

WASHINGTON STATE POPULATION SURVEY

Research Brief No. 34
April 2005

Health Insurance by Work Characteristics: 2004

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According to the 2004 Washington State Population Survey, 87 percent of non-elderly adults (aged 19 to 64)¹ had some form of health insurance at the time of the survey (see Figure 1a). Most adults reported only one health insurance plan (74 percent), but just over 12 percent reported more than one health insurance plan.

The majority of adults obtained their health insurance through their spouse's or their own employer or union (see Figure 1b). Ten percent of adults reported they purchased their own plan, seven percent reported they had coverage through Medicaid, three percent reported they had coverage through Washington State's Basic Health Care Plan, and 12 percent reported they were covered by Medicare, a military health plan, someone outside the household, or another type of plan.

In order to better understand the factors associated with different types of health insurance, the relationship between health insurance status and employment characteristics is explored. The factors examined include labor force status, family income, hours, type of employer, size of employer, industry, and union status. Since married individuals can obtain employer based health insurance through their spouse's or their own work, the relationship between hours worked and health insurance will also be examined by marital status.

Health Insurance Status By Labor Force Status and Family Income

Labor Force Status

Since the largest source of health insurance was employer or union based health insurance, it is not surprising that labor force status was strongly related to both the presence and type of health insurance.

Figure 1a: Health Insurance Status
for adults, aged 19-64

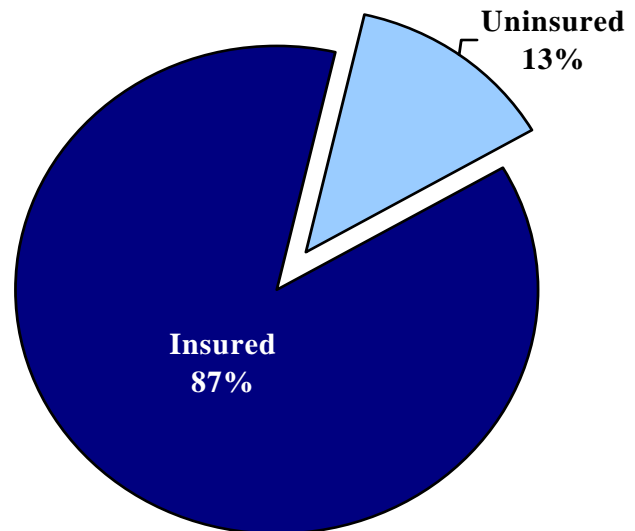
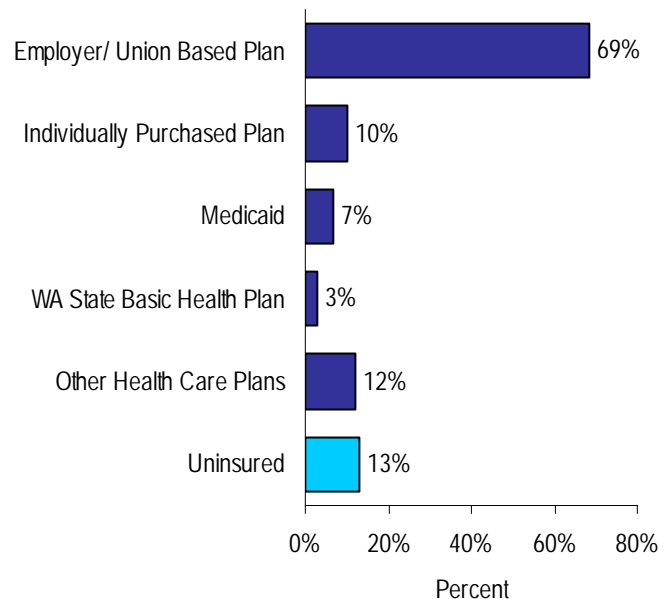


Figure 1b: Health Insurance by Plan
for adults, aged 19-64



Note: Figure totals do not add up to 100 percent because 12 percent of survey respondents report more than one health insurance plan at the same time.

The Washington State Population Survey was conducted in the spring of 2004 to provide social, demographic, and economic information about Washington. Responses were obtained from telephone interviews of 7,097 households that represented the state as a whole. The survey was designed by the Office of Financial Management (OFM) and conducted by the Gilmore Research Institute. More information about the state survey is available at: <http://www.ofm.wa.gov/sps/index.htm>. Data version 2004v3 is used in this analysis.

Figure 2a: Health Insurance by Labor Force Status
for adults, aged 19-64

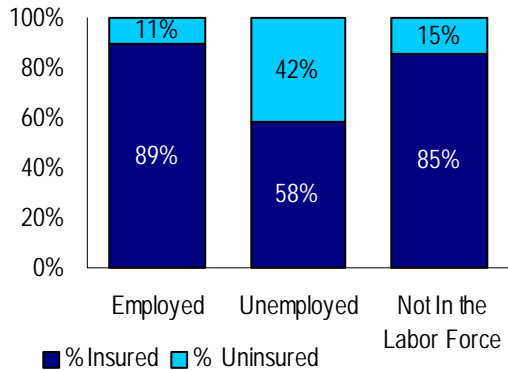


Figure 2b: Type of Health Insurance Plan by Labor Force Status
for adults, aged 19-64

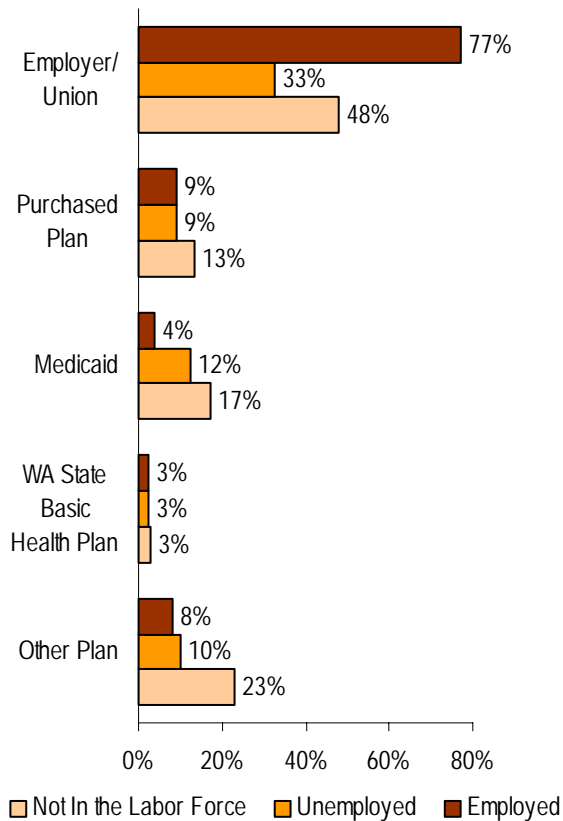


Figure reads: Seventy-seven percent of employed adults were enrolled in an employer or union based health insurance plan.

Note: The percentages in this figure do not add up to the total health insurance coverage within each labor force status (see Figure 2a) because some survey respondents reported more than one form of coverage.

Labor force status has three possible categories: employed, unemployed, and not in the labor force. Adults who were working are “employed.” Those adults who were not working but looking for work are “unemployed.” The first two categories make up those in the labor force. Adults who were not working and not looking for work are “not in the labor force.”

The employed and those not in the labor force had relatively high rates of health insurance coverage compared to the unemployed (see Figure 2a). Eighty-nine percent of the employed and 85 percent of those not in the labor force had health insurance coverage at the time of the survey. Only 58 percent of the unemployed had health insurance coverage at the time of the survey, leaving 42 percent of the unemployed uninsured.

Those who were employed were more likely to be enrolled in employer or union based health insurance compared to the unemployed and those who were not in the labor force (see Figure 2b). Seventy-seven percent of the employed were enrolled in employer or union based health insurance, compared to 33 percent of the unemployed and 48 percent of those who were not in the labor force.

Why was employer or union based health insurance coverage higher for those who were not in the labor force (48 percent) than it was for those who were unemployed (33 percent)? The higher employer or union based coverage among those not in the labor force can primarily be explained by working spouses covering non-working spouses.

The unemployed were less likely to be enrolled in other type of health insurance plan compared to adults who were not in the labor force.

Family Income

Health insurance and health insurance type varied significantly across different family income levels. Figure 3a shows those adults with family incomes that were 50,000 dollars or more had a much higher percentage of health insurance coverage than adults with family incomes less than 15,000 dollars (97 percent versus 66 percent respectively). (The federal poverty level (FPL) was defined as 15,260 dollars for a family of

three in 2003.² Washington State’s median family income was 56,461 dollars in 2003.³)

Adults with higher family incomes were much more likely to be enrolled in employer or union based health insurance. Eighty-six percent of adults whose family income was 50,000 dollars or more received health insurance through an employer or union, compared to 30 percent of adults with family incomes less than 15,000 dollars (see Figure 3b).

The percentage of adults who purchased their health insurance plans varied little across the income categories examined. Between eight and 12 percent of individuals aged 19 to 64 had purchased their own plan. There were no significant differences by family income level in the percentage of individuals who purchased their own health insurance plan.

Twenty-two percent or more of adults with family incomes under 15,000 dollars were covered by Medicaid compared to only one percent of those with income over 50,000 dollars. (Adults with higher family incomes can legitimately qualify for Medicaid under certain circumstances.⁴) The higher Medicaid enrollment among lower income adults is not surprising because adults qualifying for need-based Medicaid coverage have incomes in the lower income ranges.

The percentage of adults who reported being enrolled in the Washington State Basic Health Plan ranged from one percent at the highest family income category to six percent among adults with family incomes between 15,000 dollars and 24,999 dollars.⁵

A higher percentage of those with family income under 35,000 dollars reported enrollment in other types of health insurance plans, such as Medicare, military health insurance, or plans provided by someone outside the house, compared to those adults with family income over 50,000 dollars. Sixteen percent of adults with incomes under 15,000 dollars reported other types of health care plans compared to only nine percent of adults with family incomes over 50,000 dollars.

Figure 3a: Health Insurance by Family Income
for adults, aged 19-64

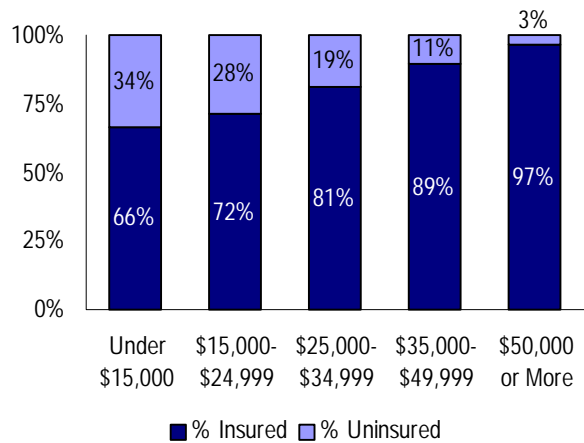


Figure 3a: Health Insurance by Family Income
for adults, aged 19-64

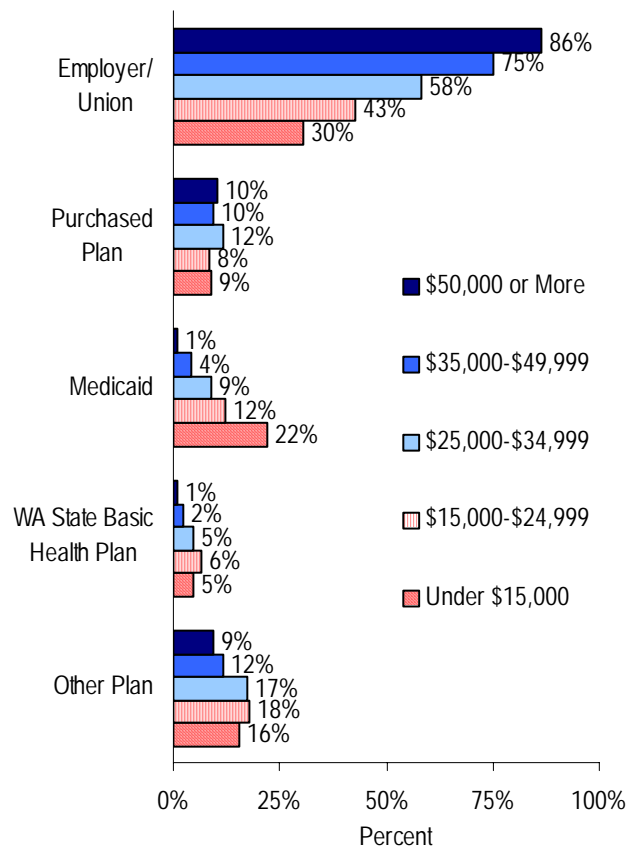


Figure reads: Eighty-six percent of adults with family incomes that were 50,000 dollars or more were enrolled in an employer or union based health insurance plan.

Note: The percentages in this figure do not add up to the total health insurance coverage within each income category (see Figure 3a) because some survey respondents reported more than one form of coverage.

Health Insurance Status by the Work Characteristics of the Employed

In this next section the health insurance status of employed adults (including the self-employed) is examined by type of employer, hours worked, size of employer, industry, and union status. Each work characteristic has some missing information (i.e. the survey respondent did not answer the question) and the number of missing responses varied by work characteristic. Only non-missing responses are presented in Figures 4a and 4b.⁶

Type of Employer

Health insurance varied by the type of employer. Those adults who work for the government or a nonprofit organization had the highest percentages of health insurance (see Figure 4a). Ninety-six percent of those employed by the government and 93 percent of those employed by a nonprofit organization had some type of insurance. Eighty-nine percent of those working for a private company and 84 percent of those working for a family business reported some form or health insurance. Finally, only 83 percent of those who were self-employed reported any type of health insurance.

Eighty-six percent of those who worked for the government and 85 percent of those who worked for a non-profit employer had employer or union based health insurance. Among those working for private companies, 79 percent were enrolled in employer or union based health insurance. Between five and six percent of those working for the government, private companies, or non-profit organizations purchased their own health insurance.

Those in family business and the self-employed had low levels of employer or union based health insurance. Only 54 percent of those working for a family business reported enrollment in employer or union based health insurance coverage. Fifty-one percent of those self-employed were enrolled in employer or union based insurance. The self-employed and those in family business largely made up the gap between overall health insurance coverage and employer or union based coverage by purchasing their own health insurance. Twenty-nine percent of both

Figure 4a: Health Insurance and Health Insurance Type by Work Characteristics
employed adults, aged 19-64

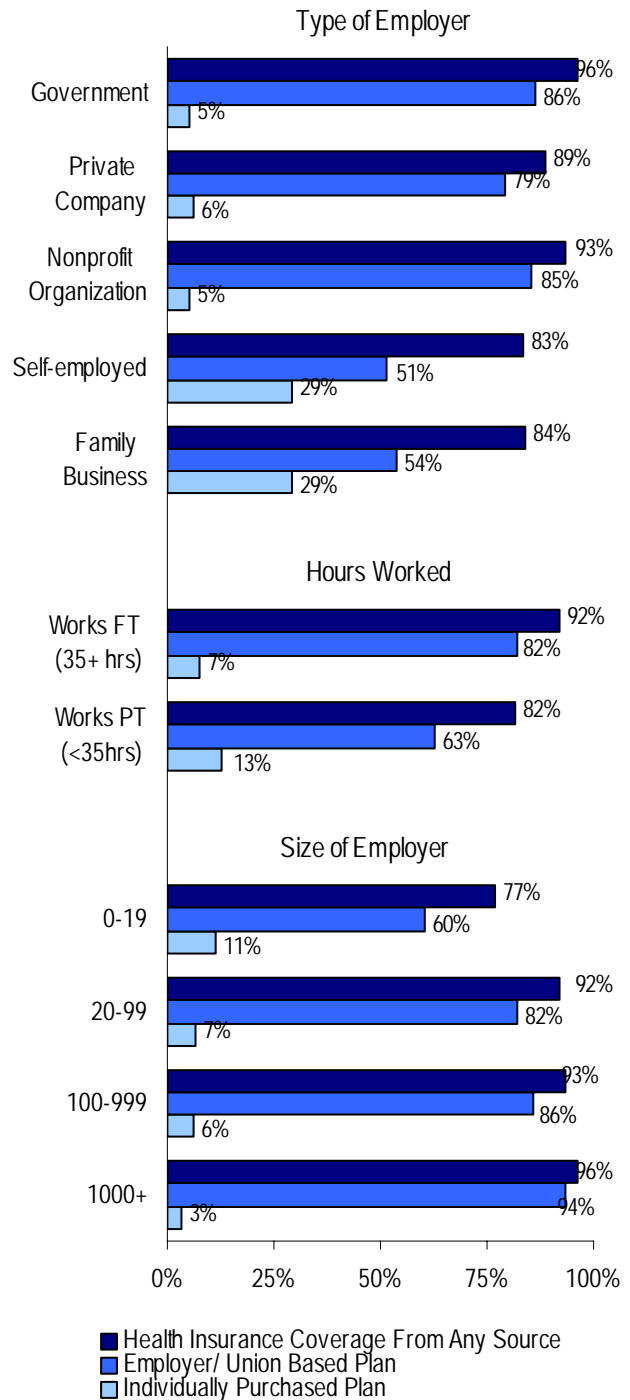


Figure reads: Of those employed by the government, 96 percent had health insurance, 86 percent were enrolled in an employer or union based health insurance plan, and five percent were enrolled in a plan they purchased themselves.

Note: Employer or union based and individually purchased health insurance categories are not additive. Adults could be enrolled in both employer or union based health insurance and their individually purchased health insurance at the same time.

the self-employed and those in family business purchased their own health insurance.

Hours Worked

The number of hours worked was also related to health insurance coverage and coverage type. Full time workers (defined as working 35 hours or more a week) were significantly more likely to have any type of health insurance than part time workers (defined as working less than 35 hours a week). Eighty-two percent of part time workers had health insurance coverage compared to 92 percent of full time workers. Although the Washington State Population Survey does not specify whether the employer based health insurance was obtained through the individual's own work or his/her spouse's work (if the individual has a spouse), there was still a noticeable difference between part time and full time workers enrolled in employer or union based health insurance coverage. Only 63 percent of part time workers were enrolled in employer or union based health insurance compared to 82 percent of full time workers.

More part time workers purchased health insurance than full time workers. Eleven percent of part time workers purchased their own health insurance compared to seven percent of full time workers.

Size of Employer⁷

According to the Employment Security Department, just over one quarter of all jobs in Washington State in 2004 were for employers with less than 20 workers.⁸ Adults who worked for employers with less than 20 employees were much less likely to have health insurance than those who worked for larger employers. As size of employer increases, so does the percentage of employer or union based health insurance and health insurance coverage from any source. Only 77 percent of those who worked for an employer with less than 20 workers had any type of health insurance compared to 96 percent of those with 1,000 or more workers. Those working for small employers were less likely to be enrolled in employer or union based health insurance and more likely to have to purchase their own health insurance than those who worked for larger employers. Sixty percent of those who worked for an employer with less than 20 workers were

enrolled in employer or union based health insurance compared to 94 percent of those who worked for an employer with 1,000 workers or more. Eleven percent of those who worked for employers with less than 20 workers purchased their own health insurance compared to three percent of adults who worked for employers with more than 1,000 workers.

Industry⁹

The rate of employer or union based health insurance coverage varied by industry. While many married individuals in industries with low levels of employer or union based health insurance were able to obtain their health insurance through their spouses' employment, obscuring industry differences, the industry differences still remain. Nearly half of employed adults work for industries such as manufacturing, transportation, communication, and utilities, wholesale and retail, and finance, insurance, and real estate¹⁰ where over 90 percent have some form of health insurance.

Employment in the service industries made up twenty three percent of all jobs in the first quarter of 2004.¹⁰ Eighty-seven percent of those in service industries had some form of health insurance coverage.

On average just over nine percent of all Washington jobs are in the agriculture, forestry, fishing, mining, and construction industries.¹⁰ Seventy-four percent of those in the agriculture, forestry, and fishing industries had some form of health insurance. Seventy-five percent of those in the mining or construction industries had some form of health insurance.

The percentage of employer or union based health insurance fell short of health insurance from any source by five percentage points among adults in the manufacturing industry and seven percentage points among adults in the transportation, communication, and utility industries. In all other industries, employer or union based health insurance fell short of health insurance from all sources by 12 to 18 percentage points.

Adults in some industries with relatively high gaps between the percentage of employer based health insurance and total percentage of health insurance were able to make up the gap by

Figure 4b: Health Insurance and Health Insurance Type by Work Characteristics
employed adults, aged 19-64

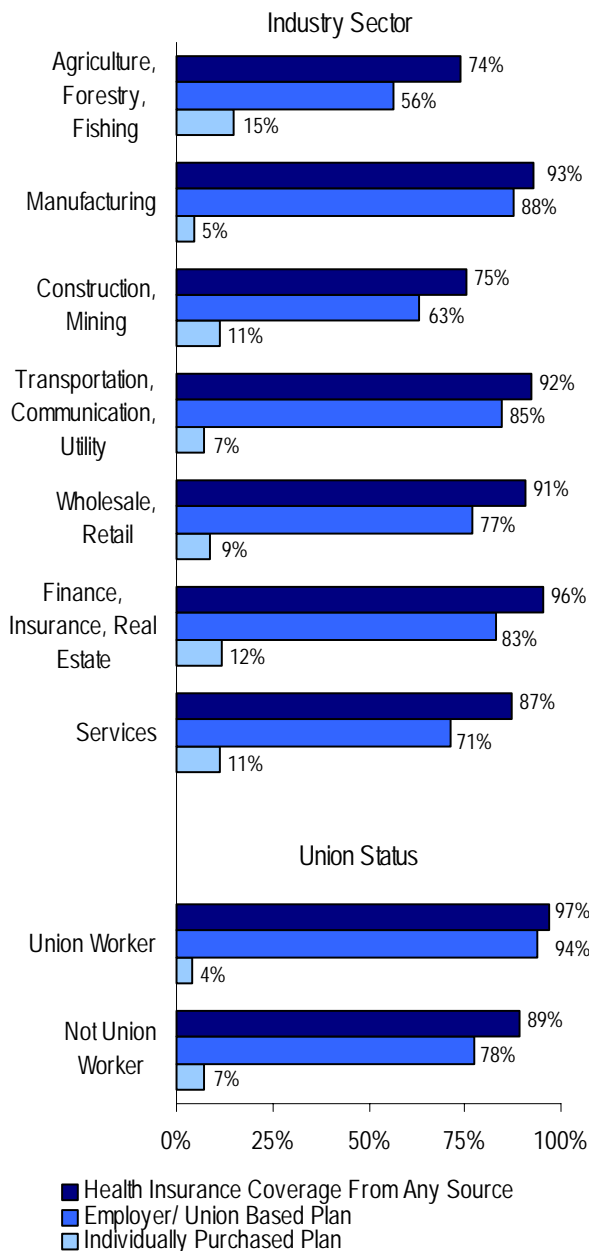


Figure reads: Of those employed in the agriculture, forestry, or fishing industries, 74 percent had health insurance, 56 percent were enrolled in an employer or union based health insurance plan, and 15 percent were enrolled in a plan they purchased themselves.

Note: Employer or union based and individually purchased health insurance categories are not additive. Adults could be enrolled in both employer based health insurance and their individually purchased health insurance at the same time.

purchasing their own health insurance. Fifteen percent of the adults employed in agriculture, forestry, and fishing purchased their own health insurance. Similarly, 12 percent of those employed in finance, insurance, and real estate and 11 percent of those employed in construction, mining, or service industries purchased their own health insurance.

Union

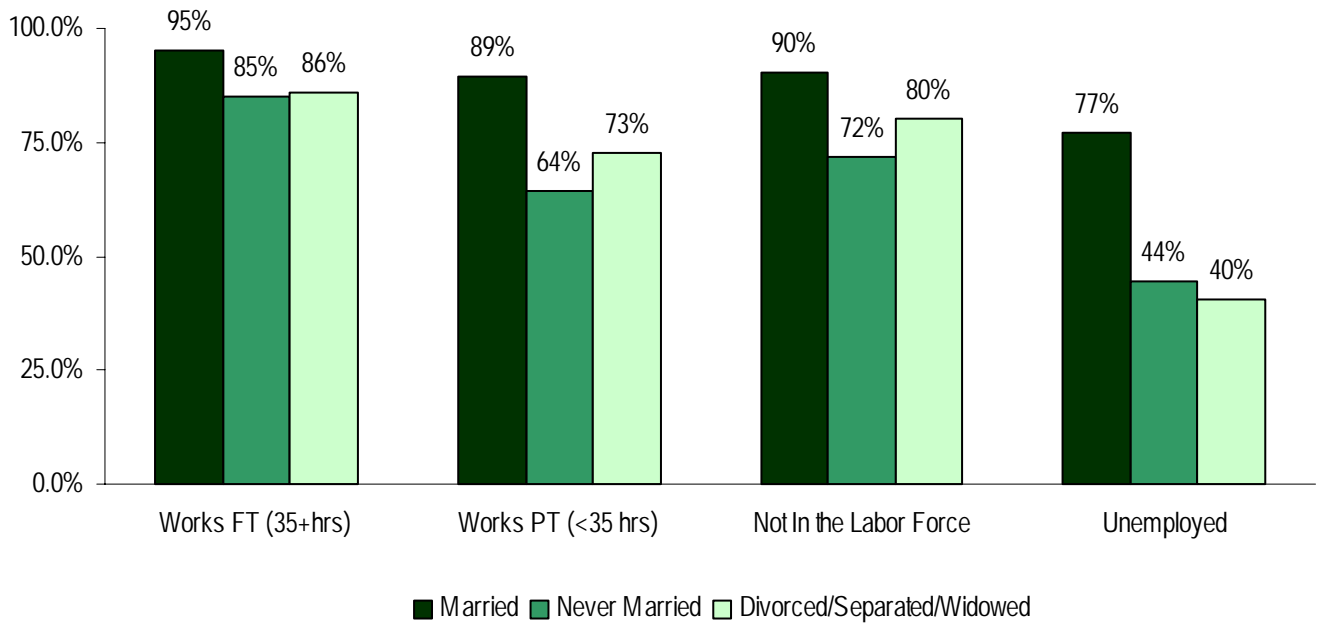
Union status was a very good predictor of health insurance status and origin. Those who were in a union were much more likely to have health insurance. Indeed, 94 percent of those who reported being a union member reported enrollment in an employer or union based health insurance plan and 97 percent reported enrollment in any type of health insurance. In comparison, only 78 percent of those who reported that they were not union members were enrolled in employer or union based health insurance and only 89 percent reported any type of health insurance.

Health Insurance and the Importance of Marital Status¹¹

Married adults were more likely to have health insurance than the previously married (i.e. divorced, separated, or widowed) and the never married. Ninety-two percent of married adults had health insurance compared to 80 percent of the previously married and 74 percent of the never married (figure not shown).

Individuals can receive employer or union based health insurance from their own employer or their spouses' employer. Husbands and wives pool their work benefits, so many married individuals' work characteristics are often irrelevant to their health insurance status. By looking at health insurance status by both hours worked and marital status, one gets a clearer picture of how individuals' work characteristics were related to their health insurance status and how marriage was related to better access to health insurance.¹² Figure 5a illustrates the clear advantage married individuals had over the never married, and the previously married when it came to health insurance coverage. This was particularly true for those who worked part time, were unemployed, and those individuals who were not in the labor force.

Figure 5a: Health Insurance by Marital Status, Labor Force Status, and Work Hours
for adults, aged 19-64



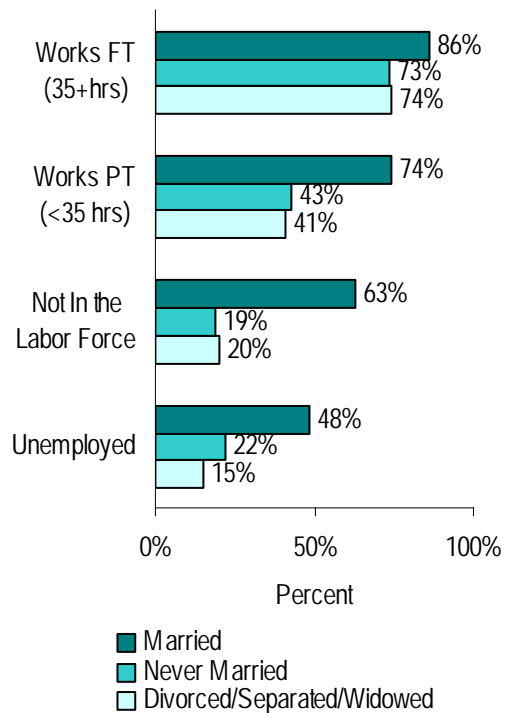
Those adults who worked full time had relatively high percentages of health insurance coverage across all three marital statuses compared to other work statuses. However, married adults still held an advantage. Ninety-five percent of married adults had health insurance compared to 85 percent of the never married and 86 percent of the previously married.

Eighty-nine percent of married individuals who worked part time had health insurance coverage. Only 64 percent of the never married and 73 percent of the previously married that worked part time had health insurance.

Those never married and previously married who were not in the labor force also had a much lower rate of health insurance coverage compared to the married. Of those who were not in the labor force, only 72 percent of the never married and 80 percent of the previously married had health insurance, compared to 90 percent of the married.

The unemployed were the least likely to have health insurance compared to the employed and those not in the labor force. Only 77 percent of married adults who were unemployed had health insurance. However, the never married and previously married did far worse. Only 44 percent of the never married and 40 percent of

Figure 5b: Employer or Union Based Health Insurance by Marital Status, Labor Force Status, and Work Hours
for adults, aged 19-64



the previously married unemployed had health insurance.

Differences in enrollment in employer or union based health insurance among the three marital statuses are shown in Figure 5b for full and part time work, unemployed, and not in the labor force. The differences among the marital statuses were smallest among full time workers. Among those who work full time, 86 percent of married individuals were enrolled in employer or union based health insurance compared to 73 percent of the never married and 74 percent of the previously married.

For part time workers, the unemployed, and those who were not in the labor force, the difference between the percentage of married individuals enrolled in employer based health insurance and the percentage of previously married or never married individuals enrolled in employer or union based health insurance was dramatic. Among those who were working part time, 74 percent of the married individuals were enrolled in employer or union based health insurance compared to only 43 percent of the never married and 41 percent of the previously married individuals. Sixty-three percent of the married who were not in the labor force were enrolled in employer or union based health insurance compared to only 19 percent of the never married and 20 percent of the previously married. Among the unemployed, 48 percent of the married were enrolled in employer-based health insurance, compared to 22 percent of the never married and 15 percent of the previously married.

Figure 5c shows the percentages of purchased health insurance across the different marital and work statuses. While the never married and previously married had much lower levels of employer based health insurance compared to the married, this did not result in significantly higher rates of purchased health insurance among the never married and previously married.

Among those who were not in the labor force, there were dramatic differences in rates of Medicaid enrollment for married compared to the never married and previously married (see Figure 5d). Among those not in the labor force, 34 percent of the previously married and never married were enrolled in Medicaid compared to only 8 percent of the married.

Figure 5c: Individually Purchased Health Insurance by Marital Status, Labor Force Status, and Work Hours
for adults, aged 19-64

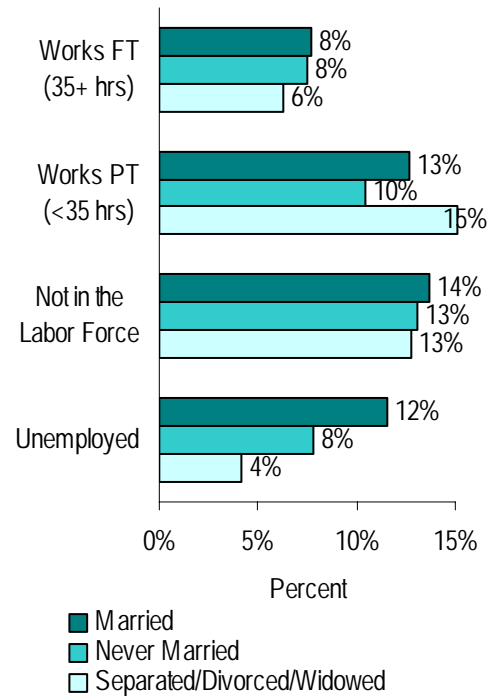
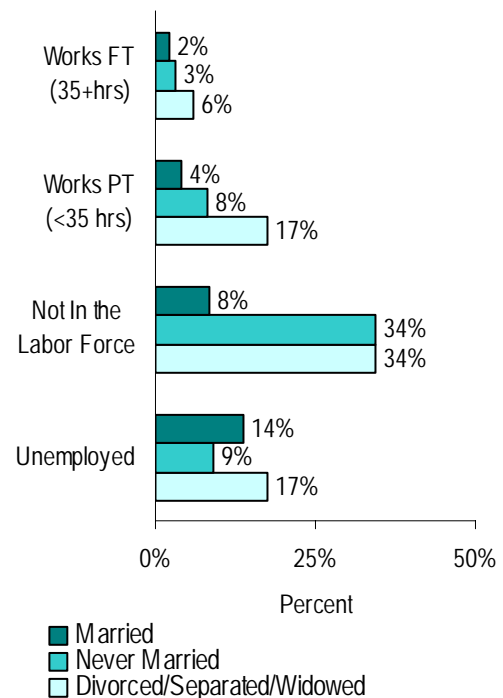


Figure 5d: Medicaid by Marital Status, Labor Force Status, and Work Hours
for adults, aged 19-64



Differences in Medicaid enrollment by marital status were also found among full time workers. While only two percent of the married who worked full time were enrolled in Medicaid, six percent of the previously married that worked full time were enrolled in Medicaid. Married part time workers were also much less likely to be enrolled in Medicaid compared to previously married part time workers.

Differences in Medicaid enrollment by marital status among unemployed workers were not statistically significant.

Summary

The 2004 Washington State Population Survey shows that most non-elderly adults obtained their

health insurance through an employer (their spouses' or their own). Employed adults were more likely to have health insurance if they were union members, worked full time, worked for a large employer, and/or worked for government, nonprofit, or private sector employers. Married adults and those with high family incomes were also more likely to have health insurance.

The adults least likely to have health insurance were those with low family incomes, the unemployed, the self-employed, part time workers, those employed by small employers, the never married and the previously married (i.e. divorced, separated, and widowed), and/or those employed in the agriculture, forestry, fishing, construction, mining, or service industries.

Notes:

1. Unmarried full time students aged 19 to 22 were excluded from this analysis because they can be covered by their parents' health insurance plan. Their health insurance status was determined more by their parents' employment characteristics than their own.
2. U.S. Department of Health and Human Services. (2003) "The 2003 HHS Poverty Guidelines" (see <http://aspe.hhs.gov/poverty/03poverty.htm>)
3. U.S. Census Bureau. (2003) "Median Family Income (In 2003 Inflation-adjusted Dollars)" (see <http://www.census.gov/acs/www/Products/Ranking/>)
4. Individuals with higher family incomes may qualify for Medicaid if they have certain kinds of disabilities, or if their family meets "medically needy" guidelines generally achieved by large medical expenses bringing the family income down to a level where they qualify for Medicaid (for more information go to: <http://cms.hhs.gov/publications/overview-medicare-medicaid/default4.asp>). In addition, some individuals may report Medicaid coverage across an employment transition. For example, individuals who are not employed and then get a high paying job may have Medicaid before getting the job and for a short time after they are employed before they become ineligible.
5. For more information on Washington's Basic Health Plan go to: <http://www.hca.wa.gov/basichealth/index.shtml>.
6. In general, respondents with missing work characteristics (not shown in Figures 4a and 4b) had lower levels of health insurance compared to all employed adults. Employed adults with missing work characteristics were also less likely to be enrolled in employer or union based health insurance, and more likely to purchase their own insurance. Employed adults with missing work characteristics were more to be enrolled in Medicaid than union workers, those working for the government, non-profits, the manufacturing industry, and employers with 1000 or more employees.
7. Those who work for the government are not included in this figure.
8. Employment Security Department (2004) "Washington State: Size of firm distribution for all ownerships, including multiple establishments, first quarter 2004." (see http://www.workforceexplorer.com/admin/uploadedPublications/3283_Size-Firm-041.xls)
9. Those adults who worked for the government are not included in this figure.
10. The data presented in Figure 4a includes self-employed adults, but the percentages cited for the distribution of employment by industry do not include self-employed workers. For data source see: Washington State Employment Security Department (2004). "State Of Washington: Covered Employment Classified by Industry, First Quarter 2004." (http://www.workforceexplorer.com/admin/uploadedPublications/3451_2004-1_Pub_revised.xls).
11. Those adults who are missing marital or hour of work information are not included in this analysis.

12. The higher percentages of health insurance found among married adults are likely due to a combination of two factors. First, individuals who have better access to health insurance are probably more likely to select into marriage and less likely to select out of marriage compared to the previously married and the never married. Second, married individuals have two chances to obtain health insurance via employment compared to previously married and never married individuals' single chance. As a result of these two factors married individuals' health insurance status is seemingly less affected by individual work characteristics compared to a single person's health insurance status.
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