EBRI ISSUE BRIEF

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September 1983 #22

HEALTH INSURANCE FOR THE UNEMPLOYED

The loss of health insurance by persons who become unemployed has been a major policy concern in this economic recession. Legislation has been introduced at both the federal and state levels that addresses the problem of health insurance loss due to unemployment. Often, these proposals would (1) establish a public program to directly provide health insurance to the unemployed and their dependents, (2) require that employers allow workers to elect health insurance coverage for themselves and their dependents if a working spouse becomes unemployed, or (3) require employers to continue coverage on some basis after a worker is laid off. This issue brief describes the problems associated with health insurance loss and provides an assessment of the health insurance resources available to the unemployed. The concerns that have impeded a public policy solution to the problem of health insurance loss among the unemployed are summarized. Finally, proposed federal legislation that would assist the unemployed in maintaining health insurance coverage is presented.

The health insurance resources of the unemployed are limited. As a result, noncoverage is significantly more common among families of workers who are unemployed for any period during the year than it is among families that are steadily employed. Nevertheless, persons living in families of unemployed workers are a relatively small proportion of all persons without private health insurance coverage or eligibility for public health insurance program benefits. Public policy that would address the problem of health insurance loss among the unemployed has been hindered by competing considerations of cost and equity. It is unlikely that any legislation will emerge that fully addresses both concerns.

The Problem of Noncoverage

Health insurance is the most important source of private health care financing for major health care expenses in the United States. In 1982, for example, more than 70 percent of all private spending for hospital services was financed by insurance. The absence of health insurance coverage for major health care expenses may impose both physical and financial hardship on families. The reduced ability to pay for health care associated with noncoverage poses a barrier to obtaining health care services and discourages the timely use of health care. In cases where health care services are delivered to persons without private health insurance coverage or other private means of payment, the costs of that care are often shifted to

governments or other consumers of health care.

Research dealing with the effect of health insurance coverage on health care use has consistently found that insurance significantly raises access to health care. A recent study of health care use among persons with continuous health insurance coverage in 1977 indicated that persons with health insurance used physician care 54 percent more frequently than persons without health insurance throughout the year. 1/ Among persons in fair or poor health, the disparity in physician use was even greater. Similarly, persons with health insurance coverage used nearly twice as many hospital days as did persons without health insurance coverage. The average difference in health care use by insurance status includes significantly different responses to noncoverage between different racial groups and between persons located in urban versus rural areas. The difference in health service use between the insured and uninsured was much greater among non-whites than among whites, and greater in urban areas than in rural areas. Other research has linked lower rates of health service use with higher mortality rates in general, and higher rates of infant mortality in particular. 2/ Although the health status outcomes associated with long-term noncoverage are probably much more severe than those associated with shorter lapses of coverage, it is likely that some adverse health effects do result from the loss of health insurance associated with unemployment.

In addition to the physical hardship that may be associated with noncoverage, persons without health insurance often face financial hardship when unexpected or prolonged health care needs arise. Those who qualify for Medicaid (the low-income elderly or disabled, or members of low-income families with dependent children) pose costs for federal, state and local governments. In response to reduced federal support of the Medicaid program, however, many states have tightened Medicaid eligibility and reduced the level and scope of health-related expenses covered by the program.

Persons without health insurance who fail to qualify for Medicaid or Medicare (the Social Security health insurance program for the elderly or disabled) pose a greater risk of bad debt for hospitals and other providers. High rates of bad debt, in turn, present a serious problem for providers who serve large numbers of low-income persons. In response to rising bad debt, providers frequently shift unpaid costs to privately insured patients by raising charges. Providers who are unable to offset bad debt by cost-shifting may require patients without insurance to make a substantial cash deposit before receiving treatment; some simply change location to attract higher-income patients. In either case, access to health care among persons without ability to pay is further impaired.

The costs associated with even brief lapses of private health insurance coverage can be significant. Health problems that arise during periods of noncoverage may be considered a "pre-existing condition" when health insurance coverage is resumed. Many plans do not cover health care costs associated with pre-existing conditions, or cover them only after the plan

has been in force for some minimum period. Persons with health problems that occurred during a period of noncoverage, consequently, can incur large, uninsured health care costs well after insurance coverage resumes.

Employer Group Health Insurance Coverage and Layoff Provisions

Most persons with private health insurance are covered by an employer group health plan. In 1979, 60 percent of the civilian noninstitutionalized population and 74 percent of the workforce were covered by an employer health plan during at least part of the year. 3/ One half of all persons covered by an employer group plan were covered as a dependent, rather than a direct participant in their own employer plan. Among all persons who reported private health insurance coverage at any time during 1979, more than 81 percent were covered by an employer group health plan.

Most persons who become unemployed lose health insurance coverage immediately or soon after layoff. A national survey of small and medium-size establishments conducted in 1977 and 1978 indicates that fewer than 42 percent of all workers who directly participated in an employer health plan would have continued coverage under the plan after layoff. 4/ Fifty-eight percent of workers who participated in an employer plan during the survey period had coverage which terminated immediately after layoff, or which terminated at the discretion of the employer. The distribution of workers by plan provisions to continue coverage after layoff is presented in Table 1.

Among health plans that do continue coverage after layoff, the period of continuation is often brief. The average continuation period for workers in plans that continued coverage for any period during the 1977-1978 survey period was 14.3 weeks, just over three months. Among small-establishment plans that continued coverage (that is, plans in establishments with fewer than 50 workers), the average continuation period was less than two months. The continuation provisions of employer group plans may reflect collective bargaining of health benefits. In general, continuation of coverage, as well as longer periods of continued coverage, are characteristics of larger-establishment health plans. In addition, workers in manufacturing establishments more often had plans that continued coverage; these plans also continued coverage for longer periods. The average period of continuation among workers in plans that continue coverage after layoff is presented by industry group and establishment size in Table 2.

Examination of these survey data suggests that nearly all persons who are now unemployed are ineligible for continued coverage from an employer group plan. Approximately 55 percent of all persons who were employed during the first half of 1983 were job losers, as opposed to persons newly entering or reentering the labor force. Worker coverage rates computed from the March 1980 Current Population Survey suggest that, on average, just over half of these persons (58 percent) had health insurance coverage from their prior employer; an additional 17 percent were covered as the beneficiary of another worker's plan. Of those workers covered by their own plan at the time of layoff, about 40 percent may have been eligible for continued coverage. By rough approximation, then, persons eligible for continued coverage may comprise about 13 percent of all persons who are now unemployed.

TABLE 1

Distribution of Plan Participants by Provision to Continue Coverage After Layoff: Medium and Small Establishments by Industry Group and Establishment Size, 1977-1978 (in percents)

Industry Group/ Establishment Size	Coverage Continued			Coverage Discontinued Immediately	As Determined by Employer
	Total	Defined Continuation Period	Other Continuation		
Industry Group					
All Industries	41.7	40.1	1.5	30.4	28.0
Manufacturing	55.5	53.5	2.0	23.5	21.0
Nonmanufacturing	28.6	27.6	1.1	36.9	34.5
Establishment Size					
All Establishments	41.7	40.1	1.5	30.4	28.0
1-19	36.0	33.0	2.9	25.4	38.6
20-49	36.5	35.4	1.2	20.1	43.4
50-99	40.0	39.0	0.8	18.8	41.3
100-249	23.3	23.3	-	49.4	27.4
250 + 1/	48.6	46.8	1.8	31.2	20.2

SOURCE: EBRI tabulations of the Battelle Survey of Health-Related Benefits in Private Non-Farm Establishments in the United States.

1/ Sample size in this group is too small to infer significance.

Many persons eligible for continued coverage from an employer plan, moreover, have probably exhausted those benefits. In December 1982, the average length of unemployment among all persons who were unemployed was more than 17 weeks, half of all persons unemployed in December had been unemployed for more than 10 weeks. These figures do not compare favorably with an average continuation period of 14 weeks among those workers who were eligible for continued coverage after layoff.

Characteristics of the Unemployed

Surprisingly little is known about the health insurance resources of persons who are unemployed. Characteristics that might affect the insurance status of the unemployed, such as the presence of another worker in the household,

TABLE 2

Average Duration of Continued Coverage After Layoff: Plan Participants in Medium and Small Establishments by Industry Group and Establishment Size, 1977-1978 1/

Industry Group/ Establishment Size	Average Continuation Period (in weeks)	Percent of All Plan Participants with Continued Coverage
Industry Group		
All Industries	14.3	40.1
Manufacturing	18.2	53.5
Nonmanufacturing	7.0	27.6
Establishment Size		
All Establishments	14.3	40.1
1-19	7.8	33.0
10-49	4.8	35.4
50-99	10.9	39.0
100-249	10.4	23.3
250 or more 2/	17.4	46.8

SOURCE: EBRI tabulations of the Battelle Survey of Health-Related Benefits in Private Non-farm Establishments in the United States.

1/ Includes only plan participants with a specified period of continued coverage after layoff.
2/ Sample size in this group is too small to infer significance.

have not been documented. Information about the characteristics of persons who were unemployed during 1979, however, suggests that the insurance resources of the unemployed, and the long-term unemployed in particular, may be more limited than is often supposed.

Among all persons who were unemployed for any period during 1979, more than 30 percent were part-year workers -- that is, persons who were either employed or seeking employment for less than 50 weeks during the year. Nearly 19 percent were part-time workers -- that is, persons who worked or sought work for less than 35 hours per week. Sixty-one percent of all workers who were unemployed for at least one week during 1979 were full-time full-year workers.

Tabulations of the March 1980 Current Population Survey suggest that fewer than half of all unemployed part-time or part-year workers had coverage from their own employer while employed. Loss of employment, therefore, would not have affected their insurance status. During recessionary periods, it is likely that a still greater proportion of the unemployed are full-time full-year workers, and that a much higher proportion of these workers would have lost health insurance coverage as a result of unemployment. Nevertheless, a significant proportion of all unemployed persons even during economic recessions probably have no history of health insurance coverage from their prior employer.

The common presumption that most persons who become unemployed can obtain health insurance coverage from an employed spouse is arguable. Among all workers who were unemployed for one week or more during 1979, 74 percent were primary family earners; nearly half had no spouse present, and, therefore, no clear source of health insurance coverage other than their own employer. Among the long-term unemployed -- those unemployed for 13 weeks or more during 1979 -- an even greater proportion were primary earners with no spouse present. These characteristics of the unemployed are presented in Table 3.

TABLE 3

Economic and Family Characteristics of Workers by Weeks of Unemployment, 1979

Member Characteristics	Total	No Unemployment	Weeks Unemployed			
			All	1-4	5-12	13 +
Work Status						
Full-time	82.2	82.3	81.3	82.6	82.1	79.7
Full year	70.2	71.3	61.2	52.2	61.1	67.8
Part year	12.0	11.0	20.1	30.4	21.0	11.9
Part-time	17.8	17.7	18.7	17.4	17.9	20.4
Full year	8.6	8.6	8.5	4.5	6.8	13.1
Part year	9.2	9.1	10.2	12.9	11.1	7.3
Earner Status						
Primary earner	65.1	64.0	73.9	70.6	72.6	77.5
Secondary earner	34.9	36.0	26.1	29.4	27.4	22.5
Spouse Present						
Yes	69.2	71.4	51.5	55.2	54.7	46.0
No	30.8	28.6	48.5	44.8	45.3	54.0
Dependent children						
Yes	49.5	49.8	46.4	46.0	51.7	41.6
No	50.5	50.2	53.6	54.0	48.3	58.4

SOURCE: EBRI tabulations of the March 1980 Current Population Survey.

Among families with more than one employed worker, secondary earners may not be a likely source of health insurance coverage for family members. In 1979, 53 percent of all secondary earners were either part-time or part-year workers and, therefore, much less likely to be eligible for health insurance coverage from their own employer. Secondary earners, moreover, may be a limited financial resource for families who would purchase individual health insurance coverage outside of an employer group. In 1979, 65 percent of all secondary earners had wage and salary income that was less than half that reported by the family's primary earner.

Apparently as a result of limited health insurance resources among the unemployed, persons living in families of workers who experience unemployment show much lower rates of private health insurance coverage at any time during the year, and much lower rates of health insurance coverage from any source. Among members of families in which the primary earner was unemployed for one week or more during 1979, only 56 percent reported coverage from any employer group plan during the year. Among family members of the long-term unemployed, fewer than half reported coverage from an employer group plan, and only 58 percent reported coverage from any private source. By comparison, more than 77 percent of all persons who experienced steady employment of the primary family earner during 1979 reported coverage from a private insurance plan.

Public health insurance programs -- particularly Medicaid -- are a significant source of health insurance for the unemployed and their families. During 1979, nearly 14 percent of persons in families of the unemployed qualified for Medicaid during at least part of the year. Nevertheless, eligibility for Medicaid among the unemployed did not successfully offset restricted access to private, employer-based health insurance coverage. Nearly one quarter of all persons living in families in which the primary earner was unemployed for at least one week during 1979 had no health insurance coverage from any source during the year. The rate of noncoverage among the unemployed and their families was nearly twice that reported among family members of workers who were steadily employed during 1979. Sources of health insurance coverage among the unemployed and their families by length of unemployment of the primary family earner are presented in Table 4.

Impediments to Public Policy

Several problems associated with proposals that would publicly provide health insurance to the unemployed, or require employers to continue coverage to workers who are laid off, have impeded their progress in Congress. These include considerations of equity and cost, as well as the impact of these proposals on private employers.

Those who are concerned about the equity of establishing a public program to provide health insurance benefits to workers and their families who lose employer-based coverage after layoff point to the larger problem of noncoverage across the population as a whole. In fact, the unemployed and their families represent only a fraction of all persons without either private health insurance coverage or public insurance eligibility. In 1979, only 16 percent of all persons without health insurance coverage from any source during the

TABLE 4

Sources of Health Insurance Coverage Among Persons in Worker Households, by the Length of Unemployment of the Primary Family Earner, 1979 1/

Source of Coverage	All Persons	No Unemployment	Weeks Unemployed			
			Total	1-4	5-12	13+
Employer Group Plan	65.5	67.5	56.0	62.1	59.6	48.9
Other Private Coverage 2/	14.5	14.9	13.8	12.9	13.6	14.6
Total, Any Private Coverage	76.4	77.1	64.1	69.2	62.4	57.7
Medicare	3.5	3.6	2.8	2.0	1.9	4.2
Medicaid	7.9	7.4	13.9	9.8	10.8	19.2
Total, Any Public Coverage 3/	10.7	10.3	16.0	11.0	12.3	22.4
No Coverage, Any Source	14.6	13.7	24.8	23.0	22.9	27.6

SOURCE: EBRI tabulations of the March 1980 Current Population Survey.

1/ Includes only persons under age 65.
2/ May include persons with public health insurance coverage other than Medicare, Medicaid or the Civilian Health and Medical Plan of the Uniformed Services (CHAMPUS).
3/ Includes persons with coverage under CHAMPUS.

year belonged to families of workers who were unemployed for one week or more. Most persons who were both uninsured and ineligible for public program coverage were in families of either employed workers (65 percent) or persons outside the labor force (19 percent). Extending health insurance coverage to workers and their dependents who lose employer-based coverage at layoff, critics assert, ignores the problem of noncoverage among most persons who are uninsured.

A second concern of those who would establish a public program to provide health insurance to the unemployed is the potential cost of the program. Many characteristics of unemployed workers and their families that would determine program costs have not been established. Further, policymakers fear that any public program might become established as an entitlement, similar to the Medicare and Medicaid programs. Public responsibility for these programs has become a significant and growing burden to taxpayers. Many legislators are reluctant to consider instituting any public program to provide health insurance benefits to the unemployed without agreement on an explicit source of funding for program benefits as well as an explicit termination date for the program. Although several funding sources have been considered by the Congress (including taxation of employer contributions to health insurance and the reduction of Medicare benefits for the elderly), none of these has been included in the proposals ultimately under consideration. All proposals under consideration at the federal level include a termination or "sunset" provision.

Finally, some are concerned about the impact on employers of proposals that would require either the extension of employer-based health insurance to workers who have been laid off, or an open enrollment period for workers whose spouses become unemployed. Critics of these proposals observe that the burden of health insurance benefits for employers would systematically rise during economic recessions, imposing additional labor costs on employers who may be laying off workers to reduce those costs. Because the reduction of employer costs achieved by layoffs would be lessened by the required extension of health insurance benefits, employers would have to lay off more workers to achieve the same reduction in total labor costs. Requiring employers to extend health insurance benefits to workers who are laid off, they believe, would deepen economic recessions by inducing higher rates of unemployment. Similarly, requiring open enrollment seasons for workers whose spouses become unemployed, would raise labor costs for employers who might not otherwise consider laying off workers.

Federal Legislative Proposals

Several legislative proposals that would provide health insurance to unemployed workers and their families are under consideration at the federal level. 5/ Table 5 provides a summary of the major elements of two legislative proposals -- S. 951 and H.R. 3021. Both proposals establish a joint federal-state insurance program (similar to the Medicaid funding arrangement) to directly provide health insurance to the unemployed. Both target persons who are receiving or have exhausted federal supplemental unemployment compensation benefits (UC). The proposals differ, however, in their effort to include the long-term unemployed and to include the unemployed who may not have had employer-based health insurance coverage at the time they were laid off. S.951 defines eligibility for health insurance benefit under a federal-state, minimum coverage insurance program narrowly. Persons who have received UC for six weeks or more, or who had exhausted their UC benefits within the prior six months, would be eligible for benefits, if those persons had lost health insurance coverage as a result of unemployment. H.R. 3021, in contrast, would require a minimum UC recipiency

PROPOSED LEGISLATION TO PROVIDE HEALTH INSURANCE TO THE UNEMPLOYED, 98TH CONGRESS

	S.951	H.R.3021
Eligibility	All unemployed persons (and their immediate family members) covered by a group plan when separated from employment and having received federal supplemental unemployment compensation (UC) for at least six weeks are eligible for benefits. Persons who have exhausted their UC benefits within the prior six months or reemployed persons who were eligible for UC within the prior 30 days also are eligible. Ineligible unemployed persons include: (1) persons with incomes above the state's median income level, adjusted for family size; (2) persons ineligible for UC benefits; (3) persons not participating in a group plan at the time of separation from employment; (4) persons eligible for any other health plan to which an employer or union contributes; (5) persons who are Medicaid-eligible; and (6) other groups of persons as defined by the states. Participation is voluntary.	All unemployed persons (and their immediate family members) having received federal supplemental unemployment compensation (UC) for one week during the prior two years are eligible. States may require (1) a minimum of prior employment or (2) a minimum period of unemployment for eligibility. States must determine standards by which five percent of the plan's federal funding is used to provide means-tested benefits; no more than 5 percent of total federal and state funds can be means-tested.
Coverage Period	Benefits begin 6 weeks after unemployment compensation benefits begin and continue for 6 months or for one month after reemployment. States may determine shorter benefit periods.	Eligible persons are covered for one year or more, as determined by the state, or for one month after reemployment.
Benefits	Benefits are determined by the states, but may not exceed Medicaid benefits for the categorically needy. Plans must provide for minimum ambulatory and institutional services. Payments are secondary to benefits paid by Medicare, private health insurance or coverage under any other benefit program.	Plan must provide (1) unlimited coverage of prenatal, delivery, post-partum and well-baby care; (2) first day coverage of inpatient hospital care; and (3) coverage of minimum ambulatory care. Payments are secondary to benefits paid by Medicare, private health insurance or coverage under any other benefit program.
Beneficiary Cost Sharing	States may set premiums, deductibles and copayments which vary (1) for individual and family coverage, (2) by eligibility group, (3) by service types, (4) for different provider arrangements or (5) for different coverage periods. Premiums may not exceed 8 percent of the individual's weekly UC benefits; deductibles and copayments may not exceed 5 percent of state average monthly UC benefits or those required of Medicaid beneficiaries, whichever is less.	State may impose premiums equal to or less than 5 percent of the individual's UC benefits; premiums for persons not currently receiving UC may not exceed 2 percent of the state average monthly UC benefit. States must impose a deductible for inpatient hospital care equal to at least 10 percent of the Medicaid daily hospital reimbursement rate.
Funding	States receive federal matching grants based on the state's insured unemployment rate (IUR). Federal matching varies between 50 percent (in states with an IUR less than 3 percent) and 95 percent (in states with an IUR of 5 percent or more). All states receive 100 percent federal matching in the first six months of the program.	State matching of federal funds is based on state total unemployment rates. Programs in states with unemployment rates of 10 percent or more, and one-third greater than the national unemployment rate, are entirely federally funded. Minimum federal contribution is 80 percent of publicly-funded program cost.
Employer Participation	Employers with at least 10 employees and who cover dependents under their regular health plan must extend 30-day open enrollment to employees whose spouses become eligible for UC.	Employers with at least 25 employees must offer 31-day open enrollment to employees whose spouses become unemployed (UC eligibility is not required). After January 1, 1985, employers must continue coverage to laid-off workers and their immediate family members for 90 days after the normal coverage termination date. Continued benefits must be previous benefits or coverage of 10 physician visits and 9 hospital days, whichever is less. Employers must contribute to continued benefits and normal benefits equally.
Penalties	Employers who fail to provide open enrollment are fined $500 per case.	Employers who fail to meet coverage requirements are fined 10 percent of their annual nonqualified health expenses.
Sunset	All eligibility for benefits expires January 31, 1986.	All eligibility for state program benefits expires October 1, 1985. Requirement that employers extend coverage to laid-off workers continues indefinitely; the fine for non-compliance, however, expires December 31, 1986.

SOURCE: Employee Benefit Research Institute.

period of only one week, and would include all unemployed workers and their dependents who had received at least one week of UC benefits over the past two years. H.R. 3021 does not define eligibility for public insurance benefits based on prior coverage from an employer group plan. All unemployed workers meeting the minimum UC recipiency standard would be eligible.

The eligibility standards set by S. 951, compared to those set by H.R. 3021, are likely to be stringent, even within the bounds set by UC eligibility. The probability of prior insurance coverage by an employer group plan is relatively low among persons in families of the unemployed, and still lower among families of the long-term unemployed. In 1979, fewer than half of all persons living in families in which the primary earner was unemployed for more than 13 weeks reported coverage from an employer group health plan at any time during the year. The stipulation that those eligible for public insurance coverage must have had prior coverage from an employer group plan is likely to exclude about half of all persons who are within even the six-month reach of S.951's eligibility rule. Persons unemployed for longer periods would be excluded altogether. Although these restrictions may have the advantage of reducing the program's potential cost, as well as reducing the work disincentives that are an inevitable result of unemployment assistance, they do not answer critics' claims that such a program would be highly inequitable.

Employer participation in providing health insurance coverage to the unemployed also differs between the two proposals. S. 951 requires that employers provide an open enrollment period for employees whose spouses become unemployed. Only employers with fewer than ten employees would be exempt from this requirement. H.R. 3021, in contrast, requires a similar open enrollment period, but also requires employers to continue coverage to laid-off workers for 90 days beyond the normal coverage termination date. H.R. 3021 exempts employers with fewer than 25 employees from these requirements.

Requiring an open-enrollment period for employees whose spouses become unemployed has been criticized as imposing additional labor costs on employers. This cost would be greatest and most volatile during periods of economic recession. However, simply because of the public program costs at stake, any legislation to provide health insurance benefits to the unemployed will probably include this feature. Opponents of the open-enrollment requirement have not carefully addressed whether the public financing of these insurance costs is more equitable or more efficient than redistributing health insurance costs among employers.

The 90-day extension of benefits proposed in H.R. 3021 represents a much greater apparent burden for employers than does the open-enrollment provision. Even among employers who continue coverage after layoff, a 90-day extension of that coverage represents more than a 30-percent increase in the average continuation period. Among employers who do not continue coverage, this requirement would represent a major change in coverage and plan costs. Employers might finance this change in a variety of ways. In the absence of reducing the health insurance benefits provided to current employees, these costs could be absorbed in reduced wage gains, reduced rates of other benefit growth, or higher product prices. In addition, employers might respond by

tightening eligibility for coverage under employer group plans, or imposing longer waiting periods -- "entry lags" -- on coverage. Part-time workers and seasonal workers are particularly vulnerable to tighter eligibility standards for employer group coverage.

In addition to these features, the legislation under consideration at the federal level differs in (1) the duration of benefits; (2) the specification of coverage and beneficiary cost-sharing required by the plan; (3) the degree of federal participation in financing the plan and (4) the degree of state discretion allowed in establishing final standards for eligibility, cost-sharing and benefits. In general, it is likely that the plan proposed by H.R. 3021 would be significantly more costly both at the federal and state levels than the plan proposed by S. 951. At the same time, the states would have somewhat less discretion in establishing eligibility and benefits under the H.R. 3021.

With respect to both proposals, however, the legislation being considered is highly experimental. The ultimate cost of either proposal is unknown, although it is likely to be significant. Wherever state discretion is allowed, states are likely to be very restrictive, particularly in the wake of reduced federal participation in Medicaid. The resolution of these proposals, and the establishment of a plan to provide health insurance to the unemployed, represents one of the most adventuresome efforts of this Congress.

Notes

1/ K. Davis and D. Rowland, "Uninsured and Underserved: Inequities in Health Care in the United States." Health And Society 61, no. 2 (Spring 1983): 149-176.

2/ M. Grossman and F. Goldman, "The Responsiveness and Impacts of Public Health Policy: The Case of Community Health Centers." Paper presented at the 109th Annual Meeting of the American Public Health Association (November 1981).

3/ 1979 coverage states rates are supported by EBRI tabulations of the March 1980 Current Population Survey.

4/ Participants in small and medium-size establishments (those with fewer than 250 employees) represent approximately half of all workers who participate in employer group health plans.

5/ Most state legislation under consideration would require either that employers continue coverage for some specified period or that persons covered by an employer plan be allowed to convert to individual coverage at layoff without presenting evidence of insurability. In addition, California, Connecticut, New Jersey, New York, Ohio and Pennsylvania have proposed public-sector plans that would provide basic health benefits to the unemployed. These legislative proposals are summarized in: Intergovernmental Health Policy Project, George Washington University, State Health Notes 35 (April 1983): 2-3.

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