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Working But Uninsured: Benefits Not Included Study Suggests Official Figures Understate Deficit in Health Coverage

WASHINGTON, D.C. – The number of uninsured Americans may be greater than the commonly reported figure of 46 million, according to a new study released by Sen. Tom Harkin (D-Iowa).

In a household survey of fringe benefits available to U.S. workers in part-time, temporary, contract and on-call positions, the authors found that medical discount cards were commonly mistaken for health insurance. It also found that such “nonstandard” jobs provide few fringe benefits such as health insurance.

The study, “Nonstandard Jobs, Substandard Benefits,” was conducted by the Iowa Policy Project (IPP) and completed under a grant from the U.S. Department of Labor and additional funding through The Commonwealth Fund.

“I commend IPP for highlighting the lack of health insurance offered to the growing legion of temporary workers in America and for addressing the critical need for health care access by the working poor. It is disgraceful that we are the only industrialized nation that does not provide its citizens with access to health insurance,” Sen. Harkin said.

“Rather than excessive, irresponsible tax breaks for the wealthy we need to invest in health coverage for our nation. Health care should be a fundamental right, not a luxury.”

The study suggests that the official government survey tracking health insurance coverage nationwide understates the number of Americans without health insurance. That survey fails to identify individuals who report having insurance but in fact possess only a medical discount card.

Discount cards, as opposed to health insurance policies, offer very limited benefits and consumers are responsible for paying all claims and the full cost of services up front.

“If the government’s survey on health insurance coverage is going to remain relevant, they must find a way to include questions about new types of health insurance and non-insurance products,” said Peter Fisher, research director of the IPP. Fisher co-authored the report with Elaine Ditsler and Colin Gordon of the IPP and David West of the Center for a Changing Workforce in Seattle, Wash.

What is a Nonstandard Job?

Any job that differs from a standard job in at least one of the following ways:

- (1) The job is temporary;
- (2) The employer is distinct from the company for whom the person actually works (worker is placed by a staffing firm);
- (3) There is no employer (self-employed independent contractors); or
- (4) Hours worked per week are usually fewer than 35.

With about 1 in 4 workers in a nonstandard job, nonstandard work has contributed to the decline in job-based health insurance and the increasing numbers of uninsured Americans since 2000, the IPP survey found.

Among findings of the report from the Mount Vernon, Iowa-based IPP:

- Almost 1 in 5 nonstandard workers had a medical discount card and no health insurance. All but 1 percent of these workers mistakenly reported that their discount card was health insurance.
- Workers in nonstandard jobs are far less likely to have health insurance and other fringes than are workers in traditional work arrangements. About 1 in 4 nonstandard workers is completely uninsured compared with 12 percent of traditional, full-time workers. Without access to job-based health insurance or retirement plans, such workers face greater economic insecurity.
- About 74 percent of all standard workers had employer-provided health insurance in 2001, compared to just 21 percent of nonstandard workers. As a result, a much larger share of nonstandard workers — 39 percent vs. 11 percent — relied on a spouse or other family member for health insurance.
- Family members were three times more likely to be covered through the spouse’s job than through the nonstandard job.
- As part of the “working but uninsured” population, nonstandard workers pose a stark challenge for policy makers. Efforts to regulate employment-based health provision may miss or exclude workers in nonstandard jobs. Efforts to expand public coverage may encourage private employers to withdraw health insurance benefits. Policy makers must find a way to ensure affordable access to health insurance for all workers.

“The report shines a new light on America’s hidden ‘permatemp’ workforce — employees who are labeled as ‘temps’ and ‘contractors,’ but who work year-round without benefits,” said David West.

“There are broader implications as well to these trends,” Fisher said. “Increasing use of nonstandard workers shifts bargaining power to the employer because all workers see their ability to negotiate higher wages and better benefits eroded.”

Reports from the Iowa Policy Project, a nonpartisan, nonprofit research organization, are available on the web at <http://www.iowapolicyproject.org>. The Center for a Changing Workforce is on the web at <http://www.cfcw.org>.

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