

Recent Changes in Health Insurance Coverage in Rural and Urban Areas

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OVERVIEW

There has been concern about the impact of the recent economic downturn on health insurance coverage in the U.S. From 2007 to 2009, an additional 5.6 million adults became uninsured as a result of decreases in the number of adults covered by employer sponsored insurance.ⁱ Children also experienced a decline in private coverage during this period; however, due to gains in public coverage, the number of uninsured children actually declined by 600,000 during this period.ⁱ Medicaid enrollment increased in all states between July 2008 and December 2009, with the rate of growth peaking during the 6-month period from December 2008 to June 2009.^{ii iii}

Historically, Medicaid and the Children's Health Insurance Program (CHIP) have been an especially important source of coverage in rural areas. Compared to their urban counterparts, rural residents are more likely to be enrolled in public health insurance programs and less likely to be covered by employer sponsored insurance.^{iv} However, there is little information about whether economic downturns affect health insurance coverage differently in rural and urban areas. This analysis compares changes in health insurance coverage for non-elderly Americans in rural areas to changes in urban areas during the recent economic recession.

Key Findings:

- **Between 2007 and 2009 the share of the non-elderly population with public coverage increased while the share with private coverage decreased in both rural and urban areas. This resulted in an increase in the overall uninsurance rate in both rural and urban areas.**
- **The net changes in coverage over the two year period were not statistically different in rural and urban areas in the U.S. as a whole or within any of the four Census regions.**
- **Rural residents continued to be less likely to have private coverage and more likely to have public coverage than their urban counterparts. Public health insurance programs continued to play an especially important role for children, who avoided any increase in uninsurance, a trend that was consistent in rural and urban areas.**

ⁱ John Holahan. The 2007-09 Recession and Health Insurance Coverage. Health Affairs, December 2010, doi: 10.1377/hlthaff.2010.1003.

ⁱⁱ Kaiser Commission on Medicaid and the Uninsured. September 2010. Medicaid Enrollment: December 2009 Data Snapshot. Washington DC: Kaiser Family Foundation.

ⁱⁱⁱ Kaiser Commission on Medicaid and the Uninsured. February 2010. Medicaid Enrollment: June 2009 Data Snapshot. Washington DC: Kaiser Family Foundation.

^{iv} Jennifer D. Lenardson, et al. Profile of Rural Health Insurance Coverage. June 2009. Portland ME: Maine Rural Health Research Center, Muskie School of Public Service, University of Southern Maine.

RESULTS

Overall changes in coverage in rural and urban areas

In each year between 2007 and 2009, the share of the non-elderly population with public coverage increased while the share with private coverage decreased in both rural and urban areas (Figure 1). This resulted in an increase in the uninsurance rate in both rural and urban areas between 2008 and 2009. Compared to urban areas, rural areas experienced a smaller decline in private coverage and a smaller increase in uninsurance between 2008 and 2009 (Table 1). The growth in the share of the population with public coverage was similar in rural and urban areas.

Throughout this three year period, rural residents were more likely to be covered by public programs and less likely to have private insurance than individuals in urban areas (Figure 1). For example, in 2009, 50% of rural residents had private coverage compared to 56% of urban residents, and 34% of rural residents had public coverage compared to 27% of urban residents.

Changes in coverage in rural and urban areas by age

In the nation overall, children experienced a larger increase in public program enrollment than non-elderly adults in both rural and urban areas. The share of children with public coverage grew by about 6 percentage points from 2007 to 2009 (from 34.0% to 40.0% in rural areas and from 26.8% to 32.4% in urban areas), while the share of non-elderly adults with public coverage grew by about 2 percentage points (from 13.2% to 15.1% in rural areas and from 9.8% to 11.4% in urban areas). For both children and adults in rural and urban areas, the rate of private coverage declined by about 4 percentage points from 2007 to 2009. While this resulted in a 2.7 percentage point increase in the uninsurance rate for adults, the increases in public coverage for children prevented an increase in the uninsurance rate for children in both rural or urban areas.

Within these age groups, changes in insurance coverage were not statistically different in rural areas compared to urban areas.

Changes in coverage in rural and urban areas by region

There were no statistically significant rural-urban differences in the net changes in health insurance coverage from 2007 to 2009 within any of the four Census regions (Table 2). However, there were rural-urban differences in the timing of changes in insurance coverage in some regions.

In the Midwest, rural areas experienced a larger decrease in private coverage and a larger increase in public coverage than urban areas between 2007 and 2008. This trend reversed between 2008 and 2009, when the decline in private coverage was larger in urban areas than rural areas.

In the Northeast, there was no statistically significant change in the uninsurance rate in rural areas between 2008 and 2009, while the uninsurance rate increased by 1.0 percentage point in urban areas.

In the West, the increase in public coverage between 2008 and 2009 was larger in rural areas than in urban areas. Rural areas in the West did not experience a statistically significant net change in uninsurance between 2007 and 2009, while the uninsurance rate increased by 1.4 percentage points in urban areas. In the South, changes in health insurance were similar in rural and urban areas throughout the entire time period.

CONCLUSIONS

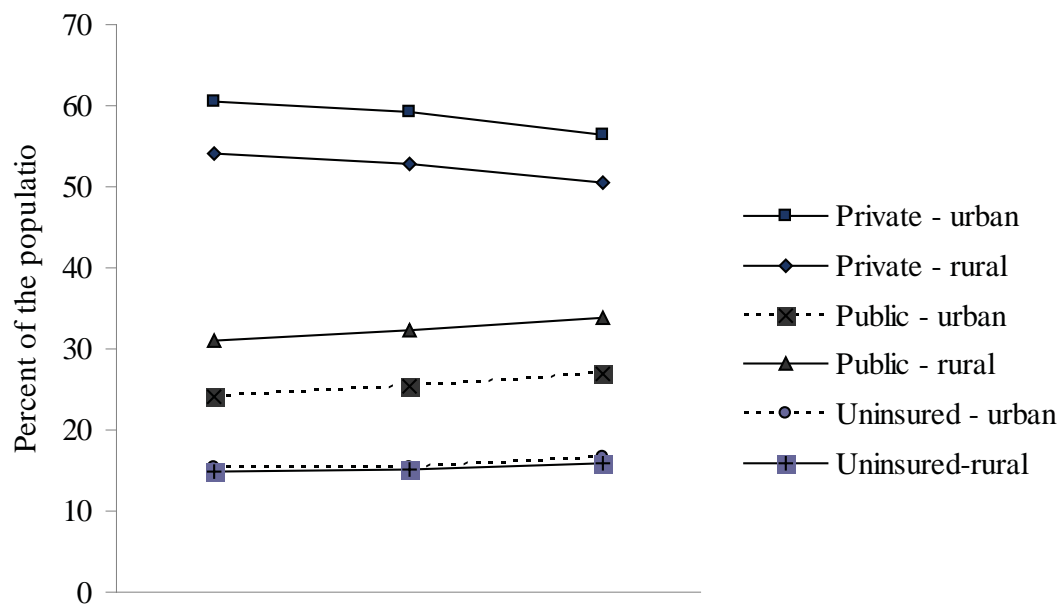
These results suggest that, in general, rural and urban areas were equally affected by shifts away from private coverage and towards public coverage and uninsurance during the 2007-2009 economic downturn. In some areas of the country, increases in the rates of public coverage were larger in rural areas than urban areas in certain years, offsetting losses of private coverage and helping rural areas avoid increases in the uninsurance rate in those years. However, the net changes in coverage over the two year period from 2007 to 2009 were not statistically different in rural and urban areas in the U.S. or within any region.

Despite recent shifts in coverage patterns, rural residents continued to be less likely to have private coverage and more likely to have public coverage than their urban counterparts. Public health insurance programs continued to play an especially important role for children, who avoided any increase in uninsurance, a trend that was consistent in rural and urban areas.

DATA AND METHODS

Data for this analysis were from the Annual Social and Economic Supplements of the 2010, 2009 and 2008 Current Population Surveys. Individuals were classified as having public coverage if they reported Medicaid, Medicare, the Children’s Health Insurance Program, or another state-specific public health insurance program. Individuals were classified as having private coverage if they did not report any public coverage and did report employment-based insurance, direct purchase private insurance, or insurance through the military or Indian Health Service. Individuals were classified as uninsured if they reported no coverage during the year. Individuals in non-metropolitan counties were classified as rural. Individuals with suppressed metropolitan status were excluded (less than 1 percent of individuals). Confidence intervals and tests for statistical significance were calculated using replicate weights.

Figure 1. Percent of population with private, public, and no coverage in rural and urban areas



Note: All year-to-year changes were statistically significant, except for the change from 2007 to 2008 in the percent of the population that was uninsured in rural or urban areas.

Table 1. Percentage point change in percent of the population with private, public, and no coverage in rural and urban areas

	Private	Public	Uninsured
Change 2007-2008			
Rural	-1.4*	1.3*	0.1
Urban	-1.3*	1.2*	0.1
Change 2008-2009			
Rural	-2.3*^	1.5*	0.8*^
Urban	-3.0*	1.6*	1.4*
Total Change 2007-2009			
Rural	-3.7*	2.7*	1.0*
Urban	-4.2*	2.8*	1.5*

Table 2. Percentage point change in percent of the population with private, public, and no coverage in rural and urban areas by region

	<i>Northeast</i>			<i>Midwest</i>		
	Private	Public	Uninsured	Private	Public	Uninsured
Change 2007-2008						
Rural	-0.8	0.0	0.8	-2.9*^	-2.9*^	0.0
Urban	-0.8*	0.6*	0.1	-1.5*	1.4*	0.1
Change 2008-2009						
Rural	-1.5	2.2*	-0.7^	-2.4*^	1.1*	1.3*
Urban	-3.1*	2.1*	1.0*	-3.5*	1.7*	1.8*
Total Change 2007-2009						
Rural	-2.3*	2.2*	0.1	-5.3*	4.0*	1.3*
Urban	-3.8*	2.7*	1.2*	-5.1*	3.1*	2.0*
	<i>South</i>			<i>West</i>		
	Private	Public	Uninsured	Private	Public	Uninsured
Change 2007-2008						
Rural	-0.4	0.8	-0.4	-1.9*	0.1	1.8*^
Urban	-1.0*	1.3*	-2.0	-1.7*	1.3*	0.4
Change 2008-2009						
Rural	-2.3*	0.7	1.6*	-3.3*	4.4*^	1.2*^
Urban	-2.5*	1.0*	1.5*	-3.1*	2.0*	1.0
Total Change 2007-2009						
Rural	-2.7*	1.5*	1.1*	-5.1*	4.5*	0.6
Urban	-3.6*	2.3*	1.3*	-4.8*	3.3*	1.4*

Note: Figures in tables one and two represent percentage point change in the share of the non-elderly population with type of coverage. *Change is statistically different from 0 at the 5% level. ^Rural is statistically different from urban at the 5% level.



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