

## Study: More than 9 million U.S. adults lost health coverage in recession

December 9 2011

---

(Medical Xpress) -- An estimated 9.3 million American adults lost health insurance coverage as a result of increased unemployment during the recession of 2007-09, according to a newly published study by researchers at Cornell, Indiana and Carnegie Mellon universities.

The study, titled "The Impact of the Macroeconomy on [Health Insurance Coverage: Evidence From the Great Recession](#)," relies on data from the Census Bureau's Survey of Income and Program Participation and monthly [unemployment figures](#) to generate accurate and up-to-date estimates for the effect of the state [unemployment rate](#) on health insurance coverage, both for the overall population and specific subgroups.

The working paper was published online by the National Bureau of Economic Research. Authors are John Cawley, professor in the College of Human Ecology at Cornell University; Kosali Simon, professor in the School of Public and Environmental Affairs at Indiana University; and Asako Moriya, a recent Ph.D. in economics and public policy at Carnegie Mellon University.

"The Great Recession of 2007-09 is the longest and deepest macroeconomic downturn in the United States since 1933," they write. "This paper documents the impact of higher unemployment rates on one important outcome: health insurance coverage."

The study finds that roughly nine times as many Americans lost health

insurance coverage in the recession of 2007-09 as in the previous recession of 2001. The 9.3 million figure is the difference in the number of adults with insurance coverage at the macroeconomic peak in December 2007 compared to the trough of June 2009. The number who lost coverage as a result of the recession is undoubtedly higher due to "churn" in the ranks of the uninsured, the authors say.

The study also estimates that 4.2 million children under the age of 18 gained health insurance coverage during the recession, supporting the idea that government health insurance programs work counter-cyclically, as intended as part of the [social safety](#) net. As parents lose jobs and income, more children qualify for coverage through Medicaid and State Children's Health Insurance Programs.

The study extends and builds on previous economic research on the relationship between the macroeconomy and health insurance status. It also contributes to the economics literature on the so-called Great Recession, the longest and most severe U.S. recession since the 1930s.

Findings include:

-- Men were much more likely than women to lose insurance coverage as a result of increases in the unemployment rate, and the effect was strongest for men who were white, older and well educated. Of adults estimated to have lost coverage, 7.1 million were men and 2.2 million were women.

-- For men, an increase in the unemployment rate of 1 percentage point was associated with a 1.67 percentage-point decrease in the likelihood of being insured.

-- Even for men who didn't lose their jobs, increases in the unemployment rate were associated with a decreased probability of

[health insurance coverage](#). This may be because employers dropped coverage, cut workers' hours to where they no longer qualified for health insurance, or increased employee premium contributions leading to workers declining the offer of coverage.

-- For children under 18, a 1 percentage-point increase in the unemployment rate is associated with a 1.37 percentage-point increase in the likelihood of being insured.

The paper includes a "thought experiment" that examines the impact of the 2010 Patient Protection and Affordable Care Act on the relationship between unemployment and insurance coverage. The results imply that, because of the act's expansion of Medicaid coverage for adults, a higher unemployment rate would not have a significant impact on [insurance coverage](#) with the law in place.

**More information:** The study is available online at [www.nber.org/papers/w17600](http://www.nber.org/papers/w17600)

Provided by Indiana University

Citation: Study: More than 9 million U.S. adults lost health coverage in recession (2011, December 9) retrieved 25 April 2024 from <https://medicalxpress.com/news/2011-12-million-adults-lost-health-coverage.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--