

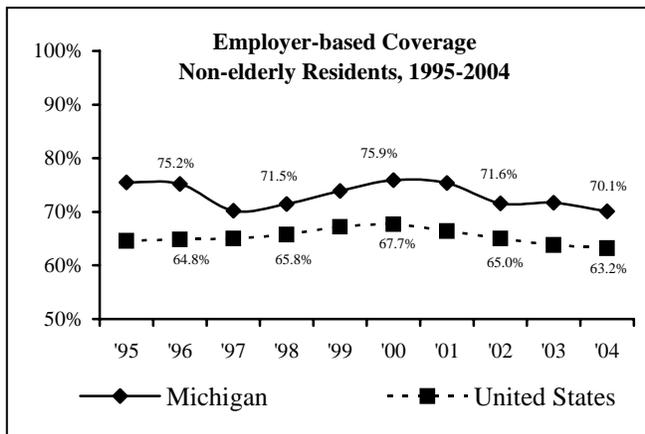


## Characteristics of the Uninsured and Select Health Insurance Coverage in Michigan Employer-based Health Insurance Coverage at a Glance

The Michigan Department of Community Health is pleased to present a series of briefs highlighting the 2006 report on the *Characteristics of the Uninsured and Select Health Insurance Coverage in Michigan*.

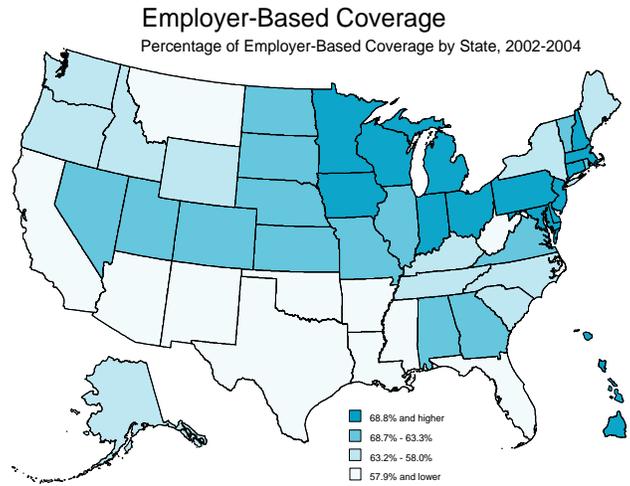
Many factors contribute to why people lack health insurance coverage, such as affordability, ineligibility, change in employment, or no employer coverage offered. The likelihood of being insured is closely linked with a person's income and employment status. Even when an employer offers health coverage, some employees may not be able to afford the premium to participate in the plan. Understanding the levels and characteristics of health insurance coverage and the uninsured are important for Michigan's health care future as Michigan and its communities strive to improve the health of our populations.

Most Americans, including Michigan residents, receive their health insurance coverage through some type of employer-sponsored plan. In fact, around 70 percent of Michigan residents have coverage through an employer. The proportion of Michigan residents with employer-based coverage has been higher than the national average since 1987, and is key to Michigan's relatively low uninsured rate. However, the percent of people covered by employer-based health insurance has been declining both in Michigan and nationally. According to a Kaiser Foundation report on employer-based health insurance, the decline over the past decade in coverage has occurred in part because the distribution of employment has changed -- shifting away from high coverage industries and occupations toward those where coverage is low.

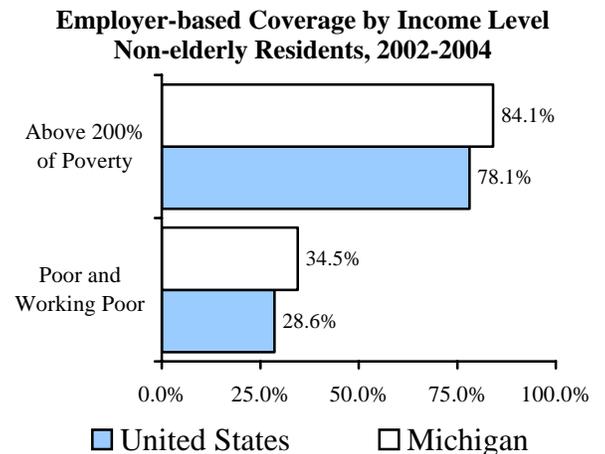


The proportion of people with employer-based coverage among the states ranged from 77.0 percent in New Hampshire to 51.3 percent in New Mexico, based on 3-year average. High employer-based coverage rates are primarily found in the midwest and northeastern states

where there exists a strong manufacturing base and higher wages. Michigan is among the top quarter of the states, with 71.1 percent of people with employer-based coverage.



Employer-based coverage is closely linked with family income –the higher the family income, the more likely the family will have employer-based coverage. This is evident in the disparity in health insurance coverage between low-income (poor and working poor) and middle- and upper income families (above 200 percent of poverty) in Michigan and nationally. Middle- and upper income families (84.1 percent) in Michigan are more likely to have employer-based coverage than those nationally (78.1 percent).





Almost eight out of every 10 private sector workers in Michigan had employer-based coverage while less than six out of 10 self-employed workers had some type of health insurance coverage. The proportion of coverage varied widely by firm size in the private sector, with workers employed by firms with 100 or more employees (82.6 percent) being the most likely to have coverage.

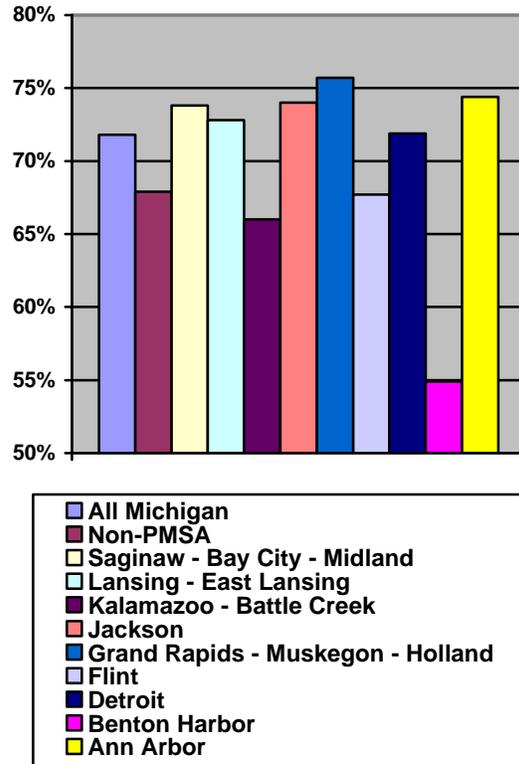
Employer-based Coverage by Private Firm Size of Family Head, Non-elderly Residents, 2002-2004		
Number of Employees	Michigan	United States
Under 10	55.3%	43.0%
10-24	62.6%	54.1%
25-99	73.9%	66.1%
100-499	80.2%	74.0%
500-999	81.7%	77.4%
1,000 or more	83.6%	79.2%
<b>All Workers</b>	<b>76.6%</b>	<b>68.6%</b>

Although industry coverage varies, private sector workers in Michigan (76.6 percent) are more likely to have employer-based coverage than workers nationally (68.6 percent).

Employer-based Coverage by Private Industry of Family Head, Non-elderly Residents, 2002-2004		
Select Industries	Michigan	United States
Agriculture	72.3%	41.5%
Construction	73.1%	57.6%
Manufacturing	88.0%	80.2%
Wholesale-Retail trade	70.9%	67.2%
Services	67.1%	61.9%
<b>All Workers</b>	<b>76.6%</b>	<b>68.6%</b>

A majority (82.4 percent) of Michigan residents live in a primary metropolitan statistical area (PMSA), as defined by the U.S. Census Bureau. There are nine PMSAs in Michigan, with Ann Arbor area residents (74.4 percent) the most likely to have employer-based coverage and Benton Harbor area residents (54.9 percent) the least likely to have coverage. Overall, urban (69.9 percent) and rural (69.6 percent) residents in Michigan are more likely to have employer-based coverage than urban (64.0 percent) and rural (59.5 percent) residents nationally.

**Percent Employer-based Coverage by Primary Metropolitan Statistical Areas (PMSA)**  
Non-elderly Michigan Residents,  
2001-2003 Average



The Department of Community Health acknowledges that information and reports by the Employee Benefit Research Institute (EBRI), the U.S. Census Bureau, and the Henry J. Kaiser Family Foundation were used to assist in development of the briefs and report.

Estimates are based on the Current Population Survey (CPS) conducted by the U.S. Census Bureau. Preliminary tabulations and analysis for this report were provided by the EBRI. For more information on the CPS, visit the U.S. Census Bureau's web site at [www.census.gov](http://www.census.gov). Three-year averages are used for most comparisons to eliminate year-to-year fluctuations and improve reliability. For more information about this report and other health insurance estimates for Michigan, call the Department of Community Health at (517) 241-2966.

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