

Fact Sheet

March, 2012

Health Insurance Coverage in Minnesota, Early Results from the 2011 Minnesota Health Access Survey

The Minnesota Department of Health and the University of Minnesota School of Public Health conduct statewide population surveys to study trends in health insurance coverage and health care in Minnesota. This fact sheet provides initial results from the 2011 Minnesota Health Access Survey and compares these to findings from surveys conducted in previous years.¹

About two years after the end of the economic recession in Minnesota and the nation, health insurance coverage in the state has not improved from the losses reported in 2009 (see Figure 1).² In 2011, nearly 490,000 Minnesotans, or 9.1 percent of the population, lacked health insurance. Although not statistically different from the 2009 estimate, the number of uninsured Minnesotans represents an increase of nearly 10,000 individuals compared to 2009³

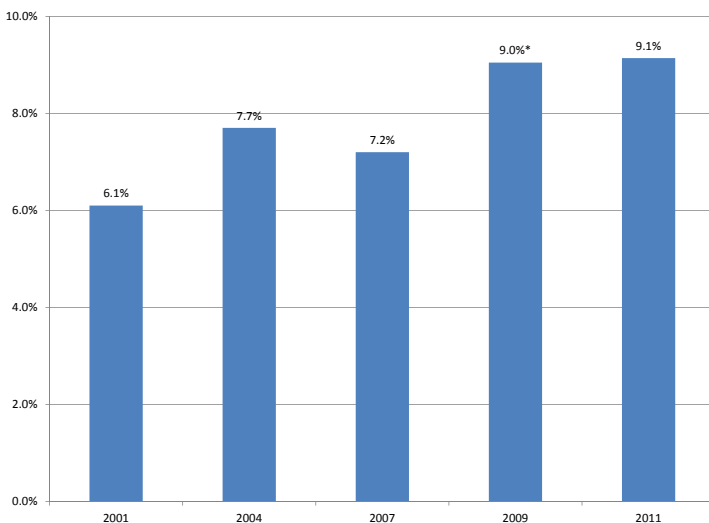
Children ages 17 years or younger made up a smaller share of the uninsured in 2011 than in 2009, accounting for about 17.8 percent of the uninsured compared with 24.6 percent two years ago (this difference is not statistically significant). Approximately 70,000 children, or 5.4 percent, were without health insurance coverage in 2011. The uninsurance rate for children ages 0 to 5 was 5.1 percent, for children 6 to 17 it was 5.5 percent; both rates are below the overall rate of uninsurance in the state in 2011.

The conventional measure of uninsurance is the point-in-time rate displayed in Figure 1. It represents the percent of people without health insurance coverage at any given point in a calendar year. Figure 2 displays alternative ways of monitoring changes in health insurance coverage by depicting the share of the population uninsured all year (6.5 percent in 2011) – all-year uninsured are sometimes considered “long-term uninsured.” Also shown is the share of the population that had an episode of uninsurance or a gap in coverage across a year.⁴ In 2011, about 675,000 Minnesotans, or 12.6 percent, had one or more episodes of uninsurance.

In the past, the majority of people with an episode of uninsurance had gaps in coverage that were shorter than a year in duration, reflecting changes between jobs and other transitions in coverage. For the first time in 2011, the all-year uninsured accounted for more than half (51.1 percent) of this group (up from 44.3 percent in 2009), potentially representing a trend towards more long-term uninsurance that deserves to be monitored closely. Relative to the uninsured overall, the long-term uninsured accounted for an estimated two-thirds (70.1 percent) in 2011 (data not shown).

Figure 1

Trends in the Rate of Uninsurance
in Minnesota

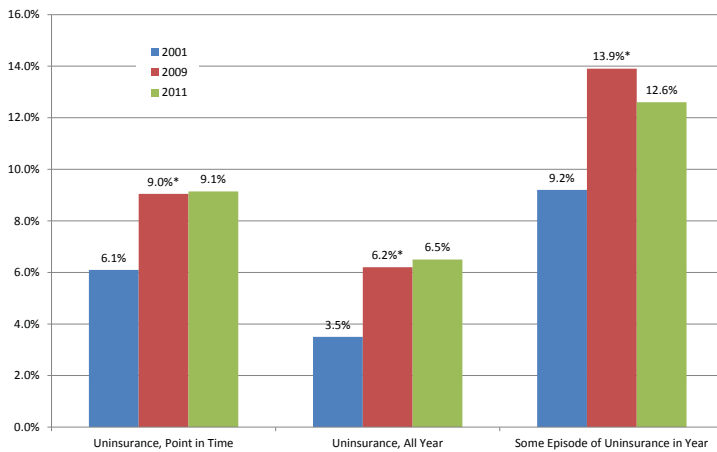


*Indicates statistically significant difference from previous year shown.



Figure 2

Alternative Measures of Uninsurance
in Minnesota



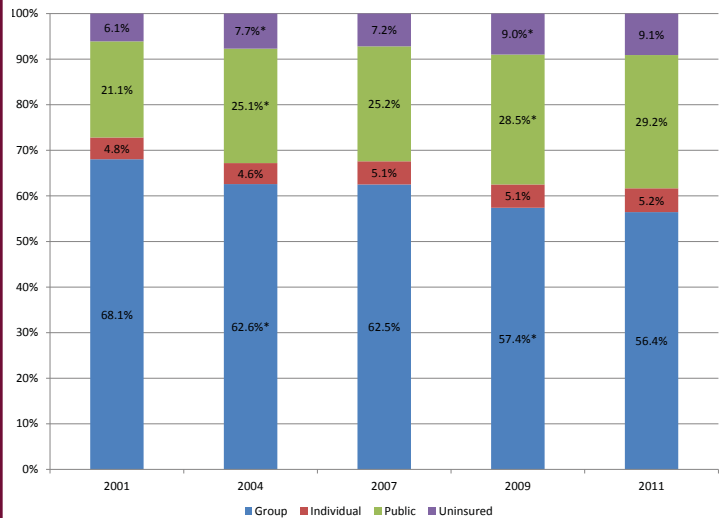
*Indicates statistically significant difference from previous year shown.

Because employer coverage has long been an important factor accounting for Minnesota’s relatively low uninsurance rate, the significant decline in employer coverage in 2009 explained the growth in uninsurance at that time.⁵ As shown in Figure 3, employer coverage in 2011 has not continued to erode further, but it also has not recovered from the decline observed in 2009 – 56.4 percent of the state’s population in 2011 held group coverage, compared with 57.4 percent in 2009. Public program coverage in 2011, including coverage through Medicaid, MinnesotaCare and Medicare remained higher by historical standards; almost one-third of Minnesotans held public coverage. Coverage in the individual market represents an estimated 5.2 percent of Minnesotans in 2011 and has been stable over the past decade.⁶

Given the importance of employer-sponsored insurance for health coverage in the state, policymakers are concerned about a pattern of losses and lack of recovery in employer coverage following economic downturns. It is too early to say if this will be the case in the current economic environment, but it appears that through 2011, the recovery has either not produced the jobs that would offer employer-based insurance, or coverage gains from new jobs are offset by coverage losses in existing firms. To illustrate in Figure 4, the percent of Minnesota’s non-elderly population who had a connection to an employer

Figure 3

Sources of Health Insurance Coverage
in Minnesota



*Indicates statistically significant difference from previous year shown.

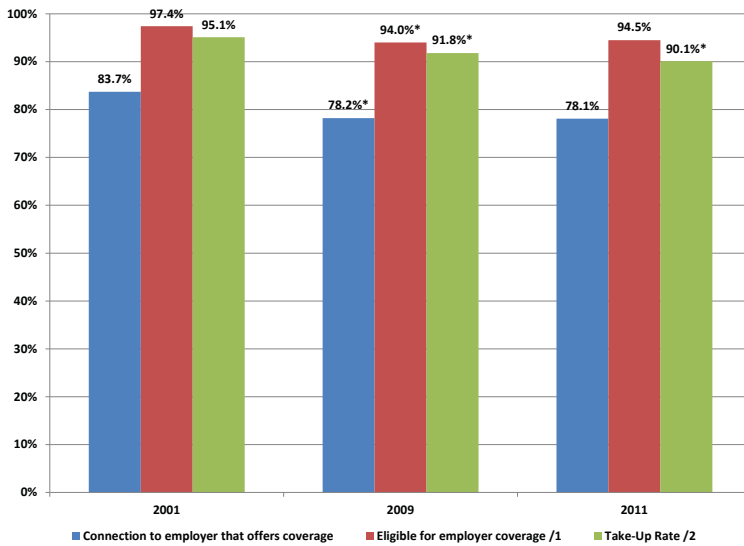
that offered health insurance coverage in 2011 was 78.1 percent, which is similar to 2009. The share of this group in 2011 that was eligible for coverage also remained stable relative to 2009 (94.5 percent).

Of potential concern is the continued decline in 2011 in the percent of eligible employees who chose to enroll in employer coverage (to 90.1 percent). It is important to conduct more research to better understand the underlying reasons for falling take-up of employer offers, but some factors likely contributing to this trend include rising health care costs, a continued shift to health plan products with greater patient cost sharing, and flat or sluggishly growing incomes during what was, in 2010 and 2011, a slow economic recovery.

The likelihood of having health insurance or access to insurance generally varies by socio-demographic characteristics, including age, income, race and ethnicity, and region. Disparities documented in these areas in the past remained into 2011.

Figure 4

**Trends in Employer Sponsored Health Insurance Coverage
(Minnesota's Non-elderly Population)**



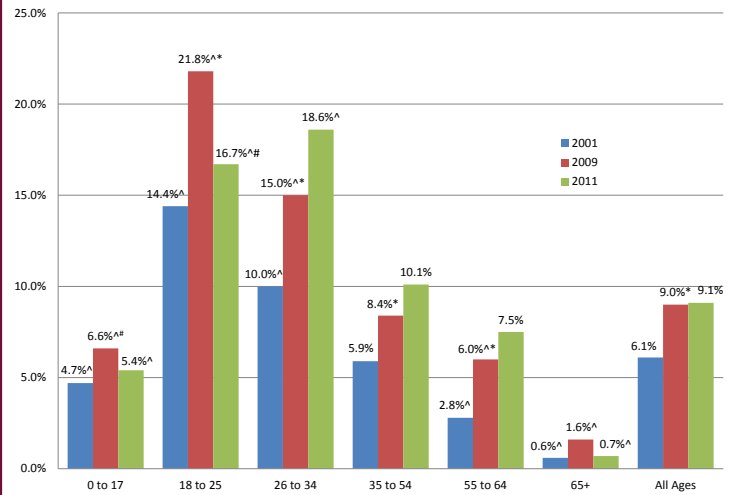
*Indicates statistically significant difference from previous year shown.
/1 Among people with a connection to an employer that offers coverage.
/2 Among people eligible for employer coverage.

For example, as shown in Figure 5, health insurance coverage varies by age, with young adults being most likely to lack coverage and the likelihood of being uninsured declining with age. The elderly, who are nearly universally enrolled in Medicare, typically exhibit the lowest rates of uninsurance.

Uninsurance rates by age in 2011 were generally not statistically different from estimates in 2009, with one exception. The uninsurance rate for young adults ages 18 to 25 decreased to 16.7 percent from 21.8 percent in 2009 (significant at the 90 percent level). This decline in uninsurance is driven by growth in group coverage for this population from 51.9 percent in 2009 to 59.8 percent in 2011, most of which was obtained through a parent or guardian. The share of young people who had employer coverage through a parent or guardian in 2011 rose to 73.3 percent (up from 60.9 percent in 2009), the share who bought such coverage on their own fell by a smaller margin to 24.1 percent (from 36.1 percent in 2009); public program coverage for young adults fell slightly at the same time, although not at a statistically significant rate (data not shown).

Figure 5

Rates of Uninsurance in Minnesota by Age, Select Years



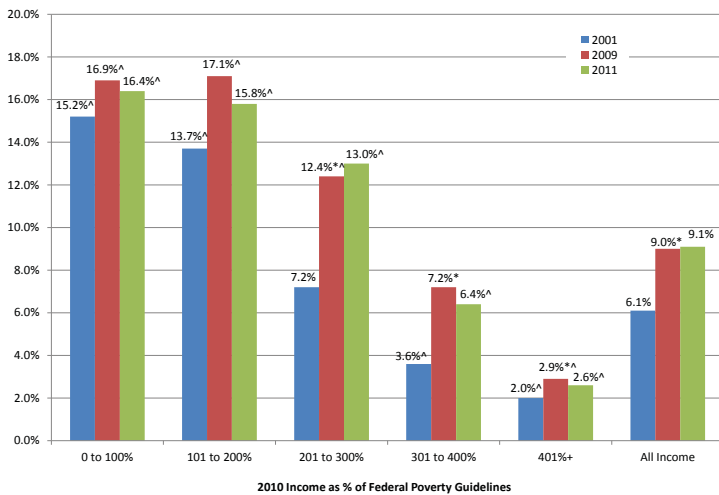
*Indicates statistically significant difference from previous year shown at the 95 percent level.
#Indicates statistically significant difference from previous year shown at the 90 percent level
^Indicates statistically significant difference from the statewide average.

Research by others on national trends documents a similar pattern of declining rates of uninsurance for young adults.⁷ Some attribute this trend to a provision in the federal Affordable Care Act that extends the definition of dependent coverage for employer based insurance through age 26. Minnesota's own laws, which extended the definition of dependent coverage through age 25 beginning in 2008, may have contributed to this dynamic initially. However, the federal law significantly broadened the young adult population potentially eligible for dependent group coverage, likely accounting for the rise in employer coverage.⁸

In general, higher income is associated with lower rates of uninsurance, as shown in Figure 6. As in previous years, Minnesotans with incomes at or below the poverty level had rates of uninsurance that were nearly twice the rate for the population overall, while the rate for the highest income groups was less than one-third the statewide rate.⁹ Despite their potential access to public program coverage, uninsurance rates for the lowest income groups in Figure 6 are all significantly higher than the rate for the state overall.

Figure 6

Rates of Uninsurance in Minnesota by Income, Select Years



*Indicates statistically significant difference from previous year shown at the 95 percent level.

[^]Indicates statistically significant difference from the statewide average.

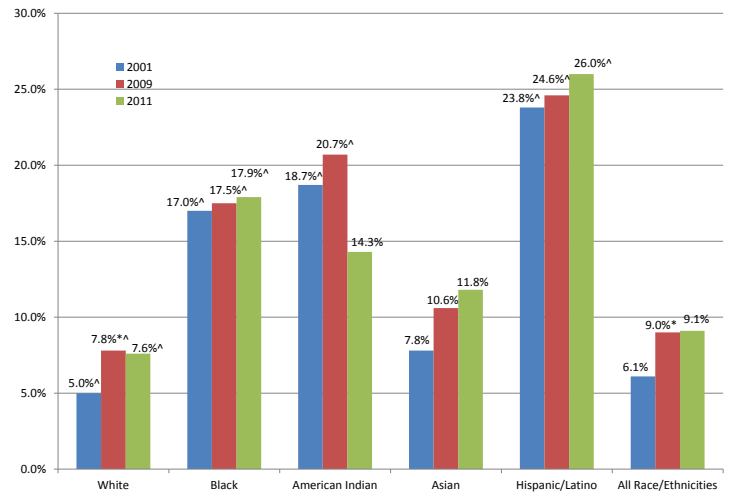
Large disparities in health coverage by race and ethnicity also persisted into 2011. The rates for black, American Indian and Hispanic/Latino Minnesotans were between 1.5 and nearly three times higher than the rates for the state overall. The decline in the uninsurance rate for American Indians is not statistically significant from 2009. However, 2011 marks the first time that the American Indian uninsurance rate is not significantly higher than the rate for Minnesotans overall. Preliminary analysis indicates that this decrease in uninsurance is driven by an increase in public coverage, which is distributed across a variety of public programs, including Medicaid and Veterans Administration benefits due to service related disability. Additional work is necessary to develop a more refined understanding of the dynamics underlying this change.

Other notable differences from the analysis of statewide uninsurance rates in 2011 include the following (data not shown):

- Minnesotans in the Twin Cities saw an increase in the uninsurance rate to 9.6 percent from 7.6 percent in 2009 (the difference between the Twin Cities and Greater Minnesota is not statistically significant).

Figure 7

Rates of Uninsurance in Minnesota by Race/Ethnicity, Select Years



*Indicates statistically significant difference from previous year shown at the 95 percent level.

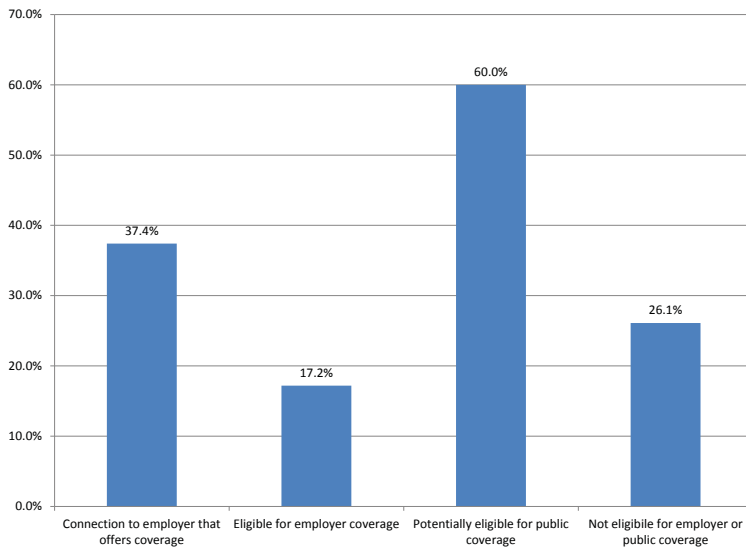
[^]Indicates statistically significant difference from the statewide average.

- The uninsurance rate for males in 2011 decreased to 9.7 percent, while it increased for females to 8.6 percent (the difference between males and females is not statistically significant).
- The rate of uninsurance for Minnesotans not born in the U.S. increased significantly to 28.1 percent in 2011 compared to 17.9 percent in 2009.

There is much research indicating that many of those without insurance have some potential access to health insurance coverage. This is also true in Minnesota in 2011, as documented in Figure 8. Consistent with past years about one-third (37.4 percent) of uninsured Minnesotans have a connection to an employer who offers coverage and about 17 percent were eligible for employer coverage, again either through the employer they worked for directly or through family coverage via someone else. Finally, well over half of the uninsured (60.0 percent) were potentially eligible for public program coverage. About one in four uninsured are not eligible for employer coverage or coverage through a Minnesota public health insurance program.

Figure 8

Potential Sources of Health Insurance
for Minnesota Uninsured, 2011



Differences to previous years (not shown) are not statistically significant.

Table 1 displays demographic characteristics of uninsured Minnesotans compared to the total population for 2009 and 2011. As in 2009, uninsured Minnesotans in 2011 were disproportionately likely to be young adults between 18 and 34 years of age, Hispanic/Latino or Black, unmarried, and have incomes below 300 percent of the poverty level. In 2011, uninsured Minnesotans were also disproportionately likely to be male, not born in the U.S., or have a high school education or less.

Table 2 shows trends in employment characteristics for uninsured Minnesotans compared to the state's population as a whole. Consistent with 2009, the majority of the uninsured (67.8 percent) were employed in 2011. In contrast to 2009, the share of the uninsured who were working was not different from the rate of employment in the overall population (67.8 percent vs. 72.1 percent); this reflects a return historically observed patterns of employer coverage. Similar to 2009, the uninsured were significantly more likely than the population as a whole to be self-employed, work for very small firms (fewer than 10 employees), have temporary or seasonal jobs, or work part time. In addition, the uninsured were also more likely than the general population to hold multiple jobs. This shift toward a greater proportion of the uninsured holding multiple jobs represents a statistically significant increase relative to 2009.

Methodological Notes

The Minnesota Health Access (MNHA) surveys are stratified random digit dial telephone surveys. Interviews were completed with a total of 27,315 individuals in 2001, 13,802 in 2004, 9,728 in 2007, 12,032 in 2009, and 11,355 in 2011. Due to dramatic increases in cell phone use in the past several years,¹⁰ the 2009 and 2011 MNHA sample included both cell and landline telephones to ensure appropriate representation of the state's population. In 2011, 38 percent of interviews were completed on cell phones.

The response rates for the surveys were 67 percent in 2001, 59 percent in 2004, 43 percent in 2007, 45 percent in 2009 and 44 percent in 2011. Cooperation rates were 78 percent in 2001, 68 percent in 2004, 57 percent in 2007, 53 percent in 2009, and 44 percent in 2011. Each year, interviews were conducted in English and Spanish; in addition, interviews were conducted in Hmong in 2001 and 2004, and Somali in 2001.

As in previous years, statistical weights were used to ensure that survey results are representative of the state's population. The 2011 data were weighted to be representative of population distribution of the state based on age, race/ethnicity, education, region, home-ownership and nativity. Additionally, the data were weighted to represent what is known to date about cell phone households and the distribution of telephone usage (i.e., landline only, cell phone only and dual landline and cell phone households). To ensure comparability over time, to the extent possible the weighting methods applied in 2011 were also applied to all earlier surveys; therefore, estimates presented here for 2001, 2004, 2007 and 2009 may differ slightly from previously published results.

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Table 1

Demographic Characteristics of Uninsured Minnesotans Compared to Total Population

	All Uninsured		Total Population	
	2009	2011	2009	2011
Gender				
Male	65.1% ^	53.8% *	49.5%	50.7%
Female	<u>34.9%</u> ^	<u>46.2%</u> *	<u>50.5%</u>	<u>49.3%</u>
	100.0%	100.0%	100.0%	100.0%
Age				
0 to 5	7.1%	4.6% ^	8.3%	8.2%
6 to 17	10.7% ^	9.9% ^	16.3%	16.5%
18 to 24	22.4% ^	15.7% *^	9.1%	8.5%
25 to 34	22.4% ^	27.0% ^	13.2%	13.5%
35 to 54	27.7%	31.7%	30.0%	28.6%
55 to 64	7.5% ^	10.1%	11.3%	12.2%
65+	<u>2.1%</u> ^	<u>1.0%</u> ^	<u>11.9%</u>	<u>12.5%</u>
	100.0%	100.0%	100.0%	100.0%
Race/Ethnicity¹				
White	75.6% ^	72.1% ^	87.7%	86.5%
Black	10.3% ^	11.5% ^	5.3%	5.9%
American Indian	3.6% ^	3.3%	1.6%	2.1%
Asian	4.5%	5.8%	3.8%	4.5%
Hispanic/Latino	<u>11.4%</u> ^	<u>13.4%</u> ^	<u>4.2%</u>	<u>4.7%</u>
	See Note	See Note	See Note	See Note
Country of Origin²				
US Born	84.7% ^	75.8% *^	92.3%	91.9%
Not US Born	<u>15.3%</u> ^	<u>24.2%</u> *^	<u>7.7%</u>	<u>8.1%</u>
	100.0%	100.0%	100.0%	100.0%
Family Income, as % of Poverty				
0 to 100%	20.9% ^	24.1% ^	11.2%	13.4% *
101 to 200%	30.6% ^	30.1% ^	16.2%	17.4%
201 to 300%	23.2% ^	25.1% ^	17.0%	17.6%
301 to 400%	12.3% ^	10.0% ^	15.5%	14.2% *
401%+	<u>12.9%</u> ^	<u>10.8%</u> ^	<u>40.1%</u>	<u>37.4%</u> *
	100.0%	100.0%	100.0%	100.0%
Greater MN/Twin Cities³				
Greater MN	54.1% ^	43.2% *	45.6%	45.8%
Twin Cities	<u>45.9%</u> ^	<u>56.8%</u> *	<u>54.4%</u>	<u>54.1%</u>
	100.0%	100.0%	100.0%	100.0%
Marital Status⁴				
Married	30.4% ^	33.2% ^	60.5%	59.3%
Not Married	<u>69.6%</u> ^	<u>66.8%</u> ^	<u>39.5%</u>	<u>40.7%</u>
	100.0%	100.0%	100.0%	100.0%
Education⁵				
Less than high school	17.5% ^	19.5% ^	7.8%	8.1%
High school graduate	33.7% ^	31.8% ^	25.4%	24.8%
Some college/tech school	33.2%	33.0%	30.7%	33.0% *
College graduate	11.7% ^	13.0% ^	23.7%	22.2%
Postgraduate	<u>3.9%</u> ^	<u>2.7%</u> ^	<u>12.4%</u>	<u>11.9%</u>
	100.0%	100.0%	100.0%	100.0%

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

^Indicates a statistically significant difference from total population within year at the 95% level.

¹ Distribution may add to more than 100% since individuals were able to choose more than one race/ethnicity.

² Reported for individuals 3 years and older.

³ Greater Minnesota is the area outside the seven county Twin Cities Metropolitan Area.

⁴ Reported for individuals 18 and older.

⁵ For children, refers to parent.

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Table 2

Employment Characteristics of Uninsured Minnesotans Compared to Total Population

	All Uninsured		Total Population	
	2009	2011	2009	2011
Employment Status				
Employed	66.7% ^	67.8%	71.7%	72.1%
Not Employed	<u>33.3%</u> ^	<u>32.2%</u>	<u>28.3%</u>	<u>27.9%</u>
	100.0%	100.0%	100.0%	100.0%
Employment Type (for those employed)				
Self Employed	22.6% ^	18.9% ^	11.9%	11.7%
Employed by Someone Else	<u>77.4%</u> ^	<u>81.1%</u> ^	<u>88.1%</u>	<u>88.3%</u>
	100.0%	100.0%	100.0%	100.0%
Number of Jobs (for those employed)				
One Job	90.3%	79.9% *^	89.4%	88.3%
Multiple Jobs	<u>9.7%</u>	<u>20.1%</u> *^	<u>10.6%</u>	<u>11.7%</u>
	100.0%	100.0%	100.0%	100.0%
Size of Employer (for those employed)				
Self Employed, no employees	17.1% ^	11.0% ^	5.9%	5.3%
2 to 10 employees	27.2% ^	22.8% ^	12.1%	11.9%
11 to 50 employees	15.5%	24.3% *^	12.3%	12.6%
51 to 100 employees	11.4%	10.2%	11.3%	10.5%
101 to 500 employees	11.8% ^	11.5% ^	17.8%	17.0%
More than 500 employees	<u>17.0%</u> ^	<u>20.1%</u> ^	<u>40.6%</u>	<u>42.8%</u>
	100.0%	100.0%	100.0%	100.0%
Type of Job (for those employed)				
Temp./Seasonal	20.9% ^	21.7% ^	8.2%	8.8%
Permanent	<u>79.1%</u> ^	<u>78.3%</u> ^	<u>91.8%</u>	<u>91.2%</u>
	100.0%	100.0%	100.0%	100.0%

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

^Indicates a statistically significant difference from total population within year at the 95% level.

For children the employment characteristics refer to a parent.

Endnotes

¹ More detailed results can be obtained online at www.health.state.mn.us/divs/hpsc/hep/chartbook/index.html and pqc.health.state.mn.us/mnha/Welcome.action. Additional findings will be reported throughout the year.

² The Minnesota Health Access Surveys have been conducted since 2007 every two years. Survey waves available for comparisons in this fact sheet include: 2001, 2004, 2007, 2009, and 2011.

³ As with all surveys, there is a margin of error associated with these estimates. Therefore, apparent differences between estimates may actually not be statistically significant. Unless otherwise noted, differences between estimates in this fact sheet are only reported if they are statistically significant. Generally, statistical significance in this fact sheet is determined at the 95 percent level.

⁴ The all-year uninsured are a subset of the population that had a gap in coverage. Conceptually, the gap in coverage for the all-year uninsured covers the full year.

⁵ Although public coverage grew in response to the decline in employer coverage in 2009, that growth did not offset the loss of coverage. MDH/Health Economics Program, "Health Insurance Coverage in Minnesota, Updates from 2009." Fact Sheet, January 2011.

⁶ Connection to employer coverage means working for a firm directly that offers coverage or having a spouse who is employed by a firm that offers coverage.

⁷ For example: DeNavas-Walt, Carmen, Bernadette D Proctor, and Jessica C. Smith, U.S. Census Bureau, Current Population reports, P60-239, "Income, Poverty, and Health Insurance Coverage in the United States: 2010," U.S. Government Printing Office, DC, 2011 and Robyn A. Cohen, Michael E. Martinez, "Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, January-March, 2011, Division of Health Interview Statistics, National Center for Health Statistics, September, 2011.

⁸ Relative to Minnesota laws (Minnesota Statutes, ch. 62L.02, subd. 11), the Affordable Care Act extends eligibility by one year (from 25 to 26) and allows parents to cover children who are married. More importantly, federal law extends the eligibility to cover children under a parent's policy to employees of self-insured employers. Under the federal provision, children who have an own offer of employer-based coverage are not eligible for coverage as a dependent.

⁹ Family income and poverty is measured as a percent of the Federal Poverty Guidelines. A family of four in 2011 was considered to be in poverty if its income was at or below \$22,350. Federal Register, Vol. 76, No. 13, January 20, 2011, pp.3637-3638.

¹⁰ Nationally, almost than 1 in three adults lived households in 2011 (30.2 percent) that was reachable only by cell phones. This represents an increase of about 8 percentage points in cell-only households compared to 2009. Stephen J. Blumberg and Julian V. Duke, "Early Release of Estimates Based on Data from the National Health Interview Survey, January-June 2009," Division of Health Interview Statistics, National Center for Health Statistics, December 21, 2011.

The Health Economics Program conducts research and applied policy analysis to monitor changes in the health care marketplace; to understand factors influencing health care cost, quality and access; and to provide technical assistance in the development of state health care policy.

For more information, contact the Health Economics Program at (651) 201-3550. This issue brief, as well as other Health Economics Program publications, can be found on our website at <http://www.health.state.mn.us/healthconomics>.

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