



Wisconsin State Planning Grant – Employer-Based Health Coverage in Wisconsin and Nationally

1998-2002

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Employer-Based Health Insurance Coverage in Wisconsin and Nationally

The following briefing paper and underlying analysis was conducted as part of the Department of Health and Family Services Wisconsin State Planning Grant with financial support from the Health Research and Services Administration (HRSA).

Access to health insurance in Wisconsin remains at a high level. The 1999 Wisconsin Family Health Survey, a point-in-time estimate of the number of uninsured individuals in Wisconsin was approximately 340,000 – just 7% of the state's population. The Wisconsin Family Health Survey was updated in 2003 showing a slight decrease in the percent uninsured in Wisconsin, down to 6% of the state's total population. Based on the 2003 figures, approximately 84% of Wisconsin residents under age 65 were covered by private health insurance. The majority of this coverage was employer-based.¹

This briefing paper provides detailed information about employer-based health insurance in Wisconsin. The availability of coverage by various employer characteristics is examined, and employee eligibility and enrollment are discussed. In addition, the costs of health insurance and employer contributions toward coverage for their employees are examined. This briefing paper is an update and expansion of the "Employer-Based Health Insurance Coverage in Wisconsin" briefing paper completed in September 2001 and includes new breakouts by percent of employees who are full-time, as well as percent of employees who are low-wage.

The information in this briefing paper is based on the 1998-2002 Medical Expenditure Panel Surveys, conducted by the Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services. The 2002 survey is the most current information available. Findings from previous years, specifically the 1998 survey on which the original briefing paper was based, are used for comparison in this paper. Where possible, trend data for all years 1998 through 2002 were used. More details regarding these surveys are provided in the "About the Data" section of this briefing paper.

Employers Who Offer Coverage

Table 1 provides information about the estimated number of private establishments and employees in Wisconsin and the United States for 1998 and 2002. The data is provided for small employers (less than 50 employees) and large employers (50 or more employees). The number of establishments in both Wisconsin and the United States are down slightly in 2002, while the number of employees has increased. As a percentage of all establishments, large establishments have increased from 1998 to 2002, as has the percentage of employees working at large employers. It is worthwhile to note that although small employers greatly outnumber large employers, the majority of employees in both Wisconsin and the United State work for large employers.

¹ Table 7, p.13, *Employer-Sponsored Health Insurance Coverage: Wisconsin Family Health Survey – 2002 and 2003*, February 2, 2005, prepared by APS Healthcare, Inc.

Table 1. Number of Establishments and Employees in Wisconsin and the United States, 1998 and 2002

	1998			2002		
	Total	Employer Size Small	Large	Total	Employer Size Small	Large
Wisconsin						
Establishments	130,100	79%	21%	128,200	76%	24%
Employees	2,393,400	34%	66%	2,407,900	31%	69%
United States						
Establishments	6,197,700	78%	22%	6,138,100	76%	24%
Employees	110,575,800	32%	68%	111,437,200	28%	72%

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables II.A.1 and II.B.1.
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Employee Eligibility and Enrollment

In 1998, over 50% of all establishments in Wisconsin and the United States offered health insurance², and 90% of Wisconsin employees worked at an establishment that offered health insurance, as compared to 87% throughout the United States.³ However, only 69% of all Wisconsin employees were eligible for employer-offered insurance, a figure that jumps to 79% among large employers, but dips to 51% among small employers. Of further note, 58% of all employees in Wisconsin accepted their employer-offered insurance. This figure increases to 70% among large employers and drops to 36% among small employers.

Comparison data for 2002 can be found in Tables 2 and 3 below. Overall, little changed between 1998 and 2002 in both Wisconsin and the United States regarding employer-offer of health insurance, employee eligibility and acceptance of employer-offered health insurance.

Table 2. Establishments That Offer Health Insurance by Size in Wisconsin and the United States, 2002

	2002		
	Total	Employer Size Small	Large
Establishments in Wisconsin	128,200	98,000	30,200
Number That Offer Health Insurance	76,900 (60%)	47,200 (48%)	30,700 (98%)
Establishments in the United States	6,138,100	4,646,700	1,491,400
Number That Offer Health Insurance	3,511,000 (57%)	2,067,800 (45%)	1,439,200 (97%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables I.A.1 and II.A.2.
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

² See Table 1 in the accompanying document entitled *Employer-Based Health Coverage in Wisconsin and Nationally: Additional Data* for 1998 data.

³ See Table 2 in the accompanying document entitled *Employer-Based Health Coverage in Wisconsin and Nationally: Additional Data* for 1998 data.

Table 3. Employees in Wisconsin and the United States by Employer Size, 2002

	2002		
	Total	Employer Size	
		Small	Large
Employees in Wisconsin	2,407,900	740,400	1,667,500
In Establishments That Offer Health Insurance	2,164,700 (90%)	507,200 (69%)	1,657,500 (99%)
Eligible for Employer-Offered Insurance	1,638,700 (68%)	349,500 (47%)	1,289,500 (77%)
Declined Employer Offer	309,700 (13%)	94,400 (13%)	215,400 (13%)
Accepted Employer Insurance	1,329,000 (55%)	255,100 (34%)	1,074,200 (64%)
Employees in the United States	111,437,200	30,830,700	80,606,500
In Establishments That Offer Health Insurance	98,399,100 (88%)	19,577,500 (64%)	78,833,200 (98%)
Eligible for Employer-Offered Insurance	75,865,700 (68%)	15,270,400 (50%)	60,543,900 (75%)
Declined Employer Offer	14,414,500 (13%)	3,283,100 (11%)	11,079,600 (14%)
Accepted Employer Insurance	61,451,200 (55%)	11,987,300 (39%)	49,464,200 (61%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables II.B.1, II.B.2, II.B.2.a. and II.B.2.a
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Beginning in 2000, the MEPS-IC switched to a new industry classification system for employers. As a result, only the years 2000 through 2002 are compared in this paper (Table 4).⁴ For more details on this change, please see the “About the Data” section at the end of this paper.

When examining specific industry categories, “retail, other services and unknown services” has the largest share of employees eligible for employer-offered insurance in both Wisconsin and the United States from 2000 through 2002. Mining and manufacturing in Wisconsin accounts for between 22% and 25% of eligible employees, but only between 16% and 18% of eligible employees throughout the United States. The percent of eligible employees providing professional services appears to be slowly increasing nationally, while professional service employees in Wisconsin spiked in 2001. Wisconsin showed 18% of eligible employees working in professional services in 2000, with a jump to 26% in 2001 and a dip to 21% in 2002.

Although over 30% of all employees work in “retail, other services and unknown services” in Wisconsin and the United States, only 25% to 31% of employees eligible for insurance worked in this category between 2000 and 2002. For example, in 2000, 34% of all employees in Wisconsin worked in the “retail, other services and unknown services” category, yet only 25% of eligible employees worked in this category. This difference most likely reflects the limited employer-offered health insurance options found in many retail positions.

⁴ See Tables 6 and 7 in the accompanying document entitled *Employer-Based Health Coverage in Wisconsin and Nationally: Additional Data* for 200 and 2001 data.

Table 4. Employees Eligible for Employer-Offered Insurance by Industry in Wisconsin and the United States, 2002

	2002 Percent of All Employees	Percent of Employees Eligible for Employer-Offered Insurance
Wisconsin		
Agriculture, Fishing, Forestry & Construction	8%*	9%*
Mining and Manufacturing	18%	22%
Retail, Other Services & Unknown	33%	25%
Professional Services	20%	21%
All Others	21%	22%
Total	100%	100%
United States		
Agriculture, Fishing, Forestry & Construction	7%	6%
Mining and Manufacturing	14%	16%
Retail, Other Services & Unknown	37%	30%
Professional Services	23%	24%
All Others	20%	23%
Total	100%	100%
Note: *Figure does not meet standard of reliability or precision. Percents may not sum to 100 due to rounding.		

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables V.B.1, V.B.1.a. and V.B.2.a
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Health Insurance Premium Costs for Single and Family Coverage

Average single coverage health insurance premiums have gone up 52% between 1998 and 2002 in Wisconsin, from \$2,304 in 1998 to \$3,500 in 2002 (Table 5). Nationally, the increase has been 47% (Table 6). Small employers pay slightly more on average than large employers. The smallest increase in average premium costs for single coverage policies has been among large employers nationally, increasing 46% from 1998 to 2002.

Similar trends are evident among premiums for family coverage. Average annual premiums for family coverage in Wisconsin rose 49% from 1998 to 2002 and 52% nationally. Most notably, small employer family coverage premiums rose 63% in Wisconsin between 1998 and 2002, as compared with 46% among large employers in the state. Small employers were paying an average of \$5,538 for family coverage in 1998 and \$9,187 in 2002.

Employer Contributions for Single and Family Coverage

Employer contributions towards the total cost of single coverage premiums remained relatively stable between 1998 and 2002 in both Wisconsin and the United States. Wisconsin employers contributed between 78% and 83% of the total cost of single coverage premiums between 1998 and 2002. The lowest percentage contribution (78%) occurred in 2000. Nationally, the employer contribution for single coverage ranged from 81% in 2002, to as high as 83% in 2000 and 2001. Small and large employers appear to be contributing roughly the same percentage towards their employees' single coverage premiums. The largest difference occurred in 2002 among Wisconsin employers, where small employers contributed 87% and large employers contributed 81% towards their employees' single coverage premiums. Lastly, small employers in Wisconsin contribute less on average than do small employers nationally, with the largest difference

occurring in 2000 when small Wisconsin employers contributed 74% to their employees' single coverage, while small employers nationally contributed 85% to their employees' single coverage.

Employer contributions towards family coverage averaged nearly 80% in all years and across both small and large employers in Wisconsin. However, nationally, small employers contributed less on average than large employers for family coverage. In 1998, small employers nationally contributed 71% of the premium for family coverage, while large employers contributed 76%. This gap may be narrowing, as small employers contributed 75% for family coverage in 2002, as compared to 77% among large employers. Detailed results can be found in Tables 5 and 6 below.

Table 5. Average Premiums and Employer Contributions for Establishments that Offer Health Insurance in Wisconsin, 1998-2002

	Wisconsin					% Change 1998- 2002
	1998	1999	2000	2001	2002	
Average Annual Premium for Single Coverage	\$2,304⁵	\$2,502	\$2,826	\$3,092	\$3,500	52%
Small Employer	\$2,396	\$2,392	\$2,870	\$3,380	\$3,586	50%
Large Employer	\$2,280	\$2,544	\$2,812	\$3,012	\$3,476	53%
Employer Contribution for Single Coverage	83%	80%	78%	82%	81%	
Small Employer	83%	80%	74%	81%	80%	
Large Employer	83%	80%	79%	83%	81%	
Average Annual Premium for Family Coverage	\$5,865	\$6,475	\$7,112	\$7,556	\$8,717	49%
Small Employer	\$5,638	\$6,450	\$7,295	\$8,221	\$9,187	63%
Large Employer	\$5,922	\$6,481	\$7,075	\$7,370	\$8,614	46%
Employer Contribution for Family Coverage	80%	79%	79%	80%	81%	
Small Employer	78%	81%	78%	80%	81%	
Large Employer	80%	78%	80%	80%	81%	

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables II.C.1, II.C.3, II.D.1 and II.D.3
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

⁵ There is no indication in the *Technical Notes and Survey Documentation for the MEPS Insurance Component (MEPS IC)* document that suggests these figures were adjusted for inflation over time.

Table 6. Average Premiums and Employer Contributions for Establishments that Offer Health Insurance in the United States, 1998-2002

	1998	1999	United States		2002	% Change 1998- 2002
			2000	2001		
Average Annual Premium for Single Coverage	\$2,174	\$2,325	\$2,655	\$2,889	\$3,189	47%
Small Employer	\$2,235	\$2,475	\$2,827	\$3,031	\$3,375	51%
Large Employer	\$2,152	\$2,269	\$2,595	\$2,845	\$3,133	46%
Employer Contribution for Single Coverage	82%	82%	83%	83%	83%	
Small Employer	86%	85%	85%	85%	87%	
Large Employer	81%	81%	82%	82%	81%	
Average Annual Premium for Family Coverage	\$5,590	\$6,058	\$6,772	\$7,509	\$8,469	52%
Small Employer	\$5,442	\$6,062	\$6,868	\$7,704	\$8,502	56%
Large Employer	\$5,622	\$6,057	\$6,752	\$7,473	\$8,463	51%
Employer Contribution for Family Coverage	75%	76%	76%	77%	77%	
Small Employer	71%	73%	72%	74%	75%	
Large Employer	76%	77%	77%	77%	77%	

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables II.C.1, II.C.3, II.D.1 and II.D.3
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Insurance Access and Full-Time Employment

An inverse relationship exists between the percentage of full-time employees at an establishment and access to health insurance, both in Wisconsin and nationally (Table 7 and 8). Among establishments in Wisconsin with 75% or more full-time employees 73% offer health insurance; whereas only 33% of establishments with fewer than 50% full-time employees offer health insurance. This pattern of reduced access to health insurance among smaller establishments is also evident nationally.

Table 7. Establishment and Employee Data by Percent Full-Time Employees in Wisconsin, 2002

	2002			
	Total	Percent Full-Time Employees		
		75% or More	50-74%	Less than 50%
Establishments in Wisconsin	128,200	74,200	22,700	31,300
Number That Offer Health Insurance	76,900 (60%)	53,900 (73%)	12,600 (55%)	10,300 (33%)
Employees in Wisconsin	2,407,900	1,587,700	348,000	472,200
In Establishments That Offer Health Insurance	2,164,700 (90%)	1,508,300 (95%)	308,700 (89%)	348,500 (74%)
Eligible for Employer-Offered Insurance	1,638,700 (68%)	1,340,900 (84%)	189,800 (55%)	97,400 (21%)
Declined Employer Offer	309,700 (13%)	219,900 (14%)	46,300 (13%)	39,000 (8%)
Accepted Employer Insurance	1,329,000 (55%)	1,121,000 (71%)	143,500 (41%)	58,500 (12%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.A.1, VII.A.2, VII.B.1, VII.B.2, VII.B.2.a, VII.B.2.a.(1), http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Table 8. Establishment and Employee Data by Percent Full-Time Employees in the United States, 2002

	2002			
	Total	Percent Full-Time Employees		
		50% or more	Less than 50%	Unknown
Establishments in the United States	6,138,000	3,975,100	963,600	1,199,300
Number That Offer Health Insurance	3,510,972 (57%)	2,563,970 (65%)	523,254 (54%)	419,748 (35%)
Employees in the United States	111,437,200	79,041,100	14,734,000	17,662,200
In Establishments That Offer Health Insurance	98,399,100 (88%)	73,113,000 (93%)	12,435,500 (84%)	12,875,700 (73%)
Eligible for Employer-Offered Insurance	75,865,700 (68%)	62,584,700 (79%)	8,195,000 (56%)	5,098,800 (29%)
Declined Employer Offer	14,414,500 (13%)	10,263,900 (13%)	2,294,600 (16%)	1,866,200 (11%)
Accepted Employer Insurance	61,451,200 (55%)	52,320,800 (66%)	5,900,400 (40%)	3,232,600 (18%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.A.1, VII.A.2, VII.B.1, VII.B.2, VII.B.2.a, VII.B.2.a.(1), http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

The percentage of full-time employees also seems to be related to average premium costs, both for single and family coverage in Wisconsin and nationally (Tables 9 and 10). Establishments with less than 50% full-time employees pay 11% more for single coverage in Wisconsin than establishments with 50% or more full-time employees. This trend holds true for family coverage in Wisconsin and both types of coverage nationally; however, the differences are never greater than 5%.

Table 9. Premium and Employer Contribution Data by Percent Full-Time Employees in Wisconsin, 2002

	2002			
	Total	Percent Full-Time Employees		
		50% or more	Less than 50%	Unknown
Premium Data in Wisconsin				
Average Annual Premium for Single Coverage	\$3,500	\$3,457	\$3,833	\$3,358
Employer Contribution for Single Coverage	81%	82%	82%	71%
Average Annual Premium for Family Coverage	\$8,717	\$8,653	\$9,088	\$9,277
Employer Contribution for Family Coverage	82%	83%	76%	73%

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.C.1, VII.C.3, VII.D.1, and VII.D.3. http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Table 10. Premium and Employer Contribution Data by Percent Full-Time Employees in the United States, 2002

	2002			
	Total	Percent Full-Time Employees		
		50% or more	Less than 50%	Unknown
Premium Data in United States				
Average Annual Premium for Single Coverage	\$3,189	\$3,194	\$3,291	\$2,949
Employer Contribution for Single Coverage	82%	83%	81%	77%
Average Annual Premium for Family Coverage	\$8,469	\$8,460	\$8,745	\$8,120
Employer Contribution for Family Coverage	76%	77%	73%	70%

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.C.1, VII.C.3, VII.D.1, and VII.D.3.
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Insurance Access and Low-Wage Employment

Reduced access to health insurance is also related to the percentage of low-wage employees at an establishment. For 2002, low-wage was defined as anyone earning \$9.50 per hour or less. Further details regarding the definition of low-wage can be found in the “About the Data” section at the end of this paper. Looking at the Wisconsin data (Table 11), only 43% of establishments with 50% or more low-wage employees offer health insurance, as compared to 65% among establishment with less than 50% low-wage employees. Also among the employers in Wisconsin with 50% or more low-wage employee only 37% of those employees are eligible for employer-offered health insurance, while 76% of employees in establishments with less than 50% low-wage workers are eligible for employer-offered health insurance. A similar pattern is found in the U.S. data provided in Table 12 below.

Table 11. Establishment and Employee Data by Percent Low-Wage Employees in Wisconsin, 2002

	2002			
	Total	Percent Low-Wage Employees		
		50% or more	Less than 50%	Unknown
Establishments in Wisconsin	128,200	39,100	71,000	18,100
Number That Offer Health Insurance	76,900 (60%)	17,000 (43%)	46,400 (65%)	13,500 (75%)
Employees in Wisconsin	2,407,900	483,600	1,115,000	809,400
In Establishments That Offer Health Insurance	2,164,700 (90%)	366,100 (76%)	1,009,100 (91%)	789,100 (98%)
Eligible for Employer-Offered Insurance	1,638,700 (68%)	176,800 (37%)	851,700 (76%)	610,000 (75%)
Declined Employer Offer	309,700 (13%)	63,100 (13%)	182,300 (16%)	64,700 (8%)
Accepted Employer Insurance	1,329,000 (55%)	113,700 (24%)	669,400 (60%)	545,300 (67%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.A.1, VII.A.2, VII.B.1, VII.B.2, VII.B.2.a, VII.B.2.a.(1), http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Table 12. Establishment and Employee Data by Percent Low-Wage Employees in the United States, 2002

	2002			
	Total	Percent Low-Wage Employees		
		50% or more	Less than 50%	Unknown
Establishments in the United States	6,138,000	1,844,800	3,408,200	885,100
Number That Offer Health Insurance	3,510,972 (57%)	712,103 (39%)	2,126,705 (62%)	669,102 (76%)
Employees in the United States	111,437,200	22,857,000	52,856,300	35,723,900
In Establishments That Offer Health Insurance	98,399,100 (88%)	16,045,600 (70%)	47,940,700 (91%)	34,402,200 (96%)
Eligible for Employer-Offered Insurance	75,865,700 (68%)	9,322,500 (41%)	40,653,700 (77%)	25,870,400 (72%)
Declined Employer Offer	14,414,500 (13%)	3,402,700 (15%)	6,911,100 (13%)	4,061,700 (11%)
Accepted Employer Insurance	61,451,200 (55%)	5,919,800 (26%)	33,742,600 (64%)	21,808,800 (61%)

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.A.1, VII.A.2, VII.B.1, VII.B.2, VII.B.2.a, VII.B.2.a.(1), http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

The percentage of low-wage employees is also related to the cost of single and family coverage premiums, both in Wisconsin and the United States. However, the pattern appears to be more pronounced nationally than in Wisconsin. For single and family coverage, employers in Wisconsin with 50% or more low-wage employees paid 3% more on average than employers with less than 50% low-wage employees. In contrast, employers nationally with 50% or more low-wage employees paid 8% more for single and family coverage. Detailed findings can be found in Tables 13 and 14 below.

Table 13. Premium and Employer Contribution Data by Percent Low-Wage Employees in Wisconsin, 2002

	2002			
	Total	Percent Low-Wage Employees		
		50% or more	Less than 50%	Unknown
Premium Data in Wisconsin				
Average Annual Premium for Single Coverage	\$3,500	\$3,675	\$3,553	\$3,355
Employer Contribution for Single Coverage	81%	76%	81%	84%
Average Annual Premium for Family Coverage	\$8,717	\$8,980	\$9,277	\$8,063
Employer Contribution for Family Coverage	82%	72%	80%	85%

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.C.1, VII.C.3, VII.D.1, and VII.D.3. http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Table 14. Premium and Employer Contribution Data by Percent Low-Wage Employees in the United States, 2002

	2002			
	Total	Percent Low-Wage Employees		
		50% or more	Less than 50%	Unknown
Premium Data in United States				
Average Annual Premium for Single Coverage	\$3,189	\$3,004	\$3,253	\$3,150
Employer Contribution for Single Coverage	82%	79%	84%	81%
Average Annual Premium for Family Coverage	\$8,469	\$7,860	\$8,509	\$8,513
Employer Contribution for Family Coverage	76%	68%	76%	78%

Source: Agency for Healthcare Research and Quality (AHRQ), Center for Cost and Financing Studies. Medical Expenditure Panel Survey – Insurance Component (MEPS-IC) Tables VII.C.1, VII.C.3, VII.D.1, and VII.D.3.
http://www.meps.ahrq.gov/Data_Pub/IC_Tables.htm.

Summary

Overall, employer-based health insurance in Wisconsin compares favorably with the national findings. Within the state, several patterns emerge regarding access to employer-offered insurance and the cost of employer-offered insurance. These patterns generally revolve around the size of the employer and are reflected by the number of employees, the percent of full-time employees and the percent of low-wage employees.

Employees are more likely to be offered health insurance coverage, are more likely to be eligible for health insurance coverage and are more likely to accept employer-offered health insurance coverage if they are employed by a large employer. Less than half of all small employers in Wisconsin, and nationally, offer their employees health insurance coverage. Close to 100% of large employers offer health insurance to their employees. However, both small and large employers contribute approximately 80% towards employees' single and family health insurance premiums. In 2002, small employers in Wisconsin actually contributed more towards their employees' single coverage than did large employers.

Type of employment also impacts access to employer-offered health insurance. In general, retail employment is less likely to provide employer-offered health insurance than other industries. This pattern holds for the years 2000 through 2002 for both Wisconsin and the United States.

Lastly, the larger percentage of full-time employees and/or the smaller percentage of low-wage employees, the greater the likelihood that the establishment will offer health insurance, that the establishment's employees will be eligible for the insurance and that the employees will accept the insurance. Employers with larger percentages of full-time employees and lower percentages of low-wage employees also contribute more towards their employees' health insurance premiums. These patterns are similar in Wisconsin and nationally.

Overall, and as noted in the 1998 MEPS-IC analysis, low-wage employees and employees of small employers continue to have a more difficult time accessing affordable health insurance coverage. Thus, any further State Planning Grant research focusing on small businesses in Wisconsin will only help to address the difficulties these business face when providing health care coverage to their employees and may help to expand health insurance access through employers.

About the Data

Background:

The Medical Expenditure Panel Survey (MEPS) is conducted annually by the U.S. Agency for Healthcare Research and Quality (AHRQ). All data in this report is derived from the MEPS Insurance Component, which is a survey of employers. The data in this paper are based on the published MEPS results from 1998 through 2002.

The survey collects data at the establishment level, rather than the firm level. The firm generally refers to the entire company, including the headquarters and all the establishment sites, while the establishment refers to one location or site.

Definitions:

Several survey findings are presented by firm size. Small firms are defined as firms with fewer than 50 employees, while large firms have 50 or more employees.

In addition, selected findings are presented by industry category. Each industry category represents the primary business activity of the establishment as reported by the respondent. From 1996 through 1999, the industries were based on SIC (Standard Industrial Classification) codes. Beginning in 2000, the industries were converted to NAICS (the North American Industry Classification System). Even those industry categories that retained the same name may not be comparable due to reclassification of specific businesses from one industry category to another. More information on the SIC and NAICS conversion can be found at the Census Bureau NAICS web site (<http://www.census.gov/epcd/www/naics.html>).

The survey findings were also grouped by the percent of full-time employees and the percent of low-wage employees. Full-time employment was defined by the respondent, but generally referred to 35 to 40 hours per week. Part-time employment was any employment not defined as full-time by the respondent. The definition of low-wage employees changed beginning in 2000. From 1996 through 1999, a low-wage employee was defined as an employee making \$6.50 per hour or less and that rate was not adjusted for increasing wage levels. In 2000, the definition of low-wage was modified to capture the annual increase in wage levels. The new definition of low-wage includes any employee earning at or below the 25th percentile for all hourly wages in the United States based on data from the Bureau of Labor Statistics. The low-wage threshold will be adjusted each year based on the most recent wage data available. For 2000 through 2003, a low-wage employee is defined as someone who makes \$9.50 per hour or less.