

# POLICY PERSPECTIVES

*Center for the Study of Women in Society*

UNIVERSITY OF OREGON · WOMEN IN THE NORTHWEST RESEARCH INITIATIVE · NO. 1



## Center for the Study of Women in Society

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Information provided in **Policy Perspectives** is based on research conducted by the CSWS Welfare Research Team under the auspices of the Women in the Northwest Research Initiative. For the full text of the study, released in January 2001, *Oregon Families who Left Temporary Assistance to Needy Families (TANF) or Food Stamps: A Study of Economic and Family Well-Being, 1998–2000*, see the CSWS website, <http://www.uoregon.edu/>

## Welfare Research Team

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The **Women in the Northwest Research Initiative** generates and disseminates research that informs social policy, public understanding, and scholarship to improve the lives of women, families, and communities.

**This *Policy Perspectives* presents data from “Oregon Families Who Left Temporary Assistance to Needy Families (TANF) and Food Stamps: A Study of Economic and Family Well-Being, 1998 to 2000.”** (Available at <http://www.uoregon.edu>)

## THE OREGON HEALTH PLAN

Lois Taylor,\* a forty-four-year-old white woman and single mother, was able to secure a full-time position at a factory job, but soon after lost her Oregon Health Plan eligibility. At the time of contact with this study, she was also on the verge of losing coverage for her two children. She was unable to apply for insurance through her work for at least six months and even then, she was afraid that the health insurance premiums would be prohibitive.

*“I’ve been pretty lucky. Had I been sick, I wouldn’t have had the insurance to cover it.”*

Taylor reported putting off necessary dental care and going for periods without prescribed medications to save on expenses. *“It’s always the need for the medical care versus the income. Because once you get a little bit of income you lose the medical and that can be difficult.”*

—Lois Taylor, Food Stamp Leaver

The Oregon Health Plan is an essential support for families leaving Temporary Assistance to Needy Families or families who apply for TANF but, for one reason or another, do not complete their applications—those referred to as “diverted.” As Table 1 shows, 87 percent of families in the study done by the Center for the Study of Women in Society used Oregon Health Plan benefits in the two years after leaving TANF.

**TABLE 1: USAGE OF OREGON HEALTH PLAN (OHP) BY TANF LEAVERS AND TANF DIVERTED**

<b>Never used OHP</b>	48 (12%)
<b>Used OHP</b>	326 (87%)
1–3 (months)	53 (14%)
4–6	43 (11%)
7–9	45 (12%)
10–12	33 (9%)
13–15	49 (13%)
16–18	33 (9%)
19–21	70 (19%)
<b>TOTAL</b>	374 (100%)

Source: Administrative Record Data, Adult and Family Services, State of Oregon, February 1998–October 1999.

In spite of the wide use of the Oregon Health Plan, 29 percent of those leaving TANF and the Food Stamp program had no health insurance coverage, as Table 2 (side 2) shows. One reason for this was that many families lost OHP coverage as their incomes even slightly exceeded the limits for OHP eligibility. Lois Taylor’s experience, described above, illustrates this problem. Some faced an unexpected medical emergency soon after losing coverage, finding themselves with a debt they might never be able to pay.

**TABLE 2: TYPE OF HEALTH INSURANCE COVERAGE: TANF LEAVERS, TANF DIVERTED, AND FOOD STAMP LEAVERS AT SECOND SURVEY**

	OHP/Medicare	Other	None	Don't know	Total
<b>TANF leaver</b>	96 (46%)	59 (28%)	55 (26%)	-	210 (100%)
<b>TANF diverted</b>	68 (42%)	50 (30%)	45 (27%)	1 (1%)	164 (100%)
<b>Food Stamp leaver</b>	128 (34%)	131 (34%)	118 (31%)	5 (1%)	382 (100%)
<b>TOTAL</b>	292 (38%)	240 (32%)	218 (29%)	6 (1%)	756 (100%)

Source: Second Survey of Welfare and Food Stamp Leaver and Diverted Study

Thirty-two percent of those in the study had “other” medical insurance almost two years after leaving Adult and Family Service programs. “Other” was usually employer provided coverage. But for many families in the study, the premiums and co-payments in these plans were so expensive that low-wage earners could not afford them.

Laura Simms\*, a Food Stamp Leaver, talks about these problems:

*“I’m only making \$7.50 an hour. How can I be over the (OHP) line? I think they need to look at people’s actual situations. Sure the minimum wage went up, but so has everyone’s rent, electricity, everything else has gone up right along with it . . . medical is big because I know what not having medical for three months did to me. When you’re stuck with that decision, well does my child go to the doctor, you know? And you hold off as long as you can.”*

**TABLE 3: MEAN (AVERAGE) TAKE-HOME (NET) EARNINGS OF EMPLOYED RESPONDENTS**

At first survey (n=970)		At second survey (n=756)	
Number with earnings	Average take-home pay/month	Number with earnings	Average take-home pay/month
65% (636)	\$990.24	69% (525)	\$1,016.32

Source: First and Second Surveys of Welfare and Food Stamp Leaver and Diverted Study

Despite employment and long hours of work, earnings were low. The average or mean monthly take-home pay of the full sample of those employed twelve to fifteen months after leaving assistance (636) was \$990.24. Six months later the average monthly take-home pay was \$1,016.32, an increase in monthly income of \$26.06. Average earnings for women were lower: \$966 per month at eighteen to twenty-one months after leaving.

Given the low take-home earnings among these TANF diverted and TANF and Food Stamp Leavers, it is unlikely that many will be able to purchase private health insurance without employer or state subsidies.

**RECOMMENDATIONS:**

- **Allocate matching funds for the national Children’s Health Insurance Program so that more uninsured Oregon children will have access to health care.**
- **Increase outreach and information about the Oregon Health Plan.**
- **Raise the income eligibility limits so that more poor families can qualify for the Oregon Health Plan.**
- **Lower co-payments so that more families can use the Oregon Health Plan.**
- **Allocate matching funds to more fully fund health safety-net service.**

\*Names have been changed for the purposes of this report.