

States taking action to insure nation's 13.3M uninsured young adults

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Since 2003, 16 states have enacted legislation requiring insurance companies to provide health insurance coverage to dependent young adults on their parents' health plans beyond age 18 or 19, according to a new report from The Commonwealth Fund. While Utah has had such a law since 1994, recent legislative activity reflects states' rising concern about the steady loss of coverage among young adults under the age of 30.

Because a majority of uninsured young adults have low incomes, extending eligibility for Medicaid and the State Children's Health Insurance Program (SCHIP) beyond age 18 would be an important policy solution to cover this group, the authors say. The SCHIP reauthorization bill recently passed in the House of Representatives would allow states to extend coverage up to age 25. Currently, Medicaid and SCHIP coverage for children typically ends at age 19.

The report, "Rite of Passage" Why Young Adults Become Uninsured and How New Policies Can Help, finds that 13.3 million young adults ages 19 to 29 were uninsured in 2005, up from 12.9 million in 2004. Young adults also continue to represent the largest age group without health insurance. Despite comprising only 17 percent of the under-65 population they account for 30 percent of the uninsured in that group. Two-fifths (41%) of uninsured young adults ages 19-29 are in families below the poverty level, and 72 percent have incomes below twice the poverty level). The analysis is based on the latest updated Census Bureau data, and is an update of a May 2006 Commonwealth Fund report.

“There are misconceptions that young adults don’t have health insurance by choice,” said Sara Collins, lead author and Assistant Vice President for the Future of Health Insurance at The Commonwealth Fund.

“However, affordability and access to coverage are real barriers for many young people who lack access to employer coverage. Even the cost of basic coverage on the individual insurance market can amount to a large share of a low or moderate income. ”

States with laws requiring health plans to cover young adults on their parents’ insurance until age 25 include Colorado, Idaho, Maine, Maryland, Massachusetts, Minnesota, New Mexico, Rhode Island, Texas, Washington, and West Virginia. Delaware, Indiana, and South Dakota require coverage until age 24, New Hampshire and Utah until age 26; and New Jersey until age 30. Most of the state laws apply to all young adults but laws in Idaho, Rhode Island, and South Dakota only apply to students. Most of the laws were passed between 2005 and 2007; the Utah legislation was passed in 1994, and the Texas law in 2003.

States aren’t alone in seeking to expand coverage to young adults. Several federal level proposals, including the SCHIP reauthorization bill that recently passed in the House include provisions that would allow states to increase access to Medicaid and SCHIP up to age 25.

“State-level efforts to cover young adults—one of the largest and fastest-growing segments of the uninsured population—are very important, and it is exciting to see the momentum in this area,” said Commonwealth Fund President Karen Davis. “However, most uninsured young adults do not have access to private coverage through their parents’ plans. For these young adults, extending Medicaid and SCHIP coverage beyond age 18 can make a real difference.”

In addition to increasing Medicaid and SCHIP eligibility, the authors recommend continued efforts to expand eligibility for dependents under

private coverage beyond age 18 or 19 and that states take steps to ensure that colleges and universities require and offer health insurance coverage to students.

Source: Commonwealth Fund

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