Changes in Health Insurance Coverage and Health Status by Race and Ethnicity, 1997–2002

Laura Wherry and Kenneth Finegold
Washington, DC

Recent years have seen shifts in health insurance coverage associated with economic fluctuations and changes in health policy. The analysis presented here uses data from the National Survey of America's Families to examine changes in health insurance coverage and respondent-reported health status by race and ethnicity. The data indicate that public coverage increased for black, Hispanic and white children between 1997 and 2002. Uninsurance rates fell among children in low-income black, Hispanic and white families, remained constant among black and white children in higher-income families, and increased among higher-income Hispanic children. The health status of children was stable for blacks, Hispanics and whites except for a decline in health among higher-income Hispanic children. Black and white adults saw increases in public health insurance coverage but not in overall coverage. The uninsurance rate of Hispanic adults increased, despite expanded public coverage of higher-income Hispanic adults. None of these developments altered racial and ethnic disparities in health. Hispanics fared worse than blacks in both health status and insurance coverage, and blacks fared worse than whites. Given the anticipated growth of minority populations in the United States, the nation's health will deteriorate if policymakers allow current disparities to continue.

Key words: health insurance ■ health status ■ racial/ethnic disparities

 Send correspondence and reprint requests for *J Natl Med Assoc.* 2004;96:1577–1582 to: Public Affairs, Urban Institute, 2100 M St. NW, Washington, DC 20037; phone (202) 261-5709; fax (202) 728-0232; e-mail: paffairs@ui.urban.org

INTRODUCTION

Economic growth in the mid-1990s brought improvements in job quality and increased rates of employer-sponsored health insurance coverage, gains that were quickly reversed as the economy slipped into a succeeding recession.[1-3] State implementation of the State Children's Health Insurance Program (SCHIP), combined with many states' decisions to expand Medicaid eligibility, offset declines in employer-sponsored insurance for both children and adults.[2,4] The increase in public coverage among children was large enough to significantly increase the overall share of children with health insurance.[4]

The analysis presented here uses data from the 1997 and 2002 rounds of the National Survey of America's Families (NSAF) to examine changes in health insurance coverage and respondent-reported health status by race and ethnicity. The NSAF collects information on more than 40,000 households and, when weighted, is nationally representative of the civilian, noninstitutionalized population under age 65.[5] Data from the survey reflect a period of sharp economic fluctuations and changes in health policy. Shifts in insurance coverage associated with these factors were most dramatic among children and adults in low-income families.[2,4] The NSAF captures detailed information on the economic, health, and social characteristics of this group by oversampling families with incomes below 200% of the federal poverty thresholds.[5]

To analyze change among racial and ethnic groups, we classified children and adults into five categories: "Hispanic" includes all races, while "black" and "white" include non-Hispanics only. Data for non-Hispanic Asian/Pacific Islanders and American Indian/Alaska Natives are not shown separately but are included in estimates for all races and ethnicities. Children are identified as age 17 and younger and adults are of age 18 to 64. Families are considered low-income if they have incomes below 200% of the federal poverty thresholds, while higher-income families have incomes of 200% or higher.

All differences between groups and changes over time discussed here are significant at the 0.05 level, except where noted otherwise. Note that estimates for 1997 use new weights based on the 2000 Census and may differ from previously published estimates that used weights based on the 1990 Census.

Children

To measure health insurance coverage, the NSAF asks about multiple sources of coverage and follows with a verification question to confirm lack of coverage among those who do not identify a source. Coverage is measured at the time of the survey, defined using a hierarchy, and then grouped into four categories: employer-sponsored insurance (including coverage through the military); Medicaid, SCHIP or another state program; other (including coverage through private insurance, Medicare or other coverage of an unspecified type); and uninsurance. The estimates presented here differ slightly from those presented in the work of Zuckerman and Kenney, Haley and Tebay, which include 18-year-olds as children and not as adults.[2,4]

Overall, the health insurance coverage of children improved between 1997 and 2002, with a drop in uninsurance from 12.1% to 9.5% (Table 1). Although employer-sponsored coverage declined during this period, this change was more than offset by the simultaneous expansion of public coverage under Medicaid and SCHIP. These trends in employer-sponsored coverage, public coverage and uninsurance held for both black and white children. Hispanic children saw no significant changes in employer-sponsored insurance and uninsurance over

Table 1. Children's Health by Race, Ethnicity and Income, 1997–2002

Variables	Black		Hispanic		White		All	
	1997	2002	1997	2002	1997	2002	1997	2002
Health Insurance Coverage								
All incomes								
Employer-sponsored	***50.2***	***44.5****	**43.4**	**40.3**	76.0	74.2*	66.3	63.4*
Medicaid/SCHIP	**34.3**	***44.2****	**30.8**	**36.7***	10.1	14.5*	17.5	23.2*
Other	**2.3**	**2.5**	**2.7**	**2.7**	5.0	4.7	4.1	4.0
Uninsured	***13.2***	***8.8****	**23.1**	**20.2**	8.9	6.6*	12.1	9.5*
Low income								
Employer-sponsored	***31.2***	***23.6****	**25.5**	**21.7***	48.5	42.9*	37.7	31.8*
Medicaid/SCHIP	***49.3***	***63.2****	**41.9**	**50.9***	27.4	39.7*	36.7	48.8*
Other	**2.6**	**2.4**	**2.7**	**2.2**	5.6	4.7	4.1	3.3
Uninsured	16.8	10.8*	**29.8**	**25.2***	18.6	12.7*	21.5	16.1*
Higher income								
Employer-sponsored	**84.5**	**72.9***	**83.1**	**71.0***	89.0	85.5*	88.2	82.6*
Medicaid/SCHIP	**7.1**	***18.6****	**6.1**	**13.4***	1.9	5.4*	2.7	7.6*
Other	**1.8**	**2.5**	**2.8**	3.5	4.8	4.8	4.1	4.4
Uninsured	6.6	6.0	**8.0**	**12.1***	4.3	4.4	5.0	5.4
Health Status								
Fair or poor								
All incomes	***5.9***	***6.4***	**11.5**	**10.6**	2.7	2.6	4.6	4.7
Low income	7.3	***8.7***	**15.6**	**13.6**	5.3	4.6	8.3	8.3
Higher income	**3.6**	***3.4***	2.4	**5.6***	1.5	1.9	1.8	2.6*
Size of Sample (N)	5,274	4,382	5,097	6,146	22,777	22,492	34,439	34,332

Sources: 1997 and 2002 National Survey of America's Families
Notes: "Black" and "white" include non-Hispanics only; "Hispanic" includes all races. "All" includes American Indian/Alaska Native, Asian/Pacific Islander, black, Hispanic and white. Children are age 17 and younger. Bold indicates that black or Hispanic estimate is significantly different from the estimate for whites at the 0.05 level. Italics indicate that black estimate is significantly different from the estimate for Hispanics at the 0.05 level. Estimates for 1997 use new weights based on the 2000 Census and may differ from previously published estimates using weights based on the 1990 Census. * Difference from 1997 is significant at the 0.05 level.

this period. The share of Hispanic children with public coverage, however, did increase.

Children in both low-income and higher-income families benefited from the expansion of public health insurance coverage. Public coverage of children in low-income families increased by 12 percentage points between 1997 and 2002, with about half of Hispanic children and two-thirds of black children covered in 2002. Public coverage of children in higher-income families rose by approximately five percentage points, with statistically significant increases in all three racial or ethnic groups.

The decline in uninsurance was concentrated among children in low-income families. For these children, the increase in public coverage more than compensated for the decline in employer-sponsored insurance obtained through their parents. Black and white low-income children had the greatest declines in uninsurance, at approximately six percentage points each, followed by Hispanic low-income children, with a decline of about five percentage points.

Among higher-income children in general, the rise in public coverage also offset the decline in employer-sponsored coverage, but not enough to reduce uninsurance. Between 1997 and 2002, the uninsurance rates for black and white children in higher-income families changed little. Among Hispanic higher-income children, however, public coverage did not increase enough to make up for the drop in employer-sponsored insurance, resulting in a four percentage point increase in uninsurance.

As part of their NSAF interviews, parents were asked whether their children's health was excellent, very good, good, fair or poor. Analysis of the data indicates that the overall gain in insurance coverage for children over this period was not accompanied

Table 2. Adults' Health by Race, Ethnicity and Income, 1997–2002

Variables	Black		Hispanic		White		All	
	1997	2002	1997	2002	1997	2002	1997	2002
Health Insurance Coverage								
All incomes								
Employer-sponsored	**62.5**	**62.6**	**50.9**	**46.8***	75.9	75.4	71.0	70.2
Medicaid/SCHIP	**10.6**	**12.5***	**8.5**	**8.9**	3.7	4.3*	5.1	5.9*
Other	**5.2**	**4.9**	**4.1**	**3.7**	7.5	7.9	6.9	6.9
Uninsured	**21.7**	**20.0**	**36.5**	**40.7***	13.0	12.4	17.0	17.0
Low income								
Employer-sponsored	**34.5**	**33.4**	**28.8**	**25.5**	43.4	43.2	38.1	37.0
Medicaid/SCHIP	**23.9**	**27.9**	14.1	14.5	13.3	16.5*	15.3	17.8*
Other	**7.3**	**6.5**	**4.4**	**3.6**	12.1	11.2	9.7	8.5*
Uninsured	34.3	32.3	**52.7**	**56.4**	31.2	29.2	36.9	36.8
Higher income								
Employer-sponsored	81.8	**80.0**	**77.4**	**67.8***	85.5	83.3*	84.5	81.6*
Medicaid/SCHIP	1.5	**3.4***	**1.9**	**3.3***	0.8	1.4*	0.9	1.8*
Other	**3.8**	**3.9**	**3.7**	**3.9**	6.1	7.1*	5.8	6.4
Uninsured	**12.9**	**12.7**	**17.1**	**25.1***	7.6	8.3	8.9	10.3*
Health Status								
Fair or poor								
All incomes	**16.0**	**17.1**	**23.8**	**25.0**	9.9	10.7	12.2	13.3*
Low income	**25.2**	**29.2**	**32.9**	**33.5**	20.0	22.2	23.3	25.9*
Higher income	**9.6**	9.9	**13.0**	**16.7***	6.9	7.9*	7.7	9.0*
Size of Sample (N)	6,612	5,524	5,786	6,366	41,852	35,770	56,199	49,466

Sources: 1997 and 2002 National Survey of America's Families
Notes: "Black" and "white" include non-Hispanics only; "Hispanic" includes all races. "All" includes American Indian/Alaska Native, Asian/Pacific Islander, black, Hispanic, and white. Adults are 18–64. Bold indicates that black or Hispanic estimate is significantly different from the estimate for whites at the 0.05 level. Italics indicate that black estimate is significantly different from the estimate for Hispanics at the 0.05 level. Estimates for 1997 use new weights based on the 2000 Census and may differ from previously published estimates using weights based on the 1990 Census. * Difference from 1997 is significant at the 0.05 level.

by improved health status. The share of children reported to be in fair or poor health did not change significantly for black, Hispanic or white children, or for children overall. The only significant change in health status occurred among higher-income Hispanic children, who were more likely to be in fair or poor health in 2002 than in 1997. Notably, these children were the only group more likely to be uninsured in 2002 than in 1997.

Racial and ethnic disparities in children's health insurance coverage and health status continue despite overall gains in insurance coverage. Between 1997 and 2002, Hispanic children were more likely to be uninsured and more likely to be in fair or poor health than black or white children. Some of the disparity in health status may be due to the use of respondent (parent) reporting; other studies have shown that Hispanics tend to report poorer health, relative to other indicators, than other respondents.[6-7] Black children were more likely to be uninsured and more likely to be in fair or poor health than white children.

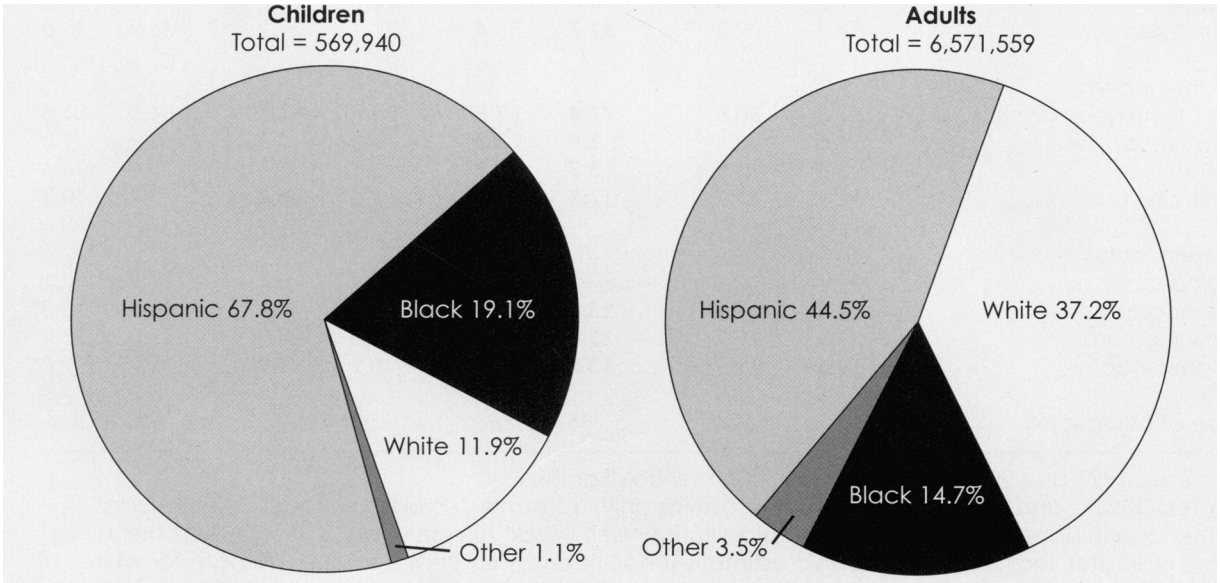
Breaking down these findings by family income reveals more about the situations of both black and Hispanic children. In 2002, Hispanic children in both low-income and higher-income families were significantly more likely to be uninsured than their black or white counterparts, suggesting that the disparity between Hispanic and black or white children is not attributable to differences in income levels. In contrast, the uninsurance rate for low-income black children was not significantly different from that of low-income white children, and the uninsurance rate for higher-income black children was not significantly different from that for higher-income white children. These comparisons suggest that differences in the family incomes of black and white children are the main source of the differences in their uninsurance rates. White children in both income groups were more likely than their black or Hispanic counterparts to have employer-sponsored insurance, while black and Hispanic children in both income groups were more likely than white children to be insured through Medicaid or SCHIP.

Combining the distribution of health insurance coverage and reported health status reveals further evidence that Hispanic children are at a greater disadvantage than other children. In 2002, approximately 570,000 children were both uninsured and in either fair or poor health. More than two-thirds of those children were Hispanic, yet according to the NSAF, Hispanic children accounted for less than one-fifth of all children in the United States (Figure 1). Black children are also over-represented among this group: they made up 15.9% of all children nationally, but 19.1% of the children who were both uninsured and in fair or poor health.

Adults

Public health insurance coverage of adults rose by about one percentage point between 1997 and 2002

Figure 1. Distribution of Uninsured in Fair or Poor Health, by Race and Ethnicity, 2002



Source: 2002 National Survey of America's Families
Notes: Black and white include non-Hispanics only; Hispanic includes all races. Other includes American Indian/Alaska Natives and Asian/Pacific Islanders, not shown separately. Children are age 17 and younger; adults are 18–64.

(Table 2). Despite this gain, the proportion of adults without health insurance was 17.0 in each year. Hispanic adults did not share in the overall increase in public coverage and were the only group to experience a decline in employer-sponsored health insurance. Consequently, uninsurance among Hispanic adults rose by four percentage points between 1997 and 2002, pushing their already high uninsurance rate to 40.7%.

Medicaid expansions during this period affected both low-income and higher-income adults. Public coverage increased by three percentage points among low-income whites while remaining stable among low-income Hispanics. Low-income blacks saw an increase of four percentage points, but this change was not statistically significant. The proportion of higher-income adults with public health coverage increased among blacks, Hispanics and whites but remained small for each group.

Patterns of change in uninsurance varied by race and ethnicity. Black and white adults in both income groups saw no change in their uninsurance rates between 1997 and 2002. However, uninsurance increased among higher-income Hispanic adults, from 17.1% to 25.1%. Higher-income Hispanic adults also saw a decline in employer-sponsored insurance during this period. The increase in public coverage was not large enough to compensate for the decline, leaving higher-income Hispanic adults with lower rates of health insurance coverage. Higher-income white adults also experienced a significant decline in employer-sponsored insurance over this period, but unlike Hispanics, they did not see a corresponding increase in uninsurance.

NSAF respondents were asked whether they considered their health and the health of their spouse or partner to be excellent, very good, good, fair or poor. The share of higher-income Hispanic adults in fair or poor health increased from 13.0% to 16.7%. The share of higher-income white adults in fair or poor health also rose from 6.9% to 7.9%.

Ethnic and racial disparities in adults' health insurance coverage and health status are roughly similar to those for children, with Hispanics more likely to be uninsured than blacks, and blacks more likely to be uninsured than whites. Data show that 40.7% of Hispanic adults were uninsured in 2002, compared with 20.0% of black adults and 12.4% of white adults. Less than half of all Hispanic adults had employer-sponsored coverage in 2002, while three-quarters of white adults and three-fifths of black adults had such coverage. Similarly, the reported health status of blacks is better than that of Hispanics, and the reported health status of whites is better than that of blacks. In 2002, 25% of Hispanics, 17.1% of blacks, and 10.7% of whites reported being in fair or poor health. As with children, use of respondent reporting may result in different estimates of Hispanic health status than more objective measures would suggest.

Hispanic adults, like Hispanic children, are disproportionately at risk of being both uninsured and in fair or poor health. In 2002, 6.6 million nonelderly adults were both uninsured and in fair or poor health. Of this number, 44.5% were Hispanic, yet Hispanics accounted for only 12.9% of the national nonelderly adult population, according to the 2002 NSAF (Figure 1). Blacks made up 11.9% of the U.S. adult population, while accounting for 14.7% of the nonelderly adults who were both uninsured and in fair or poor health.

DISCUSSION

The expansion of Medicaid and the creation of SCHIP between 1997 and 2002 effectively increased public health insurance coverage of both children and adults. Uninsurance rates were reduced significantly for black, Hispanic and white children in low-income families. Black and white adults experienced no change in uninsurance during this period. The share of Hispanic adults without health insurance, however, increased significantly. Compared to black or white adults, Hispanic adults gained less in the expansion of public coverage, for which many Hispanic adults were (or believed themselves to be) ineligible due to restrictions on benefits for noncitizen immigrants. Hispanic adults were also the only group to see a drop in employer-sponsored coverage. Immigrants are less likely to be offered employer-sponsored health insurance than native-born workers, and the proportion of Hispanic adults born outside the United States increased during this period.[8-9]

Despite the gains for low-income black and Hispanic children, racial and ethnic disparities in insurance coverage and in respondent-reported health status persist. Among children and adults alike, Hispanics consistently fared worse than blacks or whites in both insurance coverage and health status, and blacks fared worse than whites. Hispanics are the largest and fastest-growing racial or ethnic minority in the United States, accounting for 13% of the population today and expected to reach 33% by the end of the century. The non-Hispanic black population is projected to grow slightly, from 12% to 13%, over the same period. Non-Hispanic whites, in contrast, make up 68% of the population today but will make up only 40% in 2100.[10-11] If policymakers allow current disparities to continue, the health of the nation may deteriorate as the composition of the population changes.

ACKNOWLEDGEMENTS

The authors wish to thank Genevieve Kenney, Sarah Staveteig, Kevin Wang, Alan Weil, Stephen

Zuckerman and the journal's anonymous reviewers for their many useful suggestions; and Natalie Abi-Habib, Matthew Fragale, Adam Safir and Alexandra Tebay for their support with data preparation. Research for this article was conducted as part of the Urban Institute's *Assessing the New Federalism* project, which is currently supported by The Annie E. Casey Foundation, The Robert Wood Johnson Foundation, The W.K. Kellogg Foundation, The John D. and Catherine T. MacArthur Foundation, The Ford Foundation, and The David and Lucile Packard Foundation. The views expressed are those of the authors and do not necessarily reflect those of the Urban Institute, its board or its sponsors.

REFERENCES

1. Holahan J. Changes in employer-sponsored health insurance coverage. *Snapshots of America's Families III.* Washington, DC: The Urban Institute; 2003: No. 9.

2. Zuckerman S. Gains in public health insurance offset reductions in employer-sponsored coverage among adults. *Snapshots of America's Families III.* Washington, DC: The Urban Institute; 2003: No. 8.

3. Zuckerman S, Haley J, Holahan J. Health insurance, access and health status of nonelderly adults. *Snapshots of America's Families II: A View of the Nation and 13 States from the National Survey of America's Families.* Washington, DC: The Urban Institute; 2000.

4. Kenney G, Haley J, Tebay A. Children's insurance coverage and service use improve. *Snapshots of America's Families III.* Washington, DC: The Urban Institute; 2003: No. 1.

5. Safir A, Scheuren F, Wang K. Survey methods and data reliability, 1997 and 1999. Washington, DC: The Urban Institute; 2000. Available at http://www.urban.org/url.cfm?ID=310567.

6. Kington RS, Nickens HW. Racial and ethnic differences in health: recent trends, current patterns, future directions. In: Smelser NJ, Wilson WJ, Mitchell F, eds. *America Becoming: Racial Trends and their Consequences. Vol. II.* Washington, DC: National Academy Press; 2001:253-310.

7. Shetterly SM, Baxter J, Mason LD, et al. Self-rated health among Hispanic vs. non-Hispanic white adults: the San Luis Valley health and aging study. *Am J Public Health.* 1996;86:1798-1801.

8. Ku L, Matani S. Left out: Immigrants' access to health care and insurance. *Health Aff.* 2001;20:247-256.

9. Schur CL, Feldman J. Running in place: how job characteristics, immigrant status, and family structure keep Hispanics uninsured. New York: The Commonwealth Fund; 2001.

10. U.S. Census. Projections of the Resident Population by Race, Hispanic Origin, and Nativity: Middle Series, 2075 to 2100. Population Projections Program, Population Division, U.S. Census Bureau, Washington, DC. 2000: Online: http://www.census.gov/population/projections/nation/summary/np-t5-h.txt.

11. U.S. Census. National Population Estimates—Characteristics. Population Division, U.S. Census Bureau, Washington, DC, 2003. http://eire.census.gov/popest/data/national/tables/asro/NA-EST2002-ASRO-04.php. ■

We Welcome Your Comments

The *Journal of the National Medical Association* welcomes your Letters to the Editor about articles that appear in the *JNMA* or issues relevant to minority healthcare. Address correspondence to ktaylor@nmanet.org.