

Ohio Trends in Employer- Sponsored Health Insurance 2004-2010

Bill Hayes
Anand Desai
Jeff Caswell
JB Silvers
Ketra Rice
July 29, 2011

Project Team and Aims

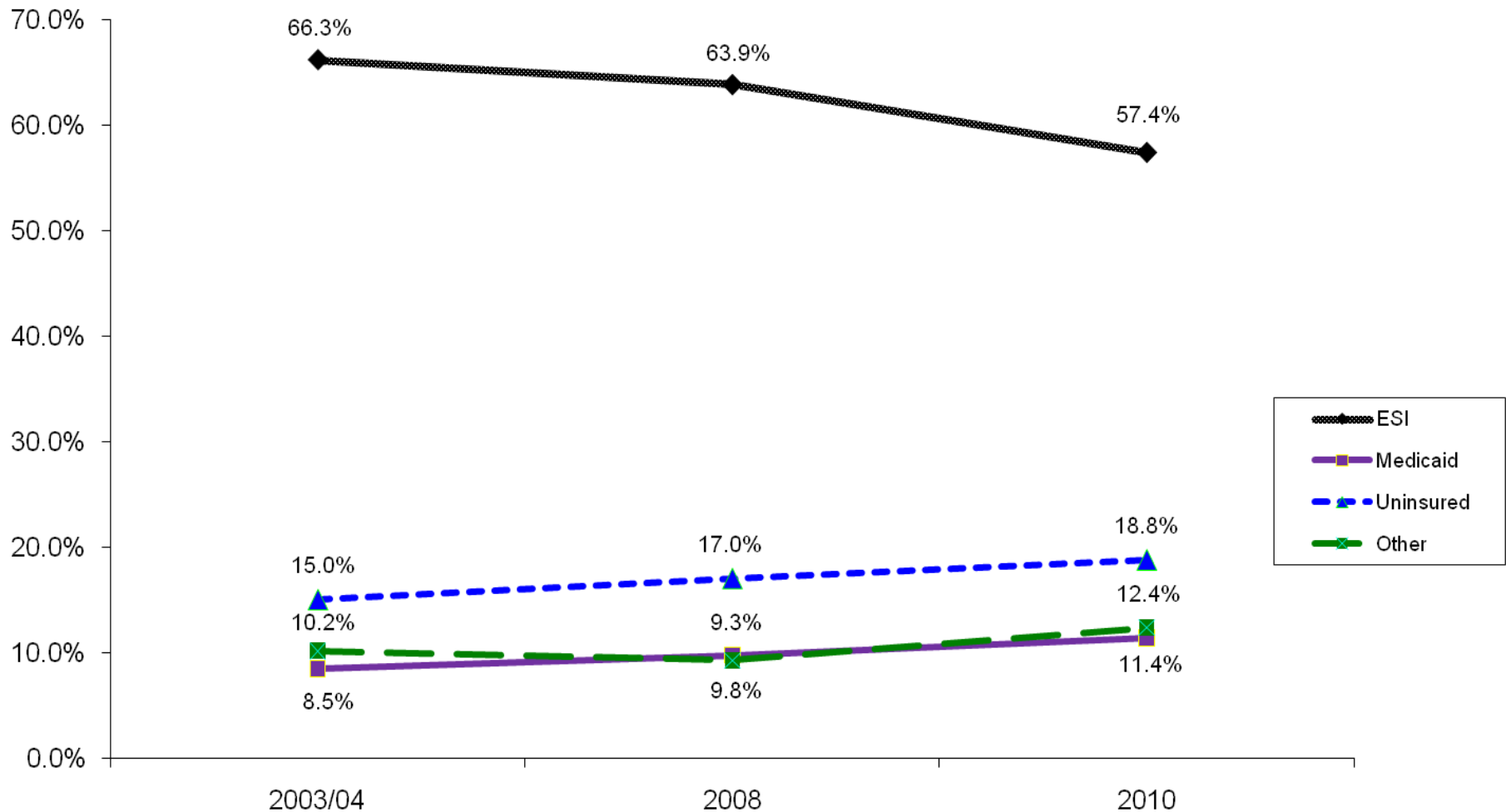
- Project Team: J.B. Silvers, Jeff Caswell, Ketra Rice, Bill Hayes, and Anand Desai
- Aim 1: Assess changes in ESI in Ohio between 2004 and 2010
- Aim 2: Estimate changes in ESI between 2010 and 2014 with no healthcare reform, to serve as baseline for comparison to impact of health care reform on ESI
- Aim 3: Estimate changes in ESI in 2014 as a result of healthcare reform
- Aim 4: Implications for future policy to support ESI

Sources of Project Information

- 2003/04, 2008, and 2010 OFHS data
- MEPS data on Ohio and the U.S.
- Ohio employment data
- Small group discussions with 38 business executives from Ohio businesses of various sizes
- Review of economic forecasts, projections from research firms, and projections from consulting companies

Sources of health coverage for Ohio 18-64 year olds: 2003/04, 2008 and 2010

Data from Ohio Family Health Surveys



Calculating rate of ESI

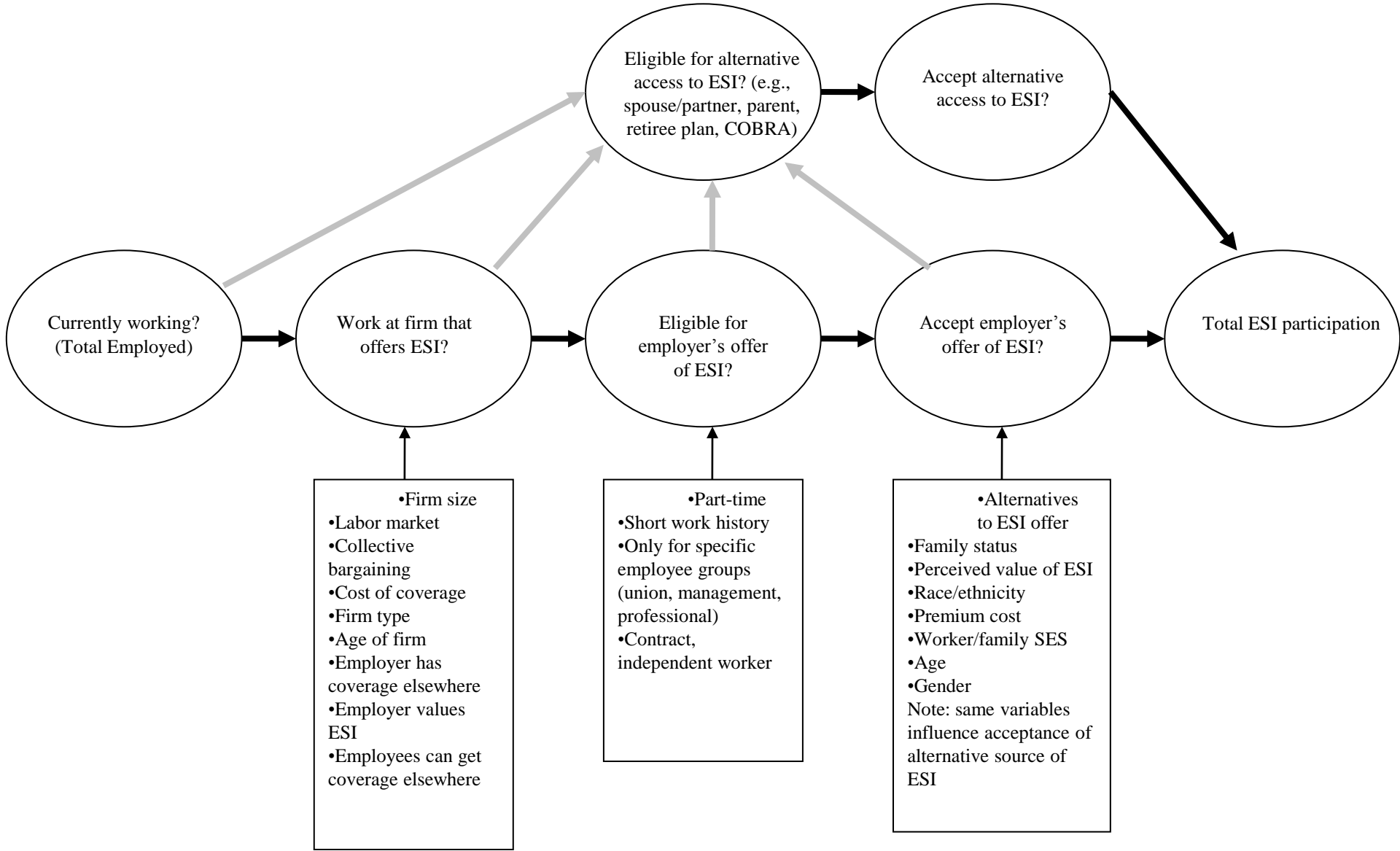
- As percent of total population
 - (Number of working people with ESI through own employer) +
 - (Number of working people with ESI through someone else's employer) +
 - (Number of working people with ESI through former employer) +
 - (Number of nonworking people with ESI through own former employer) +
 - (Number of nonworking people through someone else's current or former employer) /
 - total population
- As percent within given population
 - Take an element from above / by total of that population (e.g. total with ESI from own employer/ total employment)

Elements affecting rate of ESI

- Total population
- Total employment
- Percent of employees working at firms that offer ESI
- Percent of employees eligible for firm's offer of ESI
- Percent of employees accepting firm's offer of ESI
- Access for nonworking and working Ohioans to ESI through former employer or spouse, partner, or parent's employer or former employer

See project's logic model

ESI Logic Model For Analysis



- Firm size
- Labor market
- Collective bargaining
- Cost of coverage
- Firm type
- Age of firm
- Employer has coverage elsewhere
- Employer values ESI
- Employees can get coverage elsewhere

- Part-time
- Short work history
- Only for specific employee groups (union, management, professional)
- Contract, independent worker

- Alternatives to ESI offer
 - Family status
 - Perceived value of ESI
 - Race/ethnicity
 - Premium cost
 - Worker/family SES
 - Age
 - Gender
- Note: same variables influence acceptance of alternative source of ESI

The thick black and gray lines indicate the direct pathways for the model. The thick gray line indicates a NO answer, while the thick black line indicates a YES answer. The thin black lines indicate possible variables influencing decisions in the ovals.

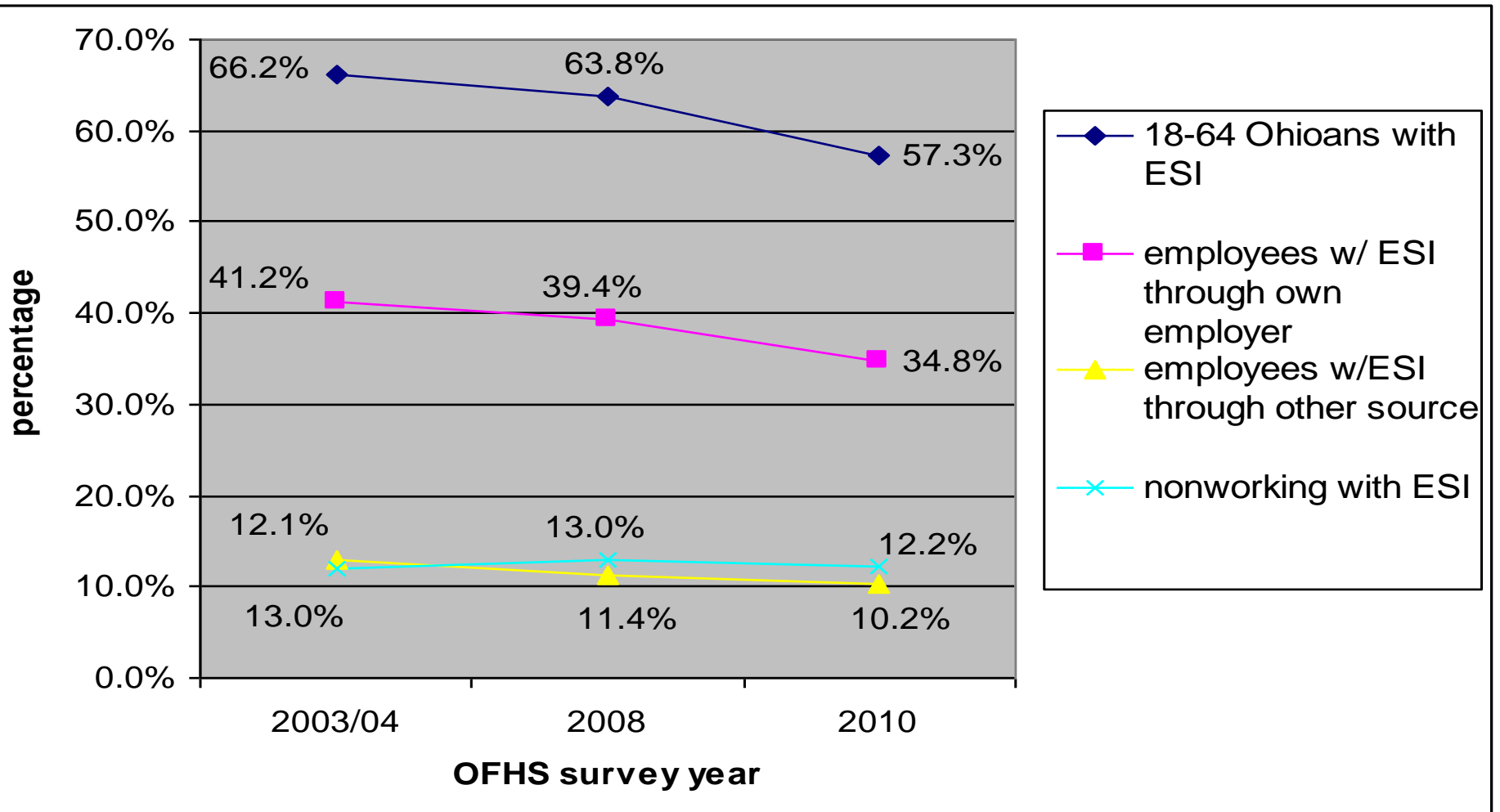
Challenges with OFHS data

- For working population
 - Did ask people if work at firm offer ESI
 - Not ask if offer is single, employee + 1 and/or family
 - Did ask people if eligible for firm's ESI offer
 - Did not ask if they accepted the firm's offer
 - Did not ask if ESI includes dependent coverage
- For nonworking population
 - Ask if have ESI
 - Ask if ESI is through self or someone else
 - Did not ask if ESI was through COBRA, retiree health plan, or a current employer
 - Not ask if ESI includes dependent coverage

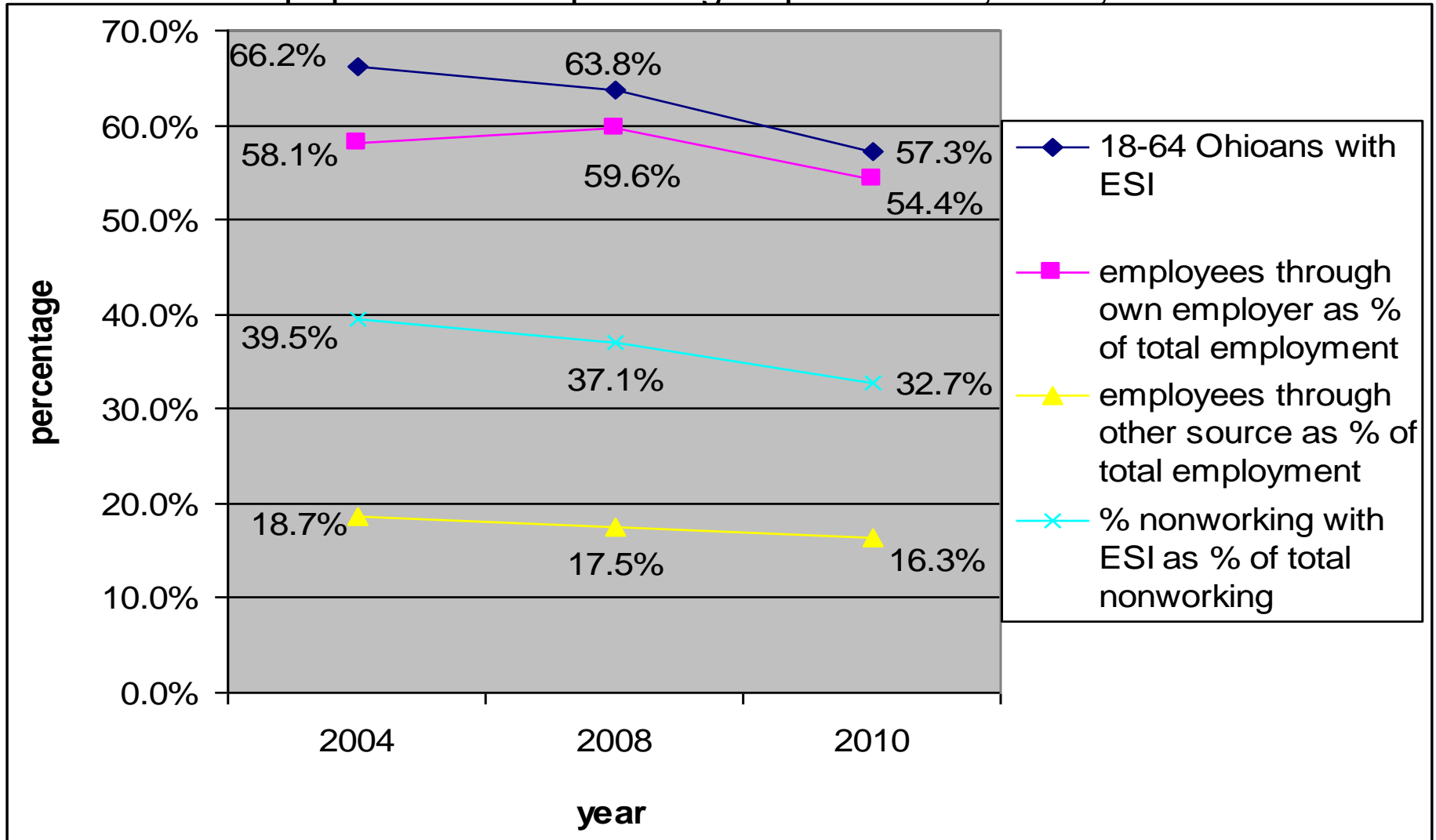
OHIO ESI TRENDS 2001 – 2010 through own employer

Ohio trends in ESI as percent of total population 2003/04 to 2010

data from 2003/04, 2008, and 2010 OFHS surveys



Measures of ESI by total population, employee through own employer, employee through other source, and nonworking population as percent of total population for specific group: 2003/04, 2008, and 2010



ESI Key points

- Number and percent of 18-64 year-old Ohioans with ESI is steadily declining for those employees getting ESI through someone else's employer
- Number of nonworking 18-64 year-old Ohioans with ESI has increased from 2004 to 2010 (from 846,998 to 884,960), though the number fell by 45,482 from 2008 to 2010
- Percent of nonworking Ohioans with ESI as percent of all nonworking Ohioans has fallen steadily from 2004 to 2010 from 39.5% to 32.7%
- Increase in number of nonworking Ohioans with ESI is a result of a larger number keeping ESI from a former employer
- Total number of uninsured who are working has increased by 19.2% since 2004 (110,048)
- 22.5% of uninsured workers were eligible for an offer of ESI in 2010 (149,285 out of 662,806 working uninsured)

ESI through own employer – Key points

- Percent of Ohioans with ESI through their own employer has decreased from 2004 to 2010, though it increased from 2004 to 2008 because of:
- A 6.6% reduction in 18-64 year Ohioans **employed** between 2003/04 and 2010 OFHS survey periods (322,019 fewer people in the workforce with direct access to ESI);
- A 6.8% reduction in workers at firms **offering** ESI (258,731 fewer workers offered ESI) -- though the proportion of total firms offering ESI has remained relatively steady;
- A 9.6% reduction in workers reporting being **eligible** for ESI at their firm (327,342 fewer individuals eligible); and
- A 12.8% decrease in workers **accepting** their firm's offer of ESI for which they are eligible (353,148 fewer employees with ESI).
- Much of this change, except for total employment, took place between 2008 and 2010

ESI through own employer, continued

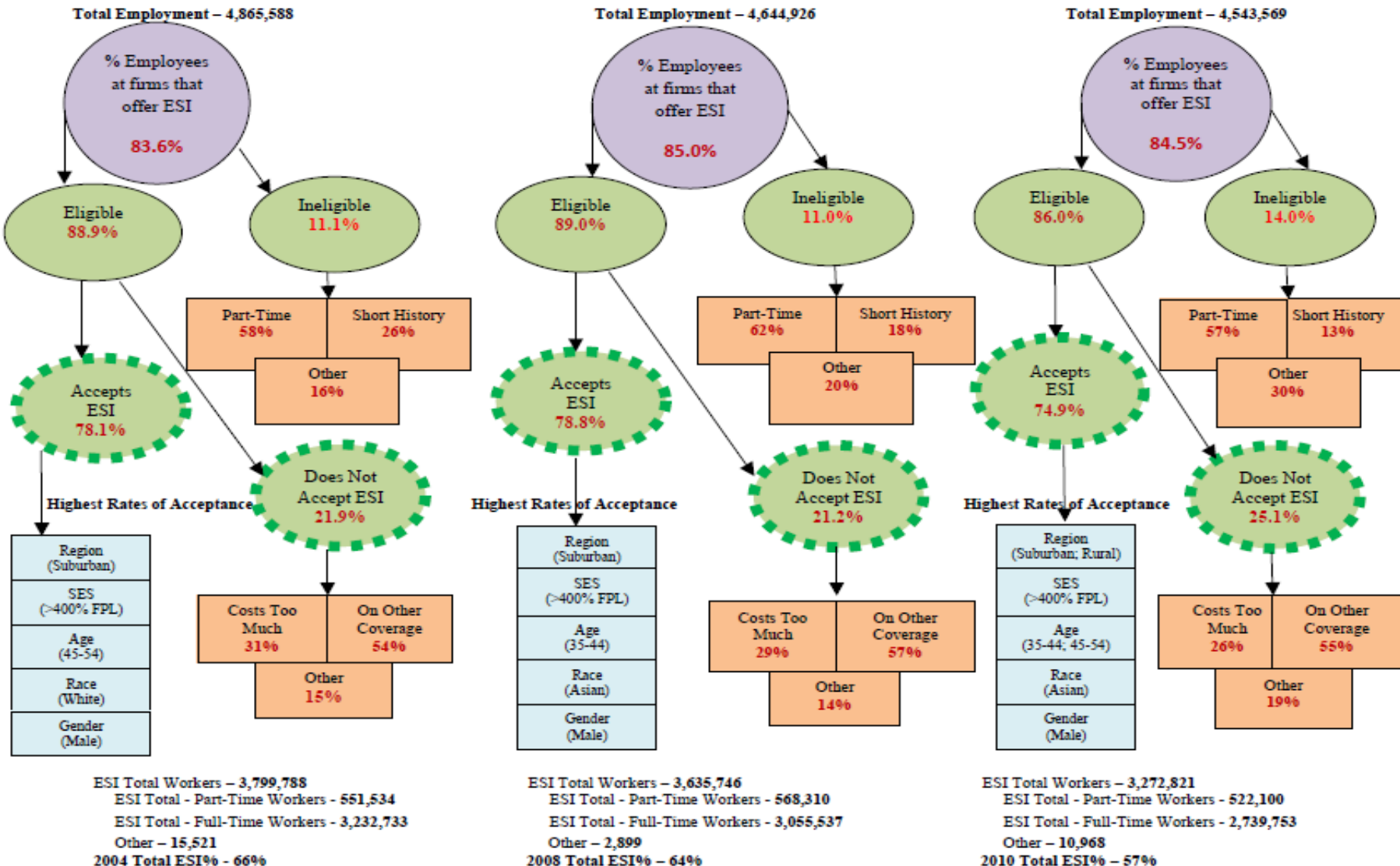
- Following factors are associated with changes in number of people (and percent) working at firms that offer ESI, eligibility for offer, and acceptance of ESI offer:
 - Increase in part-time workers (14.5% since 2004) with decrease in full-time workers
 - Total cumulative premium cost increase: 67.5% single, 70.8% employee-plus-one, and 81.6% family between 2001 and 2010
 - Cumulative employee share of premium cost increase of 67.9% single, 117.4% employee-plus-one, and 142.0% family coverage between 2001 and 2010
- Change in percent of private sector employees with coverage type between 2001 and 2010 is:
 - single coverage increased from 38.2% to 47.8%
 - Employee-plus-one coverage increased from 17.3% to 18.3%
 - family coverage decreased from 45.6% to 34.1% (% still above US average)

Ohio Family Health Survey Data on Employer Sponsored Group Health Insurance (ESI)

2004

2008

2010

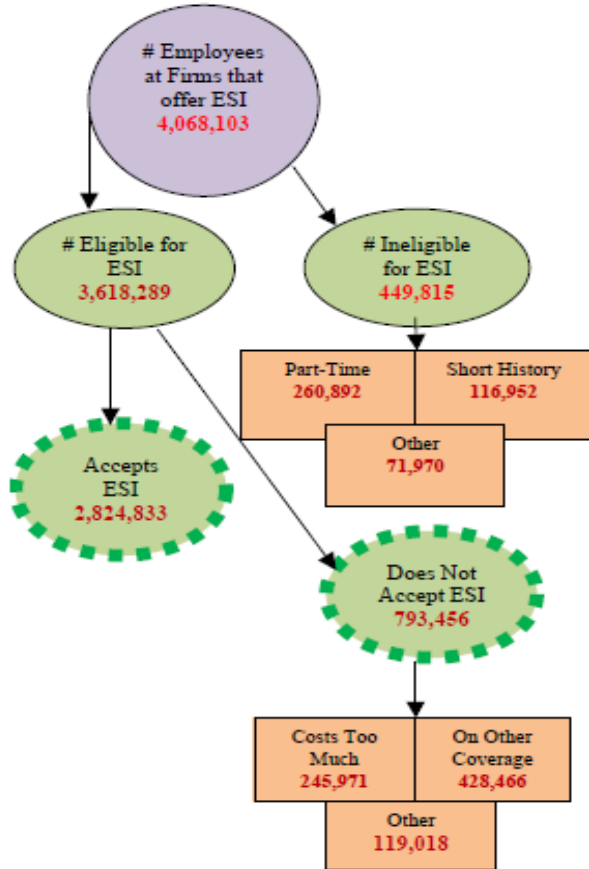


ESI Count Totals

(Totals are based on percentages provided in previous model.)

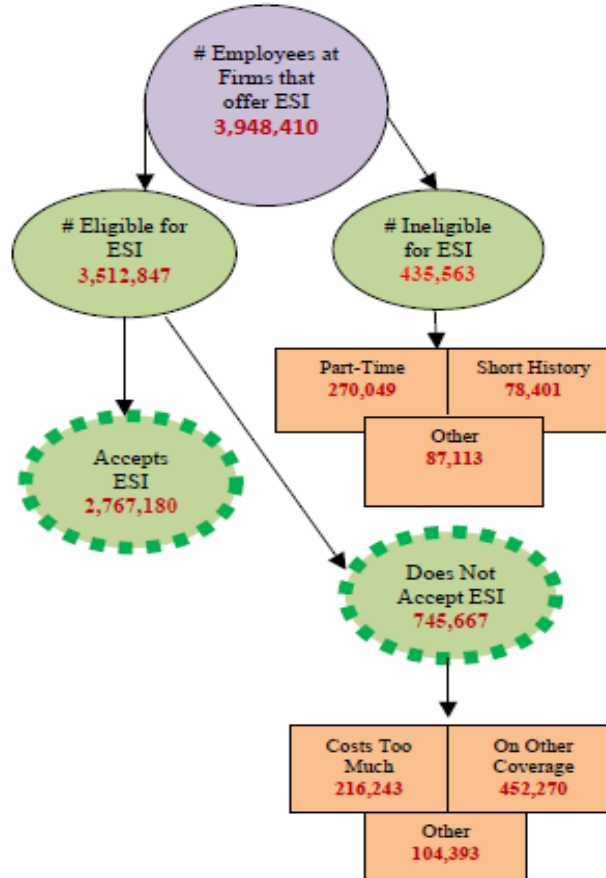
2004

Total Employment – 4,865,588



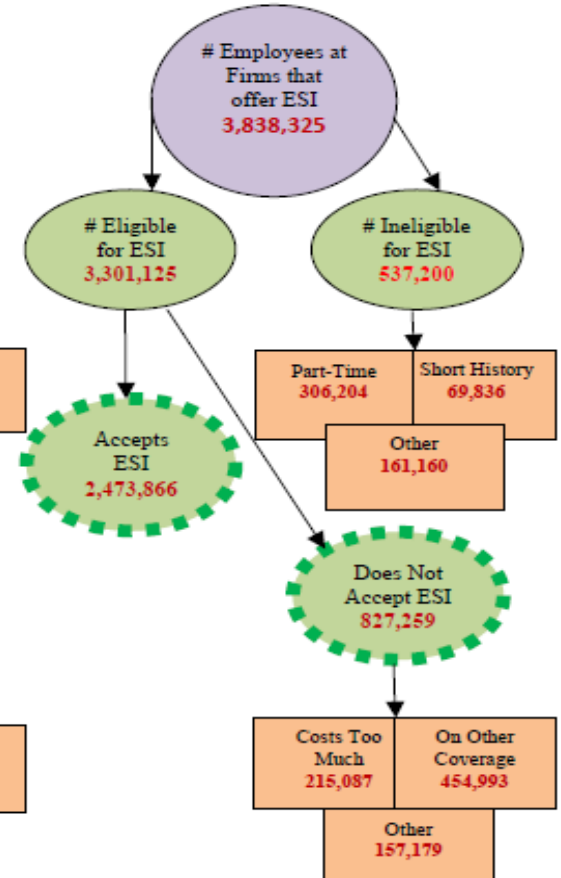
2008

Total Employment – 4,644,926



2010

Total Employment – 4,543,569



Percent of employees by firm size working at firms by offer of ESI, eligible for offer, and accept offer: 2010

(data 2010 OFHS)

firm size	% workers at firms offer ESI	% eligible for ESI offer	% accept ESI offer	% with ESI through firm
<10	55%	77%	45%	19%
10 to 24	67%	84%	57%	32%
25 to 49	83%	83%	69%	48%
50 to 99	88%	83%	67%	49%
100 to 249	95%	88%	78%	65%
250 to 499	92%	86%	82%	65%
499 to 999	96%	89%	85%	73%
> 999	99%	92%	90%	82%

Percent of employees by firm size with ESI through own employer and percent change between survey periods: 2004, 2008, and 2010 (data from OFHS surveys)

firms size	2004	2008	2010	% change 2004- 2010	% change 2004- 2008	% change 2008- 2010
<10	23.5%	18.0%	19.1%	-18.7%	-23.4%	6.1%
10 to 24	42.7%	37.9%	32.1%	-24.8%	-11.2%	-15.3%
25 to 49	52.2%	50.1%	47.5%	-9.0%	-4.0%	-5.2%
50 to 99	67.9%	63.9%	48.9%	-28.0%	-5.9%	-0.2%
100 to 249	69.4%	65.3%	65.2%	-6.1%	-5.9%	-0.2%
250 to 499	80.4%	77.6%	64.9%	-19.3%	-3.5%	-16.4%
499 to 999	79.4%	74.9%	72.6%	-8.6%	-5.7%	-3.1%
> 999	80.3%	77.5%	82.0%	2.1%	-3.5%	5.8%

Changes in single, employee + 1, and family premiums, Ohio private sector 2001-2010 (MEPS data, no data for 2007)

	2001	2002	2003	2004	2005	2006	2008	2009	2010
Single									
<i>total premium</i>	\$2,787	\$3,087	\$3,416	\$3,782	\$3,928	\$4,054	\$4,089	\$4,261	\$4,669
<i>employee share of total premium</i>	\$567	\$604	\$659	\$687	\$674	\$781	\$885	\$1,065	\$952
<i>annual % change total</i>		10.8%	10.7%	10.7%	3.9%	3.2%	0.9%	4.2%	9.6%
<i>annual % change employee share</i>		6.5%	9.1%	4.2%	-1.9%	15.9%	13.3%	20.3%	-10.6%
<i>cumulative % change total</i>		10.8%	22.6%	35.7%	40.9%	45.5%	46.7%	52.9%	67.5%
<i>cumulative % change employee share</i>		6.5%	16.2%	21.2%	18.9%	37.7%	56.1%	87.8%	67.9%
Employee + 1									
<i>total premium</i>	\$5,426	\$5,860	\$6,573	\$6,844	\$7,119	\$7,864	\$8,194	\$8,353	\$9,268
<i>employee share of total premium</i>	\$1,057	\$1,115	\$1,298	\$1,408	\$1,358	\$1,687	\$1,880	\$2,375	\$2,298
<i>annual % change total</i>		8.0%	12.2%	4.1%	4.0%	10.5%	4.2%	1.9%	11.0%
<i>annual % change employee share</i>		5.5%	16.4%	8.5%	-3.6%	24.2%	11.4%	26.3%	-3.2%
<i>cumulative % change total premium</i>		8.0%	21.1%	26.1%	31.2%	44.9%	51.0%	53.9%	70.8%
<i>cumulative % change employee share</i>		5.5%	22.8%	33.2%	28.5%	59.6%	77.9%	124.7%	117.4%
Family									
<i>total premium</i>	\$7,203	\$8,163	\$9,136	\$9,590	\$10,662	\$10,967	\$11,425	\$11,870	\$13,083
<i>employee share of total premium</i>	\$1,358	\$1,841	\$1,946	\$2,206	\$2,220	\$2,488	\$2,642	\$3,667	\$3,286
<i>annual % change total premium</i>		13.3%	11.9%	5.0%	11.2%	2.9%	4.2%	3.9%	10.2%
<i>annual % change employee share</i>		35.6%	5.7%	13.4%	0.6%	12.1%	6.2%	38.8%	-10.4%
<i>cumulative % change total</i>		13.3%	26.8%	33.1%	48.0%	52.3%	58.6%	64.8%	81.6%
<i>cumulative % change employee share</i>		35.6%	43.3%	62.4%	63.5%	83.2%	94.6%	170.0%	142.0%
CPI-U Cumulative		1.6%	3.9%	6.7%	10.3%	13.8%	21.6%	21.1%	23.2%
CPI Medical Care Cumulative		4.7%	8.9%	13.7%	18.5%	23.2%	33.5%	37.7%	42.4%

2010 Federal Poverty Guidelines*

(Before any tax and withholdings)

Annual Income*			
Family Size	100% FPL	200% FPL	300% FPL
1	\$10,830 (\$902.5 monthly)	\$21,600 (\$1,805 monthly)	\$32,490 (\$2,707.5 monthly)
2	\$14,570 (\$1,214.17 monthly)	\$29,140 (\$2,428.33 monthly)	\$43,710 (\$3,642.51 monthly)
3	\$18,310 (\$1,525.83 monthly)	\$36,620 (\$3,051.67 monthly)	\$54,930 (\$4,577.49 monthly)
4	\$22,050 (\$1,837.5 monthly)	\$40,792.5 (\$3,675 monthly)	\$66,150 (\$5,512.5 monthly)

\$15,184 - annual income for full time worker (2080 hours/year) at \$7.30 per hour (minimum wage)

\$20,800 - annual income if working full time at \$10 per hour

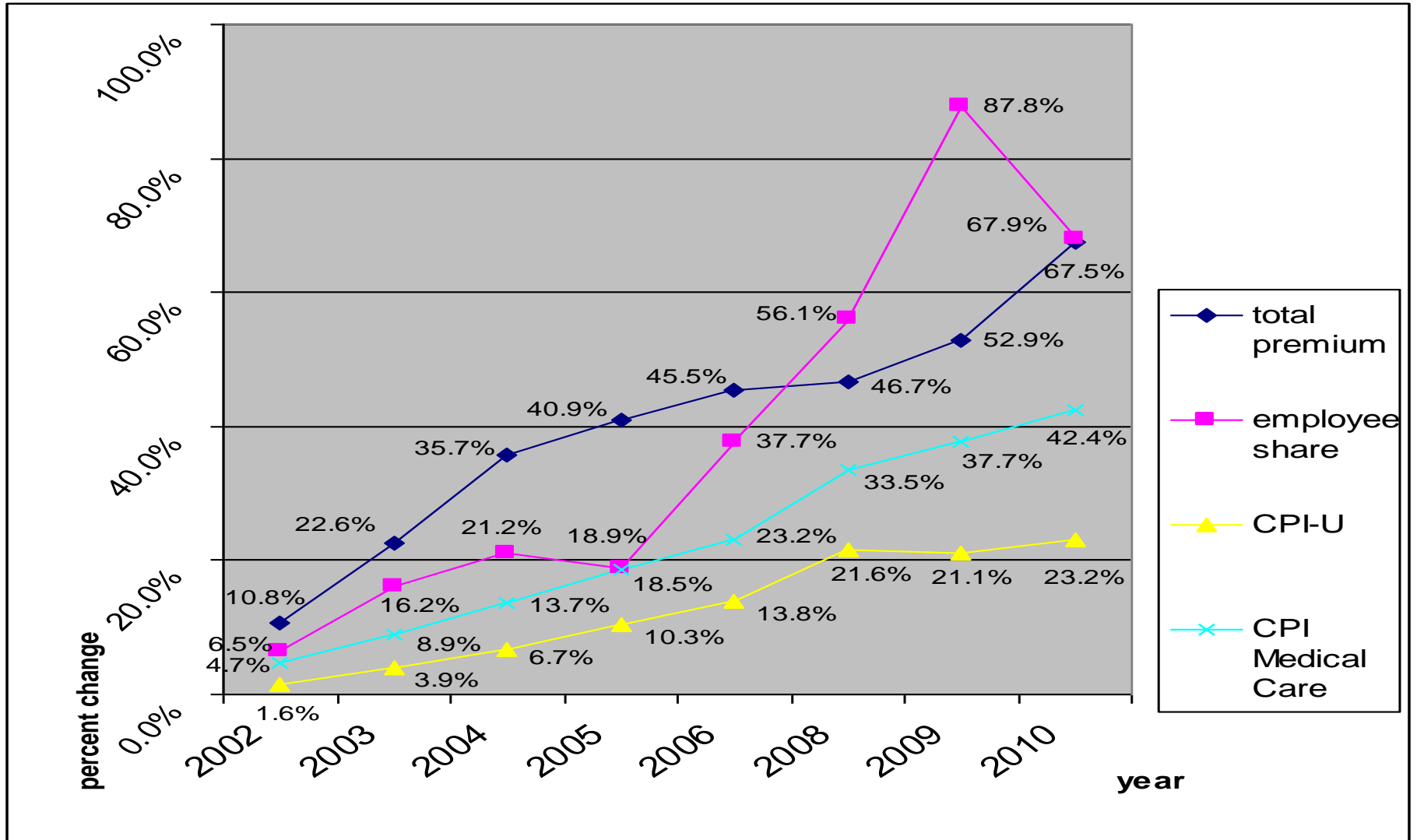
\$952 and \$3,283 2010 Ohio average worker annual premium cost for single and for family coverage**

Source: [*https://www.cms.gov/MedicaidEligibility/downloads/POV10Combo.pdf](https://www.cms.gov/MedicaidEligibility/downloads/POV10Combo.pdf)

**MEPS 2010 data

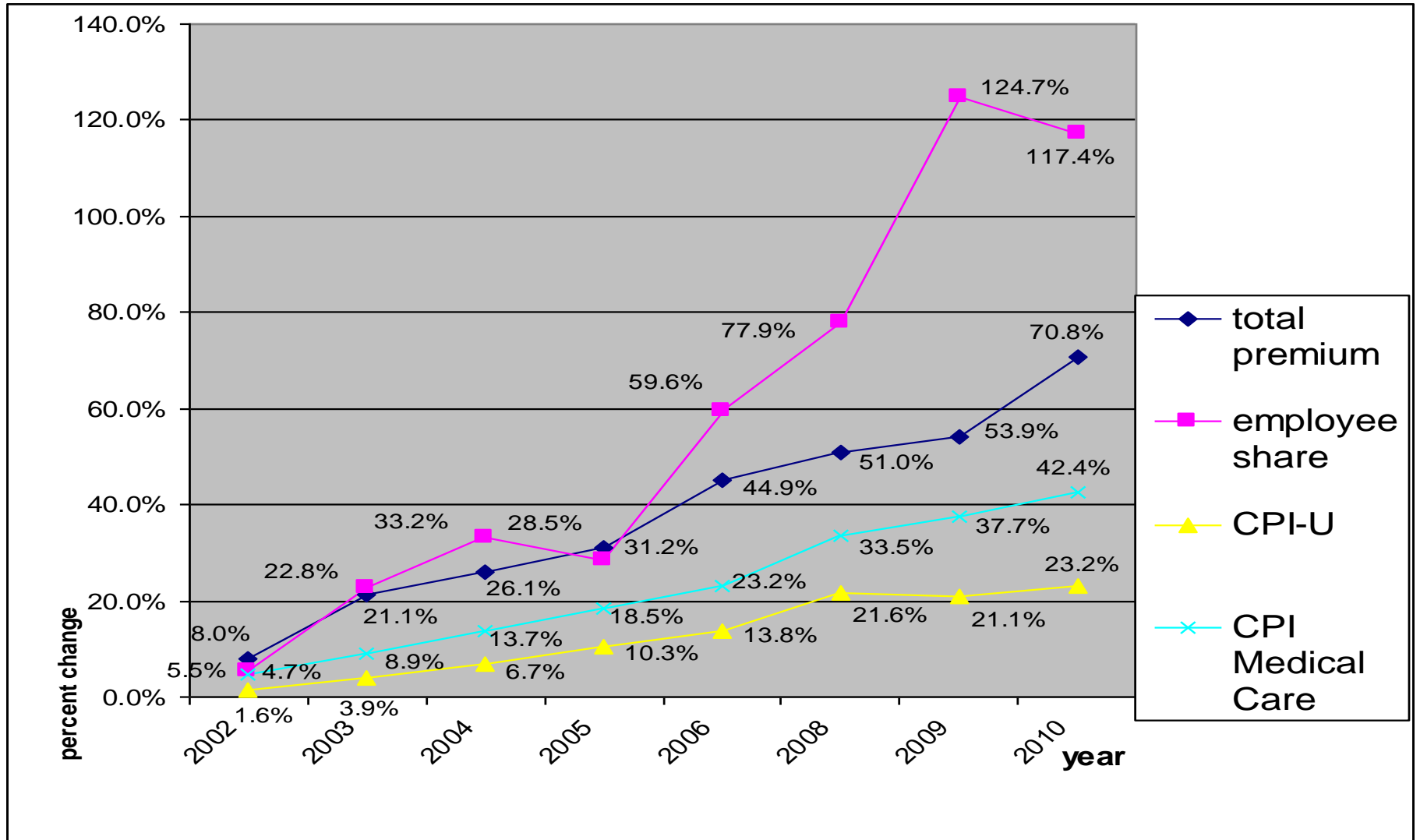
Cumulative percentage change in single coverage premiums and employee share of total premium for ESI, private industry, 2001-2010

(data from MEPS reports comparing 10 largest states; there were no data for 2007)



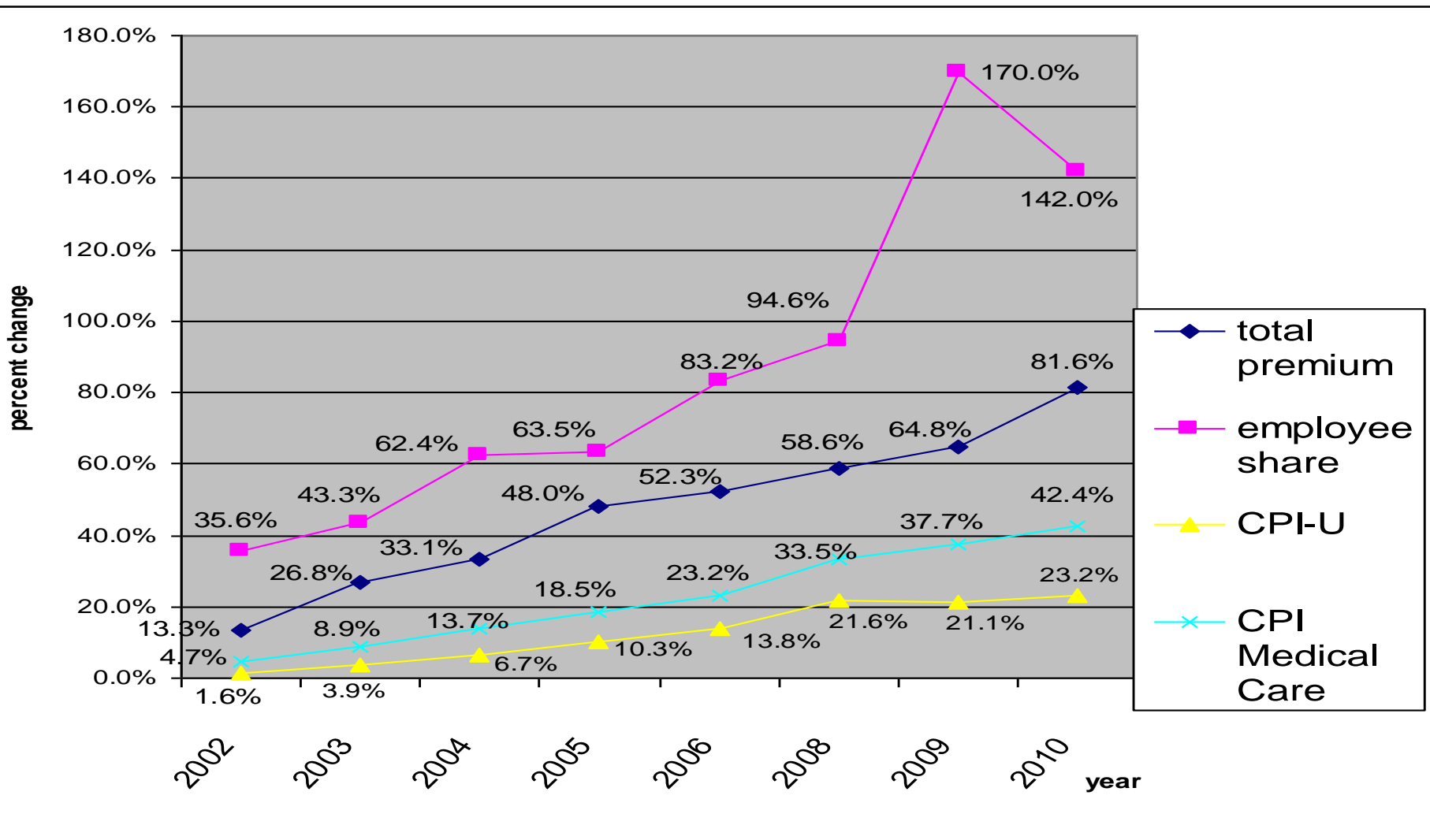
Cumulative % change in employee-plus-one coverage premiums and employee share of premium for ESI, private industry, 2001-2010

(data from MEPS reports comparing 10 largest states; there were no data for 2007)



Cumulative percentage change in family coverage premiums and employee share of total premium for ESI, private industry, 2001-2010

(data from MEPS reports comparing 10 largest states; there were no data for 2007)



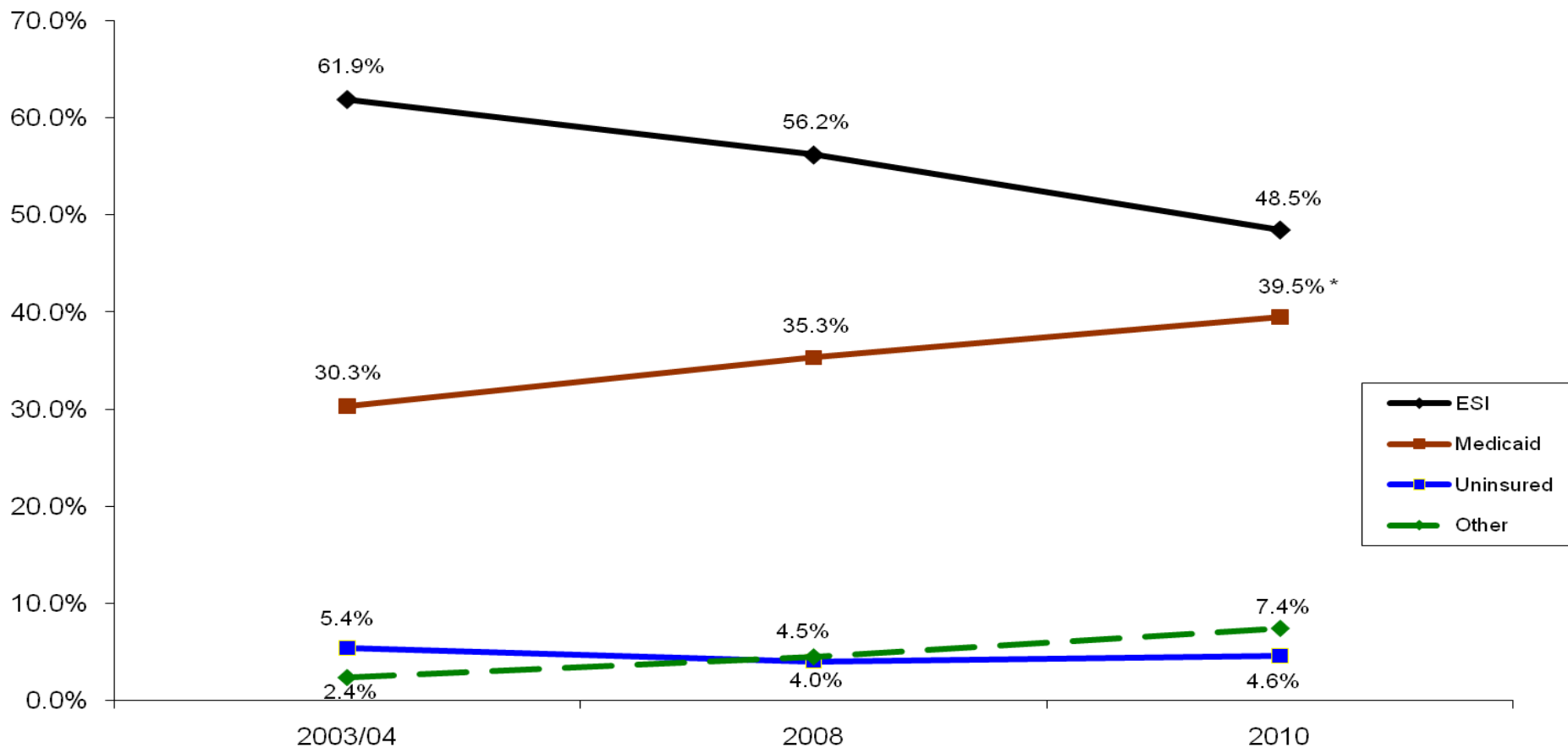
Percent of Ohio and U.S. private sector employees by plan options: 2001-2010: single, employee-plus-one, and family coverage options

(data from MEPS, no data for 2007)

	2001	2002	2003	2004	2005	2006	2008	2009	2010
Ohio									
single	38.2%	42.6%	41.6%	40.0%	43.9%	44.3%	44.5%	46.3%	47.8%
employee + 1	16.2%	16.0%	17.8%	17.5%	16.4%	18.6%	19.3%	19.6%	18.1%
family	45.6%	41.4%	40.6%	42.5%	39.7%	37.1%	36.2%	34.1%	34.1%
US									
single	46.3%	47.7%	47.3%	47.3%	48.6%	48.9%	50.2%	50.0%	51.3%
employee + 1	17.3%	17.3%	16.5%	17.4%	17.3%	18.0%	18.0%	19.5%	18.3%
family	36.4%	35.0%	36.2%	35.2%	34.0%	33.2%	31.8%	30.5%	30.3%

Change in coverage types for Ohio children: 2004, 2008, and 2010

(data from 2003/2004, 2008, and 2010 Ohio Family Health Surveys and from Medicaid administrative data)



Number and Percent of 18-64 year old working Ohioans with ESI through source other than their own employer: 2004, 2008, and 2010

(data from 2003/04, 2008, and 2010 Ohio Family Health Surveys)

	2004	2008	2010	% change 2004- 2008	% change 2008- 2010	% change 2004- 2010
total population	7,018,957	7,160,603	7,258,956	2.0%	1.4%	3.4%
total employment	4,865,588	4,644,926	4,543,569	-4.5%	-2.2%	-6.6%
total working with ESI other than through own employer	909,976	812,795	741,437	-10.7%	-8.8%	-18.5%
% working with ESI other than through own employer	18.7%	17.5%	16.3%	-6.4%	-6.7%	-12.7%

Number of 18-64 year-old nonworking Ohioans and number and percent with ESI

(data for 2003/2004, 2008, and 2010 Ohio Family Health Surveys)

	2004	2008	2010	% change 2004- 2008	% change 2008- 2010	% change 2004- 2010	% of total change 2008-2010
Total nonworking 18-64	2,146,188	2,509,486	2,703,918	16.9%	7.7%	26.0%	29.8%
Total nonworking with ESI	846,998	930,442	884,960	9.9%	-4.9%	4.5%	-109.1%
% of nonworking with ESI	39.5%	37.1%	32.7%	-6.1%	-11.7%	-17.1%	68.7%

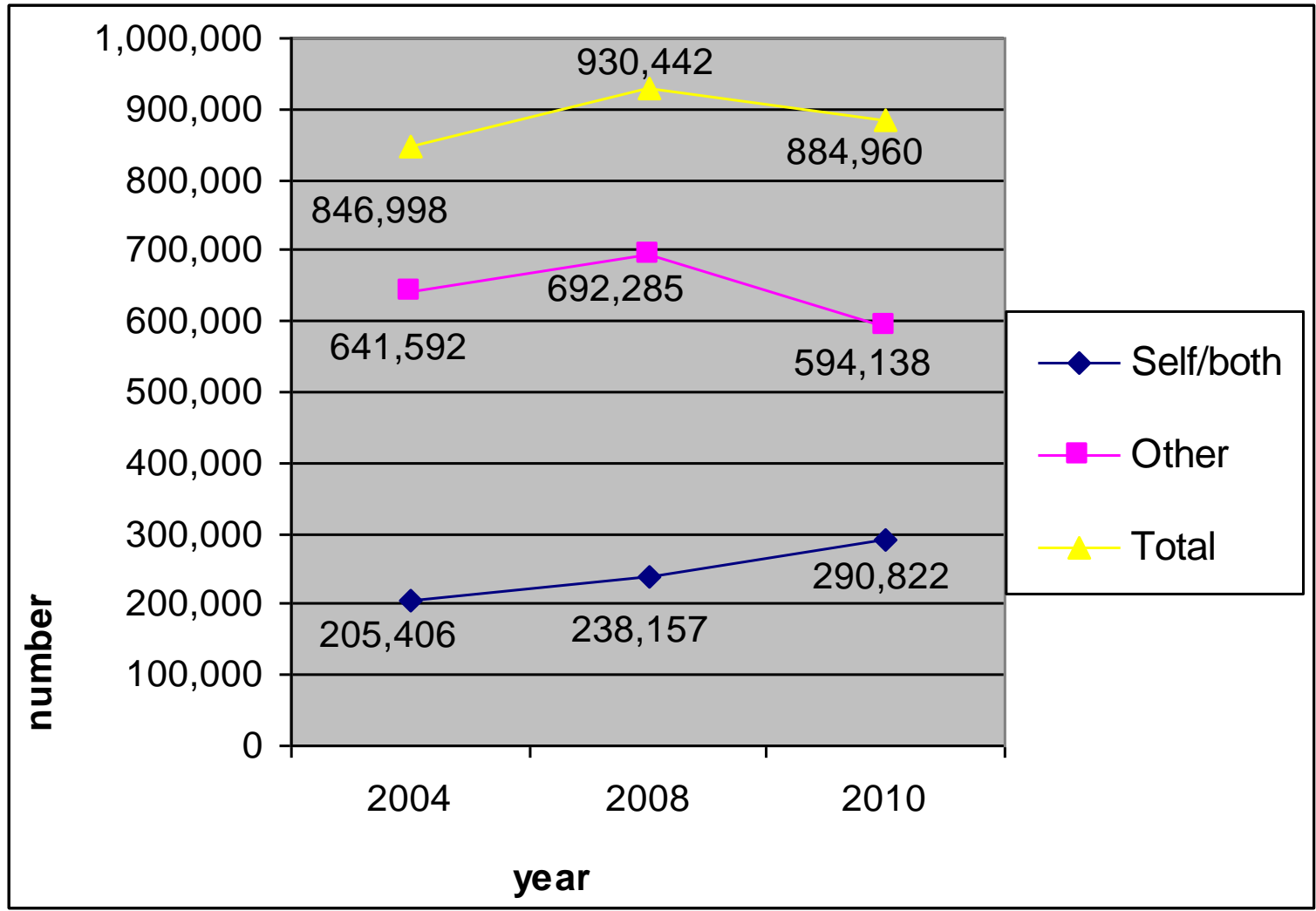
ESI for nonworking Ohioans by source: self, other*, or both: 2004, 2008, and 2010

*other = spouse, partner, or parent (data from 2003/04, 2008 and 2010 OFHS)

	Self	Other	Both	Total
2004 total	202,343	641,592	3,063	846,998
<i>2004 % of total</i>	23.9%	75.7%	0.4%	
2008 total	231,578	692,285	6,579	930,442
<i>2008 % of total</i>	24.9%	74.4%	0.7%	
2010 total	287,337	594,138	3,485	884,960
<i>2010 % of total</i>	32.5%	67.1%	0.4%	
absolute change 2004-2008	29,235	50,693	3,516	83,444
<i>% change 2004-2008</i>	14.4%	7.9%	114.8%	9.9%
absolute change 2008-2010	55,759	-98,147	-3,094	-45,482
<i>% change 2008-2010</i>	24.1%	-14.2%	-47.0%	-4.9%
absolute change 2004-2010	84,994	-47,454	422	37,962
<i>% change 2004-2010</i>	42.0%	-7.4%	13.8%	4.5%
% of total change 2008-2010	57.3%	191.7%	-341.3%	-109.1%

Nonworking with ESI, total, through self, and through other*: 2004, 2008, and 2010:

* other = spouse, partner, or parent
 (data from 2003/2004, 2008, and 2010 Ohio Family Health Surveys)



2010 uninsured rate:

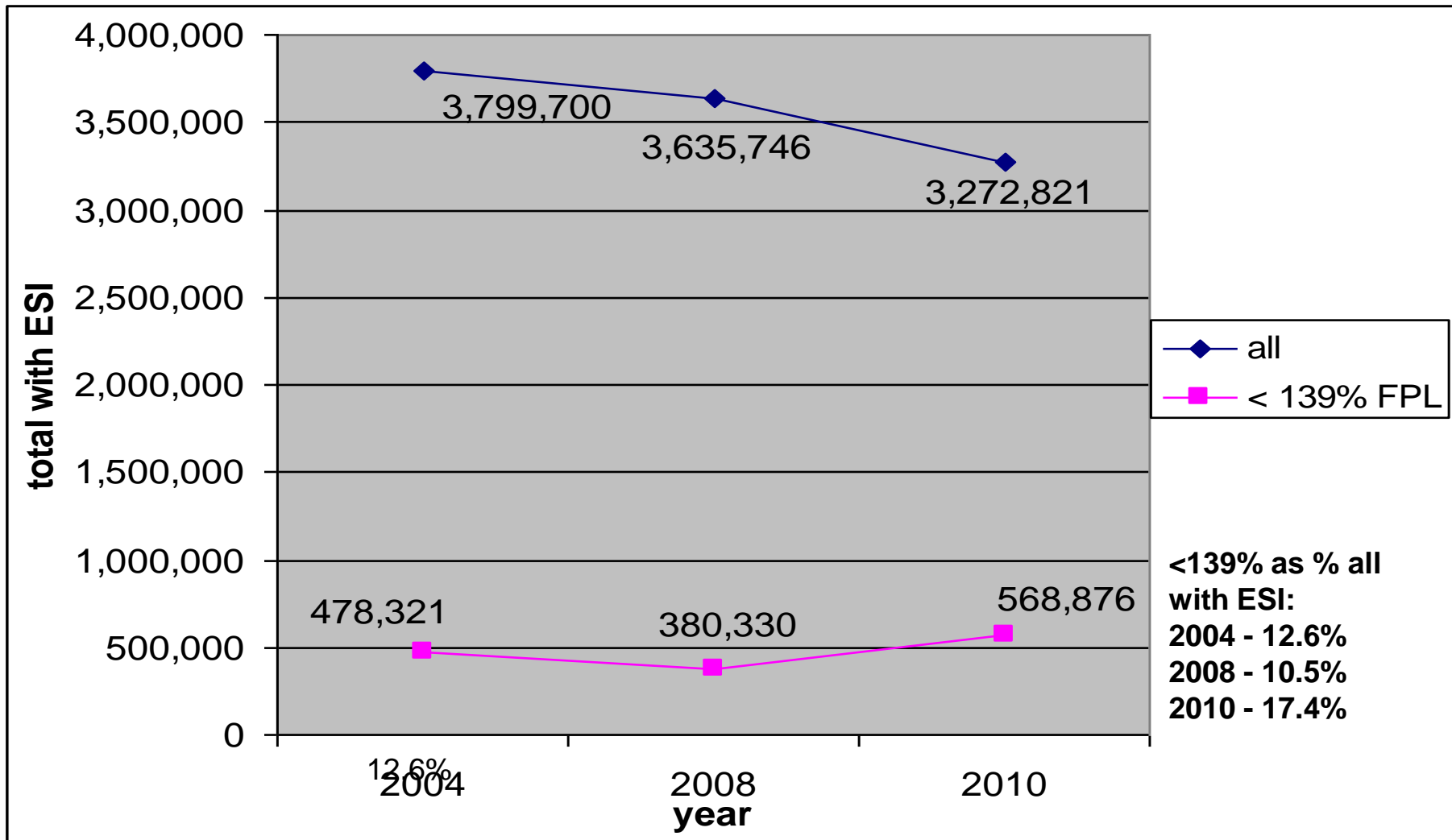
As is:
17.5%

If only 20% increase in ESI self/both:
18.1%

If no increase in ESI self/both:
18.2%

Number of 18-64 Ohioans with ESI from all sources: Total and with incomes $\leq 138\%$ FPL

(Data from Ohio Family Health Surveys 2003/04, 2008, and 2010)



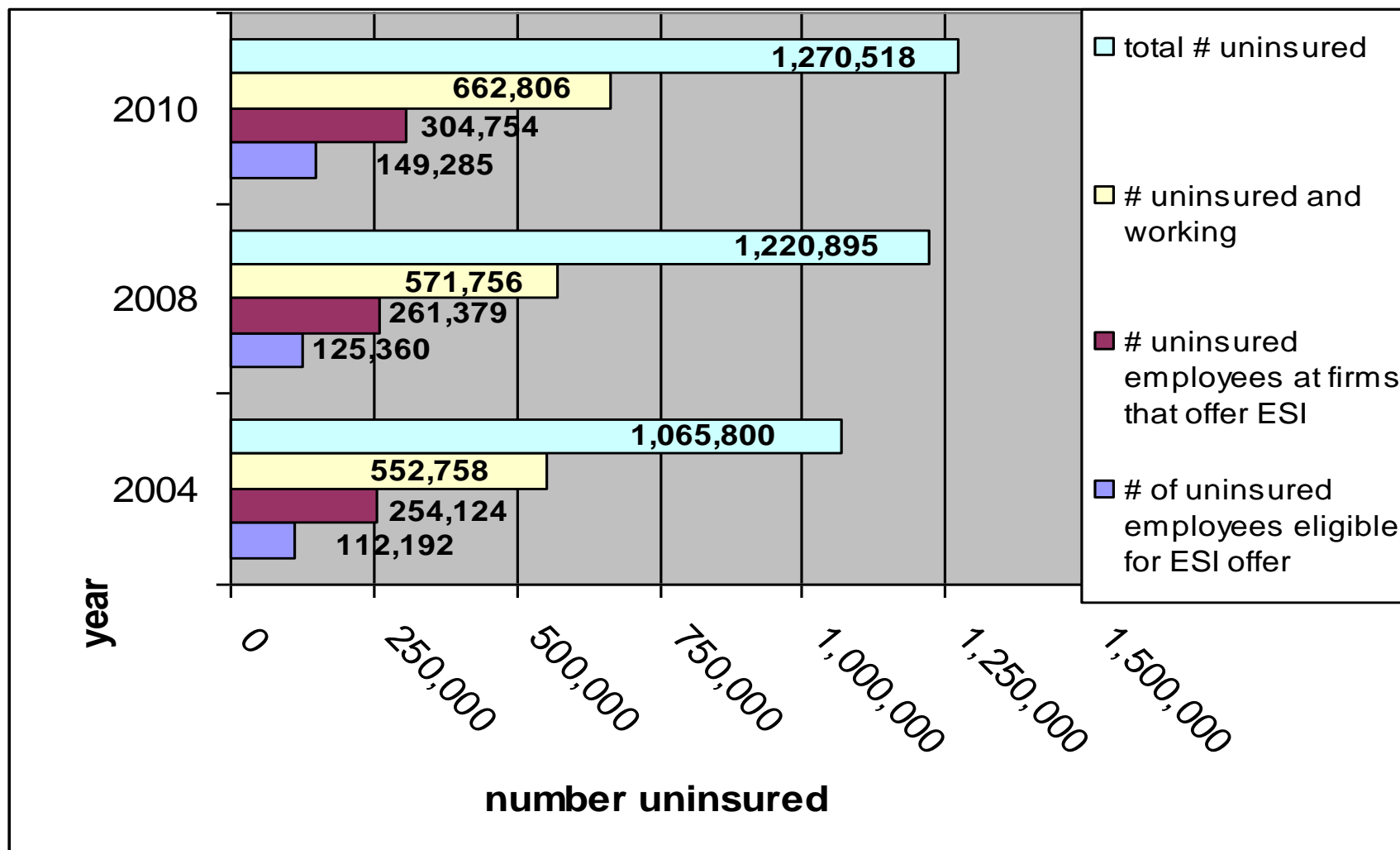
Uninsured 18-64 year-old Ohio employees eligible for ESI: 2004, 2008, and 2010

(data from 2003/04, 2008, and 2010 Ohio Family Health Surveys)

	2004	2008	2010	% change 2004- 2010	% change 2004- 2008	% change 2008- 2010
Total Workers	4,865,588	4,644,926	4,543,569	-7.1%	-4.5%	-2.2%
# work at firms that offer ESI	4,298,260	4,169,285	4,029,691	-6.7%	-3.0%	-3.3%
# employees eligible for ESI	3,886,916	3,791,547	3,536,859	-9.9%	-2.5%	-6.7%
# employees who do not accept ESI offer	1,442,823	1,560,601	1,606,087	10.2%	8.2%	2.9%
total # uninsured	1,065,800	1,220,895	1,270,747	16.1%	14.6%	4.1%
# working uninsured	552,758	571,756	662,806	16.6%	3.4%	15.9%
# uninsured employees at firms that offer ESI	254,124	261,379	304,754	16.6%	2.9%	16.6%
# of uninsured eligible for ESI offer	112,192	125,360	149,285	24.8%	11.7%	19.1%
<i>uninsured at firms that offer ESI as % of total employees at firms offer ESI</i>	5.9%	6.3%	7.6%	21.8%	6.0%	20.6%
<i>uninsured eligible for ESI offer as % total eligible employees</i>	2.9%	3.3%	4.2%	31.6%	14.5%	27.7%
<i>uninsured at firms offer ESI as % of total uninsured employees</i>	46.0%	45.7%	46.0%	0.0%	-0.6%	0.6%
<i>uninsured eligible for ESI as % of total uninsured employees</i>	20.3%	21.9%	22.5%	9.9%	8.0%	2.7%
<i>uninsured as % of all employees who do not accept ESI offer</i>	17.6%	16.7%	19.0%	7.2%	-4.9%	13.3%
<i>% of total uninsured employees who are eligible for offer of ESI</i>	10.5%	10.3%	11.7%	10.4%	-2.5%	14.4%

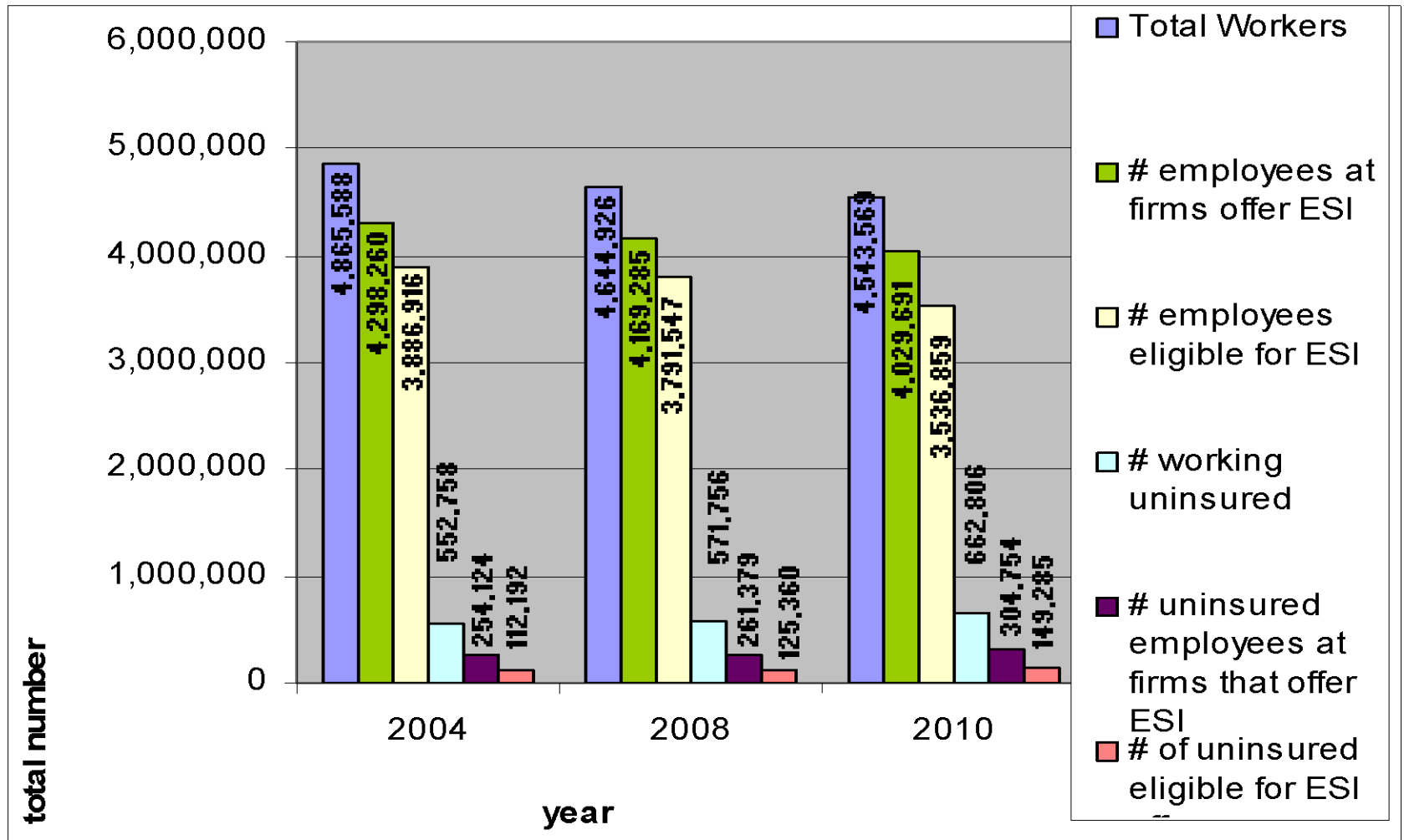
Comparison of 18-64 year-old working uninsured to all uninsured by total working uninsured, working at firms that offer ESI, and eligible for ESI offer: 2004, 2008, and 2010

(data from 2003/2004, 2008, and 2010 Ohio Family Health Surveys)



Number of workers and uninsured workers: total, at firms offer ESI, and eligible for ESI offer: 2004, 2008, and 2010

(data from 2003/04, 2008, and 2010 Ohio Family Health Surveys)



Number of working uninsured by firm size: 2004, 2008, and 2010

(data from 2003/04, 2008, and 2010 Ohio Family Health Surveys)

Firm Size	2004	2008	2010
< 10	183,910	185,869	205,106
10 to 24	71,638	84,395	95,250
25-49	48,997	53,339	44,475
50-99	32,312	38,420	66,360
100-249	48,432	46,441	54,579
250-499	19,920	19,157	36,229
500-999	14,039	16,193	14,649
> 999	60,111	62,182	60,800
DK/NR	73,399	65,760	85,358
total all	552,758	571,756	662,806
total < 50	304,545	323,603	344,831
total > 49	174,814	182,393	232,617

Conclusions

- ESI rate has, is, and will decrease in Ohio
- Is the past prologue?
- Factors affecting the future ESI rate will include:
 - Total employment
 - Overall
 - By size of firm
 - Total population
 - The end of the COBRA subsidy
 - Trends in total and employee share of premiums
 - Trends in part-time employment
 - Trends in employer offer of dependent coverage
 - Labor market competition
 - Public policy changes

Next Steps

- Prepare series of data briefs
- Finalize scenario analyses on future of ESI under with and without healthcare reform