



## NEWS RELEASE

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# Only One-Fifth of Nonstandard Workers Have Health Insurance Through Their Jobs

## Part-Time, Temporary, and Contract Employees Are Uninsured at Twice the Rate of Regular Full-Time Employees

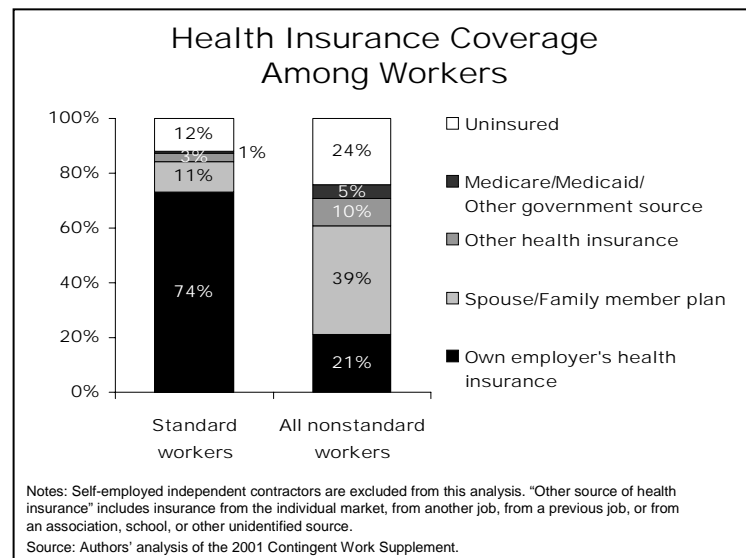
New York City, December 1, 2005—Just one of five of the estimated 34 million “nonstandard” workers in the U.S. workforce has health insurance through his or her employer, compared with three-quarters of regular full-time employees, according to a new Commonwealth Fund report by researchers at the Iowa Policy Project. About one-quarter (24%) of these part-time, temporary, and contract workers are uninsured, compared with 12 percent of “standard” workers. Nonstandard workers obtain coverage three and one-half times more often from a spouse or other family member’s employer than do standard workers.

In [\*On the Fringe: The Substandard Benefits of Workers in Part-Time, Temporary and Contract Jobs\*](#), Elaine Ditsler, Peter Fisher, and Colin Gordon find that nonstandard workers are far more likely than regular full-time employees to lack health care coverage, experience gaps in coverage, and depend on public insurance programs.

Their findings are based on analysis of the Contingent Work Supplement (CWS) of the Census Bureau’s Current Population Survey conducted in 2001 (the most recent CWS), and the Iowa Policy Project Survey of Fringe Benefits and Nonstandard Work conducted in 2003-04.

“A healthy workforce is vital to our economy, but far too many workers and their family members are shut out of our system of employer-sponsored health insurance, leaving them at risk for not getting needed health care,” said Commonwealth Fund President Karen Davis. “With about one-quarter of the U.S. workforce in non-traditional work arrangements, we need new strategies for affordable, comprehensive benefits to cover this large sector.”

Other findings include:



- Nonstandard workers are far more likely than standard workers to rely on government health insurance coverage. Five percent of nonstandard workers are covered by Medicaid or Medicare, compared to one percent of standard workers.
- About two of five (41%) nonstandard workers reported being currently uninsured or uninsured at some point in the previous twelve months. In comparison, recent research finds that about one-quarter (26%) of all working-age Americans are uninsured or had a time uninsured in the previous year.
- Eighteen percent of the children and sixteen percent of the spouses of nonstandard workers are uninsured.
- Ten percent of the children and six percent of the spouses of nonstandard workers rely on public health insurance for coverage.
- Eighteen percent of nonstandard workers have medical discount cards, but no health insurance. Nearly all of these workers surveyed originally reported erroneously that they had health insurance, leading the researchers to suggest that surveys may be underestimating rates of uninsurance, and raising questions about the need for additional verification of insurance coverage in future surveys.

The authors suggest policy options to improve coverage for the nonstandard workforce:

- “Play or pay” employer mandates, such as those proposed in several states and localities, require employers to either provide health coverage or pay into public health insurance programs. Including employer contributions for nonstandard workers needs to be considered as well.
- Provide uninsured workers access to group insurance pools. Maine’s Dirigo Health Plan, for example, creates a new pool in which uninsured individuals can enroll. Or workers could buy into the Federal Employees Health Benefits Program (FEHBP).
- To enhance the affordability of coverage, tie income-based tax credits with enrollment in a group insurance pool.

“New group coverage alternatives for nonstandard workers and initiatives to expand non-group coverage must be carefully designed to avoid eroding or fragmenting existing group coverage,” said Peter Fisher, research director at the Iowa Policy Project and lead author of the report.

The Commonwealth Fund is a private foundation supporting independent research on health care issues and making grants to improve health care practice and policy.