

An Introduction to Redesigned Health Insurance Coverage Questions in the 2014 Current Population Survey’s Annual Social and Economic Supplement

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Summary

This brief discusses the addition of new and modified health insurance coverage questions to the 2014 CPS. The question series was completely redesigned to:

- Improve the measure of past year coverage
- Add a point in time measure
- Collect additional information related to health reform (exchange participation and employer-offers of coverage)
- Provide coverage by month

Introduction

The Current Population Survey (CPS), conducted by the U.S. Census Bureau for the Bureau of Labor Statistics, is designed to provide monthly data on labor force participation and unemployment for the civilian non-institutionalized population. Data on health insurance coverage, income, and non-cash employment benefits are collected once each year through the Annual Social and Economic Supplement (ASEC), which is administered February through April. The survey provides annual estimates for the nation and states. The reference period for both the income and health insurance questions is the calendar year prior to the survey.

The question series has undergone several changes over the years (Davern et al. 2003; SHADAC 2009; Ziegenfuss and Davern 2011; Boudreaux and Turner 2011). This brief discusses the most recent change: the addition of new and modified health insurance coverage questions to the 2014 CPS. The health insurance coverage questions were completely redesigned to 1) improve the measure of past year coverage, 2) add a point in time measure, 3) collect additional information related to health reform (exchange participation and employer-offers of coverage), and 4) provide coverage by month. This brief provides an overview of the new and modified content.

New and Modified Health Insurance Coverage Questions

For decades, the Census Bureau and external researchers have recognized several flaws in the CPS health insurance questions which cause it to over-estimate the number of uninsured (Davern et al. 2007; Pascal 2008; DeNavas-Walt et al. 2013). The new and modified health insurance coverage questions are designed to reduce recall error, reduce respondent fatigue, to improve comprehension, and to provide additional information about employer offers, reasons why eligible workers do not take-up employer sponsored coverage, purchase of coverage on health insurance exchanges, and the receipt of subsidies (U.S. Department of Commerce and U.S. Census Bureau 2013/2014; U.S. Census Bureau 2014). The modifications are described below.

To address the recall error, the respondent is first asked about their current coverage and is then asked when that coverage began and if other coverage was held in any month from the start of the previous calendar year through the date of interview. While extensive experience with the CPS’s previous year reference period suggests considerable difficulty in measuring coverage status held in the past, the health insurance estimates from the CPS must align with the previous year income and non-cash benefit measures. In addition to providing a point-in-time estimate, the new questions attempt to improve recall of past coverage by anchoring the respondent to a specific time point before asking about past year coverage.

In the household level design of the traditional CPS, respondents were asked if anyone in the



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household had a certain type of coverage and if so which persons were covered. This led to a tendency for coverage of certain household members to be missed, but switching to a person-level design where each person is asked the entire question series increases respondent burden (Hess et al. 2002). To improve accuracy without increasing respondent fatigue, a hybrid of the household and person level design was developed. Questions are first asked at the person-level with follow-up questions to determine if others in the household also have an identified coverage type. For the additional household members their coverage is verified, if already identified, and they are asked if they had any additional coverage. The full question series is only asked of additional household members if they have not had any coverage identified in the first-pass through the question series.

Understanding sources of health insurance coverage can be confusing, so to improve comprehension the question series is designed to capture coverage in a more intuitive way, with a series of shorter and simpler questions. First, a general coverage question is asked before asking more detailed questions about source. The questions are designed to drill-down as needed, clarify areas of ambiguity, and re-route respondents to the correct coverage path to capture people and households with more complicated coverage. Most respondents should be able to quickly identify their coverage and avoid many of the detailed follow-up questions. The entire question series is not asked of every respondent. The questions are also targeted in places to better capture underreported plans (e.g., respondents age 65 and older or disabled are first asked about Medicare coverage while other respondents are asked the general “do you have coverage now?” question).

In addition to modifications to the general structure of the health insurance questions, the revised CPS asks new questions about whether coverage was purchased on an exchange or marketplace and if the premiums are subsidized. The questions use a state specific name fill so that respondents are asked about the specific exchange that operates in their state. There are also new questions targeted at workers that do not have coverage through their jobs. They determine if a person’s employer offers coverage to

any of its employees, if the person is eligible for that coverage, and if they are eligible, why they did not take up coverage.

Evaluations of the New Health Insurance Questions

The new health insurance questions were developed and evaluated over the course of several years of pilot-testing that involved qualitative interviews, randomized survey experiments, and a “content test” in which the new questions were embedded into the full version of the CPS and fielded on a test sample using the Census Bureau’s regular interviewing procedures (Pascale 2009; Pascale 2012; Pascale et al. 2013; Boudreaux et al. 2013; Brault et al. 2014).

While these evaluations are informative they do not perfectly mimic the environment of the regular CPS. Test samples have different characteristics than the regular CPS and test respondents respond at different rates than regular survey respondents. Therefore, results should be interpreted with caution.

The most recent evaluation of the new questions, conducted in 2013, suggests that the new question series produces a lower rate of all-year uninsured than the traditional CPS, as was hoped (Brault et al. 2014). This finding appears relatively consistent across race and age groups. The additional coverage measured by the new instrument appears to be concentrated in private coverage. The new question series estimates a smaller rate of Medicaid coverage and about equal levels of Medicare coverage. Future research that merges survey responses from the new question series to administrative records of health insurance coverage is needed to more fully measure the validity of the new instrument.

The new question series will provide new content that can be used to monitor sources of health insurance and changes in coverage over the course of a calendar year. However, because of these new changes, estimates from the 2013 traditional CPS (which provides coverage for calendar year 2012) and the 2014 redesigned CPS (which provides coverage for calendar year 2013) will not be comparable. The redesigned 2014 CPS does capture information from the year

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prior to full implementation of the Affordable Care Act (ACA) which can be contrasted with the 2014 calendar year coverage from the 2015 CPS. However, trend analysis that incorporates data for years prior to 2013 will not be possible. Other surveys such as the American Community Survey, the National Health Interview Survey, and the Medical Expenditure Panel Survey will provide a consistent time series.

September 2014 Data Release

In addition to implementing the new and modified health insurance coverage questions, new and modified income questions were implemented. In the 2014 CPS, the entire sample received the new and modified health insurance coverage questions, but the sample was split with a phase-in schedule for the new and modified income questions. Five-eighths of the sample received the traditional income questions and three-eighths of the sample received the new and modified income questions. The health insurance coverage questions were not implemented with a phase-in schedule so that year-to-year comparisons over 2013 and 2014 can be made using the full sample. The smaller sample size of the phase-in schedule makes it more difficult to detect differences between years.

For the data release in September 2014, the Census

Bureau plans to split the annual “Income, Poverty, and Health Insurance” report into two products. The CPS Income and Poverty report will be released first followed by a Health Insurance report that includes both CPS and ACS estimates to provide a broader picture of coverage. The Census Bureau is still finalizing the details of the data release, but it is likely that all of the new health insurance content (e.g., month-level estimates) won’t be available until a later date.

About SHADAC

The State Health Access Data Assistance Center is an independent health policy research center located at the University of Minnesota School of Public Health. SHADAC is a resource for helping states collect and use data for health policy, with a particular focus on monitoring rates of health insurance coverage and understanding factors associated with uninsurance. For more information, please contact us at shadac@umn.edu, or call 612-624-4802.

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