

For Immediate Release

October 9, 2008

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Employment-Based Health Coverage Shrinks in Oregon and Nation

(Silverton) — New data shows that even before the economy turned down, the share of Oregon workers receiving health coverage from their employers was in decline.

This decade, employer-sponsored health insurance coverage has fallen 7.5 percent among non-elderly Oregonians, according a study released today by the Washington, D.C.-based Economic Policy Institute (EPI). As of 2006-07, employers covered 61.4 percent of non-elderly Oregonians, down from 66.4 percent in 2000-01.

The decline in employer-sponsored health coverage occurred even as the Oregon economy expanded at a healthy clip, noted Joy Margheim, policy analyst with the Oregon Center for Public Policy.

“Our principal form of health care coverage continued to erode even during good economic times,” said Margheim, who examined the EPI data. “Coverage is likely to shrink further as the economy enters a difficult period.”

Oregon’s decline in employer-sponsored health coverage was in line with the national trend.

Nationally, employer-sponsored health coverage declined every year since 2000, according to EPI’s analysis of Current Population Survey data from the U.S. Census Bureau. The study found that more than 3 million fewer people under 65 years of age received insurance from their employer in 2007 than in 2000, representing a 7.9 percent decline in the share insured.

While less educated workers experienced a sharper drop in work-based coverage nationwide, having a college degree did not insulate workers from the decline, according to the study.

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With the erosion of work coverage, the share of children who get their health insurance through their parents' employer also declined. In Oregon, that share fell 7.8 percent from 2000-01 to 2006-07, the data showed.

Nationally, public forms of health coverage have stepped in to fill the gap, particularly in the case of children, said the EPI report. In every year but one since 2000, the share of children under age 18 receiving health coverage through Medicaid or the State Children's Health Insurance Program went up, and those two programs now cover about 28.1 percent of all children nationwide.

Oregon, by contrast, has made no headway in providing health insurance coverage to children this decade. Public health insurance coverage among Oregon children under age 18 was not meaningfully different in 2006-07 than it was in 2000-01.

The decline of employer-sponsored health coverage may accelerate now that an economic downturn has engulfed the nation and Oregon, according to Margheim. She said that employers may try to reduce costs by cutting back on health care coverage.

"It's becoming more urgent to move to a health care system that guarantees coverage for all," said Margheim. "We need a healthy public sector to make sure everyone — workers, non-workers and children — has coverage."

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax, and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.