

THE THIRD WAY ECONOMIC PROGRAM

CHECKING UP ON HARRY AND LOUISE
The Health Care Coverage Experiences of the Middle Class

A Third Way Report

by

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Overview

In 1994, health care reform was felled by a middle-class, middle-aged couple named “Harry and Louise.” An ad campaign featured them posing skeptical, but reasonable, questions and unearthing plausible, but sinister, revelations about the Clinton plan. Harry and Louise lived in the suburbs, held jobs, raised children, and had health care provided through their employer. And the questions they posed boiled down to one: “What’s in it for us?”

As in 1994, the fate of health care reform rests in the hands of America’s middle class, who will want to know how health care reform will make them better off. Answering that question demands a thorough understanding of the circumstances faced by the Harrys and Louises of today. This paper is the first in a series by Third Way to undertake that task.

This paper focuses on the health care coverage experiences of a nation of Harrys and Louises—American citizens between the ages of 22 and 64—over a four-year period (2003 to 2007), as reported by recently released data from the Census Bureau’s Survey of Income and Program Participation (SIPP).¹ We focused on working-age Americans because nearly all seniors (99%) have health care through Medicare.² Likewise, Medicaid eligibility rules and the expansion of SCHIP will eventually make it possible to cover 95% of children.³

What we found was that continuity of coverage—stability—was a major problem for many Americans, and that the binary, static categories of “insured” and “uninsured” don’t adequately capture this phenomenon. We found, rather, that people fell into one of the following three categories:

1. **“Stables”**: 77% of working age Americans had health care coverage every single day for all four years of the study period. But even among the stable group there were hints of instability in their circumstances. About one-sixth of the Stables needed government assistance for all or part of their coverage. Only 64% of working-age adult citizens had continuous coverage every day through private health insurance.
2. **“Gappers”**: 19% of working-age citizens were without coverage at least once during the four-year period. Of those who lost coverage, roughly two in five regained it within a year, while the rest either stayed uninsured, took longer to recover or regained coverage only to lose it again. Gappers were more likely to mix public and private health insurance—two in five Gappers got all or some of their coverage with government help.
3. **“Nevers”**: A tiny number, 4% of working-age citizens, were chronically uninsured. They had no coverage at all during the four-year period.

Each of these groups had distinct characteristics. Many Gappers seemed to have suffered a sudden reversal of fortune—the loss of a job or spouse, for example—that also caused them to lose coverage. Stables were often highly educated. In fact, to have a four-year college degree was almost a guarantee of continuous health coverage. Nevers, on the other hand, were the least educated and typically poor.

It should be noted as well that our entire study period coincided with relatively positive economic conditions. The recent rise in unemployment rates has undoubtedly dropped the percentage of Americans with stable coverage by at least a couple points, while the percentage of Gappers has surely risen.

In addition, although our study focuses solely on the stability of people's coverage, a principal driver of instability is cost. In 1999, Harry and Louise paid about \$1,543 for their share of premiums, if they had an employer-provided family policy. In 2008, they paid \$3,354. In 1999, their employers contributed about \$4,247 toward premiums for a family policy; in 2008, they contributed \$9,325.⁴

Our study shows both the challenge and the urgency of passing major health care reform. On the one hand, 36% of working-age citizens either suffered a loss of coverage or needed government assistance to keep coverage. On the other hand, policymakers must still persuade Harry and Louise—the 64% of adults who currently have private coverage—that reform will make *them* better off as well.

A later report from Third Way will focus on communications strategy around reform. But based on the analysis in this report, policymakers should consider adopting the goal of stability—stable coverage and stable cost—in their efforts to reach Harry and Louise.

First, our data show that stability is a problem that reaches broadly across the working-age population. Our estimate of 32 million adult citizens without coverage over a four-year period is in fact nearly 50% higher than similar estimates that can be derived from the Census Bureau's annual survey.⁵ Our data also show that even the most solidly middle-class Americans—the college-educated, the married, the steadily employed—can still experience significant instability. As many as 9% of four-year college graduates were Gappers or Nevers, as were 15% of people in married couples, 14% of people in households with at least one full-time worker all four years, and 5% of people in households with an average annual income of more than \$105,000 a year.

Second, stability can provide a common thread to the distinct needs that different groups may have based on their coverage experience. For the Stables—the most satisfied of the population—stability would mean reliable coverage, predictable costs and value for their health care dollars. For the Gappers—many of whom face significant cost pressures and for some of whom access may be a concern—stability means stable coverage, including transitional help between jobs

and an answer to the fear that something unthinkable and expensive might happen in a period without coverage. And for the Nevers, their principal need is access—the traditional frame for health care reform, but one that really fits a small number of the population.

This paper contains three parts:

- I. **Portraits of Harry and Louise:** An in-depth analysis of the circumstances of the Stables, Gappers, and Nevers.
- II. A discussion of **what stability means for Harry and Louise** and how proposed policies for reform can enhance coverage stability.
- III. An **Appendix** with technical notes and other details.

Portraits of Harry and Louise

1. The Stables - 77% of working-age citizens

Who they are:

- Settled and solidly middle-class
- Mostly privately insured
- But some get government help

77% of working-age citizens—or about 108.4 million people—had health care coverage for every day of the four-year period we studied.⁶ Their coverage appears exceptionally stable, and for the majority that is their experience. But they fell into three separate groups, two of which showed a reliance on government assistance either all or part of the time.

The largest of these groups was wholly privately insured—4 in 5 Stables (this works out to 64% of working-age citizens) fell into this category. Of the rest, 6% of citizens had gaps in private coverage that were covered by the government, and 7% were covered every day by government programs such as Medicaid.

Privately-Insured Stables—64% of Working-Age Citizens

90.4 million Americans had what would traditionally be defined as the gold standard of stable coverage—coverage every day from private sources (either job based or purchased on their own). This group bore many of the hallmarks of middle class success—educated, employed, married, and high earning.

High income.

- The median household income of privately insured Stables was \$78,764.
- 58% were in households with an average four-year income of more than \$70,000 a year (in 2008 dollars).
- Only 9% were in households with an average income of less than \$35,000 a year.

Well educated.

- 72% of privately-insured Stables were people who've had some college, including 42% with a four-year degree or more.
- Fewer than 3% lacked a high-school diploma.

- Having a college degree paved the way into the privately-insured group. 85% of those with a four-year degree or more had private continuous coverage.

Employed full-time.

- 74% of privately-insured Stables were in households with at least one full-time worker all four years.

Older and married.

- The median age of privately-insured Stables was 47 at the end of the four-year survey. Only 52% of people under the age of 35 were in this group.
- 71% were in couples who were married all four years.
- Only 8% had a change in marital status, either from marriage, divorce or death.

Mostly white.

- Whites made up 81% of privately-insured Stables (compared to 74% of the working-age citizen population).
- African-Americans made up 8%, while Hispanics made up 6%.

Even gender split.

- Men comprised 48% of privately-insured Stables, while women made up 52%.

Mixed Coverage Stables—6% of Working-Age Citizens

Roughly 8.3 million Americans fell into the category of people who had health care coverage every day for four years but who mixed public and private sources of coverage to get there. These Americans were scramblers and copers who found a way to bridge gaps in private coverage with a government plan. For example, some of them might have been veterans who relied principally on private insurance but also tapped into Veterans Administration programs. Others may simply be citizens who filled coverage gaps with Medicaid.

This group is also evidence of the patches of instability among Americans who are otherwise doing well. 4% of four-year college graduates and 7% of those with some college were among the mixed-coverage Stables, as were 6% of households with average incomes between \$70,000 and \$105,000* (in 2008 dollars).

* This figure reflects roughly 6 times the 2007 poverty level of three, which in 2008 dollars was \$17,833.

But while this group largely resembled the privately-insured Stables group in terms of age, family status and other characteristics, there were several exceptions to these similarities:

Solid, but lower income.

- The median household income of a mixed-coverage Stable family was \$56,886.
- 23% were in households with less than \$35,000 in average annual income, while 40% were in households with average incomes of more than \$70,000.

Coping with a change in job status.

- Only 46% had a full-time worker all four years. Fully 24% went 12 months or more without a full-time worker.

Moderately educated.

- 42% of mixed-coverage Stables had no college education, including 8% without a high school diploma.

Public Coverage Stables—7% of Working-Age Citizens

This category includes 9.7 million people who received all of their coverage from Medicaid, Medicare, the Veterans Administration or other public plans. Many are poor and/or permanently disabled. Their health care is stable—that is, they have continuous coverage every day—but they have little in common with other people in the stable camp.

Poor.

- The median household income for the public coverage Stables was \$23,058 (lower than that of Nevers).

Disabled.

- This group included 7.7 million disabled adults who received coverage through Medicare.⁷

Lacking education.

- 68% had a high school diploma or less.

Older and single.

- Nearly half were over the age of 50 and their median age was 48.
- 55% were single.

Racially mixed.

- 56% were white, 24% were African-American, and 11% were Hispanic. The proportion of African-Americans among the public coverage Stables is about twice that of the population as whole.

	Privately-Insured Stables	Mixed Coverage Stables	Publicly Covered Stables
Median average income ('08 dollars)	\$78,764	\$56,886	\$23,058
Percentage without a high school diploma	3%	8%	27%
Family status	71% married	27% single 63% married	55% single
Percentage in households with a full-time worker four years	74%	46%	33%
Race	81% White 8% African-American 6% Hispanic	66% White 17% African-American 8% Hispanic	56% White 24% African-American 11% Hispanic

2. The Gappers - 19% of working-age citizens

<p>Who they are:</p> <ul style="list-style-type: none"> • Recovering from reversals in fortune • Sometimes struggling • Often young
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About 26.1 million working-age citizens lacked coverage during some, though not all, of the four-year period we studied.[†]

A good proportion of these “Gappers” were people who’ve had a reversal of fortune—such as a job loss, the lack of steady employment or a divorce or a death in the family—that caused a loss of coverage. Roughly two-fifths of the Gappers rebounded quickly. But the remaining three-fifths—many of whom seemed to be consistently struggling to find solid employment—had longer or multiple spells. In fact, one in five Gappers—4% of working-age citizens—had three or more shifts in coverage status from insured to uninsured and back again or vice versa.

[†] This figure excludes those who were never insured.

Many Gappers were also on the younger side (and likely healthy)—thus, they were people whose careers may not have settled down but who may expect their future coverage to be stable.

Gappers vs. Stables

Compared to privately-insured Stables—the largest and most secure of the Stable group—Gappers had significantly less income and education, were less likely to be married and more likely to be minorities. They were also only half as likely to have had a full-time worker in the household all four years.

Gappers were also more likely to mix sources of coverage. 60% of Gappers received what coverage they had solely from private sources, while 20% were covered solely through public programs, and 20% combined both public and private coverage.

Moderate income.

- 83% of Gappers were in households with an average family income of less than \$70,000 a year, including 48% in households with an average family income of less than \$35,000 a year.

Moderate education.

- 15% of Gappers were high school non-completers, and 39% were high school graduates.
- Just 14% were four-year college graduates.

Widowed or divorced.

- 17% of Gappers had a change in family status (e.g, becoming divorced or widowed), compared to 8% of privately-insured Stables and 9% of Nevers.
- 1 in 3 working-age citizens who experienced a change in status were Gappers.

Young.

- 1 in 3 were under 35 by the time the survey ended.

More likely to be minorities.

- 1 in 3 Hispanics was a Gapper.

	Gappers	Privately-Insured Stables
Median average family income ('08 dollars)	\$36,760	\$78,764
Median age	42	47
Education	54% with a high school diploma or less	72% with some college or more
Family status	42% single	71% in married couples
Percentage in households with a full-time worker four years	39%	74%
Race	61% White 18% African-American 15% Hispanic 6% Other	81% White 8% African-American 6% Hispanic 5% Other

Short Gappers vs. Long Gappers

Not all Gappers were alike. Among those who lost coverage during the first two years of the survey, 42% became reinsured within twelve months and remained insured throughout the survey. We call them the “short Gappers.”

The others were the “long Gappers.” The “long Gappers” included everyone who began the survey with coverage but lost it and had trouble becoming reinsured. They either remained without coverage for at least 13 months or they regained coverage only to lose it again.

“Short” Gappers were wealthier, more educated, and slightly more likely to be married than “long” Gappers. They were also much more likely to be re-employed full-time. But regaining coverage didn’t also necessarily mean regaining the status quo. While 91% of “short” Gappers who started out with private insurance regained it, 9% moved to public sources when they regained coverage. And among those who started out with public insurance, 37% moved to private coverage while 63% went back to public insurance. All told, only 32% of those who lost insurance regained it from private sources and stayed insured for two years.

Modest vs. Low Income.

- The median annual family income of “short Gappers” was \$43,044 vs. \$32,220 for “long Gappers.”

Moderately vs. Less Educated.

- “Long Gappers” were more likely to have failed to complete high school than to have completed college, while the opposite was the case for “short Gappers.”

A Reversal of Fortune vs. a Bad Hand.

- 58% of “short Gapper” households had a period in which there was no one working full-time.
- 66% of “long Gapper” households had a gap in full-time employment.

Young vs. Old.

- “Short Gappers” were more likely to be under the age of 35 by the time the survey ended, while
- “Long Gappers” were more likely to be over 50 years of age.

Always Married vs. Always Single.

- 45% of “short Gappers” were married for the entire four years of the survey and 36% were always single.
- 40% of “long Gappers” were married for the entire four years of the survey and 42% were always single.

	“Short Gappers”	“Long Gappers”
Median average family income ('08 dollars)	\$43,044	\$32,220
Education	56% with some college	53% with a high school diploma or less
Median age	42	43
Family status	45% married	42% single
Percentage of households <i>without</i> a full-time worker four years	58%	66%
Race	62% White 17% African-American 14% Hispanic 7% Other	64% White 18% African-American 14% Hispanic 4% Other

3. The Nevers - 4% of working-age citizens

Who they are:

- The working poor
- The disconnected

From 2003-2007, 6 million Americans—or about 4% of all working-age citizens—were uninsured the entirety of the four-year period.

These are Americans who have simply fallen through the cracks. On the one hand, high school non-completers made up a vastly disproportionate share of this group. On the other hand, the Nevers were somewhat *more* likely to have a full-time worker in the household than those with stable public coverage, and they were slightly better off. Many had full-time jobs all or part of the time, but they had the wrong kind of jobs. Many in this group were working poor households whose incomes were too high to qualify them for Medicaid but far too low to afford private coverage.

Less educated.

- 32% of Nevers had no high school diploma (compared to 8% of working-age citizens), and 38% were high school graduates.
- Less than 1% of four-year college graduates were Nevers.

Working but insecure.

- 36% of Nevers had a full-time worker in the household for four years (only slightly less than Gappers).
- Yet the median average income of Nevers was only \$27,739 (Three-fourths the income of Gappers).

	Never insured	Gappers
Median family income ('08 dollars)	\$27,739	\$36,760

Racially Mixed.

- The Nevers were 65% White and 35% minority. Among the 35% minority were 15% who were Hispanic, 15% who were African-American and 5% who were “other.”

Single and male.

- 47% of Nevers were single and 44% were married throughout the four-year survey.
- 55% of Nevers were men.

Stability as a Pillar of Reform: What It Means for Harry and Louise

For Harry and Louise to support health reform, they must be persuaded that the benefits of reform can and will accrue to them.

By adding stability as a policy goal, policymakers can bolster their case for reform.

First, communicating stability as a central rationale for reform puts the middle class front and center. Our data show that coverage stability is a concern for even the most economically secure Americans (whereas access likely is not). Over the course of a lifetime, a person might be a Gapper at the start of his or her career due to frequent changes in jobs, become a Stable for several decades, then lapse back into being a Gapper again after a job loss or a divorce. Under catastrophic circumstances, this person could even become chronically uninsured. For people like Harry and Louise, greater coverage stability can smooth out these bumps. Life might have its ups and downs—but health care coverage should be a constant.

Second, the policy needs of the Stables can serve as a foundation for overall reform. The policy solutions that enhance coverage stability for the already-insured have the benefit of broadening access to those who are not. Minimizing the likelihood of coverage lapses for the Stables will solve many of the problems of the Gappers. Similarly, stable coverage for the Gappers will significantly lessen the additional policy needs of the Nevers. Moreover, whether a proposal will enhance coverage stability can also serve as a useful test for judging the worth of particular proposals.

The following analysis shows how existing proposals can enhance coverage stability for all three groups—the Stables, the Gappers and the Nevers.

For the Stables

Even the Stables need stability. For this group, stability means the preservation of what they have in the face of three potential threats: (1) the loss of coverage due to a job loss, major illness, or divorce; (2) the risk of bankruptcy even with insurance due to out-of-pocket costs from a major illness; and (3) the erosion in benefits and higher premiums due to rising costs. This analysis is not, however, an argument for or against a public plan, because most people currently achieve stability through private coverage. Instead, other existing proposals can address each of these concerns.

Guaranteed issue, individual mandate and community rating. Guaranteed issue would prevent insurance companies from denying coverage to anyone who has an existing health problem. A related reform would require all individuals obtain insurance so they are paying for their coverage before they need it. The combination of guaranteed issue and an individual mandate would ensure that people who can't get coverage through a job will still have it.

The individual mandate would also help prevent bankruptcies. When individuals don't have adequate coverage, a major illness can be financially devastating due to high deductibles or health care that is not covered. The mandate would define adequate coverage and thereby set a minimal standard of financial protection for everyone.⁸

Community rating would require insurance companies to charge a group rate, which would eliminate price spikes for people who get a disease. Community rating would also eliminate price spikes for small businesses. Today, many states allow insurance companies to increase premiums for employers when an employee files claims for their medical bills.

Payment reform. Health care payment reform would help end the cycle of eroding benefits and rising costs. Today, doctors and hospitals usually receive a fee for every service, which gives them an incentive to do more than may be necessary. Payment reform would pay them for results. As much as one third of the nation's health care spending is wasted on care that does nothing to improve patients' health and sometimes even harms them. Paying for results would focus health care professionals' efforts on what works for patients and avoids the waste.

Prevention. Over half of the nation's health care costs are the result of bad habits. A poor diet, lack of exercise, and smoking are the causes of many major diseases such as diabetes, high blood pressure, and cancer. Health care reform can encourage prevention through three steps: 1) financial incentives through employers and health insurance plans to encourage healthy habits, 2) payments to doctors and other health professionals to support patient's efforts to change their behavior, and 3) electronic health records and monitoring systems to monitor on patients' progress and provide reminders that reinforce good habits.

For the Gappers

For this group, stability means coverage that bridges existing gaps. In today's health care system, they face multiple reasons for lapses in coverage. The high cost of coverage prices many of them out of the market when they are not getting coverage through the workplace. They face even higher costs for coverage if they have a pre-existing condition or may be unable to get coverage at any price. Without coverage through the workplace, they lack a commonplace and routine

way to get coverage; welfare offices and insurance agents' offices have not proven adequate to fill the gap.

Health care exchange. A key reform that would offer this group more stability in their coverage is a health insurance exchange. The exchange would be a bridge to coverage for employees who lose it or don't have it through the workplace. It would offer choices similar to those that members of Congress and federal workers have today. The exchange would also be open to employers who today cannot get a good competitive price for coverage on their own.

Coverage subsidies. Another important reform for this group is sliding scale subsidies that would cover the whole cost of coverage for the poor and near-poor and phase-out for middle income workers.

For the Nevers

For the Nevers, stability simply means access to affordable coverage. Their problems are the problems of the Stables and the Gappers taken to the extreme: the high cost of coverage, the lack of coverage through a job, and no reliable alternatives source of coverage. If they have a major illness, they cannot be self-sufficient. They must rely on charity for their care or face bankruptcy.

Instead of charity care, those continually without coverage and living in poverty should have Medicaid. Under current law, Medicaid fails to cover nearly half of the working-age Americans living in poverty who are uninsured. The rest of the Nevers would be picked up through sliding scale subsidies and the other policies that will help the Gappers as well.

Conclusion

The analysis laid out in this paper only heightens the need for reform. Too many Americans have unreliable or fragile coverage that is too easily a casualty of circumstance or plain bad luck. Americans deserve stable, reliable coverage, and we hope that by providing this new perspective on the coverage experience of working-age Americans, we can help policymakers achieve that goal.

Appendix

Methodology and Data

Sources of data. The findings in this report were drawn from the Census Bureau's Survey on Income and Program Participation (SIPP) 2004 Panel Waves 1 through 12, which asks respondents about their economic conditions and living arrangements for the period from October 2003 and ending in December 2007. Every four months, the Census returns to the same individuals and asks them questions about their monthly experiences for the previous four months. Although the purpose is to get exact information on each month, most respondents tend to apply the answers of the last month to all four months. Consequently, changes in status are clumped into four-month segments rather than a more continuous monthly change. In order to minimize collection costs, the "2004" SIPP is divided into four subsamples that were interviewed in consecutive months. The first subsample covers the period from October 2003 and ends in September 2007; the last subsample begins in January, 2004 and ends in December, 2007. Thus, the 48-month periods are October 2003 to September 2004; November 2003 to October 2007; December 2003 to November 2007; and January 2004 to December, 2007. The fact that the subsamples are collected for slightly different time periods does not affect the results of our insurance continuity variable.

Independent of when the interviewing began, only people who had valid answers for all 48 months were included in this analysis. Overall, there were 25,500 people in 8,500 households that met the criteria of having answers in all months. Because the Census Bureau does not provide sample weights for this group, the weights from Wave 12 were adjusted to reflect the distribution of 18-64 year-olds by race, ethnicity and education based on the March 2007 Current Population Survey. Without the reweighting, 6.7% of the non-elderly adults had not finished high school. By contrast, more than 13% of the non-elderly adults in 2007 did not have a high school diploma or GED certificate. After reweighting, our sample had the same share of high school non-completers.

Age range. The findings reflect the coverage experience of citizens aged 22 or older at the start of the four-year period and 64 or younger at the end of the same time period. This age range ensures that the study did not include anyone who was eligible for either SCHIP or Medicare. Another reason for excluding those who start at age 18 to 21 and end at age 22 to 25 is that these individuals are often post-secondary students for either part or all of these years.

This group has relatively few medical problems and often has access to medical care through their colleges. Furthermore, they are just beginning their working careers and have often not yet found their employment niche. Since they are no longer covered under their parents' policies (the exception is for dependent full-time students), they often fall through the cracks of the insurance system. In fact, less than half of these young adults have stable coverage over these four years. For all of these reasons, we think this is an atypical population and did not include them in most of our computations about insurance continuity.

Estimate of population. Our population estimates use a base estimate of 140,450,000 citizens aged 22 or older at the start of the four-year period and 64 or younger at the end of the same time period. This number is derived from our adjusted weights.

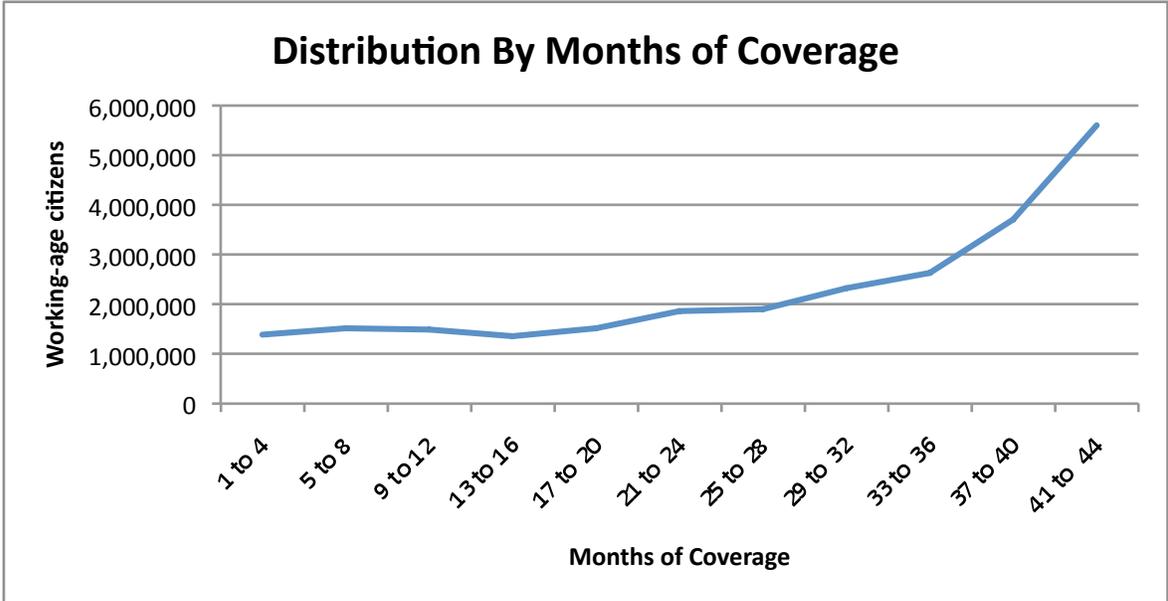
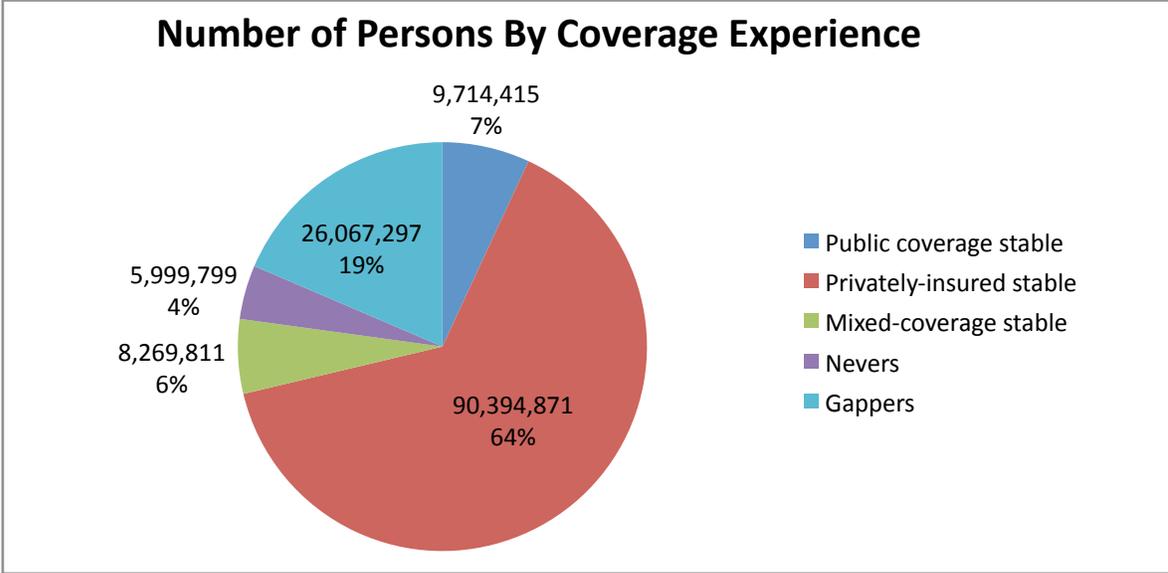
Definitions. Throughout this report, "stable" coverage refers to those who reported having insurance coverage for 48 out of 48 months. "Privately-insured Stable" refers to those who reported 48 months of coverage from wholly private sources, either from an employer or independently purchased; "Public coverage Stable" refers to those who reported 48 months of coverage from wholly public sources, such as Medicare, Medicaid, the Veterans Administration and other programs; and "mixed-coverage Stable" refers to those who reported 48 months of public and private sources of coverage.

"Gappers" refers to those who reported between one and 47 months of coverage from any source. "Nevers" refers to those who reported zero months of coverage over the 48 month period of analysis.

For purposes of this analysis, we did not make a distinction between those who reported having coverage in their own name vs. through a spouse or other family member.

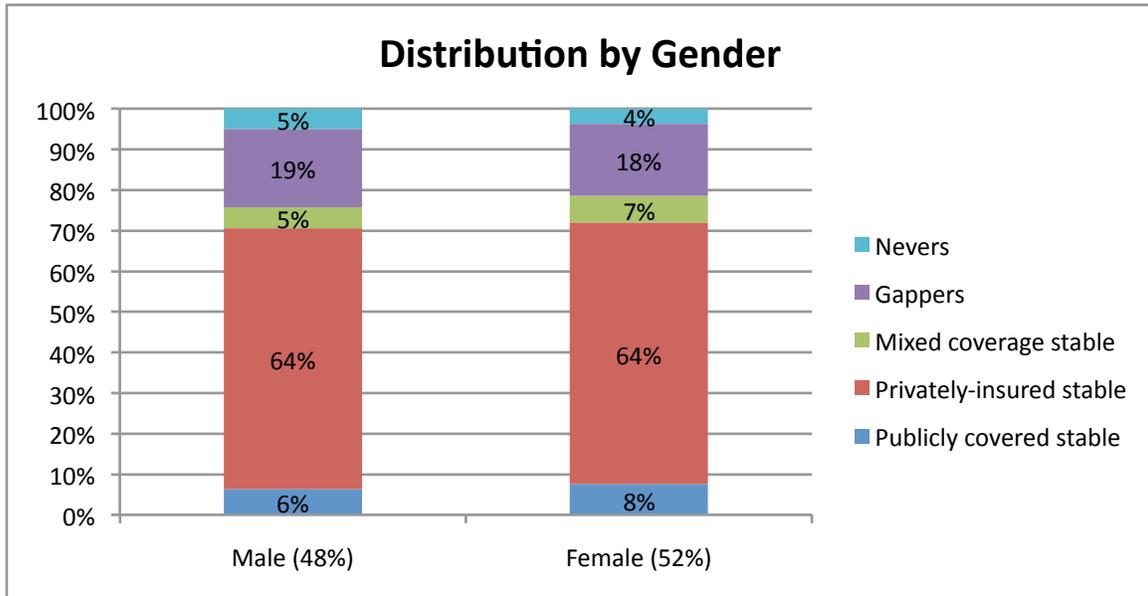
Detailed Findings

Coverage experience of working-age citizens, 2003-2007



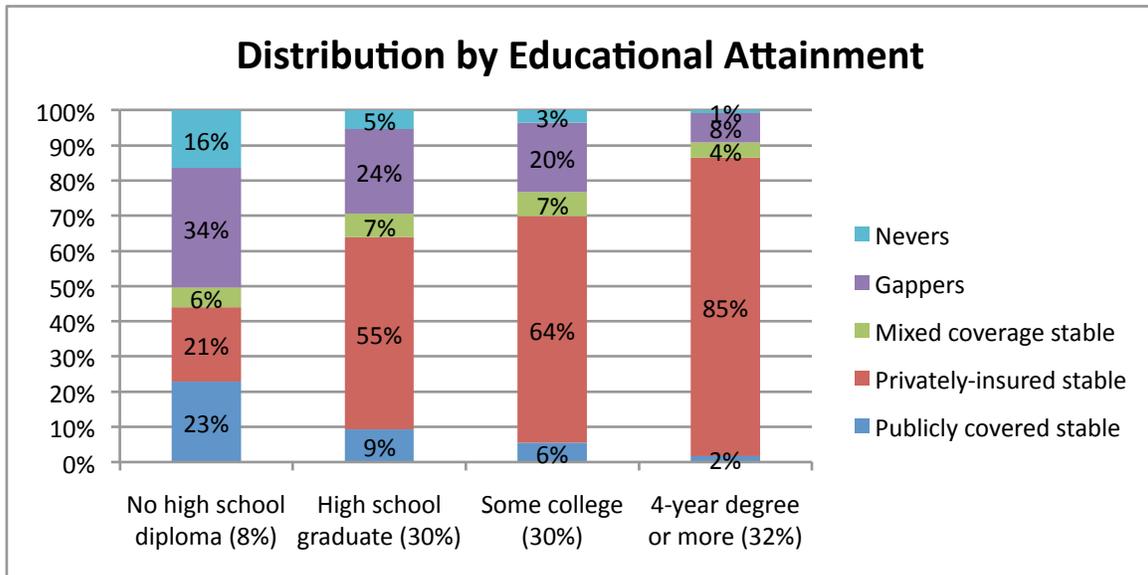
- Total number of Gappers and Nevers: 32,067,095

Coverage experience by subgroups, 2003-2007



Notes:

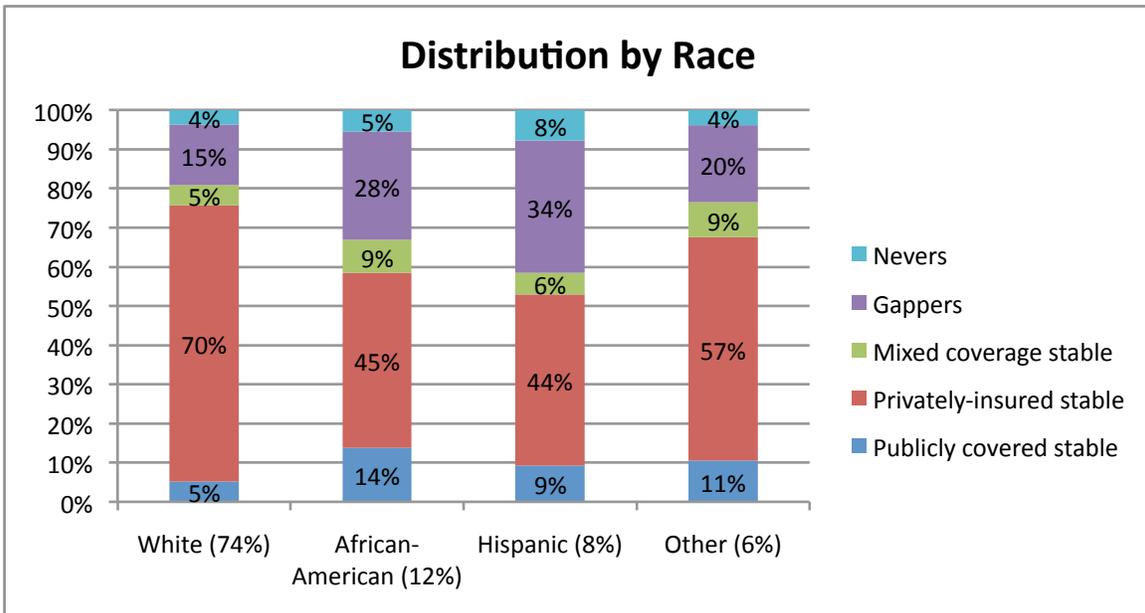
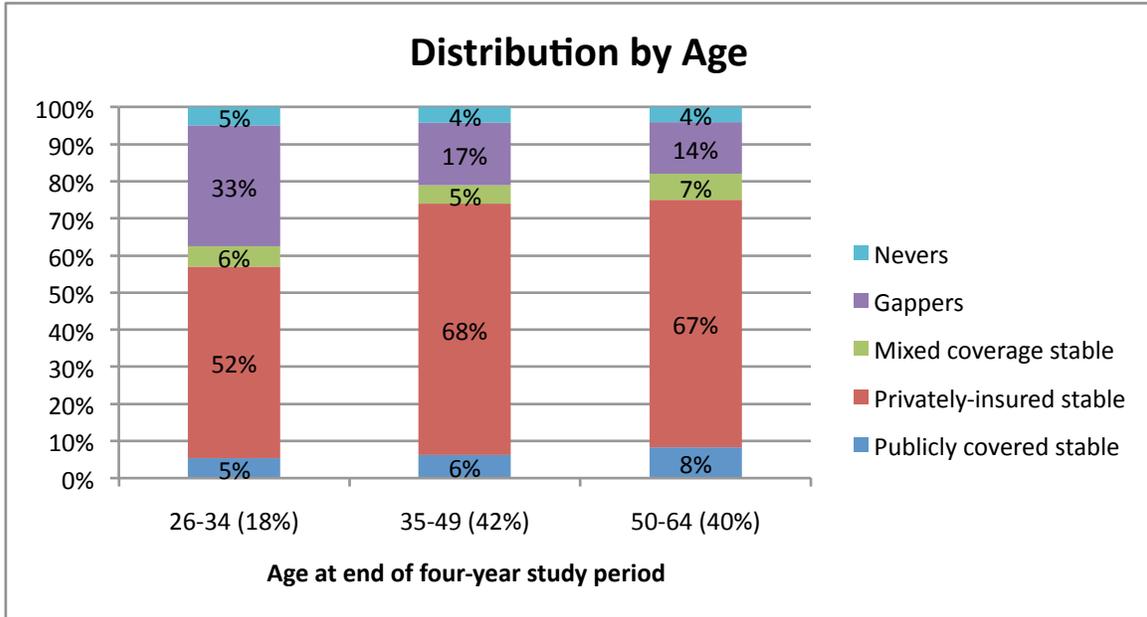
- Percents in parentheses accompanying each subcategory indicate the share of working-age citizens.

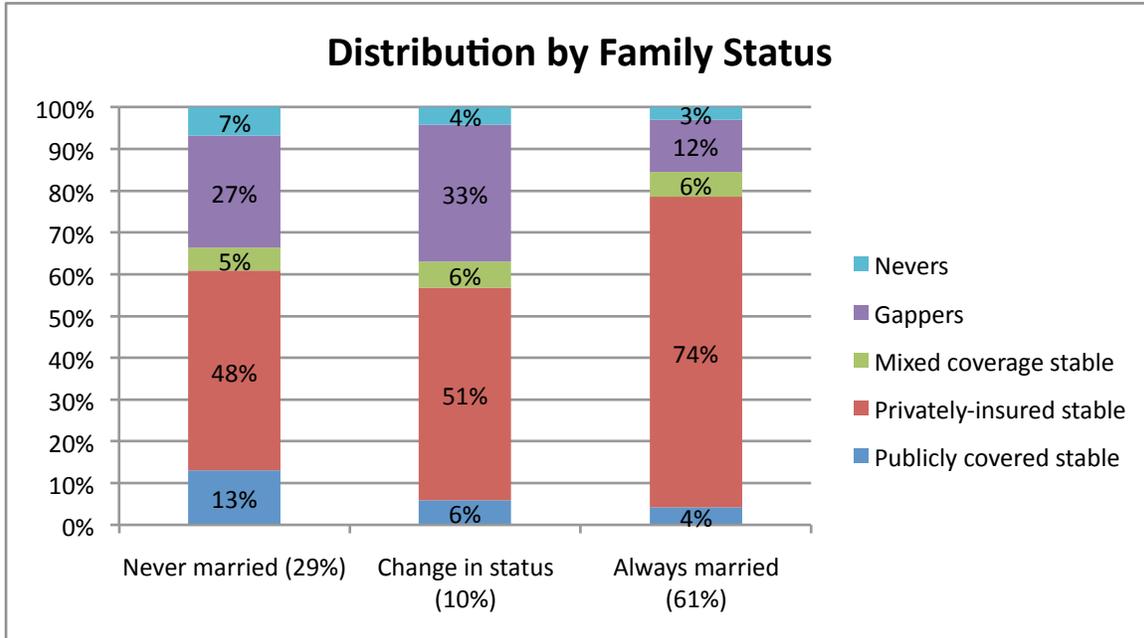


Notes:

- “High school graduate”: Includes those with a GED or high school equivalency

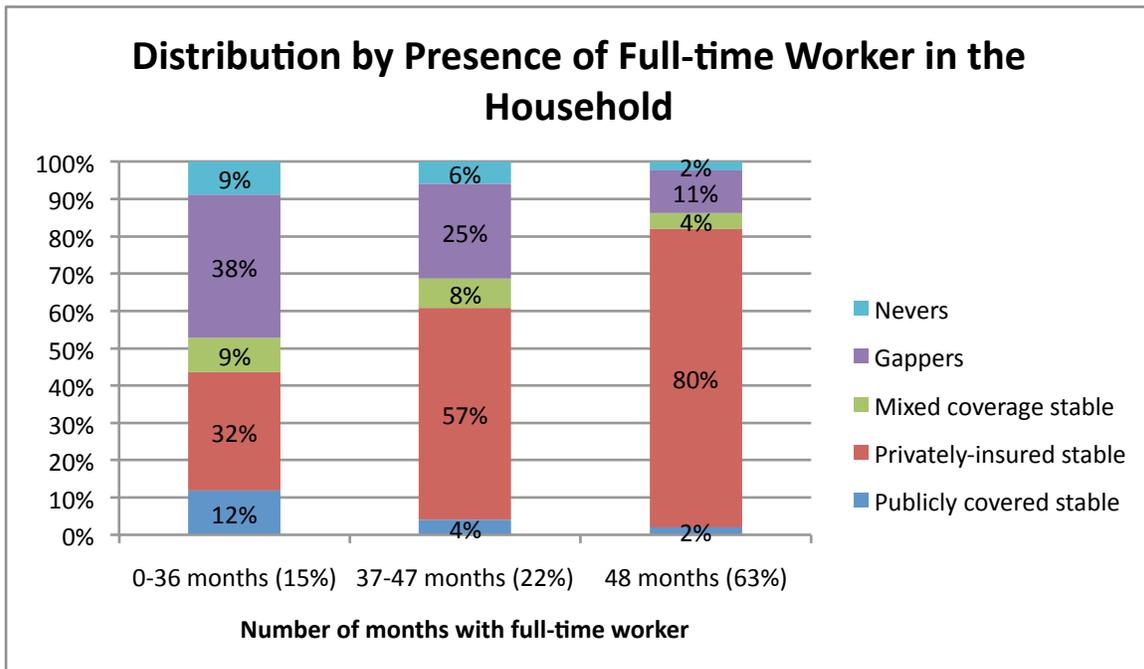
- "Some college": Includes those with a two-year degree or other post-secondary education
- "4-year degree or more": Includes those with graduate and professional degrees

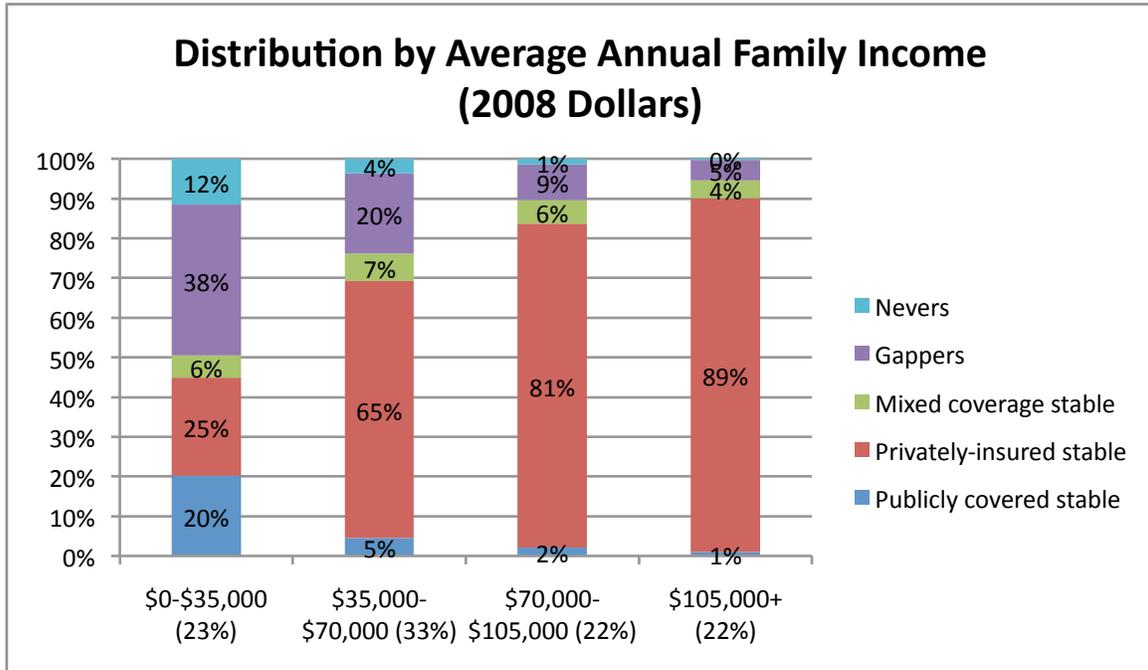




Notes:

- “Never married”: 0 months reported as married.
- “Change in status”: Fewer than 48 months reported as married.
- “Always married”: 48 months reported as married.





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Endnotes

¹ Most analyses of the uninsured use data from the Census Bureau's Current Population Survey, which provide a point-in-time snapshot of the health care coverage status of the population. Past analyses have also focused on stability, but we are presently unaware of studies that use the most recent data.

² Survey of Program Participation and Income, U.S. Department of Commerce, Census Bureau, 2004 Panel.

³ According to the Congressional Budget Office, the recent expansion of SCHIP will cover 4.1 million uninsured children by 2013. Congressional Budget Office, "Preliminary Estimate of Changes in SCHIP and Medicaid Enrollment in Fiscal Year 2013 Under the Children's Health Insurance Program Reauthorization Act of 2009," January 16, 2009. Using 2007 Census data on the uninsured and assuming no further growth of the uninsured rates for children, 95% of children will be covered by the time SCHIP expansion is fully implemented.

⁴ Employer Health Benefits: 2008 Annual Survey, The Kaiser Family Foundation and Health Research & Educational Trust, Sept. 2008.

⁵ Different federal surveys produce different counts of the uninsured due to different timeframes embedded in the survey questions about coverage. The widely used Census Bureau's 2007 Current Population Report number for the uninsured is 45.7 million for part or all of the year. The Centers for Disease Control's 2008 National Health Interview Survey found that 43.3 million were uninsured at a specific point in time. The Survey of Income and Program Participation measures the uninsured at several points in time over the period of the survey.

⁶ The coverage experience of working-age non-citizens differs starkly from that of citizens. They are less than half as likely to have stable coverage, more than twice as likely to be Gappers and five times more likely to have been never insured. For the roughly 11% of the working-age population who are not citizens (about 18 million people), only 36% had stable coverage from 2003-2007, while 42% were Gappers and 21% were Nevers. Non-citizens include legal immigrants (e.g., asylum-seekers and others on the path to citizenship) as well as undocumented aliens. The available data do not make it possible to separate out the two categories.

⁷ U.S. Department of Health and Human Services, "Medicare Enrollment: National Trends 1996-2008, Medicare Aged and Disabled Enrollees by Type of Coverage: All Areas, as of July 1, 1966—2008," available at <http://www.cms.hhs.gov/MedicareEnRpts/Downloads/HISMI08.pdf>

⁸ The coverage standard under an individual mandate would likely decrease for higher income individuals who can afford to take the risk of policies with higher deductibles and other out-of-pocket costs.