Health Insurance and Poverty of the Older Population in the United States: The Importance of a Health Inclusive Poverty Measure**
Sanders Korenman, Dahlia K. Remler & Rosemary T. Hyson

Rationale & Background

• Health care is a basic need (UN Declaration of Human Rights, 1948, Article 25)
• US government spends > $1T annually on health insurance benefits; $700B+ on elderly
• US does not have universal health insurance
• Insured pay substantial costs out-of-pocket
• US poverty measures include no health needs or resources (NAS, 1995. Measuring Poverty)

Therefore, US poverty measures cannot validly show effects on poverty of either uninsurance or health insurance benefits

• How large are the distortions?

Aims & Objectives

• Use the HIPM to assess impact of health insurance, social insurance, and means-tested benefits (MTBs) on poverty rates of population 65+
• Rate differences by race, Hispanic origin, age, etc.
• Compare poverty rates & populations classified as poor between HIPM & SPM (a US Census measure)

Findings from HIPM analyses

1. Medicare second only to Social Security (non-medical social insurance) in reducing elderly poverty: > 25 percentage point impact. (left)
2. Young-old difference in poverty larger with HIPM due to Medicare eligibility at age 65; children, especially, appear poorer. (above)
3. HIPM classifies a less-advantaged 65+ population as poor than Supplemental Poverty Measure (SPM): e.g., less-educated, fewer homeowners, more non-whites. (not shown)
4. HIPM may more completely describe poverty and more accurately guide policy

References (HIPM)

Korenman & Remler, 2016. J Health Econ
Remler, Korenman & Hyson, 2017. Health Affairs
Korenman, Remler & Hyson, 2019. Soc Serv Rev
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HIPM (health-inclusive poverty measure; see refs)
1. Puts a need for health insurance in threshold
2. Includes health benefits in resources
3. Non-fungibility of health insurance: ensures health benefit value never exceeds threshold health insurance need since insurance cannot pay for non-health needs (food, shelter)
4. Incorporates out-of-pocket payments for insurance premiums and health care

Data & Methodology

• Current Pop. Survey, ACA & Medicare plan data
• Accounting impact estimates, non-causal

Census SPM v. HIPM Poverty Rates by Age

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