

# **Why Did the Number of Uninsured Continue to Increase in 2005?**

**John Holahan  
Allison Cook  
The Urban Institute**

**Alliance for Health Reform  
October 19, 2006**

**KAISER COMMISSION ON  
Medicaid and the Uninsured**

## ***Key Findings: 2004-2005***

---

- **The number of uninsured increased in 2005 by 1.3 million: 44.8 → 46.1 million**
  - **Adults accounted for 1.0 million of the increase**
  - **1.1 million were from low-income families (less than 200% FPL)**
- **The uninsured grew in 2005 primarily because of the continued decline in employer-sponsored insurance (ESI)**

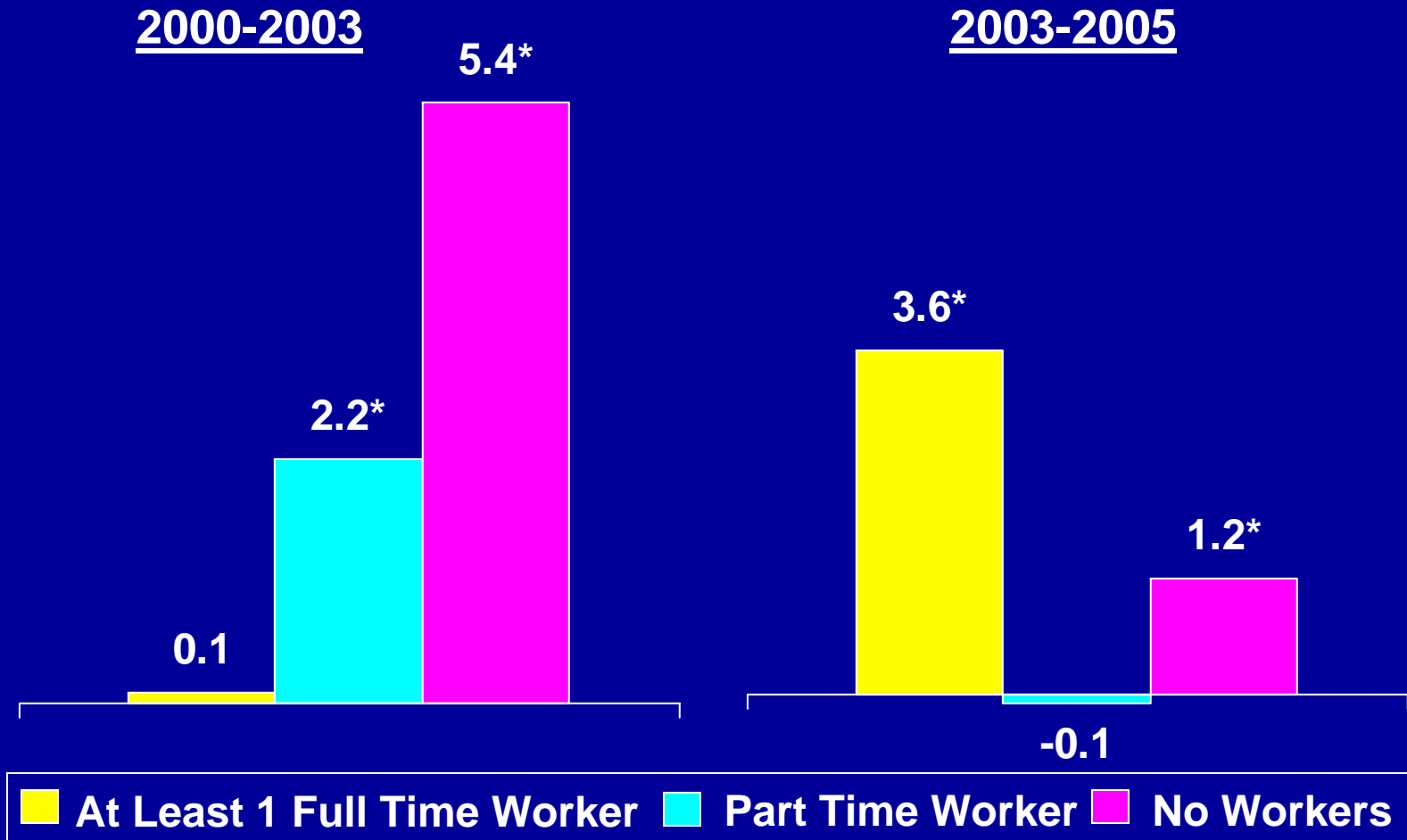
Figure 2

## **Key Findings: 2004-2005 (cont.)**

- Unlike previous years, there was no increase in Medicaid/SCHIP coverage to offset the ESI decline → both the uninsured rate and the number of uninsured increased
- ESI decreases were greatest among children from low and middle-income families
- These changes created an increase of 300,000 uninsured children, reversing the small gain (400,000) in coverage among children between 2000 and 2004

Figure 3

# Economic Conditions Improved in 2003-2005 vs. 2000-2003: Changes in Family Work Status (in millions of people)

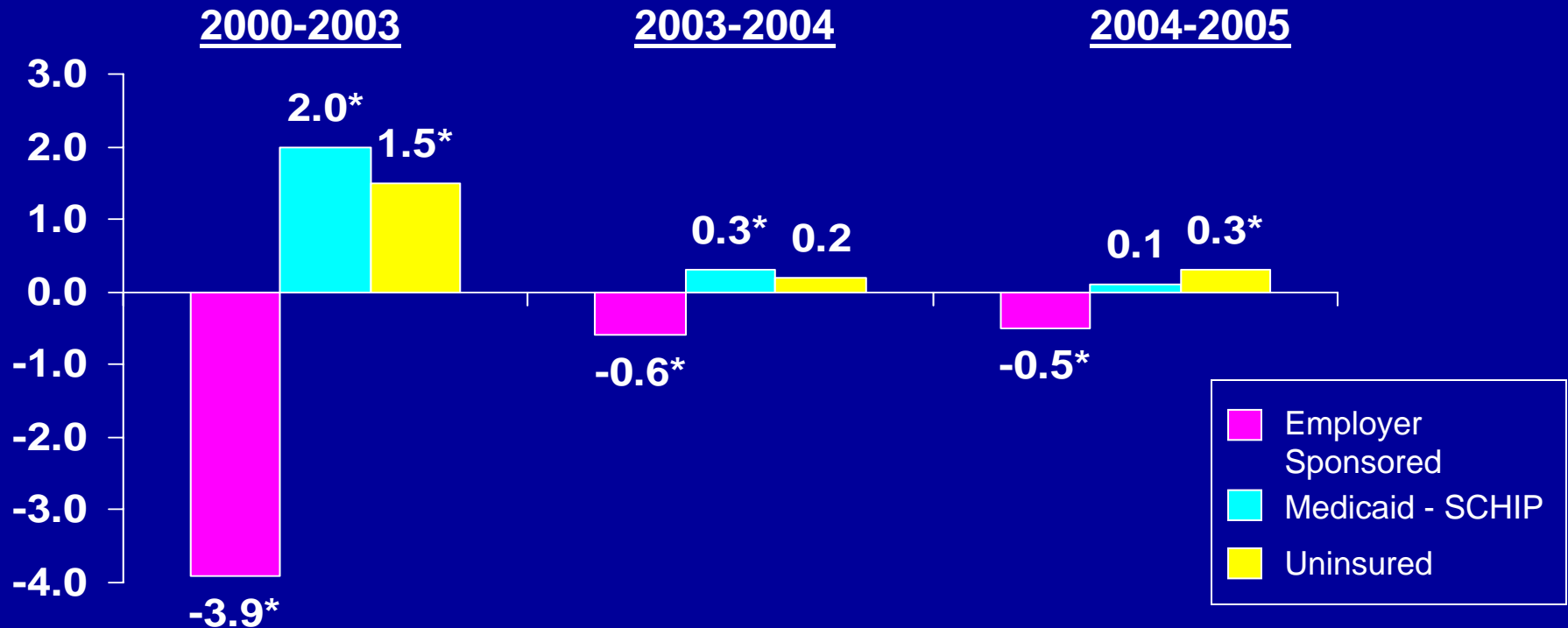


\* Statistically significant change ( $p < .10$ ).

Figure 4

# Changes in Health Insurance Coverage of the Nonelderly

-- Percentage Point Changes --



Change in Population

7.6 Million\*

2.4 Million\*

2.4 Million\*

Change in Uninsured

5.1 Million\*

0.8 Million\*

1.3 Million\*

\* Statistically significant change (p < .10). Medicaid also includes SCHIP, other state programs.

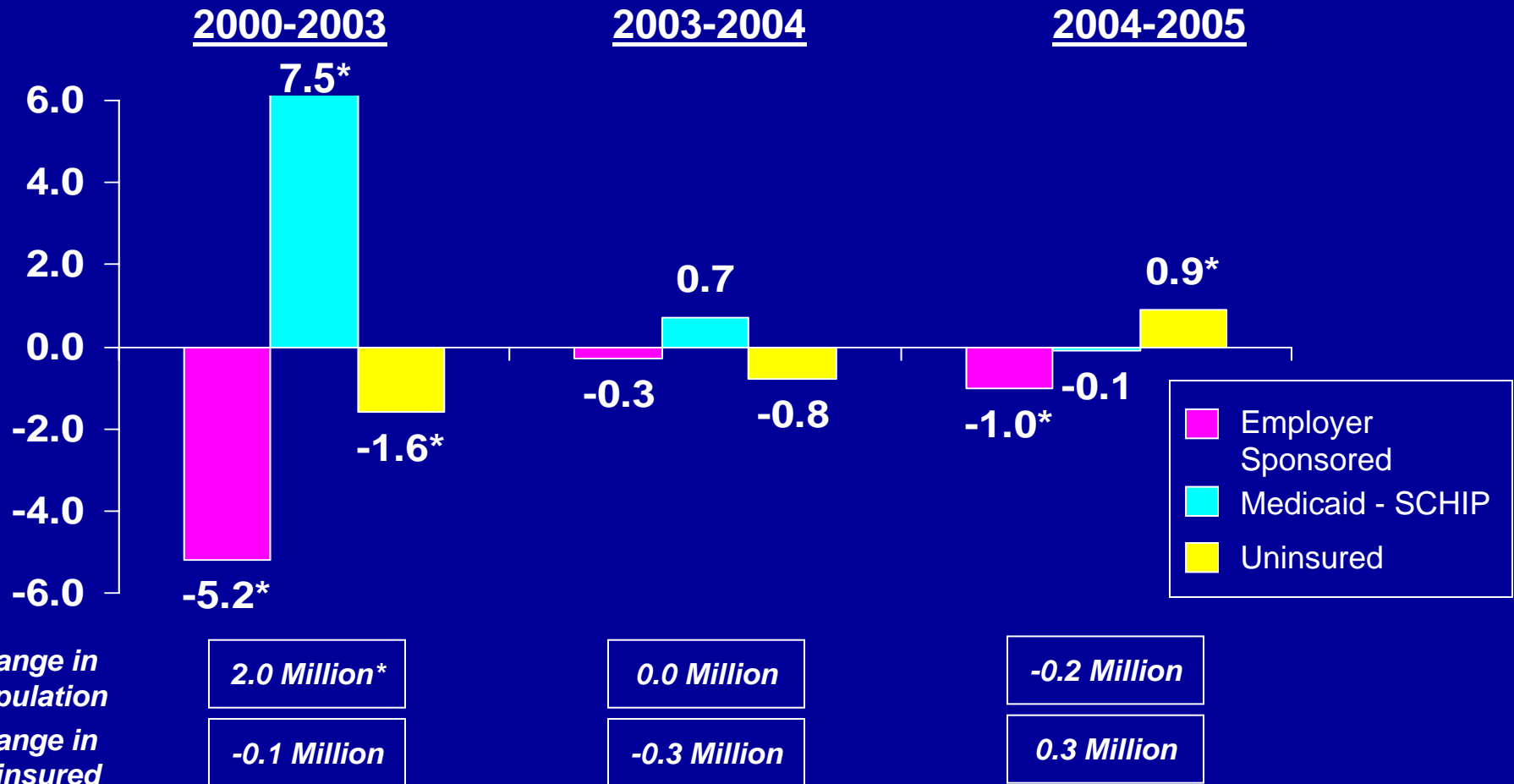
Figure excludes changes in CHAMPUS/Medicare and private nongroup insurance for ease of presentation because changes in coverage are generally small. Source: Urban Institute

KAISER COMMISSION ON  
Medicaid and the Uninsured

Figure 5

# Changes in Health Insurance Coverage of Low Income (<200% FPL) Children

-- Percentage Point Changes --



\* Statistically significant change ( $p \leq .10$ ). Medicaid also includes SCHIP, other state programs.

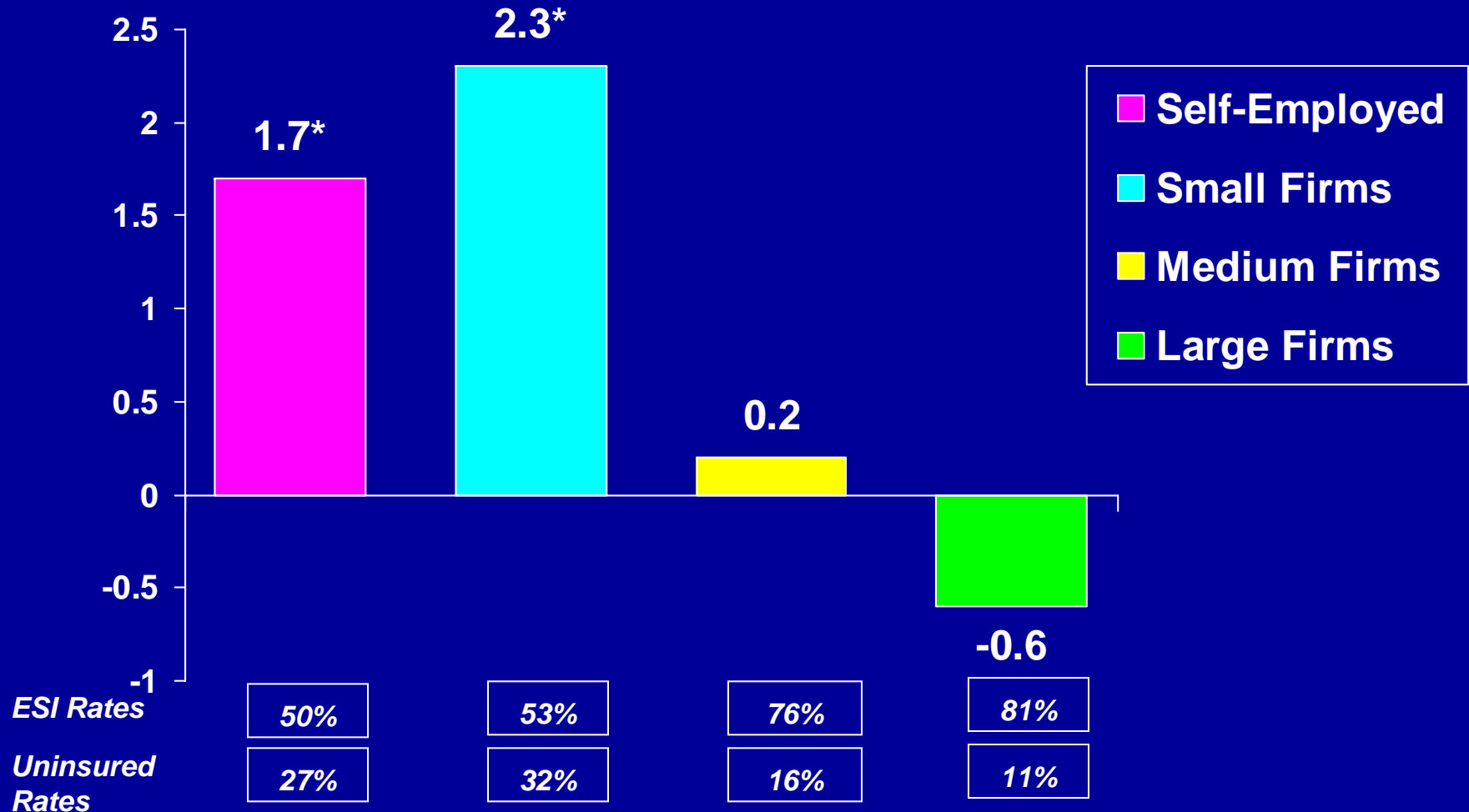
Figure excludes changes in CHAMPUS/Medicare and private nongroup insurance for ease of presentation because changes in coverage are generally small. **Source: Urban Institute**

K A I S E R C O M M I S S I O N O N  
Medicaid and the Uninsured

Figure 6

# Changes in Employment of Nonelderly Workers, By Firm Size, 2000-2005

In Millions of People

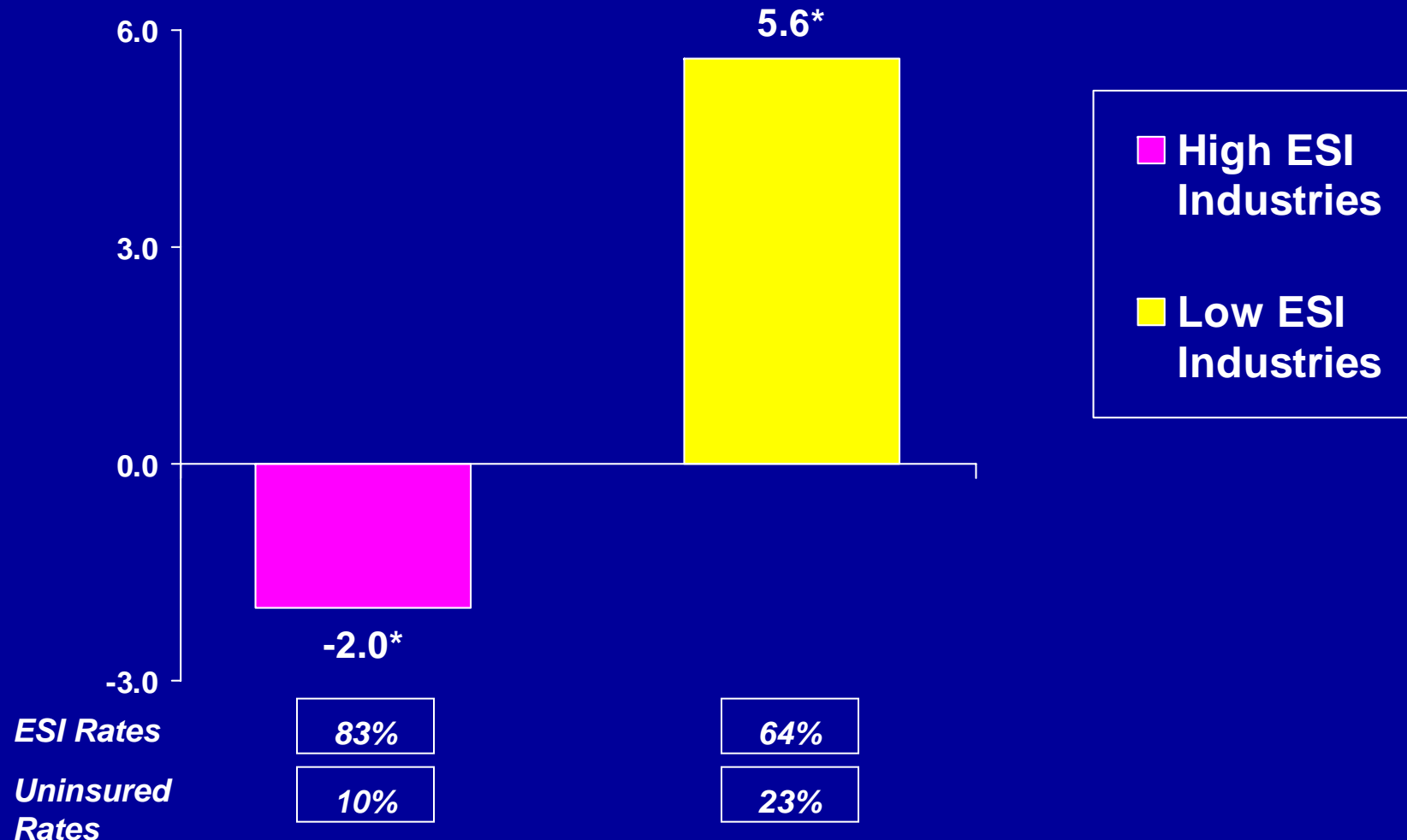


\* Statistically significant change ( $p < .10$ ).

Figure 7

# Changes in Employment of Nonelderly Workers, By Industry, 2000-2005

In Millions of People



\* Statistically significant change (p<.10).

## *Summary*

---

- **Despite an improving economy after 2003, the share of Americans with job-based insurance continued to decline**
- **By 2005, Medicaid and SCHIP were no longer growing to fill this gap**
- **The large majority of the 1.3 million growth in the uninsured between 2004 and 2005 were adults and most were from low-income families**
- **New development: the number of uninsured children grew slightly in 2005, where declines in ESI were deep—among low and middle income children**