Health Insurance Coverage of Young Adults: Issues and Broader Considerations

Timely Analysis of Immediate Health Policy Issues

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Summary:

Over 10 million, or nearly one in three, young adults ages 19 to 26 lacks health insurance coverage. Young adults are at higher risk of lacking health insurance coverage relative to other age groups because they have low access to both employer-sponsored insurance and subsidized public coverage. Given that so many uninsured young adults are poor or near poor, addressing their uninsurance problem will require significant subsidies, either through public program expansions, tax credits, or direct subsidies. However, achieving universal coverage among young adults could require other policy changes, such as individual mandates. Ultimately, decisions about allocating greater public subsidies for covering young adults or imposing mandates should be made in the context of considerations about broader health care reform.

Background

Given that such a large and growing share of young adults ages 19 to 26 lacks health insurance coverage, increasing policy attention has been focused on addressing coverage gaps among young adults.[1] Fully 10.3 million young adults—or one in three (32 percent)—lack health insurance coverage. While young adults constitute 18 percent of the adult population, they make up 28 percent of the uninsured adult population (Exhibit 1). Almost half (49 percent) have employer-sponsored insurance (ESI) coverage, 10 percent have Medicaid/other public coverage, and 10 percent have non-group coverage (Exhibit 2).

As shown in Exhibit 3, as children transition to adulthood, they lose both employer-sponsored insurance (ESI) and Medicaid coverage at high rates.[2] The sharp declines in ESI and Medicaid coverage are due to restrictions on employer policies that often limit dependent coverage to full-time students after age 18 or 19 and less expansive Medicaid/SCHIP eligibility policies for young adults compared to those for children ages 18 and under.[3] As young adults move into their late 20s, they gain ESI coverage, which brings down their uninsured rates.[4]

Among young adults, the likelihood of coverage varies across a number of different characteristics, including income, citizenship status, and whether or not they are full-time students. Young adults with incomes less than 200 percent of the federal poverty level (FPL) are 2.6 times more likely to be uninsured compared with those with higher incomes (44 vs. 17 percent) (Exhibit 2). While lower-income young adults are more likely to have Medicaid/SCHIP coverage relative to higher-income young adults (16 vs. 3 percent), they are much less likely to have ESI (29 vs. 73 percent). Young adults who are noncitizens are over twice as likely as those who are citizens to lack health insurance coverage (60 vs. 28 percent) but make up just 22 percent of all uninsured young adults (Exhibit 1).

Full-time students are half as likely as nonstudents to lack health insurance coverage (19 vs. 39 percent), and it appears that 1.9 million, or fewer than one in five, uninsured young adults are students (data not shown).[5] Consistent with the patterns found among all adults, uninsured rates are higher among young adults who are Hispanic, noncitizens, and among those who are not married.[6]

Lack of coverage lowers the likelihood that young adults get needed health care.[7] For example, uninsured young adults experience many more access problems compared with young adults who have insurance coverage: They are more than twice as likely to not fill a prescription due to cost; not see a specialist when needed; not get a medical test, treatment, or follow-up; and not see a provider when they have a medical problem. Access problems may have particularly adverse consequences given the health risks (such as obesity and HIV infection) and the large number of pregnancies among young adults.[8] In addition, young adults in low-income families who go without health insurance coverage are more likely to experience financial burdens and debt associated with meeting their health care needs.[9] The health deficits and financial burdens that occur during young adulthood due to lack of insurance coverage may carry over, causing problems later in life.

This brief first examines the root causes of uninsurance among young adults. Policy options and tradeoffs associated with addressing coverage gaps for young adults are then explored.

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Exhibit 1. Uninsurance Rates Among 19- to 64-Year-Olds by Age and Income, 2006

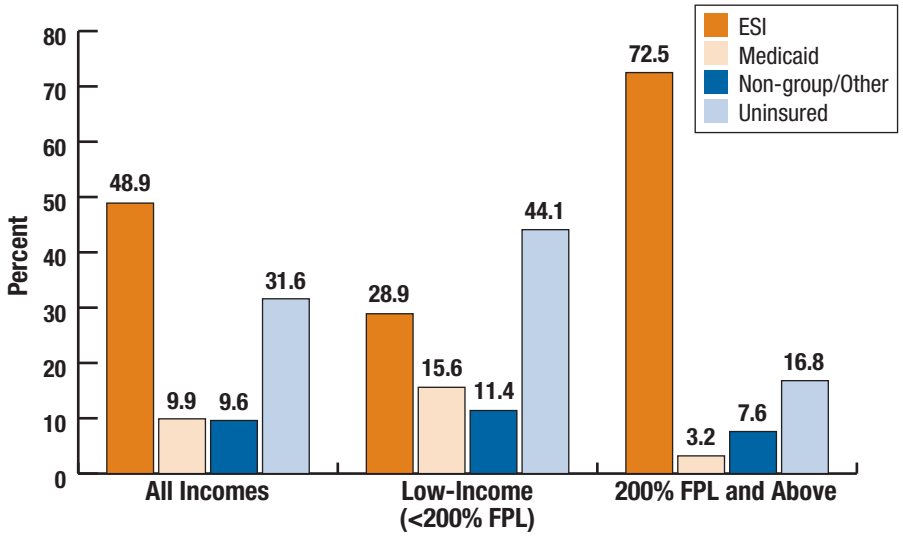
	Ages 19-26				Ages 27-64			
Family Poverty Level	**Percent of Population**	**Percent of Uninsured**	**Uninsurance Rate**		**Percent of Population**	**Percent of Uninsured**	**Uninsurance Rate**	
All Incomes	17.9%	27.8%	31.6%		82.1%	72.2%	17.9%	*
<100% FPL	29.9%	44.3%	46.8%	#	12.2%	30.6%	44.9%	#
100-199% FPL	24.2%	31.3%	40.9%	#	14.6%	29.1%	35.7%	* #
200-399% FPL	27.0%	19.0%	22.2%	#	28.7%	26.3%	16.4%	* #
400%+ FPL	18.9%	5.4%	9.0%		44.5%	13.9%	5.6%	*
Health Status								
Excellent/Very Good	75.4%	68.0%	28.5%		61.9%	52.3%	15.1%	*
Good	20.1%	26.4%	41.5%	#	25.6%	32.2%	22.5%	* #
Fair/Poor	4.5%	5.5%	38.6%	#	12.5%	15.5%	22.3%	* #
Citizenship Status								
U.S. Citizen	88.3%	77.8%	27.8%		90.1%	75.1%	14.9%	*
Noncitizen	11.7%	22.2%	59.7%	#	9.9%	24.9%	44.8%	* #

Source: Urban Institute tabulations of the 2007 ASEC supplement to the CPS
* Indicates statistically significant difference in uninsurance rate from 19-26 age group at 95 percent confidence level.
# Indicates statistically significant difference in uninsurance rate from 400% FPL, Excellent/Very Good health, or U.S. Citizen at 95 percent confidence level.

Why Are Young Adults Uninsured at Such High Rates?

Young adults are uninsured at higher rates than older adults for a number of reasons. First, the characteristics of young adults with respect to their demographic and socioeconomic characteristics contribute to their low rates of employer-sponsored insurance coverage. Young adults are much more likely to be poor or near poor compared to older adults, which contributes to their lower coverage rates (Exhibit 1). Over half (54 percent) of all young adults have incomes below 200 percent of the FPL—30 percent live below the FPL and 24 percent have incomes between 100 and 200 percent of the FPL. In contrast, just 27 percent of adults ages 27 to 64 have incomes below 200 percent of the FPL, with just 12 percent below the FPL and 15 percent with incomes between 100 and 200 percent of the FPL. For both age groups, uninsured rates fall sharply as income rises. While uninsured rates appear about the same for poor adults in both age groups, young adults with incomes above the FPL are more likely than older adults in the same income group to lack coverage, suggesting the lower incomes of young adults do not entirely account for their lower coverage. However, the coverage differential within each income group is fairly small, at less than 6 percentage points.

Exhibit 2. Health Insurance Coverage among Young Adults Ages 19 to 26 by Income, 2006



Source: Urban Institute tabulations of the 2007 ASEC supplement to the CPS

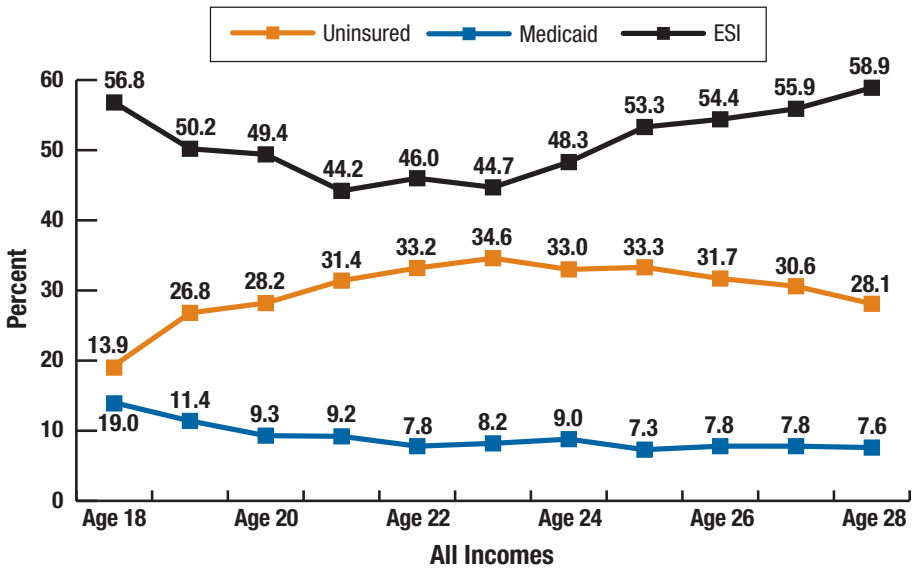
The lower incomes of young adults derive from their work patterns (the likelihood of full-time employment, tenure, and type of employment) and from their lower likelihood of being married.[10] As a consequence, young adults are less likely than older adults to have an offer of employer coverage.[11] Overall, just over a quarter (28 percent) of the uninsured in the 19 to 26 age group has an offer of employer-

sponsored insurance, either from their employer or from their spouse's employer (Exhibit 4).[12] In addition, as indicated above, many uninsured young adults are not students, which lowers the likelihood that they can qualify for coverage under their parents' insurance plan in most states.

Second, in addition to having lower access to employer coverage, young adults are less likely to take up the employer coverage that is available to them.[13] The lower take-up of ESI among young adults is likely due to their lower incomes but also to differences in their health status and attitudes about the importance of health insurance coverage. Young adults are healthier than older adults—they are more likely to be in excellent or very good health and less likely to be in poor or fair health, which likely affects both their demand for and access to health insurance coverage (Exhibit 1). For a given health status, young adults have higher uninsurance rates than older adults. In addition, older adults are more likely than younger adults to say that health insurance is needed—just 48 percent of adults ages 19 to 26 strongly agree that health insurance coverage is needed, compared with 70 percent of adults ages 27 to 64 (Exhibit 5).[14] While some of this difference may result from a rational appraisal of the need for health insurance at different points over the life span, young adults seem to place a lower value on health insurance coverage relative to older adults, even controlling for health status differences across the two age groups (data not shown). This is an extension of the general finding that younger adults are less risk averse than older adults. Among adults ages 19 to 26, 25 percent disagree strongly that they are more likely to take risks than the average person, compared with 40 percent of adults 27 to 64 (data not shown).

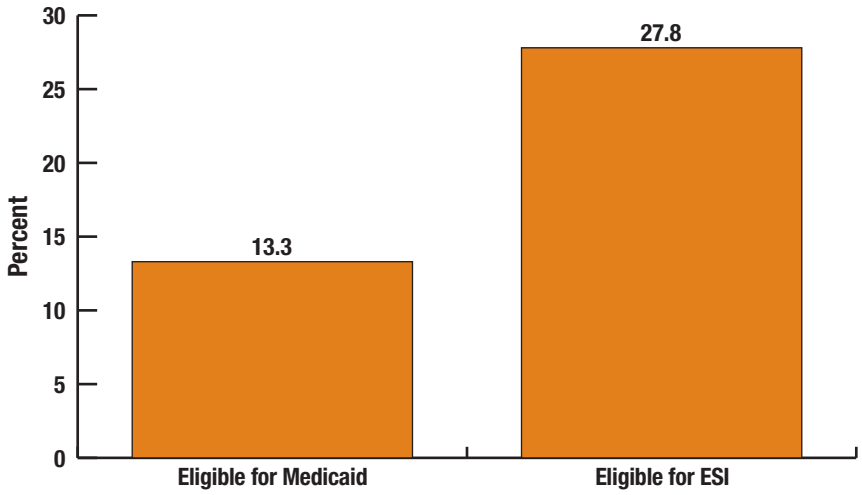
Third, despite their low incomes, very few uninsured young adults are eligible for Medicaid or other public coverage. While more than two-thirds of the uninsured under age 19 qualify for Medicaid or SCHIP,[15] it appears that just 13 percent of uninsured young adults ages 19 to 26 could be enrolled in Medicaid or other public coverage under current eligibility rules (Exhibit 4).[16] Uninsured young adults who are poor and those who are under 21 are more likely than their higher-income, older counterparts to be eligible for public coverage—21 percent of all uninsured 19- and 20-year-olds can qualify compared with 11 percent of uninsured 21- to 25-year-olds. Almost 40 percent of uninsured 19- and 20-year-olds living below the FPL are eligible for Medicaid/SCHIP. Eligibility drops substantially for those at just slightly higher income levels; only 4 percent of uninsured 19- and 20-year-olds with income between 100 and 200 percent of the FPL appear eligible for Medicaid/SCHIP. Thus, the high uninsured

Exhibit 3. Insurance Coverage of Adults Ages 18 to 28, 2006



Source: Urban Institute tabulations of the 2007 ASEC supplement to the CPS
Note: Coverage under the residual category, which includes private non-group coverage, Medicare, and other coverage increases from 10.2 percent among 18-year-olds to 15.2 percent for 21-year-olds and then falls to 5.4 percent among 28-year-olds.

Exhibit 4. Access to ESI and Medicaid/SCHIP Coverage Among Uninsured Young Adults



Source: Estimated Medicaid eligibility based on Urban Institute Tabulations of the 2006 ASEC. Estimated access to employer-sponsored coverage based on Urban Institute Analyses of the March and February supplements from 2005.

rates among young adults reflect their low access to both employer coverage and Medicaid or other public coverage and the lower value they place on health insurance coverage. Developing effective policy solutions to address these problems depends on understanding the underlying causes of uninsurance among young adults.

Policy Options

Expanded Employer Coverage of Dependents

A number of policy solutions have been proposed to address the uninsurance problem among young adults. One frequently proposed approach is to require that employers allow parents to cover their children up to age 24 or 26 as dependents.[17] The specifics of who can be covered vary from state to state, including the upper age limit, student status, and marital status.[18] While precisely estimating how many young adults could be brought in on their parents' employer plans is difficult, of the 10.3 million uninsured young adults, just 1.1 million appear to live in families in which one or more parents have employer coverage. Therefore, even a very high take-up rate of dependent coverage for these young adults would only make a small dent in the uninsured rate among this age group. While many (19) states already have some type of requirement like this, because of federal regulations prohibiting states from regulating employee health plans (ERISA), it does not apply to self-funded plans, potentially limiting its reach. In addition, if this option were more widespread, parents would likely have to pay more of the cost of insurance and medical care than they do today for dependents, and, as a consequence, there could be a fair amount of adverse selection in terms of which families take up dependent coverage for their children in their 20s.[19] Moreover, to the extent that the higher costs were spread across other families with children, it could have distributional impacts, raising the premiums for families with younger children.

Extending Medicaid Coverage

Another proposed policy solution is to allow Medicaid or SCHIP to cover more low-income young adults.[20] As indicated above, only 13 percent of uninsured young adults are currently eligible for Medicaid/SCHIP coverage. Expanding Medicaid/SCHIP eligibility to all young adults below the poverty line would reach 4.7 million (of whom 3.8 million are U.S. citizens) of the 10.3 million uninsured young adults. Such a policy would be very target-efficient, since only 21 percent of poor young adults currently have employer-sponsored insurance, while 47 percent are uninsured. If Medicaid/SCHIP coverage were also expanded to near-poor young adults, with incomes between 100 and 200 percent of the FPL, another 3.2 million uninsured could be reached, of whom 2.3 million are U.S. citizens. But at the higher income levels crowd-out rates would likely be higher because 39 percent of young adults with incomes between 100 and 200 percent of the FPL now have employer coverage and 41 percent are uninsured. In addition to concerns about crowd-out (which could be addressed through waiting periods and other mechanisms), it is not clear how much take-up there would be among young adults without targeted outreach and enrollment efforts aimed at them.

Some have proposed broad Medicaid expansions and income-related subsidies to cover all adults, not just the young,[21] which would affect a very high share of young adults who are uninsured because so many are low-income. For example, if subsidies were extended to 300 percent of the FPL, some assistance would be available to 85 percent of uninsured young adults.

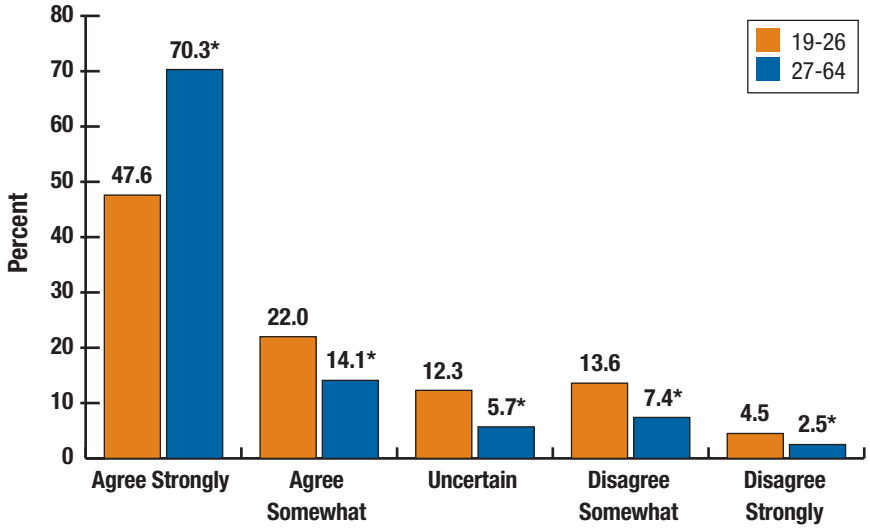
Extending Coverage to more Students

A third proposed strategy is for states to require insurance coverage for college students.[22] As indicated above, this policy could reach 1.9 million uninsured young adults—less than one in five of all uninsured young adults. However, issues have been raised with respect to the quality of the coverage provided to students under some of these policies and whether the coverage is adequate and affordable, particularly for low-income students.[23]

Tax Credits or Deductions

Tax credits have also been proposed as a possible solution for addressing uninsurance in the United States.[24] For example, Senator John McCain has proposed tax credits of $2,500 for individuals and $5,000 for families for purchasing coverage in the non-group

Exhibit 5. Attitudes toward Health Insurance Coverage: Health Insurance is Needed, by Age



Source: Urban Institute tabulations of the 2002-2005 MEPS; the responses to the original questions have been transposed for ease of interpretation.
* Indicates statistically significant difference from 19-26 age group at 95 percent confidence level.

market.[25] A tax credit of that magnitude could cover a high share of the costs of a typical young-adult policy, particularly for those who are healthy and live in low-cost states, assuming that no insurance reforms are implemented that would pool risks across age groups. In contrast, the tax-deduction proposal President Bush previously made would be less effective at promoting coverage for young adults, since such a large share of uninsured young adults have low incomes.[26] They therefore have low marginal tax rates, which lowers the value of deductions. The disadvantage of a tax policy approach combined with the risk segmentation in the non-group market comes from the fact that there is little spreading of risk across age groups. While risk segmentation may promote greater take-up among young adults, it could raise costs for the older population. In addition, while tax credits could benefit the many uninsured young adults who do not have access to employer coverage through either their own or their spouse's employer, they could undermine employer-sponsored coverage, causing healthy young adults with employer coverage to switch to non-group coverage, which would leave high risks in the employer pool.

One issue that would determine how effective tax credits would be at inducing more young adults to purchase coverage relates to whether insurance reforms are adopted that require guaranteed issue and modified community rating.[27] These reforms, while intended to pool the cost of older and less healthy people with others, could adversely affect take-up among young adults by increasing the premiums they face. Community rating will increase costs relative to experience rating for young adults; that is, the young would have to pay significantly more than just the expected cost of their own care. Modified community rates (e.g., limited age rating) can mitigate the effect on young adults relative to pure community rating but will still mean higher premiums for young adults because risk pooling would still be greater than in an unregulated market.

Individual Mandates

Finally, there are proposals for an individual mandate, which would require all young adults, along with others, to obtain health insurance coverage.[28] This would assure that all uninsured young adults, assuming full compliance, would be covered. Unlike tax credits, an individual mandate would most likely cause young adults (and other groups that are healthier than average) to pay more for coverage than they would before reform, even with modified community rating. As indicated above, young adults have very low incomes; thus, many would receive financial assistance under a mandate. Still others would not, raising equity issues. Specifically, should young adults be expected to pay more than their own expected cost of insurance in exchange for the guarantee of coverage later in life or in case of an unexpected event, and what responsibility should young adults have for providing some support to older Americans?

Conclusion

This brief has shown that young adults have very high uninsured rates and represent a disproportionate share of uninsured adults. In part, this is due to their relatively low incomes, low ESI offer rates, and low rates of Medicaid/SCHIP eligibility. Their high uninsured rates may also derive from the fact that young adults tend to be in excellent and very good health, placing a lower value on health insurance coverage relative to older adults. However, uninsured young adults experience significantly worse access to care compared with their insured counterparts.

Several policies could be implemented to address the uninsured problem among young adults. Such policies as tax credits used in unregulated insurance markets would be fairly attractive to young and healthy adults but would have negative ramifications for those who are older and less healthy. Medicaid expansions to poor young adults could cover many uninsured young adults and be reasonably well-targeted, but Medicaid expansions to higher-income young adults would need to address their higher rates of employer-sponsored insurance coverage. In contrast, insurance reforms like guaranteed issue and modified community rating would most likely exacerbate affordability problems for young adults without access to Medicaid, increasing health insurance costs for young adults because they would bear some costs for older and sicker adults. While an individual mandate would cover many, if not all, young adults, it could require them to pay more than they do now for coverage, depending on the subsidies that accompanied the mandate. A key question facing the nation with regard to young adults and mandates is whether having young adults pay more for coverage is a fair trade for guaranteed coverage and lower costs for health insurance as they age.

In the absence of general health care reform, an overarching issue is whether it makes sense to target health insurance reform efforts at young adults. On the one hand, young adults have high rates of uninsurance which may cause health deficits and financial problems that reverberate beyond young adulthood. In addition, young adults will be a low-cost group to cover, given that they tend to be in better health than older adults. On the other hand, if a particular age group is going to be targeted first, a case could be made for focusing resources on those between the ages of 55 and 64; while there are not as many uninsured in this age group, they tend to be in significantly worse health. Moreover, recent research suggests that providing coverage to the near elderly who are uninsured could improve their health status and reduce their Medicare spending.[29] However, it may be more efficient, both in terms of reducing uninsured rates and improving the nation's health, to concentrate health care reform efforts on the poor, regardless of age, since lower-income adults of all ages are much more likely to be uninsured and in worse health.

Notes

[1] Collins, S., C. Schoen, J. Kriss, M. Doty, and B. Mahato. 2007. "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help." New York, NY: The Commonwealth Fund; Kronstadt, J., S. Mojerie and S. Schwartz. 2007. "State Efforts to Extend Dependent Coverage for Young Adults." 2007. State Health Policy Monitor 1(5); The coverage estimates presented in this brief are derived from the 2007 Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS). Health insurance coverage is defined using a hierarchy in which employer-sponsored insurance is at the top, followed by Medicaid/SCHIP, other federal and nongroup coverage, and uninsurance. Income reflects the income of the young adult's health insurance unit (HIU). For a discussion of the strengths and weaknesses of the CPS, see Lewis, K., M. Ellwood, and J. L. Czajka. 1998. "Counting the Uninsured: A Review of the Literature." *Assessing the New Federalism Occasional Paper no. 8*. Washington, DC: The Urban Institute and; Congressional Budget Office. 2003. "How Many People Lack Health Insurance and for How Long?" Washington, DC: Congressional Budget Office.

[2] Coverage under the residual category, which includes private non-group coverage, Medicare, and other coverage increases from 10.2 percent among 18-year-olds to 15.2 percent for 21-year-olds and then falls to 5.4 percent among 28-year-olds.

[3] Collins et al., "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help"; Levy, H. 2007. "Young Adults Increasingly Lack Health Insurance." The Network on Transitions to Adulthood Policy Brief. Chicago, IL: The MacArthur Foundation. Issue 39; Fox, H., S. Limb, and M. McManus. 2007. "The Public Health Insurance Cliff for Older Adolescents." Washington, DC: Incenter Strategies. Fact Sheet No. 4.

[4] Rates of ESI coverage appear to continue growing until young adults reach their early thirties.

[5] These statistics pertain to both part- and full-time students ages 19 to 24 because student status is ascertained only up to age 24 on the CPS (http://www.census.gov/population/www/cps/cpsdef.html).

[6] Callahan, S., G. Hickson, and W. Cooper. 2006. "Health Care Access of Hispanic Young Adults in the United States." Journal of Adolescent Health 39: 627–33; Markowitz, M., M. Gold, and T. Rice. 1991. "Determinants of Health Insurance Status among Young Adults." Medical Care 29(1): 6–19.

[7] Collins et al, "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help"; Callahan, S., and W. Cooper. 2005. "Uninsurance and Health Care Access among Young Adults in the United States." Pediatrics 116: 88–95.

[8] Collins, S. 2008. "Rising Numbers of Uninsured Young Adults: Causes, Consequences, and New Policies." Invited Testimony, Subcommittee on Federal Workforce, Postal Service, and the District of Columbia Committee on Oversight and Government Reform, United States House of Representatives Hearing on "Providing Health Insurance to Young Adults Enrolled as Dependents in FEHBP," April 29, 2008.

[9] Kenney, G., and J. Pelletier. Forthcoming. "Spotlight on Low-Income Uninsured Young Adults: Causes and Consequences." Washington, DC: Kaiser Commission on Medicaid and the Uninsured.

[10] DeNavas-Walt, C., B. Proctor, and J. Smith. 2007. "Income, Poverty, and Health Insurance Coverage in the United States: 2006." Consumer Population Reports. Washington, DC: U.S. Census Bureau; Markowitz et al. 1991; Collins, S. "Rising Numbers of Uninsured Young Adults: Causes, Consequences, and New Policies."

[11] These tabulations pertain to adults ages 19 to 24 compared to older adults; Clemans-Cope L, B. Garrett. 2006. "Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005." New York, NY: Kaiser Commission on Medicaid and the Uninsured.

[12] Access to employer-sponsored insurance among the uninsured is higher among older age groups. For example, 38 percent of the uninsured ages 27 to 34 have access to ESI. This estimate is based on a matched version of the March 2005 Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC), the February 2005 CPS Contingent Work and Alternative Employment Supplement, and the 2004 Statistics of Income (SOI) public use tax file; The data have been weighted to reflect national rates of insurance in the most recent March CPS ASEC, data-year 2006, and have been adjusted to account for the undercount of Medicaid enrollees in the CPS; Clemans-Cope, B., Garrett, B. Ghosh, S. Khitatrukun, G. Leiserson, A Lucas, C. Perry, and B. Shang. 2008. "The Health Insurance Policy Simulation Model (HIPSM, Version 1): Overview and Technical Documentation." Washington, DC: The Urban Institute.

[13] Clemans-Cope and Garrett, "Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005."

[14] Information regarding views on the value of health insurance coverage is compiled based on analyses of the 2002–2005 Medical Expenditure Panel Survey. Interestingly, older adults are also more likely to say that health insurance coverage is worth the cost, but the differential between the two age groups is smaller: 43 percent of older adults strongly disagree that health insurance is not worth the cost compared to 35 percent among young adults.

The responses to the question on the value of health insurance coverage were transposed in the text and in Exhibit 5 for ease of interpretation. The original question was whether the respondent strongly disagreed, disagreed somewhat, agreed somewhat, strongly agreed, or was uncertain about whether health insurance was not needed.

[15] See Dubay, L., J. Holahan, and A. Cook. 2007. "The Uninsured and the Affordability of Health Insurance Coverage." *Health Affairs* 26(1): w22–30.

[16] Estimates of eligibility for Medicaid/SCHIP coverage are derived from the 2006 ASEC to the CPS using a model that compares state level eligibility requirements with data on individuals' family composition, work status, age, citizenship status, earned and unearned income, assets, child care expenses, and work expenses (see Dubay et al. 2007 for more information on the simulation approach.) These estimates reflect an adjustment to take into account that some noncitizen young adults cannot qualify for these programs despite meeting the income and resource requirements. In addition, they reflect an adjustment for the misreporting of public coverage on the CPS.

[17] Collins et al., "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help"; Kronstadt et al., "State Efforts to Extend Dependent Coverage for Young Adults."

[18] Kronstadt et al., "State Efforts to Extend Dependent Coverage for Young Adults."

[19] Ibid.

[20] Collins et al., "Rite of Passage? Why Young Adults Become Uninsured and How New Policies Can Help."

[21] Clinton, H. 2008. "American Health Choices Plan." Hillary Clinton for President. http://www.hillaryclinton.com/feature/healthcareplan/americanhealthchoicesplan.pdf; Obama, B. 2008. "Barack Obama's Plan for a Healthy America." Obama for America. http://www.barackobama.com/issues/pdf/HealthCareFullPlan.pdf.

[22] U.S. Government Accountability Office (GAO). 2008. "Health Insurance: Most College Students Are Covered through Employer-Sponsored Plans, and Some Colleges and States Are Taking Steps to Increase Coverage." Publication GAO-08-389. Washington, DC: GAO.

[23] Ibid.

[24] Dorn, S. 2008. "Health Coverage Tax Credits: A Small Program Offering Large Policy Lessons." Washington, DC: The Urban Institute.

[25] McCain, J. 2008. "Straight Talk on Health System Reform." John McCain 2008. http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm.

[26] Bush, GW. 2007. "State of the Union Address." January 23. http://www.whitehouse.gov/news/releases/2007/01/20070123-2.html.

[27] Guaranteed issue requires that insurers cover all applicants, regardless of their risk rating or any preexisting conditions. Modified community rating permits premiums to vary based on certain characteristics, like age or gender, but not health status or claims history.

[28] Massachusetts Conference Committee Report. 2006. "Health Care Access and Affordability Conference Report." Massachusetts Legislature. http://www.mass.gov/legis/summary.pdf; Clinton, H., "American Health Choices Plan"; State of California. 2007. Governor's Health Care Proposal. http://gov.ca.gov/pdf/press/Governors_HC_Proposal.pdf.

[29] McWilliams, J., E Meara, A Zaslavsky, and J. Ayanian. 2007a. "Use of Health Services by Previously Uninsured Medicare Beneficiaries." New England Journal of Medicine 357(2): 143–53; McWilliams, J., E Meara, A Zaslavsky, and J. Ayanian. 2007b. "Health of Previously Uninsured Adults after Acquiring Medicare Coverage." JAMA 298(24): 2886–94.

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