



The Rural Uninsured

*Facts, Statistics and Information **

A greater proportion of rural residents than urban residents are uninsured.

- As population density and proximity to urban areas decrease, rural uninsured rates increase. In the smallest and most remote rural areas (population less than 2,500), the uninsured rate is 23% compared to an urban rate of 19%.
- Between 1997 and 2005, public sources of coverage – Medicaid, SCHIP, Medicare, and TRICARE – have been particularly important in offsetting loss of private coverage in rural areas.

Persons living in rural areas that are not adjacent to urban areas are at higher risk of being uninsured.

- Residents of rural communities not adjacent to urban areas are more vulnerable to being uninsured than residents of urban areas and rural communities that are in close proximity to more populated areas.

Compared to urban adults, rural adults are more likely to be not employed or to work for employers that do not sponsor health insurance coverage.

- Nearly one-third (30%) of uninsured rural residents are not employed compared to 27% of urban residents.

The rural uninsured often work for small firms and are paid low wages.

- Workers employed by small firms represent 69% of the uninsured in rural, not adjacent areas compared to 59% in adjacent and urban areas.
- In rural, not adjacent areas, low-wage workers represent 67% of the uninsured, compared to 53% in urban areas.

Self-employed and part-time workers are more likely to be uninsured in remote rural areas.

- A greater proportion of self-employed workers living in rural, not adjacent areas are uninsured (40%), compared to self-employed workers in rural, adjacent (24%) and urban (32%) areas.
- Of the uninsured in rural, not adjacent areas, one-third is self-employed, compared to 15% in rural, adjacent areas and 20% in urban areas.

- About one-third of part-time workers are uninsured, with a greater proportion uninsured in rural, not adjacent areas (30%) compared to rural, adjacent and urban areas (27%). Regardless of residence, few part-time workers are offered health insurance coverage.

Rural residents are in greater need of health reform, as demonstrated by their higher uninsured rates—particularly in the most remote rural communities.

- Comparing urban counties to rural counties that abut them (rural adjacent), the same proportion of residents is uninsured (19%). However, uninsured rates increase as population becomes sparser and proximity to urban areas becomes more remote. In the most rural communities (population less than 2,500), the uninsured rate is 23%.
- This rural-urban disparity in coverage is driven by higher uninsured rates among rural adults, among whom both the likelihood of being uninsured, and the difference compared to urban residents is higher than for children.

Improving rates of private coverage may be particularly challenging in rural areas, where employment characteristics make it difficult to sustain viable insurance pools.

- Options for increasing private coverage may have important rural considerations. Beyond the goal of expanding rural coverage, the economic impact on rural businesses is an important consideration.
- Because many uninsured have no access to employer-based coverage, analysts suggest that tax credits for individual insurance could be an effective solution. Given rural residents' looser connection to the fulltime, year-round employment market, this option could have a distinct rural benefit.

Whether based on public or private plans, reform efforts to expand health insurance coverage to rural Americans must be affordable for lower income individuals and families.

- Policy interventions should consider the limited means of the rural uninsured. For example, the creation of a public buy-in option may need to have sliding-scale premiums or subsidies to ensure the greatest rural participation. The same is true of private plan options—given their lower incomes, rural residents may be less likely to buy voluntary plans and more likely to struggle to afford a mandatory program.

**Statistics and information are from "Profile of Rural Health Insurance Coverage, a Chartbook," Rural Health Research and Policy Center, June 2009.*