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Health Insurance Patterns Nearing Retirement

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Health Insurance Patterns Nearing Retirement

Abstract

Gaps in health insurance coverage among the near-elderly are of particular policy concern both because older individuals are more likely to have health shocks and also because they are more likely to have a retirement nest egg to protect. This working paper compares health insurance coverage of the Baby Boomers with coverage for two earlier cohorts using data from the Current Population and the Health and Retirement Survey (HRS). I also analyze the experiences of the original HRS respondents as they age into Medicare coverage. My main finding is that while exposure to risk is relatively high, the realization of risk is unlikely, and not that much wealth is at stake. Almost one-quarter of the original HRS cohort was uninsured at some point in the six-year window before Medicare eligibility, but only two percent had an uninsured hospitalization and the amount at stake for the median uninsured person is relatively low: between \$10,000 and \$20,000 in total net non-housing, non-pension wealth. Lack of assets may be a larger problem for these households than lack of health insurance coverage, and policies aimed at preventing poverty may be more important for their well-being than policies to expand insurance coverage.

Disciplines

Economics

Comments

The published version of this Working Paper may be found in the 2007 publication: [*Redefining Retirement: How Will Boomers Fare?*](#)

Chapter 8

Health Insurance Patterns Nearing Retirement

Helen G. Levy

Almost one in seven of Early Baby Boomers (EBBs)—those born in 1948 through 1953—had no health insurance in 1998 when this group attained age 50.¹ Gaps in health insurance coverage among the near-elderly should be of particular policy concern because uninsured household may significantly deplete its retirement savings in the event of a serious illness. And since the probability of poor health increases with age, these older individuals are at higher risk of health shocks. Also unlike younger households who may have very little in the way of assets to lose, households in their 50s often have a retirement nest egg at stake.² Whether Baby Boomers will be able to maintain desired levels of consumption in retirement depends, in part, on how well they are protected against these later-life health shocks. The erosion of employer-sponsored health insurance coverage over the 1980s and 1990s implies that at least some Boomers may arrive on the threshold of retirement less well-prepared to deal with these shocks than were earlier cohorts.³

This chapter compares health insurance coverage for a cohort of Baby Boomers with health insurance coverage for earlier cohorts, using data from the Current Population Survey (CPS) and the Health and Retirement Study (HRS). Early Boomers (which here we identify as those born 1948–53) first appear in the HRS in 2004, when they were aged 51–56. We compare their health insurance coverage to that of two earlier cohorts at the same ages: the so-called War Babies (born 1942–47) who first appear in the HRS in 1998 at age 51–56, and the younger half of the first HRS cohort (born 1936–41) who were aged 51–56 in the initial wave of the HRS in 1992. In addition to comparing age-specific rates of current health insurance coverage across cohorts, we calculate what we call the ‘long-term’ risk of uninsurance, which we define as the probability that an HRS respondent reports being uninsured in one or more of the three survey waves just prior to Medicare eligibility (i.e. at ages 59, 61, and 63, or else 60, 62, and 64).

Analyzing patterns of health insurance coverage informs us about whether exposure to health risk has changed across cohorts. The risk itself

has two dimensions: the magnitude of the potential loss if one occurs—that is, how much wealth is at stake?—and the probability of experiencing a loss. In order to determine how much is at stake, we calculate mean and median total net nonpension wealth and mean and median total net nonpension, nonhousing wealth for insured and uninsured households in each cohort. Finally, for a subset of the original HRS cohort, we calculate the probability of being hospitalized at least once in the three waves just prior to Medicare eligibility. We use information on whether insurance paid for any part of the hospital bills to calculate the probability of experiencing an ‘uninsured’ hospitalization. If the younger cohorts are similar to the 1936–41 birth cohorts on these dimensions as well, then the experience of the HRS respondents provides some indication of how much of a threat uninsured health shocks pose to the financial security of the Boomers as they approach retirement.

Our main finding is that while exposure to risk is relatively high, the realization of risk is unlikely and relatively little wealth is at stake. Almost one-quarter (23%) of the original HRS cohort was uninsured at some point in the six-year window before Medicare eligibility, but only 2 percent of the HRS cohort had an uninsured hospitalization in this window. This number is equal to 12 percent of those uninsured when they were first interviewed. Moreover, the amount at stake for the median uninsured person is relatively low: median total net nonhousing non-pension wealth among the uninsured HRS cohort members hovers between \$10,000 and \$20,000 (in \$2004) as these households approach age 65—less than the average charge for a hospital stay. While households might lose their nest egg as a result of a hospital stay, even without catastrophic medical bills, these households do not seem to be approaching old age in good financial shape. In other words, lack of assets may be a larger problem for these households than lack of health insurance. Policies aimed at preventing poverty among the elderly may be more important for the well-being of these households than policies to expand insurance coverage among the near-elderly.

Empirical Approach

Our analysis of differences across cohorts in health insurance coverage relies in part on data taken from the CPS, a monthly household survey of labor force participation and demographic information conducted by the US Census Bureau. The March Supplement collects information on households’ health insurance, including sources of public and private health insurance coverage during the prior calendar year. The CPS has approximately 6,000–9,000 individuals from the 1936–41 birth cohort, 8,000–12,000 individuals from the 1942–47 birth cohort, and 11,000–16,000 from

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TABLE 8-1 HRS Respondents for Which Health Insurance Data are Available

Cohort	Birth Years	Age Range of Cohort at Each Wave						
		1992	1994	1996	1998	2000	2002	2004
Original HRS	1936–41	51–56	53–58	55–60	57–62	59–64	61–66	63–68
War Babies	1942–47				51–56	53–58	55–60	57–62
Early Boomers	1948–53							51–56

Source: Author's calculations.

the 1948–53 birth cohort. The CPS is not a longitudinal cohort study; it is a repeated cross section.⁴ In presenting these CPS results, we label the different birth cohorts consistently with HRS terminology (namely original HRS, War Babies, and Early Boomers), even if two different CPS waves contain different members of those birth cohorts. All CPS estimates use sampling weights for the March supplement.

In what follows, we also rely on data from the Health and Retirement Study, a longitudinal data collection effort on the health, wealth, income, and labor force participation of older Americans since 1992. The study began with a nationally representative sample of individuals who were then between the ages of 51 and 61 in 1992. Subsequent cohorts have been added to the study as they age. The HRS analysis draws on three different cohorts. Table 8-1 shows the availability of data by sample wave and the ages of cohort members at each wave. The Early Boomers, defined as the cohort born 1948–53, first appear in HRS 2004 when they are aged 51–56; the sample size in this cohort was 3,372. The War Babies (born 1942–47) are first surveyed in 1998 at age 51–56, with about 3,000 observations each time they are observed. The younger half of the first HRS cohort (born 1936–41) was aged 51–56 in the initial wave of the study in 1992; for this group there are 4,300–5,500 observations per wave. Following the convention adopted in this volume, we refer to this younger half of the first HRS cohort as ‘original HRS’ in the remainder of this chapter. All estimates using the HRS are calculated using the weight for the first appearance an individual makes in the sample.

Health Insurance Patterns Among Near-Retirees

For some of the analyses, we focus on the six-year window just prior to age 65 when most respondents become eligible for Medicare, the national health insurance plan for the elderly in the United States. Early Boomers and War Babies have not yet made this transition in our data, so this analysis necessarily relies on the HRS cohort alone for whom we use three

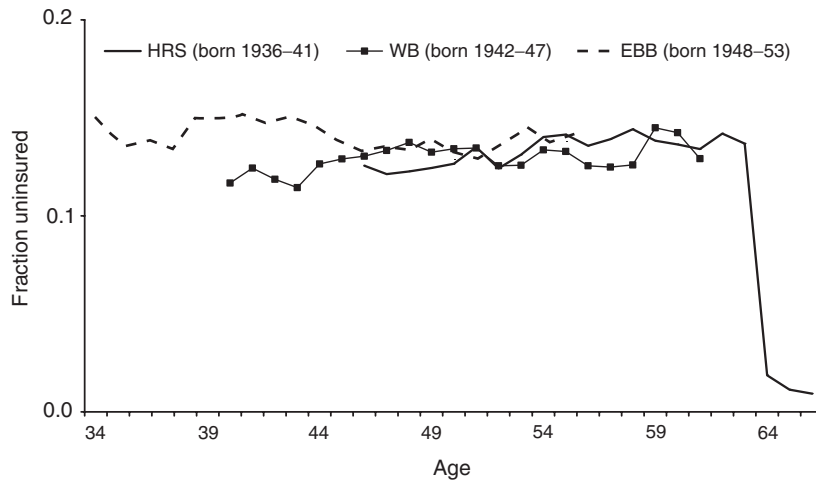


Figure 8-1. Fraction with no health insurance by age and birth cohort: current population survey (1989–2004). (Source: Author's calculations.)

consecutive observations when respondents were aged 59, 61, and 63 (or 60, 62, and 64). Depending on how old a sample member was in 1992, then, the first observation for these purposes occurs between 1996 and 2000 (see Table 8-1). By 2004, all members of the original HRS will have passed through this window or left the sample due to death, nonresponse, or sample attrition. The sample size for our longitudinal analyses is 3,992, as we exclude sample members who die before age 65. This has important implications for the interpretation of some results, a point we return to below.

Differences in Insurance Coverage by Cohort

Figure 8-1 presents the fraction of the uninsured by age and cohort in the CPS data. Throughout the prime working years, the fraction uninsured is about 13 percent in all cohorts. The Early Boomers have slightly higher age-specific rates of being uninsured than either of the other cohorts, although only some of these differences are statistically significant.⁵ The higher rate of uninsurance among the Early Boomers is driven by their lower rates of private coverage at each age (see Figure 8-2), that are offset only partly by slightly higher rates of public coverage (Figure 8-3).

The fact that earlier cohorts have slightly better health insurance coverage than the Early Boomers (higher rates of private coverage, lower overall uninsurance) is somewhat surprising, in light of the fact that other

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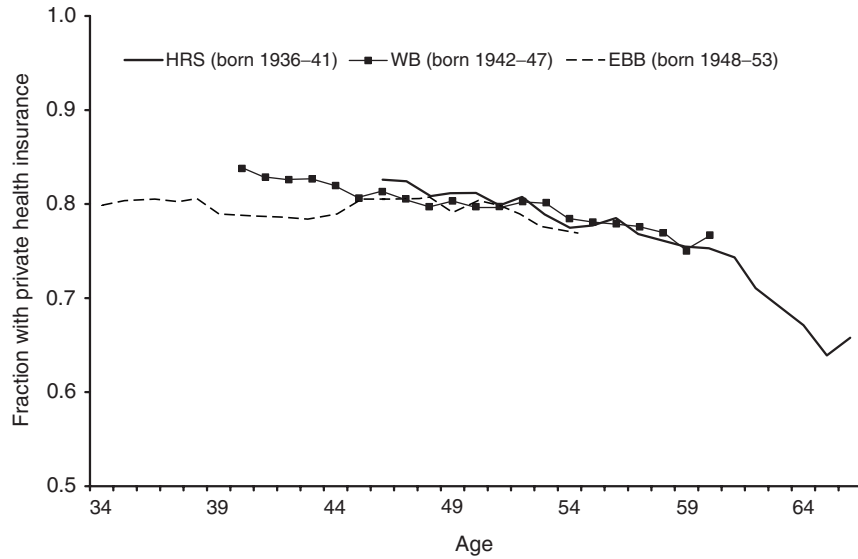


Figure 8-2. Fraction with private health insurance by age and birth cohort: current population survey (1989–2004). (Source: Author’s calculations.)

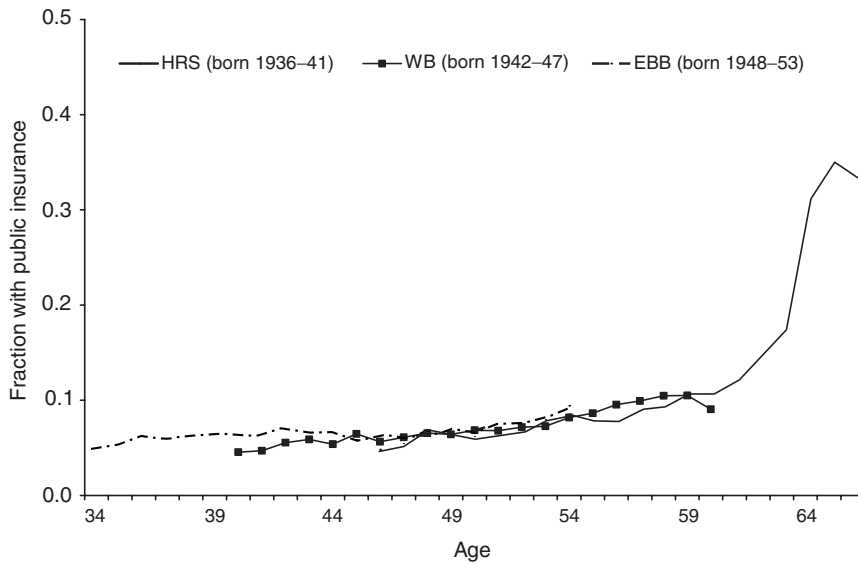


Figure 8-3. Fraction with public health insurance by age and birth cohort: current population survey (1989–2004). (Source: Author’s calculations.)

TABLE 8-2 Cohort Characteristics: Current Population Surveys, March 1989–2004

	<i>Original HRS</i>	<i>War Babies</i>	<i>Early Boomers</i>	<i>t-Stat. on H₀: Boomers Differ from . . .</i>	
				<i>Original HRS</i>	<i>War Babies</i>
Fraction working at age					
40	—	0.863	0.858	—	0.52
41	—	0.864	0.862	—	0.29
42	—	0.864	0.854	—	1.90
43	—	0.864	0.856	—	1.51
44	—	0.853	0.853	—	0.07
45	—	0.845	0.865	—	4.16
46	0.830	0.849	0.854	2.38	0.93
47	0.833	0.840	0.850	2.31	2.08
48	0.827	0.833	0.845	2.81	2.43
49	0.812	0.831	0.838	4.32	1.42
50	0.816	0.824	0.837	3.61	2.47
51	0.800	0.814	0.813	2.16	0.14
52	0.796	0.807	0.807	1.65	0.13
53	0.764	0.792	0.783	2.45	1.22
54	0.757	0.776	0.767	0.98	0.92
Female	0.714	0.714	0.690	14.65	16.35
Married	0.521	0.512	0.510	6.29	1.45
Female and married	0.344	0.346	0.344	0.27	1.50
Education					
< High School	0.197	0.138	0.110	70.49	24.99
High School	0.377	0.339	0.322	32.07	10.88
Some college	0.206	0.245	0.273	43.42	19.70
College or more	0.220	0.278	0.295	47.23	12.03
Black	0.103	0.099	0.114	9.87	14.78
Other nonwhite	0.041	0.042	0.045	6.38	4.50
Hispanic	0.072	0.073	0.081	8.99	8.91
<i>N</i>	123,343	168,004	211,893		

Source: Author's calculations.

characteristics suggest that Early Boomers should have higher rates of private coverage than earlier cohorts. In particular, the Early Boomers have much more education: only 11 percent of them have less than a high school education, compared to 14 percent of War Babies and 20 percent of the original HRS cohort (Table 8-2). Early Boomers are also much more likely

to have a college degree or more (30% compared to 28 for War Babies and 22% of the original HRS). In fact, adjusting for the characteristics listed in Table 8-2 using a linear regression yields slightly larger gaps for the Early Boomers versus the original HRS, and slightly smaller gaps for the Early Boomers versus the War Babies.⁶

The main points from this comparison are, first, that there is a small but significant decline in the probability of the Early Boomers having private coverage compared to earlier cohorts. This is in part because Early Boomers are approaching retirement during an era when employer-sponsored health insurance has been eroding (Farber and Levy 2000). Second, rates of public coverage are slightly higher for Early Boomers than for earlier cohorts at the same ages, but not by as much as private coverage rates are lower. Therefore, overall, the Early Boomers are slightly more likely than earlier cohorts to be uninsured (though these differences are not always statistically significant; see Appendix 8-1).

Long-run Risks of Having an Uninsured Spell

While some 13 percent of individuals in their 50s are uninsured at a point in time, there is a longer-run risk of having an uninsured spell at some point before Medicare coverage begins. Individuals can move in and out of insurance coverage, so the point-in-time estimate of the uninsured provides a lower bound on the longer-term probability of having an uninsured spell. To calculate this long-run risk of being uninsured, we turn to the HRS data and follow individuals through time. In particular, we evaluate the three observations before respondents turn age 65 (respectively, age 59, 61, and 63 or 60, 62, and 64). Table 8-3 shows the 'insurance histories' of individuals in this sample, and it indicates that some 20 percent of the sample reports being uninsured at one or more interviews. That is, an individual with the insurance history '111' was insured at all three interviews; one with the history '101' was insured at the first and third interviews but not at the second one; one with the history '000' was not insured at any of the interviews, and so on. Four-fifths of this sample (82%) was covered by insurance at all three interviews. Most of these (94% or 77% of the total sample) reported that they were continuously insured between the interview waves as well. Thus 23 percent of this sample spent at least some time uninsured in the six-year window just before Medicare eligibility.

Being uninsured at some point during one's 50s is thus not an uncommon event and it is much more likely than the point-in-time estimate of 13 percent uninsured suggests: nearly a quarter of the sample has a spell without insurance in the six years before Medicare coverage begins. Four

TABLE 8-3 Insurance Histories in the Three Interviews just Prior to Age 65: Original HRS Cohort

<i>'Insurance History'</i> <i>(Any Coverage at Wave 1-2-3)</i>	<i>Unweighted</i> <i>Sample Size</i>	<i>Weighted Fraction</i> <i>of Sample</i>
000 (never insured)	200	0.043
001	97	0.024
010	21	0.005
011	183	0.043
100	49	0.011
101	93	0.022
110	151	0.034
111 (always insured)	3,198	0.818
Total	3,992	1.000

Source: Author's calculations.

Note: See text.

percent were uninsured at all three interviews.⁷ Table 8-4 shows that the risk of a spell of uninsurance is much higher for individuals with less education, and slightly higher for women than for men.

The fact that the long-run probability of a spell of uninsurance is so much higher than the point-in-time probability of being uninsured suggests considerable movement into and out of insurance among this population. This raises the question of what events cause near-elderly individuals to lose insurance. Since the main sources of health insurance are one's own or a spouse's employment, the most likely candidates would seem to be employment transitions (job loss or retirement) and marital status transitions (divorce or death of a spouse).

TABLE 8-4 Probability of Being Uninsured in at Least One Wave in the Three Interviews just Prior to Age 65 by Sex and Education: Original HRS cohort

	<i>Men</i>	<i>Women</i>	<i>Total</i>
< High School	0.347	0.389	0.370
High School	0.210	0.223	0.218
Some college	0.204	0.245	0.227
College or more	0.135	0.143	0.138
Total	0.217	0.250	0.235

Source: Author's calculations.

Note: See text.

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TABLE 8-5 Who Loses Insurance and Why?

	<i>Unweighted Sample Size</i>	<i>Weighted Fraction of Sample</i>
1. Single man, lost private coverage and stopped work	33	0.034
2. Single woman, lost private coverage and stopped work	79	0.051
3. Single man or woman, lost coverage but not (1) or (2)	306	0.237
4. Married woman, lost spousal coverage and spouse stopped work	45	0.025
5. Married woman, lost spousal coverage and spouse died	7	0.003
6. Married woman, lost spousal coverage and got divorced	7	0.007
7. Married woman, lost spousal health insurance but not (4), (5), or (6)	163	0.105
8. Married woman, lost own coverage and stopped work	56	0.039
9. Married woman, lost coverage but not (4)—(8)	263	0.166
10. Married man, lost own coverage and stopped work	83	0.053
11. Married man, lost own coverage but did not stop work	159	0.108
12. Married man, lost coverage but not (10) or (11)	255	0.173
Total	1,456	1.000

Source: Author's calculations.

Note: Data are for the Original HRS and War Babies cohorts. See text.

In order to determine how much of insurance loss can be explained by employment and marital status transitions, we use data on the 31,802 wave-to-wave transitions observed for members of the original HRS and War Babies cohorts before they reach the age of 65. That is, an individual observed for two consecutive waves contributes one transition to this analysis; an individual observed for three consecutive waves contributes two transitions, and so on. The Early Boomers, having been observed only once so far in the HRS, are necessarily excluded from this part of the analysis; observations from individuals age 65 and older are dropped since all of these individuals will have Medicare. About 5 percent of the 31,802 transitions in this sample, or 1,456 of them involve insurance loss, where an individual has either private or public insurance coverage in one wave and is uninsured in the subsequent wave. These 1,456 instances of health insurance loss are the basis for the analysis in Table 8-5, which categorizes health insurance losers by their sex, marital status, employment status, and insurance type, prior to the insurance loss occurs, to see whether the commonsense stories about job loss, retirement, death, or divorce accounts for most health insurance loss. Results show that, in fact, these explanations are far from sufficient. For example, individuals who lose their own employer-sponsored insurance and stop work (categories one, two, eight, and ten in Table 8-5) make up

only 18 percent of the sample. Married women with employer-sponsored insurance coverage through their husbands who lose health insurance and whose husbands stop working, die, or divorce them (categories four, five, and six in Table 8-5) make up only about 3.5 percent of all incidents of health insurance loss.⁸ Thus we cannot account for the majority of health insurance events, in the sense that they do not occur at the same time as these employment or marital status transitions. Further exploration of the reasons for health insurance loss in this population is a subject for future research.

Wealth at Stake For Uninsured Households

Figure 8-4 shows the median total net nonpension household wealth by cohort, age, and insurance status in the HRS (in \$2004). Evidently, wealth for the uninsured is much lower than for the insured, with a median that ranges between \$20,000–\$90,000 for the uninsured (depending on age

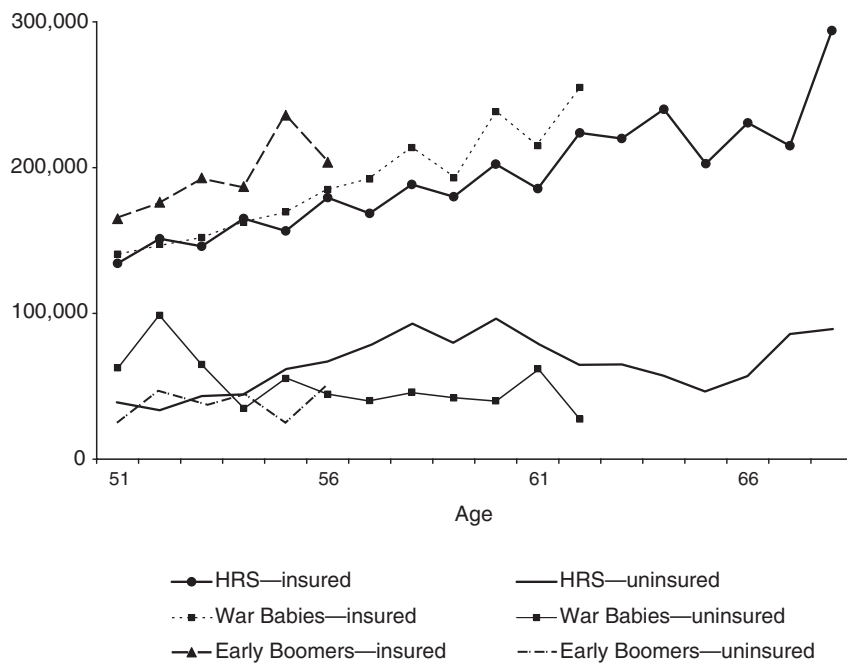


Figure 8-4. Median total net nonpension wealth by cohort, age, and insurance status: health and retirement study (1992–2004). (Source: Author’s calculations.)

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and cohort) versus \$130,000–\$250,000 for the insured. Some might also want to exclude housing wealth from the measure of how much is at stake for the uninsured, which might make sense if one believes that hospitals and physicians would not pursue outstanding debt owed by uninsured individuals to the point where they had to sell their homes to pay that debt.⁹ Most of the wealth held by the uninsured turns out to be housing wealth; when we subtract housing wealth from the amount above, the median uninsured household in the original HRS cohort has about \$10,000 in real nonhousing assets; the median War Babies household has \$8,000 and the median Early Boomer household has only \$4,000 (Figure 8-5). Compared to the average hospital charge of \$17,300 (in 2002; Merrill and Elixhauser, 2005), the uninsured do not have much money on hand.¹⁰ In fact, this nest egg would probably be wiped out by a single hospitalization. But it is a very small sum to begin with. In other words, households facing old age with less than \$10,000 in the bank probably have bigger problems than being uninsured.



Figure 8-5. Median total net nonpension, nonhousing wealth by cohort, age, and insurance status: health and retirement study (1992–2004). (Source: Author’s calculations.)

TABLE 8-6 Probability of any Hospital Stay in the Six Years Prior to Age 65: Original HRS Cohort

Probability of hospital stay	
Individual	0.399
Individual or spouse, if any	0.574
Probability of <i>uninsured</i> hospital stay	
Individual	0.023
Individual or spouse, if any	0.031

Source: Author's calculations.

Note: See text.

Health Shocks During Uninsured Spells

Not surprisingly, hospitalization is a relatively common event for older households. Some 40 percent of the original HRS cohort has a hospitalization at some point in the three waves prior to age 65 (Table 8-6).¹¹ Among married couples, of course, the relevant question is whether the individual or his/her spouse will be hospitalized, since a spouse's hospitalization also poses a threat to the household's financial well-being. Including shocks to spouses, then, 60 percent of the HRS households had either a head or spouse hospitalized in the six years before age 65. In other words, the median individual in the HRS cohort was subject to a potentially very serious threat to household finances in the six years before retirement.

Nevertheless, most of these hospitalizations were covered by insurance, mitigating the threat. The HRS asks respondents whether a hospitalization was fully covered, partly covered, or not covered at all by insurance; here we consider a hospitalization to be uninsured if the respondent reports that it was not covered at all by insurance. Only 2 percent of this subset of the original HRS cohort had an *uninsured* hospitalization in the six years before age 65; only 3 percent had an uninsured hospitalization for themselves or their spouse. This number seems very low, but several important points are worth making when interpreting this number. First, one must recall that this sample included only individuals observed for three waves just prior to Medicare eligibility. In particular, anyone who died during this window was excluded from the analysis, as noted above. Such an exclusion could bias the measure of uninsured hospitalizations toward zero even more seriously than it does the estimate of all hospitalizations, if uninsured hospitalizations are disproportionately likely to result in death. A second point is that the definition of an 'insured' hospitalization used here probably includes many hospital stays for which health insurance paid very little. Individuals with health insurance may be 'underinsured' in the sense that their out-of-pocket costs associated with a hospitalization are large enough to threaten

their financial security. Indeed, this is consistent with the fact that households citing health problems as a proximate cause of their bankruptcy filing are as likely to be insured as to be uninsured (Warren et al. 2000). There is not a one-to-one mapping between an uninsured hospitalization, as defined here, and a health shock that poses a financial threat.

Another consideration is that health insurance coverage, health, and use of medical care are simultaneously determined. Having health insurance coverage certainly affects the use of medical care (Newhouse et al. 1993; Card et al. 2004). Further, health status likely also affects the availability of insurance coverage; this effect could go either direction, but it is worth noting that some public insurance programs are explicitly intended to cover the disabled and individuals with high medical expenses. Uninsured hospitalizations may be unlikely either because individuals avoid the hospital when they are uninsured, or because hospitalization triggers coverage by public insurance. Either of these two scenarios would reduce the number of hospitalizations that are uninsured, but they have very different implications for the well-being of the uninsured elderly. Distinguishing between them—and, more generally, identifying more precisely the nature of the financial threat that health shocks pose to insured and uninsured near-elderly households—is a high priority for future research.

Discussion and Conclusion

The fraction of Baby Boomers who lack health insurance is slightly higher than the fraction uninsured in earlier cohorts. The probability of a health shock requiring hospitalization is high (60% when considering both an individual and his or her spouse), but the probability of an *uninsured* health shock is quite low, with only 3 percent of original HRS respondents who are observed in all three waves before age 65 reporting a hospitalization for self or spouse for which insurance paid nothing. Moreover, the amount of personal wealth at stake turns out to be quite low: the median uninsured near-elderly household has less than \$10,000 in net nonpension, nonhousing wealth.

These results raise the question of whether lack of health insurance is really the key problem facing uninsured older households: the fact that the median near-elderly uninsured household is facing retirement with so little in assets is striking. Consequently, policies aimed at alleviating poverty among the elderly may be far more important for the well-being of this population than policies to expand health insurance coverage prior to Medicare eligibility. This is not to suggest that lack of insurance is not a problem in this population; being poor and uninsured surely reduces access to medical care even for serious conditions (Asplin et al. 2005). But

health insurance might do relatively little to change the *financial* situation of poor uninsured households as they approach retirement.

Acknowledgments

The author thanks Debra Sabatini Dwyer, Michael Hurd, and David Weir for helpful comments.

Notes

¹ Calculated by the author using the March 1999 CPS.

² For instance Hurst et al. (1998) show that in 1994, median wealth for households in their 50s was about 18 times larger than median wealth for households in their 20s and more than twice as large as median wealth for households in their 40s. The actual values of median wealth reported were, in \$1996: \$6,873 (20s); \$63,446 (40s) and \$129,007 (50s).

³ The long slow decline in employer-sponsored coverage has been well documented (cf. Farber and Levy 2000). Also Swartz and Stevenson (2001) find a rising risk of not having insurance among the 55–64-year olds in 1999 versus 15 years previously (15% vs. 13%); see also Baker and Sudano (2005).

⁴ In fact, the CPS has some features of a longitudinal survey since residents of a given dwelling unit are interviewed eight times over the course of sixteen months; nevertheless, here we do not exploit this and instead treat the CPS as repeated cross sections.

⁵ Appendix Table 8A-1 presents a complete set of *t*-tests of the null hypothesis that the Early Boomers' health insurance coverage differs from that of the HRS cohort or War Babies at each age.

⁶ A complete set of multivariate results is reported in Appendix Table 8A-1.

⁷ This is not the same as saying that 4 percent of the sample was continuously uninsured for six years; individuals with no insurance at the time of the interview were not asked whether they had ever had insurance since the previous interview.

⁸ In fact, Weir and Willis (2002) find that being widowed *increases* women's probability of having health insurance coverage.

⁹ On the other hand, medical providers may pursue uninsured households energetically if debts are sold off to collection agencies. Of course even in that case, bankruptcy may afford some protection for housing assets (but homestead exemptions vary by state). Warren et al. (2000) report that a third of bankruptcy filers have significant medical debts and that one quarter of filers cite medical problems as a key factor contributing to their bankruptcy. Interestingly, this is true for filers with health insurance as well as those who are uninsured. Clearly additional research is required on the role of medical debt and health insurance in bankruptcy.

¹⁰ Inflating this amount to \$2004 gives \$18,165. See also Goldman and Zissimopoulos (2003).

¹¹ This estimate presumably understates the risk of hospitalization since the sample, as described above, excludes individuals who died before they were observed for three waves; many of them are likely to have been hospitalized.

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TABLE 8A-1 Raw and Regression-adjusted Differences in Health Insurance Coverage: Early Boomers versus War Babies and Original HRS and Current Population Survey, March 1989–2004

	<i>Early Boomers versus War Babies</i>				<i>Early Boomers versus Original HRS</i>			
	<i>P(uninsured), WB—EBB</i>		<i>t-Statistic for H₀: Gap is 0</i>		<i>P(uninsured), HRS—EBB</i>		<i>t-Statistic for H₀: Gap is 0</i>	
	<i>Regression Adjusted?</i>		<i>Regression Adjusted?</i>		<i>Regression Adjusted?</i>		<i>Regression Adjusted?</i>	
	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>
<i>Panel A: Difference in fraction uninsured</i>								
Age								
40	-0.029	-0.025	3.64	3.26	—	—	—	—
41	-0.023	-0.018	3.79	3.02	—	—	—	—
42	-0.025	-0.022	4.61	4.30	—	—	—	—
43	-0.033	-0.031	6.47	6.39	—	—	—	—
44	-0.016	-0.014	3.44	3.16	—	—	—	—
45	-0.006	-0.007	1.34	1.67	—	—	—	—
46	0.000	0.000	0.06	0.11	-0.005	-0.009	0.49	1.02
47	0.001	0.001	0.23	0.16	-0.011	-0.018	1.56	2.62
48	0.006	0.008	1.47	1.92	-0.008	-0.019	1.39	3.24
49	-0.003	-0.003	0.71	0.70	-0.011	-0.022	2.10	4.26
50	0.005	0.003	1.16	0.74	-0.002	-0.011	0.47	2.21
51	0.008	0.008	1.64	1.61	0.009	0.000	1.64	0.05
52	-0.008	-0.008	1.52	1.57	-0.009	-0.017	1.68	3.14
53	-0.016	-0.015	2.60	2.47	-0.011	-0.016	1.66	2.61
54	-0.001	0.000	0.12	0.04	0.006	-0.001	0.65	0.10
<i>Panel B: Difference in fraction with private health insurance</i>								
40	0.050	0.045	5.40	5.45				
41	0.042	0.033	5.89	5.23				
42	0.041	0.035	6.45	6.29				
43	0.042	0.038	7.09	7.25				
44	0.030	0.026	5.43	5.38				
45	0.000	0.006	0.05	1.37				
46	0.008	0.010	1.50	2.05	0.021	0.032	1.93	3.34
47	0.001	0.004	0.16	0.81	0.020	0.033	2.40	4.46
48	-0.009	-0.009	1.76	2.03	0.002	0.020	0.32	3.18
49	0.010	0.011	1.97	2.37	0.018	0.039	2.91	6.97
50	-0.006	0.000	1.03	0.08	0.009	0.027	1.45	4.94
51	-0.001	0.000	0.09	0.03	0.001	0.015	0.11	2.63
52	0.014	0.013	2.20	2.33	0.018	0.031	2.71	5.13
53	0.027	0.023	3.58	3.50	0.014	0.028	1.84	4.06
54	0.013	0.010	1.33	1.17	0.004	0.018	0.34	1.98

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TABLE 8A-1 (continued)

<i>Early Boomers versus War Babies</i>				<i>Early Boomers versus Original HRS</i>			
<i>P(uninsured), WB—EBB Regression Adjusted?</i>		<i>t-Statistic for H₀: Gap is 0 Regression Adjusted?</i>		<i>P(uninsured), HRS—EBB Regression Adjusted?</i>		<i>t-Statistic for H₀: Gap is 0 Regression Adjusted?</i>	
<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>
<i>Panel C: Difference in fraction with public health insurance</i>							
<i>Age</i>							
40	-0.021	-0.020	3.73	3.86			
41	-0.018	-0.015	4.37	3.92			
42	-0.016	-0.013	4.05	3.60			
43	-0.009	-0.007	2.51	2.12			
44	-0.014	-0.012	4.09	3.93			
45	0.006	0.001	1.80	0.28			
46	-0.008	-0.009	2.55	3.13	-0.016	-0.023	2.49 3.85
47	-0.002	-0.004	0.59	1.54	-0.009	-0.015	1.75 3.27
48	0.003	0.001	0.83	0.39	0.006	-0.001	1.40 0.28
49	-0.007	-0.008	2.19	2.72	-0.007	-0.017	1.81 4.78
50	0.000	-0.004	0.09	1.20	-0.006	-0.016	1.68 4.61
51	-0.008	-0.008	2.04	2.27	-0.009	-0.015	2.35 4.17
52	-0.006	-0.005	1.44	1.37	-0.009	-0.014	2.01 3.46
53	-0.011	-0.008	2.16	1.87	-0.004	-0.012	0.69 2.52
54	-0.012	-0.010	1.84	1.68	-0.009	-0.017	1.32 2.82

Notes: Differences significantly different from 0 with $p < 0.05$ indicated in bold.

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