

## Reclassifying Health Insurance Coverage for the Indian Health Service in the Current Population Survey: Impact on State Uninsurance Estimates

### BACKGROUND

The U.S. Department of Health and Human Services Indian Health Service (IHS) has as its mission, "...in partnership with American Indian and Alaska Native people, to raise their physical, mental, social, and spiritual health to the highest level." Eligibility for IHS is based on membership (or being a descendent of a member) in a federally recognized Indian tribe.<sup>1</sup> It is estimated that the IHS is the health service delivery system for approximately 1.6 million of the 2.6 million American Indians and Alaska Natives.<sup>2</sup>

The Current Population Survey (CPS) is the most commonly used data source for estimating the rates of health insurance coverage nationally and across states.<sup>3</sup> The way in which IHS coverage has been classified in the CPS has changed over time. Prior to 1998, those reporting IHS coverage only (IHS-only) were classified as being insured by a public program. In 1998 the Census Bureau, in consultation with the Bureau of Indian Affairs, changed the definition of insurance coverage used in the CPS so that individuals who report Indian Health Services (IHS) and no other coverage are classified as uninsured.<sup>4</sup> Although the health insurance module of the CPS (and other health insurance surveys) still includes questions about IHS coverage, from 1998 forward respondents reporting IHS-only are classified as uninsured.<sup>5</sup>

Whether IHS-only should be considered health insurance is not the focus of this analysis. However, the classification matters in that it significantly alters the estimates of the number of uninsured in some states. In this brief we examine the impact of the change in classification of IHS coverage in the CPS on rates of uninsurance at the national level and in states with large American Indian and Alaska Native (AI/AN) populations to draw attention to the relative change in uninsurance rates.

### THE IMPACT OF RECLASSIFICATION FOR SELECT STATES

States are often ranked according to their rates of uninsurance, which vary from a low of 8.3% in Minnesota to a high of 25.2% of the population lacking insurance in Texas.<sup>6</sup> The change in classification of IHS-only to uninsured has an impact not only on state rates of uninsurance, but also their ranking. We examine both the rates and the rankings for states with relatively large AI/AN populations.

Figure 1 shows the four categories of insurance status relevant to this analysis: uninsured or insured (either public or private

**Figure 1.** Change in Insurance Designation for IHS Coverage pre- and post-1998 CPS Insurance Classifications.

Insurance Categories*	Insurance Designation	
	Pre-1998	Post-1998
Insured and no IHS	Insured	Insured
Insured and IHS	Insured	Insured
IHS-only	Insured	Uninsured
Uninsured and no IHS	Uninsured	Uninsured

\*Insured = any private or public (non-IHS) coverage

insurance) by reports of IHS coverage or not, and the shift in designations of uninsured or insured before and after the Census Bureau's change in classification of IHS coverage. Relevant to this analysis are those individuals who report no private or public coverage other than IHS coverage (IHS-only). Before 1998 these individuals were considered insured; now they are considered uninsured.

Nationally, fewer than 300,000 individuals fall into the IHS-only insurance category, representing 0.1% of the total U.S. population.<sup>7</sup> The overall change in the national rate of uninsurance, as a result of this shift in the definition of coverage, is not significant (15.3% to 15.4%). Because eligibility for IHS services is dependent on being an enrolled member of a federally recognized tribe, we concentrate our analyses on states with high concentrations of individuals who potentially meet this criterion. Specifically, we examine states where five percent or more of the population self-report their race/ethnicity as American Indian/Alaskan Native (AI/AN) either alone or in combination with another race/ethnicity using population data from the 2000 Decennial Census. These seven states, in descending order of concentration are: Alaska, Oklahoma, New Mexico, South Dakota, Montana, Arizona, and North Dakota (Figure 2).<sup>8</sup> While there are other states that have large populations of individuals who self-identify as AI/AN, it is the proportion of the population that is of greater importance in consideration of the likely impact of insurance reclassification. Approximately 64% of those who report IHS-only live in these seven states.

**Figure 2:** 2000 American Indian/Alaska Native Populations by State and IHS-Region

State*	American Indian and Alaska Native alone or in combination with another race/ethnicity		IHS Area**
	Number	Percent of Population	
Alaska	119,241	19.0%	Alaska
Arizona	292,552	5.7%	Phoenix, Navajo, and Tucson
Montana	66,320	7.4%	Billings
New Mexico	191,475	10.5%	Albuquerque and Navajo
North Dakota	35,228	5.5%	Aberdeen
Oklahoma	391,949	11.4%	Oklahoma
South Dakota	68,281	9.0%	Aberdeen
United States	4,119,301	1.5%	

Source: Ogunwole, S.U. 2002. The American Indian and Alaska Native Population: 2000. Census 2000 Brief. U.S. Census Bureau.

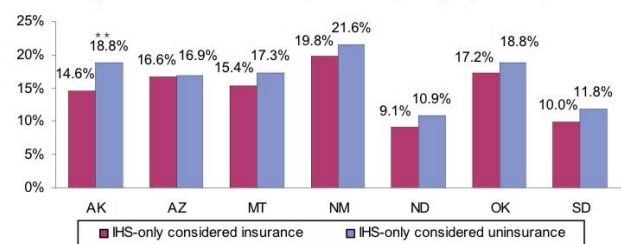
\* States with > 5% of population reporting AI/AN in 2000 Census are included.

\*\* There are twelve IHS Area Offices, serving 35 states. IHS Area Offices are designated geographic regions each of which administers multiple local service units of the IHS.<sup>9</sup>

## CHANGE IN STATE RATES OF UNINSURANCE DUE TO INDIAN HEALTH SERVICE RECLASSIFICATION

We compare uninsurance rates as measured by the CPS using the pre-1998 classification of IHS-only coverage to the uninsurance rates using the current CPS method. This analysis is based on two-year averages using pooled data from the 2003 and 2004 CPS Annual Demographic Surveys, which reflect insurance coverage in 2002 and 2003. As illustrated in Figure 3, all seven states show an increase in the rate of uninsurance as a result of classifying IHS-only as uninsurance, the current CPS method. However, the increase is statistically significant only for Alaska (14.6% to 18.8%).

**Figure 3:** Comparison of State Population Rates of Uninsurance by Classification of IHS Coverage in States with > 5% of Population Reporting any AI/AN (2002-2003)



Source: 2004, 2003 CPS; \*\*statistical difference between uninsurance rates by IHS classification at  $p < 0.01$ .

We further examine the effect of the CPS reclassification of IHS coverage by looking at how it impacts state rankings of uninsurance rates. Five of the seven states examined drop in state rankings when using the current classification (see Figure 4). In other words, the state uninsurance ranking worsened for these five states now that individuals with IHS-only are classified as uninsured. North and South Dakota showed two of the largest drops in their state ranks. Under the old classification scheme, North Dakota would have had the second lowest uninsurance rate (9.1%) and South Dakota the third lowest uninsurance rate (10.0%) outranked only by Minnesota (8.3%). Under the current classification, North Dakota's rank drops to 14th and South Dakota to 18th. Alaska shows another large drop in state ranking; from 32nd to 46th. Montana and Oklahoma also drop in rankings. With the modest change in the uninsurance rates in Arizona and New Mexico, their ranks remain constant.



**Figure 4:** Pooled State Uninsurance Rankings by IHS Insurance Classification in States with >5% of Population Reporting any AI/AN (2002-2003)

State	State Ranking by Percent Uninsured*	
	IHS-only as Insurance (Pre-1998)	IHS-only as Uninsurance (Post-1998)
Alaska	32	46
Arizona	39	39
Montana	33	42
New Mexico	50	50
North Dakota	2	14
Oklahoma	43	47
South Dakota	3	18

\* 1=lowest uninsurance rate in U.S.; Source : 2004, 2003 CPS.

## THE IMPACT OF RECLASSIFICATION ON COVERAGE RATES FOR AMERICAN INDIAN/ALASKA NATIVE POPULATIONS

Figure 5 presents uninsurance rates for the population of individuals reporting AI/AN alone or in combination with another race or ethnicity in the seven states using the two classifications (pre-1998 and post-1998) of IHS-only and compares them to the uninsurance rates of individuals who do not report American Indian/Alaska Native ethnicity. The current CPS classification of IHS-only as uninsurance results in higher uninsurance rates for AI/AN in all states considered. The difference is statistically significant for all states but Arizona. When IHS-only is considered insurance, rates drop for the AI/AN populations and are statistically the same as the rates for the non-AI/AN population in all seven states. In two states, Montana and Oklahoma, the AI/AN uninsurance rates actually drop below those of the non-AI/AN populations.

**Figure 5:** Uninsurance Rates for the AI/AN and Non-AI/AN Population Using Pre- and Post-1998 Classifications of IHS-only Coverage

	AI/AN				Non-AI/AN	
	IHS-only as Insurance (Pre-1998)		IHS-only as Uninsurance (Post-1998)		rate	s.e.
	rate	s.e.	rate	s.e.		
Alaska	17.0%	1.96	35.3% *	2.41	15.0%	1.01
Arizona	21.7%	5.81	30.5%	6.16	16.5%	0.95
Montana	13.9%	2.79	35.2% *	4.20	15.9%	1.03
New Mexico	23.1%	2.84	36.6% *	3.33	19.5%	1.00
North Dakota	12.3%	3.27	43.2% *	4.78	9.0%	0.67
Oklahoma	14.0%	2.37	24.2% *	2.75	18.1%	1.02
South Dakota	10.2%	2.23	31.2% *	3.36	10.1%	0.70

Source: 2004, 2003 CPS; \*statistical difference between AI/AN uninsurance rates by IHS classification at  $p < 0.01$ .

## CONCLUSIONS

In consultation with the Bureau of Indian Affairs, the Census Bureau changed the definition of health insurance coverage in 1998, such that those reporting having Indian Health Service and no other health insurance coverage are classified as uninsured. While this change has little influence on national rates of health insurance coverage, it increases state rates of uninsurance in states with a relatively large AI/AN population. The reclassification also significantly changes the estimates of uninsurance for the AI/AN population. These changes have an impact on these states' uninsurance rates and on their ranking of coverage in comparison to other states.

Although not defined as comprehensive health insurance, IHS coverage plays an important role in providing access to services for the AI/AN population in these and other states.<sup>10</sup> In fact, more than half of the uninsured AI/ANs in four of these states report IHS-only as their source of health care. The Indian Health Service currently provides access to health services for those living on or near reservations and to a limited number of AI/AN living in urban areas. However, the level of health services available varies across tribes.<sup>11</sup> Moreover, many question whether the IHS can continue to play this role given stagnant appropriations in the face of growing health care costs.<sup>12</sup>

This research brief is designed to draw attention to the relative change in uninsurance rates in states with a large percentage of AI/ANs as a result of the 1998 CPS change in IHS-only insurance classification. While the impact on the national uninsurance rate is not statistically significant, substantial differences are observed in both rates of uninsurance for the AI/AN populations and in the ranking of states by rates of uninsurance. While more information is needed about variation in coverage and access to care for those reporting IHS-only, it is important to recognize the presence of this group of individuals when reporting uninsurance rates for states with large AI/AN populations.

### NOTES

- 1 There are 562 federally recognized tribes in the 48 contiguous states and Alaska. Source: Bureau of Indian Affairs. "Indian Entities Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs; Notice." Federal Register, 67(134): 46327-46333 (12 Jul 2002).
- 2 Source: Indian Health Service, 2004. Indian Health Service Fact Sheet. U.S. Department of Health and Human Services. [http://www.ihs.gov/PublicInfo/PublicAffairs/Welcome\\_Info/ThisFacts.asp](http://www.ihs.gov/PublicInfo/PublicAffairs/Welcome_Info/ThisFacts.asp) Updated March 29, 2004. Accessed Feb. 7, 2005.
- 3 A detailed explanation of CPS coverage estimates is provided in "The Current Population Survey (CPS) and State Health Insurance Coverage Estimates," State Health Access Data Assistance Center (SHADAC), Issue Brief #1, March 2001. Available at <http://www.shadac.org/publications/issuebriefs/IssueBrief1.pdf>.
- 4 The decision to change the classification of Indian Health Service was implemented in the 1998 Current Population Survey. Insurance coverage estimates from the 1998 survey reflect coverage rates in 1997. Source: US Census Bureau, Housing and Household Economic Statistics Division, [www.census.gov](http://www.census.gov), <http://www.census.gov/prod/3/98pubs/p60-202.pdf>
- 5 For example, The National Health Interview Survey classifies individuals with IHS-only as uninsured. Source: National Center for Health Statistics, <http://www.cdc.gov/nchs/datawh/nchsdefs/healthinsurancecov.htm>
- 6 Source: 2003 and 2004 pooled CPS data.
- 7 Source: 2003 and 2004 pooled CPS data.
- 8 Ogunwole, Stella U. 2002. The American Indian and Alaska Native Population: 2000. Census 2000 Brief. U.S. Census Bureau.
- 9 Indian Health Service. Regional Differences in Indian Health, 2000-2001. Rockville, MD: U.S. Department of Health and Human Services, Indian Health Service, Office of Public Health, Program Statistics Team.
- 10 Dixon, M. (2001). Access to Care Issues of Native American Consumers. In M. Dixon & Y. Roubideaux (Eds.), *Promises to Keep: Public Health Policy for American Indians & Alaska Natives in the 21st Century* (pp. 61-88). Washington DC: American Public Health Association; Zuckerman, Stephen, Jennifer Haley, Yvette Roubideaux, and Marsha Lillie-Blanton. 2004. Health service access, use, and insurance coverage among American Indians/Alaska Natives and Whites: What role does the Indian Health Service Play? *American Journal of Public Health*. 94(1):53-59.
- 11 Dixon, M. (2001).
- 12 Kunitz, Stephen J. 1996. The History and Politics of US Health Care Policy for American Indians and Alaskan Natives. *American Journal of Public Health*. 86(10): 1464-1473; Indian Health Service. 2001. IHS Issue Summary: Eligibility. <http://info.ihs.gov>

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