

**Some Basic Facts About Children,  
Working Parents and Employment-  
Based Health Insurance**

**compiled by the  
Institute for Health Policy Solutions  
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**Only relatively few nonelderly poor persons (22%) have employer-based health insurance (EBI), while 1.65 times as many (35%) are uninsured.**

**But, as income increases above poverty, an increasingly larger share have employer coverage.**

**From 133%-199% of poverty, twice as many (and from 200% to 249% of poverty, three and one-half times as many) have employer coverage as are uninsured.**

| Percent of Nonelderly Who Have Employment-Based Insurance (EBI) or Are Uninsured, by Family Income Relative to FPG, United States, 1999 |              |                  |            |            |
|---|--------------|------------------|------------|------------|
| Using Total Income (No deductions applied)  |              |                  |            |            |
|   | % FPG        | Total (millions) | EBI        | Uninsured  |
|   | <100%        | 42.69            | 22%        | 36%        |
|   | 100% - 132%  | 13.97            | 38%        | 29%        |
|   | 133% - 199%  | 28.14            | 53%        | 27%        |
|   | 200% - 249%  | 20.12            | 68%        | 19%        |
|   | 250% - 399%  | 49.52            | 80%        | 11%        |
|   | 400% +       | 87.03            | 88%        | 6%         |
|   | <b>TOTAL</b> | <b>241.47</b>    | <b>66%</b> | <b>17%</b> |

**Source:** IHPS analysis of the March 2000 Current Population Survey.



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**A number of uninsured persons at all income levels have access to employment-based health insurance (EBI).**

**In December 1996 (pre-SCHIP), the proportion of uninsured children and parents with access to EBI was highest among those with incomes from 133% to 249% of poverty (based on the MEPS household survey).**


*(After state income disregards and deductions are applied, many with incomes between 200% and 249% would have qualifying income of under 200% of poverty.)*

**Access information cannot be obtained directly from CPS, but the March 2000 CPS does show that about one in six uninsured children had a parent who had employer coverage during 1999.**

| Percent of People Uninsured in December 1996 Who Had Access* to Employment-Based Insurance, by Family Income Relative to FPG, United States, 1996 |            |            |             |  |
|---|------------|------------|-------------|--|
| Using Total Income (No deductions applied)  |            |            |             |  |
| % FPG   | Parents    | Children   | Non-Parents |  |
| <100%   | 18%        | 23%        | 7%          |  |
| 100% - 132%   | 33%        | 40%        | 9%          |  |
| 133% - 199%   | 38%        | 55%        | 15%         |  |
| 200% - 249%   | 44%        | 63%        | 26%         |  |
| 250% - 399%   | 44%        | 51%        | 27%         |  |
| 400% +  | 24%        | 28%        | 35%         |  |
| <b>TOTAL</b>  | <b>31%</b> | <b>41%</b> | <b>18%</b>  |  |

\* A person is assumed to have access to employer coverage if any member of the "family insurance unit" (which includes spouses and children under 19 or in college) was offered or is covered by EBI.


Source: IHPS analysis of the 1996 Medical Expenditure Panel Survey (full-year panel).



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**While it is well known that small-firm workers are more likely to be uninsured\*, about three out of five uninsured workers are employed by firms with 25 or more employees.**

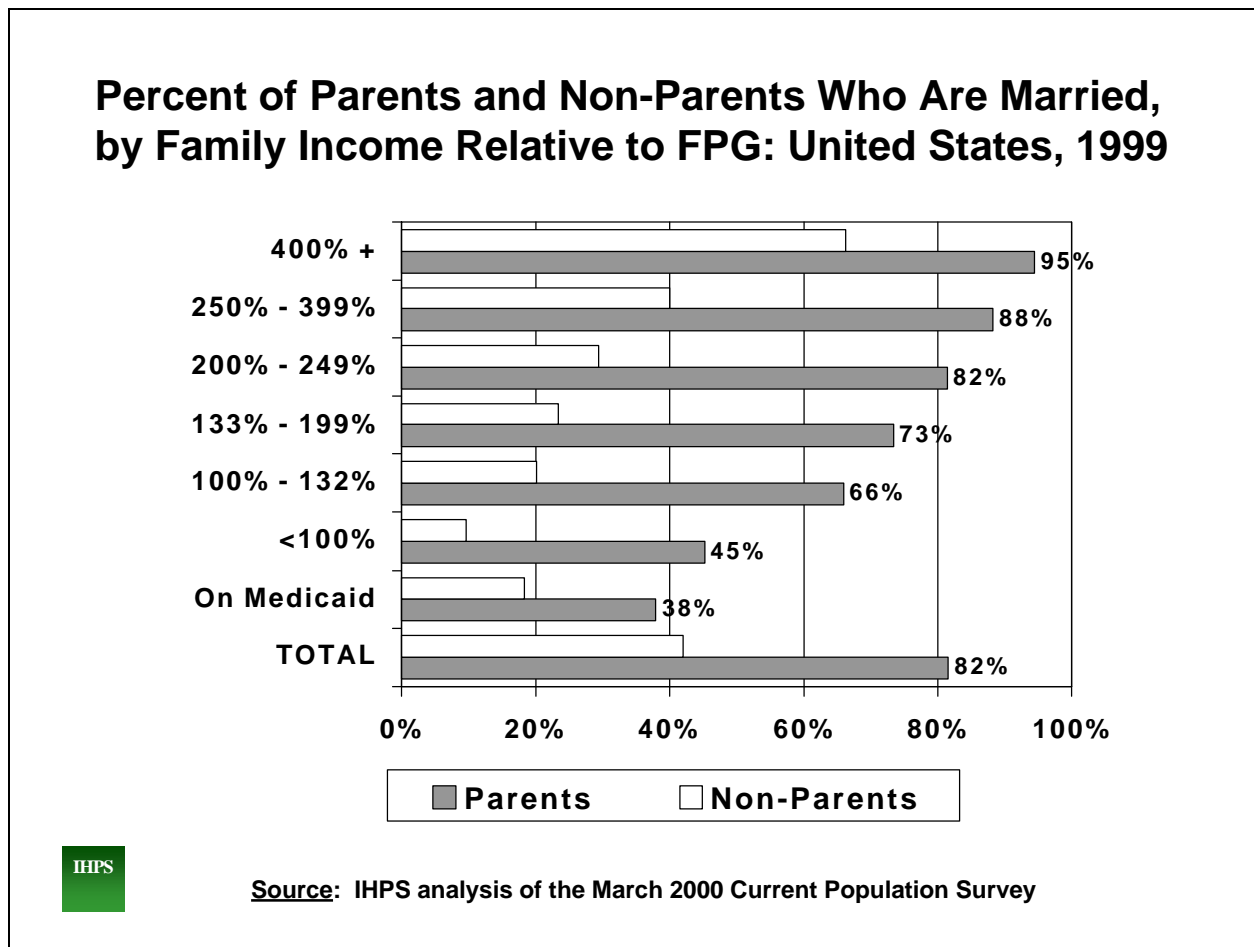
| <u>Distribution of Uninsured Wage and Salary Workers* by Size of Firm, United States, 1999</u> |             |             |             |
|--|-------------|-------------|-------------|
| Firm Size (# Ees)  | All Adults  | Parents     | Non-Parents |
| <10  | 24%         | 23%         | 24%         |
| 10 - 24  | 14%         | 15%         | 14%         |
| 25 - 99  | 16%         | 18%         | 16%         |
| 100 - 499  | 13%         | 14%         | 13%         |
| 500 - 999  | 4%          | 4%          | 4%          |
| 1,000 +  | 28%         | 27%         | 29%         |
| <b>All Wage + Salary Workers</b>   | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| * Excludes Non-Workers and Self-Employed   |             |             |             |
| <u>Source: IHPS analysis of the March 2000 Current Population Survey.</u>                      |             |             |             |



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

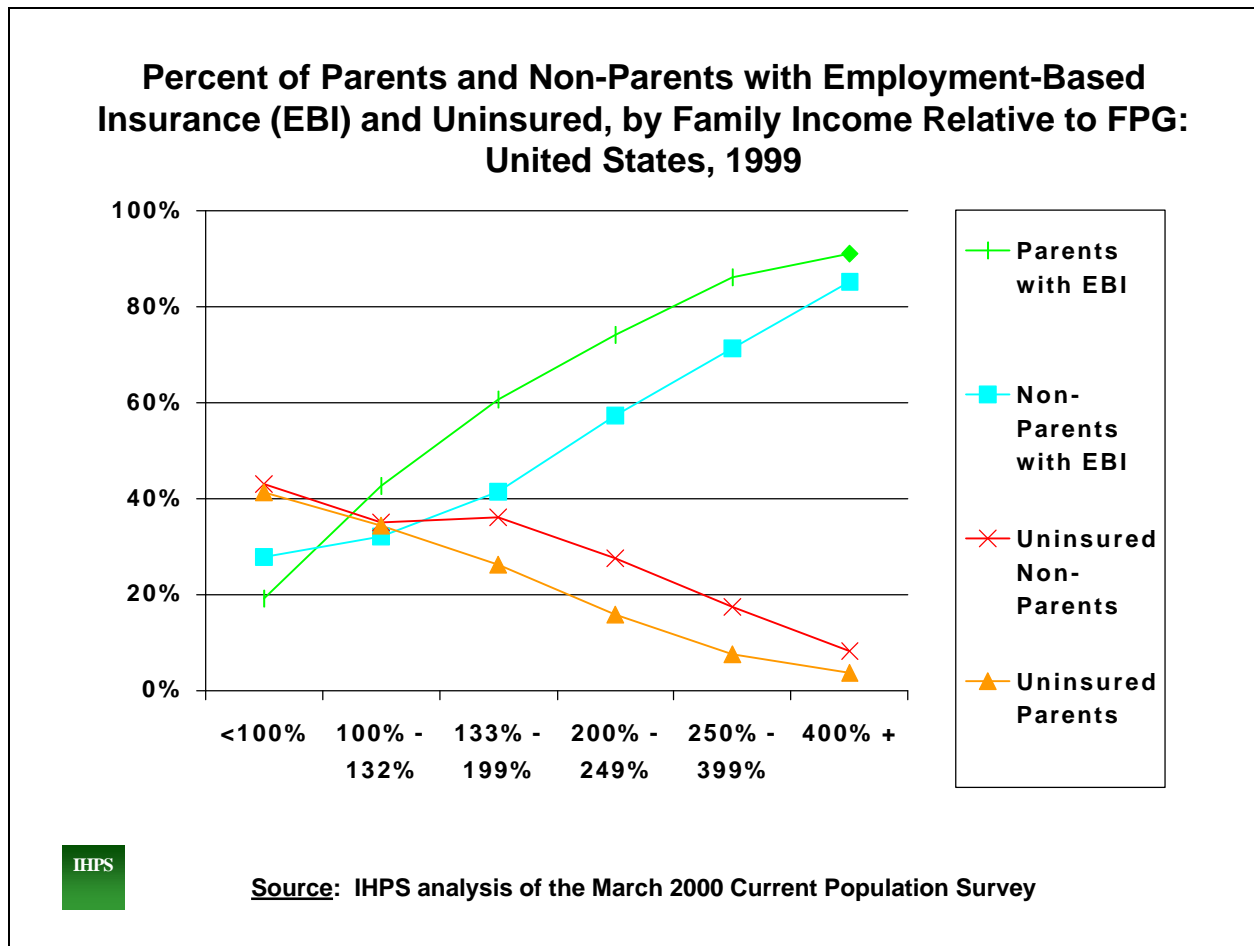
**While most parents on Medicaid, and most parents below the poverty level, are single parents . . .**

**. . . for families with incomes above poverty, most parents are in married couples.**



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

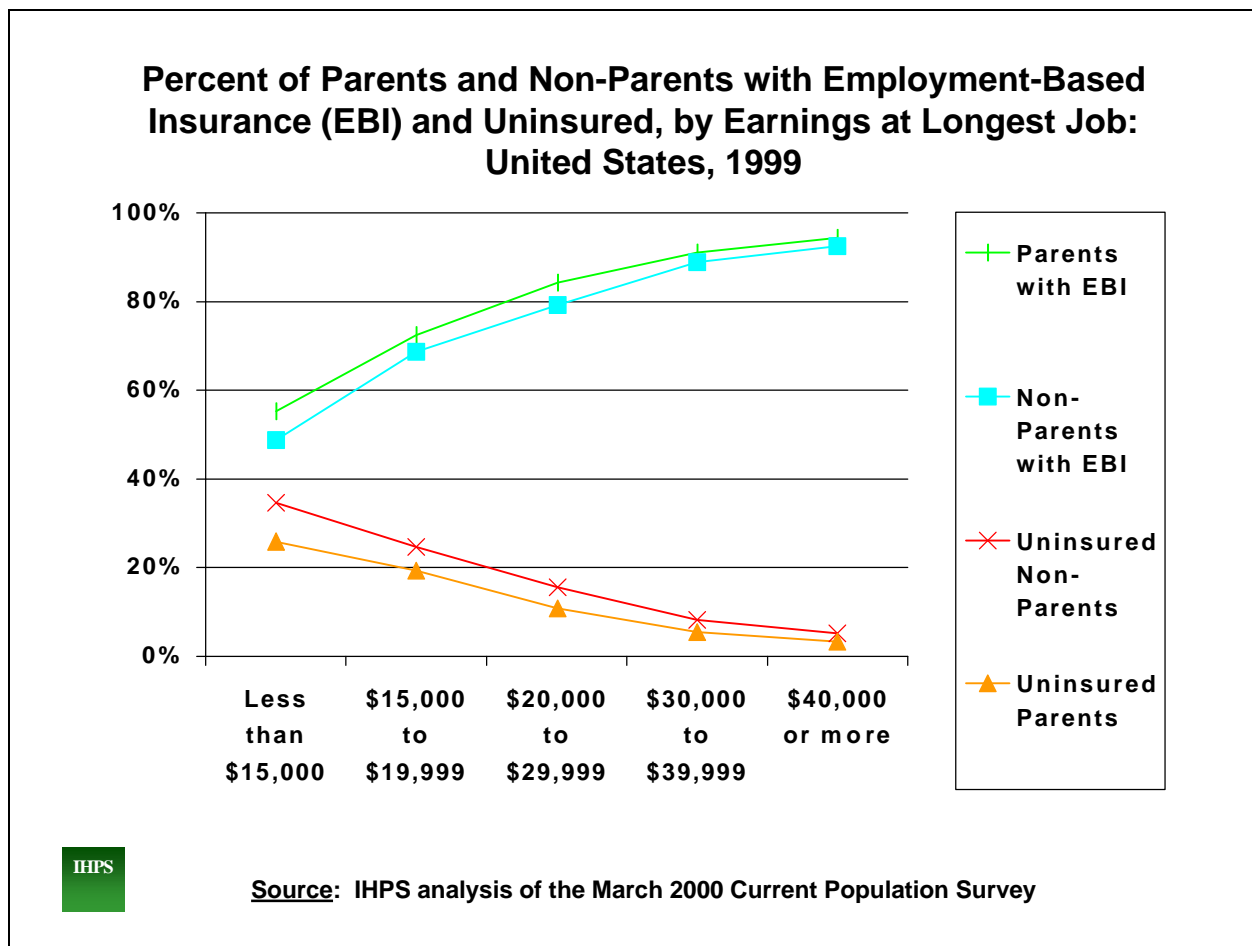
**At all income levels above poverty, parents are more likely than non-parents to have employment-based insurance (EBI) and less likely to be uninsured.**



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

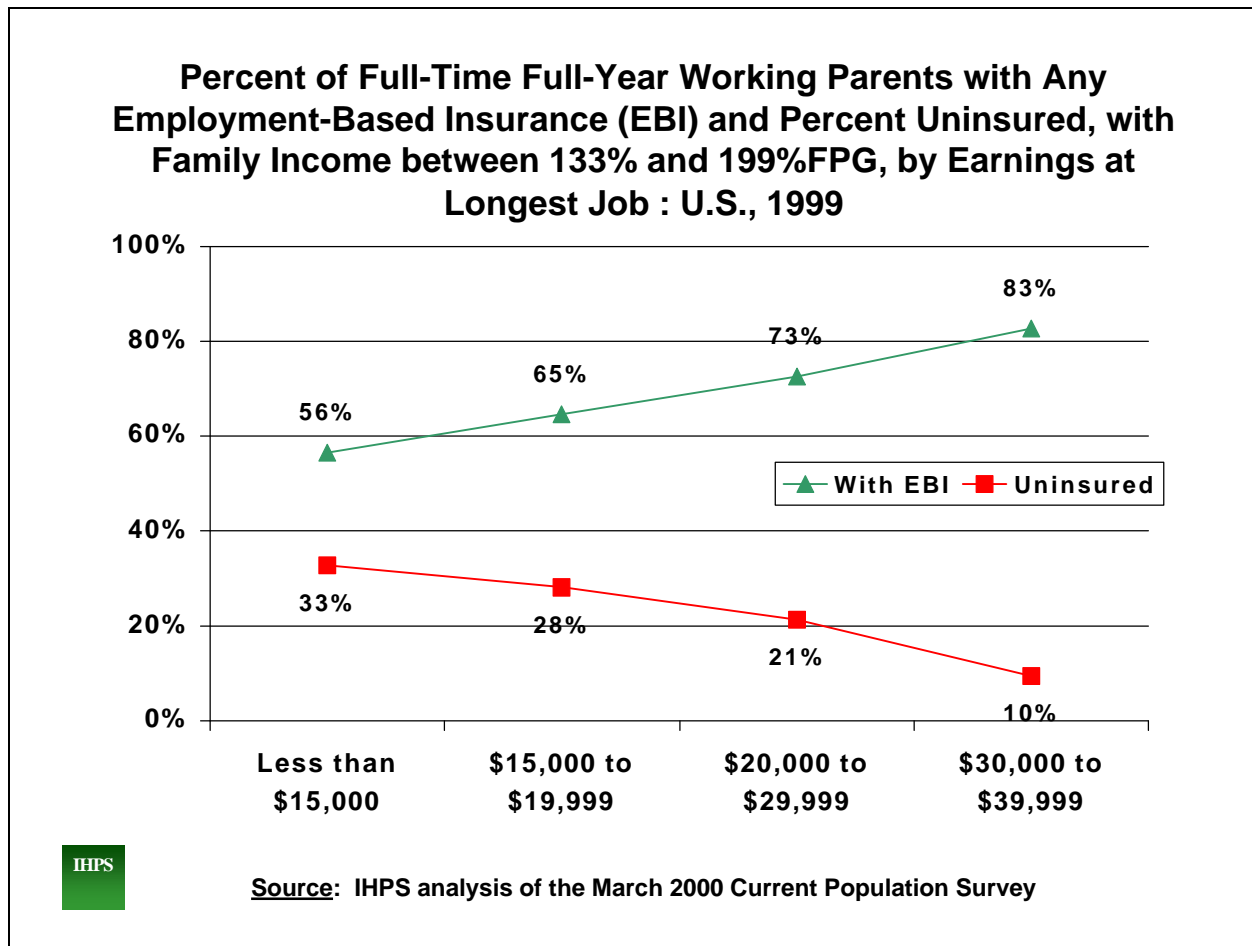
**But this finding may simply reflect the fact that, at any given % of poverty, parents are likely to have higher wages than non-parents (due to larger family size) and, therefore, because employee benefits like health coverage correlate strongly with wages, are also more likely to have employment-based coverage.**

**If we look at adults' individual earnings (a proxy for their wage levels), we find that, at every wage level, there is very little difference between the proportion of parents and non-parents who have employment-based insurance (EBI) or who are uninsured.**



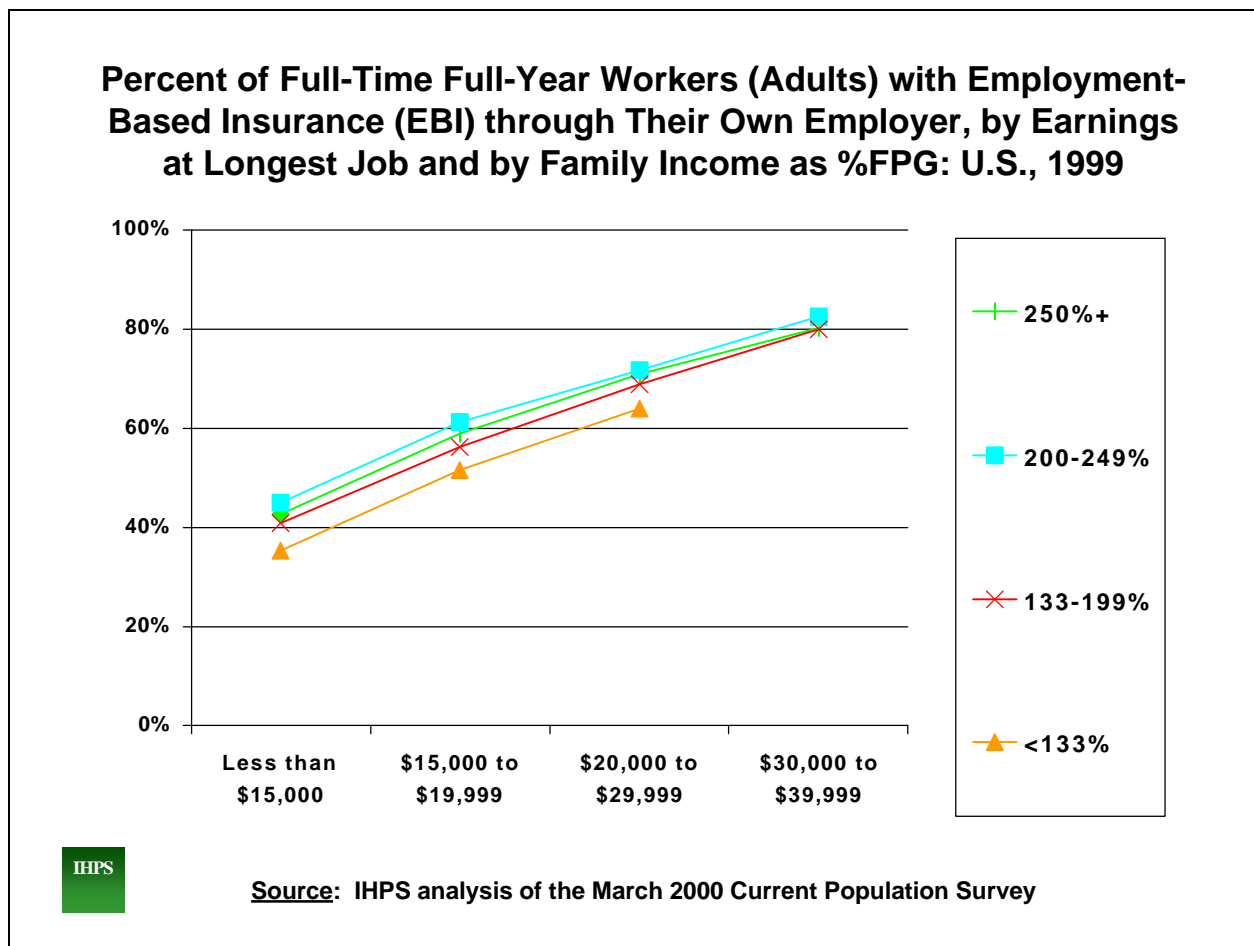
Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**Working parents in low- and modest-income families are much more likely to have employment-based insurance if they have higher wages from employment.**



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**The strong association of employment-based coverage with individual workers' wage levels, rather than family income, is particularly evident if we look at coverage through the worker's own employer.**



Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**Looked at another way, a perhaps-surprisingly high proportion of all parents and children who currently have employment-based coverage live in families with incomes below 200% or 250% of the poverty level--almost 30% are have incomes below 250% of poverty.**

**That is, low- and modest-income workers and their families represent a significant share of the current employment-based insurance market.**

**(Cumulative) Percent of Children and Parents with Employment-Based Coverage Who Live in Families with Low- and Modest-Incomes (Relative to FPG)**

|       | Children<br><19 | Parents | Kids and<br>Parents |
|-------|-----------------|---------|---------------------|
| <200% | 22.7%           | 16.6%   | 19.7%               |
| <250% | 33.0%           | 25.8%   | 29.5%               |



**Source:** IHPS analysis of the March 2000 Current Population Survey

Note: IHPS' data analysis was supported in part by a grant from the California Health Care Foundation.

**The following data are based on 1998 MEPS employer survey data, which are available for most states. They provide a good picture by firm size of the relative portions of employees who:**

- **decline coverage their employer offered them,**
- **were not eligible for their employer's coverage, or**
- **work for an employer who does not offer coverage.**

**Not all of these employees are uninsured--some are covered through a spouse's (or occasionally a parent's) plan.**

**But these data can indicate what strategies targeted to what size employers can potentially reach what share of uninsured workers and their children.**

**As shown on the next page ...**

**Only about one-third (32%) of workers who declined coverage offered to them by their employer worked for small firms. Most decliners work for other, larger firms.**

**Most workers who work for an employer who offers coverage are employed by a firm with 50 or more workers.**

**This is true for those who have (78%), declined (69%) or were themselves ineligible (74%) for each coverage.**

**The vast majority (87%) of workers employed by firms that don't offer coverage at all are employed by smaller firms. And over half (56%) are employed by firms with fewer than ten employees.**

**Data from the 1998 MEPS Survey of Private-Sector Business Establishments: U.S. Totals**

| <b>Distribution of All Workers by Coverage Status and by Firm Size</b> |            |                |            |  |               |
|--|------------|----------------|------------|--|---------------|
|  |            |                |            |  | <b>Memo</b>   |
| <b>Number of Employees in Firm:</b>                                    | <b>All</b> | <b>&lt;=50</b> | <b>50+</b> |  | <b>&lt;10</b> |
| <b>Employees (Ees) in All Establishments</b>                           | 100%       | 32%            | 68%        |  | 15%           |
| <b>Ees COVERED (thru own job)</b>                                      | 100%       | 22%            | 78%        |  | 9%            |
| <b>Ees DECLINED Coverage Offered</b>                                   | 100%       | 32%            | 69%        |  | 10%           |
| <b>Ees NOT ELIGIBLE for Coverage</b>                                   | 100%       | 26%            | 74%        |  | 9%            |
| <b>Est DOES NOT OFFER Coverage</b>                                     | 100%       | 87%            | 13%        |  | 56%           |



**Source:** Institute for Health Policy Solutions analysis of Data published by the U.S. Agency for Healthcare Research and Quality

**Looking more closely at workers who declined coverage offered to them by their employer, we see that only 9% worked for very low wage firms and only 2% worked for small, low-wage firms.**

*(Low wage firms are defined in MEPS data as having a majority of employees earning \$6.50/hour or less).*

**Also, only a small percent (13%) of decliners are part-time employees.**

Data from the 1998 MEPS Survey of Private-Sector Business Establishments: U.S. Totals

| Distribution of Workers Who DECLINED Coverage Offered by Their Employer |            |            |            |            |
|---|------------|------------|------------|------------|
|   |            |            |            | Memo       |
| Number of Employees in Firm:  | All        | <=50       | 50+        | <10        |
| All Establishments  | 100%       | 32%        | 69%        | 10%        |
| Very Low-Wage Establishments  | 9%         | 2%         | 7%         | 0.5%       |
| <b>Other Establishments</b>   | <b>91%</b> | <b>29%</b> | <b>62%</b> | <b>10%</b> |
| Full-Time Ees   | 87%        | 28%        | 59%        | 9%         |
| Part-Time Ees   | 13%        | 4%         | 10%        | 1.3%       |

\* These workers may receive coverage through a spouse or other sources.



Source: Institute for Health Policy Solutions analysis of Data published by the U.S. Agency for Healthcare Research and Quality

**Similarly, most workers who are not eligible for the coverage their employer offers to other workers are in larger, non-low-wage firms.**

**Not surprisingly, a substantial share of such workers are part-time employees (43%).**

**Data from the 1998 MEPS Survey of Private-Sector Business Establishments: U.S. Totals**

**Distribution of Workers NOT ELIGIBLE For Coverage Offered by Their Employer to Other Workers \***

|                              |            |            |            | Memo |
|------------------------------|------------|------------|------------|------|
| Number of Employees in Firm: | All        | <=50       | 50+        | <10  |
| All Establishments           | 100%       | 26%        | 74%        | 9%   |
| Very Low-Wage Establishments | 14%        | 4%         | 10%        | 1%   |
| <b>Other Establishments</b>  | <b>86%</b> | <b>22%</b> | <b>64%</b> | 7%   |
| Full-Time Ees                | 58%        | 14%        | 43%        | 4%   |
| Part-Time Ees                | 43%        | 12%        | 31%        | 4%   |

\* These workers may receive coverage through a spouse or other sources.

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Source: Institute for Health Policy Solutions analysis of Data published by the U.S. Agency for Healthcare Research and Quality

**The vast majority of workers (87%) whose employer does not offer coverage to any workers are in small (under size 50) firms.**

**A sizeable minority (30%) are in very low-wage establishments.**

*(This survey defines low-wage establishments as having a majority of workers earning less than \$6.50 per hour. If a higher wage level were used to define “low-wage,” say \$10 per hour, this percentage would be significantly larger.)*

**Data from the 1998 MEPS Survey of Private-Sector Business Establishments: U.S. Totals**

| <b>Distribution of Workers Whose Employer Does Not Offer Coverage to Any Workers *</b> |             |                |            |               |
|--|-------------|----------------|------------|---------------|
|  |             |                |            | <b>Memo</b>   |
| <b>Number of Employees in Firm:</b>  | <b>All</b>  | <b>&lt;=50</b> | <b>50+</b> | <b>&lt;10</b> |
| <b>All Establishments</b>  | <b>100%</b> | <b>87%</b>     | <b>13%</b> | <b>56%</b>    |
| <b>Very Low-Wage Establishments</b>  | <b>30%</b>  | <b>25%</b>     | <b>5%</b>  | <b>13%</b>    |
| <b>Other Establishments</b>  | <b>70%</b>  | <b>62%</b>     | <b>8%</b>  | <b>42%</b>    |
| <b>Full-Time Ees</b>   | <b>64%</b>  | <b>56%</b>     | <b>8%</b>  | <b>36%</b>    |
| <b>Part-Time Ees</b>   | <b>36%</b>  | <b>31%</b>     | <b>5%</b>  | <b>19%</b>    |

\* These workers may receive coverage through a spouse or other sources.



**Source:** Institute for Health Policy Solutions analysis of Data published by the U.S. Agency for Healthcare Research and Quality

**Most workers who are not covered through their own job (46% or almost half) work for an employer who does offer coverage, but they are not eligible for it. Most of these work for larger employers.**

**Workers whose employer does not offer coverage to anyone are the next largest group--about 31%. As noted, most of these work for small employers.**

**“Decliners” represent only about one-quarter of workers not covered by their own employer.**

**Data from the 1998 MEPS Survey of Private-Sector Business Establishments: U.S. Totals**

| <b>Distribution of All Workers NOT Covered Through Their Own Employer *</b> |      |      |     |             |
|---|------|------|-----|-------------|
|   |      |      |     | <b>Memo</b> |
| Number of Employees in Firm:  | All  | <=50 | 50+ | <10         |
| <b>All Ees NOT COVERED (thru own job)</b>                                   | 100% | 46%  | 54% | 23%         |
| <b>Ees Who DECLINED Coverage Offered</b>                                    | 23%  | 7%   | 16% | 2%          |
| <b>Ees NOT ELIGIBLE for Coverage Offered</b>                                | 46%  | 12%  | 34% | 4%          |
| <b>Er DOES NOT OFFER Coverage to Any Workers</b>                            | 31%  | 27%  | 4%  | 17%         |

\* These workers may receive coverage through a spouse or other sources.



Source: Institute for Health Policy Solutions analysis of Data published by the U.S. Agency for Healthcare Research and Quality