Employer Health Benefit Survey

Release Slides
Tuesday, August 20, 2013
Cumulative Increases in Health Insurance Premiums, Workers’ Contributions to Premiums, Inflation, and Workers’ Earnings, 1999-2013

Average Annual Premiums for Single and Family Coverage, 1999-2013

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Average Annual Worker Premium Contributions and Total Premiums for Covered Workers, Single and Family Coverage, by Firm Size, 2013

<table>
<thead>
<tr>
<th></th>
<th>All Small Firms (3-199 Workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td>$5,711</td>
<td>$5,967</td>
</tr>
<tr>
<td>Worker Contribution*</td>
<td>$862</td>
<td>$1,065</td>
</tr>
<tr>
<td><strong>Family Coverage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium*</td>
<td>$15,581</td>
<td>$16,715</td>
</tr>
<tr>
<td>Worker Contribution*</td>
<td>$5,284</td>
<td>$4,226</td>
</tr>
</tbody>
</table>

* Estimates are statistically different between All Small Firms and All Large Firms (p<.05).

Many Workers are Lower-Wage

Many Workers are Higher-Wage

Family Coverage

$15,225

$9,407 *

$5,818 *

$12,959 *

$4,030 *

Single Coverage

$5,450 *

$4,216 *

$1,234 *

$5,071 *

$954 *

NOTE: Firms with many lower-wage workers are ones where 35% or more of employees earn $23,000 or less. Firms with many higher-wage workers are ones where 35% or more of employees earn $56,000 or more. Wage cutoffs are the inflation adjusted 25th and 75th percentile of national wages according to Bureau of Labor Statistics using data from the Occupational Employment Statistics (OES) (2011). 1% of covered workers are in firms which are both high income and low income, excluding these firms does not change the estimates or significance testing.

*Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: Estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits. The percentage of firms offering health benefits is largely driven by small firms. The large increase in 2010 was primarily driven by a 12 percentage point increase in offering among firms with 3 to 9 workers. In 2011, 48% of firms with 3 to 9 employees offer health benefits, a level more consistent with levels from recent years other than 2010. The overall 2011 offer rate is consistent with the long term trend, indicating that the high 2010 offer rate may be an aberration.

Among Firms with 50 or More Workers, Percent of Firms Offering Health Benefits, 2013

Percent of Firms that Do Not Offer Health Benefits
7%

Percent of Firms Offering Health Benefits
93%

Percentage of Firms Offering Health Benefits, by Firm Characteristics, 2013

**Low Wage Level**
- Less Than 35% Earn $23,000 a Year or Less *: 60%
- 35% or More Earn $23,000 a Year or Less *: 23%

**High Wage Level**
- Less Than 35% Earn $56,000 a Year or More *: 49%
- 35% or More Earn $56,000 a Year or More *: 69%

**Younger Workers**
- Less Than 35% of Workers Are Age 26 or Younger *: 59%
- 35% or More Workers Are Age 26 or Younger *: 23%

**Older Workers**
- Less Than 35% of Workers Are Age 50 or Older: 51%
- 35% or More Workers Are Age 50 or Older: 58%

* Estimates are statistically different from each other within category (p<.05).

# Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Conventional</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
<th>HDHP/SO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>73%</td>
<td>16%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>46%</td>
<td>21%</td>
<td>26%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>1996</td>
<td>27%</td>
<td>31%</td>
<td>28%</td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>1999</td>
<td>10%</td>
<td>28%</td>
<td>39%</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>2000</td>
<td>8%</td>
<td>29%</td>
<td>42%</td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td>2001</td>
<td>7%</td>
<td>24%</td>
<td>46%</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>2002</td>
<td>4%</td>
<td>27%</td>
<td>52%</td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>2003</td>
<td>5%</td>
<td>24%</td>
<td>54%</td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>5%</td>
<td>25%</td>
<td>55%</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>2005</td>
<td>3%</td>
<td>21%</td>
<td>61%</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>2006</td>
<td>3%</td>
<td>20%</td>
<td>60%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>2007</td>
<td>3%</td>
<td>21%</td>
<td>57%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>2008</td>
<td>2%</td>
<td>20%</td>
<td>58%</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>2009</td>
<td>1%</td>
<td>20%</td>
<td>60%</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>1%</td>
<td>19%</td>
<td>58%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>2011</td>
<td>1%</td>
<td>17%</td>
<td>55%</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>2012</td>
<td>&lt;1%</td>
<td>16%</td>
<td>56%</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>2013</td>
<td>&lt;1%</td>
<td>14%</td>
<td>57%</td>
<td></td>
<td>9%</td>
</tr>
</tbody>
</table>

NOTE: Information was not obtained for POS plans in 1988. A portion of the change in plan type enrollment for 2005 is likely attributable to incorporating more recent Census Bureau estimates of the number of state and local government workers and removing federal workers from the weights. See the Survey Design and Methods section from the 2005 Kaiser/HRET Survey of Employer-Sponsored Health Benefits for additional information.

Percent of Covered Workers Enrolled in a Plan That Includes a General Annual Deductible, 2006-2013

* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Between 2012 and 2013 we did not collect information on the attributes of conventional plans, to be conservative, we assumed conventional plans did not have a deductible. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

Average General Annual Deductible Among Covered Workers Enrolled in a Plan with a Deductible for Single Coverage, by Firm Size, 2006-2013

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006-2013

* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: These estimates include workers enrolled in HDHP/SO and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

Among All Large Firms (200 or More Workers) Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits, 1988-2013

NOTE: Tests found no statistical difference from estimate for the previous year shown (p<.05). No statistical tests are conducted for years prior to 1999.

Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Firm Size, 1999-2013

* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: Sixty-one percent of covered workers are in a partially or completely self-funded plan in 2013. Due to a change in the survey questionnaire, funding status was not asked of firms with conventional plans in 2006. Therefore, conventional plan funding status is not included in the averages in this exhibit for 2006. For definitions of Self-Funded and Fully Insured plans, see the introduction to Section 10.

Grandfathering Under the Affordable Care Act (ACA), by Firm Size, 2011-2013

<table>
<thead>
<tr>
<th>Percentage of Covered Workers in a Grandfathered Health Plan</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Small Firms (3-199 Workers)</td>
<td>63%</td>
<td>54%*</td>
<td>49%</td>
</tr>
<tr>
<td>All Large Firms (200 or More Workers)</td>
<td>53%</td>
<td>46%</td>
<td>30%*</td>
</tr>
<tr>
<td>ALL FIRMS</td>
<td>56%</td>
<td>48%*</td>
<td>36%*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Firms with At Least One Grandfathered Plan</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Small Firms (3-199 Workers)</td>
<td>72%</td>
<td>58%*</td>
<td>54%</td>
</tr>
<tr>
<td>All Large Firms (200 or More Workers)</td>
<td>61%</td>
<td>57%</td>
<td>43%*</td>
</tr>
<tr>
<td>ALL FIRMS</td>
<td>72%</td>
<td>58%*</td>
<td>54%</td>
</tr>
</tbody>
</table>

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: For definitions of Grandfathered health plans, see the introduction to Section 13.

Among Firms Offering Health Benefits, Distribution of Firms’ Opinions on the Effectiveness of the Following Strategies to Contain Health Insurance Costs, 2013

- **Wellness Programs**: 35% Very Effective, 32% Somewhat Effective, 24% Not Too Effective, 9% Not At All Effective, 1% Don’t Know
- **Consumer-Driven Health Plans (Ex: High-Deductible Plan Combined with a Health Savings Account)**: 41% Very Effective, 21% Somewhat Effective, 14% Not Too Effective, 4% Not At All Effective, 1% Don’t Know
- **Disease Management Programs**: 32% Very Effective, 29% Somewhat Effective, 22% Not Too Effective, 17% Not At All Effective, 2% Don’t Know
- **Higher Employee Cost Sharing**: 33% Very Effective, 26% Somewhat Effective, 20% Not Too Effective, 4% Not At All Effective, 4% Don’t Know
- **Tighter Managed Care Restrictions**: 37% Very Effective, 27% Somewhat Effective, 24% Not Too Effective, 8% Not At All Effective, 4% Don’t Know

Among Firms Offering Health Benefits, Percentage Offering a Particular Wellness Program to Their Employees, by Firm Size, 2013

- **Offer at Least One Specified Wellness Program***
  - All Large Firms (200 or More Workers): 99%
  - All Small Firms (3-199 Workers): 76%

- **Other Wellness Program***
  - All Large Firms: 26%
  - All Small Firms: 10%

- **Class in Nutrition/Healthy Living***
  - All Large Firms: 50%
  - All Small Firms: 20%

- **Flu Shot or Vaccinations***
  - All Large Firms: 87%
  - All Small Firms: 53%

- **Employee Assistance Program (EAP)***
  - All Large Firms: 79%
  - All Small Firms: 22%

- **Weight Loss Programs***
  - All Large Firms: 58%
  - All Small Firms: 31%

- **Biometric Screening***
  - All Large Firms: 55%
  - All Small Firms: 26%

- **Lifestyle or Behavioral Coaching***
  - All Large Firms: 57%
  - All Small Firms: 33%

- **Wellness Newsletter***
  - All Large Firms: 60%
  - All Small Firms: 47%

- **Web-based Resources for Healthy Living***
  - All Large Firms: 78%
  - All Small Firms: 47%

- **Smoking Cessation Program***
  - All Large Firms: 71%
  - All Small Firms: 39%

- **Gym Membership Discounts or On-Site Exercise Facilities***
  - All Large Firms: 69%
  - All Small Firms: 21%

* Estimate is statistically different between All Small Firms and All Large Firms within category (p<.05).

NOTE: Biometric screening is a health examination that measures an employee's risk factors.

Among Firms Offering Health Benefits, The Use of Financial Incentives for Participating in Various Health Programs, by Firm Size, 2013

*Percent of firms offering incentives is among firms offering health benefits who also offer the specified health program or activity.

~ Includes the following wellness programs: weight loss programs, biometric screenings, gym membership discounts or on-site exercise facilities, smoking cessation program, lifestyle or behavioral coaching, classes in nutrition or healthy living, web-based resources for healthy living, flu shots or vaccinations, or employee assistance programs (EAP) or a wellness newsletter.

^ Among Firms Offering Health and Wellness Benefits. Any financial incentive indicates firms that offer employees who participate in wellness programs one of the following incentives: smaller premium contributions, smaller deductibles, higher HRA or HSA contributions, or gift cards, travel, merchandise, or cash.

``Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

‡ A health risk assessment includes questions about medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed.

Percentage of Firms whose Largest Plan Covers Care Received at Retail Clinics, and Percentage of Firms who Offer a Financial Incentive to do so, by Firm Size, 2013

NOTE: Tests found no statistical difference between All Small Firms and All Large Firms within category. A retail clinic is a health care clinic located in retail stores, supermarkets and pharmacies that treats minor illnesses and provides preventive health care services, such as flu shots.

Among Large Firms (200 or More Employees) Offering Health Benefits, the Percentage of Firms Considering Offering Benefits Through a Private Exchange, by Firm Size, 2013

NOTE: A private exchange is created by a private company or consulting company where the employer offers a defined contribution for their employees and the employees choose among different health plan options from different health insurers selected by the exchange. The employees pays the difference between the defined contribution and the cost of the health insurance option that they choose.


Note: The overall percentage of firms whose largest plan includes a high performance provider network is not significantly different between 2013 and previous years the question was included in the survey (2007, 2010, 2011) (p<.05). A high performance network is one that groups providers within the network based on quality, cost, and/or efficiency of care they deliver.
