

## WASHINGTON STATE POPULATION SURVEY

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## Health Insurance by Work Characteristics: 2002

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According to the 2002 Washington State Population Survey, 89 percent of non-elderly adults (aged 19 to 64)<sup>1</sup> had some form of health insurance at the time of the survey (see Figure 1a). Most adults reported only one health insurance plan (78 percent), but roughly 11 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). Eight percent of adults report that they purchased their own plan, eight percent reported that they had coverage through Medicaid, three percent reported that they had coverage through Washington State's Basic Health Care Plan, and 11 percent reported that they were covered by Medicare, a military health plan, someone outside the household, or another type of plan.

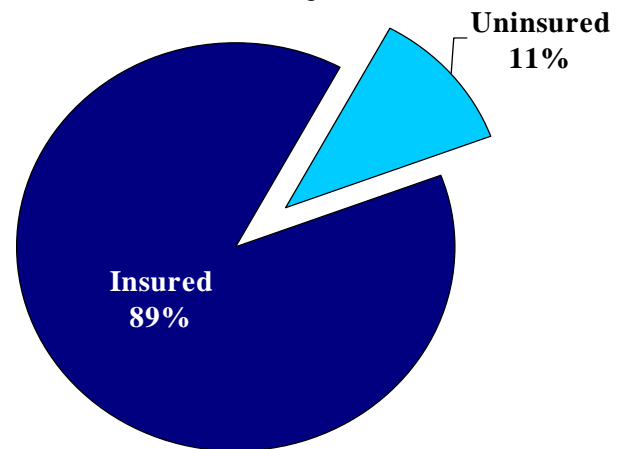
In order to better understand the factors associated with different types of health insurance, the relationship between health insurance status and employment characteristics is explored. The factors examined include labor force status, family income, hours, type of employer, size of employer, industry, 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

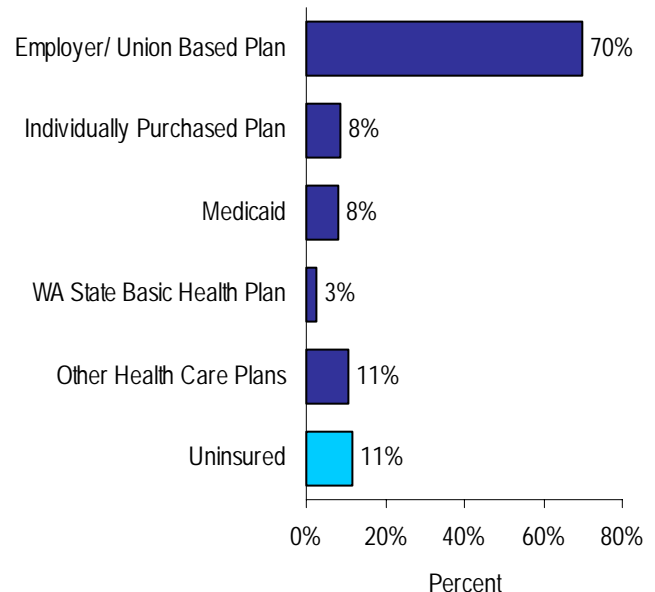
#### Labor Force Status

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. Labor force status has three possible

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



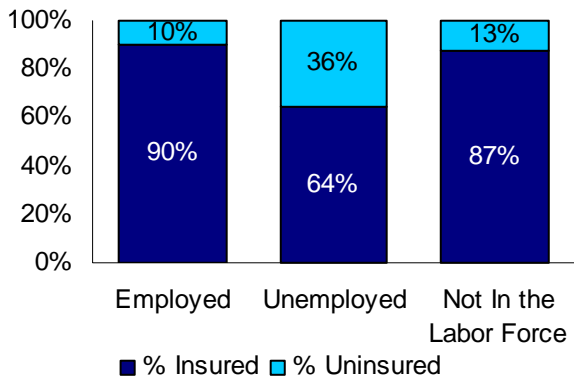
**Figure 1b: Health Insurance by Plan**  
for adults, aged 19-64



Note: Figure totals do not add up to 100 percent because 11 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 2002 to provide social, demographic, and economic information about Washington. Responses were obtained from telephone interviews of 6,842 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 2002v4m 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

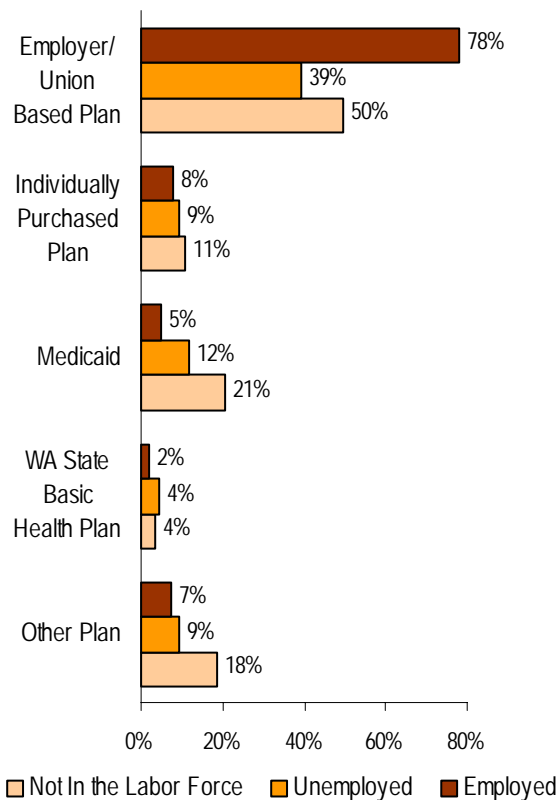


Figure reads: Seventy-eight percent of employed adults were enrolled in an employer or union based health insurance plan.

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.

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). Ninety percent of the employed and 87 percent of those not in the labor force had health insurance coverage at the time of the survey. Only 64 percent of the unemployed had health insurance coverage at the time of the survey, leaving 36 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-eight percent of the employed were enrolled in employer or union based health insurance, compared to 39 percent of the unemployed and 50 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 (50 percent) than it was for those who were unemployed (39 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 purchase health insurance or to be enrolled in Medicaid or another 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 that 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 69 percent respectively). (The federal poverty level (FPL) was defined as \$14,630 for a family of three in

2001.<sup>2</sup> Washington State’s median family income was \$56,086 in 2001.<sup>3</sup>)

Adults with higher family incomes were much more likely to be enrolled in employer or union based health insurance. Eighty-seven percent of adults whose family income was 50,000 dollars or more received health insurance through an employer or union, compared to 31 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 here with the exception of the lowest income level. Only six percent of adults who had family incomes under 15,000 dollars purchased health insurance compared to between eight and nine percent of adults with higher family incomes.

Twenty-one percent or more of adults with family incomes under 25,000 dollars were covered by Medicaid compared to only two percent of those with income over 50,000 dollars. (Adults with higher family incomes can legitimately qualify for Medicaid under certain circumstances.<sup>4</sup>) 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.

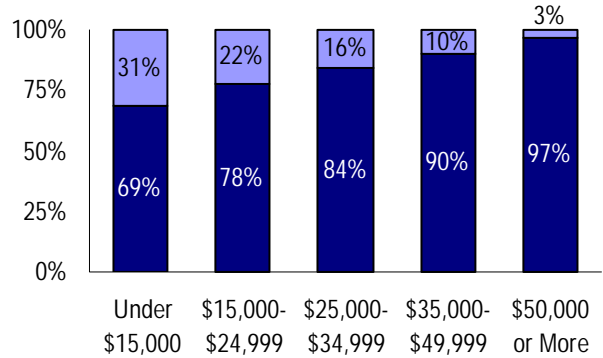
The percentage of adults who reported being enrolled in the Washington State Basic Health Plan ranged from one percent at the highest family income category to six percent among adults with family incomes under 15,000 dollars.<sup>5</sup>

A higher percentage of those with lower incomes 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 higher incomes. 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.

**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

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



**Figure 3b: Type of Health Insurance by Family Income**  
for adults, aged 19-64

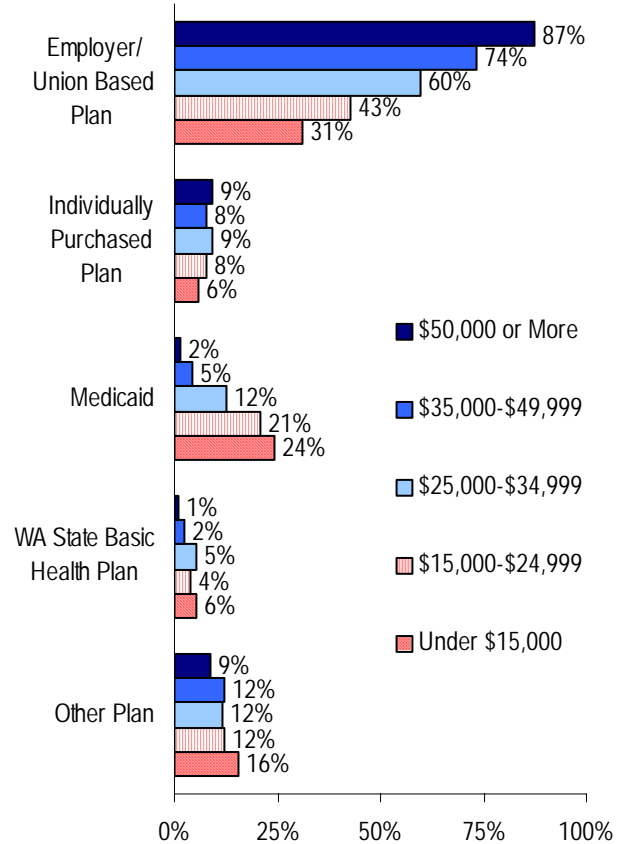


Figure reads: Eighty-seven percent of adults with family incomes that were 50,000 dollars or more were enrolled in an employer or union based health insurance plan.

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.

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.<sup>6</sup>

**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-seven percent of those employed by the government and 96 percent of those employed by a nonprofit organization had some type of insurance. Ninety percent of those working for a private company and 91 percent of those working for a family business reported some form or health insurance. Finally, only 80 percent of those who were self-employed reported any type of health insurance.

Eighty-five percent of those who worked for the government or a non-profit employer had employer or union based health insurance. Among those working for private companies, 81 percent were enrolled in employer or union based health insurance. Between four and five 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. While those in family businesses reported relatively high rates of insurance from any source (91 percent), only 60 percent reported enrollment in employer or union based health insurance coverage. Just over half (43 percent) of those self employed who reported any insurance 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. Thirty percent of the self-employed and 31 percent of 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.

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

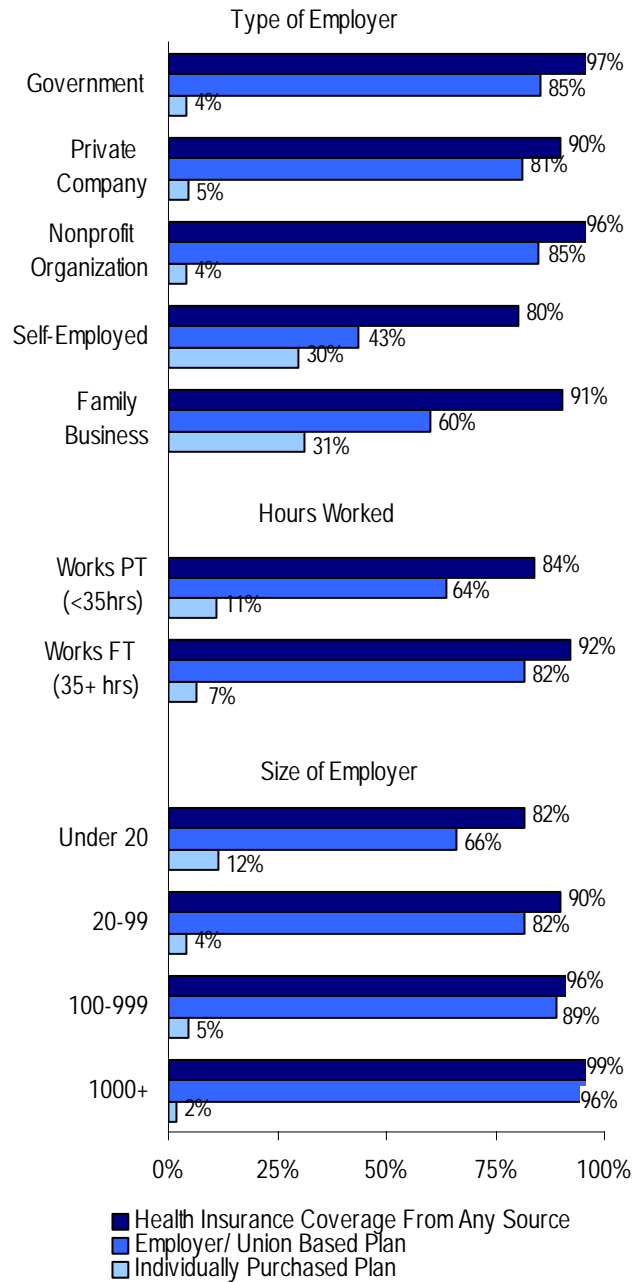


Figure reads: Of those employed by the government, 97 percent had health insurance, 85 percent were enrolled in an employer or union based health insurance plan, and four percent were enrolled in a plan they purchased themselves.

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.

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

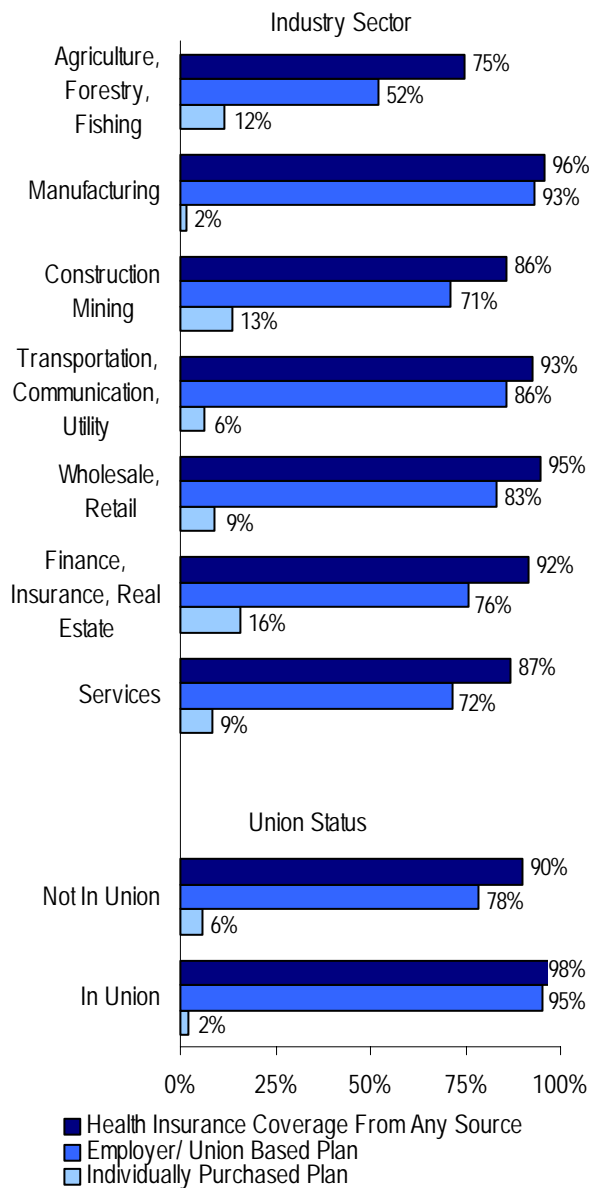


Figure reads: Of those employed in the agriculture, forestry, or fishing industries, 75 percent had health insurance, 52 percent were enrolled in an employer or union based health insurance plan, and 12 percent were enrolled in a plan they purchased themselves.

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.

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-four 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 64 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 Employer<sup>7</sup>**

According to the Employment Security Department, one quarter of all jobs in Washington State in 2002 were for employers with less than 20 workers.<sup>8</sup> 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 82 percent of those who worked for an employer with less than 20 workers had any type of health insurance compared to 99 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-six percent of those who worked for an employer with less than 20 workers were enrolled in employer or union based health insurance compared to 96 percent of those who worked for

an employer with 1,000 workers or more. Twelve percent of those who worked for employers with less than 20 workers purchased their own health insurance compared to two percent of adults who worked for employers with more than 1,000 workers.

### **Industry<sup>9</sup>**

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. The majority of employed adults work for industries such as manufacturing, transportation, communication, and utilities, wholesale and retail, and finance, insurance, and real estate<sup>10</sup> where over 90 percent have some form of health insurance.

Employment in the service industries and construction and mining made up roughly one third of all jobs in 2001.<sup>10</sup> Eighty-six percent of those working in the construction and mining industries and 87 percent of those in service industries had some form of health insurance coverage.

On average three percent of all Washington jobs are in the agriculture, forestry, and fishing industries.<sup>10</sup> Seventy-five percent of those in the agriculture, forestry, and fishing 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 two 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 23 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 purchasing their own health insurance. Sixteen percent of the adults employed in finance, insurance, and real estate industries purchased

their own health insurance. Similarly, 12 percent of those employed in agriculture, forestry, or fishing industries and 13 percent of those employed in construction or mining 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, 95 percent of those who reported being a union member reported enrollment in an employer or union based health insurance plan and 98 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 90 percent reported any type of health insurance.

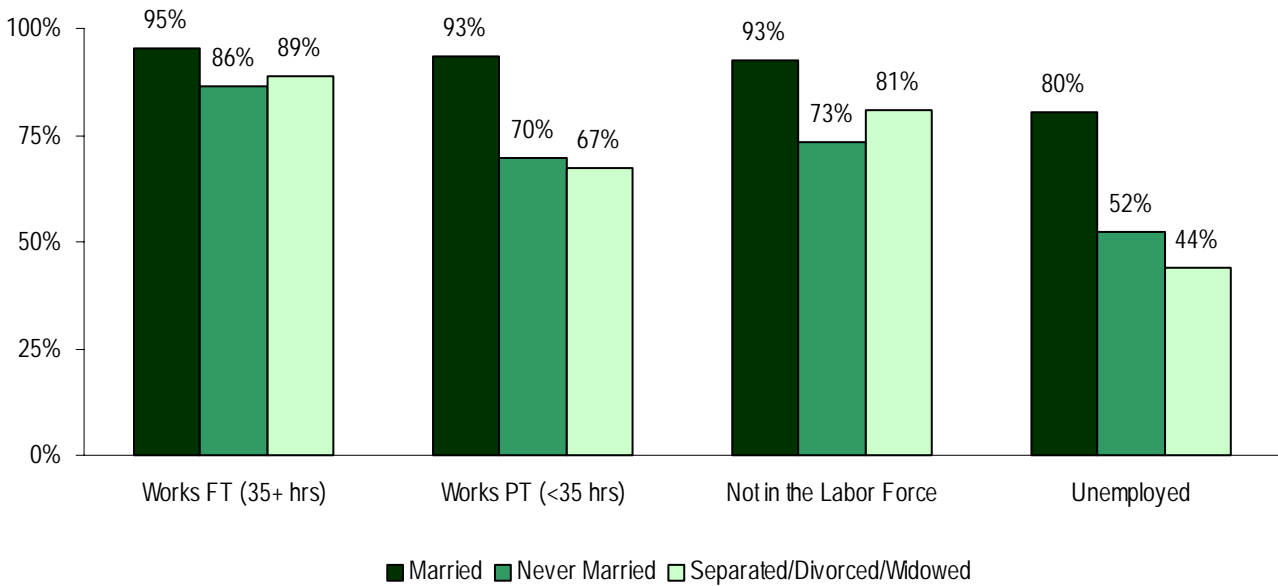
### **Health Insurance and the Importance of Marital Status<sup>11</sup>**

Married adults were more likely to have health insurance than the previously married (i.e. divorced, separated, or widowed) and the never married. Ninety-four percent of married adults had health insurance compared to 82 percent of the previously married and 79 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.<sup>12</sup> 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.

Those adults who worked full time had relatively high percentages of health insurance coverage across all three marital statuses compared to

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



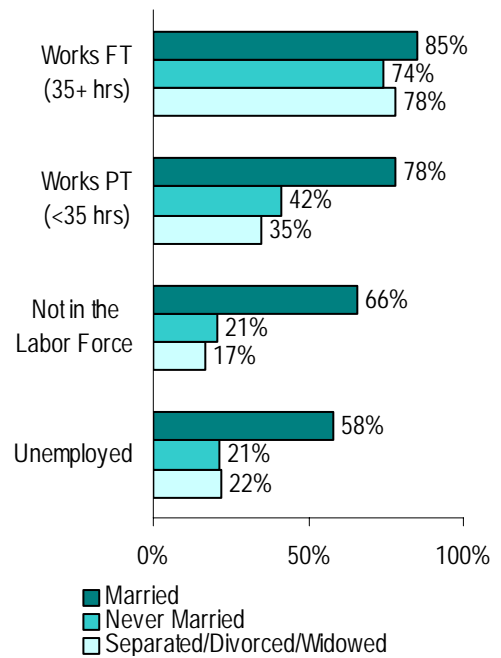
other work statuses. However, married adults still held an advantage. Ninety-five percent of married adults had health insurance compared to 86 percent of the never married and 89 percent of the previously married.

Ninety-three percent of married individuals who worked part time had health insurance coverage. Only 70 percent of the never married and 67 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 73 percent of the never married and 81 percent of the previously married had health insurance, compared to 93 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 80 percent of married adults who were unemployed had health insurance. However, the never married and previously married did far worse. Only 52 percent of the never married and 44 percent of the previously married unemployed had health insurance.

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



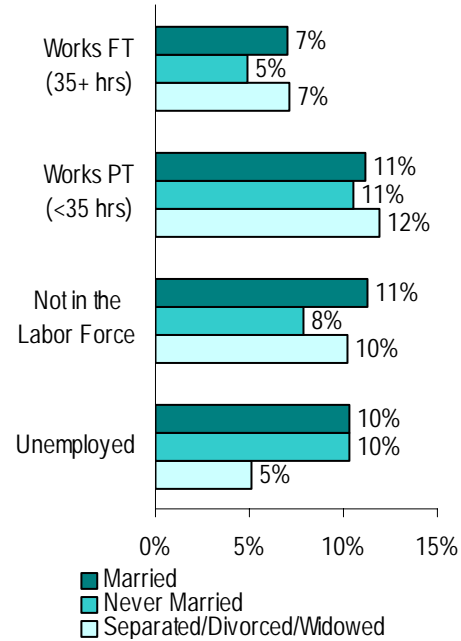
Differences in enrollment in employer or union based health insurance among the three marital statuses are shown in Figure 5b for full and part time work, unemployed, and not in the labor force. The differences among the marital statuses were smallest among full time workers. Among those who work full time, 85 percent of married individuals were enrolled in employer or union based health insurance compared to 74 percent of the never married and 78 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, 78 percent of the married individuals were enrolled in employer or union based health insurance compared to only 42 percent of the never married and 35 percent of the previously married. Sixty-six percent of the married who were not in the labor force were enrolled in employer or union based health insurance compared to only 21 percent of the never married and 17 percent of the previously married. Among the unemployed, 58 percent of the married were enrolled in employer based health insurance, compared to 21 percent of the never married and 22 percent of the previously married.

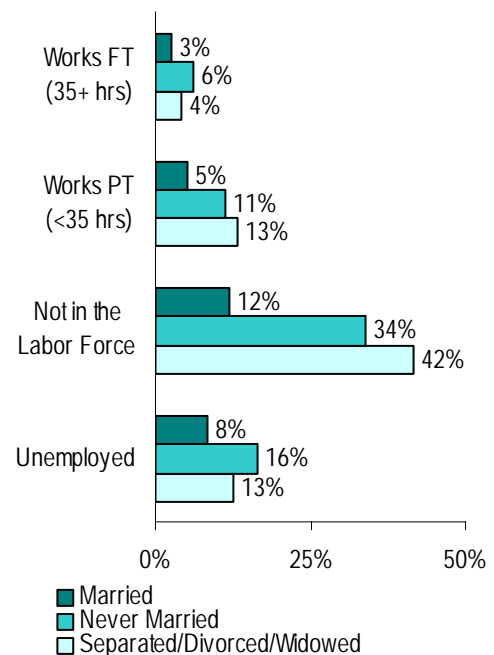
Figure 5c shows the percentages of purchased health insurance across the different marital and work statuses. While the never married and previously married had much lower levels of employer based health insurance compared to the married, this did not result in significantly higher rates of purchased 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 across the three marital statuses (see Figure 5d). Among those not in the labor force, 42 percent of the previously married and 34 percent of the never married were enrolled in Medicaid compared to only 12 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 three percent of the married who worked full time were enrolled in Medicaid, six percent of the never married who worked full time were enrolled in Medicaid.

While the differences in Medicaid enrollment by marital status among part time workers and unemployed workers were in the expected directions, the differences were not statistically significant due to small sample sizes.

## Summary

The 2002 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. (2002) "The 2001 HHS Poverty Guidelines" (see <http://aspe.hhs.gov/poverty/01poverty.htm>)
3. U.S. Census Bureau. (2001) "Median Family Income (In 2001 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. 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, to be enrolled in Medicaid, and to be enrolled in some other type of health insurance plan compared to all employed adults.
7. Those who work for the government are not included in this figure.
8. Employment Security Department (2002) "Washington State: Size of firm distribution for all ownerships, including multiple establishments, first quarter 2002." (see <http://www.wa.gov/esd/lmea/labmrkt/size/statsiz.htm>)
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: <http://www.wa.gov/esd/lmea/download/01aastat.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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