

STATISTICAL BRIEF #402

February 2013

Costs of Employer-Sponsored Health Insurance for State and Local Governments, by Census Division, 2011

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Introduction

The cost of the employer-sponsored health insurance offered by state and local governments to their employees varies across different geographic areas of the U.S. In addition, state and local government employers differ from their private sector counterparts within the same geographic area regarding the cost of their health insurance coverage.

Using estimates from the Insurance Component of the Medical Expenditure Panel Survey for 2011, this Statistical Brief discusses differences in state and local governments' employer-sponsored insurance costs across the nine census divisions—New England, Middle Atlantic, East North Central, West North Central, South Atlantic, East South Central, West South Central, Mountain, and Pacific. Within each census division, it also compares costs for state and local government employees to that for private sector employees. The Brief examines three general types of health insurance coverage—single coverage (employee only), employee-plus-one coverage (employee and one family member), and family coverage (employee plus at least one other family member). Both average annual premiums and employee contributions toward the premium are discussed.

Only those differences that are statistically significant at the 0.05 significance level are discussed. See the "Definitions" section for a list of states included in each census division.

Findings

State and local governments, by census division

Within state and local governments, the average annual premium for employer-sponsored single coverage was higher in New England (\$7,386) than in any other census division in 2011 (figure 1). In contrast, the single premium for health insurance in West South Central (\$5,101) was lower than in any other division. The East South Central division's 2011 premium (\$5,594) was lower than any other's except West South Central.

Employee contributions toward the single coverage premium also were higher for state and local governments in New England (\$1,294) than in other census divisions (figure 2). In the West North Central division, the average contribution (\$354) was lower than all other divisions. Middle Atlantic's employee contribution (\$485) was lower than all divisions except West North Central and Mountain (from which it did not differ).

As with single coverage, employee-plus-one premiums in state and local governments were highest in New England (\$15,577) and lowest in West South Central (\$9,775) for employer-sponsored health insurance in 2011 (figure 3). The average premium in the Middle Atlantic census

Highlights

- State and local governments in the New England census division providing health insurance to their employees had higher average premiums for single coverage (\$7,386), employee-plus-one coverage (\$15,577), and family coverage (\$18,481) than state and local governments in any other census division in 2011.
- Employee contributions toward the premium in state and local governments were higher in West South Central for employee-plus-one (\$3,106) and family (\$4,786) coverage than in all other census divisions.
- In 2011, average premiums were higher for state and local governments than for the private sector for single and employee-plus-one coverage within all census divisions except West South Central (where they did not differ from private sector premiums).
- For employers providing health insurance, the average employee contribution toward the family premium was higher in the private sector than in state and local governments in all but one census division.

division was higher than all others except New England and East North Central (from which it did not differ).

State and local governments in West South Central had a higher average employee contribution, \$3,106, than governments in the other census divisions toward employee-plus-one coverage (figure 4). In 2011, West North Central had a higher contribution amount (\$2,874) than all divisions except West South Central. The census division with the lowest employee-plus-one contribution was Middle Atlantic (\$955); the Pacific division had a lower contribution (\$1,737) than all divisions except the Middle Atlantic.

Family premiums were higher in New England (\$18,481) than any of the eight other census divisions in 2011 (figure 5). East North Central had an average family premium (\$17,116) that was higher than all but New England for health insurance provided to state and local government employees. West South Central's family premiums (\$13,673) were lower than the rest of the census divisions except for East South Central's (which did not differ from West South Central's).

West South Central's state and local governments had a higher family contribution (\$4,786) than all other divisions (figure 6). South Atlantic's (\$3,918) was higher than all but West South Central's. The Middle Atlantic census division had a lower employee contribution (\$1,390) toward family coverage than other divisions in 2011.

State and local governments compared to private sector, within census divisions

Eight of the nine census divisions had higher premiums for single coverage for state and local government employers than private sector employers in 2011 (figure 1). West South Central average single premiums for health insurance did not differ between the two.

In contrast to premiums, employee contributions toward the premium were higher for single coverage for the private sector compared to the state and local government sector in all but one division (figure 2). In New England, there was no difference between the contributions for the sectors.

Employer-sponsored health insurance premiums for employee-plus-one coverage showed the same pattern as for single coverage (figure 3). In 2011, average premiums were higher for state and local governments except in the West South Central census division where they did not differ from private sector premiums.

Employee contributions toward employee-plus-one coverage were higher in the private sector than in state and local governments in New England, Middle Atlantic, East North Central, East South Central, Mountain, and Pacific (figure 4). In the remaining census divisions, average employee contributions showed no difference between the two sectors.

In the West South Central division, family premiums were higher in the private sector than in state and local governments in 2011 (figure 5). With the exceptions of East South Central and Pacific, all other divisions posted family premiums that were higher in state and local governments than in the private sector. East South Central and Pacific family premiums for employer-sponsored health insurance did not differ between the two sectors.

The average employee contribution toward the family premium was higher in the private sector than in state and local governments in all but one census division (figure 6). In the West South Central division, state and local government employees contributed more toward their family coverage than did private sector employees.

Data Source

This Statistical Brief summarizes data from the 2011 MEPS-IC. The data are available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definition

Census division

- New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic: New Jersey, New York, Pennsylvania
- East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
- South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central: Alabama, Kentucky, Mississippi, Tennessee
- West South Central: Arkansas, Louisiana, Oklahoma, Texas
- Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific: Alaska, California, Hawaii, Oregon, Washington

Employee contribution

The portion of the total health insurance premium paid by the enrolled employee. Depending on the cost sharing arrangement instituted by the employer, the employee may contribute nothing to the premium, pay part of the premium, or pay the entire premium. Zero contributions are included in the calculation of averages.

Employee-plus-one coverage

Health insurance that covers the employee plus one family member at a lower premium level than family coverage. This family member could be a spouse or child. If premiums differed for employee-plus-spouse and employee-plus-child coverage, information for employee-plus-child was reported.

Family coverage

Health insurance that covers the employee and one or more family members. If a plan offers more than one pricing level for family coverage, information for a family of four was reported.

Health insurance

An insurance contract that provides hospital and/or physician coverage to an employee for an agreed-upon fee for a defined benefit period, usually a year. This includes both fully insured and self-insured health insurance plans.

Premium

Agreed-upon fees paid for coverage of medical benefits for a defined benefit period. Premiums can be paid by employers, unions, employees, or shared by the insured individual and the plan sponsor.

Single coverage

Health insurance that covers the employee only.

About MEPS-IC

The MEPS-IC is a survey of business establishments and state and local 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). In 2011, 3,017 government sample units were selected for the survey. The annual average state and local government response rate is over 90 percent. A total sample of approximately 42,000 private-sector establishments was selected for the 2011 survey, with 6.4 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 81.7 percent of the remaining in-scope sample units.

For more information on this survey, see MEPS *Methodology Reports 6, 8, 10, 14, 17, and 18* on the MEPS Web site at http://meps.ahrq.gov/mepsweb/data_stats/Pub_ProdLookup_Results.jsp?ProductType=Methodology%20Report&Comp=Insurance and Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp.

Suggested Citation

Crimmel, B.L. *Costs of Employer-Sponsored Health Insurance for State and Local Governments, by Census Division, 2011*. Statistical Brief #402. February 2013. Agency for Healthcare Research and Quality, Rockville, MD. http://meps.ahrq.gov/mepsweb/data_files/publications/st402/stat402.pdf.

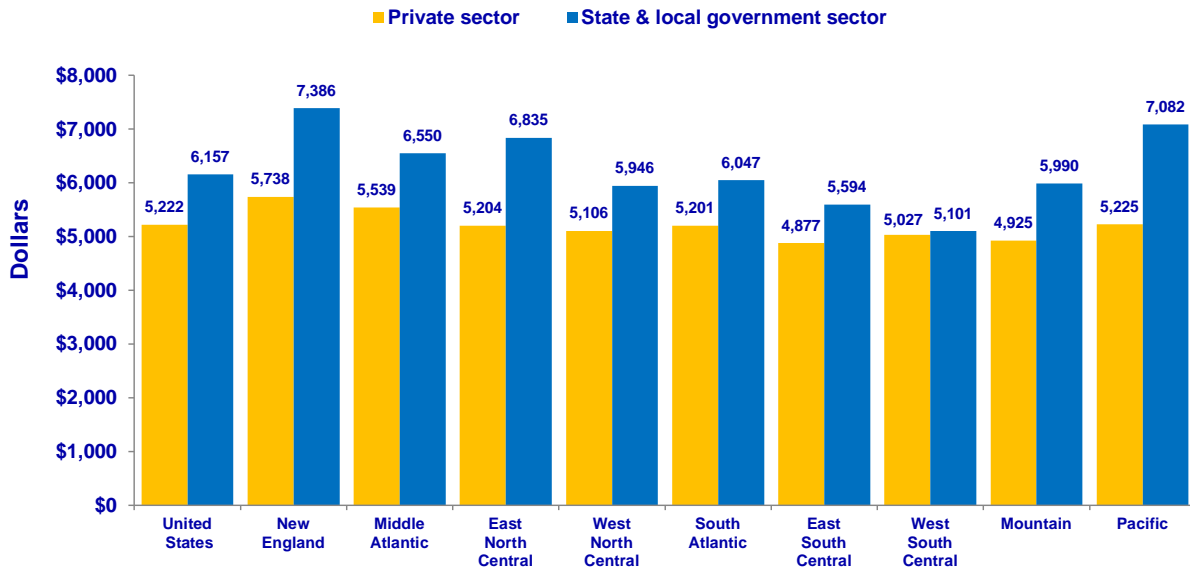
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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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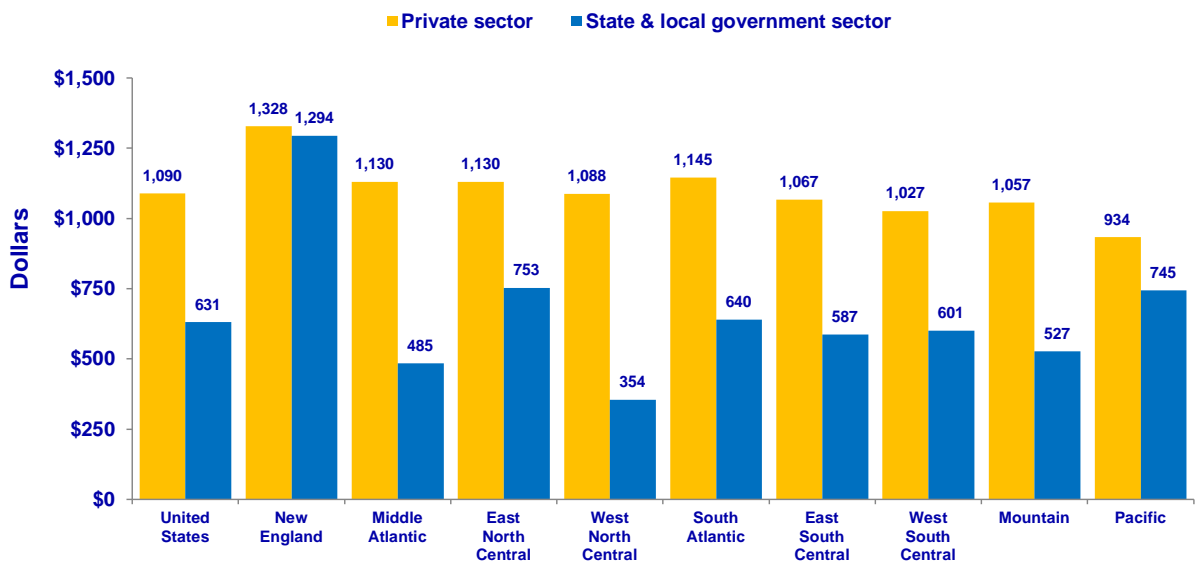
Figure 1. Average premium for single coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011



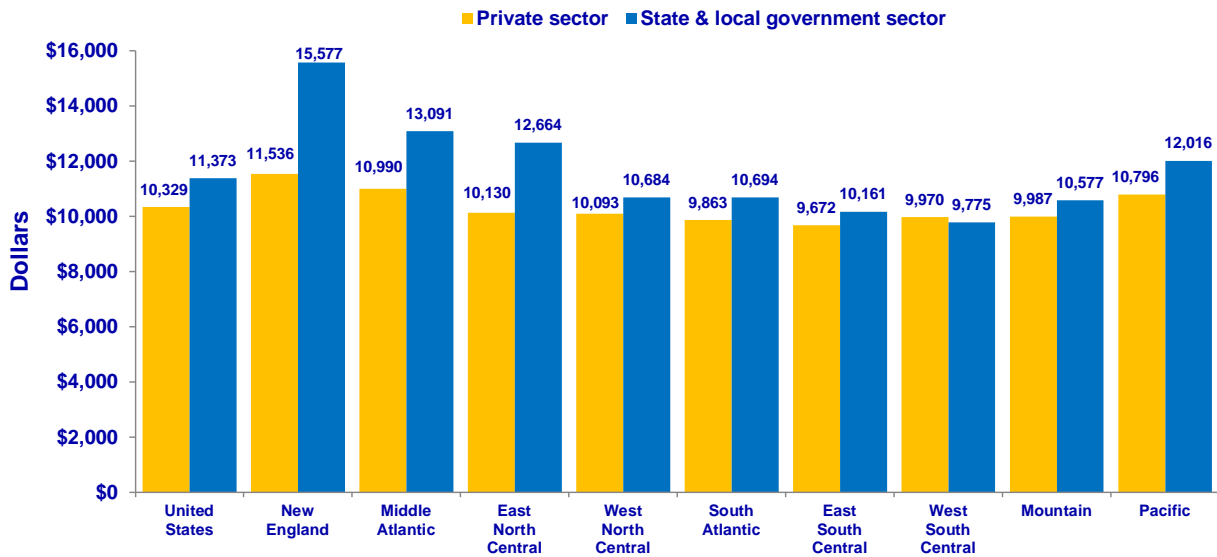
Figure 2. Average employee contribution for single coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011



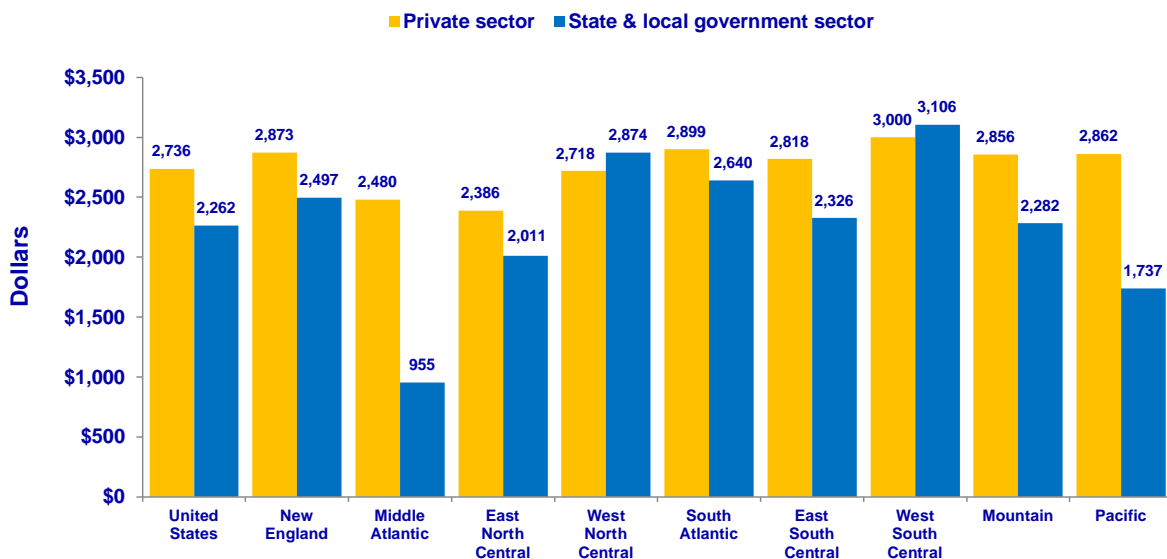
Figure 3. Average premium for employee-plus-one coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011



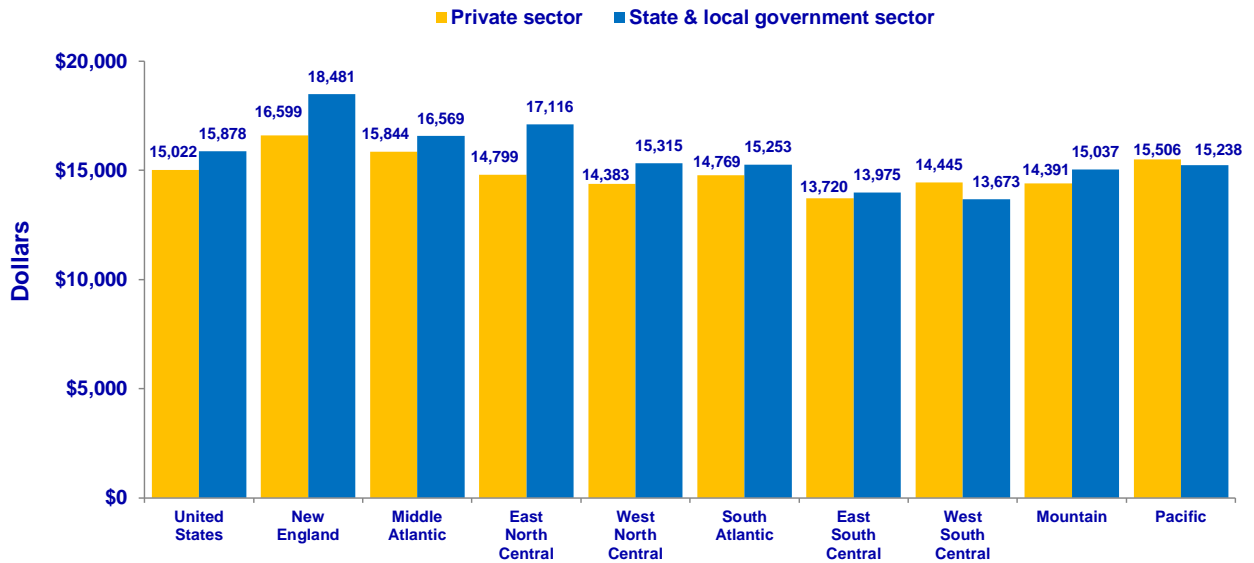
Figure 4. Average employee contribution for employee-plus-one coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011



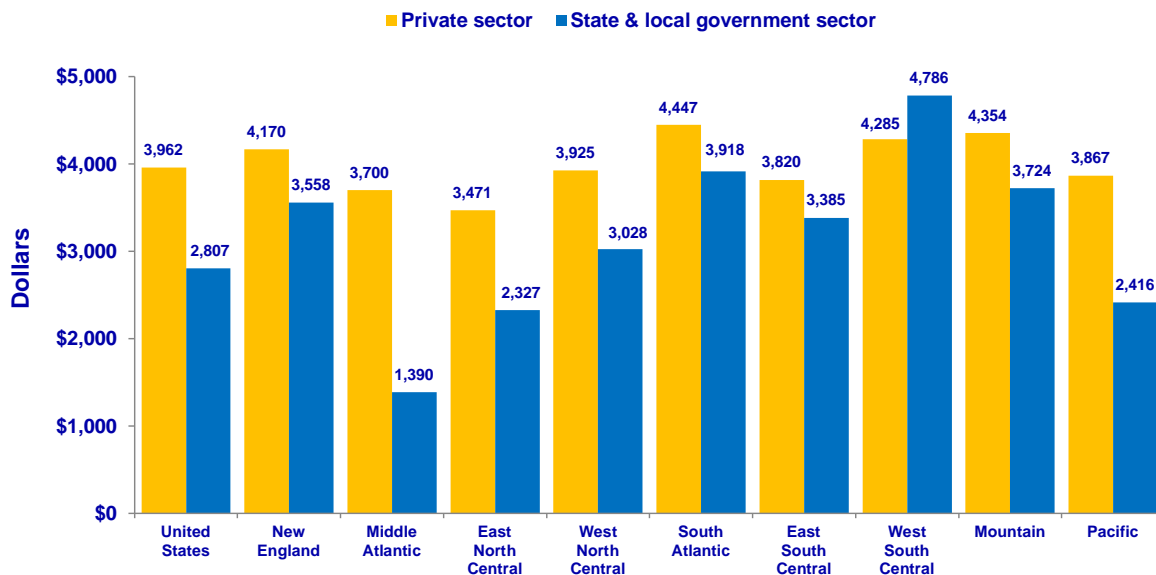
Figure 5. Average premium for family coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011



Figure 6. Average employee contribution for family coverage per enrolled employee, by census division and sector, 2011



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2011