

Source of Coverage
2011
Life & Health Actuarial, NJ DOBI
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This report gives an overview of the source of health coverage for the New Jersey population in 2011. 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 2011

According to the Current Population Survey (CPS) conducted by the US Census Bureau, 7,316,000 (84.6%) of the 8,652,000 residents of New Jersey had health coverage. The remaining 1,336,000 had no coverage at any time during the year.

However, uninsurance is largely a problem for those under age 65. Of the 1,213,000 people in NJ age 65 and older, 1,190,000 (98.1%) have some form of coverage, the vast majority 1,088,000 with Medicare.

Of the 7,439,000 residents under 65, 1,313,000 (17.7%) are uninsured. We discuss below the coverage for the remainder.

Source of coverage for Under Age 65

Of the 7,439,000 under 65 residents, 4,812,000 (64.7%) 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 4,812,000 thusly

Insured large and small group	1,485,000
State of NJ programs (state, local, education)	777,000
Federal civilian employees	131,000
Self-funded programs (including multi-employer)	2,419,000

Of the 2,404,000 covered by self-funded programs, we estimate that 2,000,000 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 1,184,000 people under 65 (as well as about 75,000 65 and older also covered by Medicare).

Other sources of coverage total 281,000 include the commercial individual market (IHC program) with 135,000, military coverage (118,000) and student coverage (about 28,000)

In summary

	Under 65	65 over	Total
65 over (most Medicare)		1,190,000	1,190,000
Employer Sponsored (detail above)	4,812,000		4,812,000
Medicaid	1,184,000		1,184,000
Other (IHC, Student, Military)	281,000		281,000
Uninsured	1,313,000	23,000	1,336,000
Total	7,590,000	1,213,000	8,803,000

The under 65 total, 7,590,000 exceeds the under 65 population of 7,439,000 by 151,000 or about 2%. This is probably as good a fit as can be expected, given the 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 475,000 people age 65 and over receive some form of employment based coverage in addition to Medicare, for which they are eligible. For the sizable fraction of that number who remain in the work force with a large employer, employer-sponsored coverage is the primary source. These people would probably be more accurately classified as “employer-sponsored”. However, this refinement is difficult to estimate, and is as likely to confuse as to illuminate.

Reconciliation with other Statistics

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

Total average enrollment for the NJ insured large group and small group markets was 1,632,000 (source: NJ DOBI). This was reduced by 9.0% to 1,485,000 to adjust for covered people 65 and over who are also counted in Medicare. (9.0% is the ratio based on the CPS of 475,000, people 65 and over with employer sponsored coverage to 5.287,000, total people with employer sponsored coverage.)

Carrier reports to NJ DOBI give 2011 yearend enrollment of 144,000 in the Federal health program for civilian employees. This was reduced by 9.0% to 131,000 to adjust for 65 and over, as in the commercial market.

NJ Division of Pensions and Benefits, administrator of the health benefit programs for NJ state, local, and education employees, reported total enrollment of 854,000 at the end of 2011. This was similarly reduced by 9.0% to 777,000 to account for 65 and over beneficiaries. (A more precise adjustment might be possible, but probably not necessary for purposes of this report.)

NJ DMAHS, responsible for Medicaid and Family Care, reports enrollment of 1,259,000 as of early 2012. This was reduced by 75,000, the number the CPS reports for Medicare over 65 also receiving Medicaid. The precision of this adjustment could be increased by review of Medicaid reports.