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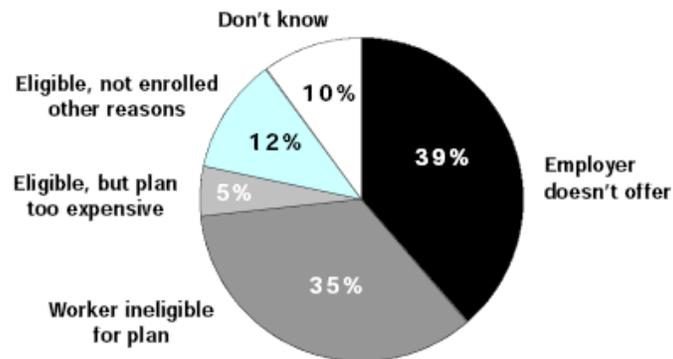
Uninsured Young Adults

As of 2005 The United States was home to over 46.5 million people living without health insurance. Young adults, defined as individuals between the ages of 18 and 24, have the highest percentage of uninsured individuals nationwide.¹ (Corresponding data for the state of Vermont contained an inadequate sample size to provide a reliable estimate of the proportion of 18-24 year olds uninsured in the state.)

Contributing Factors to Youth Being Uninsured

Most young adults who choose not to go to college get dropped by their parents' insurance upon graduating high school. Many of these individuals are likely to begin their working careers in low-wage, intro-level temporary/part-time positions that do not offer health insurance.²

Why Uninsured Workers Ages 18-29 Lack Coverage

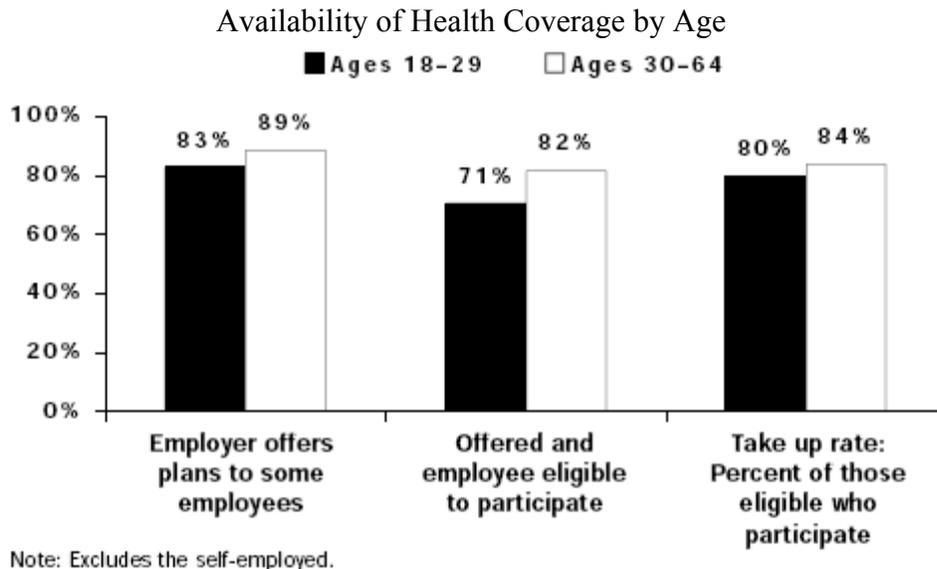


Source: Quin, Kevin. "On Their Own Young Adults Without Health Insurance." The Commonwealth Fund, May 2000.

¹ U.S. Census Bureau, Current Population Survey, 2005 and 2006 Annual Social and Economic Supplements.

² Stanton MW. "Employer-Sponsored Health Insurance: Trends in Cost and Access." *Research in Action Issue 17*. US Department of Health and Human Services, Agency for Health Research and Quality Publication No. 04-0085, September 2004. <http://www.ahrq.gov/research/empspria/empspria.htm>, accessed March 22, 2007.

Another reason many small employers cannot offer health insurance to its' employees is the rapidly increasing insurance premiums in the current market. During the last five years the average annual increase of inflation has been 2.5%, while health insurance premiums for small firms have risen, on average, 15% each year.³



Source: Quin, Kevin. “On Their Own Young Adults Without Health Insurance.” The Commonwealth Fund. May 2000.

Handicapped Insured

Vermont along with Maine, New Hampshire, and Oregon all passed laws last year that increased the rights of mentally and physically handicapped individuals by extending the insurance coverage to those people. In Vermont the statute 4089d includes handicapped individuals under their policy holders dependent status, and can not be dropped from their plan when the reach the age of 18.⁴

Coverage for Grandchildren

Maryland, Minnesota, New York, and Texas have all passed laws that include “grandchild” in their states definition of a dependent, and made insurance companies provide mandatory coverage to these individuals. Texas’ law increases the coverage of grandchildren until their 25th birthday as long as they remain unmarried, and regardless of if they are in school.⁵

³ The Henry J. Kaiser Family Foundation. Employee Health Benefits: 2005 Annual Survey. 15 September 2005. <http://www.kff.org/insurance/7315/index.cfm>

⁴ National Conference of State Legislatures, “The Changing Definition of ‘dependent’ Who is Insured and For How Long?” <http://www.ncsl.org/programs/health/dependentstatus.htm>, January 2007, accessed, April 4, 2007.

⁵ Ibid.

Legislative Action by State

The NCSL documented⁶ the following state actions concerning uninsured young adults:

Colorado: Chapter No. 322 was enacted January 1st 2006 and says that any child is considered a dependent until their 25th birthday. The only things that would disqualify an individual are if they are married, financially independent, or do not share the same permanent address as the insurance provider does.

Delaware: Chapter No. 419 was signed by the governor on July 10th 2006 and required insurance providers to cover kids until the age of 24. Insurance companies are able to charge more for dependent insurers over the age of 18, but the coverage can not exceed 102 percent of the policy's cost for the child before they were 18 years old.

Massachusetts: Chapter No. 58 was enacted on April 12th 2006 and produced a comprehensive health care reform that said dependents are able to stay on their parents coverage for two years past the age of dependency, or until the age of 25. Massachusetts also set up a lower-cost insurance coverage offered through the Commonwealth Health Insurance Connector that provided insurance for 19-26 year olds.

New Jersey: Chapter No. 375 was passed in 2005 and is the most favorable law for young adults in the US. The law states that a dependent may be covered until the age of 30 as long as they have no children themselves. The law also says that the insurance provider can increase the coverage rate but can not exceed 3% of the premiums.

New Mexico: Statute 13-7-8 says that no insurance company may terminate a dependent's coverage before their 25th birthday regardless of if the dependent is enrolled in higher education or not.

Oregon: Has no specific coverage for young adults. However their laws do cover disabled adult children.

Pennsylvania: The law mandates that full-time students whose studies are interrupted by military service in the reserves or the National Guard must be extended coverage as dependents of their parents until they finish school regardless of age.

Rhode Island: If an insurance plan covers dependent children, it must cover unmarried children until the age of 19. If the children are students and as a result are financially dependent the plan must cover them until the age of 25. Additionally, if the dependent child is physically or mentally disabled the coverage must continue past the age of 25.

⁶ Ibid.

South Dakota: An insurance provider can not end coverage to a dependent until said person is 19. If the dependent is enrolled in an educational institution the coverage cannot end until the person is 24.

Texas: A person may be considered a dependent and be covered if the person is a student until the age of 25. If a person is not a student their dependency status ends at age 19.

Utah: The law states that coverage for unmarried dependents must continue until the person's 26th birthday, regardless of higher education or not.

Compiled in response to a request from Representative Martha Heath by Derek Stewart, Kensington Moore, and Ben Kahn under the supervision of Professor Anthony Gierzynski on April 4, 2007.

Disclaimer: This report has been compiled by undergraduate students at the University of Vermont under the supervision of Professor Anthony Gierzynski. The material contained in the report does not reflect the official policy of the University of Vermont.