

STATISTICAL BRIEF #150

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Offer Rates, Take-Up Rates, Premiums, and Employee Contributions for Employer-Sponsored Health Insurance in the Private Sector for the 10 Largest Metropolitan Areas, 2004

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Introduction

Employer-sponsored health insurance for current workers is one of the primary sources of health insurance coverage in the United States. According to data from the Insurance Component of the 2004 Medical Expenditure Panel Survey (MEPS-IC), approximately 97.2 million of the 112.1 million employees from the private sector worked in firms where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 60.9 million were enrolled.

In recent years, premiums and employee contributions for employer-sponsored health insurance have risen dramatically, while offer and enrollment rates have dropped modestly. These values for employer-sponsored health insurance vary considerably by where one lives and other factors, such as size of firm and industry.

This Statistical Brief presents average offer and take-up rates, single and family premiums, and single and family employee contributions for private sector employers in the 10 largest metropolitan areas and compares these values to national averages for the private sector. Only those estimates with a statistically significant difference from the national average at the 5 percent significance level are noted in the text.

Findings

Among the 112.1 million private sector employees in the United States, 86.7 percent worked where employer-sponsored health insurance was offered in 2004 (figure 1). Among the 10 largest metropolitan areas, four—Chicago, Philadelphia, Washington, D.C., and Detroit—had rates higher than the national average, at 91.1, 92.9, 92.9, and 92.4 percent, respectively.

Among private sector employees who worked where health insurance was offered, 62.6 percent enrolled (figure 2). The

Highlights

- In 2004, 86.7 percent of private sector employees worked where health insurance was offered. This value varied significantly across the 10 largest metropolitan areas, and in 4 of the 10 areas, the rate was higher than the national average.
- In 2004, 62.6 percent of private employees who worked where health insurance was offered enrolled. Of the 10 largest metropolitan areas, only one had a higher than average rate of enrollment among those who worked where insurance was offered.
- The average premium for single coverage among private sector employers who offered health insurance was \$3,705. Among the 10 largest metropolitan areas, the average ranged from \$3,289 to \$4,108.
- The average private sector employee contribution for single coverage was \$671. Only one of the 10 largest metropolitan areas had an average single contribution significantly different from the national average.
- The average premium for family coverage in 2004 among private sector employers who offered health insurance was \$10,006. Among the 10 largest metropolitan areas, 3 had averages higher than the national average.
- The average private sector employee contribution for single coverage was \$2,438. This value varied significantly among the 10 largest metropolitan areas.

enrollment rates for 9 of the 10 largest metropolitan areas did not differ significantly from the national average. Only New York City, which had a rate that was higher than average of 68.4 percent, differed from the national average.

In 2004, the average single premium in the private sector for employer-sponsored health insurance was \$3,705 (figure 3). Several of the 10 largest metropolitan areas had average single premiums that differed from this value. New York City and Washington, D.C. had averages of \$4,040 and \$4,108, respectively; both of these values were higher than the national average. Los Angeles and Atlanta both had average single premiums lower than the national average, with values of \$3,421 and \$3,289, respectively.

In 2004, among private sector employers, the average employee contribution for single coverage was \$671 (figure 4). Among the 10 largest metropolitan areas, only the average for Los Angeles, \$554, differed significantly from the national average.

Among private sector employers, the average premium for family coverage in 2004 was \$10,006 (figure 5). Three of the 10 largest metropolitan areas—New York City, Philadelphia, and Washington, D.C.—had higher averages, at \$11,244, \$10,999 and \$11,010, respectively.

In 2004, the average private sector employee contributed \$2,438 towards family coverage for employer-sponsored health insurance (figure 6). Among the 10 largest metropolitan areas, New York and Detroit had lower than average values of \$1,851 and \$1,926 respectively. The values for Houston and Washington, D.C. were higher than average, at \$3,126 and \$3,276, respectively.

Data Source

This Statistical Brief summarizes data from the 2004 MEPS-IC. The data are available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/quick_tables.jsp or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

Employer

In this Statistical Brief, an employer is defined as a private sector firm. A firm is defined as a business entity that controls one or more business establishments or locations. Consequently, an employer can have multiple work locations.

Single coverage

Single coverage is health insurance that covers the employee only. This is also known as employee-only coverage.

Family coverage

Family coverage is health insurance that covers the employee and one or more members of his/her immediate family (spouse and/or children as defined by the plan). For the MEPS-IC survey, "family coverage" is any coverage other than single and employee-plus-one. Some plans offer more than one rate for family coverage, depending on family size and composition. If more than one rate is offered, survey respondents are asked to report costs for a family of four.

Metropolitan areas

Metropolitan areas are Metropolitan Statistical Areas (MSAs) defined and published by the Office of Management and Budget (OMB) as of June 6, 2003. Counties included in each area can be found in the Appendix of OMB Bulletin No. 04-03, located at <http://www.whitehouse.gov/omb/bulletins/fy04/b04-03.html>.

Size and ranking of metropolitan area was determined using the most recent U.S. Census Bureau ranking (http://www.census.gov/population/www/estimates/Estimates%20pages_final.html).

Note that the name of the central city of each MSA has been used in the text and tables for convenience and brevity. The areas consist of more than the central cities. For instance, Washington, D.C. consists of the central city plus counties in Maryland, Virginia, and West Virginia.

About MEPS-IC

The MEPS-IC is a survey of business establishments and governments that collects information on employer-sponsored health insurance, such as whether insurance is offered, enrollments, types of plans, and premiums. The survey is conducted annually by the U. S. Census Bureau under the sponsorship of the Agency for Healthcare Research and Quality (AHRQ). The yearly response rate has averaged 78 percent for in-scope sample units. Approximately 4 percent of the original sample has been out-of-scope in a typical year. A total sample of 42,000 establishments was selected for the 2004 survey, prior to accounting for losses due to nonresponse and out-of-scope cases.

For more information on this survey, see MEPS Methodology Reports 6, 8, 10, and 14 on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/publications.jsp and Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp.

Suggested Citation

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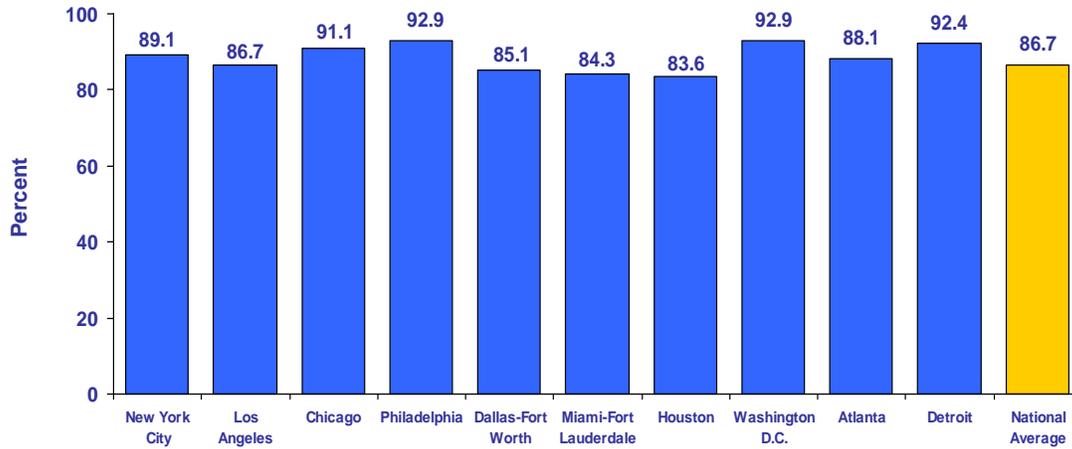
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at meps@d@ahrq.gov or send a letter to the address below:

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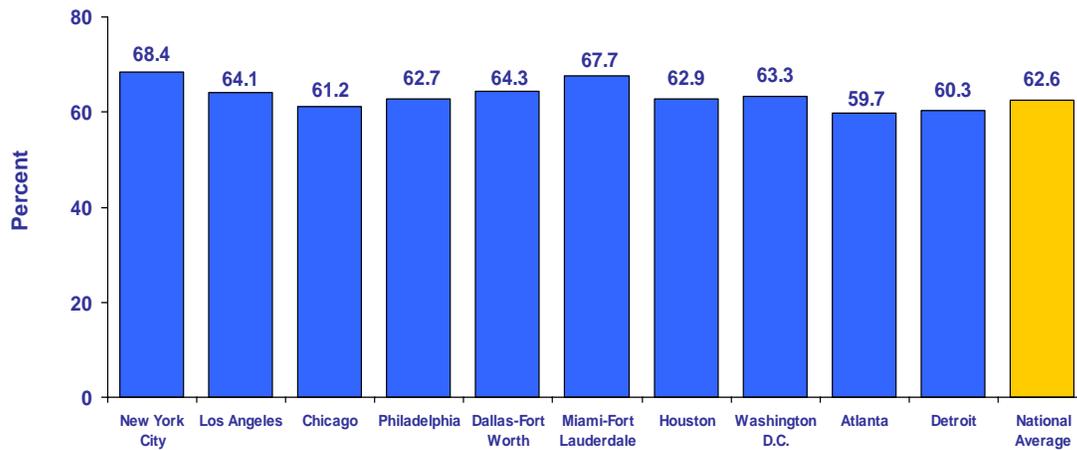
Figure 1. Percentage of private sector employees who worked where health insurance was offered, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



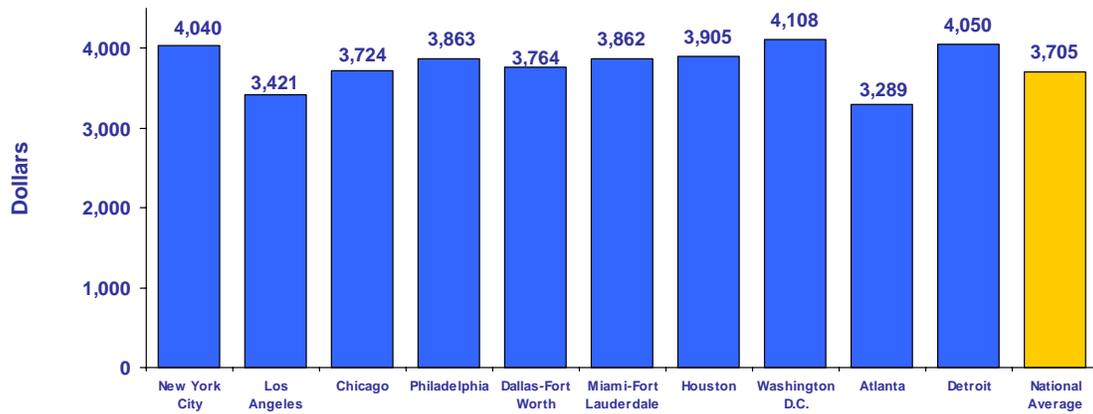
Figure 2. Percentage of private sector employees enrolled in health insurance in establishments that offered health insurance, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



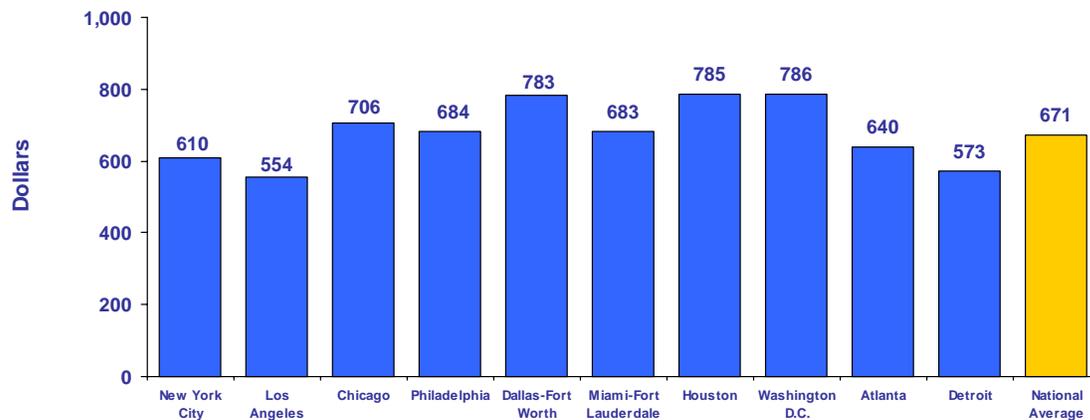
Figure 3. Average single premium per enrolled employee at private sector establishments offering health insurance, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



Figure 4. Average single contribution per enrolled employee at private sector establishments offering health insurance, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



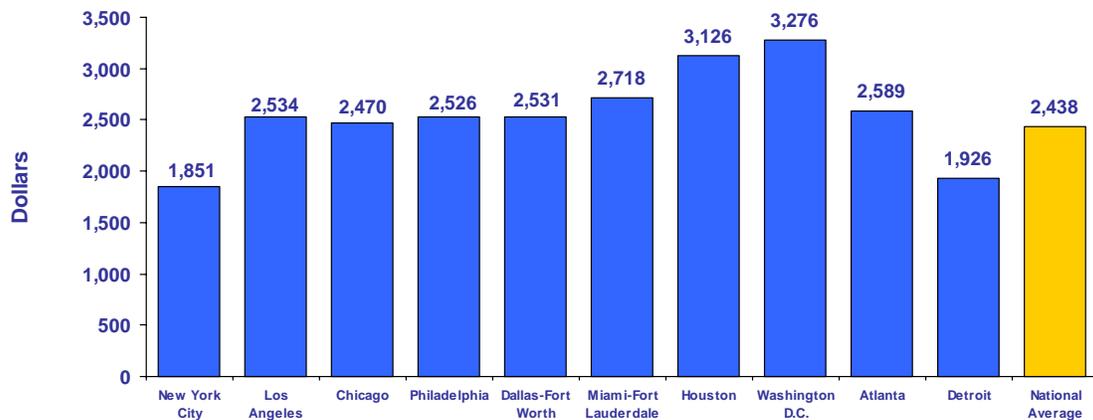
Figure 5. Average family premium per enrolled employee at private sector establishments offering health insurance, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



Figure 6. Average family contribution per enrolled employee at private sector establishments offering health insurance, United States and 10 largest metropolitan areas, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004