

Employee Access to Health Insurance in Wyoming

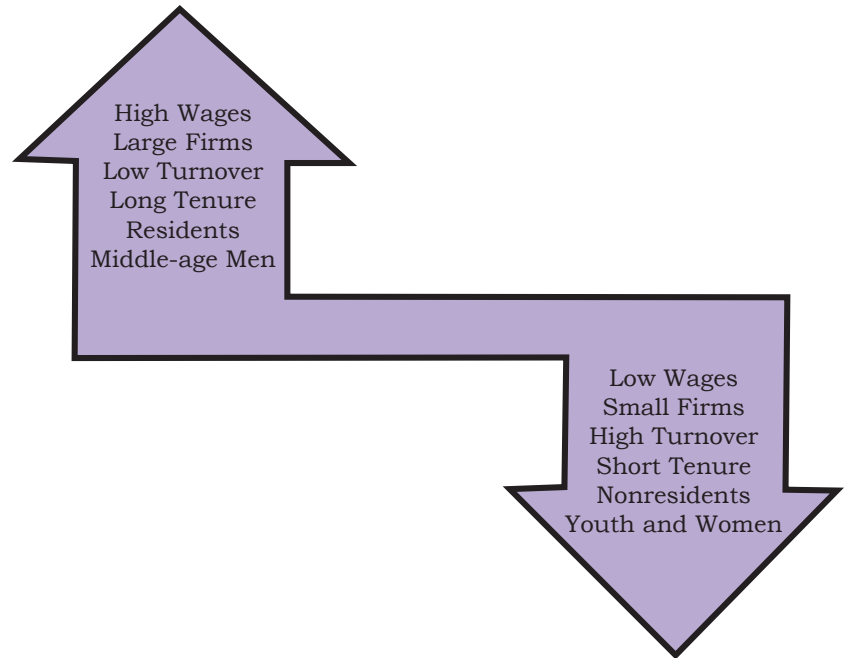
Introduction

In conjunction with their efforts to reduce the number of uninsured, the Wyoming Healthcare Commission requested an analysis of the employer health benefits market. With funding from the Health Resources and Services Administration's State Planning Grant Program, the Healthcare Commission partnered with the Departments of Health and Employment, Research & Planning. Employer focus groups and surveys were conducted to assess the potential market for a personal health savings account model the Healthcare Commission calls "Wyo-Care."

Wyo-Care is envisioned as a cost sharing vehicle to provide insurance coverage to small employer/low income employees. Still under development by the Healthcare Commission, the goal of Wyo-Care is to lower the number of uninsured by maximizing the dollars contributed by employers, employees and, perhaps, Medicaid.

Insurance Accessibility

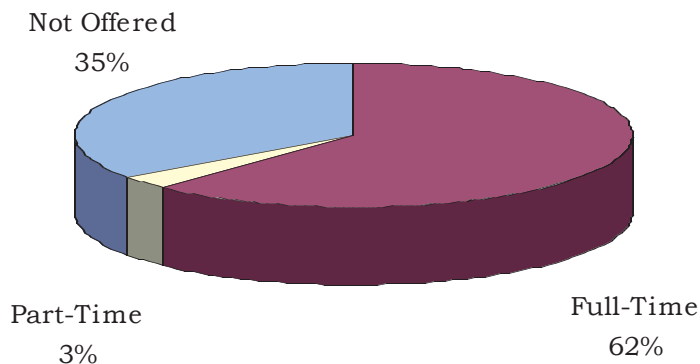
Greater Access to Employer-Provided Health Insurance



Lesser Access to Employer-Provided Health Insurance

Insurance Benefits

Percentage of Employees Offered Health Insurance



Source: Wyoming Department of Employment, Research & Planning, <http://doe.state.wy.us/LMI>

Firm Size

Percentage of Employees Offered Health Insurance by Firm Size

<10 Employees	39%
10-19 Employees	55%
20-49 Employees	56%
50+ Employees	81%
Total	65%

For More Info

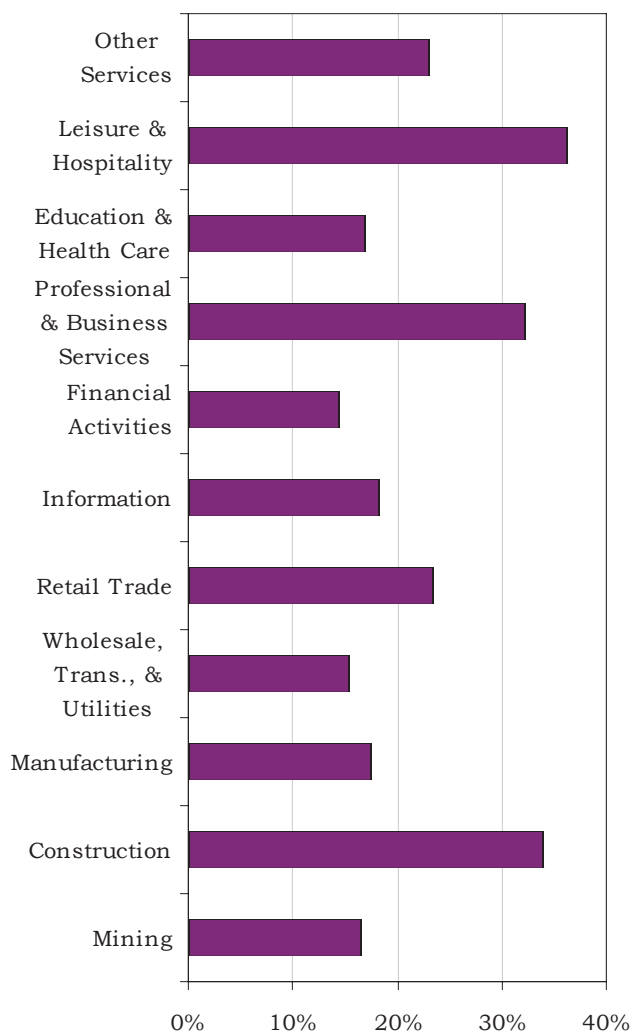
The report, *Private Sector Employee Access to Health Insurance and the Potential Wyo-Care Market*, is available in the Reports section of the Wyoming Healthcare Commission website. Hard copy versions can be requested from the Healthcare Commission at (307) 473-3839 or whcc@state.wy.us.

The Context

Employer-provided benefits represent a key component of employee compensation. During the summer of 2004, unemployment in the state reached historic lows. Wyoming's favorable labor market conditions take place in a context where competition for labor and pressure on compensation may change course as the national economy improves. If we are to understand pressures on compensation, we need to understand the economic and demographic context within which employers and workers establish mutually beneficial relationships.

The niche for Wyo-Care depends upon the structure of the market. Structural conditions persist over time. For example, industries characterized by seasonality are likely to have similar highly seasonal employment patterns at both the beginning and end of a decade. Seasonal employment and turnover prevents workers from establishing health insurance eligibility.

Market Structure: Turnover Rates



Source: Wyoming Department of Employment, Research & Planning, <http://doe.state.wy.us/LMI>

Primary Findings

- At the core of Wyoming's private sector workforce is a stable segment of the population that is highly tenured, paid an average of \$8,000 per quarter, and has access to health insurance. Outside of this core, however, worker/employer relationships become much more tenuous. Industry of employment, firm size, turnover, part-time work, and residency, age, and gender of the workforce divides the two worker segments.
- Rapidly increasing benefits costs appear to constrain salary growth and are associated with long-term effects on worker retirement income and employer profitability.
- A growing share of Wyoming's workforce are nonresidents lacking employment tenure and are often ineligible for insurance.
- The estimated 19% of full-time and 88% of part-time workers who were not offered health insurance may benefit from Wyo-Care.
- There does not appear to be a consensus among employers regarding the reasons for current prices or rising costs of health insurance. But there is a strong sense that something is very, very wrong.
- Some private sector employers are changing their compensation strategies and searching for alternatives to current health insurance.
- Wyo-Care is put forth as an answer to a problem faced by uncovered employees. However, employer participation may depend upon presenting the proposal in a manner demonstrating a business advantage.
- Employers expressed interest in Wyo-Care for covered and uncovered employees. Extension of Wyo-Care to covered employees may help solve a number of problems.
- More than a third of all employers' suggested solutions to the healthcare problem were based on greater governmental involvement.

Wyoming Healthcare Commission

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