

## STATISTICAL BRIEF #435

April 2014

### **Premiums and Employee Contributions for Employer-Sponsored Health Insurance: Private versus Public Sector, 2012**

*Karen E. Davis, MA*

#### **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 113.2 million of the 130.4 million U.S. civilian employees worked where the employer offered health insurance. U.S. civilian employees include those employed in the private sector and in the public sector (State and local, but not federal employees). Of those employees who worked where health insurance was offered, approximately 34.1 million were enrolled in single coverage, 12.4 million were enrolled in employee-plus-one coverage, and 21.6 million were enrolled in family coverage (data not shown).

This Statistical Brief presents estimates, using 2012 MEPS-IC data, of average premiums and employee contributions for single, employee-plus-one, and family coverage. Estimates are for public and private sector employees who worked for entities that offered health insurance, and for employees who enrolled in offered health insurance plans. Estimates by census geographic division are also presented for average premiums and employee contributions for single and family coverage for enrollees in both the public and private sectors. 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**

##### *Premiums in 2012 (figure 1)*

Among the 130.4 million civilian employees who worked for private or public sector employers in 2012, 86.8 percent worked where the employer offered health insurance (estimate not shown in figures). The average public sector premiums in 2012 were \$6,278 for single coverage, \$11,642 for employee-plus-one coverage, and \$16,301 for family coverage (figure 1). The average private sector premiums in 2012 were \$5,384 for single coverage, \$10,621 for employee-plus-one coverage, and \$15,473 for family coverage.

##### *Employee contributions in 2012 (figure 2)*

Public sector employees contributed an average of \$713 for single coverage, \$2,463 for employee-plus-one coverage, and \$3,088 for family coverage to their health insurance premiums in 2012 (figure 2). The average contributions for public sector employees to their health insurance premiums were all lower than those made by private sector employees. Private sector employees contributed an average of \$1,118 for single coverage, \$2,824 for employee-plus-one coverage, and \$4,236 for family coverage to their health insurance premiums in 2012.

##### *Single and family coverage variations by census geographic division in 2012 (figures 3–6)*

In 2012, average annual premiums and employee contributions varied substantially across both public and private sector employers and by geographic divisions as summarized below:

- Average annual health insurance premiums per enrolled civilian employee with single coverage ranged from \$5,060 for private sector employees in East South Central to \$7,571 for public sector employees in New England in 2012 (figure 3).

#### **Highlights**

- In 2012, the average public (State/local government) sector premiums were \$6,278 for single coverage, \$11,642 for employee-plus-one coverage, and \$16,301 for family coverage, with wide variations across geographic areas.
- Within both the public and private sectors, the highest average health insurance premiums in 2012 for both single and family coverage were for public sector employees in the New England division (\$7,571 and \$19,246, respectively).
- Within both the public and private sectors, the lowest average health insurance premiums in 2012 for single coverage (\$5,060 and \$5,068) were for private sector employees in the East South Central and West South Central divisions and for family coverage (\$14,182) for public sector employees in the West South Central division.

- Average employee contributions per enrolled civilian employee with single coverage ranged from \$428 for public sector employees in West North Central to \$1,464 for public sector employees in New England in 2012 (figure 4).
- Average annual health insurance premiums per enrolled civilian employee with family coverage ranged from \$14,182 for public sector employees in West South Central to \$19,246 for public sector employees in New England in 2012 (figure 5).
- Average employee contributions per enrolled civilian employee with family coverage ranged from \$1,881 for public sector employees in Middle Atlantic to \$5,226 for public sector employees in West South Central in 2012 (figure 6).

## Data Source

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

## Definitions

### *Census division*

States were grouped into nine census divisions as follows:

- 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

### *Civilian*

Civilian employees include those employed in the private sector and in the public (State/local government) sector. Federal government employees, postal workers, military, and unincorporated self-employed individuals with no employees are not included.

### *Employee-plus-one coverage*

Health insurance that covers the employee and one other family member at a lower premium level than family coverage. For the MEPS IC survey, if premiums are different for employee-plus-spouse and employee-plus-child coverage, the costs for employee-plus-child coverage are collected.

### *Family coverage*

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.

### *Premium*

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

### *Single coverage*

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

## 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). A total sample of approximately 42,000 private-sector establishments was selected for the 2012 survey; with 7.0 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 State and local governments, a sample of approximately 3,100 governmental units was selected with a response rate of 89.1 percent.

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://www.meps.ahrq.gov>).

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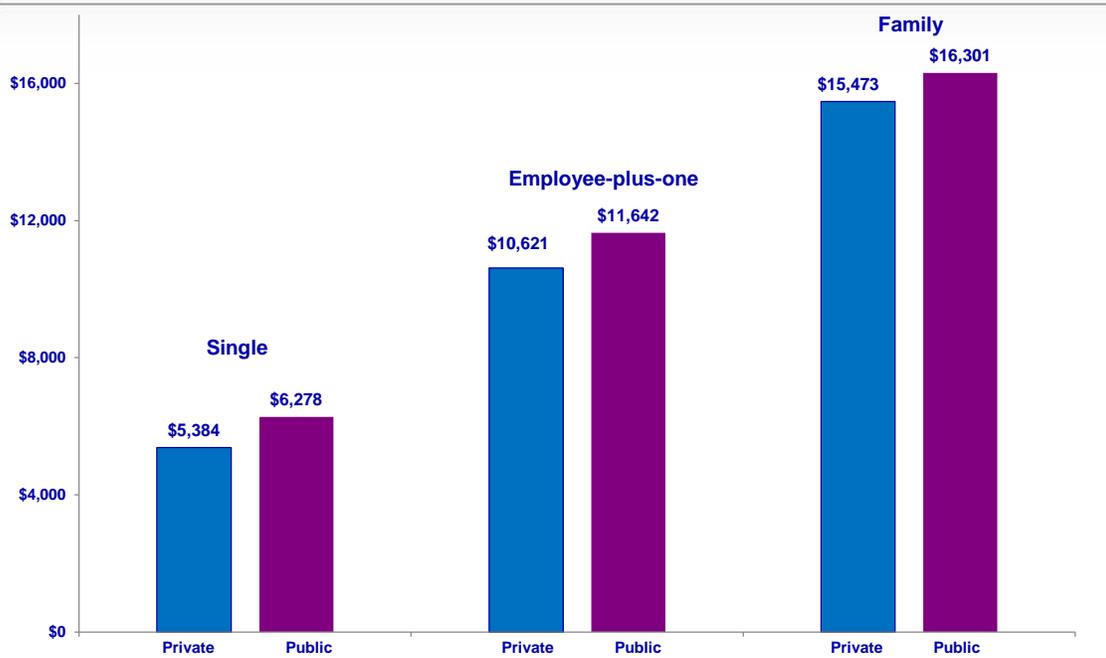
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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:

Steve B. Cohen, PhD, Director  
Center for Financing, Access, and Cost Trends  
Agency for Healthcare Research and Quality  
540 Gaither Road  
Rockville, MD 20850



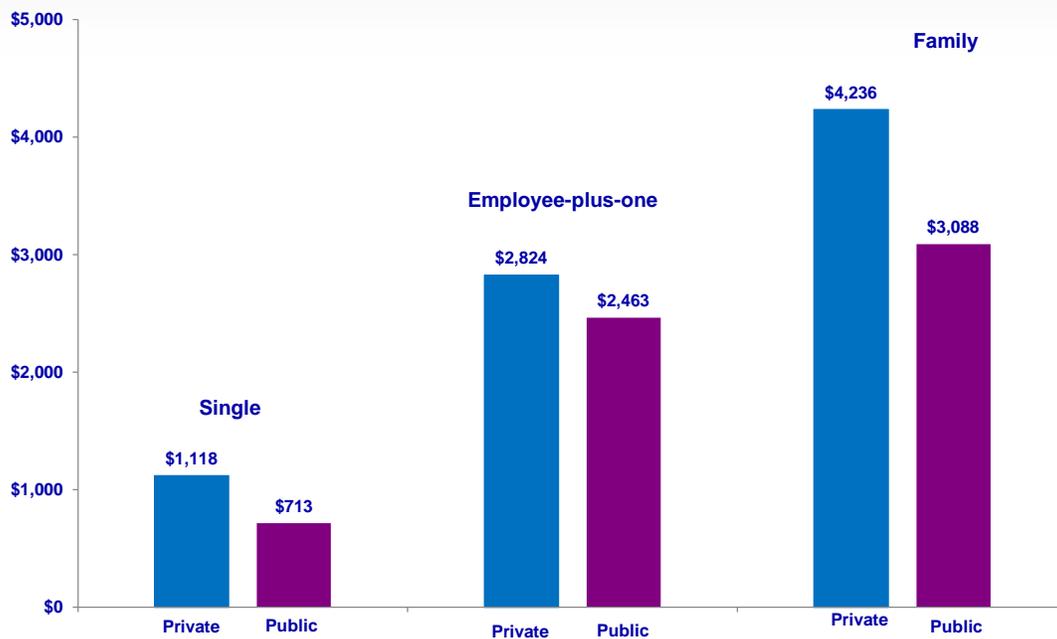
**Figure 1. Average premium per enrolled employee: Private versus public sector, by type of coverage, 2012**



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



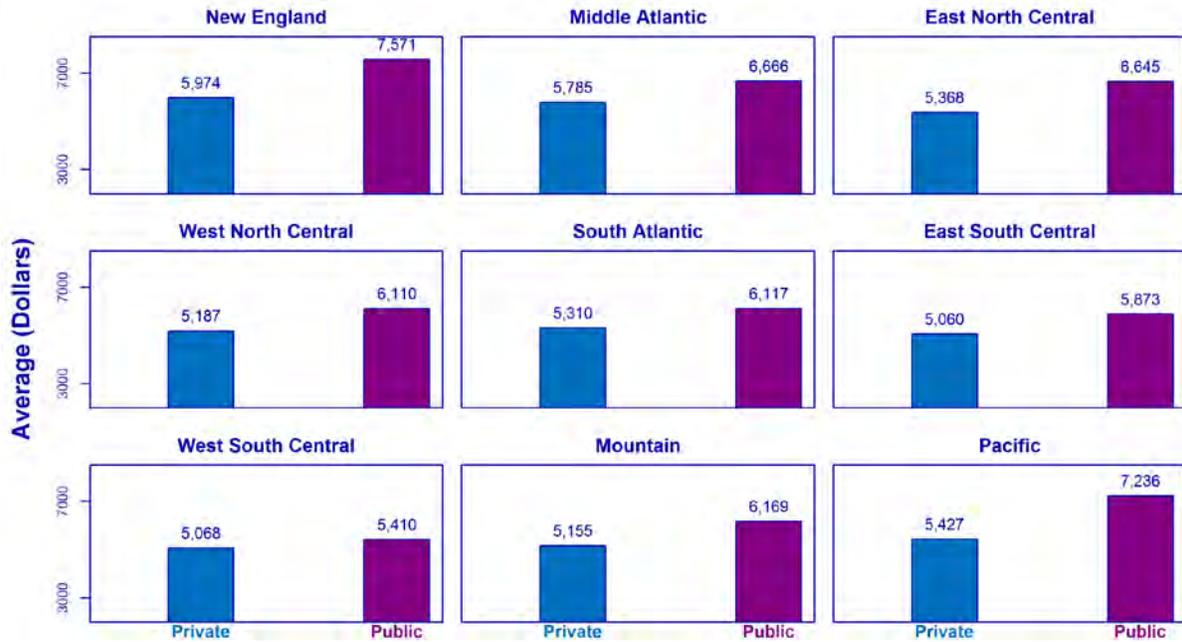
**Figure 2. Average total employee contribution per enrolled employee: Private versus public sector, by type of coverage, 2012**



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



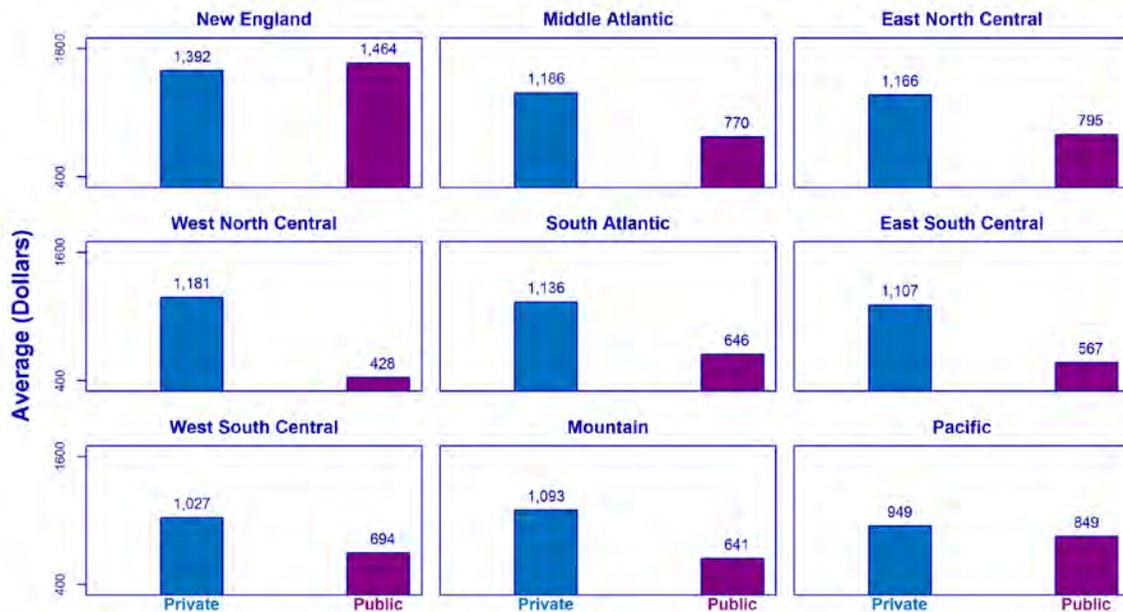
**Figure 3. Average premium per enrolled employee for single coverage: Private and public\* sectors, by census division, 2012**



\*Public sector excludes federal government employees  
 Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



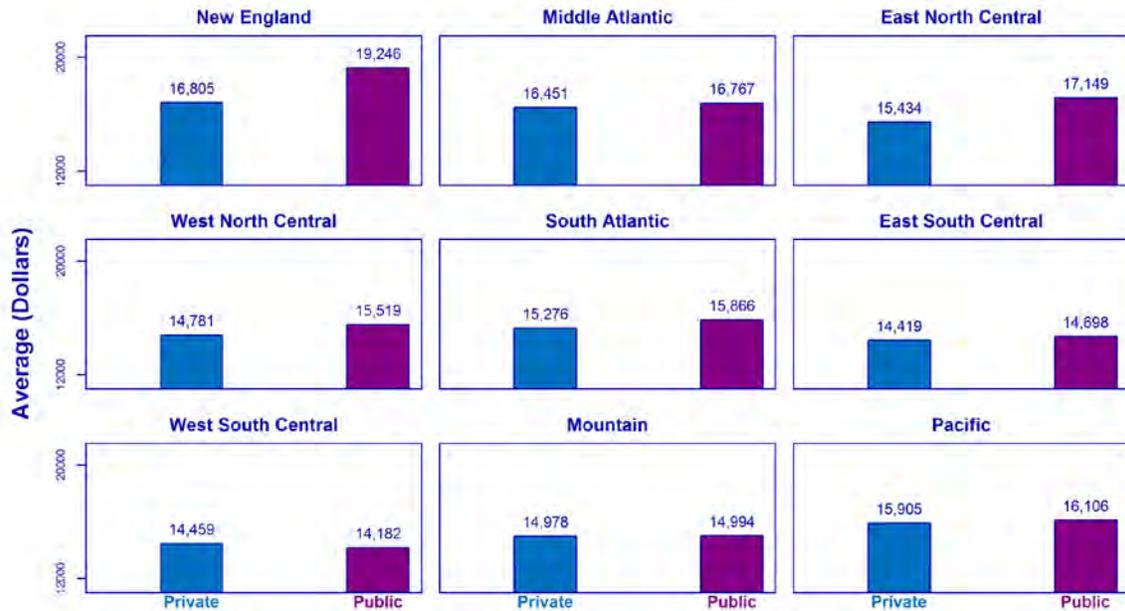
**Figure 4. Average employee contribution per enrolled employee for single coverage: Private and public\* sectors, by census division, 2012**



\*Public sector excludes federal government employees  
 Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



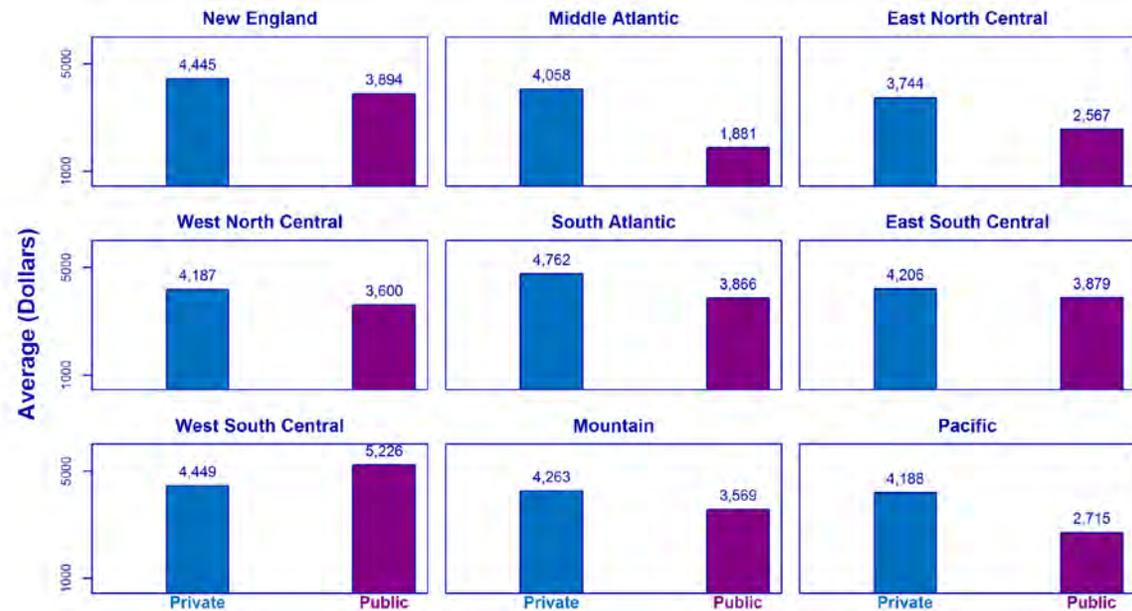
**Figure 5. Average premium per enrolled employee for family coverage: Private and public\* sectors, by census division, 2012**



\*Public sector excludes federal government employees  
 Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



**Figure 6. Average employee contribution per enrolled employee for family coverage: Private and public\* sectors, by census division, 2012**



\*Public sector excludes federal government employees  
 Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012