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Health Care Coverage Under Private Health Insurance, Medicare, Medicaid, and Military or Veterans Administration Health Benefits: United States, 1978

Division of Health Interview Statistics

The National Center for Health Statistics included a special supplement on health care coverage under private health insurance and Medicare as a part of the 1978 National Health Interview Survey questionnaire. While this supplement was not designed to produce estimates for all types of health care coverage, it did contain a series of items related to eligibility for Medicaid and for military and Veterans Administration health care benefits.¹ By making certain assumptions about how these items relate to the broader concept of health care coverage, it is possible to obtain estimates of the number of persons eligible for these types of benefits.

This preliminary report presents estimates of the coverage status of persons in the civilian noninstitutionalized population under private health insurance and the three types of public programs mentioned in the title. There are many other forms of at least partial coverage for health care costs, including neighborhood health clinics and local philanthropic health-service agencies. "Health care coverage" as used in this report does not include these forms of coverage or insurance restricted to dread diseases, accidents, dental care, or protection related to income maintenance during periods of illness. Coverage restricted to certain groups is also excluded, such as coverage for Indians whose sole source of care is through the Indian Health Service.

The focus of this report is on the *extent* or *scope* of health care coverage in the population rather than on the question of *breadth* or *depth* of that coverage. Estimates are shown first by cross-classifying the coverage status for each person to produce an unduplicated estimate of coverage under the four types considered together. This is followed by a presentation of estimates for each of the four types of health care coverage and the procedures followed in deriving them.

All of the estimates presented in this report are average annual point prevalence estimates for the

civilian noninstitutionalized population. They are "point prevalence" estimates because they represent a person's health care coverage status only at the time of interview, and for no other period during the year. They are "average annual" estimates because the total annual National Health Interview Survey sample consists of summing the results for 52 weekly representative samples of the civilian noninstitutionalized population.

Technical qualifications related to the estimates are summarized in the technical notes. For a more detailed discussion of these qualifications and for a copy of the questionnaire see the 1978 *Current Estimates* (Series 10, No. 130). Additional data on health care coverage will be available in future publications from the National Center for Health Services Research based on the 1977 National Medical Care Expenditure Survey,² and from the National Center for Health Statistics and the Health Care Financing Administration based on the 1980 Medical Care Utilization and Expenditure Survey.

Coverage status of persons under four types of health care coverage

The concept of "coverage" is relatively unambiguous for private health insurance and Medicare, and can be approximated for military and/or Veterans Administration (VA) health benefits. The closest corresponding concept for Medicaid is that of "eligibility." However, because the criteria for Medicaid eligibility vary among the States, because many persons only become aware of their eligibility *after* seeking medical aid, and finally because of the added complexity in defining eligibility associated with "spend-down" provisions there is no generally agreed on criteria for estimating the number of persons "covered by" Medicaid.

The Medicaid estimates shown in this report are

operationally defined in terms of responses to three items contained on the 1978 National Health Interview Survey (NHIS) questionnaire. Persons are defined as having "categorical or reported Medicaid coverage" if they (1) had a valid Medicaid card at the time of interview, (2) were receiving Aid to Families with Dependent Children or Supplementary Security Income payments, or (3) Medicaid coverage was given as a reason for not being covered by any health insurance plan.

Because of the lack of uniformity associated with the definitions of Medicaid coverage, the estimates for this type of coverage are shown separately in table 1. The data from the 1978 NHIS indicate that about 179.5 million persons (83.9 percent) in the civilian noninstitutionalized population were covered by private health insurance, Medicare, or military and/or VA health benefits. Among the estimated 31.6 million persons (14.8 percent) not covered under any of these three and the 2.7 million persons (1.3 percent) for whom the coverage status could not be determined, an estimated 10.8 million persons had categorical or reported Medicaid coverage. Combining these two groups (represented by the boxed cells in table 1) produces estimates of about 190.3 million persons (89 percent) in the civilian noninstitutionalized population covered by at least one of the four types of coverage and about 23.5 million persons (11 percent) who were not identified as being covered under private health insurance or any of the three public programs.³

The sum of the estimates in the boxed cells in table 1 shows that virtually all persons 65 years of age and over (about 99 percent) were covered under at least one of the four types of coverage. The corresponding estimate for persons under 65 years of age is about 88 percent.

Table 2 shows estimates of persons in the civilian noninstitutionalized population with combined or unique coverage under private health insurance, Medicare, and military and/or VA health benefits. Because the number of persons actually eligible for Medicaid is not known, Medicaid is excluded from these estimates of plan combinations. An estimated 67.3 percent of the civilian noninstitutionalized population was covered by private health insurance only. The combination of private health insurance and Medicare coverage represents 6.2 percent, and each of the other plan combinations represents 3.4 percent or less.

Not unexpectedly, the patterns of coverage for persons under 65 years of age and 65 years of age and over are quite different. An estimated 75.0 percent of the younger age groups had coverage under private health insurance but did not have coverage under either of the two public programs. For persons

Table 1. Number and percent distribution of persons by age, coverage status under private health insurance, Medicare, and military and/or Veterans Administration health benefits, and by Medicaid coverage status: United States, 1978

Age and coverage status ¹	Has valid Medicaid card, receives AFDC or SSI, and/or reports Medicaid coverage as reason for no health insurance plan		
	All persons	Reported as meeting at least one criteria ²	Not reported as meeting any of these criteria ³
	Number of persons in thousands		
All ages, all coverage statuses . . .	213,828	14,846	198,982
Covered	179,472	4,022	175,451
Not covered	31,643	10,348	21,295
Unknown if covered	2,713	476	2,237
Under 65 years, all coverage statuses.	191,041	12,762	178,279
Covered	157,110	2,111	155,000
Not covered	31,351	10,204	21,147
Unknown if covered	2,579	447	2,133
65 years and over, all coverage statuses.	22,788	2,084	20,703
Covered	22,362	1,911	20,451
Not covered	292	144	149
Unknown if covered	133	*29	104
	Percent distribution		
All ages, all coverage statuses . . .	100.0	6.9	93.1
Covered	83.9	1.9	82.1
Not covered	14.8	4.8	10.0
Unknown if covered	1.3	0.2	1.0
Under 65 years, all coverage statuses.	100.0	6.7	93.3
Covered	82.2	1.1	81.1
Not covered	16.4	5.3	11.1
Unknown if covered	1.3	0.2	1.1
65 years and over, all coverage statuses.	100.0	9.1	90.9
Covered	98.1	8.4	89.7
Not covered	1.3	0.6	0.7
Unknown if covered	0.6	*0.1	0.5

¹See the sections in this report on "Private Health Insurance Coverage," "Medicare Coverage," and "Military and Veterans Administration Health Care Coverage" for specifications of how the concept of "covered" is defined for each of the three types of health care coverage.

²See the section of this report on "Medicaid Coverage" for the estimates associated with each of the components of this definition.

³"Not reported" includes negative responses, refusals, and unknowns to any one of the components of this concept.

65 years of age and over, 54.5 percent had both private health insurance and Medicare, 26.7 percent had Medicare only, and 3.3 percent had private health insurance only.

The following sections show how the estimate for each of the four types of health care coverage are defined. Also shown are estimates of the more detailed aspects of coverage associated with each type.

Table 2. Number of persons by age and plan combinations of health care coverage under private health insurance, Medicare, and military and/or Veterans Administration health benefits¹; percent distribution according to age: United States, 1978

Coverage status and plan combinations	Number of persons in thousands			Percent distribution		
	All ages	Under 65 years	65 years and over	All ages	Under 65 years	65 years and over
All persons	213,828	191,041	22,788	100.0	100.0	100.0
All plan combinations with known coverage status	208,023	185,658	22,365	97.3	97.2	98.1
Private insurance <i>only</i>	143,986	143,225	761	67.3	75.0	3.3
Private insurance <i>and</i> Medicare	13,296	882	12,414	6.2	0.5	54.5
Medicare <i>only</i>	7,210	1,121	6,089	3.4	0.6	26.7
Priority eligibility or reported military-VA coverage <i>only</i>	4,924	4,796	128	2.3	2.5	0.6
Private insurance <i>and</i> priority eligibility or reported military-VA coverage	4,142	3,966	176	1.9	2.1	0.8
All three types of coverage	1,817	121	1,696	0.8	0.1	7.4
Medicare <i>and</i> priority eligibility or reported military-VA coverage	1,005	196	809	0.5	0.1	3.6
Not covered by any of the three plans	31,643	31,351	292	14.8	16.4	1.3
Unknown coverage or combination status	5,805	5,383	423	2.7	2.8	1.9

¹Excludes persons not meeting criteria used to define coverage discussed in text who also did not report military or VA coverage as a reason for not being covered by any health insurance plan.

Private health insurance coverage

Household respondents were asked whether any family member was covered by a health insurance plan that paid any part of a hospital bill, or a doctor's or surgeon's bill for operations. The names of all plans were listed for which a positive response was obtained to either or both of these questions. A series of questions were then asked for *each* plan that covered at least one family member. Included were questions about whether the plan was obtained through a group, the type of coverage associated with the plan, each family member's coverage status in relation to each of the plans, and whether the plan had been used during the past year. In tabulating the data, persons were classified as "covered by private health insurance" if they were covered by at least one plan, and as "not covered" if they were classified as "not covered" under *all* of the plans listed for the family. They were classified as "unknown" if their coverage status was not determined for at least one plan and they were not covered under any of the other plans (if any) listed for the family.

Table 3 shows that an estimated 166.1 million persons (77.7 percent) were covered by private health insurance. An estimated 159.0 million persons (74.3 percent) had both hospital and surgical coverage, 4.2 million persons had only hospital coverage, and 323,000 persons had only surgical coverage. About 325,000 persons classified as covered had neither hospital nor surgical coverage, and the type of coverage was not determined for about 2.2 million persons. An estimated 46.8 million persons (21.9 percent) did not have private health insurance coverage and the status of about 1.0 million persons (0.5 percent) could not be determined.

Table 3. Number of persons by age and type of private health insurance coverage; percent distribution according to age: United States, 1978

Type of private health insurance coverage	Number of persons in thousands		
	All ages	Under 65 years	65 years and over
All persons	213,828	191,041	22,788
Covered	166,050	150,928	15,122
Hospital and surgical coverage	158,978	145,316	13,662
Hospital, no or unknown surgical coverage	4,220	3,192	1,028
Surgical, no or unknown hospital coverage	323	243	81
Neither hospital nor surgical coverage	325	252	74
Unknown type of coverage	2,203	1,926	278
Not covered	46,791	39,310	7,482
Unknown if covered	987	803	184
	Percent distribution		
All persons	100.0	100.0	100.0
Covered	77.7	79.0	66.4
Hospital and surgical coverage	74.3	76.1	60.0
Hospital, no or unknown surgical coverage	2.0	1.7	4.5
Surgical, no or unknown hospital coverage	0.2	0.1	0.4
Neither hospital nor surgical coverage	0.2	0.1	0.3
Unknown type of coverage	1.0	1.0	1.2
Not covered	21.9	20.6	32.8
Unknown if covered	0.5	0.4	0.8

Among persons under 65 years of age, the estimated proportion with private health insurance coverage was 79.0 percent, while about two-out-of-three persons (66.4 percent) 65 years of age and over were covered by a private health insurance plan.

If the persons for whom either the coverage status or the type of coverage was unknown are distributed in the same proportions as for persons with known coverage status and known type of coverage, the following adjusted estimates result:⁴ approximately 166.8 million persons were covered by private health insurance; of these about 166.4 million persons had hospital insurance and about 164.6 million persons had surgical insurance.⁵

Medicare coverage

Household respondents were asked whether anyone in the family was covered by Medicare, and if so, to indicate which persons were covered. Those classified as covered were then asked whether they were covered by the types of benefits that pay for hospital bills (Part A), physician care (Part B), or both. Table 4 shows either or both of these forms of coverage for an estimated 23.6 million persons (11.0 percent). About 21.2 million of these persons were 65 years of age and over and about 2.4 million were under 65 years of age. This represents a coverage rate under Medicare of 93.1 percent for the former group and 1.2 percent for the latter group.

An estimated 22.4 million persons had coverage under both Part A and B of Medicare. An additional 713,000 persons had coverage under Part A only, and another 137,000 persons had coverage only

Table 4. Number of persons by age and Medicare coverage; percent distribution according to age: United States, 1978

Type of Medicare coverage	All ages	Under 65 years	65 years and over
Number of persons in thousands			
All persons	213,828	191,041	22,788
Covered	23,567	2,359	21,207
Hospital and doctor coverage	22,404	2,174	20,230
Hospital, no or unknown doctor's coverage	713	109	605
Doctor, no or unknown hospital coverage	137	*5	132
Unknown type of coverage	312	72	240
Not covered	189,733	188,273	1,460
Unknown if covered	529	409	120
Percent distribution			
All persons	100.0	100.0	100.0
Covered	11.0	1.2	93.1
Hospital and doctor coverage	10.5	1.1	88.8
Hospital, no or unknown doctor's coverage	0.3	0.1	2.7
Doctor, no or unknown hospital coverage	0.1	*0.0	0.6
Unknown type of coverage	0.1	0.0	1.1
Not covered	88.7	98.6	6.4
Unknown if covered	0.2	0.2	0.5

under Part B. Distributing the unknown cases in the same proportions as the known cases produces the following adjusted estimates for Medicare coverage: about 23.6 million persons in the civilian noninstitutionalized population were covered by Medicare, with virtually all of these persons covered by Part A, and about 23.1 million of them covered by Part B.

The Health Care Financing Administration (HCFA) produces estimates of persons enrolled in Medicare. The 1978 estimate is about 26.6 million enrollees. However, HCFA is not able to distinguish enrollees on the basis of institutionalization and their estimate is not, therefore, directly comparable to those shown in this report (which represent only the noninstitutionalized population).

Reason for not being covered by any health insurance plan

An estimated 38.5 million persons were not covered by private health insurance or Medicare. Respondents for persons in that category were asked to select the reasons for this "lack of coverage by any health insurance plan" from a flashcard containing the reasons shown in table 5. No reason was given for an estimated 1.5 million persons. An estimated 41.7 million reasons were obtained for 36.9 million persons. "Too expensive" was the reason chosen most often (15.3 million persons), followed by "Care received through Medicaid or Welfare" (9.1 million persons), and by "Military dependent (CHAMPUS) or Veterans benefits" (4.4 million persons).

It should be emphasized that the reasons related to Medicaid and military and/or VA benefits cannot

Table 5. Number and percent distribution of reasons for not being covered by any health insurance plan for persons who gave at least one reason, by type of reason: United States, 1978

Reason for no health insurance plan ¹	All reasons in thousands	All reasons percent distribution
All reasons	41,738	100.0
Care received through Medicaid or welfare	9,131	21.9
Unemployed or reasons related to unemployment	3,612	8.7
Cannot obtain due to poor health, illness, or age	632	1.5
Too expensive	15,274	36.6
Dissatisfied with previous insurance	727	1.7
Don't believe in insurance	945	2.3
Healthy, not much sickness in family, haven't needed	3,274	7.8
Military dependent, (CHAMPUS), Veterans benefits	4,408	10.6
Some other reason	3,735	8.9

¹This question was asked of all persons with neither private health insurance nor Medicare.

by themselves serve as a basis for estimating the number of persons eligible for these two types of health care benefits: first, persons eligible for these types of benefits, who were also covered by Medicare or private health insurance, were not shown the card and asked to choose a reason; second, a person may be aware that he is eligible for either or both of these types of benefits but not perceive this as the reason he does not have health insurance. An individual may, for instance, perceive his unemployment or limited income as the real underlying reason for not having health insurance and consider his Medicaid eligibility as a mere consequence.

Military and Veterans Administration health care coverage

Aside from questions related to coverage under private health insurance and Medicare, the 1978 NHIS questionnaire included items relevant in determining whether persons had priority eligibility to receive military and/or VA health care benefits. Veterans were asked (1) whether they had a service connected disability, and (2) whether they were receiving a pension from any of the military services or the VA.

An estimated 3.0 million veterans had a service connected disability. However, respondents were not asked whether their disability had been certified by the VA as service connected. The estimate, therefore, is based on the respondent-assessed claim of such a disability.⁶

An estimated 3.4 million veterans received a pension from the military, VA, or both. Of these persons, the VA was the source of the pension for about 2.0 million,⁷ and one of the military services for about 1.5 million.

All veterans with other than dishonorable discharges are potentially eligible to receive health care benefits from the VA. However, the availability of these services is limited and a system of criteria has been established to determine which veterans and their families qualify for these benefits. The following criteria are used to determine priority eligibility status: having a service connected disability, receipt of a pension from the VA, or being a veteran 65 years of age or over. A somewhat lower priority is afforded to other veterans if they establish that they are unable to defray the costs of necessary hospital charges elsewhere. Dependents and survivors of certain types of disabled or deceased veterans may also qualify for VA health care benefits. These persons were not, however, directly identified in the 1978 NHIS.

As noted above, an estimated 3.0 million veterans

had a service connected disability. Additionally, about 2.9 million veterans either received a VA pension or were 65 years of age or over. These approximately 5.9 million veterans meet the criteria discussed above for priority eligibility for VA health care benefits.⁸

Aside from the VA, the military services themselves offer health care benefits to eligible dependents of active military personnel and to military pensioners and their eligible dependents. Civilian dependents of active military personnel are not directly identified in the NHIS. However, it is possible to indirectly estimate the number of eligible dependents. During 1978, there were about 1.8 million wives and dependent children under 21 years of age living at home with men on active military duty. These persons have a very high priority for receiving military health care benefits.

A somewhat lower priority is afforded military pensioners and their eligible dependents. Even though questions were not asked to identify these dependents, it is possible to indirectly identify about 2.3 million of them by the family relationship they bear to the pensioners. These include the wives and dependent children under 21 years of age living at home with the military pensioner. Combining the above estimates for dependents of active military personnel and of military pensioners, and including the military pensioners themselves, produces an overall estimate of about 5.6 million persons in the civilian noninstitutionalized population with priority eligibility to receive health care benefits from the military.⁹ Certain groups, however, (such as eligible survivors of military pensioners who have died) could not be identified and are, thus, excluded from this estimate.

Among the 5.9 million veterans identified as having priority eligibility to receive VA health care benefits and the 5.6 million persons identified as having priority eligibility for military health care benefits, 835,000 were identified as having priority eligibility for both types of benefits. However, the resulting total of about 10.7 million persons with priority eligibility for either or both types of health care benefits does not include other persons with "military or VA health care coverage" as a reason for not being covered by any health insurance plan.

Table 6 shows the results of cross-classifying persons by identified priority eligibility status and whether or not military and/or VA coverage was given as a reason for not having a health insurance plan. An estimated 1.3 million persons with this reason did not meet the criteria used to identify persons with priority eligibility for military or VA health benefits. Under the assumption that these persons would not claim that their eligibility for these health care benefits was a reason for not obtaining

Table 6. Number of persons by whether military and/or Veterans Administration coverage was reported as reason for no health insurance plan, and eligibility for military and/or Veterans Administration health benefits and source of eligibility: United States, 1978

Eligibility status and source of eligibility benefits	All persons	Military and/or VA coverage as reason for no health insurance plan			
		Yes	No	No response	Not asked ¹
Number of persons in thousands					
All eligibility statuses, all sources	213,828	4,408	32,525	1,544	175,351
Identified priority eligibility, all sources ^{2,3}	10,660	3,065	447	69	7,079
Military and VA ^{2,3}	835	159	*22	*2	653
Military only ²	4,773	2,614	137	50	1,972
VA only ³	5,052	293	288	*17	4,454
Priority eligibility status not identified	203,168	1,343	32,079	1,475	168,272

¹Not asked reason because person not reported to lack private health insurance or Medicare coverage.
²Excludes dependents of deceased or institutionalized military pensioners.
³Excludes veterans who qualify for priority eligibility solely on the basis of low income.

health insurance, unless they had a relatively high priority eligibility status for receiving them, it is reasonable to include them in the total for persons with priority eligibility status for the receipt of military or VA health care benefits. This procedure produces an overall estimate of about 12.0 million persons in the civilian noninstitutionalized population with either coverage or priority eligibility status for receiving military or VA health care benefits (table 7).

Table 7. Number of persons by military and/or Veterans Administration health care coverage status¹: United States, 1978

Military and/or VA health care coverage	Number of persons in thousands
All persons	213,828
Priority eligibility or reported military and/or VA coverage ¹	12,003
Neither priority eligibility nor reported military and/or VA coverage	197,019
Unknown military and/or VA health benefits coverage	4,806

¹Excludes persons not meeting criteria used to define coverage discussed in text who also did not report military or VA coverage as a reason for not being covered by any health insurance plan.

Medicaid coverage

As discussed earlier in this report, persons were defined as having "categorical or reported Medicaid

coverage" if they (1) had a valid Medicaid card at the time of the interview, or (2) were reported as receiving Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI), or (3) Medicaid coverage was given as a reason for not being covered by any health insurance plan.

Based on the number of respondents who presented a valid Medicaid card, it is estimated that 8.2 million persons were enrolled in the Medicaid program in 1978. An additional estimate of 4.9 million persons eligible for Medicaid was obtained based on the reports of AFDC or SSI recipients (often called categorical eligibility) who did not show a valid Medicaid card.¹⁰ Together the criteria of a valid Medicaid card and/or reported receipt of AFDC or SSI results in an estimate of 13.1 million persons.

Earlier it was noted that respondents representing an estimated 9.1 million persons gave Medicaid coverage as the reason for not having coverage by any health insurance plan. As is shown in table 8, an estimated 1.7 million (863,000 and 848,000) of these persons did not have a valid Medicaid card and were not receiving AFDC or SSI. If these 1.7 million persons are combined with the 13.1 million cited above, an estimate of 14.8 million persons with categorical or reported Medicaid coverage is obtained.

This figure (14.8 million persons) is an average annual point prevalence estimate. It is not an estimate of the total number of persons covered by or eligible for Medicaid during part or all of the 12-month period. Data from the National Medical Care Expenditure Survey provide an estimate of 20.8 million persons in the civilian noninstitutionalized population with Medicaid coverage during part or all of 1977.¹¹

Table 8. Number of persons by whether Medicaid coverage was reported as a reason for no health insurance plan, and possession of a valid Medicaid card or receipt of AFDC or SSI: United States, 1978

Possession of valid Medicaid care card or receives AFDC-SSI	All statuses	Medicaid as reason for no health insurance plan			
		Yes	No	Unknown	Not asked ¹
Number of persons in thousands					
All persons	213,828	9,131	27,803	1,544	175,351
Has Medicaid card and/or receives AFDC or SSI	13,135	7,420	1,670	162	3,883
Neither has Medicaid card nor receives AFDC or SSI	198,444	863	25,750	1,337	170,493
Unknown if meets at least one of these criteria.	2,250	848	383	45	974

¹Not asked reason because person not reported to lack private health insurance or Medicare coverage.

Discussion

An aspect of the debate on national health insurance has been the growing interest in determining the extent, breadth, and depth of health care coverage among the American population. As noted earlier, while the data presented in this report are relevant to the issue of the extent of health care coverage, they are of limited value regarding the breadth and depth of that coverage. As such, the focus of the discussion has been on whether or not persons were covered under any of the four types of coverage or under at least one of them. As discussed in the following section, this focus on the question of coverage may lead to misinterpretations of the results discussed in this report.

Alternative estimates of the extent of coverage

The previous discussions of Medicaid coverage and of reported or priority eligibility under military or VA health care benefits demonstrate that any estimate of the number of persons not covered under any of the four plans derives to a significant degree from the definition of the concept being measured, assumptions made about the data, and the type of statistic being estimated. Within this context, the following paragraphs briefly indicate some alternative estimates that might have been derived from the same data.

Among the approximately 23.5 million persons shown in table 1 without identified coverage under any of the four types of coverage, about 2.2 million were members of families with an annual income of less than \$3,000, about 2.4 million were veterans, and 442,000 were unable to perform the usual activity of their age-sex group due to chronic health conditions or impairments. Among the same 23.5 million persons, an estimated 738,000 received Medicaid benefits or VA health benefits during the 12 months preceding the interview. The unduplicated estimate of those who meet one or more of these criteria is about 5.3 million persons. Thus by assuming that these persons would have some type of health care coverage, the estimate of those not identified as covered in table 1 is reduced by 22.4 percent (or to about 18.3 million persons).

On the other hand, certain assumptions made in classifying persons as "covered" in earlier sections of this report might be questioned. For example, whether or not persons with priority eligibility for VA health care benefits actually are able to receive health care from the VA depends on a number of factors in-

cluding their proximity to VA health facilities and the ability of these facilities to accommodate them. This type of relationship does not provide the usual implications for accessibility to health care that having private health insurance, Medicare, or even military coverage implies. In addition, the data in table 6 suggest that persons with VA eligibility do not necessarily regard this as an alternative to private health insurance. Very few of those persons with only VA coverage gave that as a reason for not being covered by a health insurance plan. Data are needed on the extent to which persons with priority eligibility for VA health benefits actually use VA facilities. Such data will be available in the near future from the National Center for Health Services Research based on the 1977 National Medical Care Expenditure Survey, and from the National Center for Health Statistics and the Health Care Financing Administration, based on the 1980 National Medical Care Utilization and Expenditure Survey.

Beyond assumptions related to the data itself, different estimates could be derived by choosing to use a different and perhaps a more relevant statistic to estimate. For instance, compared with the average annual point prevalence estimate of a maximum of about 23.5 million persons not identified as covered under any of the four types of coverage, the average point prevalence estimate for a shorter period of time (or as of a certain date) might be the more appropriate statistic; the estimate of persons not identified as covered under any of the four types of plans for each of the four quarters of 1978 differ by as much as 1.1 million persons.

Consideration of further issues (including the assumptions made in editing the data) and recognition of the sampling errors associated with the estimates suggests that the 1978 NHIS data file could reasonably serve as a basis to produce an estimate of anywhere from about 7 to 13 percent as the proportion of the civilian noninstitutionalized population not covered under any of the four types of health care coverage discussed in this report.

Extent of coverage and the financial burden of illness

There is only a partial association between the concepts of coverage and of financially unimpeded access to health care services (except perhaps in the case of eligibility for full Medicaid benefits or membership in a Health Maintenance Organization). For instance, many of the persons classified as

"covered" in this report may have experienced relatively large out-of-pocket health expenditures even though they were covered, while persons classified as not being covered may have had no health expenditures during the period they were not covered. As such, the concept of coverage is only partially related (1) to the issue of the financial burden of illness, injury, or impairment; and (2) to the issue of the degree to which people fail to seek needed medical care because of the potential financial burden associated with obtaining such care.

In summary, the focus given in this report to the question of the extent of health care coverage, and the limited consideration given to the question of the breadth and depth of that coverage, derive from the strengths and limitations of the types of data collected on these issues in the 1978 NHIS and not from the assumption that a mere identification of the so-called "uninsured," "uncovered," or "unprotected" population is of paramount importance to the major issue of the financial burden of illness.

References

¹Because these items were not included in the 1976 National Health Interview Survey and because different assumptions were made in analyzing the data, comparisons of the results of this study and those shown in *Health Care Coverage, 1976* (Advance Data No. 44, September 20, 1979) should be made with caution.

²Reports currently available from the National Center for Health Services Research include: Data Preview 1: "Who are the Uninsured?" and Data Preview 4: "Health Insurance Coverage of Veterans."

³This estimate of about 11 percent of persons in the civilian non-institutionalized population not identified as having coverage differs from the estimate of 12.6 percent shown as "without insurance coverage" in the recent, "Who are the uninsured?" *Data Preview 1* (National Center for Health Services Research) because: (1) the concept "not identified as covered" differs from the concept "without insurance coverage," (2) different criteria were used to define "coverage," and (3) data from different years and for different time periods were used to produce the two estimates.

⁴In this and in following sections the estimates based on reported data are shown in the tables. When a significant number of unknown cases are associated with an estimate of major interest, an adjusted population estimate will be given in the text. The adjusted estimates are derived by multiplying the percent of persons covered and not covered (i.e., the unknown cases are excluded) by the number of persons in the entire civilian noninstitutionalized population.

⁵As of December 31, 1977 the Health Care Financing Administration estimates that about 168.2 million persons had hospital coverage and about 163.9 million persons had surgical coverage under private health insurance, (Carrol, M.S., Arnett III, R.H., "Private Health Insurance Plans in 1977: Coverage, Enrollment and Financial Experience," *Health Financing Review*, Fall, 1979).

⁶The VA estimates that about 4 million veterans have a service connected disability and about 1.7 million of these veterans are classified as having a zero percent service connected disability. Presumably, many of these veterans with a zero percent disability did not report having a service connected disability.

⁷The VA estimates that about 1 million veterans were receiving a VA pension and almost 2.3 million veterans were receiving VA compensation during 1978. Presumably, about 1 million persons represented in the NHIS did not distinguish between receipt of a pension and receipt of compensation payments from the VA.

⁸The VA also includes in its priority eligibility group those veterans under 65 years of age with an individual income of under \$7,000 a year. It estimates that 11 to 12 million veterans have priority eligibility to receive VA health care. Combining the under \$7,000 annual income group of veterans identified in the NHIS with the 5.9 million veterans who meet the priority eligibility criteria discussed in the text produces a NHIS estimate of about 11.1 million veterans in the civilian non-institutionalized population meeting the VA criteria for priority eligibility for VA health care benefits (this estimate is not adjusted for unknowns).

⁹The Pentagon estimates 6 to 7 million civilians were eligible to receive military health care benefits during 1978.

¹⁰Based on the number of respondents who reported receipt of AFDC or SSI (regardless of whether or not a valid Medicaid card was presented), it is estimated that a total of 10.7 million persons had categorical eligibility for Medicaid.

¹¹Wilensky, G., Walden, D., and Kasper, J.: "The Changing Medicaid Population," paper presented at the 1980 Annual Meeting of the American Statistical Association, Houston, Texas, Aug. 11, 1980.

Technical notes

The estimates shown in this report are based on data obtained in household interviews in a continuing nationwide survey. Each week a probability sample of households is interviewed by personnel of the U.S. Bureau of the Census to obtain information about the health and other characteristics of the civilian noninstitutionalized population of the United States.

During 1978, interviews were conducted in approximately 41,000 households containing about 110,000 family members and unrelated individuals. The total noninterview rate was about 3.8 percent. The weights of interviewed persons in the segments containing households in the sample for whom data were not obtained were inflated to compensate for household nonresponse.

All persons 17 years of age and over were asked to participate in the interview. When this was not possible, proxy responses were accepted from family members meeting the NHIS respondent rules. Approximately 63 percent of persons 17 years of age and over responded for themselves. Proxy responses were obtained on the remaining 37 percent of adult family members. All information on persons under 17 years of age is obtained from adult family members or guardians.

The appendixes of the 1978 *Current Estimates* (Series 10, No. 130) should be consulted for a more detailed discussion of the sample design and weighting procedures (appendix I) and for a copy of the questionnaire used during 1978. Approximate sampling errors for estimates contained in this report are shown in table I (aggregates) and table II (percents).

Table I. Standard errors of estimates of aggregates

<i>Size of estimate in thousands</i>	<i>Standard error in thousands</i>
35	11
100	18
300	31
500	40
1,000	57
5,000	125
10,000	174
20,000	237
30,000	278
150,000	393

Table II. Standard errors, expressed in percentage points, of estimated percentages

<i>Base of percentages in thousands</i>	<i>Estimated percentages</i>				
	<i>2 or 98</i>	<i>5 or 95</i>	<i>10 or 90</i>	<i>20 or 80</i>	<i>50</i>
100	2.5	3.9	5.4	7.2	9.0
300	1.5	2.3	3.1	4.2	5.2
500	1.1	1.8	2.4	3.2	4.0
1,000	0.8	1.2	1.7	2.3	2.9
5,000	0.4	0.6	0.8	1.0	1.3
10,000	0.3	0.4	0.5	0.7	0.9
20,000	0.2	0.3	0.4	0.5	0.6
30,000	0.1	0.2	0.3	0.4	0.5
150,000	0.1	0.1	0.1	0.2	0.2

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Symbols

- - - Data not available
 - . . . Category not applicable
 - Quantity zero
 - 0.0 Quantity more than 0 but less than 0.05
 - * Figure does not meet standards of reliability or precision
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