

Fact Sheet

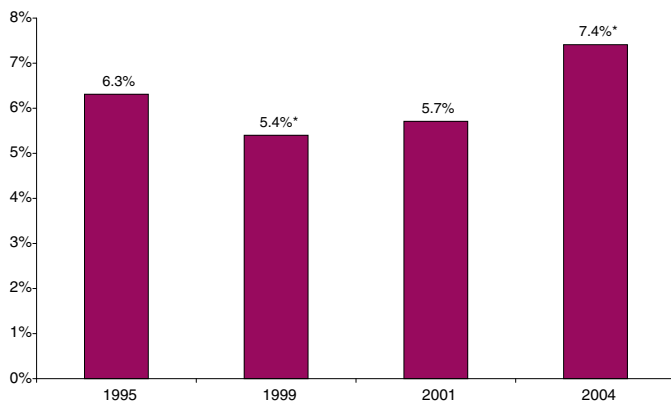
February 2006

Health Insurance Coverage in Minnesota, 2001 vs. 2004

This fact sheet provides a summary of final estimates of health insurance coverage gathered from the 2001 and 2004 Minnesota Health Access Surveys.¹ In addition to this fact sheet, there is a detailed report that contains in-depth survey results.² Although Minnesota has consistently had one of the lowest rates of uninsurance in the country,³ the rate of uninsurance increased in Minnesota between 2001 and 2004, after years of declining and stable uninsurance rates (See Exhibit 1).⁴ The increase in the number of uninsured Minnesotans was driven by a decrease in employer-based health insurance coverage, changes in employment, a shift in Minnesota's income distribution, and a change in the composition of Minnesota's Hispanic/Latino population.

Exhibit 1

Uninsurance Rate Trends in Minnesota, 1995 to 2004



Source: 1995, 1999, 2001, and 2004 Minnesota Health Access Surveys

Note: To allow for direct comparisons to 2001 and 2004, estimates and standard errors for 1995 and 1999 have been adjusted based on weighting patterns from 2001 and 2004

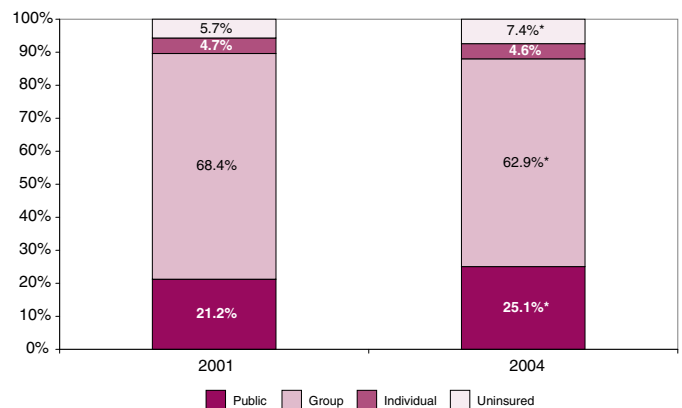
* Indicates a statistically significant difference from previous year at the 95% level

Changes in Health Insurance Coverage and Uninsurance

As shown in Exhibit 2, group coverage in Minnesota decreased from 68.4% of the population in 2001 to 62.9% in 2004. During this same period, the level of uninsurance and enrollment in public health insurance programs increased. Roughly 375,000 or 7.4% of Minnesotans were uninsured in 2004, an increase of 94,000 compared to 2001, when the uninsurance rate was 5.7%. Public program enrollment increased from 21.2% of the population in 2001 to 25.1% in 2004.

Exhibit 2

Sources of Insurance Coverage in Minnesota, 2001 and 2004



Source: 2001 and 2004 Minnesota Health Access Surveys

* Indicates a statistically significant difference between 2001 and 2004 at the 95% level

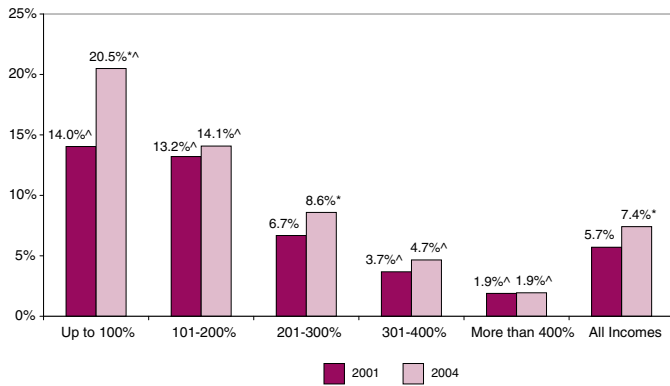
Exhibit 3 provides uninsurance rates by income level. This exhibit shows that uninsurance rates among Minnesotans with family incomes below 100 percent and between 201 and 300 percent of federal poverty guidelines increased between 2001 and 2004. In both 2001 and 2004, lower income groups had higher rates of uninsurance than higher income groups.

Health Insurance Coverage in Minnesota, 2001 vs. 2004

Exhibit 3

Uninsurance Rates by Income in Minnesota, 2001 and 2004

(Family Income as a Percent of Federal Poverty Guidelines)

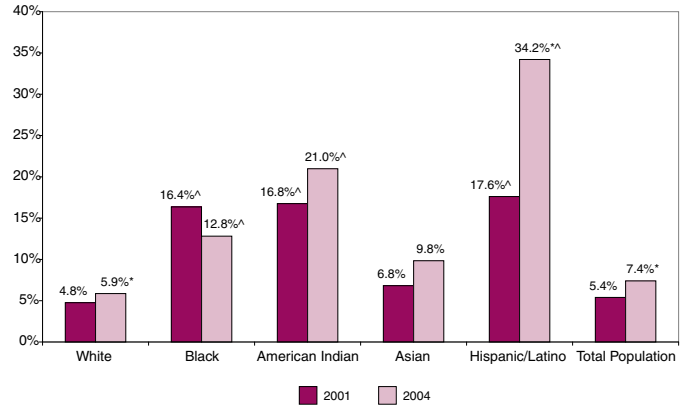


Source: 2001 and 2004 Minnesota Health Access Surveys
 * Indicates a statistically significant difference between 2001 and 2004 at the 95% level
 ^ Indicates a statistically significant difference from all incomes within year at the 95% level

The survey results presented in Exhibit 4 show that uninsurance rates increased significantly for White and Hispanic/Latino Minnesotans and remained fairly stable for the Black, Asian, and American Indian Minnesotans. At the same time, in 2001 and 2004 the uninsurance rate for White Minnesotans was significantly lower than the uninsurance rates for Black, American Indian, and Hispanic/Latino Minnesotans.

Exhibit 4

Uninsurance Rates by Race and Ethnicity in Minnesota, 2001 and 2004

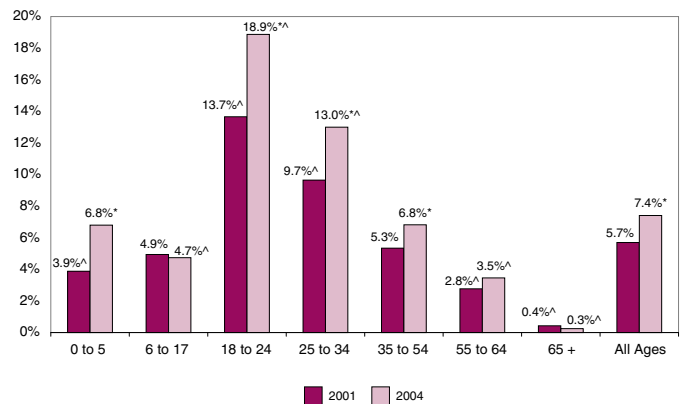


Source: 2001 and 2004 Minnesota Health Access Surveys
 * Indicates a statistically significant difference between 2001 and 2004 at the 95% level
 ^ Indicates a statistically significant difference between a given race/ethnic group and White within year at the 95% level

Exhibit 5 shows that uninsurance rates in Minnesota vary by age. In general, non-elderly adults were more likely than children to be uninsured in both 2001 and 2004. Uninsurance rates increased significantly for children under the age of 5 and for adults between the ages of 18 and 54 from 2001 to 2004.

Exhibit 5

Uninsurance Rates by Age in Minnesota, 2001 and 2004

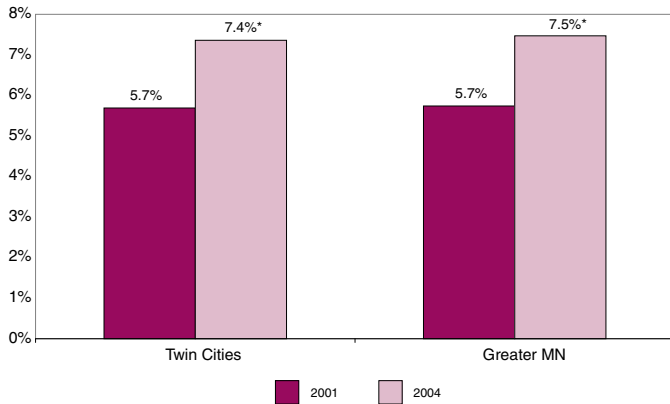


Source: 2001 and 2004 Minnesota Health Access Surveys
 * Indicates a statistically significant difference between 2001 and 2004 at the 95% level
 ^ Indicates a statistically significant difference between age group and all ages within year at the 95% level

As shown in Exhibit 6, uninsurance rates increased throughout the state from 2001 to 2004. Minnesotans living in the Twin Cities and in Greater Minnesota experienced significant increases in the percent of people uninsured.

Exhibit 6

Uninsurance Rates by Region in Minnesota, 2001 and 2004



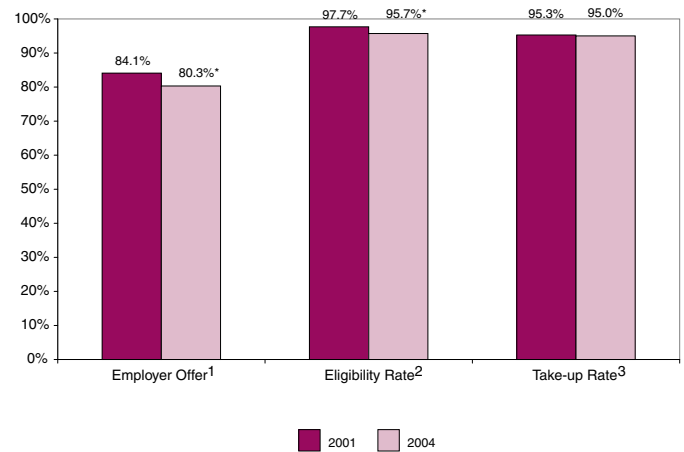
Source: 2001 and 2004 Minnesota Health Access Surveys
* Indicates a statistically significant difference between 2001 and 2004 at the 95% level

Reasons for Shifts in Health Insurance Coverage

As described earlier, group coverage in Minnesota decreased from 2001 to 2004, and the level of uninsurance and enrollment in public health insurance programs increased. As shown in Exhibit 7, the decrease in group coverage was driven by a decline in the percent of people who worked for or had a family member who worked for an employer that offered health insurance coverage and a decline in the percent of employees and dependents eligible for coverage offered through an employer. As discussed later, these declines appear to be partially related to a decline in employment and changes in the characteristics of employment between 2001 and 2004. The percent of Minnesotans who took up employer coverage for which they were eligible was constant from 2001 to 2004.

Exhibit 7

Access to Employer Coverage for Non-Elderly Minnesotans, 2001 and 2004



Source: 2001 and 2004 Minnesota Health Access Surveys

* Indicates a statistically significant difference between 2001 and 2004 at the 95% level

¹ Person works for or has a family member who works for an employer that offers health insurance coverage to some employees

² Percent of those who work for or have a family member who works for an employer that offers coverage who are eligible for health insurance coverage offered by that employer

³ Percent of those who are eligible for employer coverage as an employee or dependent who elect to participate in the employer provided health insurance coverage

The level of employment and the characteristics of employment changed from 2001 to 2004, and these changes help to explain the decline in access to employer-based coverage. Exhibit 8 shows that Minnesotans were less likely to be employed in 2004, and that those who were employed were more likely to have a temporary/seasonal job and more likely to work for a midsize employer.⁵ The decline in employment and the shift towards employment in temporary/seasonal jobs and for mid-size employers less likely to offer health insurance coverage all appear to have contributed to the decline in employer-based coverage in Minnesota from 2001 to 2004.

Health Insurance Coverage in Minnesota, 2001 vs. 2004

Exhibit 8

Employment Characteristics of Uninsured Minnesotans Compared to Total Population, 2001 and 2004

	Uninsured		Total Population	
	2001	2004	2001	2004
Employment Status				
Employed	72.6%	69.9%	75.0%	72.3%*
Not Employed	<u>27.5%</u>	<u>30.1%</u>	<u>25.0%</u>	<u>27.7%*</u>
	100.0%	100.0%	100.0%	100.0%
For Those Employed:				
Hours Worked Per Week				
0 to 10 hours	1.3%	1.2%	1.4%	1.4%
11 to 20 hours	7.9%	7.2%	5.0%^	5.6%
21 to 30 hours	15.0%	16.7%	6.7%^	7.0%^
31 to 40 hours	47.7%	45.9%	48.4%	50.0%
More than 40 hours	<u>28.1%</u>	<u>29.0%</u>	<u>38.4%^</u>	<u>36.0%^*</u>
	100.0%	100.0%	100.0%	100.0%
Type of Job				
Permanent	79.1%	77.4%	95.1%^	91.7%*^
Temporary/Seasonal	<u>20.9%</u>	<u>22.6%</u>	<u>4.9%^</u>	<u>8.4%*^</u>
	100.0%	100.0%	100.0%	100.0%
Size of Employer				
Self Employed, no employees	13.4%	9.3%*	6.5%^	5.2%*^
2 to 10 employees	26.8%	26.8%	13.1%^	13.4%^
11 to 50 employees	16.5%	19.6%	14.4%	13.4%^
51 to 100 employees	10.1%	15.0%	8.0%	10.6%*^
101 to 500 employees	14.0%	12.8%	16.6%	17.6%^
More than 500 employees	<u>19.2%</u>	<u>16.7%</u>	<u>41.4%^</u>	<u>39.7%^</u>
	100.0%	100.0%	100.0%	100.0%

Source: 2001 and 2004 Minnesota Health Access Surveys
 Bold * indicates a statistically significant difference between 2001 and 2004 at the 95% level

^ Indicates a statistically significant difference between uninsured and total population within year at the 95% level

Note: For children, employment refers to parent's employment status

Another reason for the changes in health insurance status from 2001 to 2004 was the downward shift in the income distribution of Minnesotans.⁶ As shown in Exhibit 9, more Minnesotans had incomes below 200% of federal poverty guidelines in 2004, and this change was likely one reason for higher enrollment in state public health insurance programs.

Exhibit 9

Income Distribution of Uninsured Minnesotans Compared to Total Population, 2001 and 2004 (Family Income as Percent of Federal Poverty Guidelines)

	Uninsured		Total Population	
	2001	2004	2001	2004
0-100%	17.1%	26.3%*	6.9%^	9.5%*^
101-200%	35.4%	31.5%	15.3%^	16.6%*^
201-300%	22.9%	20.6%	19.6%^	17.7%*
301-400%	11.1%	11.9%	17.2%^	18.9%*^
401%+	<u>13.5%</u>	<u>9.8%*</u>	<u>40.9%^</u>	<u>37.3%*^</u>
	100.0%	100.0%	100.0%	100.0%

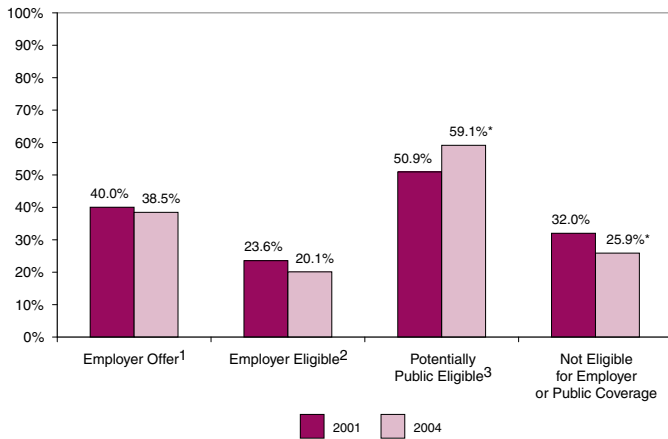
Source: 2001 and 2004 Minnesota Health Access Surveys
 Bold * indicates a statistically significant difference between 2001 and 2004 at the 95% level

^ Indicates a statistically significant difference between uninsured and total population within year at the 95% level

The downward shift in the income distribution, in combination with the increase in the uninsurance rate for low-income Minnesotans, also led to an increase in the percentage of the uninsured with incomes below 100% of federal poverty guidelines. As shown in Exhibit 10, this change in the income distribution of the uninsured resulted in a higher share of uninsured Minnesotans who were potentially eligible for public health insurance programs.

Exhibit 10

Potential Sources of Insurance Coverage for the Uninsured in Minnesota, 2001 and 2004



Source: 2001 and 2004 Minnesota Health Access Surveys
 * Indicates a statistically significant difference between 2001 and 2004 at the 95% level

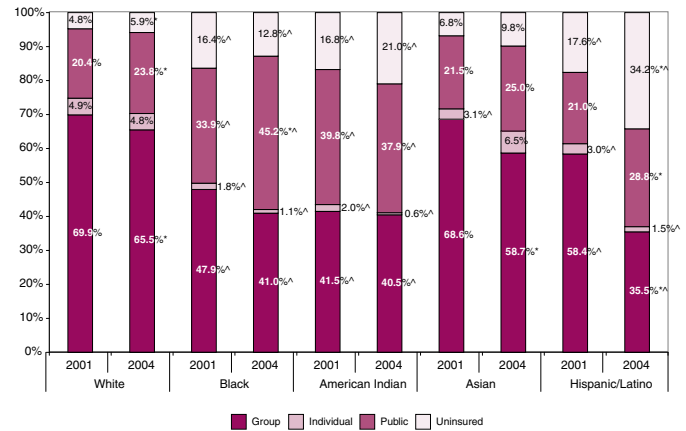
- ¹ Percent of uninsured who work for or have a family member who works for an employer that offers health insurance coverage to some employees
 - ² Percent of uninsured who are eligible for health insurance coverage through an employer as an employee or dependent
 - ³ Percent of uninsured who are potentially eligible for a public health insurance program such as Medical Assistance, MinnesotaCare, or General Assistance Medical Care. Potential eligibility is based on family structure, poverty level, and eligibility for employer-based health insurance coverage. Eligibility standards are complex for public programs and include a variety of other requirements such as asset limits and residency requirements that were not measured in the Minnesota Health Access Survey, so these figures are only estimates of potential public program eligibility
- Note: The employer eligible, public eligible, and not eligible for employer or public coverage categories add to more than 100 percent because some of the uninsured are potentially eligible for either employer or public coverage

Changes occurred for Hispanic/Latino Minnesotans that also had an impact on shifts in health insurance coverage from 2001 to 2004. As described earlier, the uninsurance rate for Hispanic/Latino Minnesotans nearly doubled from 2001 to 2004, and this large increase resulted in a significant increase in the percentage of uninsured Minnesotans who were Hispanic/Latino. The number of uninsured Hispanic/Latino Minnesotans increased by 31,000 from 2001 to 2004, and this increase accounted for roughly one-third of the total increase in the uninsured in the state over this time period. As shown

in Exhibit 11, the increase in the uninsurance rate resulted from a significant decline in group coverage that was not observed for other racial and ethnic groups to the same degree as for Hispanic/Latino Minnesotans.⁷

Exhibit 11

Sources of Insurance Coverage by Race and Ethnicity in Minnesota, 2001 and 2004



Source: 2001 and 2004 Minnesota Health Access Surveys
 * Indicates a statistically significant difference between 2001 and 2004 at the 95% level
[^] Indicates a statistically significant difference between a given race/ethnic group and White within year at the 95% level

The changes in health insurance coverage for Hispanic/Latino Minnesotans may also in part be related to shifts in the demographic characteristics of the Hispanic/Latino population in the state. As shown in Exhibit 12, a larger share of the Hispanic/Latino population in Minnesota was living in poverty, was born outside the US, and had lived in Minnesota less than five years in 2004 compared to 2001.

Health Insurance Coverage in Minnesota, 2001 vs. 2004

Exhibit 12

Demographic Characteristics of Uninsured and All Hispanic/Latino Minnesotans, 2001 and 2004

	Uninsured Hispanic/Latino		Hispanic/Latino Population	
	2001	2004	2001	2004
Family Income, as % of Poverty Guidelines				
0-100%	30.2%	56.3%*	20.3%	39.5%[^]
101-200%	38.7%	27.8%	25.2% [^]	27.3% [^]
201-300%	16.0%	8.7%	17.4%	15.6%
301-400%	4.8%	2.2%	10.9% [^]	5.4%*
401%+	10.3%	5.0%	26.3%[^]	12.3%[^]
	100.0%	100.0%	100.0%	100.0%
Country of Origin				
U.S. Born	34.7%	22.2%	68.8% [^]	46.3%[^]
Not U.S. Born	65.3%	77.8%	31.2%[^]	53.7%[^]
	100.0%	100.0%	100.0%	100.0%
Length of Time in MN				
Less than 2 years	24.1%	25.2%	10.9% [^]	13.6%
2 to 4 years	24.7%	21.4%	17.0%	24.0%*
5 to 10 years	33.8%	27.4%	27.5%	27.3%
10 years or More	17.5%	26.1%	44.6%[^]	35.1%*
	100.0%	100.0%	100.0%	100.0%

Source: 2001 and 2004 Minnesota Health Access Surveys

Bold * indicates a statistically significant difference between 2001 and 2004 at the 95% level

[^] Indicates a statistically significant difference between uninsured Hispanic/Latino and Hispanic/Latino population within year at the 95% level

Note: Country of origin and length of time in MN only reflects individuals three years old or older

This study was funded by the Blue Cross and Blue Shield of Minnesota Foundation, the Minnesota Department of Human Services, and by a grant awarded to the Health Economics Program at the Minnesota Department of Health from the federal Health Resources and Services Administration State Planning Grants Program.

For more information, contact the Health Economics Program at (651) 282-6367. This fact sheet, as well as other Health Economics Program publications, can be found on our website at: <http://www.health.state.mn.us/divs/hpsc/hep/index.html>

Endnotes

- ¹ These final survey results replace preliminary estimates that were released in February 2005.
- ² Minnesota Department of Health, Health Economics Program, and University of Minnesota, School of Public Health. "Health Insurance Coverage in Minnesota: Trends from 2001 to 2004," February 2006 Report. www.health.state.mn.us/healthconomics or www.shadac.org.
- ³ Surveys that allow for state level comparisons such as the Current Population Survey (CPS), the Behavioral Risk Factor Surveillance System (BRFSS), and the National Survey of America's Families (NSAF) have consistently found Minnesota to have one of the lowest rates of uninsurance and highest rates of employer-based coverage in the country.
- ⁴ The results in this report from the 1995, 1999, 2001, and 2004 Minnesota Health Access Surveys differ slightly from prior reports and issue briefs by the Health Economics Program at the Minnesota Department of Health and the University of Minnesota School of Public Health, Division of Health Services Research and Policy because statistical weights were modified for all of the survey years to make the data more comparable over time. For a more in-depth discussion of the weighting of the survey data, please see the February 2006 report.
- ⁵ According to the local area unemployment statistics (LAUS) for Minnesota, the unemployment rate for the state increased by roughly one percentage point between 2001 and 2004.
- ⁶ According to the US Census Bureau SAIPE program and the American Community Survey, the poverty rate in Minnesota increased over this time period.
- ⁷ The decline in group coverage for Hispanic/Latino Minnesotans was related to a decrease in the share of this population who worked for or had a family member who worked for an employer that offered health insurance coverage, and a decline in the percentage of this population who took up coverage for which they were eligible. For more information please see the detailed February 2006 report.

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