would likely be covered under their parents' policies as they join the workforce and gain other coverage, increasing the age of dependency from 23 to 25 is expected to result in an additional premium increase of about 1 percent.

3. *States could ensure that all colleges and universities require full-time and part-time students to have health insurance and offer health insurance coverage to both*. Many colleges and universities already require health insurance coverage as a condition of enrollment, and a handful of states (California, Idaho, Illinois,

Massachusetts, Montana, and New Jersey) have either a state or a higher-education governing board mandate to require that full-time undergraduate students who are U.S. citizens have health insurance. Students at these institutions generally can choose to enroll in a school health plan or provide proof of coverage from another source, usually a parent's employer-based plan.

The cost of the school plans, which ranges from about $500 to $2,400 per year, is usually added to tuition, along with other required fees.[42] The average annual cost for a school plan at public colleges and universities is $1,482, and $1,720 at private colleges and universities.[43] Using state mandates to increase the number of schools that require students to have health insurance coverage and offer coverage could help cover the 1.6 million part-time and full-time uninsured students ages 19 to 23. Federal or state subsidies for premiums would help offset the costs of insurance coverage for students.

Table 1. Uninsured Rates by Age Group and Selected Demographic Characteristics

	Age Group				
	18 & under	19–29	30–35	36–49	50–64
Total (millions)	78.2	45.0	23.4	61.2	53.0
Total (% uninsured)	12%	30%	23%	18%	13%
Gender					
Male	12	34	27	20	14
Female	12	26	20	16	13
Poverty					
<100% FPL	22	53	48	45	34
100%–199% FPL	16	41	41	34	25
≥200% FPL	8	16	13	10	8
Education					
Less than 12th grade	12	56	55	44	31
12th grade/high school	22	38	32	23	15
More than high school	13	24	18	14	11
Bachelor's degree or more	—	14	9	7	7
Race/Ethnicity					
White	8	23	15	13	10
Black	15	36	27	22	19
Hispanic	23	53	46	38	34
Other	12	28	19	18	16
Student Status					
Full-time student	13	18	—	—	—
Part-time student	27	27	—	—	—
Non-student	12	34	23	18	13
Employment Status					
Self employed	9	45	34	27	20
Employed part-time	10	28	25	21	16
Employed full-time	26	28	20	14	9
Not employed	12	38	33	26	18
Firm Size (Base: those employed full-time or part-time)					
<25 employees	15	41	38	30	22
25 or more employees	12	24	15	10	7
<100 employees	13	37	33	26	19
100 or more employees	12	22	13	9	6

Source: Analysis of the March 2007 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Table 2. Months Uninsured Among Young Adults
Ages 19–23 and 24–29, 2001–2003

	Population in millions	Any part of 3-year period	13 months or more	25 months or more	36 months
Total 19–23*	17.3	62%	33%	17%	7%
Poverty					
<200% FPL	5.3	80	50	31	13
≥200% FPL	12.0	54	26	12	5
Race					
White	11.5	55	26	13	5
Black	2.2	74	39	19	7
Hispanic	2.7	82	57	38	19
Total 24–29*	20.7	46%	25%	14%	6%
Poverty					
<200% FPL	5.9	72	50	31	12
≥200% FPL	14.8	36	15	8	3
Race					
White	13.8	40	20	11	4
Black	2.4	51	22	13	5
Hispanic	3.2	69	49	30	15

* People who were 19–23 or 24–29 at beginning of survey in 2001.

Source: Analysis of the 2001 Panel of the Survey of Income and Program Participation by E. Gould for The Commonwealth Fund.

Table 3. Availability of and Workers' Eligibility for Employer Insurance
(base: workers ages 19–64)

	Total	Ages 19–29	Ages 19–23	Ages 24–29	Ages 30–64
Total (millions)	122.2	26.6	11.7	14.9	95.5
Eligibility					
Employer offers a plan	75%	68%	64%	71%	77%
Eligible for employer plan	69	53	42	62	74
Coverage					
Covered through own employer	56	35	19	48	62
Covered through someone else's employer	16	16	24	10	16
Covered through public program	5	11	16	7	3
Individual	6	3	2	4	7
Other	3	7	7	7	2
Uninsured	14	28	32	25	10
Take-up rate of own-employer insurance	81	66	45	78	84

Note: Workers include full-time and part-time workers.

Source: The Commonwealth Fund Biennial Health Insurance Survey (2007) (unpublished).

Table 4. State Laws That Increase the Age Up to Which Young Adults Are Considered Dependents for Insurance Purposes

State	Year law passed or implemented	Limiting age of dependency status	Applies to non-students?
Colorado[1]	2006	25	Yes
Connecticut[2]	2007	26	Yes
Delaware[3]	2006	24	Yes
Florida[4]	2007	25	Yes
Idaho[5]	2007	25	No
Indiana[6]	2007	24	Yes
Maine[7]	2007	25	Yes
Maryland[8]	2007	25	Yes
Massachusetts[9]	2006	25	Yes
Minnesota[10]	2007	25	Yes
Montana[11]	2007	25	Yes
New Hampshire[12]	2007	26	Yes
New Jersey[13]	2006	30	Yes
New Mexico[14]	2005	25	Yes
Rhode Island[15]	2006	25	No
South Dakota[16]	2005	24	No
Texas[17]	2003	25	Yes
Utah[18]	1994	26	Yes
Virginia[19]	2007	25	No
Washington[20]	2007	25	Yes

[1] Colorado House Bill 05-1101; Requires group and privately purchased individual health plans to cover unmarried dependents up to age 25. Dependents must be unmarried or financially dependent, or live at the same address as parents, but eligibility is not dependent on full-time enrollment in school.

[2] Connecticut C.G.S.A. § 38a-497; Requires that group health insurance policies extend coverage to children up to age 26; effective January 1, 2009.

[3] Delaware House Bill 446, Chapter No. 419; Requires insurance providers to cover unmarried young adults under a pre-existing family policy up to age 24. Applicable as long as the young adult has no dependents and either lives in the state of Delaware or is a full-time student.

[4] Florida Chapter 627.6562 allows unmarried young adults up to age 25 who live with their parents or are financially dependent to remain on their parents' health insurance. The health insurance plan must cover these young adults at least until the end of the calendar year in which the young adult turns 25.

[5] Idaho Senate Bill 1105, Chapter No. 148; Allows unmarried financially dependent full-time students up to age 25 to remain on their parents' health insurance, and unmarried non-students up to age 21.

[6] Indiana House Bill 1678; Requires commercial health insurers and health maintenance organizations to cover dependents up to age 24 on their parents' insurance.

[7] Maine Chapter 115 Title 24-A; Requires individual and group health insurance policies to continue coverage for a dependent child up to age 25 if the child is financially dependent on the policyholder and has no dependents of his/her own.

[8] Maryland House Bill 1057; Allows young adults up to age 25 to receive coverage through their parents' health insurance as long as they live with the policyholder and are unmarried.

[9] Massachusetts House Bill 4850; As part of Massachusetts' April 2006 health insurance expansion law, young adults are considered dependents for insurance purposes up to age 25 or for two years after they are no longer claimed on their parents' tax returns, whichever comes first.

[10] Minnesota Chapter 62E.02, House Bill 475; Effective January 1, 2008; Allows dependents up to age 25 to remain on their parents' private health insurance plans.

[11] Montana MCA 33-22-140, Senate Bill 419; provides insurance coverage to unmarried children up to 25 years of age under a parent's policy; effective January 1, 2008.

[12] New Hampshire Senate Bill 183-FN; Applies to dependents up to age 26 who are unmarried, have no dependents of their own, are residents of New Hampshire or full-time students, and are not provided coverage through another group or individual health plan.

[13] New Jersey Public Act 2005 Chapter 375; Requires most group health plans to cover single adult dependents up to age 30.

[14] New Mexico House Bill 335; Requires that all insurance policies provide coverage for unmarried dependents up to age 25, regardless of school enrollment.

[15] Rhode Island Senate Bill 2211; Requires health insurance plans to cover unmarried dependent children up to age 19, or age 25 for financially dependent students.

[16] South Dakota Codified Law 58-17-2.3, Senate Bill 108; Prohibits any insurance provider that offers dependent benefits from terminating coverage before age 19, or 24 if the dependent is a full-time student.

[17] Texas House Bill 1446; Allows dependents up to age 25 to be covered by their parents' insurance plans. Full-time students age 25 and older are also eligible to remain on their parents' health insurance.

[18] Utah Code, Title 31A-22-610.5; Requires insurance policies that include dependent coverage to cover unmarried dependents up to age 26.

[19] Virginia Code 38.2-3525 allows dependent full-time students up to age 25 to remain on their parents' health insurance.

[20] Washington Chapter 259, 2007 Laws PV, Senate Bill 5930; Requires all commercial insurance carriers and the state employee programs to offer enrollees the opportunity to extend coverage to unmarried dependents up to age 25.

Note: Eight states have passed laws to extend the dependency eligibility age for young adults in the military or who are disabled.
Additional sources: National Conference of State Legislatures, *Changing Definition of 'Dependent': Who Is Insured and For How Long?*, http://www.ncsl.org/programs/health/dependentstatus.htm; State Coverage Initiatives, *Dependent* Coverage, http://www.statecoverage.net/matrix/dependentcoverage.htm.

METHODOLOGY

Most data in this issue brief are from four surveys: the March Annual Social and Economic Supplement to the Current Population Survey (CPS), 2007; the Medical Expenditure Panel Survey (MEPS), 2005; the 2001 Panel of the Survey of Income and Program Participation (SIPP); and the Commonwealth Fund Biennial Health Insurance Survey (2007). Sherry Glied and Bisundev Mahato of Columbia University's Mailman School of Public Health provided analysis of the CPS and MEPS. Elise Gould of the Economic Policy Institute provided analysis of the SIPP. Commonwealth Fund staff analyzed the Commonwealth Fund Biennial Health Insurance Survey.

The CPS, MEPS and SIPP are federal surveys sponsored by the Census Bureau (CPS and SIPP) and the Agency for Healthcare Research and Quality (MEPS). The CPS, the primary source of information on U.S. labor force characteristics, is conducted monthly on a sample of about 57,000 households representing approximately 140,000 people. The Annual Social and Economic Supplement to the CPS is conducted in March of each year with a sample of about 99,000 households. The MEPS uses an overlapping panel design in which data are collected in a series of five interviews over a 30-month period, with a new panel started each year. The sample size in 2005 was 12,810 families, representing 32,320 people. The SIPP is a multiyear panel survey that interviews a sample of households every four months for several years. The 2001 panel was fielded for three years and consisted of 35,100 households.

The Commonwealth Fund Biennial Health Insurance Survey (2007) was conducted by Princeton Survey Research Associates International from June 6, 2007, through October 24, 2007. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 3,501 adults age 19 and older living in the continental United States. The analysis in this issue brief is based on 413 adults ages 19 to 29 in the sample. Statistical results are weighted to correct for the disproportionate sample design and to make the final total sample results representative of all adults ages 19 and older living in the continental U.S. The data are weighted to the U.S. adult population by age, sex, race/ethnicity, education, household size, geographic region, and telephone service interruption, using the U.S. Census Bureau's 2006 Annual Social and Economic Supplement. The resulting weighted sample is representative of the approximately 214.5 million adults ages 19 and older, including 39.5 million young adults ages 19 to 29.

NOTES

[1] All analyses of the March Annual Social and Economic Supplement to the Current Population Survey are from S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See Methodology for a description of the CPS.

[2] In 2006, the under-65 poverty thresholds were $10,488 for one person, $13,500 for two adults, $16,227 for two adults and one child under 18, and $20,444 for two adults and two children under 18. See C. DeNavas-Walt, B. D. Proctor and J. Smith, *Income, Poverty, and Health Insurance Coverage in the United States: 2006*, Current Population Reports, Consumer Income (Washington, D.C.: U.S. Census Bureau, Aug. 2007).

[3] S. R. Collins, C. Schoen, M. M. Doty, and A. L. Holmgren, *Job-Based Health Insurance in the Balance: Employer Views of Coverage in the Workplace* (New York: The Commonwealth Fund, Mar. 2004).

[4] D. M. Mills, "The State of Student Health Insurance: Implications for ACHA's Standards," 2007 Student Health Insurance/Benefit Plan Survey Results, presentation at ACHA's Annual Meeting, Jun 1 2007; Communication with S. Beckley, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo., May 9, 2008; The U.S. Government Accountability Office found that 22% of public four-year colleges and 62% of private four-year colleges require their full-time students to have health insurance, based on a survey of 2-year and 4-year colleges and universities in the U.S.; "Health Insurance: Most College Students Are Covered through Employer-Sponsored Plans and Some Colleges and States Are Taking Steps to Increase Coverage," Report to the Committee on Health, Education, Labor, and Pensions, U.S. Senate, U.S. Government Accountability Office, March 2008.

[5] Mills, "State of Student Health Insurance," 2007; Communication with S. Beckley, 2008.

[6] S. R. Collins, K. Davis, and A. Ho, "A Shared Responsibility: U.S. Employers and the Provision of Health Insurance to Employees," *Inquiry*, Spring 2005 42(1):6–15; S. R. Collins, K. Davis, M. M. Doty, and A. Ho, *Wages, Health Benefits, and Workers' Health* (New York: The Commonwealth Fund, Oct. 2004); S. R. Collins, C. Schoen, D. Colasanto, and D. A. Downey, *On the Edge: Low-Wage Workers and Their Health Insurance Coverage, Findings from the 2001 Health Insurance Survey* (New York: The Commonwealth Fund, Mar. 2003); B. Garret, L. M. Nichols, and E. K. Greenman, *Workers Without Health Insurance: Who Are They and How Can Policy Reach Them?* (Washington, D.C.: The Urban Institute, Sept. 2001); S. H. Long and M. S. Marquis, "Low-Wage Workers and Health Insurance Coverage: Can Policymakers Target Them Through Their Employers?" *Inquiry*, Fall 2001 38(3):331–37.

[7] Authors' analysis of the Commonwealth Fund Biennial Health Insurance Survey (2007) (unpublished).

[8] Ibid.

[9] E. Fishman, "Aging Out of Coverage: Young Adults with Special Health Needs," *Health Affairs*, Nov./Dec. 2001 20(6):254–66.

[10] U.S. Social Security Administration, Legislative Archives of the 106th Congress, The Foster Care Independence Act of 1999, http://www.ssa.gov/legislation/legis_bulletin_112499.html, accessed Nov. 9, 2007.

[11] S. R. Collins, "Widening Gaps in Health Insurance Coverage in the United States: The Need for Universal Coverage," Invited testimony, Subcommittee on Income Security and Family Support Committee on Ways and Means, United States House of Representatives, Hearing on Impact of Gaps in Health Coverage on Income Security, Nov. 14, 2007.

[12] North Carolina Department of Health and Human Services, Family and Children's Medicaid MA-3230 Eligibility of Individuals Under Age 21, http://info.dhhs.state.nc.us/olm/manuals/dma/fcm/man/MA3230-08.htm, accessed Nov. 9, 2007.

[13] Texas Department of Family and Protective Services, Medicaid for Young People Transitioning from Foster Care, http://www.dfps.state.tx.us/Documents/Child_Protection/pdf/transitionalmedicaid.pdf, accessed Nov. 9, 2007.

[14] Voices for Ohio's Children, Summary of Child Health Expansions in Amended Substitute House Bill 119, http://www.vfc-oh.org/cms/resource_library/legislation/0331e68e882ad01e/, accessed Nov. 9, 2007.

[15] All analyses of the 2001 Panel of the Survey of Income and Program Participation (SIPP) are from E. Gould, Economic Policy Institute, for The Commonwealth Fund. See Methodology for a description of SIPP.

[16] A. H. Mokdad, E. S. Ford, B. A. Bowman et al., "Prevalence of Obesity, Diabetes, and Obesity-Related Health Risk Factors, 2001," *Journal of the American Medical Association*, Jan. 1, 2003 289(1):76–79; T. A. Hillier and K. L. Pedula, "Complications in Young Adults with Early Onset Type 2 Diabetes: Losing the Relative Protection of Youth," *Diabetes Care*, Nov. 2003 26(11):2999–3005; A. H. Mokdad, M. K. Serdula, W. H. Dietz et al., "The Spread of the Obesity Epidemic in the United States, 1991–1998," *Journal of the American Medical Association*, Oct. 27, 1999 282(16):1519–22.

[17] K. Quinn, C. Schoen, and L. Buatti, *On Their Own: Young Adults Living Without Health Insurance* (New York: The Commonwealth Fund, May 2000).

[18] Ibid.

[19] National Center for Health Statistics, *Health, United States, 2007* (Hyattsville, Md.: NCHS, 2007), Table 91.

[20] G. Rosenthal, "Prevalence of Congenital Heart Disease," in *The Science and Practice of Pediatric Cardiology*, Second Edition, A. Garson, J. T. Bricker, D. J. Fisher, and S. R. Neish (eds.) (Baltimore: Williams and Wilkins, 1998), pp. 1095–96.

[21] AmeriCare Health Care Act of 2007, H.R. 1841, introduced Mar. 29, 2007.

[22] Medicare for All Act, S. 1218 and H.R. 2034, introduced Apr. 25, 2007.

[23] Healthy Americans Act, S. 334, introduced Jan. 18, 2007.

[24] See also, S. R. Collins, K. Davis, and J. L. Kriss, *An Analysis of Leading Congressional Health Care Bills, 2005–2007: Part 1, Insurance Coverage* (New York: The Commonwealth Fund, Mar. 2007).

[25] S. R. Collins and J. L. Kriss, *Envisioning the Future: The 2008 Presidential Candidates' Health Reform Proposals* (New York: The Commonwealth Fund, Jan. 2008).

[26] C. Schoen, K. Davis, and S. R. Collins, "Building Blocks for Reform: Achieving Universal Coverage with Private and Public Group Health Insurance," *Health Affairs*, May/June 2008 27(3):646–57.

[27] The Children's Health and Medicare Protection Act of 2007, H.R. 3162, introduced July 24, 2007.

[28] Children's Health First Act, S.895, introduced Mar. 15, 2007.

[29] Kids Come First Act of 2007, S.95, introduced Jan. 4, 2007.

[30] See National Conference of State Legislatures, http://www.ncsl.org/programs/health/dependentstatus.htm; State Coverage Initiatives, http://www.statecoverage.net/matrix/dependentcoverage.htm.

[31] Massachusetts H.B. 4850, http://www.mass.gov/legis/laws/seslaw06/sl060058.htm.

[32] "Health Care Access and Affordability Conference Committee Report," Apr. 2006. http://www.mass.gov/legis/summary.pdf.

[33] Pennsylvania Governor Rendell's "Prescription for Pennsylvania" proposal, http://www.gohcr.state.pa.us/prescription-for-pennsylvania/index.html.

[34] "Illinois Covered" plan, http://www.illinoiscovered.com/details.html.

[35] Iowa S.S.B. 3194, introduced Feb. 19, 2008.

[36] Analysis of the Medical Expenditure Panel Survey (MEPS), 2004, by S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See Methodology for a description of the MEPS.

[37] J. M. Lambrew and A. Garson, Jr., *Small But Significant Steps to Help the Uninsured* (New York: The Commonwealth Fund, Jan. 2003).

[38] http://www.cbo.gov/ftpdocs/85xx/doc8519/HR3162.pdf.

[39] Federal Employees Health Benefits Program Handbook, see http://www.opm.gov/insure/handbook/fehb00.asp.

[40] To amend Title 5, United States Code, to increase the maximum age to qualify for coverage as a "child" under the health benefits program for federal employees, H.R. 5550, introduced Mar. 6, 2008, by Representative Danny Davis (D–Ill.).

[41] Analysis of the March 2007 Annual Social and Economic Supplement to the CPS, S. Glied and B. Mahato. This is likely to be an underestimate of the number of unmarried, dependent young adults who would be affected, because it counts only those who live in the same household as their parents.

[42] The range reflects the costs of those school health plans that are consistent with standards recommended by the American College Health Association. Communication with S. Beckley, 2008; L. Rosellini, "Healthcare Headaches," *U.S. News & World Report*, Apr. 15, 2002, p. 52.

[43] Data from Hodgkins Beckley Consulting's fourth annual survey of the cost of college student health insurance plans that comply with benefit and management standards endorsed by the American College Health Association, Jan. 2008.

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