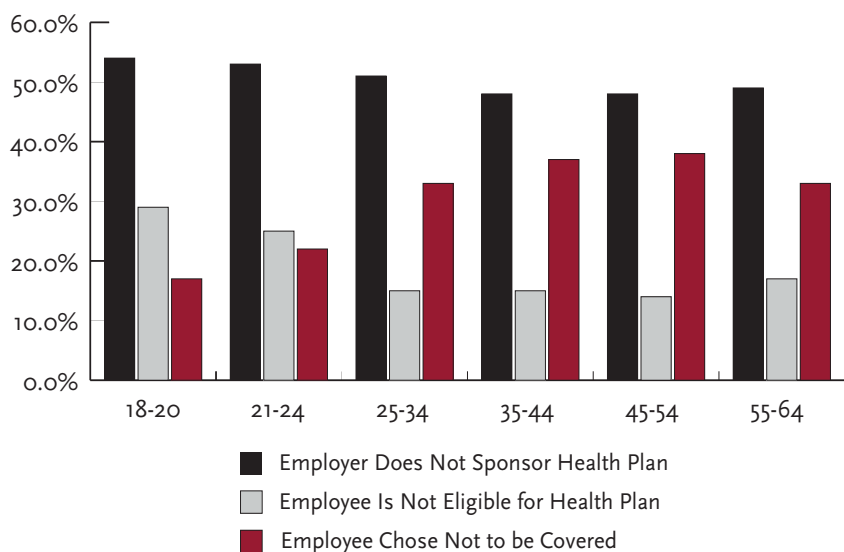


## EMPLOYER-PROVIDED HEALTH INSURANCE

### Q: To what extent do older workers have access to private or public health insurance, compared to younger workers?

- A 2007 analysis of Census Bureau data shows that “in 2005, 63.1% of workers [under the age of 65] were covered by an employment-based health plan from their own employer, 14.9% had coverage through an employer as a dependent, and 17% were uninsured” (Fronstin, 2007:1).
- According to the 2005 National Health Interview Survey data, among persons ages 18-44, 67% are covered by private health insurance, 24% are uninsured and 10% have Medicaid or other coverage. For ages 45-64, 77% have private coverage, 13% are uninsured, and 10% have Medicaid or other coverage. For persons over 65 years of age, 59% have private coverage [in addition to Medicare], 28% have Medicare only, 6.3% have both Medicaid and Medicare, and 1% are uninsured (Adams, Dey & Vickerie, 2007:7).

**Figure 1: Reasons Why Employee Is Not Covered by Own Employer's Health Plan by Age Groups**



Source: Fronstin, 2007

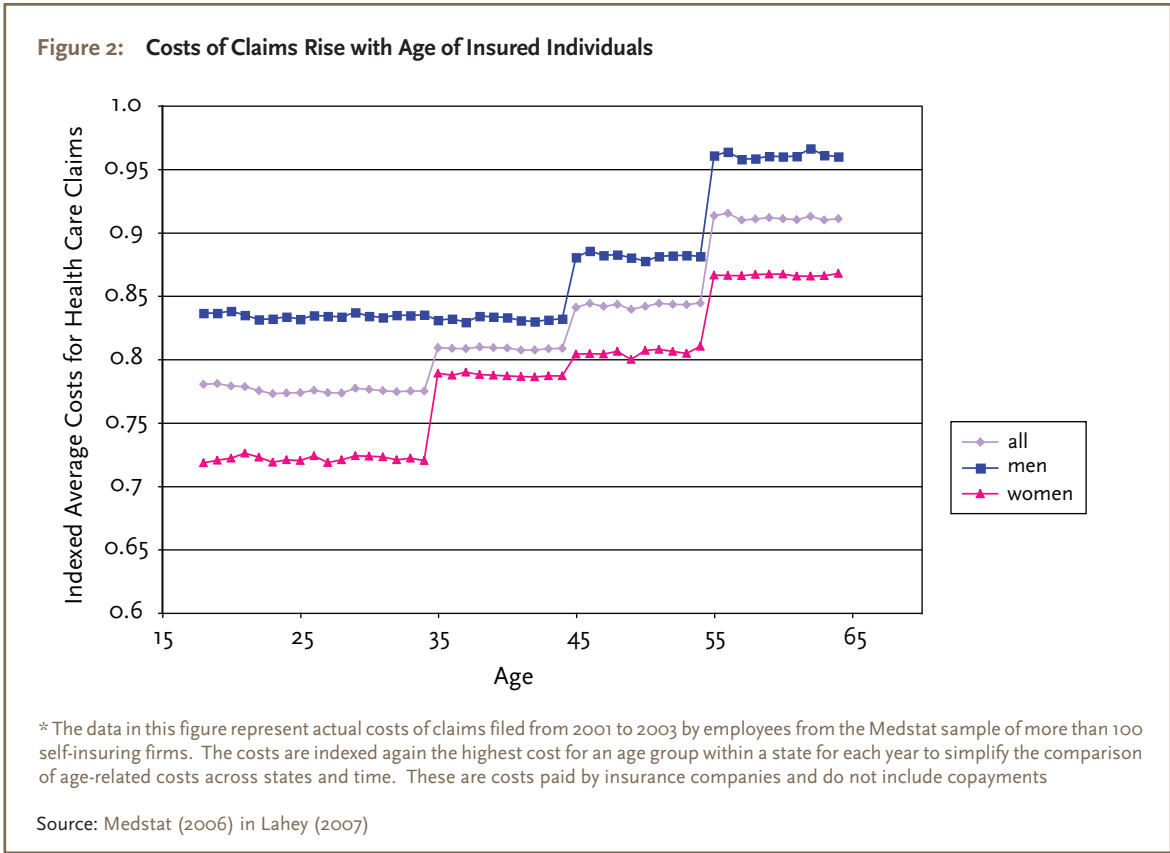
- A 2007 analysis of Census Bureau data shows that “with respect to age, among workers not covered by their own employer’s health plan, older workers were more likely than younger workers to have declined coverage, while younger workers were more likely than older ones to be not eligible for health benefits and to work for an employer that does not sponsor a health plan (Fronstin, 2007:20). See Figure 1.

### Q: Will older workers have access to employer-sponsored health insurance when they retire?

- According to analysis of data from the Agency for Healthcare Research and Quality (AHRQ), “only 13% of private sector establishments offered health benefits to early retirees in 2005, down from 22% in 1997. Furthermore, 13% of private-sector establishments offered health benefits to Medicare-eligible retirees in 2005, down from 20% in 1997” (Fronstin, 2007: 15).
- According to the 2007 EBRI Retirement Confidence Survey, “even though many employers are eliminating health care coverage for future retirees, 4 in 10 workers continue to expect they will have access to employer-provided health insurance when they retire (41%) (Helman, VanDerhei, & Copeland, 2007:6).
- The Employee Benefits Research Institute has reported that 43% of workers who plan to work in retirement say they will do that in order to keep health insurance or other benefits (Helman & Paladino, 2004:8).

**Q: Are employers ready for the health insurance needs of an aging population?**

- In the 2007 National Study of Business Strategy and Workforce Development, “only 36.7% of employers reported that their organizations had assessed the variance in health care costs by age of employees” (Pitt-Catsoupes, Smyer, Matz-Cost, & Kane, 2007: 21).
- A 2007 analysis of MedStat insurance data from 100 companies shows that “the costs of claims increase with the age of the insured. The average costs of claims rise every 10 years for men from age 45 on and for women from age 35” (Lahey, 2007:3). See Figure 2.



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