EMPLOYER-SPONSORED HEALTH INSURANCE: IMPLICATIONS FOR MINORITY WORKERS

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EXECUTIVE SUMMARY

Using data from the 1997 *Current Population Survey,* this study explores the relationship between minority status and the distribution of employer-sponsored health insurance, taking into account a range of workforce characteristics. Overall, minorities are more likely to be uninsured, even after controlling for poverty and employment status. For example, among adults ages 18–64 who are not currently employed, 18 percent of whites do not have health care coverage, compared with 30 percent of blacks and 39 percent of Hispanics. Among employed adults ages 18–64, 78 percent of whites, 64 percent of blacks, and 53 percent of Hispanics receive health coverage through their employers.

Workforce and sociodemographic characteristics account for some variations in employer-sponsored coverage. Earlier studies have shown that individuals who are employed full-time, work for large employers, are trade union members, or work in manufacturing or public administration are more likely to have employer-sponsored coverage. This report shows, however, that even within those categories minorities are more likely to be uninsured. Within the manufacturing sector, for example, 85 percent of white workers have employer-based coverage, compared with 71 percent of black and 60 percent of Hispanic workers. Similarly, within categories less likely to receive coverage, such as part-time workers, employees of small firms, and workers with lower education levels, minorities are disproportionately less likely to have employer-sponsored coverage. For example, 64 percent of white part-time workers get health insurance through their employers, while only 45 percent of black and 40 percent of Hispanic part-time workers receive coverage. Further research, especially analysis focusing on the impact of out-of-pocket costs, is needed to explain these patterns.

Current solutions to the problem of the uninsured build on the existing mix of public and private coverage. Yet many incremental approaches—such as changes introduced through the Health Insurance Portability and Accountability Act, employer mandates, and reliance on the private health insurance market—may not make substantial improvements in minority coverage rates. More sweeping changes, including a larger public role, are almost certain to be necessary.

EMPLOYER-SPONSORED HEALTH INSURANCE: IMPLICATIONS FOR MINORITY WORKERS

INTRODUCTION

The United States health care financing system is based on the premise that most working age Americans and their dependents receive health insurance through their employment. Government programs such as Medicare and Medicaid are expected to fill the gaps by providing coverage to those not tied to employers, such as elderly people and low income, non-employed children and adults. A large number of Americans, however, receive neither public nor private insurance. Those who are unable to obtain employer-related or private coverage and are ineligible for Medicare and Medicaid must pay for health care out-of-pocket or rely on charity care from public hospitals and clinics.

Many employers are unwilling or unable to provide coverage to their employees. Eighteen percent of workers ages 18–64 have no health insurance. By 2005, the number of uninsured workers is expected to reach 30 million, or 63 percent of the uninsured population (Thorpe, 1997). A decline in the provision of health insurance to workers, and in particular to their dependents, is occurring in all types of firms. In 1990, 67.9 percent of nonelderly Americans were covered by employer-sponsored health plans; by 1995, the share had decreased to 64.6 percent (Thorpe, 1997).

Some of the decline in employer-based coverage has been counterbalanced by an increase in Medicaid enrollment. Even so, the percentage of workers with no health insurance grew from 15.7 percent to 17.3 percent between 1990 and 1995 (Thorpe, 1997). Stringent eligibility requirements prevent many low income families from using the Medicaid program. Recent reports suggest that enrollment in Medicaid may now be declining, a change that will add to the numbers of the uninsured. From 1995 to 1996, enrollment growth in Medicaid dropped by 4.1 percent for adults and by 1.6 percent for children (Kaiser Commission on Medicaid and the Uninsured, 1998).

Historically, minorities as a group have been more likely to be uninsured. Although Medicaid has gone a long way to provide health insurance for those who would otherwise have no coverage, minorities continue to be disproportionately represented among the uninsured. This problem is partially attributable to the fact that members of minority groups are less likely to have employer-sponsored health insurance coverage, either because they have lower rates of employment or because they work in jobs and industries that do not provide coverage.

A large body of literature documents the consequences of being uninsured. Compared with people who have health insurance, the uninsured are less likely to have a regular source of medical care, have lower rates of physician utilization, are more likely to put off or

postpone needed care, and are more likely to be hospitalized for conditions that can normally be treated in a doctor's office (Davis et al., 1995; Billings et al., 1996; and Weissman et al., 1992). Since minorities are more likely to be uninsured, they are also more likely to experience these access problems. Disproportionately high mortality and morbidity rates and overall poorer health status among minorities may be explained in part by difficulties in getting access to medical care. Strategies to reduce these disparities include increasing the availability of affordable health care coverage and assuring access to health care services.

STUDY METHODOLOGY AND DATA

Based on data from the 1997 March supplement to the *Current Population Survey*, this report explores the relationship between minority status and the distribution of employer-sponsored health insurance, taking into account a range of workforce characteristics. The March supplement, also known as the Annual Demographic Survey, provides detailed information on income and work experience in the United States. Information is gathered on a variety of sources of income, including noncash sources, such as food stamps; health insurance; and energy assistance. Comprehensive work experience was gathered, including employment status, occupation, and industry placement of persons 15 years or older. Approximately 62,500 households were surveyed—90 percent over the telephone.

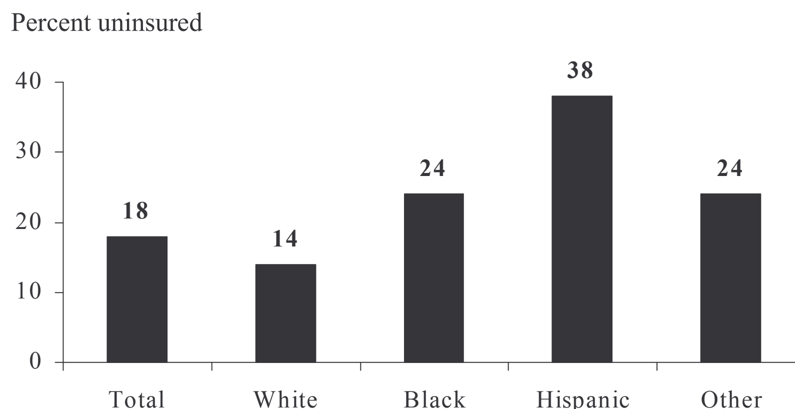
To put the discussion into context, the report first provides a description of the uninsured, working age population, ages 18–64, across racial and ethnic groups. The report then presents an in-depth analysis of the distribution of employer-sponsored health insurance among full-time and part-time workers, examined by race and ethnic status across a number of workforce and sociodemographic variables. A multivariate logistic regression analysis modeling the likelihood of having employer-based health insurance among workers is also presented. The paper concludes with policy implications.

UNINSURED AMERICANS: AN OVERVIEW

Reliance on a voluntary, employer-based health insurance system leaves a significant number of Americans with no health insurance, diminished access to health care, and vulnerable to large and unmanageable medical bills. Members of racial and ethnic minorities are significantly more likely to be uninsured. Among Americans ages 18–64, 14 percent of whites, 24 percent of blacks, 38 percent of Hispanics, and 24 percent of other racial and ethnic groups are uninsured (figure 1).

Socioeconomic status is also associated with health insurance. Forty-one percent of adults ages 18–64 with incomes below poverty are uninsured, while only 13 percent of those with incomes above 150 percent of poverty have no coverage. The impact of poverty influences the ability of minorities to obtain health insurance in two ways. First, minorities in general are more likely to be poor and therefore unable to afford health care coverage: 7 percent

Figure 1. Uninsured Adults, Ages 18–64



Note: Other includes 77 percent Asian.

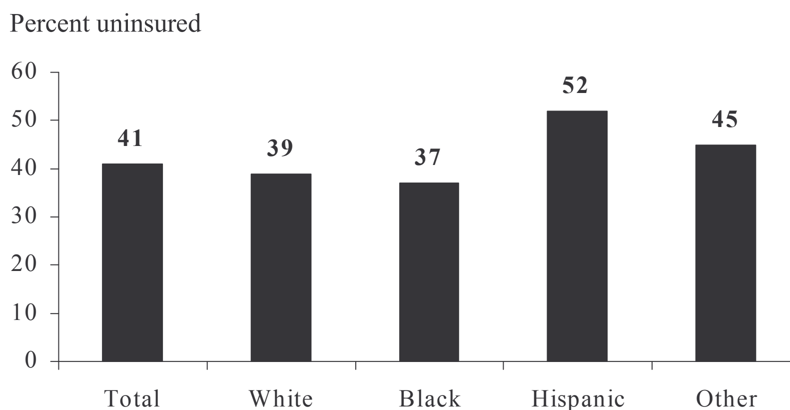
Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

of whites have incomes below the poverty threshold, compared with 21 percent of blacks and 22 percent of Hispanics (table 1). Second, poverty has a larger impact on insurance coverage among minorities than among whites. In particular, Hispanics with incomes below poverty are more likely to be uninsured than are poor whites (figure 2).

Table 1. Income Levels of Adults, Ages 18–64, by Race/Ethnicity

Poverty Level	Total	White	Black	Hispanic	Other
<100% poverty	11	7	21	22	14
100%–124% poverty	4	3	6	8	4
125%–149% poverty	4	3	6	8	4
≥150% poverty	81	87	67	62	78

Figure 2. Poor Adults, Ages 18–64, Who Are Uninsured

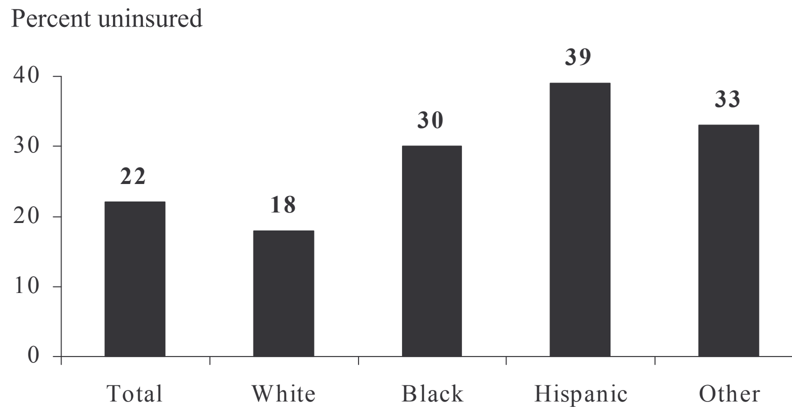


Note: Other includes 77 percent Asian.
Poor adults are those with incomes below the federal poverty level.

Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

Lack of health insurance and not holding employment are closely linked. Twenty-three percent of working age adults who are not currently employed have no health insurance, compared with 20 percent of part-time workers and 16 percent of full-time workers. As with poverty, minorities have higher rates of non-employment: 20 percent of whites, 29 percent of blacks, and 27 percent of Hispanics ages 18–64 are not currently working in the formal workforce. Again, non-employment disproportionately affects the health coverage of minorities: among non-employed, working age adults, 18 percent of whites have no health insurance, compared with 30 percent of blacks and 39 percent of the Hispanics (figure 3). Marital status may partly explain the difference between blacks and whites; since whites are more likely to be married, non-employed whites may be more likely than blacks to receive health insurance through their spouses.

Figure 3. Non-employed Adults, Ages 18–64, Who Are Uninsured



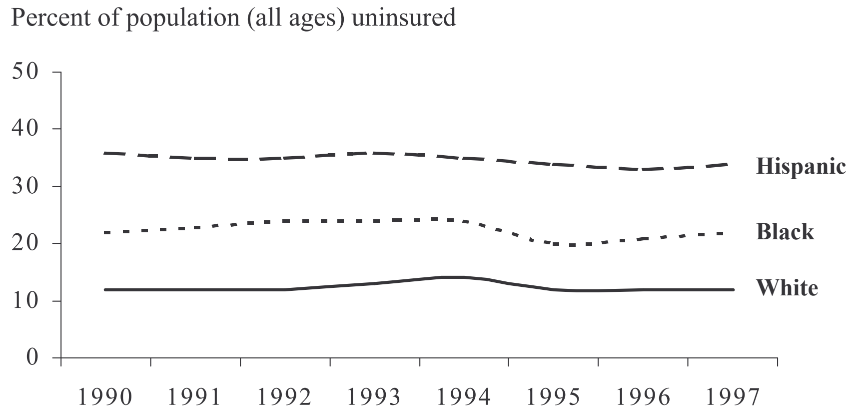
Note: Other includes 77 percent Asian.

Source: Commonwealth Fund analysis of the 1997 *Current Population Survey*.

Rates of being uninsured have remained fairly constant within the major racial/ethnic groups during the last seven years. From 1990 to 1997, for example, the percentage of Hispanics of all ages who were uninsured decreased only slightly, from 36 percent to 34 percent. Similarly, rates for both blacks and whites remained virtually unchanged at approximately 22 and 12 percent, respectively (figure 4).

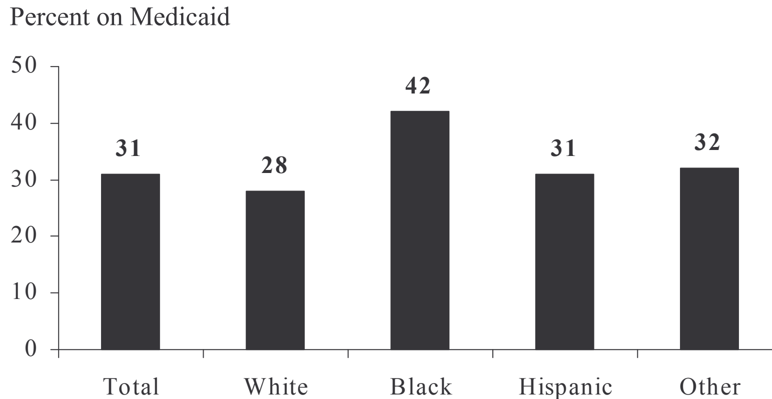
Although minorities are more likely to be uninsured, they are also more likely to be on Medicaid. Of the working age population, 5 percent of whites, 13 percent of blacks, and 11 percent of Hispanics are on Medicaid. Poor blacks are especially likely to rely on Medicaid: 42 percent of poor black adults ages 18–64 are on Medicaid, compared with 31 percent of poor Hispanics and 28 percent of poor whites (figure 5).

Figure 4. Percent Uninsured, by Race/Ethnicity, 1990–97



Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

Figure 5. Poor Adults, Ages 18–64, Who Receive Medicaid



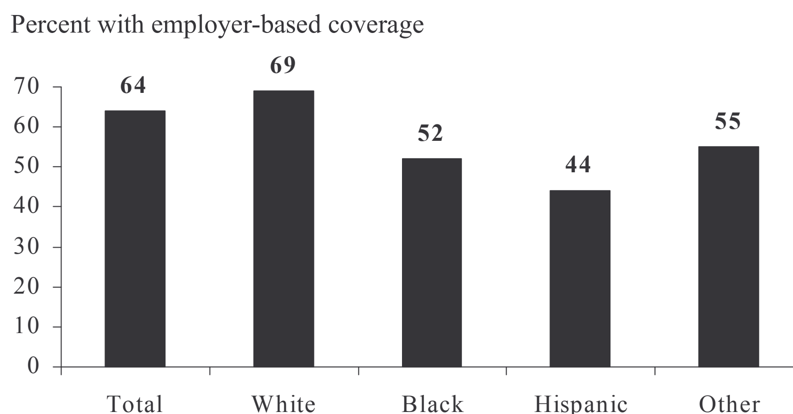
Note: Other includes 77 percent Asian.
Poor adults are those with incomes below the federal poverty level.
Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

MINORITY WORKERS' ACCESS TO EMPLOYER-BASED COVERAGE

Minority workers are less likely than whites to have employer-based health insurance coverage. Sixty-four percent of the workforce has employer-related health insurance, including 69 percent of white, 52 percent of black, and 44 percent of Hispanic workers.[1] This finding is consistent with other studies that have documented that working Hispanics and blacks are two to four times as likely as whites to be uninsured (Valdez et al., 1993) (figure 6).

[1] See the appendix for percentages of workers with different demographic and workforce characteristics who are uninsured and who are on Medicaid.

Figure 6. Workers with Employer-Based Health Coverage in Own Name



Note: Other includes 77 percent Asian.

Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

The Impact of Workforce Characteristics

Adults who are employed full-time, work for large employers, are trade union members, or work in manufacturing or public administration are more likely than other workers to have health insurance. Even within those categories, minorities appear to be at a disadvantage in obtaining employer-sponsored health insurance (table 2).

Not surprisingly, overall and in each racial or ethnic group, full-time workers are more likely than part-time workers to have health insurance. Seventy-four percent of full-time workers have employer coverage, compared with 60 percent of part-timers. Among minorities, however, less than half of all part-time workers are insured through their employers, compared with nearly two-thirds of white part-time workers.

Union membership increases the rate of employer coverage. Eighty-nine percent of union members are covered, while only 64 percent of non-union workers get insurance through their jobs. Although the rates of coverage are relatively high for union workers in all racial and ethnic groups, minorities are still less likely than whites to be insured. Racial and ethnic disparities are even greater among non-union workers, particularly for Hispanics. Almost 75 percent of white non-union workers have health insurance, while 52 percent of Hispanic non-union workers are covered.

The manufacturing sector has traditionally been known to provide health coverage to employees. Manufacturing workers have an overall rate of 80 percent, but the racial or ethnic disparities are great: 85 percent of whites have employer-based health insurance, compared with 71 percent of blacks and 60 percent of Hispanics. Similarly, within industries that do not have strong histories of providing coverage, minorities and whites are not equally likely to

have health insurance. For example, within the trade sector, which insures 61 percent of its employee population, 66 percent of whites have health insurance, compared with 53 percent of blacks and 43 percent of Hispanics. Variations also exist within the combined agriculture, mining, and construction sector, which provides only 56 percent of employees with health insurance, including 61 percent of whites, 52 percent of blacks, and 34 percent of Hispanics.

Table 2. Percentage of Workers with Employer-Based Health Insurance, by Workforce Characteristics

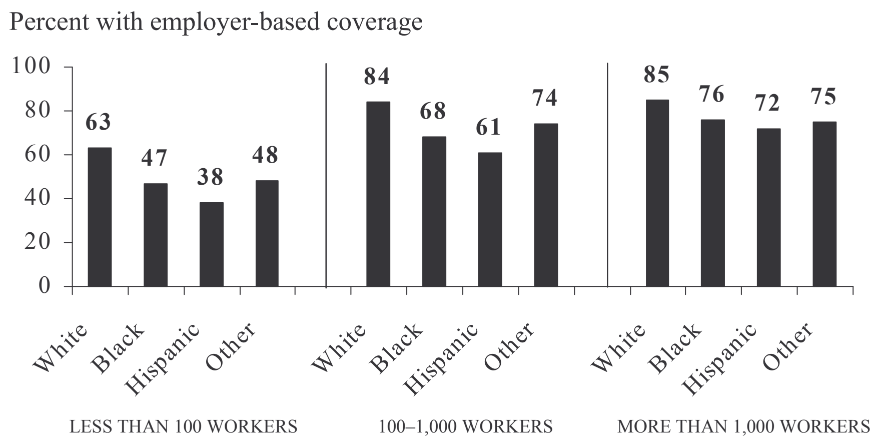
	Total	White	Black	Hispanic	Other
TOTAL	**64**	**69**	**52**	**44**	**55**
Employment Status					
Full-time	74	78	68	55	68
Part-time	60	64	45	40	47
Union Member					
Yes	89	91	86	84	89
No	64	75	64 NS	52	55 NS
Industry Type					
Manufacturing	80	85	71	60	73 NS
Transport	79	82	75	64	82
Retail trade	61	66	53	43	47 NS
Finance	80	81	78	68	83
Service	72	76	61*	56	65*
Public administration	88	89	84	83	78
Agriculture, mining, or construction	56	61	52*	34	47 NS
Workforce Size					
Less than 100 workers	59	63	47	38	48
100–1,000 workers	80	84	68	61	75
More than 1,000 workers	83	85	76	76	78*
Job Category					
Executive/Admin/Management	81	83	80*	70	67
Professional specialty occupations	83	84	76	76	82 NS
Technicians	80	82	73*	79 NS	81 NS
Sales	67	71	53	50	50
Administrative support	78	80	71	70	68
Private household support	27	34	35 NS	11	16 NS
Protective service	81	85	71	67	81 NS
Service	52	57	49	39	45 NS
Precision production	69	72	67*	50	61 NS
Machine operators	70	76	64	51	63
Transportation and material moving	69	73	64*	52	61 NS
Handlers/Cleaners	59	64	62 NS	40	61 NS
Farming, forestry, and fishing	42	48	21*	28	47 NS
Hourly Wage Levels					
Less than $7.00	51	56	47	35	45
$7.00-$10.00	69	73	63	55	58
$10.00-$15.00	81	82	78	73	73
Greater than $15.00	75	79	67	54	71

Note: Other includes 77 percent Asian.
All percents are significantly different from whites at $p<.01$ unless otherwise noted.
*$p<.05$
NS = not significant

Receipt of health insurance seems to be directly related to the workforce size of the employer. Fifty-nine percent of workers in firms with less than 100 employees get health insurance through their jobs, compared with 80 percent of workers in firms with more than 100 workers. Even within organizations of the same size, however, minorities are at a disadvantage. Among workers in small firms, 63 percent of whites have health insurance, compared with 47 percent of blacks and 38 percent of Hispanics. The disparity between whites and Hispanics exists even though the two groups are almost equally likely to work for small firms: 43 percent of whites, 47 percent of Hispanics, and 29 percent of blacks work for firms with less than 100 employees. The consequence of working for a small employer is felt hardest, then, by Hispanic workers.

Among firms that employ between 100 and 1,000 workers, 84 percent of whites, 68 percent of blacks, and 61 percent of Hispanics have employer-sponsored insurance. The disparities are narrower in firms with more than 1,000 workers, yet blacks and Hispanics are still less likely to have coverage: 85 percent of white employees of large firms have health insurance, compared with 76 percent and 72 percent of black and Hispanic employees, respectively (figure 7).

Figure 7. Workers in Small, Medium, and Large Firms with Employer-Based Health Insurance



Note: Other includes 77 percent Asian.

Source: Commonwealth Fund analysis of the 1997 *Current Population Survey.*

Within professions that typically have high rates of employer-sponsored health insurance, such as executive management positions and specialty occupations, minorities—and especially Hispanics—are less likely to have coverage. Seventy percent of Hispanics in executive positions have employer-sponsored coverage, significantly less than the rate (83 percent) among whites in the same category. This pattern holds within occupations that have lower overall rates of coverage. Among transportation and material movers, for example, 72 percent of whites and 52 percent of Hispanics have employer-sponsored health care

coverage. Overall, approximately one-quarter of private household support workers get health insurance through their employers; a third of blacks and whites in these occupations are covered, compared with only 11 percent of Hispanics.

Lower wage workers are less likely than higher paid workers to have employer-sponsored health insurance, with minorities showing the lowest rates in all wage subgroups. Among workers earning less than $7.00 an hour, 56 percent of whites have employer-sponsored coverage, compared with 47 percent of blacks and 35 percent of Hispanics. For workers earning more than $15.00 an hour, the difference between whites and Hispanics is about the same: 79 percent of whites and 54 percent of Hispanics have employer-sponsored coverage.

The Impact of Sociodemographic Characteristics

Workers who are poor, not well educated, not U.S. citizens, unmarried, younger, or live in inner city or rural areas are less likely than their counterparts to have employer-based health insurance (table 3). Most of these characteristics have a greater effect on minority populations than on white populations. For example, 56 percent of white workers with less than a high school education have employer coverage, compared with 45 percent of blacks and 38 percent of Hispanics. Similarly, among workers living in central cities, 72 percent of whites, 64 percent of blacks, and 48 percent of Hispanics get health insurance through their jobs.

The percentage of workers with employer-based coverage increases with age until 54, then declines for the 55-64 age group. Again, regardless of age, minorities are less likely to be insured.

The effect of poverty on health insurance follows a slightly different pattern, with poor minority and white workers showing similar rates of health insurance. Differences among racial groups are more striking among wealthier individuals: 80 percent of whites with incomes above 150 percent of poverty receive coverage, compared with 74 percent of blacks and 64 percent of Hispanics.

U.S. born citizens and naturalized citizens are more likely to have employer-based health insurance than are non-citizens or individuals born in U.S. territories. Among individuals born in the United States, minorities are less likely to have coverage. A somewhat different distribution occurs among persons who are naturalized citizens. In this instance, blacks and whites appear to be equally likely and naturalized Hispanics less likely to get employer-based coverage. Finally, minority non-citizens are less likely than white non-citizens to get health insurance through their employers.

Multivariate Analysis

Tables 2 and 3 demonstrate a relationship between race or ethnicity and receipt of employer-based coverage, even when certain employee and workforce characteristics are considered. A

multivariate logistic analysis confirms these associations and shows that, even while controlling for all workforce and sociodemographic variables, minorities are significantly less likely than white workers to have employer-sponsored health insurance.

Table 3. Percentage of Workers with Employer-Based Health Insurance, by Sociodemographic Characteristics

	Total	White	Black	Hispanic	Other
TOTAL	**64**	**69**	**52**	**44**	**55**
Poverty Level					
<100% poverty	17	17	19^NS	17^NS	12^NS
100%–124% poverty	34	35	39^NS	29	29*
125%–149% poverty	42	44	49^NS	36	28^NS
≥150% poverty	78	80	74	64	71
Education					
Less than high school	48	56	45	38	45^NS
High school grad	68	72	61	53	53*
2 years college	72	74	69	62	59
College grad	82	83	79	76	76
Post graduate	86	86	84^NS	77	86^NS
Age					
Less than 25	51	56	43	34	42^NS
25–34	71	75	62	52	69
35–44	76	80	71	58	66
45–54	78	80	72	64	68
55–64	73	75	71^NS	59	61
Gender					
Male	71	75	64	49	65
Female	72	76	65	57	63
Citizenship Status					
US born	74	76	65	63	61^NS
Puerto Rico and other US territories	66	74	96^NS	66^NS	32
Naturalized citizen	71	75	75^NS	63	72^NS
Not a citizen	46	60	44	37	60^NS
Marital Status					
Yes	80	83	75	63	71
No	59	63	57	41	55
Metropolitan Status					
Central city	66	72	64	48	61
Suburban MSA	76	79	70	58	70
Outside MSA	67	69	58	48	48^NS
Unknown	72	75	59	51	64
Region					
Northeast	76	80	64	54	66
North central	77	78	71	64	70^NS
South	69	73	62	53	59
West	65	70	67^NS	50	64^NS

Note: Other includes 77 percent Asian.
All percents are significantly different from whites at p<.01 unless otherwise noted.
*p<.05
NS = not significant

Table 4 presents adjusted odds of the likelihood of having employer health insurance for certain variables, including race or ethnicity. All sociodemographic and workforce variables have been entered into the model, and all proved to be significant predictors of having employer-based health insurance.

Table 4. Likelihood of Worker Having Employer-Based Health Insurance

Variable	Odds Ratio	95% Confidence Interval		p-values
Race				
White				
Black	.79	.72	.86	.00
Hispanic	.79	.73	.87	.00
Other	.73	.65	.83	.00
Citizenship Status				
U.S. Native				
Born in a U.S. territory	1.01	.73	1.39	.96
Naturalized citizen	.92	.81	1.02	.12
Not a U.S. citizen	.59	.53	.65	.00
Marital Status				
Not Married				
Married	2.12	2.01	2.23	.00
Age				
Less than 25 years				
25–34	1.42	1.30	1.54	.00
35–44	1.58	1.45	1.71	.00
45–54	1.46	1.34	1.60	.00
55–64	1.22	1.10	1.35	.00
Poverty Level				
<100% poverty				
100%–124% poverty	2.06	1.75	2.43	.00
125%–149% poverty	2.73	2.34	3.19	.00
≥150% poverty	8.09	7.24	9.05	.00
Union Member				
No				
Yes	2.06	1.71	2.48	.00
Education				
Less than High School				
High school	1.22	1.12	1.33	.00
HS + two years of college	1.36	1.25	1.49	.00
College	1.69	1.52	1.88	.00
College +	1.83	1.59	2.09	.00
Metropolitan Status				
Central City				
Suburban MSA	1.19	1.12	1.27	.00
Outside MSA	.92	.85	.98	.25
Unknown	.99	.91	1.07	.71
Region of the Country				
Northeast				
North Central	1.01	.94	1.09	.79
South	.75	.70	.80	.00
West	.66	.61	.71	.00

Industry Type				
Agriculture, Mining, and Construction				
Manufacturing	2.03	1.81	2.28	.00
Transport	1.42	1.25	1.62	.00
Trade	1.11	.99	1.23	.07
Finance	1.43	1.25	1.64	.00
Service	1.24	1.12	1.37	.00
Public administration	1.78	1.47	2.15	.00
Workforce Size				
Less than 100 workers				
100–1,000 workers	2.42	2.26	2.58	.00
More than 1,000 workers	2.86	2.70	3.03	.00
Employment Status				
Full-time				
Part-time	.75	.70	.79	.00
Job Category				
Executive/Admin/Managerial				
Professional specialty occupations	1.02	.92	1.12	.69
Technicians	1.03	.88	1.20	.72
Sales	.76	.69	.84	.00
Administrative support	1.02	.93	1.12	.67
Private household support	.39	.28	.54	.00
Protective services	.89	.71	1.12	.32
Service	.63	.57	.69	.00
Precision production	.82	.74	.91	.00
Machine operators	.65	.57	.74	.00
Transportation and material moving	.73	.64	.84	.00
Handlers, Cleaners	.75	.65	.87	.00
Farming, forestry, and fishing	.53	.52	.75	.00

As expected, minorities have lower odds of having employer-based health insurance; blacks and Hispanics are 21 percent less likely than whites to have coverage through their employers. Citizenship also plays an important role in determining who receives insurance. Workers who are not U.S. citizens have lower odds of receiving employer health insurance coverage than citizens born in the United States.

The odds of obtaining coverage from an employer increase with educational attainment. Individuals with more than a college level education are almost twice as likely to have coverage as are workers with less than a high school education. Workers who live in suburban areas are more likely get employer-based health care coverage than are inner city and rural residents.

Workforce characteristics are also important in determining who receives health care coverage. Individuals employed in agricultural, mining, and construction industries are not as likely as individuals who work in other sectors to receive coverage from their employers. In fact, the odds of getting health insurance are approximately twice as good among workers in manufacturing and public administration jobs.

Small firms with less than 100 workers have lower odds of providing coverage. Organizations with 100 to 1,000 employees are two-and-a-half times as likely to insure their workers, while firms with more than 1,000 employees are almost three times as likely.

Certain occupations have low odds of having employer-sponsored coverage. With the exception of sales jobs, these professions tend to be blue-collar, labor intensive occupations. For example, household workers are almost one-third less likely to get insurance from their employers than are executives. Similarly, workers in the service occupations and as machine operators are also less likely to receive health insurance from their employers. Technicians and those employed in professional specialty occupations are just as likely as executive and managerial personnel to have health care coverage.

Findings from this analysis are consistent with earlier work showing that firms with many employees and multisite operations are more likely to provide coverage to their workers than smaller firms (Seccombe et al, 1994; Seccombe and Amey, 1995; Fronstin, 1997; and General Accounting Office, 1997). Similarly, organizations engaged in manufacturing and public administration are more likely to provide coverage to their workers than organizations in agriculture, construction, and retail trades (Fronstin, 1997).

Certain groups of workers tend to have low rates of employer-based insurance. Workers who are poorly educated, younger, foreign born, or single or who work part-time, earn low incomes, or are not trade union members are less likely to have coverage through their employers. Workers who reside in the southwestern and south central states are also less likely to have coverage than workers in the north (Seccombe et al., 1994; Seccombe and Amey, 1995; Fronstin, 1997; Thamer et al., 1997; and General Accounting Office, 1997).

Other studies have also documented that low wage workers, regardless of firm size, are more likely than higher wage employees to be without health insurance (Hoffman, 1998). Economic theory and empirical evidence suggest that workers bear the brunt of the cost of employer payments for health insurance through lower wages. It is therefore difficult to determine the direction of the observed relationship between health insurance and wages. However, the principal results concerning race and ethnicity are not substantially affected by the inclusion of wages in multivariate regressions.

POLICY IMPLICATIONS

Perhaps the most important lesson learned from the analysis is that having a job does not equalize chances of obtaining health insurance coverage for minority workers. Even comparing minority and white workers in similar jobs, minorities are less likely to have coverage through their employers. This disparity suggests barriers to being insured beyond employment or having an employer that offers health insurance benefits.

One barrier may be out-of-pocket costs related to obtaining employer-sponsored coverage. Although premiums increased only 3.3 percent in 1998, payments by employees can represent a significant expense, especially for low wage workers. A recent study shows, for example, that the cost of annual coverage can be as high as $2,664 for individuals and $6,924 for families (Gabel and Hunt, 1998). Furthermore, the percentage of workers whose employers fully finance their health care coverage has declined. In 1987, 44 percent of workers with employer-sponsored coverage were in plans fully financed by their employers. By 1996, the percentage of workers with coverage fully financed by their employers had declined to 35 percent (Fronstein, 1998). Analysis of the March 1997 Supplement to the *Current Population Survey* shows that, among workers with health insurance, only 25 percent of blacks and Hispanics have employers that pay the entire premium, compared with 30 percent of whites.

Current solutions to the problem of the uninsured center around incremental approaches that build on the existing mix of public and private coverage. That approach depends on a detailed understanding of specific groups of uninsured Americans and the particular barriers they face. Uninsured minority workers, especially Hispanics, deserve special attention.

Minor changes to employer-sponsored insurance, such as those introduced through the Health Insurance Portability and Accountability Act (HIPPA), will not make major inroads into minority coverage rates, which are influenced largely by financial barriers. For example, HIPPA assures portability of coverage for workers who already have employer-sponsored insurance—a guarantee with limited usefulness to minority workers, who are less likely to have employer coverage. To assist minority workers, more sweeping changes, including a larger public role, are almost certain to be necessary.

One approach to narrowing differences in employment-based coverage would be to mandate that all employers provide health insurance for their workers. Estimates suggest that 75-85 percent of the uninsured could receive coverage under an employer mandate (Swartz, 1998). If an employer mandate is to be successful, the cost of health insurance must be affordable to firms. This could be accomplished through subsidies or through tax incentives to enable firms to purchase health insurance on the open market or through purchasing cooperatives (Davis and Schoen, 1998). Small firms could be encouraged to provide a minimum benefits package, essentially a catastrophic health insurance plan (Swartz, 1998).

Another potential strategy would expand government involvement in the provision of health insurance. Medicaid's eligibility criteria have been broadened several times since its inception, yet these expansions have not uniformly impacted American racial and ethnic groups. Among the poor, blacks are the least likely to be uninsured and the most likely to

participate in Medicaid. Hispanics and Asians have higher rates of being uninsured and lower rates of Medicaid participation. Similarly, almost 30 percent of Medicaid-eligible Hispanic children are uninsured, compared with 19 percent and 21 percent of black and white children, respectively (General Accounting Office, 1998). These disparities problem may be compounded as new waves of immigrants enter the United States. These groups are at a very high risk for being uninsured, since they often work at low wage jobs that do not provide health benefits and, under current rules, are not immediately eligible for Medicaid. Incremental government health insurance initiatives must directly target low income working families through improved eligibility criteria and outreach strategies.

Under current market conditions, the private, non-employer-based health insurance market is not a viable option for poor and near-poor families. Gabel and colleagues demonstrated that the average premium for private insurance ranges from 32 to 41 percent of the annual income for a family of four living at the poverty threshold. Assuming that family premiums should be no more than 5 percent of annual income, annual subsidies of between $4,386 and $5,427 would be needed to insure poor families. Alternatives for covering the low income uninsured include allowing them to purchase subsidized coverage through state employees' insurance plans and permitting families to purchase subsidized Medicaid (Gabel, Hunt, and Kim, 1998).

Although workforce and employee characteristics account for some differences in coverage among groups, other factors play a role in the inequitable distribution of health insurance. Additional research and analysis are needed to understand variations in health care coverage across groups. Subsequent research could also explore such questions as why workers decline health insurance even when it is offered by an employer and perceptions regarding the need for health care coverage. Further research will ensure that approaches toward reform do not exclude certain groups or increase current disparities.

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APPENDIX

Table A1. Percentage of Employed Adults, Ages 18–64, Who Are Uninsured

	Total	White	Black	Hispanic	Other
TOTAL	**18**	**14**	**24**	**38**	**24**
Poverty Level					
<100% poverty	50	45	45[NS]	63	56*
100%–124% poverty	44	38	41[NS]	58	45
125%–149% poverty	39	34	35[NS]	52	48[NS]
≥150% poverty	13	10	17	29	17
Education					
Less than high school	38	28	35	53	38*
High school grad	20	16	27	37	28
2 years college	15	12	18	27	23
College grad	8	7	12	14	16
Post graduate	5	5	7	13	8*
Age					
Less than 25	29	24	34	52	36*
25–34	20	15	25	39	21
35–44	14	11	19	33	19
45–54	12	9	17	29	20
55–64	11	9	15	28	20
Gender					
Male	19	14	25	42	22
Female	14	11	20	30	21
Employment Status					
Full-time	16	12	20	37	21
Part-time	20	16	31	41	28
Union Member					
Yes	5	4	5	12	7
No	17	13	23[NS]	38	22[NS]
Citizenship Status					
US Born	14	13	21	26	18[NS]
Puerto Rico and other U.S. territories	21	6	0[NS]	20[NS]	51*
Naturalized citizen	19	13	16[NS]	26	18*
Not a citizen	43	24	49	55	29*
Marital Status					
Yes	10	8	14	29	17
No	25	21	27	47	29
Metropolitan Status					
Central city	22	15	22	42	27
Suburban MSA	14	11	20	32	18
Outside MSA	17	15	28	44	19[NS]
Unknown	15	12	23	37	21*
Region					
Northeast	15	11	26	37	25
North central	12	11	16	28	17[NS]
South	19	15	24	36	25
West	20	14	17[NS]	40	21

Industry Type					
Manufacturing	13	9	20	33	18
Transport	12	10	16	28	12[NS]
Retail trade	23	18	30	46	35
Finance	9	8	10[NS]	21	8[NS]
Service	15	12	24	32	20
Public administration	5	4	5[NS]	8	4[NS]
Agriculture, mining, or construction	29	24	37	59	29[NS]
Workforce Size					
Less than 100 workers	25	20	37	51	34
100–1,000 workers	12	8	20	30	15
More than 1,000 workers	9	7	13	20	11[NS]
Job Category					
Executive/Admin/Management	10	8	10	20	24
Professional specialty occupations	7	6	14	14	9
Technicians	9	8	14*	13[NS]	12
Sales	18	15	27	36	30
Administrative support	11	10	15	20	15[NS]
Private household support	48	36	64	65	35[NS]
Protective service	10	7	19	24	4[NS]
Service	30	24	33	49	34*
Precision production	21	18	24	43	23[NS]
Machine operators	21	14	23	42	29
Transportation and material moving	21	17	25*	42	27[NS]
Handlers/Cleaners	28	23	24[NS]	51	26[NS]
Farming, forestry, and fishing	36	25	64	64	29[NS]

Note: Other includes 77 percent Asian.
All percentages are significantly different from whites at $p<.01$ unless otherwise noted.
*$p<.05$
NS = not significant

Table A2. Percentage of Employed Adults, Ages 18–64, Who Receive Medicaid

	Total	White	Black	Hispanic	Other
TOTAL	**6**	**5**	**13**	**11**	**9^{NS}**
Poverty Level					
<100% poverty	20	18	27	17^{NS}	26^{NS}
100%–124% poverty	11	12	10	9^{NS}	15^{NS}
125%–149% poverty	8	8	9	8^{NS}	16^{NS}
≥150% poverty	2	1	3	2	3^{NS}
Education					
Less than high school	7	6	13	7^{NS}	12^{NS}
High school grad	4	3	7	6	9*
2 years college	3	2	6	5	7^{NS}
College grad	1	1	2^{NS}	2	2^{NS}
Post graduate	1	1	3	2*	1^{NS}
Age					
Less than 25	7	5	13	9	11*
25–34	4	3	8	6	5^{NS}
35–44	3	2	4	5	6^{NS}
45–54	2	1	4^{NS}	2	4^{NS}
55–64	2	2	3	4	6^{NS}
Gender					
Male	2	2	3	4	5^{NS}
Female	5	3	9	8	7^{NS}
Employment Status					
Full-time	3	2	5	4	5
Part-time	7	5	13	11	12*
Union Member					
Yes	2	2	4	1	2^{NS}
No	3	3	6*	5^{NS}	6
Citizenship Status					
US born	3	3	6	5	14
Puerto Rico and other U.S. territories	7	9	0^{NS}	8^{NS}	2^{NS}
Naturalized citizen	3	1	5	4	2^{NS}
Not a citizen	5	5	4^{NS}	6*	3
Marital Status					
Yes	2	2	3	4	4
No	5	4	8	7	8
Metropolitan Status					
Central city	4	2	8	7	5^{NS}
Suburban MSA	2	2	3	4	3^{NS}
Outside MSA	5	4	8	3^{NS}	26^{NS}
Unknown	3	2	7	6	5^{NS}
Region					
Northeast	3	2	7	5	3^{NS}
North central	3	2	7	5	7^{NS}
South	3	3	6	4	5^{NS}
West	4	3	6*	6	7^{NS}

Industry Type					
Manufacturing	3	2	4	4	4^{NS}
Transport	2	1	4	2^{NS}	3*
Retail trade	5	4	10	6	4^{NS}
Finance	2	2	5	4	3^{NS}
Service	4	3	7	7	7^{NS}
Public administration	2	1	3*	3	12^{NS}
Agriculture, mining, or construction	3	2	4^{NS}	5	16^{NS}
Workforce Size					
Less than 100 workers	4	3	7	6	6^{NS}
100–1,000 workers	3	2	6	4	5^{NS}
More than 1,000 workers	3	2	5	4	5^{NS}
Job Category					
Executive/Admin/Management	1	1	3	3	3^{NS}
Professional specialty occupations	1	1	3	3	3^{NS}
Technicians	3	2	6*	2^{NS}	3^{NS}
Sales	4	3	10	8	2*
Administrative support	3	3	6	5	9
Private household support	4	13	1^{NS}	19^{NS}	35
Protective service	2	1	4	4*	9
Service	7	6	11^{NS}	7*	11^{NS}
Precision production	2	2	3	4	5^{NS}
Machine operators	5	4	7	5^{NS}	7^{NS}
Transportation and material moving	2	2	3^{NS}	2^{NS}	5^{NS}
Handlers/Cleaners	5	4	7*	7	7*
Farming, forestry, and fishing	5	3	9^{NS}	7	23*

Note: Other includes 77 percent Asian.
All percentages are significantly different from whites at p<.01 unless otherwise noted.
*p<.05
NS = not significant