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## **Employer-Sponsored Health Insurance Erosion Continues**

Pennsylvania has outstripped every state in the nation except Michigan in the loss of employment-based health insurance coverage over the course of the decade, according to a new report analyzing U.S. Census Bureau data.

In 2007 and 2008, 694,471 fewer Pennsylvanians were insured by an employer policy than in 2000-01. The nation as a whole also saw a dramatic decline in coverage, with 17 million fewer Americans insured by an employer policy in 2008 than at the start of the decade.

The report<sup>1</sup>, authored by the Washington, D.C.-based Economic Policy Institute, analyzed U.S. Census Bureau data from 2000 to 2008. State-level data are averaged over two years to reduce sampling error.

Overall, Pennsylvania has a higher rate of employment-based coverage than the national average, ranking 10<sup>th</sup> among the 50 states and Washington, D.C. in employer coverage rates in 2007-08.

The steep decline of employment-based coverage, however, is a big concern for the Commonwealth. The report identifies the skyrocketing cost of health care as a major cause of this decline in Pennsylvania and nationally. As costs increase, employers are less likely to offer insurance coverage to workers and their families. Given the state of the economy, millions more Americans are expected to lose employer coverage over the next two years, which is likely to further strain public programs.

Over the course of the decade, Pennsylvania already has seen an increase in the share of the population receiving health coverage through public programs. Since 2000-01, that share has grown from 10% to 14.3% of the population. As is the case nationally, increased enrollment in Medicaid and SCHIP in Pennsylvania has compensated for a loss of employment-based coverage for kids. That explains how the rate and number of uninsured children has remained steady in Pennsylvania over the course of the decade, despite a decline of more than 200,000 children covered by employment-based health insurance.

On the next page is an overview of the major findings of the EPI report.

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<sup>1</sup> The report, "Employer-sponsored health insurance erosion continues," is available online at <http://www.epi.org/publications/entry/bp247/>.



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## **Fewer Americans are covered by an employer health insurance policy.**

- In 2000, 68.3% of Americans under age 65 were covered by an employer policy; in 2008, the rate dropped to 61.9%. That amounts to 17 million fewer Americans insured by an employer policy.
- Lower-income Americans have been the hardest hit: the coverage rate for the bottom 40% of income earners dropped by about 10 percentage points, while for the top 40%, it declined by 3 percentage points.

## **Pennsylvania second only to Michigan in loss of employer coverage.**

- In Pennsylvania, 694,471 fewer people were insured by an employer in 2007-08 than seven years before. Between 2000-01 and 2007-08, that number went from 7,929,984 in 2000-01 to 7,235,512 in 2007-08. Only Michigan saw a larger number decline.
- The rate of employer-sponsored health care also declined. It went from 75.9% in 2000-01 to 69.7% in 2007-08 – a 6.3-percentage-point drop.
- The percentage of Pennsylvania workers insured by their own employer declined. In 2000-2001, 82.5% of Pennsylvania workers were insured by their employer, and in 2007-2008, it declined to 77.9%. The national average of workers insured by their employer went from 74.4% in 2000-2001 to 70.6% in 2007-08.
- Despite declines in employer coverage, Pennsylvania has a higher rate of residents insured by an employer policy than the national average. In 2007-08, Pennsylvania ranked tenth among the 50 states and Washington, D.C., in the percentage of residents insured by an employer policy.

## **While more Pennsylvania children lose employer coverage, their rates of coverage remain steady.**

- In Pennsylvania, 201,425 fewer children received employer health care in 2007-08 than seven years before. Between 2000-2001 and 2007-08, the percentage of children covered by an employer policy went from 74.3% to 67.4% – a decline of 6.9 percentage points.
- Nationally, there was a decline of 6 percentage points in employer coverage for children during the same period.
- Despite these declines, the number and rate of uninsured children in Pennsylvania has remained the same over the course of the decade – at about 200,000. This is likely due to the growth in the number of children enrolled in Medicaid or SCHIP. Since 2001-01, the share of the population with coverage through those public programs grew from 10% to 14.3%.



**Health Insurance Coverage in Pennsylvania and the U.S. 2000-01 to 2007-08  
Economic Policy Institute Analysis of 2009 Current Population Survey Data**

<b>Employer-sponsored health insurance coverage by state, population under 65 years old 2000-01 to 2007-08</b>						
State	Health Insurance Coverage (%)			Health Insurance Coverage (#)		
	2000-2001	2007-2008	Percentage-point change	2000-2001	2007-2008	Change
Nationwide	67.6%	62.4%	<b>-5.3</b>	167,174,509	164,003,727	<b>-3,170,782</b>
Pennsylvania	75.9%	69.7%	<b>-6.3</b>	7,929,984	7,235,512	<b>-694,471</b>

Source: EPI Analysis of Current Population Survey Data 2001-2009

<b>Employer-sponsored health insurance coverage by state, 2000-01 to 2007-08, percent of all workers insured</b>						
State	Health Insurance Coverage (%)			Health Insurance Coverage (#)		
	2000-2001	2007-2008	Percentage-point change	2000-2001	2007-2008	Change
Nationwide	74.4%	70.6%	-3.9	106,055,229	104,846,548	-1,208,681
Pennsylvania	82.5%	77.9%	-4.7	5,192,396	4,733,365	-459,031

Source: EPI Analysis of Current Population Survey Data 2001-2009

<b>Employer-sponsored health insurance coverage for children under 18 by state, 2000-01 to 2007-08, percent of all children insured</b>						
State	Health Insurance Coverage (%)			Health Insurance Coverage (#)		
	2000-2001	2007-2008	Percentage-point change	2000-2001	2007-2008	Change
Nationwide	65.2%	59.2%	<b>-6.0</b>	47,220,271	44,063,052	<b>-3,157,219</b>
Pennsylvania	74.3%	67.4%	<b>-6.9</b>	2,072,948	1,871,523	<b>-201,425</b>

Source: EPI Analysis of Current Population Survey Data 2001-2009



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Nationwide	67.6%	62.4%	<b>-5.3</b>	167,174,509	164,003,727	<b>-3,170,782</b>
Alabama	68.1%	66.6%	-1.4	2,624,942	2,655,183	30,241
Alaska	61.9%	58.2%	<b>-3.7</b>	365,250	364,096	-1,154
Arizona	62.7%	55.9%	<b>-6.8</b>	2,923,423	3,198,126	<b>274,703</b>
Arkansas	61.0%	54.8%	<b>-6.2</b>	1,378,922	1,349,388	-29,534
California	59.7%	56.7%	<b>-3.0</b>	18,464,539	18,434,363	-30,176
Colorado	70.1%	63.7%	<b>-6.5</b>	2,778,936	2,806,567	27,631
Connecticut	77.1%	71.1%	<b>-6.0</b>	2,229,371	2,136,485	<b>-92,886</b>
Delaware	76.5%	68.9%	<b>-7.6</b>	525,285	515,084	-10,201
District of Columbia	63.2%	62.0%	-1.2	307,732	323,615	15,883
Florida	62.2%	57.5%	<b>-4.7</b>	8,411,569	8,659,135	<b>247,566</b>
Georgia	67.6%	62.1%	<b>-5.5</b>	5,028,958	5,370,090	<b>341,132</b>
Hawaii	70.7%	71.5%	0.8	745,019	765,524	20,505
Idaho	65.9%	63.9%	-2.0	762,520	840,312	<b>77,793</b>
Illinois	70.8%	66.9%	<b>-3.8</b>	7,735,097	7,574,489	<b>-160,607</b>
Indiana	75.7%	68.5%	<b>-7.2</b>	3,947,123	3,751,771	<b>-195,352</b>
Iowa	76.9%	70.8%	<b>-6.1</b>	1,892,738	1,837,812	-54,926
Kansas	70.4%	64.6%	<b>-5.8</b>	1,585,578	1,547,484	-38,093
Kentucky	67.9%	60.1%	<b>-7.8</b>	2,392,443	2,210,557	<b>-181,886</b>
Louisiana	59.9%	55.5%	<b>-4.4</b>	2,315,377	2,065,976	<b>-249,401</b>
Maine	69.5%	63.4%	<b>-6.1</b>	746,312	702,204	<b>-44,108</b>
Maryland	77.9%	70.5%	<b>-7.4</b>	3,622,648	3,456,277	<b>-166,371</b>
Massachusetts	73.3%	72.5%	-0.8	4,035,587	4,000,560	-35,026
Michigan	76.4%	67.8%	<b>-8.6</b>	6,646,874	5,813,651	<b>-833,223</b>
Minnesota	77.2%	71.3%	<b>-5.9</b>	3,437,862	3,229,942	<b>-207,919</b>
Mississippi	60.4%	52.7%	<b>-7.7</b>	1,489,990	1,339,905	<b>-150,085</b>
Missouri	72.5%	64.3%	<b>-8.1</b>	3,537,550	3,255,178	<b>-282,372</b>
Montana	59.2%	57.8%	-1.4	454,047	475,828	21,781
Nebraska	69.7%	66.8%	<b>-2.9</b>	1,034,433	1,044,618	10,186
Nevada	70.5%	66.7%	<b>-3.9</b>	1,312,779	1,519,343	<b>206,564</b>
New Hampshire	79.1%	75.4%	<b>-3.7</b>	850,203	867,902	17,699



# PA HEALTH ACCESS NETWORK

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State	Health Insurance Coverage (%)			Health Insurance Coverage (#)		
	2000-2001	2007-2008	Percentage-point change	2000-2001	2007-2008	Change
New Jersey	75.6%	68.7%	<b>-6.9</b>	5,482,343	5,108,545	<b>-373,798</b>
New Mexico	53.0%	48.9%	<b>-4.1</b>	835,302	843,235	7,933
New York	64.1%	62.1%	<b>-2.0</b>	10,502,864	10,362,573	-140,291
North Carolina	66.7%	58.7%	<b>-8.0</b>	4,730,174	4,735,253	5,079
North Dakota	66.8%	66.6%	-0.3	358,459	360,589	2,130
Ohio	74.1%	67.9%	<b>-6.2</b>	7,218,433	6,718,116	<b>-500,317</b>
Oklahoma	59.2%	58.9%	-0.3	1,741,147	1,805,641	64,494
Oregon	66.4%	62.7%	<b>-3.7</b>	2,027,243	2,070,600	43,357
Pennsylvania	75.9%	69.7%	<b>-6.3</b>	7,929,984	7,235,512	<b>-694,471</b>
Rhode Island	73.9%	66.9%	<b>-7.0</b>	646,222	608,500	<b>-37,721</b>
South Carolina	69.2%	61.2%	<b>-8.0</b>	2,412,344	2,331,198	-81,146
South Dakota	69.5%	64.7%	<b>-4.8</b>	437,580	439,339	1,759
Tennessee	65.7%	57.4%	<b>-8.4</b>	3,304,791	3,054,273	<b>-250,518</b>
Texas	59.7%	52.4%	<b>-7.3</b>	11,224,385	11,239,573	15,189
Utah	73.6%	70.3%	<b>-3.3</b>	1,528,425	1,742,987	<b>214,562</b>
Vermont	70.4%	67.6%	<b>-2.8</b>	374,075	356,024	<b>-18,051</b>
Virginia	72.1%	66.2%	<b>-5.8</b>	4,490,036	4,499,454	9,418
Washington	66.9%	64.5%	<b>-2.4</b>	3,482,606	3,735,119	<b>252,513</b>
West Virginia	64.3%	61.6%	<b>-2.7</b>	961,495	939,083	-22,412
Wisconsin	78.1%	70.6%	<b>-7.4</b>	3,621,595	3,408,067	<b>-213,528</b>
Wyoming	65.8%	65.1%	-0.7	281,914	298,586	<b>16,672</b>

Note: Bolded numbers are statistically significant at the 10% level.

Source: Author's analysis of the March Current Population Survey, 2001-09.