

STATISTICAL BRIEF #219

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Co-pays, Deductibles, and Coinsurance Percentages for Employer-Sponsored Health Insurance in the Non-Federal Workforce, by Industry Classification, 2006

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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 2006 Medical Expenditure Panel Survey Insurance Component (MEPS-IC), approximately 119.1 million of the 134.1 million employees from the combined workforce of the private sector and all state and local governments—non-Federal employees—worked where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 73.3 million were enrolled. (Data not shown in tables.)

In recent years premiums for employer-sponsored health insurance have risen dramatically. However, premium costs are only a portion of the costs of health insurance. Other factors, such as whether an employee has a deductible, the size of deductibles and the size of co-pays also contribute to differences in cost of care.

This Statistical Brief examines what percentage of enrollees pay a deductible and the size of deductibles, what percentage pay co-pays and the size of co-pays, and also coinsurance percentages. These values are compared by industry classification. Only those estimates that had a statistically significant difference from the national average at the 0.05 percent significance level are noted in the text.

Findings

Among the 73.3 million non-Federal employees enrolled in employer-sponsored health insurance in 2006, 62.6 percent were enrolled in a plan which required they meet an annual deductible (figure 1). This percentage varied significantly by industry. A lower than average percentage of enrollees from State and Local Governments, 44.6 percent, had a plan with a deductible, while the percentage of employees who had a deductible was higher than average for employees in Mining and Manufacturing (70.2 percent), Construction (69.8 percent), Wholesale Trade (68.0 percent), Retail Trade (74.7 percent) and Other Services (70.4 percent).

Highlights

- In 2006, 62.6 percent of non-Federal employees enrolled in employer-sponsored health insurance were required to pay a deductible by their health insurance plan.
- In 2006, non-Federal employees enrolled in employer-sponsored health insurance who were required to pay a deductible had an average single deductible of \$682 and an average family deductible of \$1,300. Both of these values varied significantly by the employee's industry.
- Three-quarters of non-Federal employees enrolled in employer-sponsored health insurance paid a co-pay for each doctor visit. The average dollar co-pay among these enrollees was \$18.74. The amounts varied significantly by industry.
- The average coinsurance for a doctor visit for employees enrolled in employer-sponsored health insurance was 18.4 percent.

Among enrollees who paid a deductible, the size of both single and family deductibles varied by industry in 2006. Enrollees who paid deductibles in the Construction and Retail Trade industries paid average single deductibles of \$934 and \$768, respectively, both higher than the national non-Federal average of \$682 (figure 2). Enrollees who paid deductibles in State and Local Governments paid an average single deductible of \$462, a value lower than the national average.

Among those employees who paid deductibles, those in the Retail Trade industry paid an average family deductible of \$1,646, higher than the national non-Federal average of \$1,300 (figure 3). Enrollees with deductibles in State and Local Governments and the Mining and Manufacturing industry paid average family deductibles of \$937 and \$1,180, respectively, less than the 2006 national non-Federal average.

In 2006, 75.4 percent of non-Federal enrollees in employer-sponsored health insurance paid a co-pay for an office visit (figure 4). In the Retail Trade industry, the percentage was lower than average, 65.3 percent. In Professional Services and State and Local Governments, 78.7 and 77.7 percent, respectively, of the enrollees paid a co-pay for an office visit. Both these values were higher than the national average.

On average, the 2006 co-pay for non-Federal enrollees with co-pays was \$18.74 (figure 5). Enrollees with co-pays in Mining and Manufacturing, Construction, and Retail Trade paid higher than average amounts of \$19.53, \$20.73 and \$20.76, respectively. Enrollees with co-pays in State and Local Governments paid a lower than average amount of \$16.02.

Persons who do not have co-pays have a percent coinsurance. For non-Federal enrollees in 2006, the average coinsurance for an office visit for those enrollees who paid a coinsurance was 18.4 percent (figure 6). Enrollees with coinsurance in the Construction and Retail Trade industries paid higher than average rates of 19.7 and 19.3 percent, respectively.

Data Source

This Statistical Brief summarizes data from the 2006 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 using the confidential MEPS-IC data available at the United States Bureau of the Census.

Definitions

In this Statistical Brief, non-Federal employees include those working in private sector firms and state or local governments. Industry groups are defined within the private sector, in addition to one for all state and local government functions. The definitions for private industries are based on the North American Industrial Classification System.

Deductible

A deductible is a fixed dollar amount during the benefit period, usually a year, that an insured person pays before the insurer starts to make payments for covered medical services. Plans may have both per individual and family deductibles. Some plans may have separate deductibles for specific services. For example, a plan may have a hospitalization deductible per admission. Deductibles may differ if services are received from an approved provider or if received from providers not on the approved list.

Co-pay

A co-pay is a form of medical cost sharing in a health insurance plan that requires an insured person to pay a fixed dollar amount when a medical service is received, regardless of the total charge for service. The insurer is responsible for the rest of the reimbursement. There may be separate co-pays for different services. For example, an enrollee may pay a \$10 co-pay for each doctor's office visit, \$75 for each day in the hospital, and \$5 for each prescription. Some plans require that a deductible first be met for some specific services before a co-pay applies.

Coinsurance

Coinsurance is a form of medical cost sharing in a health insurance plan that requires an insured person to pay a stated percentage of medical expenses after the deductible amount, if any, has been paid. Once any deductible amount and coinsurance are paid, the insurer is responsible for the rest of the

reimbursement for covered benefits up to allowed charges; the individual could also be responsible for any charges in excess of what the insurer determines to be “usual, customary, and reasonable.” Coinsurance rates may differ if services are received from an approved provider (i.e., a provider with whom the insurer has a contract or an agreement specifying payment levels and other contract requirements) or if received by providers not on the approved list. In addition to overall coinsurance rates, rates may also differ for different types of services.

About MEPS-IC

The MEPS-IC is a survey of business establishments and governments which 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 United States Bureau of the Census under the sponsorship of the Agency for Healthcare Research and Quality (AHRQ). The private sector 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 private sector establishments was selected for the 2006 survey, prior to accounting for losses due to nonresponse and out-of-scope cases. A total sample of 3,000 units was selected for state and local governments for 2006. The yearly response rate for the government sample has averaged 92 percent.

For more information on this survey, see MEPS Methodology Report's 6, 8, 10, 14, 17, and 18 on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/publications.jsp and the Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp.

Suggested Citation

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http://www.meps.ahrq.gov/mepsweb/data_files/publications/st219/stat219.pdf

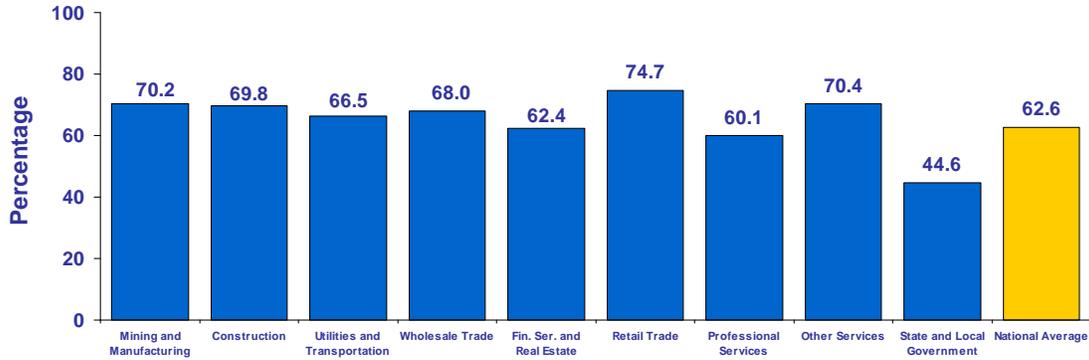
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 mepsprojectdirector@ahrq.hhs.gov or send a letter to the address below:

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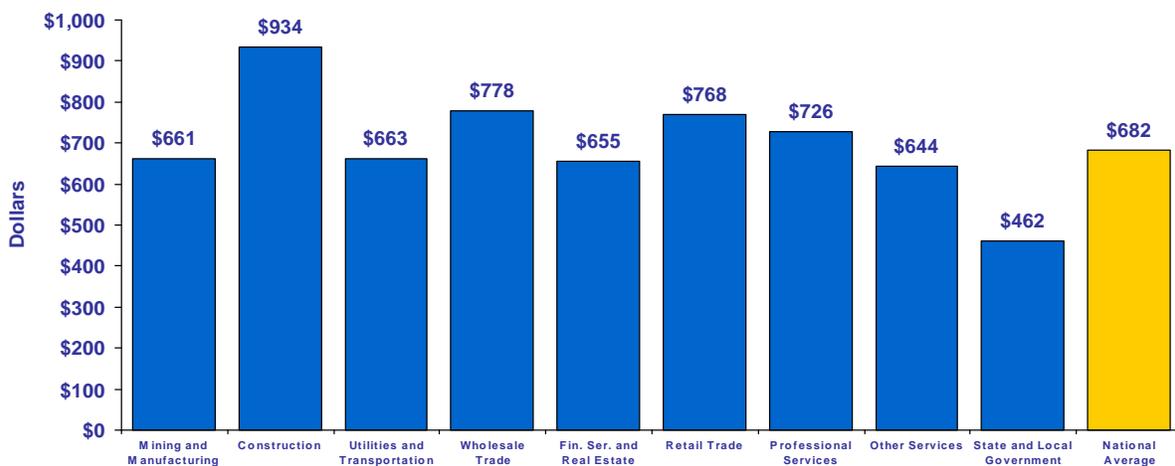
Figure 1. Percentage of non-Federal employees enrolled in a plan with a deductible, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



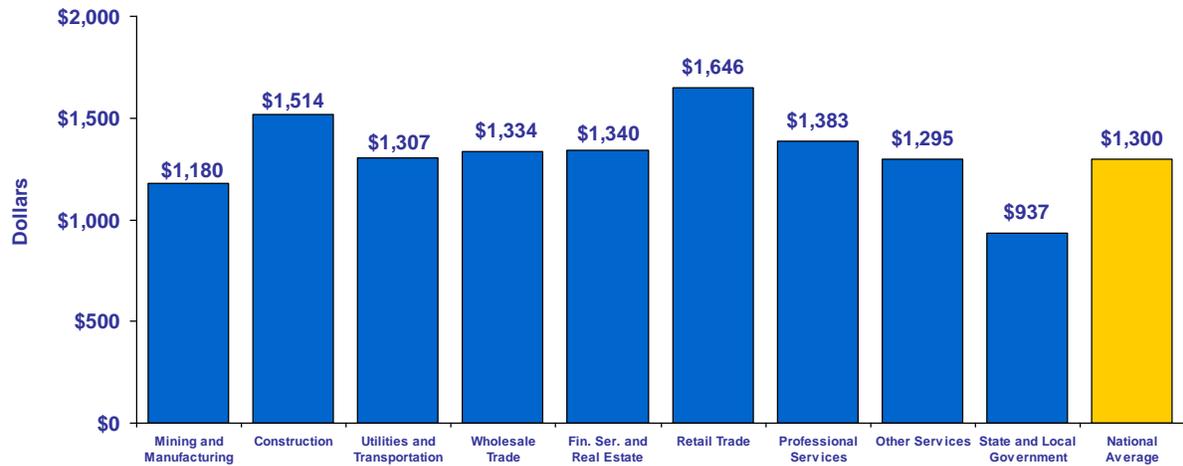
Figure 2. Average single deductible of non-Federal employees enrolled in a plan with a deductible, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



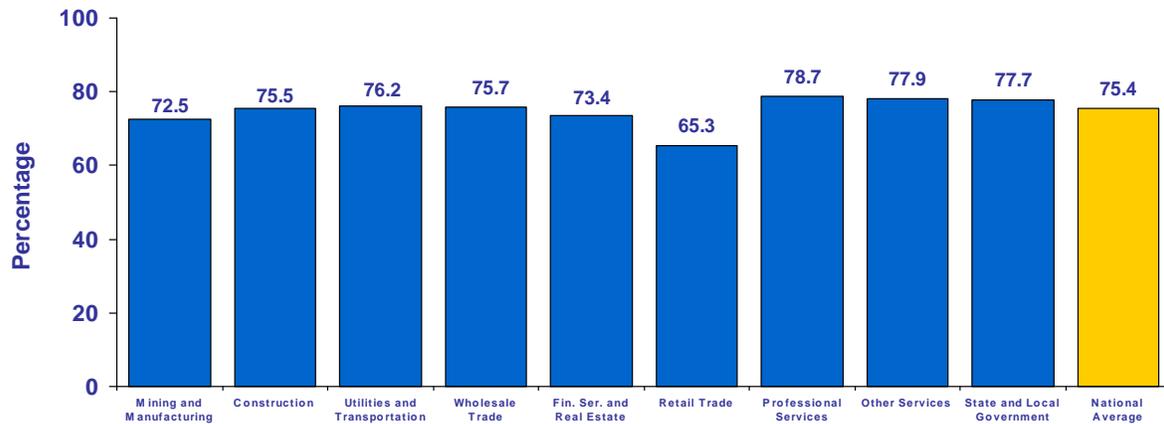
Figure 3. Average family deductible of non-Federal employees enrolled in a plan with a deductible, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



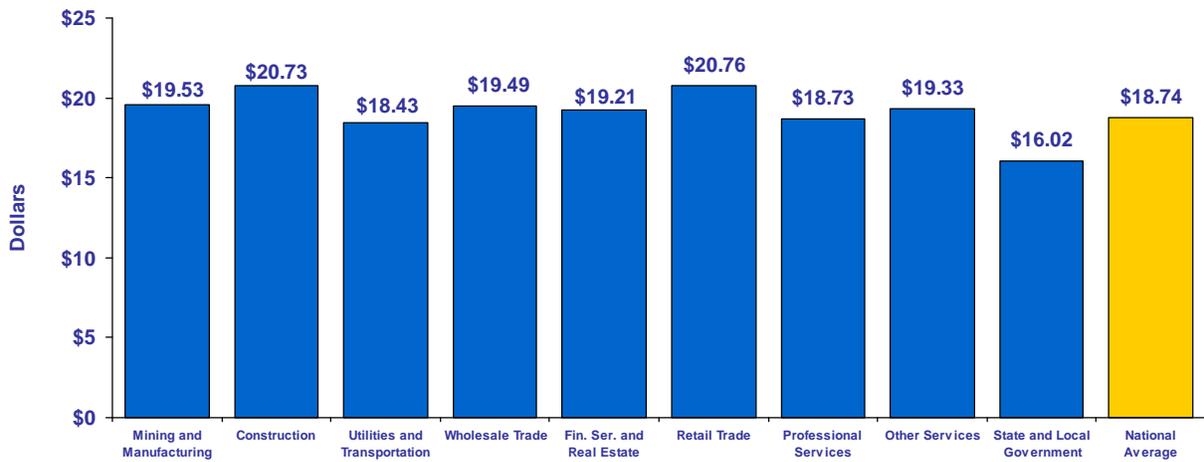
Figure 4. Percentage of non-Federal enrollees who have a plan with a co-pay for an office visit, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



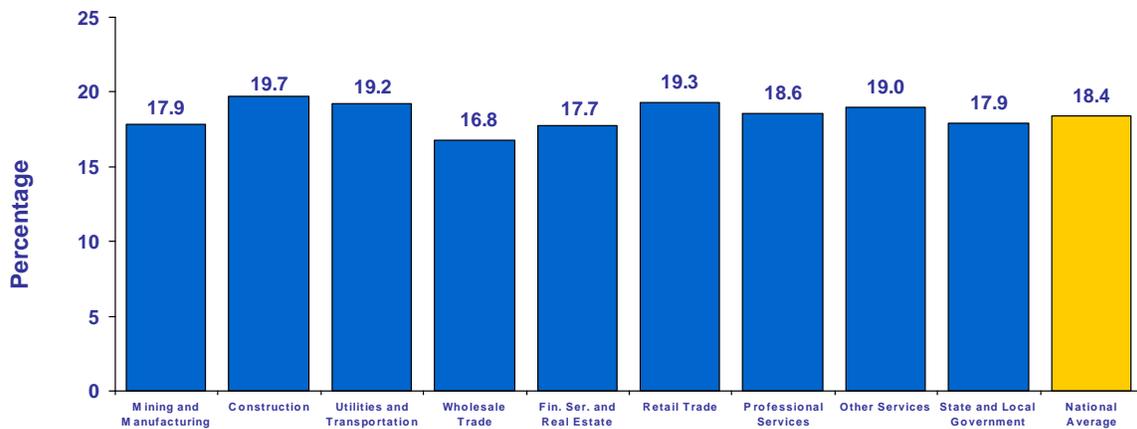
Figure 5. Average co-pay for an office visit of non-Federal employees enrolled in a plan with a co-pay for an office visit, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



Figure 6. Average percentage coinsurance for an office visit of non-Federal employees enrolled in a plan with a percentage coinsurance for an office visit, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006