Health Care Coverage for Workers Ages 55–64

WASHINGTON—How likely are “near-elderly” workers—those ages 55–64—to be uninsured? How does that compare with workers as a whole?

Paul Fronstin, director of the Health Research and Education Program at the nonpartisan Employee Benefit Research Institute (EBRI), addressed those and other questions in recent testimony before the Senate Special Committee on Aging. In short, Fronstin reported that despite the vulnerabilities that older individuals face when it comes to health insurance coverage, they are the least likely age group among adults to be uninsured. In 2006, 12.7 percent of individuals ages 55–64 were uninsured, compared with 17.9 percent across all ages.

Here are some of the key points in Fronstin’s testimony, which is available at http://www.ebri.org/pdf/publications/testimony/t150.pdf

- **Slight erosion of coverage:** Like the overall trend for workers, workers ages 55–64 have experienced a slight erosion in coverage and a slight increase in the likelihood of being uninsured. In 2006, 78.4 percent of workers ages 55–64 were covered by an employment-based health plan, down from 80.1 percent in 2003, but higher than the levels seen in the late-1990s. Similarly, the percentage uninsured increased from 9.7 percent in 1999 to 11.1 percent in 2006, which is essentially the same uninsured rate among these workers (11.3 percent) from back in 1994.

- **No erosion of coverage rates for near-elderly retirees:** There was no erosion in health insurance coverage rates among retirees ages 55–64. The percentage of these retirees with employment-based health benefits from either a former employer or spouse bounced around between 56 percent and 60 percent between 1994 and 2006. During this time, the uninsured rate for this group ranged between 13.6 percent and 16.4 percent.

- **Coverage through family member:** Retirees ages 55–64 are becoming more likely to get employment-based coverage through another family member and less likely to get it through a former employer. The percentage of retirees with coverage through a former employer was at 35.4 percent in 2006, the lowest point between 1994 and 2006 except during 2000. Similarly, the percentage of retirees with coverage through a family member was 22.6 percent in 2006, essentially the highest level during 1994–2006.

- **Overall coverage:** In 2006, nearly 162 million individuals under age 65 had health insurance through an employment-based plan. Sixty-two percent were covered by an employment-based health plan, with 70.9 percent of working adults covered, 37.5 percent of nonworking adults covered, and 57.1 percent of children covered.

- **Coverage through a job:** The percentage of workers reporting that they have access to health benefits through their job is largely unchanged from the mid-1990s. In 2005, 74 percent of workers who were not self-employed reported that they were eligible for health benefits through their own job, up slightly from 73.6 percent in 1995, but down from 77.8 percent in 1988.

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