

STATISTICAL BRIEF #445

July 2014

Selection and Costs for Employer-Sponsored Health Insurance in the Private Sector, 2013 versus 2012

Beth Levin Crimmel, MS

Introduction

Health insurance provided by employers is a key source of coverage for both employees and their families. In 2013, 56.3 million of the 113.9 million employees in the private sector of the U.S. economy enrolled in health insurance coverage sponsored by their employers according to the Insurance Component of the Medical Expenditure Panel Survey.

While not all employers offer all types of coverage, health insurance can be broken into three broad categories—single coverage (employee only), employee-plus-one coverage (employee, plus only one family member), and family coverage (employee, plus one or more family members). When offered for the same health insurance plan, employee-plus-one coverage has a higher premium than single coverage but a lower premium than family coverage.

This Statistical Brief presents statistics on the selection and cost of all three types of coverage for employer-sponsored health insurance in the private sector in 2013, and compares the 2013 results to those for 2012. Only differences that are statistically significant at the 0.05 significance level are discussed in the text.

Findings

In 2013, 51.3 percent of employees who enrolled in a health insurance plan through their private-sector employer chose single, employee-only coverage, no different from the percentage in 2012 (figure 1).

The percentage of employees enrolling in employee-plus-one coverage was 18.9 percent in 2013, up from 18.1 percent in 2012. Family coverage was chosen by 29.8 percent in 2013, down from 30.6 percent in 2012.

Average annual total premiums across all three coverage types were up in 2013 compared to 2012. The average total premium for single coverage per enrolled employee was \$5,571 in 2013 for the private sector (figure 2). The 2013 amount represented a 3.5 percent increase over the \$5,384 single premium for 2012. For employee-plus-one coverage, the average total premium was \$10,990 in 2013. This was a 3.5 percent rise compared to the 2012 employee-plus-one premium of \$10,621. Family coverage had an average total premium of \$16,029 in 2013, up 3.6 percent from \$15,473 in 2012.

Most private-sector employers require that enrolled employees contribute toward the cost of their coverage. In 2013, just 16.6 percent of enrollees taking single coverage did not make a contribution toward the plan premium (figure 3). Only 6.9 percent of enrollees in employee-plus-one coverage and 7.9 percent of enrollees in family coverage did not contribute toward their premium in 2013. None of the above percentages differed significantly from the 2012 values.

The average annual dollar amount that employees contributed toward their premium—which includes zero dollars for those enrollees who did not contribute—rose for all three types of coverage in 2013 versus 2012. For single coverage, the 2013 average contribution was \$1,170, a 4.7 percent increase over 2012 (figure 4). For employee-plus-one coverage, the 2013 average was \$2,940, a 4.1 percent increase. And for family coverage, the \$4,421 average contribution was 4.4 percent higher than in 2012.

Compared to 2012, the average percentage contribution that enrolled employees made toward their coverage in 2013 did not differ significantly for single coverage (21.0 percent), employee-plus-one coverage (26.7 percent), or family coverage (27.6 percent) (figure 5).

Highlights

- In 2013, 51.3 percent of private-sector employees enrolled in employer-sponsored health insurance chose single coverage, rather than employee-plus-one or family coverage. This percentage did not differ from that for 2012.
- Average annual total premiums across all three coverage types were up in 2013 compared to 2012. Single premiums rose 3.5 percent, employee-plus-one premiums rose 3.5 percent, and family premiums rose 3.6 percent.
- The average annual dollar amount that employees contributed toward the premium also rose for all three types of coverage in 2013 versus 2012.

Data Source

The statistics in this Brief are estimates from the 2013 MEPS-IC. All information comes from tables that are available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp. This Brief is limited to a discussion of private sector statistics; tables containing information on employer-sponsored health insurance for State and local government employees will be published in early 2015.

Definitions

Employee

A person on the actual payroll. Excludes temporary and contract workers but includes the owner or manager if that person works at the firm.

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 the employee's family. If a plan offered 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 or retiree for an agreed-upon fee (premium) for a defined benefit period.

Premium

Agreed-upon fee paid for coverage of medical benefits for a defined benefit period, usually a calendar year. Premiums can vary based on a variety of factors, such as services covered, amounts of deductibles and co-pays, location of firm, and demographics of the workforce.

Single coverage

Health insurance that covers the employee only.

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 2013 survey, with 6.7 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 74.6 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* on the MEPS Web site at [http://www.meps.ahrq.gov/mepsweb/data_stats/Pub_ProdLookup_Results.jsp?](http://www.meps.ahrq.gov/mepsweb/data_stats/Pub_ProdLookup_Results.jsp?ProductType=Methodology%20Report&Comp=Insurance)

[ProductType=Methodology%20Report&Comp=Insurance](http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp) and Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp.

Suggested Citation

Crimmel, B.L. *Selection and Costs for Employer-Sponsored Health Insurance in the Private Sector, 2013 versus 2012*. Statistical Brief #445. July 2014. Agency for Healthcare Research and Quality, Rockville, MD.

http://www.meps.ahrq.gov/mepsweb/data_files/publications/st445/stat445.shtml

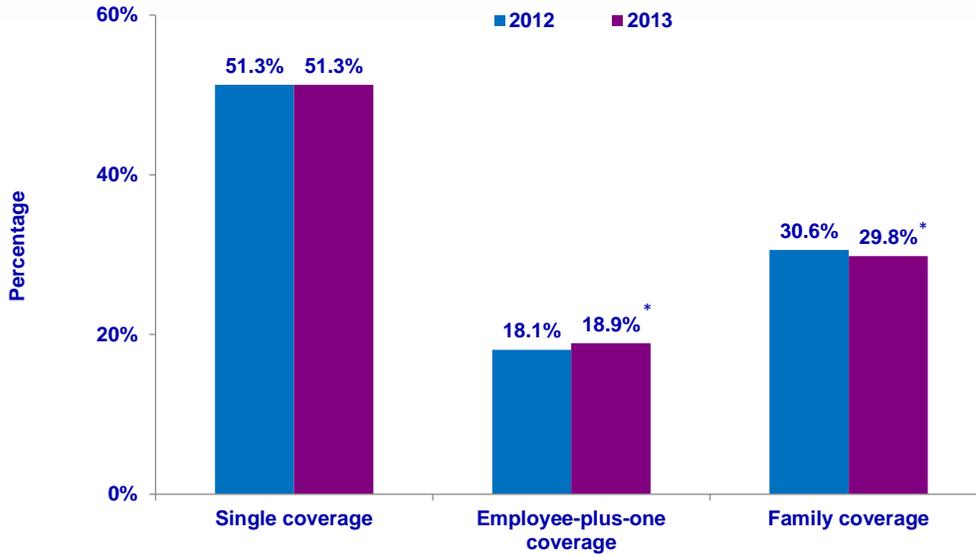
* * *

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 or send a letter to the address below:

Steven 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. Percentage of enrolled employees, by coverage type, private sector, 2012 and 2013

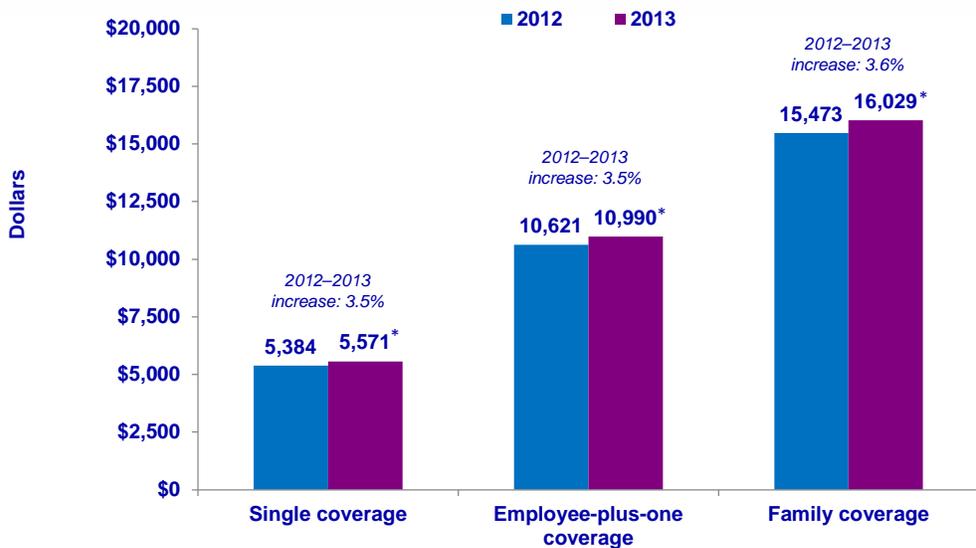


* 2013 value is different from the 2012 value at the 0.05 significance level.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012–2013



Figure 2. Average total premium per enrolled employee, by coverage type, private sector, 2012 and 2013

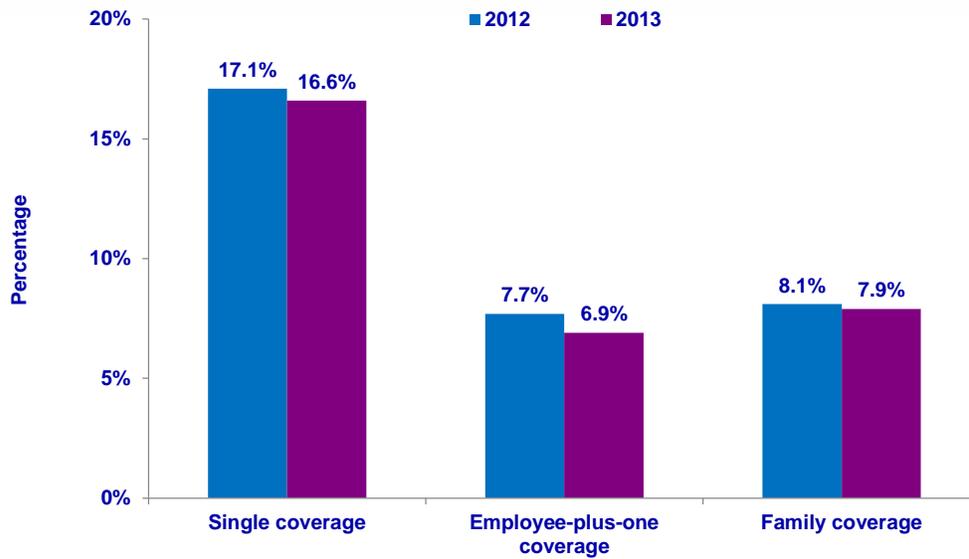


* 2013 value is different from the 2012 value at the 0.05 significance level.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012–2013



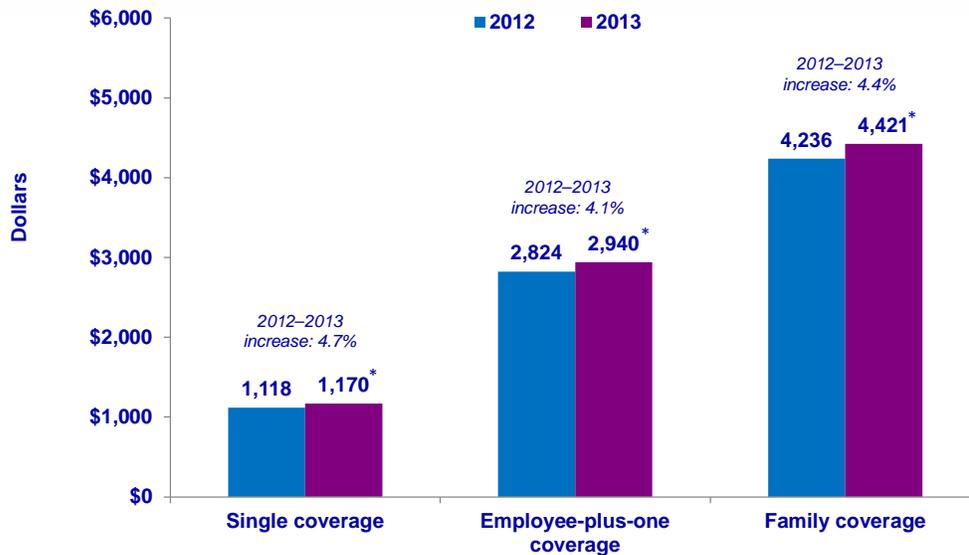
Figure 3. Percentage of enrolled employees who made no contribution toward their premium, by coverage type, private sector, 2012 and 2013



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012–2013



Figure 4. Average employee contribution per enrolled employee, by coverage type, private sector, 2012 and 2013

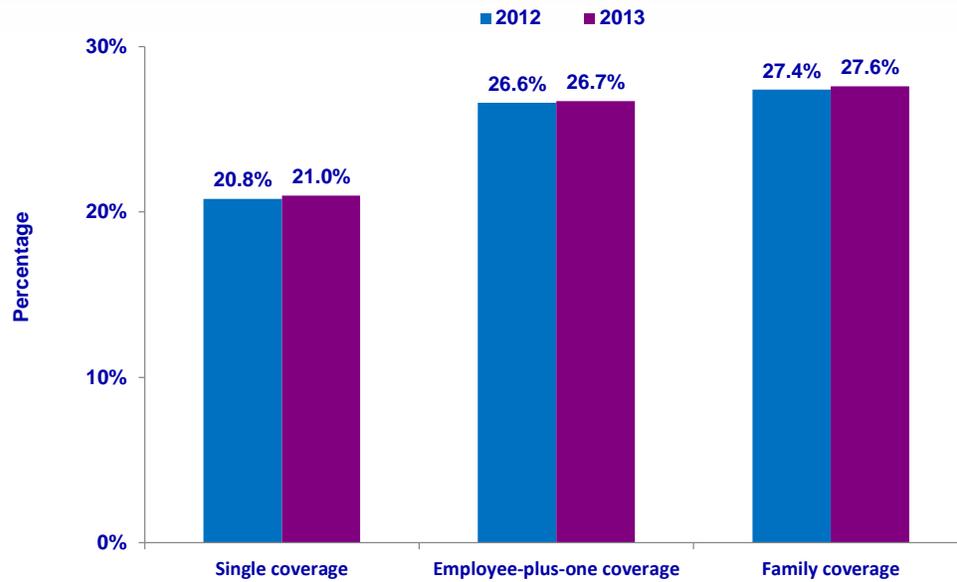


* 2013 value is different from the 2012 value at the 0.05 significance level.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012–2013



Figure 5. Average percentage of total premium contributed by enrolled employees, by coverage type, private sector, 2012 and 2013



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012-2013