

Young adults at risk: 13.7 million lack health insurance coverage

30 May 2008

The number of uninsured young adults in the United States rose to 13.7 million in 2006—an increase from 13.3 million in 2005—making the 19-to-29 age group one of the largest and fastest-growing segments of the population without health insurance. According to a newly updated report from The Commonwealth Fund, 38 percent of high school graduates who do not attend college and 34 percent of college graduates will spend some time uninsured in the year after graduation.

According to the report, *Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help*, working young adults are much less likely than older workers to have access to health insurance through their employers. Just over half (53%) of 19- to 29-year-olds were eligible for coverage offered by their employers, compared with about three-quarters (74%) of 30- to 64-year-olds.

Young adults often lose coverage at age 19, as a result of being dropped from parents' policies or from public programs like Medicaid and the State Children's Health Insurance Program (SCHIP). Young adults from low-income households are most at risk: 72 percent of the 13.7 million uninsured young adults live in households with incomes below 200 percent of the poverty level. As a result of young adults aging off parents' policies or public programs, the uninsured rate jumps sharply after age 19, from 12 percent among children 18 and under to 30 percent among those ages 19 to 29.

"Lack of coverage and access to health care services puts the health of young adults at risk, and can subject them, as well as their families, to potentially dire financial consequences," said Sara Collins, co-author and assistant vice president at The Commonwealth Fund. The report found that two-thirds (66%) of young adults who had a time without insurance coverage in the past year had gone without needed health care because of cost.

One-half reported problems paying medical bills or were paying off medical debt over time.

Nearly 60 percent of employers who offer coverage do not insure dependent children over age 18 or 19 if they do not attend college. Thirty-nine percent of young adults ages 19 to 23 who either do not attend college or only attend part-time are uninsured, compared with 17 percent of full-time students.

In the face of these challenges, new efforts on both the state and federal level to cover young adults are gaining momentum. Twenty states have passed legislation requiring insurance companies to extend dependent coverage to young adults older than 18 or 19. The new age limits range from 24 in Delaware, Indiana, and South Dakota to 30 in New Jersey. In addition, a recently introduced congressional bill would extend health insurance to dependent children of federal workers to age 25.

Because a majority of uninsured young adults have low incomes, extending eligibility for Medicaid and SCHIP beyond age 18 would also be an important policy solution for covering this group, the authors say. Such an expansion would have the biggest impact in terms of lowering the number of uninsured young adults. Extending eligibility to age 25, for example, would cover up to 7.6 million uninsured young adults living in households with incomes below 200 percent of poverty.

"State-level efforts to cover young adults are very important and will help many young adults as they transition to the labor force," said Commonwealth Fund President Karen Davis. "However, most uninsured young adults do not have access to affordable private coverage through their parents' plans. Extending Medicaid and SCHIP coverage beyond age 18 has the potential to make a real difference in the lives of young adults and their families."

In addition, the authors suggest that states could help extend coverage by ensuring that colleges and universities require health coverage and offer insurance to their full-time and part-time students. This option could help cover the 1.6 million part-time and full-time uninsured students ages 19 to 23.

Source: Commonwealth Fund

APA citation: Young adults at risk: 13.7 million lack health insurance coverage (2008, May 30) retrieved 23 August 2022 from <https://medicalxpress.com/news/2008-05-young-adults-million-lack-health.html>

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