

## Who's covered and who's not?

**T**he Alaska departments of Health and Social Services, Labor and Workforce Development, and Commerce, Community and Economic Development developed a survey that was distributed to a sample of Alaska's private-sector and local government employers by the Department of Labor during the summer of 2006.<sup>1</sup> (See Exhibit 1.) The survey focused on peak seasonal employ-

ment<sup>2</sup> (see Exhibit 2) in an attempt to assess the impact of firm size, cost and other issues related to employer offering and employee take-up<sup>3</sup> of health insurance at the high point of Alaska's 2006 employment.<sup>4</sup>

### Introduction

The 2006 Alaska Employee Health Benefit Survey<sup>5</sup> explores the relationship between firm size and health insurance offerings. It examines the reasons employers do not offer insurance to

<sup>1</sup> The survey was conducted with funding for the Alaska State Planning Grant from the U.S. Department of Health & Human Services, Health Resources and Services Administration, grant No. 9HS05505.

<sup>2</sup> "Peak seasonal employment" in the 2006 Alaska Employee Health Benefit Survey and throughout this article refers to the employment during the pay period that included July 12, 2006, with the exception of school employment, which refers to employment during the pay period that included April 12, 2006.

<sup>3</sup> Employers may offer insurance to all or some of their employees but an employer's specific policy determines when an employee is eligible (such as after 90 days of employment). Employee take-up of insurance occurs when an eligible employee signs up for an offered plan.

<sup>4</sup> A description of the sampling procedure and methods employed can be found on the Web at [hss.state.ak.us/commissioner/Health-planning/planningGrant/default.htm](http://hss.state.ak.us/commissioner/Health-planning/planningGrant/default.htm). Reports on the uninsured, focus groups and other results of the State Planning Grant are also available on the Web site.

<sup>5</sup> The 2006 Alaska Employee Health Benefit Survey was mailed to employers that are required by state law to pay unemployment insurance taxes and report their employment to the Alaska Department of Labor and Workforce Development. Among those excluded from the tax and reporting requirements are commercial fishermen, their crews and other agricultural workers, private household workers and the self-employed. Any reference to employers or employment in this article excludes those same people.

## 1 Employment By Firm Size Alaska, 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Number of Firms	Employment	Sampled Firms	Employment by Sampled Firms
1 to 9	10,651	38,516	671	2,768
10 to 49	3,551	70,570	465	10,391
50 to 99	472	32,475	177	12,494
100+	431	164,244	254	95,394
Total	15,105	305,805	1,567	121,047

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

## 2 Employers and Employment By firm size, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Number of Firms	Full-Time Employees		Part-Time Employees		Seasonal Employees		Total Employment	
		Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1 to 9	10,651	21,999	57%	8,112	21%	8,405	22%	38,516	100%
10 to 49	3,551	43,764	62%	11,987	17%	14,819	21%	70,570	100%
50 to 99	472	20,256	62%	4,458	14%	7,761	24%	32,475	100%
100+	431	114,181	70%	23,311	14%	26,752	16%	164,244	100%
Total	15,105	200,200	65%	47,868	16%	57,737	19%	305,805	100%

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

workers. It also examines the relationship between job type and insurance offerings and estimates the numbers and percentages of full-time, part-time and seasonal workers who are covered and who lack access to employer-based health insurance coverage. Selected findings from the national Medical Expenditure Panel Survey, or MEPS, are reported in support of the Alaska study findings.

### Why measure peak employment?

The Alaska economy is characterized by a high degree of seasonality. Employment totals that blossom in summer wither with the onset of winter. Construction, seafood processing and tourism-based employment account for much of the seasonal variation. In recent years, the private-sector January-to-July employment gains have approached 25 percent, while July-to-January declines have erased most of the seasonal increases.<sup>6</sup> (See Exhibit 3.)

The workers who fill seasonal jobs are essential to the state's economy. Forty-four percent of the 389,271 people who were employed at some time in 2005 in Alaska's private sector or for state<sup>7</sup> and local governments did not work in every quarter of the year. Further, most of Alaska's seasonal workers are Alaska residents. Of the 170,237 people who worked in three quarters or less in 2005 (excluding federal employees), 108,974 or 64 percent were Alaska residents.<sup>8</sup>

Seasonal variation of this magnitude creates assorted difficulties for workers, employers and Alaska's health care system itself. Many firms do not offer insurance to employees, and those that do often require a waiting period that effectively excludes seasonal workers.

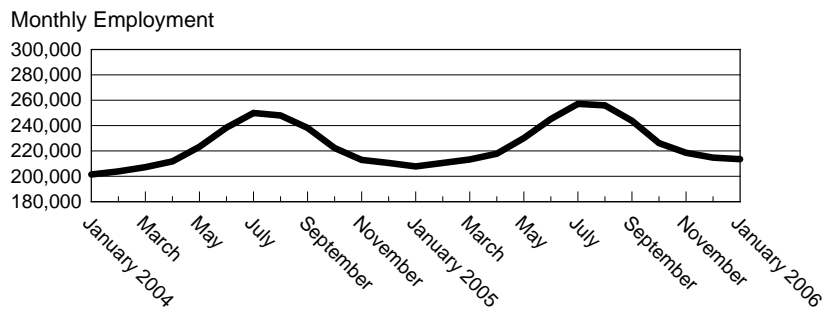
Workers who lack insurance often avoid or postpone care with consequences to their health

<sup>6</sup> The Quarterly Census of Employment and Wages, or QCEW, provides monthly, quarterly and annual average employment by industry for Alaska and all boroughs and census areas. To see Alaska's QCEW, go to the Department of Labor's Research and Analysis Web site at [almis.labor.state.ak.us](http://almis.labor.state.ak.us) and click on "Employment" in the blue column on the left.

<sup>7</sup> This is the only instance in this article that includes state government; all other parts of the article deal with the private sector and local government.

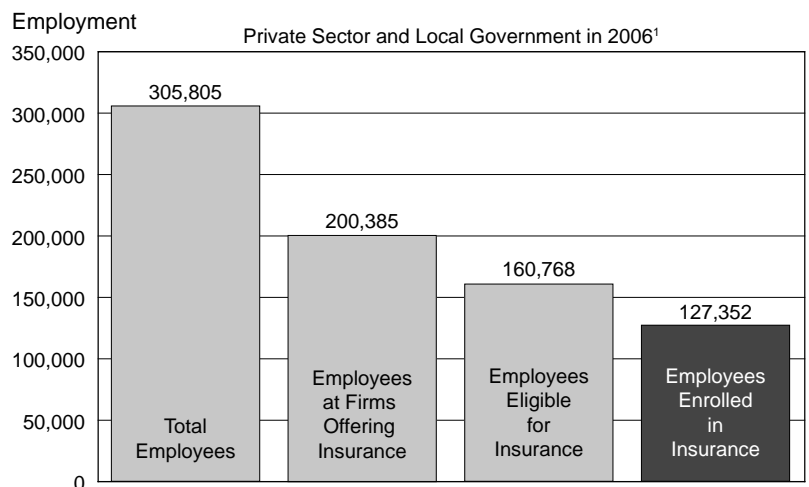
<sup>8</sup> Alaska Department of Labor and Workforce Development, *Non-residents Working in Alaska 2005*, Page 21

## Private-Sector Monthly Employment Alaska, January 2004 to January 2006 **3**



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section, *Quarterly Census of Employment and Wages*; and the Alaska Department of Health and Social Services

## Employees' Eligibility and Enrollment Alaska, 2006 **4**



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

and as a result eventually require more expensive medical treatments. Workers who are not enrolled and their uninsured dependents still rely on the Alaska health-care delivery system. Cost shifting results in an economic burden for the state as well as higher rates for those who are insured.

### Caveats

#### Point Estimates

The data presented in this report are point estimates. Confidence intervals are important to the correct interpretation of the data. For example, the confidence interval for small firms is +/- 5

# 5 Employees Enrolled and Not Enrolled in Insurance

## By firm size and job type, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

	Employees in Firm	Employees Enrolled				Employees Not Enrolled				Total
		Full Time	Part Time	Seasonal	Total	Full Time	Part Time	Seasonal	Total	
Number	1 to 9	6,109	334	125	6,568	15,890	7,778	8,280	31,948	38,516
	10 to 49	22,867	455	380	23,702	20,897	11,532	14,439	46,868	70,570
	50 to 99	13,342	361	434	14,137	6,914	4,097	7,327	18,338	32,475
	100+	76,351	3,855	2,739	82,945	37,830	19,456	24,013	81,299	164,244
	Total	118,669	5,005	3,678	127,352	81,531	42,863	54,059	178,453	305,805
Percentage	1 to 9	28%	4%	1%	17%	72%	96%	99%	83%	100%
	10 to 49	52%	4%	3%	34%	48%	96%	97%	66%	100%
	50 to 99	66%	8%	6%	44%	34%	92%	94%	56%	100%
	100+	67%	17%	10%	51%	33%	83%	90%	49%	100%
	Total	59%	10%	6%	42%	41%	90%	94%	58%	100%

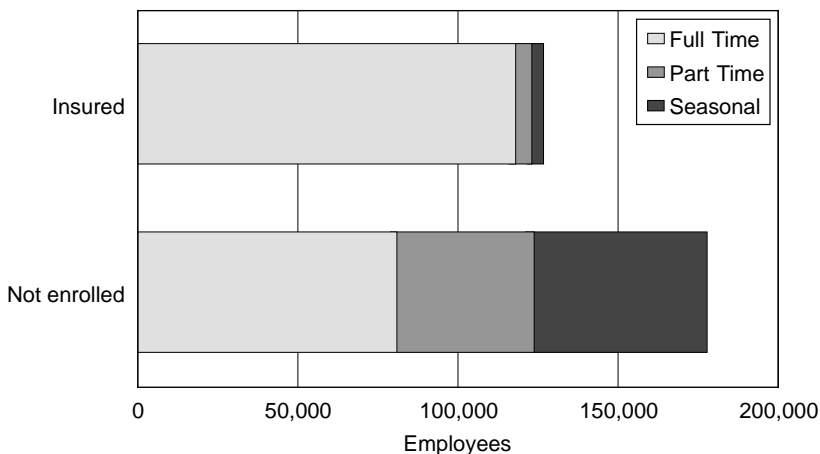
<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

# 6 Insurance Enrollment by Job Type

## Alaska, 2006

Private Sector and Local Government in 2006<sup>1</sup>



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

percent. When it is reported that 61 percent of small firms offer insurance, it would be more accurate to state that the percentage of small firms offering insurance falls between 56 percent and 66 percent.

### Issue of National Employers

Firm size was determined by reported in-state employment. As a result, a significant number of large national and international firms were categorized as very small, small or medium-

sized employers based on the jobs that these firms provided in Alaska. It is probable that most Alaska employees of national and international firms have access to employer-based insurance negotiated on the basis of national employment levels, rather than on Alaska employment totals. Therefore, it is likely that these inclusions increase slightly the apparent rates of insurance offerings and coverage attributed to very small, small and medium-sized firms.

### Employer-based health insurance: enrollment at the seasonal peak

At the seasonal peak of 2006, only 42 percent of Alaska's 305,805 private-sector and local government employees were covered by health insurance through their employment. (See Exhibit 4.) The survey results indicated that 127,352 Alaska workers were enrolled in such programs, but 178,453 positions were filled by workers who were not enrolled. (See Exhibit 5.) Some of the latter group may have had coverage from other sources such as other employers, spouses or parents. It is likely that many of those who were insured at the seasonal peak employment time later suffered gaps in employer-based insurance coverage during seasonally low employment periods.

Low rates of insurance offering to all employees by smaller firms, and low rates of offering to

part-time and seasonal employees by firms of all sizes, were the major factors contributing to the high percentages of workers who were not enrolled. (See Exhibit 6.) Extended waiting periods for eligibility in a highly seasonal economy created further barriers to employee enrollment.

### Small firms less likely to offer insurance

Firm size<sup>9</sup> was a major determinant of whether insurance was offered to employees. Of the 10,651 firms with fewer than 10 employees, only 28 percent offered insurance to any of their employees. The percentage of firms offering health insurance plans to some employees increased to 61 percent of firms with 10 to 49 employees, 88 percent of firms with 50 to 99 employees and 93 percent of firms with 100 or more employees. (See Exhibits 7 and 8.)

### Number of employers and employment measured at peak season

While very small and small employers accounted for 14,202 or 94 percent of all 15,105 private-sector and local government employers in the peak employment period, together they accounted for only 36 percent of the total peak seasonal employment. Over half (54 percent) of all employees worked for the 431 firms that reported 100 or more employees. Full-time workers made up 65 percent of the work force, while part-time and seasonal workers accounted for 16 percent and 19 percent, respectively. Part-time and seasonal workers represented higher percentages of the work force at very small and small-sized firms than they did at large employers. (See Exhibits 2, 9 and 10.)

<sup>9</sup> Throughout the article, firms with one to nine employees are "very small firms," firms with 10 to 49 employees are "small firms," firms with 50 to 99 employees are "medium-sized firms" and firms with 100 or more employees are "large firms."

Footnotes for Exhibits 8 and 9:  
<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.  
 Source for Exhibits 8 and 9: Alaska Department of Health and Social Services

## Firms Offering Insurance By numbers of firms, Alaska 2006 **7**

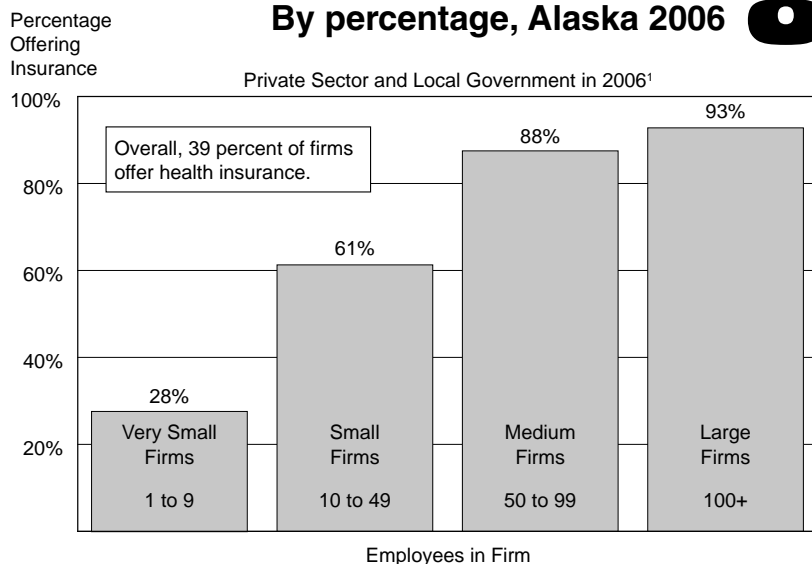
Employees in Firm <sup>2</sup>	Firms in Universe	Firms Offering Insurance	Percentage of Total Firms Offering Insurance
1 to 9	10,651	2,937	28%
10 to 49	3,551	2,176	61%
50 to 99	472	413	88%
100+	431	400	93%
Total	15,105	5,926	39%

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

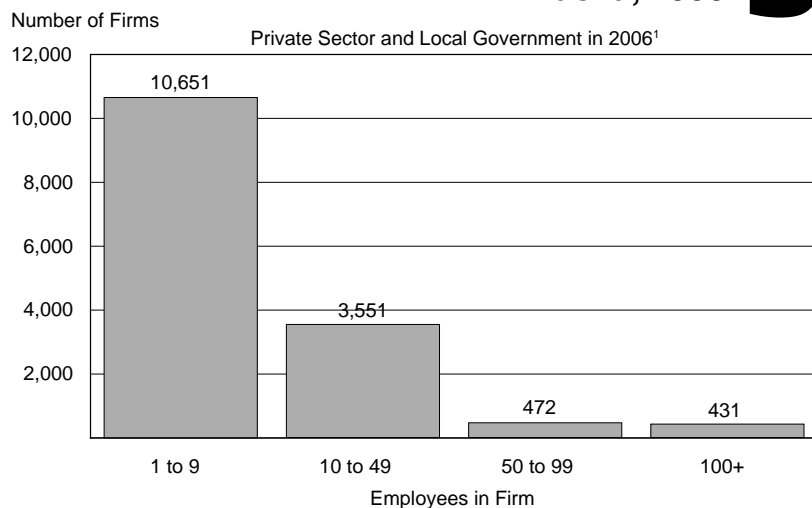
<sup>2</sup> The classification of some national firms as small employers is because only the Alaska employees are counted. If these firms were classified as very large firms, the "percentage offering" for smaller firms would be less, and the "percentage offering" for larger firms would be higher. National survey data, such as from the Medical Expenditure Panel Survey, are provided by firm size, according to each firm's national employment levels.

Source: Alaska Department of Health and Social Services

## Firms Offering Insurance By percentage, Alaska 2006 **8**



## Number of Firms By Size Alaska, 2006 **9**



## Who works where? Full time, part time and seasonal – by size of firm

Of the 305,805 total employees, 38,516 worked at firms employing one to nine individuals and 70,570 were employed at firms employing 10 to 49. Nearly two-thirds of all workers (64 percent) worked at firms with employment totals of more than 50.

The 200,200 full-time workers constituted by far the largest group, but nearly 35 percent of all paid positions were filled by part-time (47,868) or seasonal (57,737) employees. More than two-thirds (67 percent) of full-time workers were employed by firms with

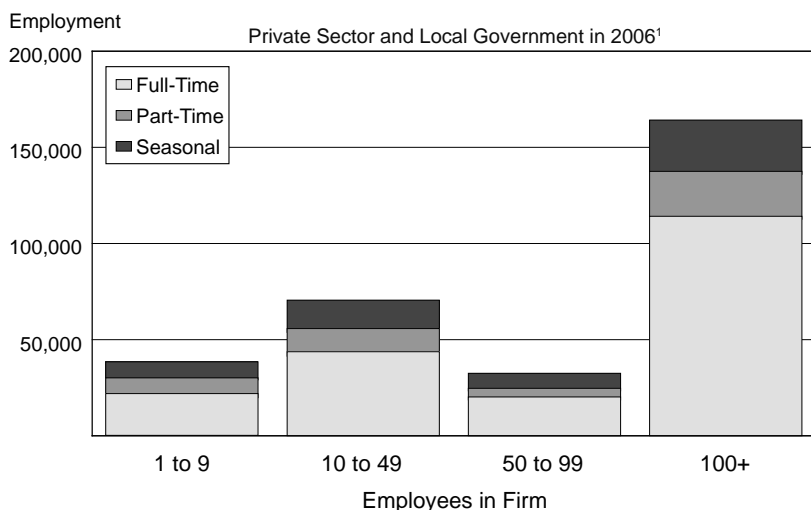
more than 50 employees, while only 58 percent of part-time and 60 percent of seasonal workers were employed by employers with more than 50 employees. This is significant because larger employers are far more likely to offer insurance to employees than smaller employers.

## Who offers what to whom?

While 39 percent of all Alaska firms offered insurance to full-time workers, only 8 percent offered it to part-time workers and just 2 percent offered insurance programs to seasonal workers. (See Exhibits 11 and 12.) Larger firms were more likely to offer insurance to all categories of employees. However, fewer than half (47 percent) of the 105,605 seasonal and part-time workers were employed by the very large firms, compared with 57 percent of full-time workers. (See Exhibit 13.)

Of the 15,105 firms that had more than one employee in the peak employment period, 5,926 or 39 percent offered insurance. Of those, 1,961 firms offered insurance to employees only, while 3,992 or 67 percent offered insurance to both employees and dependents. Whether insurance was offered to dependents or not was closely tied to the size of the employer, with larger firms being far more likely to extend coverage to dependents. Only 56 percent of the very small employers that offered insurance to employees also offered it to dependents. Yet 73 percent of small employers, 91 percent of medium-sized employers and 95 percent of large employers that offered insurance to their employees also offered it to their employees' dependents. (See Exhibit 14.)

## 10 Overall Employment By firm size and job type, Alaska 2006



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

## 11 Firms Offering Insurance By firm size and worker type, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Total		Did Not Offer		Offered to Full-Time Employees		Offered to Part-Time Employees		Offered to Seasonal Employees	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
1 to 9	10,651	100%	7,714	72%	2,937	28%	476	4%	127	1%
10 to 49	3,551	100%	1,375	39%	2,176	61%	428	12%	115	3%
50 to 99	472	100%	59	12%	413	88%	147	31%	35	7%
100+	431	100%	31	7%	400	93%	148	34%	44	10%
Total	15,105	100%	9,179	61%	5,926	39%	1,199	8%	321	2%

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

## Reasons why insurance is not offered

When asked why insurance was not offered, the most common response by all employers was that it was too expensive. There were, however, some significant differences between smaller employers and large firms. While between 8 percent and 9 percent of very small, small and medium-sized firms cited their seasonal work force as a reason for not offering insurance, fully 39 percent of large employers cited that reason. The 39 percent is close to the 44 percent in the same category that cited expense as a reason for not offering insurance. (See Exhibit 15.)

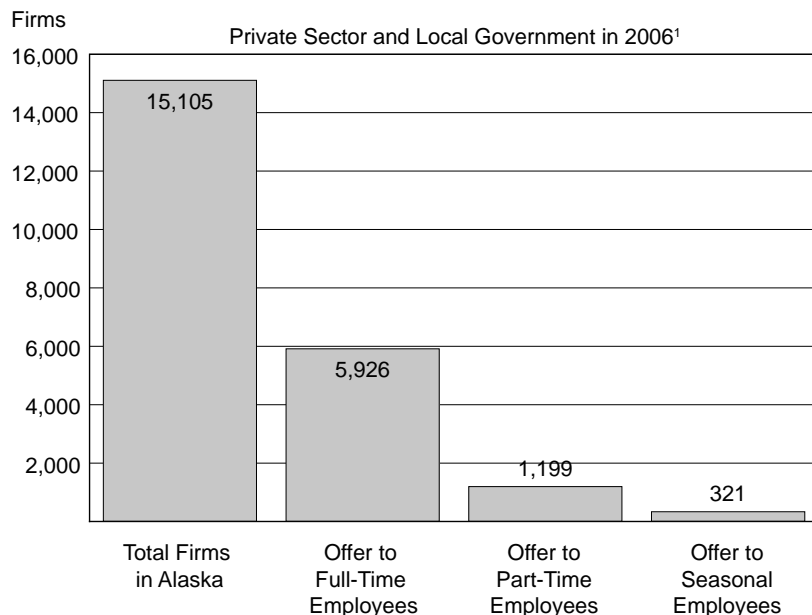
## Who pays?

While very small employers were far less likely to offer insurance to their workers than larger employers, those that did offer insurance were far more likely to pay some or all of the premiums. Sixty-one percent of all very small employers who offered insurance to full-time employees paid the entire premium. That compares with 44 percent of the small employers, 46 percent of the medium-sized employers and only 36 percent of the large employers who did so.

The same trend extends to those who employ seasonal workers. Only a tiny percentage of all employers offered insurance to seasonal workers, and very few seasonal workers had sufficient tenure to be eligible to enroll. (See Exhibit 17.) Still, of those firms that provided insurance to seasonal workers, 75 percent of the very small employers paid the entire premium, while 60 percent of small employers, 46 percent of medium-sized employers and only 44 percent of large employers paid the whole premium.

Only 18 percent of the firms that offered insurance to dependents of full-time employees paid the entire premium. Large firms that offered such insurance were more likely to pay some

## Firms Offering Insurance **12** By worker type, Alaska 2006

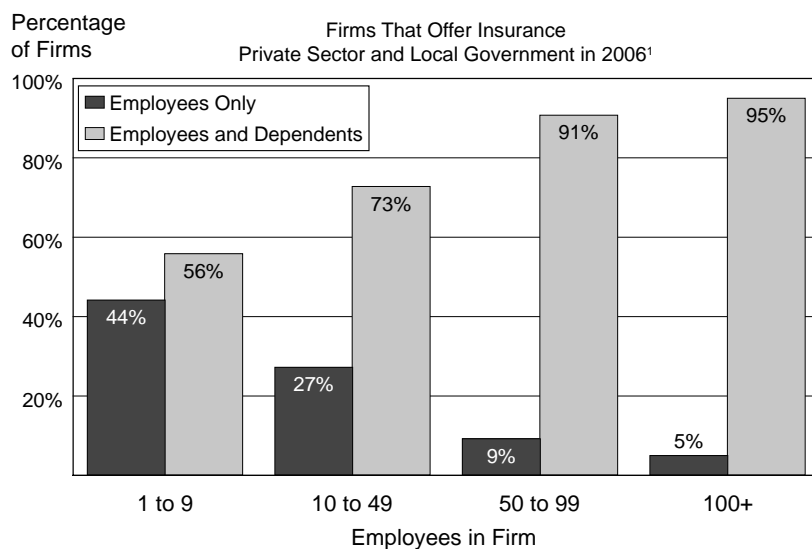


## Firm Size and Job Type **13** As a percentage of total, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Full Time	Part Time	Seasonal	Percentage of Total Employees
1 to 9	11%	17%	15%	13%
10 to 49	22%	25%	26%	23%
50 to 99	10%	9%	13%	11%
100+	57%	49%	46%	54%
Total	100%	100%	100%	100%

## Type of Offerings by Firm Size **14** Alaska, 2006



Footnote for Exhibits 12, 13 and 14:

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source for Exhibits 12, 13 and 14: Alaska Department of Health and Social Services

# 15 Reasons Firms Do Not Offer Insurance Alaska, 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Number of Firms That Do Not Offer Insurance	Too Expensive	Too Few Employees	Seasonal Work Force	Workers Have Other Insurance	No Response	Other Reasons
1 to 9	7,714	53%	9%	9%	7%	10%	12%
10 to 49	1,375	58%	4%	8%	2%	12%	16%
50 to 99	59	61%	0%	9%	0%	17%	13%
100+	31	44%	0%	39%	11%	6%	0%
Total	9,179	54%	7%	9%	6%	10%	14%

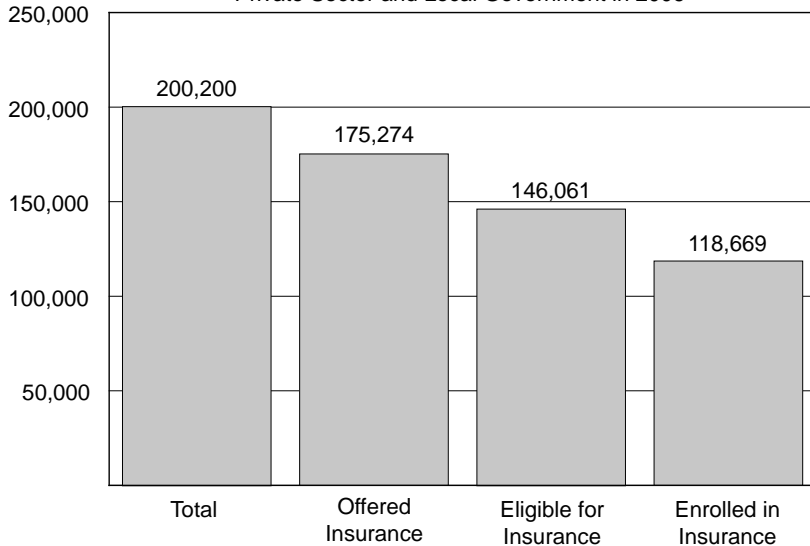
<sup>1</sup>All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

# 16 Full-Time Employee Participation Alaska, 2006

Full-Time Employees

Private Sector and Local Government in 2006<sup>1</sup>



<sup>1</sup>All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

or all the premium than smaller firms. Fully 81 percent of the large employers that offered insurance to the dependents of full-time workers paid all or part of the premium. That compares to 76 percent of medium-sized employers, 62 percent of small employers and 66 percent of the very small employers who offered such insurance. (See Exhibits 18.)

## Who is enrolled, who is not?

While 59 percent of all full-time workers were enrolled in health insurance programs, 90 percent of part-time and 94 percent of seasonal

workers were not enrolled. Of the 127,352 insured workers, only 8,683 or 7 percent were part-time or seasonal employees. They accounted for 35 percent of the total work force, but represented 54 percent of the workers who were not enrolled. (See Exhibit 5.)

## Offers of insurance don't mean all workers can enroll

Of the 200,200 full-time workers, 175,274 or 88 percent were employed by firms that offered them insurance, but just 33 percent of part-time workers and 16 percent of seasonal workers were employed by firms that provided the opportunity to eventually enroll in insurance. Because the latter two groups constitute a significant percentage of the total seasonal work force and because relatively few of them worked at firms that offered them insurance, only 66 percent of Alaska's peak work force was employed by firms that offered insurance. Moreover, of the 24,926 full-time workers who were not offered insurance, 22,475 or 90 percent worked for firms with fewer than 50 employees. Clearly, a low rate of offering to full-time workers by small and very small employers is a major explanatory factor of Alaska's low rate of coverage. (See Exhibit 19.)

## Who is eligible to enroll?

The average waiting period for full-time workers to gain eligibility to enroll in insurance programs offered by all employers was 83 days. Waiting times were longer at very small employers, which averaged 104 days. Small employers averaged 92 days, medium-sized firms averaged 70 days and large firms averaged only 65 days. (See Exhibit 20.)

Very small firms also required much longer waiting periods for part-time employees (an average of 123 days) when compared to small firms that required 47, medium-sized firms that required 55 and large firms that required 59 days.

There was no significant difference by firm size among those few firms that offered insurance to seasonal employees, and the average waiting period amounted to 61 days. But 42

percent of the seasonal employees at firms offering them insurance were required to have worked more than 60 days before they became eligible, and 31 percent faced waiting periods longer than 90 days. This obviously creates barriers in those jobs tied to Alaska's short summer season.

While 73 percent of all full-time workers had sufficient tenure to enroll in health insurance programs, just 22 percent of part-time workers and 7 percent of seasonal workers were eligible to enroll. (See Exhibit 19.)

### Who is covered?

As might be expected, full-time employees are far more likely to be enrolled in health insurance plans than part-time or seasonal workers. Of the 127,352 employees who were covered, 118,669 or 93 percent were full-time employees. Only 5,005 or just over 10 percent of the 47,868 part-time employees were similarly covered. Of the 57,737 seasonal workers, just 3,678 or 6 percent were covered by employer-based health insurance. (See Exhibits 19 and 21.)

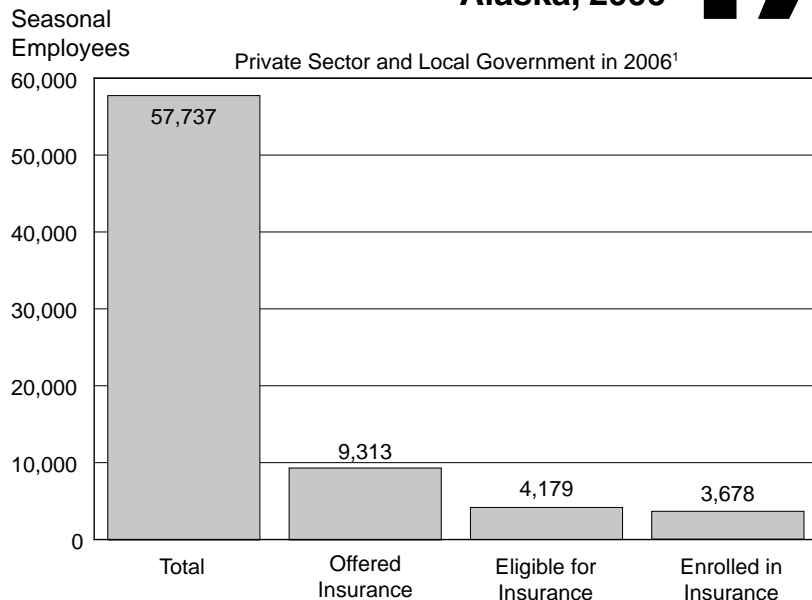
Only 17 percent of all employees at very small firms were enrolled in employer-based health insurance. Small employers saw 34 percent of their total employees enrolled, while medium-sized firms enrolled 44 percent of their workers. Only large employers enrolled a majority of their employees, with 51 percent covered by employer-sponsored health insurance. (See Exhibit 22.)

### Take-up rates

While firm size was slightly related to overall take-up rates, with fewer eligible workers enrolling in the insurance programs offered by smaller firms, almost all of the correlation is explained by the take-up rates of full-time workers. Part-time and seasonal employee take-up rates were about the same across firms of all sizes.

Eligible part-time workers had a much lower take-up rate than full-time and seasonal workers. Seasonal workers who were eligible were

## Seasonal Employee Participation **17** Alaska, 2006



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

## Premiums Paid for Dependents **18** For full-time workers,<sup>1</sup> Alaska 2006

Private Sector and Local Government in 2006<sup>2</sup>

Employees in Firm	Pay Some			
	Pay All	Pay Some	or All	Pay None
1 to 9	24%	42%	66%	33%
10 to 49	17%	45%	62%	38%
50 to 99	17%	59%	76%	23%
100+	17%	64%	81%	19%
Total	18%	54%	72%	28%

<sup>1</sup> Premiums paid for full-time workers' dependents by firms offering insurance

<sup>2</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

the most likely to enroll in employer-sponsored programs, but they were far less likely to be offered health insurance or to have sufficient job tenure to be eligible. Seasonal workers registered an 88 percent take-up rate compared with 81 percent for full-time employees and 48 percent for part-time employees. Seasonal workers employed by large firms registered the highest take-up rate with 91 percent enrolling. (See Exhibits 23, 24 and 25.)

The 54,059 seasonal workers who were not enrolled represent more than 30 percent of Alaska's total workers who were not enrolled.



# 19 Offered, Eligible and Enrolled

## By firm size and job type, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Full-Time Employees		Part-Time Employees		Seasonal Employees		Total Employment	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<b>Employees Offered Insurance</b>								
1 to 9	9,114	41%	751	9%	209	2%	10,074	26%
10 to 49	34,174	78%	1,324	11%	815	5%	36,313	51%
50 to 99	18,897	93%	1,144	26%	1,123	14%	21,164	65%
100+	113,089	99%	12,579	54%	7,166	27%	132,834	81%
Total	175,274	88%	15,798	33%	9,313	16%	200,385	66%
<b>Employees Eligible to Enroll in Insurance</b>								
1 to 9	8,084	37%	598	7%	139	2%	8,821	23%
10 to 49	29,807	68%	937	8%	496	3%	31,240	44%
50 to 99	16,742	83%	525	12%	548	7%	17,815	55%
100+	91,428	80%	8,468	36%	2,996	11%	102,892	63%
Total	146,061	73%	10,528	22%	4,179	7%	160,768	53%
<b>Employees Enrolled in Insurance</b>								
1 to 9	6,109	28%	334	4%	125	1%	6,568	17%
10 to 49	22,867	52%	455	4%	380	3%	23,702	34%
50 to 99	13,342	66%	361	8%	434	6%	14,137	44%
100+	76,351	67%	3,855	17%	2,739	10%	82,945	51%
Total	118,669	59%	5,005	10%	3,678	6%	127,352	42%

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

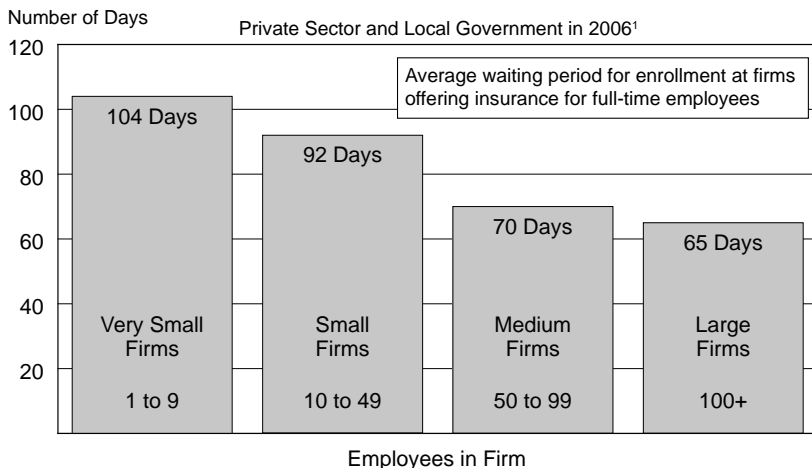
tenure to enroll in offered programs. (See Exhibit 26.)

The survey showed 105,420 employees working at firms that did not offer them health insurance. Of those, 24,926 were full-time employees, 32,069 were part-time and 48,424 were seasonal. Almost all (22,475) full-time employees who were not offered insurance worked for firms with fewer than 50 employees. While 22,200 seasonal workers who were not offered insurance worked for employers with fewer than 50 employees, 26,224 worked for employers with more than 50 employees.

Ninety percent of all employers with more than 50 employees offered insur-

# 20 Average Waiting Periods

## Full-time employees, Alaska 2006



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

### Workers not enrolled

The 178,453 employees who were not enrolled represented 58 percent of the total peak work force. Of those, 145,036 or 81 percent were either not offered insurance or lacked sufficient

tenure to enroll in offered insurance to full-time workers while only 33 percent offered it to part-time employees and just 9 percent offered it to seasonal hires. The rates of offering to all groups were considerably lower for small and very small employers. Part-time and seasonal employees accounted for 105,605 or 35 percent of Alaska's total peak employment but only 25,111 of those workers were offered insurance by their employers, and even fewer – 14,707 employees – had the required tenure to gain eligibility. In short, only 14 percent of seasonal or part-time employees had the opportunity to enroll in employer-based health insurance programs.

There were 39,617 employees who worked at firms that offered insurance but lacked sufficient tenure to be eligible for enrollment. Most of those (29,213) were full-time employees.

Just 19 percent, or 33,416, of the 178,453 employees who were not enrolled actually declined coverage. Some may have done so because they were working two jobs and already had insurance through another employer. Others could

have had insurance coverage through their spouses or other sources, including Medicare or other programs.

Clearly, the reasons most Alaska workers who are not enrolled lack employer-based coverage are tied to the low rates of offering and the relatively long waiting periods necessary to gain eligibility. The fact that Alaska's seasonal high employment levels span a three-month period while the average waiting period for full-time employees to be eligible is 83 days indicates that many workers see their jobs end by the time they gain eligibility. Presumably, when they find new employment, the waiting period starts over.

### Low-income workers less likely to have insurance

The U.S. Department of Health & Human Services, through its Agency for Healthcare Research and Quality, publishes data from its Medical Expenditure Panel Survey, which is a set of large-scale surveys of families and individuals, their medical providers and employers across the United States. Among other things, the survey produces data on the cost, scope and breadth of health insurance held by and available to U.S. workers.<sup>10</sup>

The results of the MEPS 2005 survey of Alaska employers cast further light upon which workers are not enrolled in employer-based health insurance programs.

MEPS earning quartile data point out that the two lower earning quartiles made up 50 percent of all employees but represented 67 percent of all the workers who were not enrolled. (See Exhibit 27.) In contrast, the two higher earning brackets represented the other 50 percent of all employees yet represented 69 percent of all insured workers.<sup>11</sup>

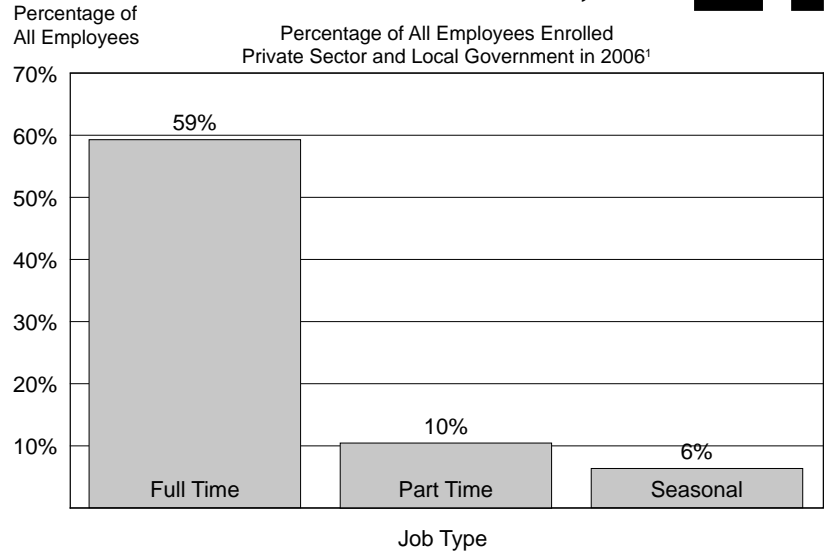
### Retail trade and services: low pay, high premiums

The MEPS grouping of "retail trade and other services" includes several sectors based on the North American Industry Classification System, or

<sup>10</sup> For more information, go to the MEPS Web site at [meps.ahrq.gov/mepsweb](http://meps.ahrq.gov/mepsweb).

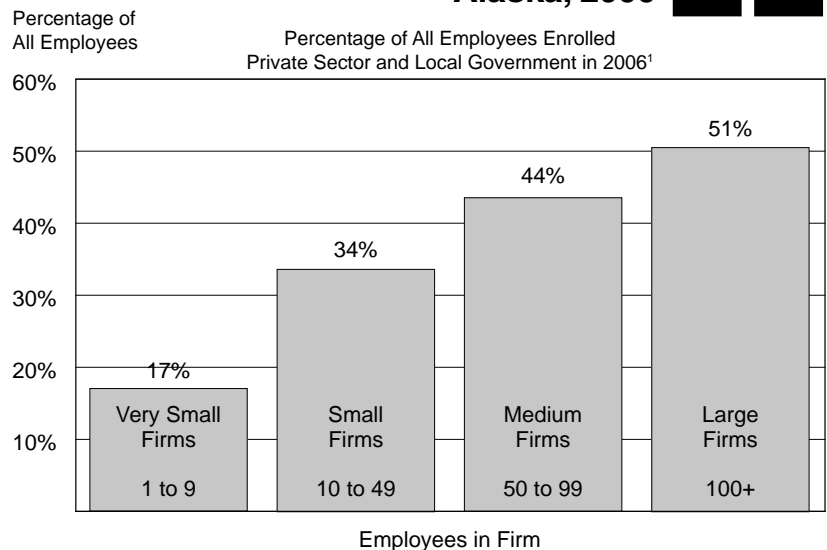
<sup>11</sup> MEPS-Insurance Coverage Table VIII Series 2005

## Job Types and Enrollment Alaska, 2006 **21**



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.  
Source: Alaska Department of Health and Social Services

## Firm Sizes Alaska, 2006 **22**



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.  
Source: Alaska Department of Health and Social Services

NAICS, with retail trade and leisure and hospitality accounting for most of the total employment.<sup>12</sup>

While many workers in the retail trade and other services grouping serve local customers, the collection of industries depends heavily on

<sup>12</sup> The MEPS "retail trade and other services" category includes NAICS sectors 44, 45, 56, 71, 72 and 81. Those range from grocery stores, gas stations and waste management to the performing arts, museums, hotels, restaurants and repair shops.

## 23 The Eligible Who Enroll

### By firm size and job type, Alaska 2006

Private Sector and Local Government in 2006<sup>1</sup>

Employees in Firm	Full Time	Part Time	Seasonal	Total
1 to 9	76%	56%	90%	74%
10 to 49	77%	49%	77%	76%
50 to 99	80%	69%	79%	79%
100+	84%	46%	91%	81%
Total	81%	48%	88%	79%

the seasonal tourist trade. Workers in the retail trade and other services grouping are generally paid far less than employees of other industries. While the 2005 Quarterly Census of Employment and Wages average private-sector monthly earnings in Alaska were \$3,212, retail trade workers earned \$2,148 and those employed in leisure and hospitality earned \$1,448.

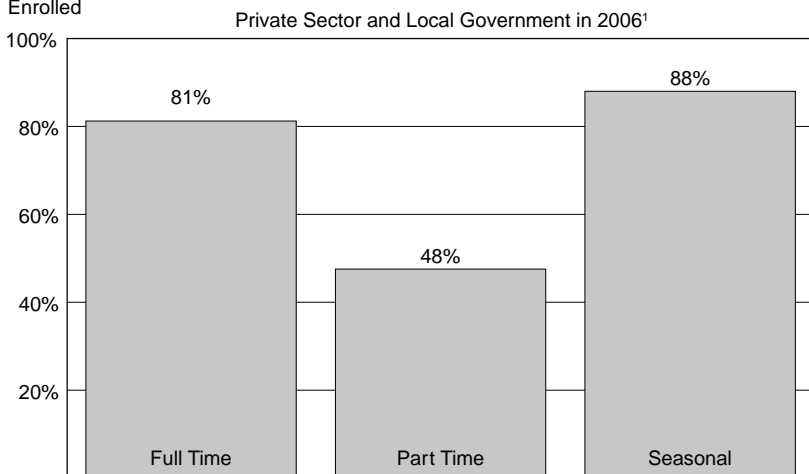
In spite of the low average monthly earnings, workers in the retail trade and other services grouping faced by far the highest average employee-required contributions of any group. Indeed, the average employee-required contribution of \$1,638 a year for Alaska was double the \$844 national average for this industry grouping and nearly three times larger than the yearly employee contribution required by most other Alaska industries.<sup>13</sup>

It should come as no surprise that 75 percent of the MEPS' retail trade and other services workers were not enrolled in employer-sponsored health insurance. (See Exhibit 28.) Only 68 percent worked at firms that offered insurance, and only 47 percent of those had worked long enough to be eligible to enroll. In short, this group of low-paid workers accounted for more than half (54 percent) of the Alaska workers who were not enrolled in employer-sponsored health insurance in 2005.<sup>14</sup>

## 24 Percentage of Eligible Enrolled

### By job type, Alaska 2006

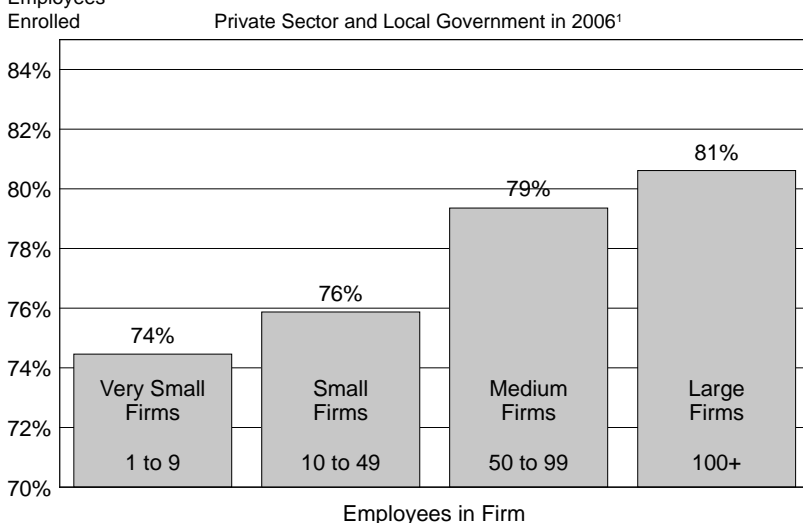
Percentage of Eligible Employees Enrolled



## 25 Percentage of Eligible Enrolled

### By firm size, Alaska 2006

Percentage of Eligible Employees Enrolled



### Why workers lack insurance

In the final analysis, most of Alaska's workers who were not enrolled lack health insurance simply because it was not available to them. (See Exhibit 29.) According to the results of the 2006 Alaska Employee Health Benefit Survey, 66 percent of all full-time workers, 87 percent of all part-time workers and 99 percent of all seasonal workers who were not insured were either not offered employer-based coverage or lacked

<sup>13</sup> MEPS-IC Table V Series 2005

<sup>14</sup> MEPS-IC Table V Series 2005

Footnote for Exhibits 23, 24 and 25:

<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source for Exhibits 23, 24 and 25: Alaska Department of Health and Social Services

sufficient job tenure to enroll in the employer-sponsored program.

Because employment levels fell after Alaska's 2006 employment peak – represented by the single pay period including July 12, 2006 – it seems likely that many workers who lacked sufficient tenure to enroll in insurance saw their jobs end before coverage could be obtained. Many others who were enrolled in employer-based health insurance programs likely suffered gaps in insurance coverage when their employment ended.

## Conclusions

While this survey does not provide answers, it does provide evidence about some issues related to opportunities for and barriers to employer-sponsored insurance in Alaska. The survey confirmed the lower rates of offering by small firms (28 percent for very small employers compared to 93 percent for the largest employers), and provided evidence that about 60 percent of employees who were not enrolled worked in non-offering firms.

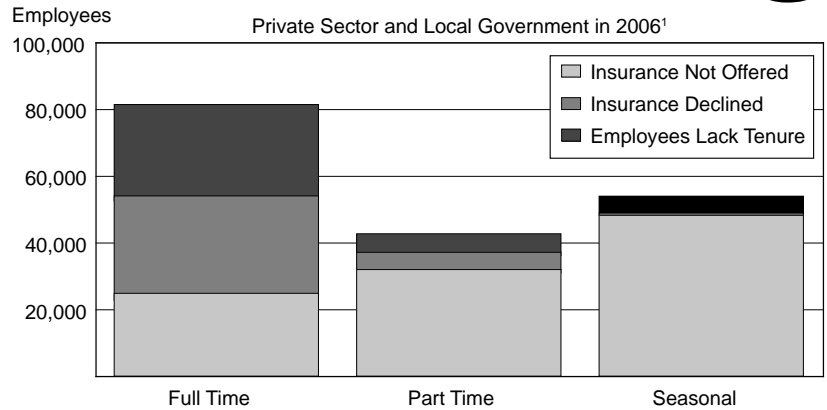
Second, the survey found that part-time and seasonal workers had little opportunity to obtain health care coverage through their employment. They were more likely to work in non-offering firms and to lack tenure to enroll.

Third, the average waiting period for enrollment among all employers was 83 days, approaching the length of time many seasonal jobs last in Alaska's highly seasonal economy.

Fourth, the MEPS data for Alaska shows that workers in the "retail trade and other services" jobs earn less than the average private-sector worker in Alaska, and jobs in the retail trade and other services grouping have the lowest rates of offering and the highest average premiums.

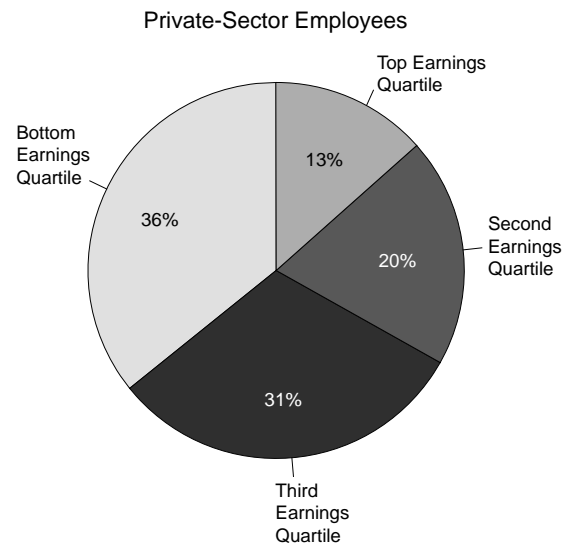
Lastly, gaps between work periods due to the seasonality of the economy indicate the potential lack of fit between employment-based health insurance options and Alaska's employment options. With only 44 percent of Alaska

## Workers Not Enrolled 26 By job type, Alaska 2006



<sup>1</sup> All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.  
Source: Alaska Department of Health and Social Services

## Workers Not Enrolled 27 By earnings quartile,<sup>1</sup> Alaska 2005



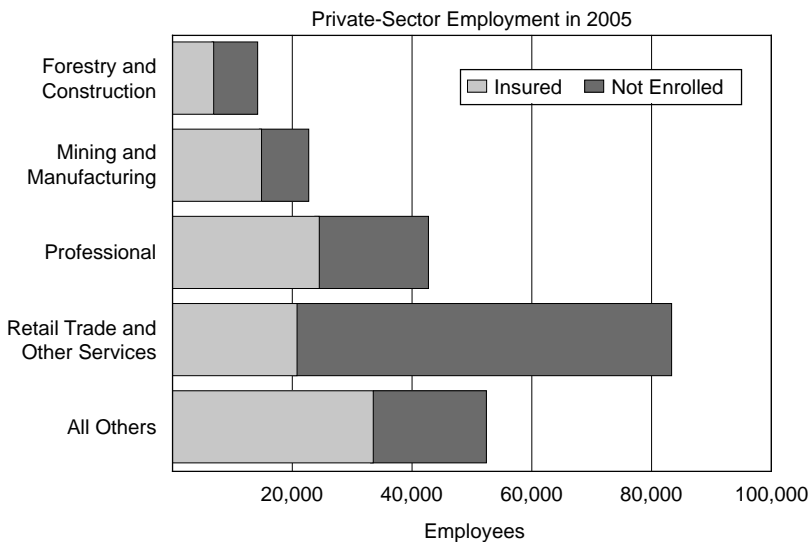
<sup>1</sup> Employees were divided into four equal groups, by their earnings. For example, the top quartile represents those employees, when ranked by earnings, who were in the top 25 percent; the second quartile represents the employees in the next 25 percent.  
Source: U.S. Department of Health and Social Services, Agency for Healthcare Research Quality, Medical Expenditure Panel Survey - Insurance Coverage Table VIII Series 2005

workers being employed during all four quarters, interruptions of coverage are frequent.

### Low rates of offering by small employers:

Twenty-eight percent of very small firms offered insurance to employees, compared with 93 percent of the largest group. Fifty-nine percent (105,420) of Alaska's 178,453 employees who were not enrolled in employer-based insur-

# 28 Eligibility and Enrollment Alaska, 2005

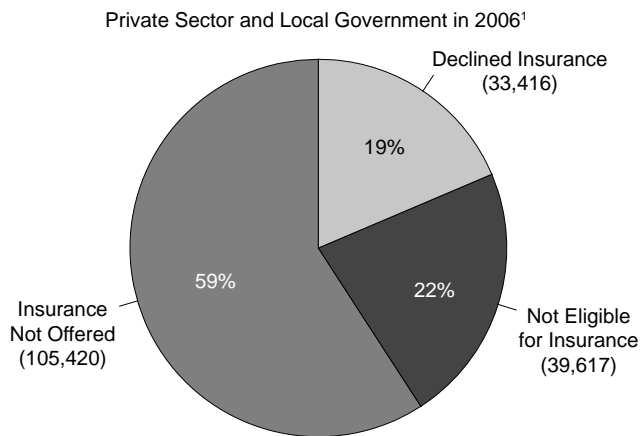


Source: U.S. Department of Health and Social Services, Agency for Healthcare Research Quality, Medical Expenditure Panel Survey - Insurance Coverage Table V Series 2005

worked at firms where insurance was offered to them, and only 4,179 had gained sufficient job tenure to be eligible. Similarly, 15,798 of Alaska's 47,868 part-time employees were at firms that offered them insurance and 10,528 had sufficient tenure to enroll.

Long waiting periods in a highly seasonal economy: In addition to the 105,420 Alaska workers who were not offered insurance, 39,617 Alaska employees worked at firms that offered insurance but lacked sufficient job tenure to enroll. Nearly three-quarters of those, or 29,213, were full-time employees, while 5,270 and 5,134 were part-time and seasonal employees, respectively. The average waiting period among all employers was 83 days; the height of Alaska's summer employment season, on the other hand, typically lasts roughly 90 days – June, July and August. In effect, the average waiting period for enrollment approached the length of time many of those jobs could be expected to last.

# 29 Reasons for Not Being Enrolled Alaska, 2006



Low rates of offerings and high premiums for low income workers: In addition to the findings of the 2006 Alaska Employee Health Benefit Survey, the 2005 MEPS data point to the fact that low income workers – especially workers in their broadly defined “retail trade and other services” category – face both low rates of offering and disproportionately high premiums.

Employment gaps in a highly seasonal economy: Forty-four percent of Alaska's wage and salary workers (not including federal workers) and more than 50 percent of private-sector employees did not work in all four quarters of 2005. When unemployed, these individuals lacked employer-sponsored health insurance. Upon returning to work, if offered health insurance, they would again face any required waiting times.

In summary, in Alaska's highly seasonal economy, traditional employer-based insurance is less likely to provide consistent coverage than is possible in the rest of the country.

<sup>1</sup>All numbers are for the pay period including July 12, 2006, except for the numbers for schools. Those are for the pay period including April 12, 2006.

Source: Alaska Department of Health and Social Services

ance worked for firms that did not offer them insurance. Of those, 24,926 were full-time employees, of whom 90 percent were employees of small or very small firms (fewer than 50 employees).

Low rates of offering to part-time and seasonal employees: Part-time and seasonal workers were far less likely than full-time workers to be offered insurance by employers of any size. Of the 57,737 seasonal workers, only 9,313