

## STATISTICAL BRIEF #427

January 2014

### **Co-pays, Deductibles, and Coinsurance Percentages for Employer-Sponsored Health Insurance in the Private Sector, by Firm Size, 2012**

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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 2012 Medical Expenditure Panel Survey (MEPS-IC), approximately 94.1 million of the 111.1 million employees from the private sector worked where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 55.4 million were enrolled (data not shown in figures).

This Statistical Brief examines what percentage of enrollees had a deductible in 2012 and the average amount, what percentage had co-pays and the average amount, and what percentage had coinsurance and the average coinsurance percentage. These values are compared by firm size 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 55.4 million private sector employees enrolled in employer-sponsored health insurance in 2012, 79.6 percent were enrolled in a plan which required they meet an annual deductible (figure 1). This percentage varied by the size of the employee's firm. A slightly lower than average percentage of enrollees in firms with 100 to 999 employees, 76 percent, had a plan with a deductible.

Among employees enrolled in plans with a deductible, the average size of deductibles in both single and family plans varied significantly by firm size in 2012. Enrollees in single plans from firms with fewer than 100 employees had an average deductible over \$1,500; while single plan enrollees who worked for firms with 1,000 or more employees, had a much lower average deductible (\$881).

Enrollees in family plans with a deductible who worked for firms with fewer than 100 employees had deductibles higher than the national average of \$2,322 (figure 3). Family plan enrollees from these firms had average deductibles more than \$3,300. In contrast, family plan enrollees who worked for firms with 1,000 or more employees had a substantially lower average family deductible (\$1,880).

In 2012, 66.3 percent of private sector enrollees in employer-sponsored health insurance had plans with a co-pay for an office visit (figure 4). The percentage of enrollees that had a co-pay was higher than average for enrollees who worked in firms with fewer than 10 employees (71.4 percent), 10 to 24 employees (73.4 percent), 25 to 99 employees (72 percent), and 100 to 999 employees (72.8 percent); and lower than average for enrollees in firms with 1,000 or more employees (61.6 percent).

The average co-pay in 2012 for private sector enrollees with co-pays was \$23.77 (figure 5). There was little variation in the average co-pay by firm size. Enrollees with co-pays who worked in firms with fewer than 100 employees had average co-pays of about \$25 to \$27, while those in firms with 1,000 or more employees had a slightly lower average of \$22.84.

Persons who do not have co-pays usually have a percentage coinsurance. In 2012, 27.4 percent of private sector

#### **Highlights**

- In 2012, 79.6 percent of private sector employees enrolled in employer-sponsored health insurance were required to meet an annual deductible by their health insurance plan.
- In 2012, private sector employees enrolled in employer-sponsored health insurance with deductibles had an average single deductible of \$1,167 and an average family deductible of \$2,322. Both of these values varied by the size of the employee's firm.
- Among private sector employees enrolled in employer-sponsored health insurance, 66.3 percent had a co-pay for each office visit with an average co-pay of \$24. In addition, 27.4 percent had a coinsurance percentage that averaged 19 percent.

enrollees in employer-sponsored health insurance had a percentage coinsurance (figure 6). The percentage of enrollees in plans with a percentage coinsurance was lower than average for enrollees who worked in firms with fewer than 1,000 employees (15.6 to 18.9 percent) and higher than average for enrollees in firms with 1,000 or more employees (34.6 percent).

The average coinsurance for an office visit for enrollees in plans with a coinsurance for such visits was 19 percent (figure 7). Enrollees who worked in firms with fewer than 100 employees had slightly higher than average percentage coinsurances (about 21 percent), while those in firms with 1,000 or more employees had a slightly lower average (18.5 percent).

## Data Source

This Statistical Brief summarizes data from the 2012 MEPS-IC. The data are available on the MEPS Web site at [http://meps.ahrq.gov/mepsweb/survey\\_comp/Insurance.jsp](http://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.

## Definitions

### *Employer*

In this Statistical Brief, an employer is defined as a private sector firm and 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.

### *Firm size*

Firm size is the count of employees across all locations controlled by an individual firm.

### *Deductible*

A deductible is a fixed dollar amount during the benefit period, usually a year, which 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. 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 \$20 co-pay for each doctor's office visit, \$100 for each day in the hospital, and \$10 for each prescription. Some plans require that a deductible first be met for some specific services before a co-pay applies. The MEPS-IC collects the co-pay and/or coinsurance for an office visit to a physician and specifically reports for an "in-network"/participating general practitioner during normal office hours if there are different levels.

### *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. The MEPS-IC collects the co-pay and/or coinsurance for an office visit to a physician and specifically reports for an "in-network"/participating general practitioner during normal office hours if there are different levels.

## 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 of Healthcare Research and Quality (AHRQ). A total sample of 42,000 establishments was selected for the 2012 survey; with 7 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private-sector was 79.9 percent of the remaining in-scope sample units.

For more information on this survey, see *MEPS Methodology Reports 6, 8, 10, 14, 17, 18, 27, and 28* and the MEPS-IC Technical Notes and Survey Documentation, which are available on the MEPS Web site (<http://meps.ahrq.gov/mepsweb/>).

## Suggested Citation

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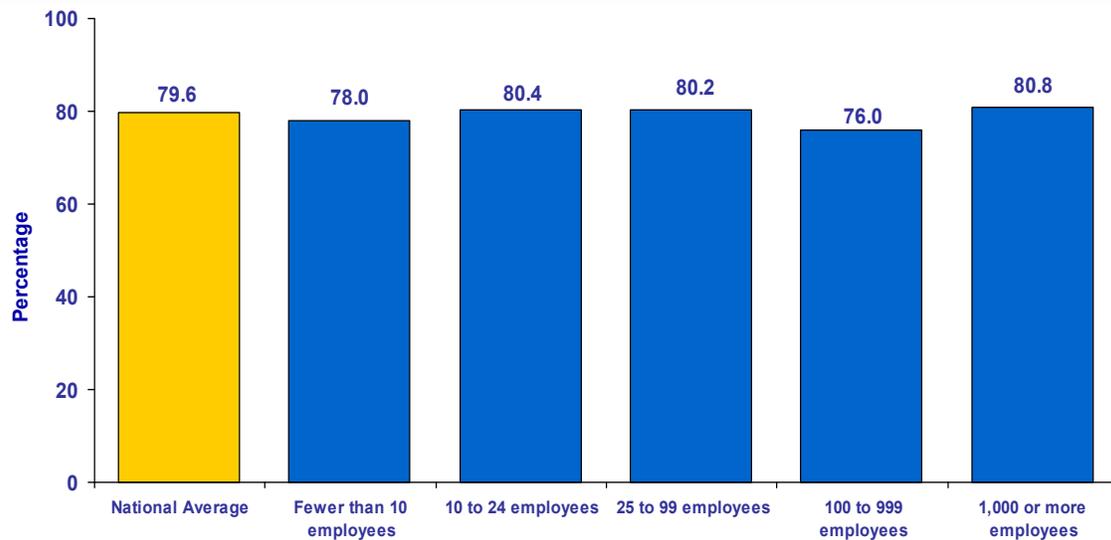
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using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

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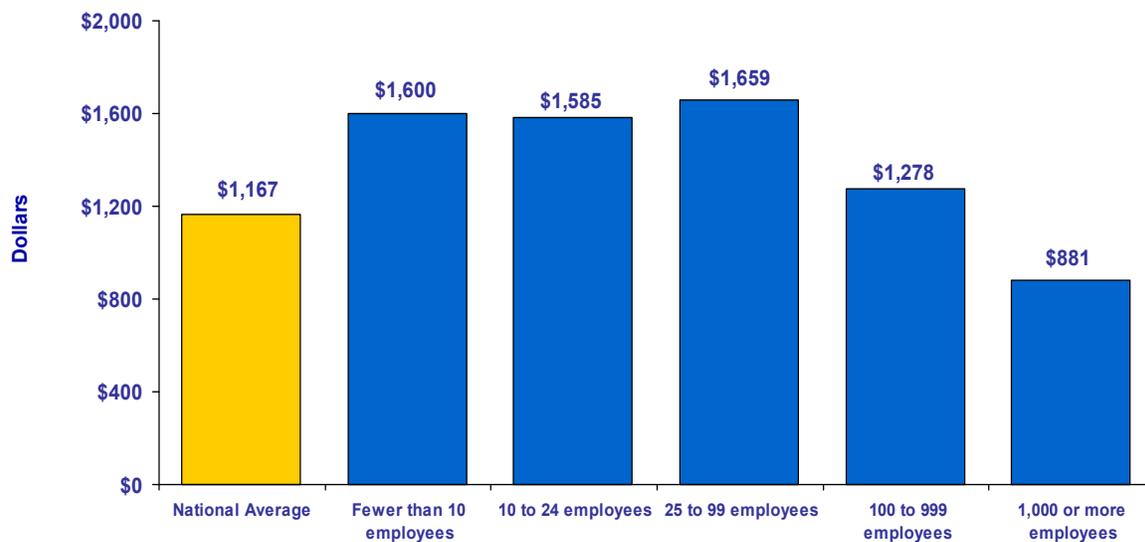
**Figure 1. Percentage of private sector employees enrolled in a plan with a deductible, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



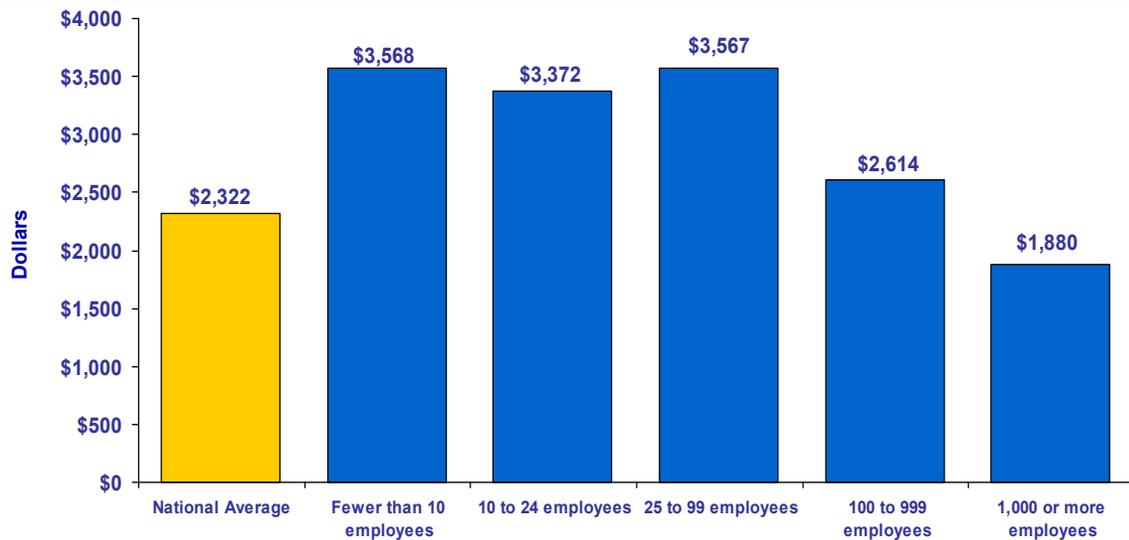
**Figure 2. Average deductible of private sector employees enrolled in a single plan with a deductible, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



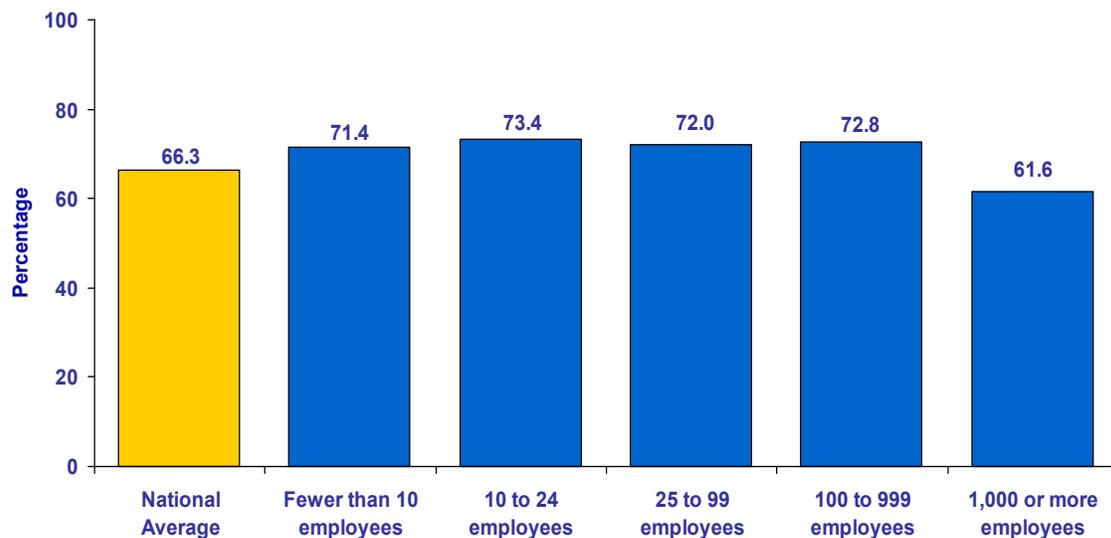
**Figure 3. Average deductible of private sector employees enrolled in a family plan with a deductible, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



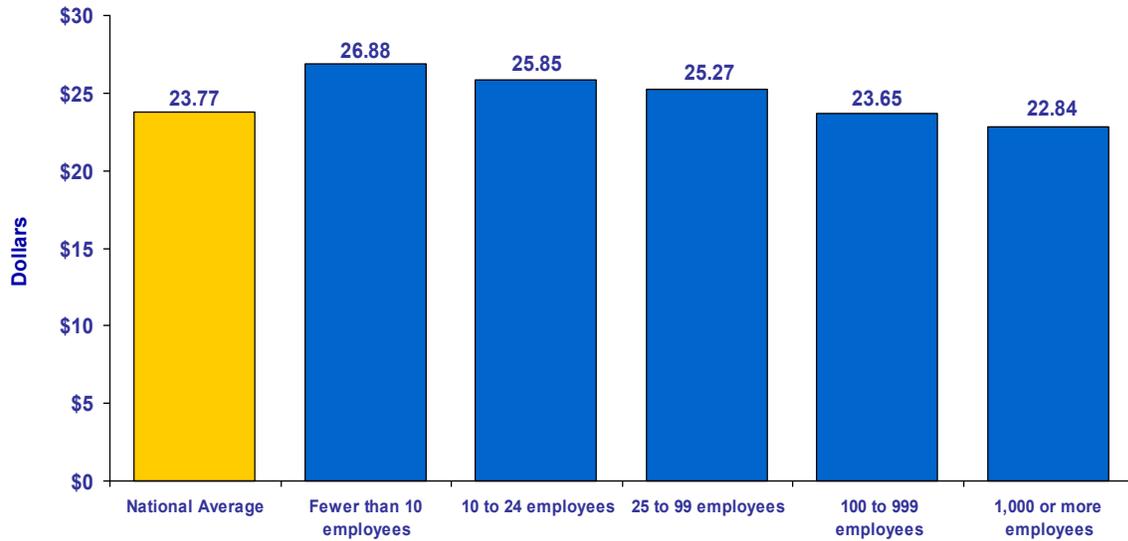
**Figure 4. Percentage of private sector enrollees who have a plan with a co-pay for an office visit, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



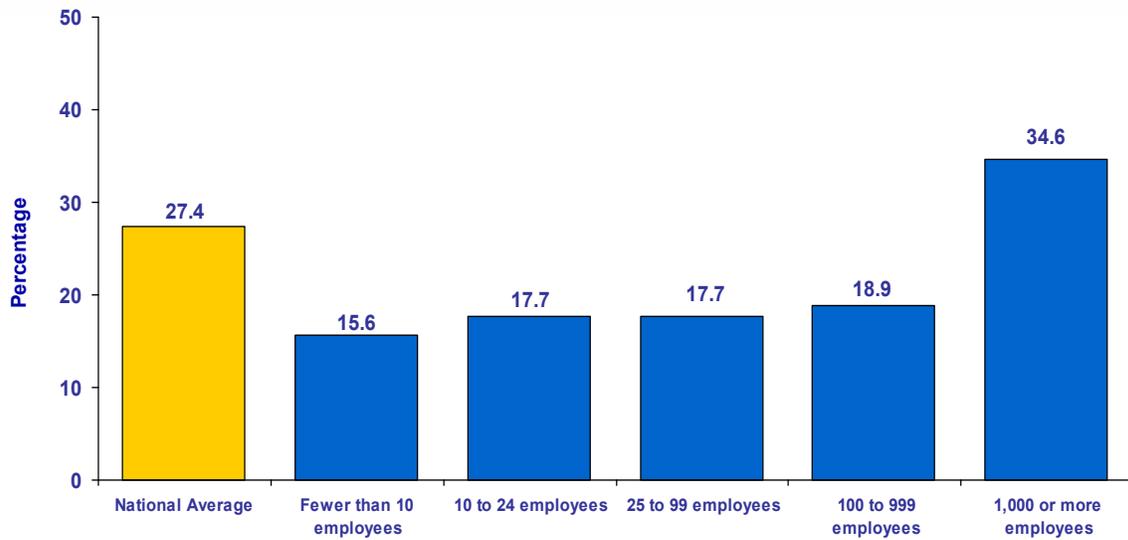
**Figure 5. Average co-pay for an office visit of private sector employees enrolled in a plan with a co-pay for an office visit, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



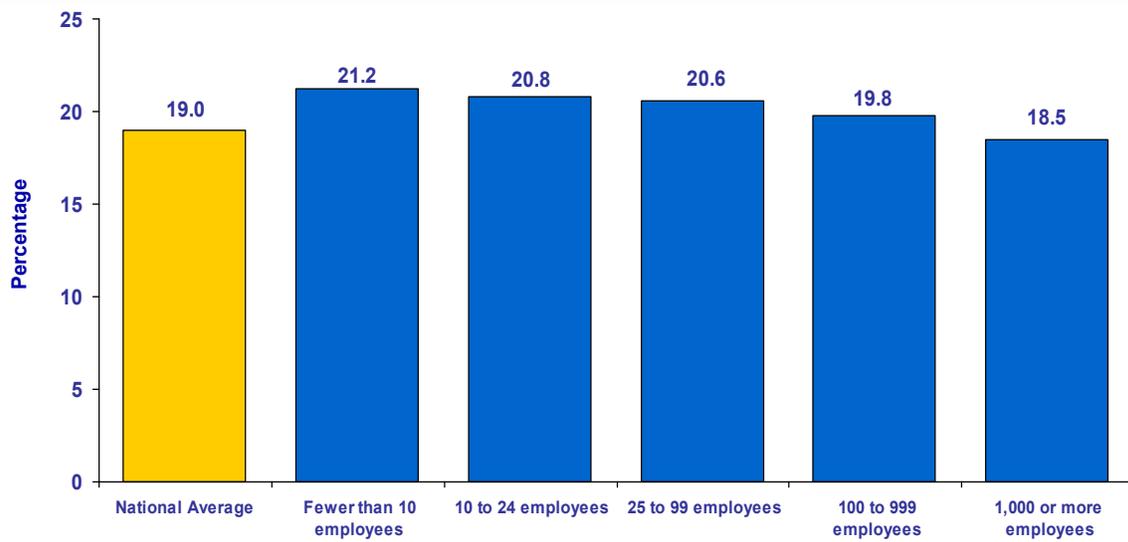
**Figure 6. Percentage of private sector enrollees who have a plan with a percentage coinsurance for an office visit, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



**Figure 7. Average percentage coinsurance for an office visit of private sector employees enrolled in a plan with a percentage coinsurance for an office visit, by firm size, 2012**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012