

Source of Coverage
2012
Life & Health Actuarial, NJ DOBI
3/12/2015

This is an overview of the source of health coverage for the New Jersey population in 2012. It is an approximation rather than an exact count. It is prepared from many sources, including the Current Population Survey (CPS) which is subject to statistical error. There are many other sources of inaccuracy, including misreporting of coverage status, inconsistent treatment of out-of-state residents or contracts, and double-counting from multiple sources of coverage such as Medicare and employment-provided coverage for employees over 65.

Source of Coverage for 2012

According to the Current Population Survey (CPS) conducted by the US Census Bureau, 7,502,000 (86.0%) of the 8,725,000 residents of New Jersey had health coverage. The remaining 1,223,000 had no coverage at any time during the year.

For comparison, in 2011, 84.6% of the population had coverage, so the percentage covered did increase.

Lack of insurance largely affects those under age 65. Of the 7,451,000 such residents, 1,189,000 or 16.0% were uninsured. (In 2011, the percentage of this group uninsured was 17.7%).

Of the 1,274,000 people in NJ age 65 and older, 1,239,000 (97.3%) have some form of coverage. Almost all (1,143,000) are covered by Medicare (although many also have coverage from a private employer.)

Source of coverage for those Under Age 65

Of the 7,451,000 under 65 residents, 5,018,000 (67.3%) receive employer-sponsored coverage, as an employee, retiree, or dependent. Employer-sponsored coverage includes both insured and self-funded plans for private employers and civilian employees of the Federal, state, and local governments, as well as multi-employer plans. Adjusting for employees and dependents over 65 who are also covered by Medicare, we classify the 5,018,000 thusly

| | |
|---|-----------|
| Insured large and small group | 1,403,000 |
| State of NJ programs (state, local, education) | 805,000 |
| Federal civilian employees | 127,000 |
| Self-funded programs (including multi-employer) | 2,683,000 |

Of the 2,683,000 people covered by self-funded programs, we estimate that 2,300,000 are in programs administered by a licensed health carrier (such as Horizon BCBS, Aetna, or Oxford) but not subject to state regulation because the employer bears the risk of the program. The other 400,000 are in programs administered by non-carrier TPA's (such as Qualcare).

Medicaid/Family Care, operated by New Jersey Department of Human Services with substantial funding from the Federal government, covers about 1,217,000 people under 65 (as well as about 84,000 of those 65 and older covered by Medicaid).

Other sources of coverage total 305,000 including the commercial individual market (IHC program) with 144,000, military coverage (131,000) and student coverage (about 30,000)

In summary

| | Under 65 | 65 over | Total |
|-----------------------------------|-----------|-----------|-----------|
| 65 over (most Medicare) | | 1,239,000 | 1,239,000 |
| Employer Sponsored (detail above) | 5,018,000 | | 5,018,000 |
| Medicaid | 1,217,000 | | 1,217,000 |
| Other (IHC, Student, Military) | 305,000 | | 305,000 |
| Uninsured | 1,189,000 | 35,000 | 1,224,000 |
| Total | 7,729,000 | 1,274,000 | 9,019,000 |

The under 65 total, 7,729,000 exceeds the under 65 population of 7,451,000 by 278,000 or about 3.7%. The error may be due to differences in timing and design of the reports. Also, a slight excess is to be expected since it is almost impossible to account for all multiple sources of coverage.

About 496,000 people age 65 and over receive some form of employment based coverage in addition to Medicare coverage for which they are eligible. Employer-sponsored coverage is the primary source for the sizable fraction of that number who remain in the work force with a large employer. However for simplicity these people are classified as insured by Medicare.

Reconciliation with other Statistics

Some figures differ from the underlying sources, primarily to adjust for multiple sources of coverage without adding undue complexity.

Total enrollment for the NJ insured large group and small group markets was 1,542,000 (source: NJ DOBI). This was reduced by 9.0% to 1,403,000 to adjust for covered people 65 and over who are also counted in Medicare. (9.0% is the ratio -- based on the CPS -- of 496,000, people 65 and over with employer sponsored coverage to 5,514,000, total people with employer sponsored coverage.)

Another estimate of total enrollment for the NJ insured large group and small group markets is 1,451,000 (compared to the 1,542,000 in the reported enrollment on financial statements.) This is obtained by the total insured reported in the so-called Joint Provider Negotiation Reports (JPN) of 1,765,000, reduced by IHC enrollment (144,000), Federal employee enrollment (140,000), and student enrollment (30,000)

Both the carrier financial enrollment and the JPN are inaccurate. The Carrier numbers include people covered under NJ employer contracts who reside elsewhere, and exclude NJ residents who are covered by contracts written out of state, whether or not the carrier does business in NJ. The JPN numbers include New Jersey residents who are covered by NJ licensed carriers, whether or not the contract is written in NJ. But they do not include NJ residents covered by an out-of-state contract written by a carrier not licensed here, for example IBC or a NY BC plan.

Carriers report 2012 yea-end enrollment of 140,000 in the Federal health program for civilian employees. This was reduced by 9.0% to 127,000 to adjust for recipients age 65 and over.

NJ Division of Pensions and Benefits, administrator of the health benefit programs for NJ state, local, and education employees, reported total enrollment of 885,000 at the end of 2012. This was reduced by 9.0% to 805,000 to account for age 65 and over recipients.

NJ DMAHS, responsible for Medicaid and Family Care, reports enrollment of 1,301,000 as of Dec. 2012. This was reduced by 84,000, the number of aged recipients. (The CPS reports 74,000 aged recipients of Medicaid.)