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Health Care Access Among Self-Employed Workers in Nonmetropolitan Counties

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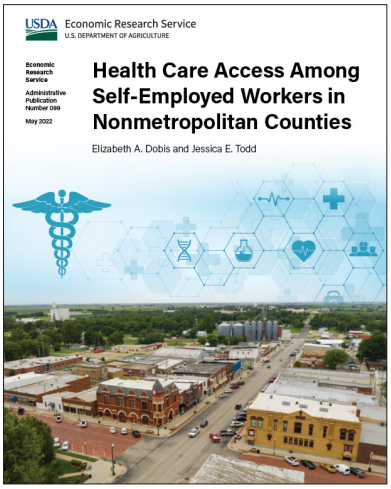
What Is the Issue?



Access to health care involves affordability, which is often tied to health insurance coverage, along with availability of health care facilities and providers. Self-employed workers are less likely to have access to health insurance plans than workers employed by government or private firms, and rural areas may have fewer health care facilities or face other barriers to accessing care. We compared health insurance coverage and medical expenditures between self-employed workers and workers employed by private industry and governments, as well as their households and families, in metropolitan (metro) and nonmetropolitan (nonmetro) counties between 2018 and 2020. We also compared facility and provider availability by the share of self-employed workers in a county among different localities for the 2014 to 2019 period.

What Did the Study Find?

Health insurance coverage rates and sources differed more by age and by whether workers were self-employed than by whether workers lived in a metro or nonmetro location. In 2018, self-employed working-age adults were more likely to be uninsured than those employed by government or other employers. However, a household with both self-employed and private- or government-employed workers was nearly three times less likely to be completely uninsured than one solely self-employed.

More nonmetro self-employed working-age adults were insured through employer-based (group) plans than any other insurance source, likely because they were covered by another household member's employer-based plan. However, direct-purchase plans covered more self-employed working-age adults than those employed in government or private industry. In addition, the share of nonmetro self-employed working-age adults with public insurance (e.g., Medicaid, Medicare) was twice that of those employed by government or private industry.

Retirement-age adults, including those who were self-employed, and their households were less likely to be uninsured than working-age adults. These adults and households were also more likely to be covered by public insurance and have multiple sources of health insurance coverage.

In 2018, family medical expenditures differed more by age and source of health insurance coverage than by metro status or whether family members were self-employed. About half of medical expenditures went to insurance premiums, while the other half went to out-of-pocket spending on deductibles, copays, and over-the-counter products. Families with direct-purchase plans paid the most in per person premiums, on average, while families with public plans paid the least. These spending patterns were consistent across age, whether family members were self-employed, and whether the family lived in a metro area. Families with retirement-age adults had higher per person medical expenditures, on average, than those with no retirement-age adults.

Availability of health care facilities and providers was highly variable across Census regions and metro and nonmetro locations in the United States. In 2017, more counties in the Northeast had hospitals and skilled nursing facilities than in any other region, with the South having the fewest counties with such facilities. In addition, health professional shortage areas completely covered more counties with a high share of self-employed workers than other counties in 2019.

Regional and metropolitan patterns of the availability of hospital beds, physicians, and dentists per 10,000 residents varied more than the number of medical facilities in 2017. The lowest rates of primary care physicians and dentists were in counties with high shares of self-employed workers in the South and Midwest, while the Northeast generally had the highest rates, regardless of the county's worker composition. For facility beds, availability rates were usually higher in nonmetro than metro counties, but no major patterns existed between counties with differing worker compositions.

Differences in uninsured rates between self-employed working-age adults and those employed by government or private industry persisted throughout the COVID-19 pandemic in 2020, but uninsured rates were higher at the beginning of the pandemic in April and May of 2020 than in 2018. Between April 23 and July 21 of 2020, the percentage of people who reported having no health insurance coverage was higher in nonmetro than metro counties but lower among workers who were not self-employed. The percentage of people who were uninsured increased between August 19 and December 21, 2020, due mainly to a decrease in coverage from employer-based health insurance plans.

How Was the Study Conducted?

We defined rural communities as nonmetro counties, where the urban core is less than 50,000 residents and there are not strong commuting ties to an urban core of at least 50,000 residents, and all other areas as metro. Estimates of the self-employed population, their health insurance coverage (and that of their households), and their family medical expenditures in 2018 were obtained from the 2019 Current Population Survey Annual Social and Economic Supplement. County health care facility and provider data were obtained from the 2018–19 Area Health Resource File and were supplemented using data on the share of self-employed workers from the 2014–18 American Community Survey. Data from the U.S. Bureau of the Census' experimental Household Pulse Survey collected from April 23 to December 21, 2020, were used to study changes in employment, income, health insurance coverage, and self-reported health status during the COVID-19 pandemic in 2020.