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Issue Brief

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

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ABSTRACT: Young adults (ages 19 to 29) are one of the largest and fastest-growing segments of the U.S. population without health insurance: 13.7 million lacked coverage in 2004, an increase of 2.5 million since 2000. Young adults often lose coverage under their parents' policies, Medicaid, or the State Children's Health Insurance Program at age 19, or when they graduate from high school or college. Nearly two of five college graduates and one-half of high school graduates who do not go on to college will be uninsured for a period during the first year after graduation. Three policy changes could extend coverage to uninsured young adults and prevent others from losing it: extending eligibility for Medicaid and the State Children's Health Insurance Program beyond age 18; extending eligibility for dependents under private coverage beyond age 18 or 19 regardless of student status; and ensuring that colleges and universities require full- and part-time students to have insurance, and that they offer coverage to both.

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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 population without health insurance in the United States. Often dropped from their parents' policies or public insurance programs at age 19 or on graduation day, they are left to find insurance on their own as they make the transition from high school to work or college.

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This is a revision of the issue brief *Rite of Passage,* first released in May 2003. It updates analyses with new data from the March 2005 Current Population Survey, the 2003 Medical Expenditure Panel Survey, and the Commonwealth Fund Biennial Health Insurance Survey (2005). It also provides new information on state legislation and other proposals recently introduced to increase health insurance coverage among young adults.

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Yet, jobs available to young adults are usually low-wage or temporary—the type 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' policies, but upon graduation usually lose access to family coverage.

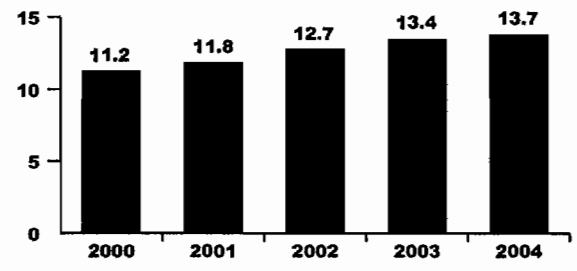
Moving on and off coverage places the health of young adults at risk and subjects them and their families to financial stress just as they are starting out in the workforce. This issue brief assesses the scope of the health insurance problem facing young adults, its causes and implications, and what can be done to ensure stable and continuous coverage. It also offers some targeted policy steps that could help young adults stay insured as they make the transition to independent living.

A LARGE AND GROWING PROBLEM

The number of uninsured young adults ages 19 to 29 climbed to 13.7 million in 2004, an increase of 2.5 million since 2000 (Figure 1). Young adults were the fastest-growing age group among the uninsured over this period, accounting for 40 percent of the increase in the uninsured under age 65. Even though they comprise just 17 percent of the under-65 population, young adults account for 30 percent of the nonelderly uninsured.[1]

By far, the young adults most at risk of lacking coverage are those from low-income households.

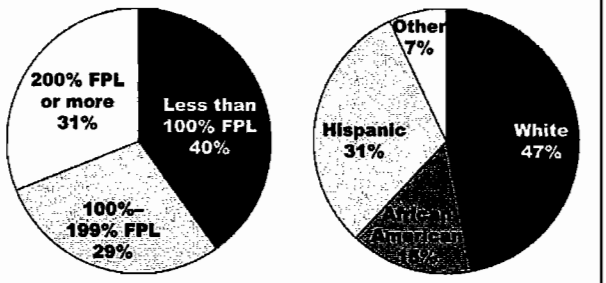
Figure 1. Uninsured Young Adults Up by 2.5 Million in Last Four Years



Source: Analysis of the March 2001–2005 Current Population Surveys by S. Glied and B. Mahato for The Commonwealth Fund.

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 poverty level, but two-fifths (40%) of the 13.7 million young adults who are uninsured live in households with incomes below poverty (Figure 2).[2]

Figure 2. Distribution of Uninsured Young Adults Ages 19–29 by Poverty Status and Race/Ethnicity, 2004



Source: Analysis of the March 2005 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 comprise 19 percent of adults ages 19 to 29, they comprise 31 percent of uninsured young adults (Figure 2). Hispanics and African Americans are both at greater risk of being uninsured than white young adults: about 36 percent of African Americans and 52 percent of Hispanics ages 19 to 29 are uninsured, compared with 24 percent of whites in that age range (data not shown).

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 for 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 as the critical divide.

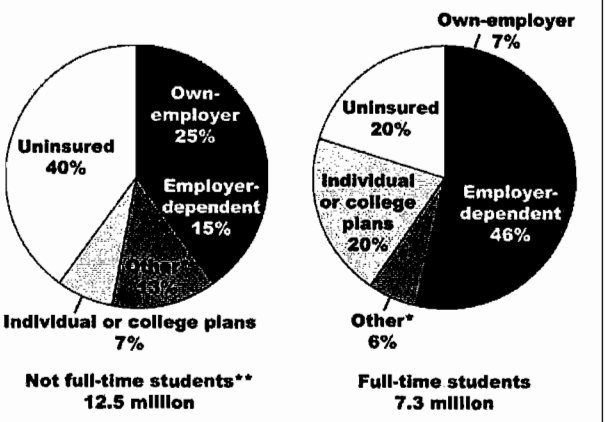
Losing Coverage Under a Parent's Policy

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. Age 18 or 19 tends to be a crucial turning point, after which coverage most often continues 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's policies. A small share of full-time students also gains coverage through plans offered by universities. Roughly 25 percent of public universities and about 90 percent of private universities and colleges require that students have health insurance as a condition of enrollment.[4] Idaho, Massachusetts, and New Jersey have passed either legislative or administrative rulings requiring that students have health insurance in order to enroll.[5] About half (46%) 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).

Young adults who are not in school full-time post-high school graduation are much more likely to be uninsured, primarily because it is much harder for them to gain access to employer coverage.

Figure 3. Insurance Sources for College-Age Adults Ages 19–23, 2004



Note: Numbers may not sum to 100% because of rounding.
* Other includes Medicare, Medicaid, and Military. ** Includes part-time students and non-students.
Source: Analysis of the March 2005 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Forty percent of part-time and non-students ages 19 to 23 are uninsured, compared with 20 percent of full-time students. 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. New entrants to the labor market without college educations are often candidates for positions that are the least likely to come with health benefits—those that pay low wages, are in small companies, or are part-time or temporary in nature.[6] The Commonwealth Fund Biennial Health Insurance Survey (2005) found that 43 percent of all workers ages 19 to 29 who earn less than $10 per hour are uninsured.[7] Almost one-third (31%) 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 have to go through a new set of screening tests to determine whether they will still be eligible for benefits as disabled adults.[9]

Net Impact of the 19th Birthday

As a result of the combined impact of such public and private insurance rules, uninsured rates jump sharply at age 19. Turning 19 increases the risk of being uninsured by more than twofold: the uninsured rate rises from 12 percent among children age 18 and under to 31 percent among those ages 19 to 29 (Figure 4).

Figure 4. Percent Uninsured, Children and Young Adults, by Poverty Level, 2004

Percent Uninsured	Children Age 18 and Under	Young Adults Ages 19–29
Total	12%	31%
<100% FPL	20	54
100%–199% FPL	17	42
≥200% FPL	7	18

Source: Analysis of the March 2005 Current Population Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Low-income young adults are particularly vulnerable. Among those living in families below the poverty level, more than half (54%) are uninsured, compared with about one of five (20%) children in low-income families. Those with slightly higher incomes (100% to 199% of poverty) fare only marginally better—roughly two of five (42%) are uninsured.

THE (UNINSURED) GRADUATE

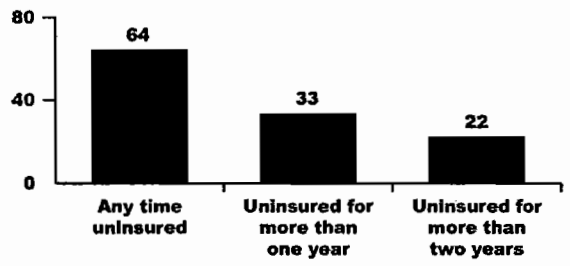
The transitional nature of young adults' lives following their 19th birthday makes it difficult to secure a stable and consistent source of health insurance coverage. Young adults move in and out of school and jobs throughout their 20s. Full-time students might take a leave of absence from school, attend 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 known as SIPP (Survey of Income and Program Participation) interviewed a sample of people about their health insurance and other characteristics in 1996 and tracked their history through 2000.

The four-year insurance history of all young adults who were ages 19 to 23 at the beginning of 1996 reveals the extent to which life transitions disrupt insurance coverage. Over the 1996–2000 period, two-thirds (64%) of this cohort of young adults went without coverage for at least part of the time (Figure 5).[10] One-third were uninsured for more than a year, while one-fifth were uninsured for more than two years.

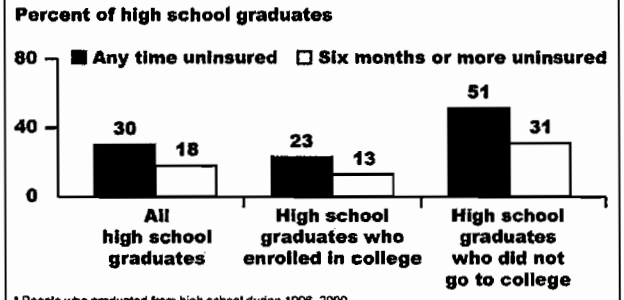
Young adults from households with low incomes were most exposed: they were both more likely to go without insurance for at least some period and more likely to endure long periods without insurance. Nearly 80 percent of young adults living under 200 percent of the poverty level were uninsured for at least part of the four-year period; more than half (52%) were uninsured for 13 months or more (Table 1). Reflecting their generally lower incomes, Hispanic and African American young adults were at similarly high risk of losing insurance and experiencing long spells

Figure 5. Percent of Young Adults Who Had a Time Uninsured During Four Years, 1996–2000*



* People who were 19–23 in 1996 were followed over 1996–2000. Data show what percent had time uninsured during that period.
Source: Analysis of the 1996 Panel of the Survey of Income and Program Participation by P. F. Short and D. Graefe for The Commonwealth Fund.

Figure 6. Percent of High School Graduates with Gaps in Insurance Coverage in the Year Following Graduation, by Student Status, 1996–2000*



* People who graduated from high school during 1996–2000.
Source: Analysis of the 1996 Panel of the Survey of Income and Program Participation by P. F. Short and D. Graefe for The Commonwealth Fund.

without coverage. Fifteen percent of Hispanic young adults ages 19 to 23 at the beginning of the four years were uninsured for the entire period.

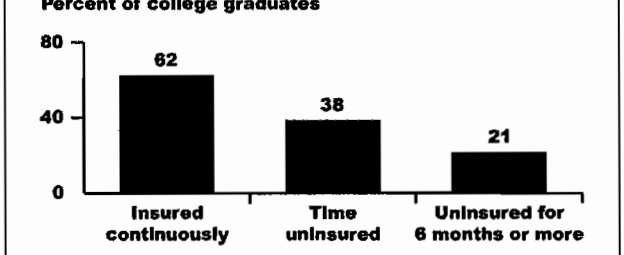
Graduation: High School and College

Tracking people over time also reveals how the major life events of early adulthood noted in this brief disrupt insurance coverage.

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). Half of young adults who graduated from high school but did not go to college were uninsured for some time during the year following their graduation—twice the rate for young adults who attended college that year.

Among those young adults who go to college, the year following their college graduation also can be a time during which connections to the health system are fragile and break down. The protections afforded them by virtue of being a full-time student—coverage through a parent's employer 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 those college students who graduated during 1996 to 2000, 38 percent were uninsured for at least part of the time in the year following graduation, with 21 percent uninsured for six months or more (Figure 7). Based on the experiences of recent graduates, nearly two of five college graduates can expect to spend at least some time uninsured in the year just after graduation.

Figure 7. Nearly Two of Five College Graduates Had Time Uninsured in Year Following Graduation, 1996–2000*



* People who graduated from college during 1996–2000.
Source: Analysis of the 1996 Panel of the Survey of Income and Program Participation by P. F. Short and D. Graefe for The Commonwealth Fund.

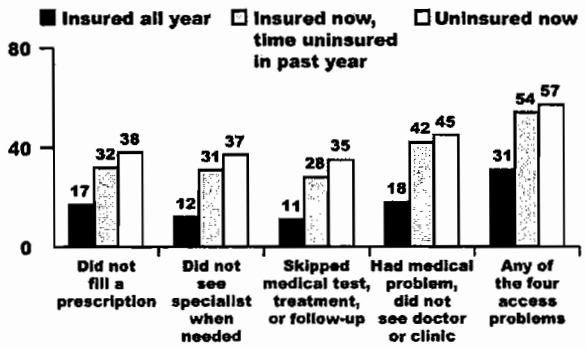
WHY COVERAGE IS IMPORTANT FOR YOUNG ADULTS

Although young adults in general 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 severe illness or 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:

- Fourteen 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.[11]
- There are 3.5 million pregnancies each year among the 21 million women ages 19 to 29.[12]
- One-third of all HIV diagnoses are made among young adults.[13]
- Injury-related visits to emergency rooms are far more common among young adults than they are among either children or older adults.[14]
- More than 20,000 people with congenital heart disease reach their 19th birthday each year.[15]

The Commonwealth Fund Biennial Health Insurance Survey (2005) shows that being uninsured or having unstable health insurance hampers access to the health care system. More than half (54%–57%) of young adults ages 19 to 29 who either were uninsured for the entire year or had a time without coverage said that 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 for Any Period Threatens Young Adults' Access to Care, 2005

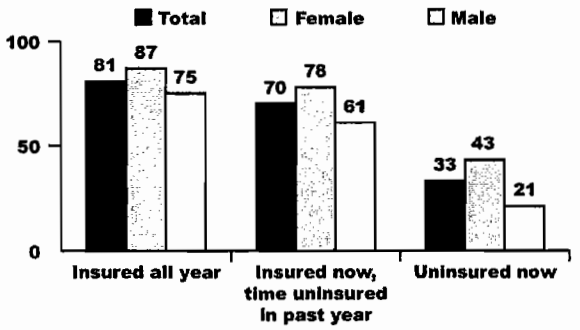


Source: The Commonwealth Fund Biennial Health Insurance Survey (2005).

In addition, uninsured young adults are far less likely than those with coverage to have a regular doctor. Only one-third of uninsured young adults ages 19 to 29 had a regular doctor, compared with 81 percent of those who were insured all year (Figure 9). Uninsured female young adults had regular doctors at about half the rate of young women who were insured all year. Male young adults who were uninsured had the most fragile link to the health care system: just 21 percent had a regular doctor compared with 75 percent of male young adults who were insured all year.

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, both insured and uninsured, said that they had experienced problems with medical bills: having trouble making payments, being contacted by a collection agency because of inability to pay

Figure 9. Young Adults Without Insurance Are Less Likely to Have a Regular Doctor, 2005

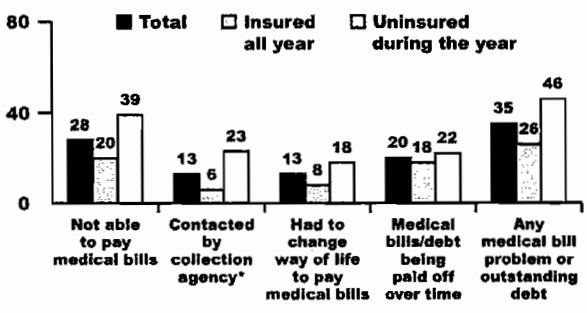


Source: The Commonwealth Fund Biennial Health Insurance Survey (2005).

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 five (20%) young adults were paying off medical debt over time. Uninsured young adults were the most burdened with medical bills and debt; 46 percent reported at least one of the aforementioned problems.

Contrary to conventional wisdom, young adults appear to value the protection that health insurance coverage provides. The Commonwealth Fund Biennial Health Insurance Survey (2005) found that nearly three-quarters (73%) of employed young adults accept health insurance coverage when it is offered to them, only slightly less than the take-up rate (82%) of workers age 30 or older (Table 2).

Figure 10. Young Adults with Any Time Uninsured Have High Rates of Medical Bill Problems, 2005



* 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 (2005).

POLICY OPTIONS TO HELP YOUNG ADULTS STAY INSURED

Health insurance coverage of young adults would be improved by system-wide changes to expand access to and stabilize coverage among the general population. Some recent proposals to achieve near-universal coverage would build on the existing health insurance system, and several have included specific provisions to increase coverage among young adults in current private and public insurance arrangements.[16] For example, The Commonwealth Fund's Karen Davis and Cathy Schoen have proposed a framework for achieving near-universal coverage that includes a requirement for companies to extend coverage to dependent young adults under age 23 through their parents' insurance plan.[17] Other proposals would expand coverage for children as well as young adults, or exclusively target young adults. Senator Jay Rockefeller (D-W.Va.) and Representative Pete Stark (D-Calif.) have introduced legislation creating a Medicare-like program for children that will eventually cover young adults up to age 23.[18] Representative Vic Snyder (D-Ark.) and Senator Blanche Lincoln (D-Ark.) have introduced legislation that would permit states to cover low-income young adults under Medicaid and SCHIP up to age 23.[19] Senate Republicans have proposed financial incentives for colleges and universities that provide or require health insurance for full-time students.[20]

Recent State Action

In the absence of federal action to expand coverage, several states have recently passed or are considering legislation to substantially increase the age

of dependency for young adults for private insurance coverage eligibility status.[21] In general, these laws apply to plans covered under state insurance regulations and thus would not apply to self-insured employers.

In a law taking effect in May 2006, New Jersey will require most group health plans to cover single adult dependents up to age 30 (Table 3).[22] A Colorado law that became effective in January 2006 requires group and privately purchased individual health plans to cover unmarried dependents up to age 25.[23] Dependents must be unmarried or financially dependent, or live at the same address as the parent(s), but eligibility is not dependent on full-time enrollment in school. The New Jersey and Colorado laws both allow insurers to charge a separate premium for extended dependent coverage.

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.[24]

Utah has required insurance policies that include dependent coverage to cover unmarried dependents through age 26 since 1994,[25] and New Mexico requires that all insurance policies provide coverage for unmarried dependents up to age 25, regardless of school enrollment.[26]

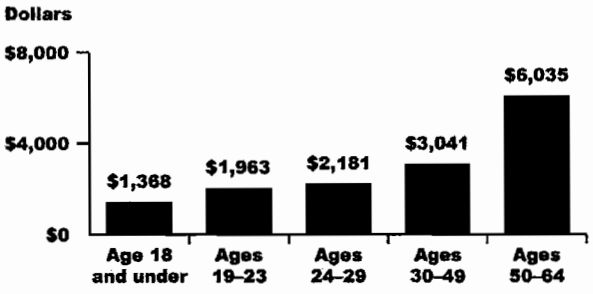
A Texas law effective in September 2003 allows full-time students up to age 25 to be covered by their parents' insurance plans.[27] South Dakota prohibits any insurance provider that offers dependent benefits from terminating coverage before age 19, or 24 if the dependent is a student.[28]

Several state legislatures are considering similar laws. Rhode Island is currently considering a bill that would phase in, through 2009, coverage of unmarried and financially dependent young adults up to age 25.[29] And a California bill that was passed by the state legislature but vetoed by the governor would have prohibited health plans that cover dependent children from establishing a limiting age for coverage of less than 26 years.[30] The bill is expected to be submitted to the governor for consideration again this year.

Targeted Policy Options

Whether as part of a broader expansion plan or implemented on their own, targeted policy options like those recently pursued by states could improve access to coverage for young adults and help them stay insured during the transition to independence. This is a relatively low-cost group to insure: young adults generally are healthier than older adults and therefore have far lower per capita health care expenditures (Figure 11).[31] Indeed, keeping young adults in insurance pools may have the effect of lowering the average costs for group insurance.

Figure 11. Annual Per Capita Total Health Expenditures by Age Group, 2006*



* Inflated to 2006 dollars using actual and estimated annual growth rates in national health expenditures
Source: Analysis of the 2003 Medical Expenditure Panel Survey by S. Glied and B. Mahato for The Commonwealth Fund.

Three different public or private 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 those young adults in Medicaid and SCHIP who lose their eligibility because of age, with federal matching funds provided. Young

adults in households with incomes under 100 percent of poverty are by far the group most at risk of lacking health insurance coverage. Such an expansion would have the biggest impact in terms of lowering the number of uninsured young adults. Young adults with incomes of 100 percent to 199 percent of poverty also lack insurance at a high rate. As proposed in the Snyder and Lincoln legislation, states would have the option of extending coverage up to a target age such as 23, and could phase in coverage one year at a time. Alternatively, Congress could require states to extend coverage to those currently enrolled in the programs and who "age off," just as states are now required to extend Medicaid coverage to those who become ineligible because of higher earnings.[32] Such a policy change could help the 2.9 million uninsured young adults ages 19 to 23 with incomes under 100 percent of poverty.

2. *Extend eligibility for dependents under private coverage beyond age 18 or 19.* Private insurers and both 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—from age 25 in Colorado and New Mexico up to age 30 in New Jersey. Some private and public employers already provide such coverage voluntarily. Under the Federal Employees Health Benefits Program, federal employees and members of Congress currently enjoy coverage for unmarried dependent children under age 22.[33] Such an expanded benefit could either be structured as a rider with a supplemental premium or simply be extended to all policies and covered by the family premium. Even increasing the age to 23 could cover an estimated 1 million unmarried, dependent young adults.[34] If the benefit requirement were extended to family policies, the average premium for those plans would rise by about 3 to 5 percent.[35]

3. *States could ensure that all colleges and universities require full-time and part-time students to have health insurance, and that they 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 (Idaho, Massachusetts, New Jersey) have legislative or administrative rulings requiring all students at local institutions to be covered. 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.[36] Increasing the number of schools that require students to have health insurance coverage and that offer such coverage through state mandates could help cover the 1.9 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.

NOTES

[1] All analyses of the March Annual Social and Economic Supplement to the Current Population Survey (CPS), 1987–2005, are from S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See Methodology for a description of the CPS.

[2] In 2004, the under-65 poverty thresholds were $9,827 for one person, $12,649 for two adults, $13,020 for two adults and one child under 18, and $19,157 for two adults and two children under 18. See C. DeNavas-Walt, B. D. Proctor and R. J. Mills, *Income, Poverty, and Health Insurance Coverage in the United States: 2004,* Current Population Reports, Consumer Income (Washington, D.C.: U.S. Census Bureau, Aug. 2005).

[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] Communication with S. Beckley, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo.

[5] Ibid.

[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 (2005).

[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] All analyses of the 1996 Panel of the Survey of Income and Program Participation (SIPP) are from P. F. Short and D. Graefe, Pennsylvania State University, for The Commonwealth Fund. See Methodology for a description of the SIPP.

[11] 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 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.

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

[13] Ibid.

[14] National Center for Health Statistics, *Health, United States, 2005* (Hyattsville, Md.: NCHS, Nov. 2005), Table 89.

[15] 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.

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[31] Analysis of the Medical Expenditure Panel Survey (MEPS), 2003, by S. Glied and B. Mahato, Columbia University, for The Commonwealth Fund. See Methodology for a description of the MEPS.

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[33] Federal Employees Health Benefits Program Handbook, see http://www.opm.gov/insure/handbook/fehb28.asp.

[34] Analysis of the March 2005 Annual Social and Economic Supplement to the CPS, S. Glied and B. Mahato.

[35] This estimate is based on the costs of adding the estimated number of adults 19 to 23 who currently do not have employer-sponsored health insurance to different types of family policies. The range reflects the average premium increases resulting from spreading those costs across family policies with dependent children (5%) or all non-single policies (3%).

[36] 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, Stephen L. Beckley & Associates, Inc., Fort Collins, Colo.; L. Rosellini, "Healthcare Headaches," *U.S. News & World Report,* Apr. 15, 2002, p. 52.

Table 1. Months Uninsured Among Young Adults, 1996–2000

	Population in millions	Any part of 4-year period	13 months or more	25 months or more	48 months
Total 19–23*	17	64%	33%	22%	6%
Poverty					
≤ 200% FPL	5	79	52	37	12
> 200% FPL	12	57	25	15	3
Race					
White	12	61	29	18	3
Black	2	65	38	25	11
Hispanic	2	76	52	39	15

* People who were 19–23 at beginning of survey in 1996.

Source: Analysis of the 1996 Panel of the Survey of Income and Program Participation by P. F. Short and D. Graefe for The Commonwealth Fund.

Table 2. Availability of and Workers' Eligibility for Employer Insurance (base: workers ages 19–64)

	Total	Ages 19–29	Ages 30–64
Total (millions)	125.8	26.0	99.8
Eligibility			
Employer offers a plan	77%	71%	78%
Eligible for employer plan	71	62	73
Coverage			
Covered through own employer	57	45	60
Covered through someone else's employer	17	15	17
Covered through public program	4	6	3
Individual	5	5	6
Other	3	6	2
Uninsured	15	23	13
Take-up rate of own-employer insurance	80	73	82

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

Source: The Commonwealth Fund Biennial Health Insurance Survey (2005).

Table 3. 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	2006	25	Yes
Massachusetts	2006	25[1]	Yes
New Jersey	2006	30	Yes
New Mexico	2005	25	Yes
South Dakota	2005	24[2]	No
Texas	2003	25	No
Utah	1994	26	Yes

[1] Or for two years after they are no longer claimed on their parents' tax returns, whichever comes first.

[2] Age 19 for non-students.

Notes: Four states have passed laws to extend the dependency eligibility age for young adults in the military or who are disabled. Pennsylvania requires that full-time students whose studies are interrupted by military service are considered dependents until they finish school, regardless of age; Illinois requires that full-time students whose studies are interrupted by military service are considered dependents for the amount of time they spent serving, up to age 25. Oregon includes disabled adult children in the definition of dependent; Maine requires that children with a mental or physical disability that prevents them from enrolling in school are considered dependents up to age 24.

Source: National Conference of State Legislatures, *Changing Definition of 'Dependent': Who Is Insured and For How Long?* (Washington, D.C.: NCSL). Available at http://www.ncsl.org/programs/health/dependentstatus.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), 2000–2005; the Medical Expenditure Panel Survey (MEPS), 2003; the 1996 Panel of the Survey of Income and Program Participation (SIPP); and the Commonwealth Fund Biennial Health Insurance Survey (2005). Sherry Glied and Bisundev Mahato of Columbia University, Mailman School of Public Health, provided analysis of the CPS and MEPS. Pamela Farley Short and Deborah Graefe of Pennsylvania State University, Center for Health Care and Policy Research, provided analysis of the SIPP. The authors 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 2003 was about 13,000 families, representing 33,000 people. The SIPP is a multiyear panel survey that interviews a sample of households every four months for several years. The 1996 panel was fielded for four years and consisted of about 37,000 households.

The Commonwealth Fund Biennial Health Insurance Survey (2005) was conducted by Princeton Survey Research Associates International from August 18, 2005, through January 5, 2006. The survey consisted of 25-minute telephone interviews in either English or Spanish and was conducted among a random, nationally representative sample of 4,350 adults age 19 and older living in the continental United States. The analysis in this report is based on 603 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 age 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 2005 Annual Social and Economic Supplement. The resulting weighted sample is representative of the approximately 212 million adults age 19 and older, including 35.5 million young adults ages 19 to 29.