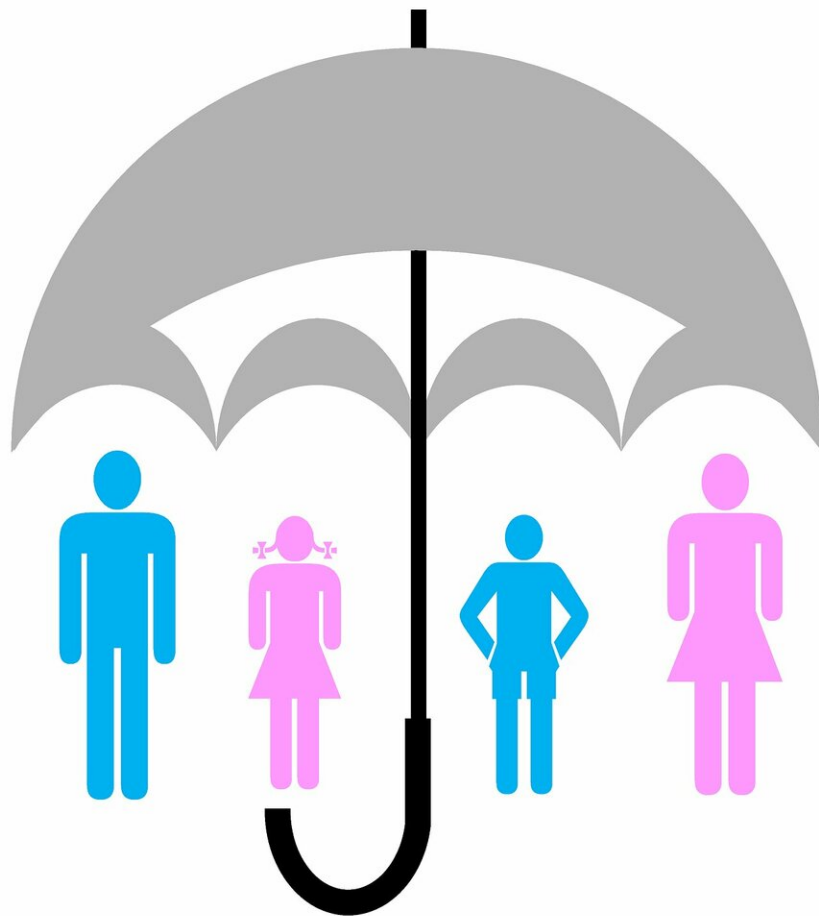


# Health insurance coverage declined during the pandemic

September 9 2021, by Jackie Ogburn

---



Credit: CC0 Public Domain

Nearly 2.7 million people in the U.S. lost their health insurance over a 12-week period in the spring and summer of 2020 during the COVID-19 pandemic, according to a new study led by researchers at Duke University and Indiana University-Purdue University Indianapolis.

However, a different pattern emerged in fall 2020. While rates of employer-based [coverage](#) continued to decline during the fall and winter, people increasingly enrolled in government [health insurance](#) programs to fill the coverage gap.

The study appears in the September issue of the *JAMA Health Forum*.

"We wanted to do this research because there was a lot of uncertainty about the impact of the pandemic on the loss of health [insurance](#)," said M. Kate Bundorf, J. Alexander McMahon Distinguished Professor of Health Policy and Management at Duke's Sanford School of Public Policy.

"While the study shows that people lost employer-sponsored coverage, which is not surprising given the magnitude of the job loss, we also find that many people gained coverage through public programs. Many of these programs are newly available through the Affordable Care Act, indicating that recent policy changes created a safety net that has been supporting many people during the pandemic."

The early days of the COVID-19 pandemic saw a huge and [rapid decline](#) in employment, with the [unemployment rate](#) peaking at 14.7 percent in April 2020. Employment drops during a recession typically play out over months, not days or weeks, said Bundorf. The initial two-month employment decline during 2020 was about 50 percent larger than the two-year decline in the Great Recession.

The primary source of health insurance coverage for U.S. working-age

adults is through their employer, so losing a job not only leads to loss of income, but loss of health insurance. The high cost of COVID-19-related health care increased the possible negative consequences of being uninsured.

The researchers used data from the 2020 Household Pulse Survey, a U.S. Census Bureau survey of over 1.2 million adults across all states and Washington, D.C. They analyzed data and documented the change in insurance coverage from April 23 to Dec. 21, 2020.

From April 23 through July 1, 2020, the number of uninsured increased by 1.4 percentage points, representing more than 2.7 million people. The decline in overall coverage was driven by a decline in rates of employer-sponsored coverage that was only partially offset by an increase in other sources of coverage, at least initially.

While employer-sponsored coverage continued to decline between August and December, 2020, increases in other sources of coverage fully offset the decline, resulting in stable rates of overall coverage during that time period.

"Some expected many more people would have lost their insurance coverage given the enormous decline in employment," she said.

"However, our study found that, while employer-sponsored insurance did indeed decline during the COVID-19 pandemic, many people enrolled in coverage from other sources, primarily government programs."

The increase in numbers of uninsured people in the spring and summer was concentrated in states that had not expanded Medicaid. Early in the pandemic, the decline was also concentrated among men, people aged 27 to 50 years, Hispanics and low-income families. For these groups, employer-sponsored insurance declined and increases in other sources of

coverage did not fully offset the decline.

"It does appear that the mechanisms put in place by the Affordable Care Act played an important role in insulating people from the impact of losing their [health](#) insurance," Bundorf said.

The results suggest that Medicaid in particular provided a safety net for a broad population. The Affordable Care Act expanded Medicaid coverage to all low-income adults in many states, and The Families First Coronavirus Response Act prevented states from terminating Medicaid coverage during the pandemic.

The researchers found that enrollment in public programs increased throughout the year, but found no evidence of increases in individual private insurance.

"It may be that as the pandemic progressed, people became more aware of the options for coverage," said Bundorf. "We hope that people continue to assess their options if they lose their employer-sponsored coverage. There are alternatives but the system is complicated. In some cases, people need to act promptly during a pre-specified open enrollment period."

Insurance coverage trends for 2021 are not yet clear, Bundorf said.

"The [labor market](#) has improved, hopefully leading to increases in employer-based coverage and reductions in the number of people without coverage," Bundorf said. "Policies also promoted enrollment in ACA Marketplace coverage with expanded open enrollment periods and increases in subsidies suggesting that more people may have turned to private insurance during 2021."

While unemployment rates are now much lower, at 5.6 percent in May

of 2021, employment recovery has lagged among racial and ethnic minority populations. That points to the continued importance of safety-net programs, both in providing coverage and addressing disparities, the authors said.

As the economy continues to improve and employment increases, it will be important to track whether rates of employer-sponsored coverage recovered in 2021 or people continued to rely on public programs or remain uninsured, the authors added.

**More information:** M. Kate Bundorf et al, Trends in US Health Insurance Coverage During the COVID-19 Pandemic, *JAMA Health Forum* (2021). [DOI: 10.1001/jamahealthforum.2021.2487](https://doi.org/10.1001/jamahealthforum.2021.2487)

Provided by Duke University

Citation: Health insurance coverage declined during the pandemic (2021, September 9) retrieved 10 May 2024 from <https://medicalxpress.com/news/2021-09-health-coverage-declined-pandemic.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>
--