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IMPACT OF AN EMPLOYER MANDATE ON WOMEN'S ACCESS TO HEALTH CARE

President Clinton's proposed Health Security Act (HSA) guarantees all Americans health insurance coverage regardless of their marital status, employment status, or socio-economic status. A new report by IWPR, *Women's Access to Health Insurance*, estimates how the workplace guarantee -- or employer mandate -- proposed by the President would affect women's access to health insurance.

INCREASING ACCESS

Reform based on the principle of universal coverage through a workplace guarantee would increase access to health insurance. Our study shows that the workplace guarantee alone would reach three out of four uninsured working age adults. Increasing workplace coverage is of great importance to women, who are less likely to have direct employer-based coverage than men and are more likely to rely on their spouses' jobs for access. Having greater access to insurance through their own employers can provide greater security to women undergoing transitions in their family lives. Workplace coverage is increasingly at risk for men as well since employment-based health coverage is falling for the work force as a whole.

Our findings on the impact of the proposed Health Security Act's workplace guarantee, requiring all employers to contribute to health insurance costs for workers who work at least 10 hours per week, are striking:

◆ **Fully 29 million** working women, or 50 percent of all working women ages 18-64, and 27 million working men, or 40 percent of all working men ages 18-64, would gain coverage through their own workplace; the majority of these have coverage through other sources but many are currently uninsured (see Table 1).

◆ **Nearly 20 million** of the 26 million uninsured working age adults would gain health insurance coverage through their own employers -- 8 million uninsured working women and 12 million uninsured working men -- 3/4 of **all** uninsured adults (see Figure 1).

◆ **In addition, some non-working** uninsured individuals would gain access to indirect coverage through the workplace guarantee in the Health Security Act since it requires employers to provide coverage for dependents as well as workers.

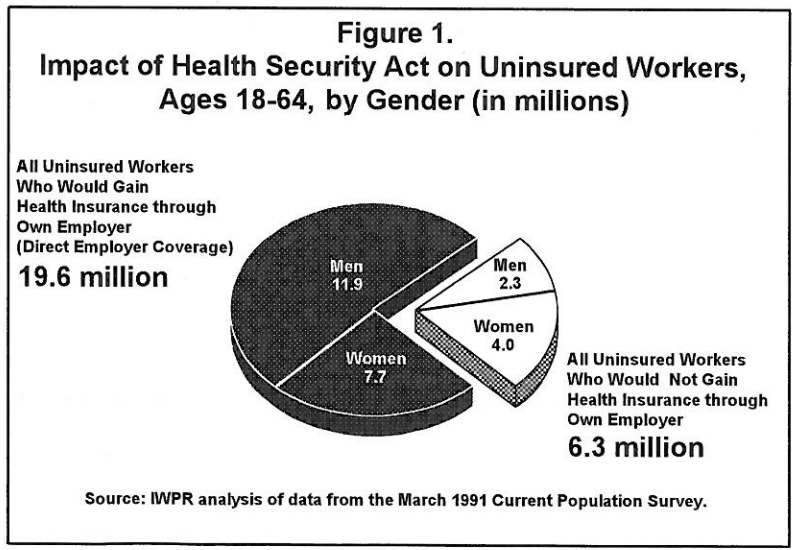


Table 1: Impact of Clinton Plan's Workplace Guarantee on the Health Coverage of Workers, Ages 18-64, by Firm Size, Industry, and Gender
(in millions)

	Total Workers Employed	Number Affected by Clinton Plan ^a	Number of Affected Workers Who are Currently Uninsured			
			All Firms ^b	Firm Size		
	All Firms	All Firms		All Firms ^b	< 25	25-99
EMPLOYED LABOR FORCE						
Women	57.9	28.8	7.7	3.3	1.2	3.2
Men	67.5	26.9	11.9	6.3	2.0	3.7
Total ^b	125.4	55.7	19.6	9.6	3.1	6.9
SELECTED INDUSTRIES FOR WOMEN ^c			Women			
Retail Trade	11.3	8.1	2.4	1.0	0.3	1.1
Professional Service	18.5	7.9	1.6	0.5	0.2	0.8
Personal Services	3.5	2.7	0.9	0.7	0.1	0.2
Manufacturing ^d	7.4	2.5	0.9	0.2	0.2	0.4
SELECTED INDUSTRIES FOR MEN ^c			Men			
Retail Trade	9.9	5.6	2.5	1.2	0.4	0.9
Construction	7.7	4.5	2.5	1.8	0.4	0.3
Manufacturing ^d	14.8	3.1	1.6	0.5	0.4	0.7
Professional Service	8.0	2.6	0.8	0.3	0.1	0.4

Notes: **a** To be counted as an affected worker, that is a worker who gains direct employer-based coverage, under the Clinton Plan in these estimates, a worker must work ten hours per week and must not already have insurance through his or her own employer.
b Numbers may not add due to rounding.
c Industries selected because, for each gender, they employ the largest number of uninsured workers who would gain workplace coverage under the Clinton plan.
d Includes both durable and non-durable goods manufacturing.

Source: Estimates based on IWPR analysis of data from the March 1991 Current Population Survey.

INCREASING EQUITY

In addition to increasing access to coverage, a workplace guarantee would reduce some of the inequalities in our current system. Workers would receive coverage regardless of their industry, firm size, or earnings. This increased access would disproportionately benefit individuals with lower earnings, many of whom hold more marginal positions in the labor force and have employers that are unlikely to provide health insurance now.

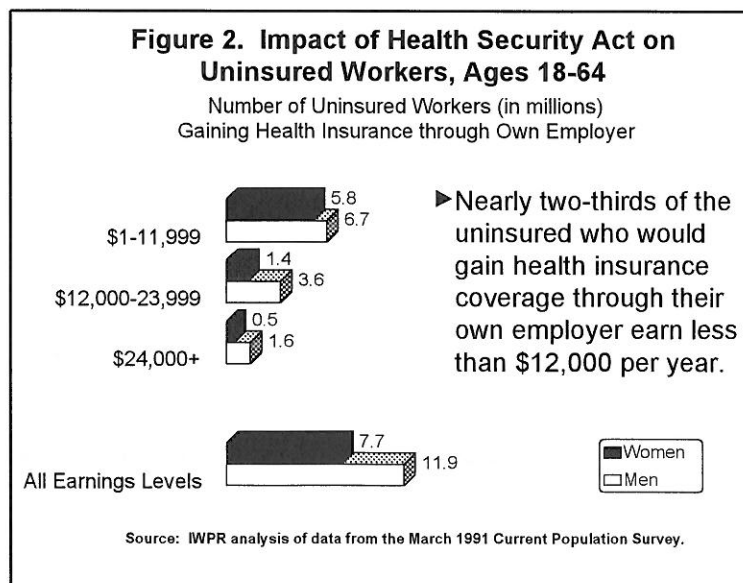
◆ **6 million uninsured women** earning less than \$12,000 annually and 7 million uninsured men earning at the same level would gain coverage directly through their own employers as a result of the workplace guarantee; two-thirds of all workers who would become insured for the first time through their own employers earn less than \$12,000 (see Figure 2).

Currently, the uninsured are disproportionately represented in small firms and specific industries -- such as retail, personal services, and construction. A workplace guarantee would ensure that these workers gain coverage (see Table 1).

◆ **3 million uninsured women** working in small firms with fewer than 25 employees and twice as many -- 6 million -- similarly situated men;

◆ **More than 2 million uninsured women** working in retail firms of all sizes, with nearly half in firms with fewer than 25 workers and more than 1 million in large firms with 100 or more workers;

◆ **1 million uninsured women** working in personal services, most in small firms, and 2.5 million uninsured men working in construction firms, also mostly in small firms.



The employer mandate would also require those large firms and firms in industries that have high rates of coverage (such as manufacturing and professional services) that currently do not provide health insurance to do so. Table 1 shows that the employer mandate would affect:

- ◆ **3 million uninsured women** working in large firms with 100 or more employees, and 4 million similarly situated men;
- ◆ **1 million uninsured women** and 1.6 million uninsured men working in manufacturing firms;
- ◆ **Nearly 1 million uninsured women** working in large professional services firms.

SMALL BUSINESS IMPACT

Precisely because of these two major points -- increased access to health care coverage and greater equity in receiving coverage -- the workplace guarantee is an important part of health care reform. Mechanisms other than the employer mandate could also achieve these goals, but likely at greater cost to the public sector (Employee Benefit Research Institute, 1992). The employer mandate mechanism provides both coverage and a substantial source of financing to pay for the coverage.

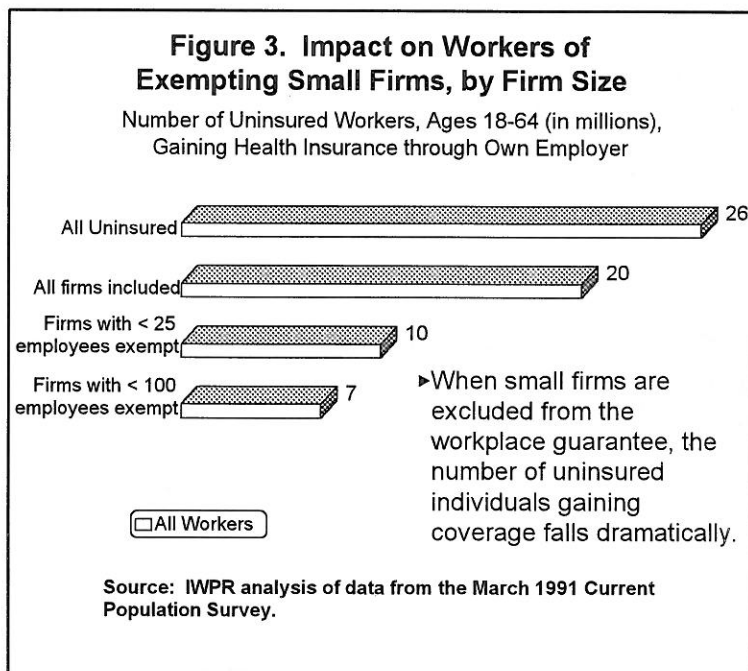
Opponents of a workplace guarantee often argue that any mandate on employers to contribute towards employees' health insurance costs will place such a large new burden on many businesses that many workers would be laid off. While research on the employment impact of mandates provides a range of estimates, most indicate that a mandate on employers would likely have a relatively small effect on employment, but would generate some displacement (Silow-Carroll and Meyer, 1993: 243).

Because of the potential cost burden on small businesses of providing health insurance, members of Congress are considering several variations of Clinton-style plans that allow small businesses to avoid or reduce the costs of new responsibility for covering their own employees.

Our study shows that if the smaller firms are exempted from an employer requirement to provide health insurance, the proportion of the uninsured who would gain new direct coverage would fall dramatically:

- ◆ If small firms with fewer than 25 employees were exempted from the workplace guarantee, the portion of the uninsured who would gain health insurance through their own employer would fall from 3/4 of all the working age uninsured to 2/5.
- ◆ If all firms with fewer than 100 employees were dropped, the share of the uninsured who would gain coverage would fall to 1/4 (see Figure 3).

With a workplace guarantee, about three quarters of uninsured working age adults would gain health insurance, and many of the inequities in our current system of providing health insurance would be reduced. Exempting small size firms from the employer mandate would either leave substantial numbers of workers uncovered or require finding other ways to ensure their access.



The full report, **Women's Access to Health**

Insurance, by Young-Hee Yoon, Stephanie Aaronson, Heidi Hartmann, Lois Shaw and Roberta Spalter-Roth, is available from the Institute for Women's Policy Research for \$15.00. Data used in this study were drawn from the March 1991 Current Population Survey. This research project was funded by the Henry F. Kaiser Family Foundation, as part of the Kaiser Health Reform Project. This **Research-In-Brief** was prepared by Young-Hee Yoon and Robin Dennis in June 1994.

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- Employee Benefit Research Institute. 1992. *Health Care Reform: Tradeoffs and Implications*. EBRI Issue Brief no. 125. Washington, DC: Employee Benefit Research Institute.
- Silow-Carroll, Sharon and Jack A. Meyer. 1993. *An Employment-Based System with Cost Controls: An Analysis of the Clinton and Mitchell Health Care Proposals*. Pp. 209-249 in Meyer, Jack A. and Sharon Silow-Carroll (eds.), *Building Blocks For Change: How Health Care Reform Affects Our Future*. Washington, DC: The Economic and Social Research Institute.