

MEMORANDUM

TO: Oregonians Concerned About Health Insurance

FROM: Chuck Sheketoff

DATE: September 4, 2007

RE: *The Oregonian* Rightly Covered a Problem but Reported it Wrong

The front-page banner headline in Wednesday's *Oregonian* proclaimed "17.9% lack health insurance," and the sub-headline said that "Oregon's rising figures also have the number of uninsured children soaring 25%, a change economists say is ominous." The article claimed that more than one in six Oregonians lacked health insurance and that "[t]he number of uninsured children in the state jumped by 25 percent." The front page also included a chart that claimed that Oregon's uninsurance rate was 14th highest in the nation.

While Dr. Bruce Goldberg, Director of the Oregon Department of Human Services and quoted in the article, was correct in his observation that "[w]e have significant numbers of Oregonians who can't get access to basic health care, and we haven't made headway," unfortunately, *The Oregonian* was wrong to claim that the uninsurance rate increased and that it stands at 14th highest in the nation.

The Census estimates of the rate of uninsurance released last week were from the Current Population Survey (CPS). Among other things, the CPS is used to estimate the percentage of Americans lacking health insurance. The sample size is large compared to a political poll – the CPS surveys about 76,000 households across the nation – but for many states the sample size is too small to use a one-year number to estimate the state-level results accurately.

To address the problem of the survey sample size, Census reports -- and instructs readers to use -- two-year averages of the annual estimates for state-level health insurance data. As *The Oregonian* showed, you *can* obtain from Census the one-year estimate, but just because it's available from Census doesn't make the number an accurate estimate. As noted by *The Oregonian*, to compare state-to-state data the Census Bureau recommends the use of three-year averages of the annual estimates for each state.

So, the first mistake *The Oregonian* made was to use the one-year numbers. Had it looked at the two-year numbers provided by Census in their press materials, *The Oregonian* would have seen that there was no statistical difference in the uninsurance rate in Oregon from 2004-05 to 2005-06.

The Oregonian's second mistake was not running a statistical analysis to test whether the change in one-year numbers from 2005 to 2006 was significant. When you do run the one-year numbers through the formula statisticians use to test for significant differences, you see that there was no change from 2005 to 2006.¹ Because *The*

¹ If a difference were shown, it still would have been inappropriate to rely on the difference in the one-year figures, following the Census Bureau's instructions.

Oregonian skipped the all-important step of calculating statistical significance, it compounded its own error.

It is arguably even more important to use the two-year averages when you look at the estimates of uninsurance among kids, because they are a subset of the population subject to the annual survey (i.e., not all of the households surveyed had children). And when you do run the numbers properly you learn, contrary to *The Oregonian's* claim ("The rate of uninsured kids jumped last year from 10.4 percent to 13.1 percent"), that the percentage of Oregon kids lacking health insurance did not change from 2004-05 to 2005-06.

The Oregonian's third error was creating a graphic with a chart that not only portrayed the one-year estimates as describing an upward trend not supported by the data, but *The Oregonian* graphic wrongly claimed that Oregon had the 14th highest rate of uninsurance. *The Oregonian* ignored Census's admonition that its "ordered list" of state-by-state levels of uninsurance using three-year averages "should not be regarded as a ranking." In other words, Census notes that you cannot necessarily say that Oregon is doing better than Alaska or Montana, the two states above us on the list, or worse than Colorado and South Carolina, the two states below us on the list; the differences may not be significantly different. Yet that's what *The Oregonian's* chart implied by assigning a rank, contrary to Census instructions.

The Census numbers still strongly support the Yes on Measure 50 campaign and efforts to address health insurance for all Oregonians.

The Census information helps make the case for Measure 50, which would raise the state's tobacco tax to fund an expansion of subsidized health care for children, or to make the case for Oregon to address more broadly the problem of too many Oregonians lacking health insurance.

- The Census figures show that even though Oregon's economy has been expanding, the uninsurance rate in Oregon is not improving.
- The Census numbers show that the uninsurance rate in Oregon is higher than the national average.
- The Census numbers show that the uninsurance rate in Oregon is higher than Washington's and Idaho's. (Washington's is below the national average, while Idaho's is no different than the national average.)
- The Census numbers show that the share of Oregonians lacking health insurance was higher, by a statistically significant margin, than it was at the beginning of this decade. In 2000-01, 12.8 percent of Oregonians lacked insurance. In 2005-06, the latest period for which we have data, the share of Oregonians without insurance had jumped to 16.8 percent.

No matter how you count or estimate the number of uninsured, Oregon has too many people lacking health insurance.

See OCPP's news release *Oregonians Mired in Poverty and Lacking in Health Insurance Despite Income Gains for Typical Household* at www.ocpp.org.