

STATISTICAL BRIEF #486

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Premiums and Employee Contributions for Employer-Sponsored Health Insurance: Private versus Public Sector, 2014

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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 2014 Medical Expenditure Panel Survey (MEPS-IC), approximately 115.6 million of the 135.2 million civilian employees worked for an employer that offered health insurance. In this Brief, U.S. civilian employees are defined as those employed in the private sector and in the State and local public sectors (federal employees are excluded). Of those civilian employees who worked for an employer that offered health insurance, approximately 35.1 million were enrolled in single coverage, 12.5 million were enrolled in employee-plus-one coverage, and 21.0 million were enrolled in family coverage (data not shown).

This Statistical Brief presents estimates, using 2014 MEPS-IC data, of average premiums and employee contributions for single, employee-plus-one, and family coverage. Note that premiums for private and public sector enrollees may differ for a number of reasons, including differences in the demographic characteristics of enrollees and differences in the generosity of health plans. Estimates are for civilian employees who worked for entities that offered health insurance, and were enrolled in offered health insurance plans. Estimates by census geographic division within sector are also presented for average premiums and employee contributions for single and family coverage enrollees. Only comparisons that had a statistically significant difference at the 0.05 percent significance level are noted in the text.

Findings

Premiums in 2014 (figure 1)

Among the 135.2 million civilian employees in the U.S. in 2014, 85.5 percent worked for an employer that offered health insurance and 59.3 percent of these employees were enrolled in a plan (estimates not shown in figures). The average public sector premiums were \$6,872 for single coverage, \$12,701 for employee-plus-one coverage, and \$17,971 for family coverage (figure 1). For the private sector, these averages were \$5,832, \$11,503 and \$16,655, respectively.

Employee contributions in 2014 (figure 2)

Public sector employees contributed an average of \$737 for single coverage, \$2,568 for employee-plus-one coverage, and \$3,205 for family coverage to their health insurance premiums in 2014 (figure 2). These averages were all lower than those for private sector employees (\$1,234, \$3,097 and \$4,518, respectively).

Private and public health insurance coverage variations by census geographic division, 2014 (figures 3–7)

In 2014, average annual premiums and employee contributions varied substantially across both public and private sector employers and by geographic divisions as summarized below:

* Public sector premiums for single coverage were higher than private sector premiums in all census divisions except for West South Central, where premiums did not differ between sectors (figure 3). Average annual health insurance premiums per enrolled civilian employee with single coverage ranged from \$5,530 for private sector employees in East South Central to \$8,036 for public sector employees in New England.

* Public sector employee contributions toward single coverage were lower than private sector contributions in all census

Highlights

- In 2014, the average public (State/local governments) sector premiums for single, employee-plus-one, and family coverage were all higher than those for the private sector, with wide variations across geographic areas.
- Public sector employees in the New England division had the highest average health insurance premiums in 2014 for single coverage (\$8,036) and family coverage (\$20,563).
- In 2014, East South Central division private sector employees had the lowest average health insurance premiums for single coverage (\$5,530).
- Average public sector employee contributions for family coverage were lower than those for the private sector in all census divisions except the West South Central.

divisions except for New England, where employee contributions did not differ significantly between sectors (figure 4). Average employee contributions per enrolled civilian employee with single coverage ranged from \$454 for public sector employees in West North Central to \$1,459 for private sector employees in New England.

* Public sector premiums for family coverage were higher than private sector premiums in all census divisions except for East South Central and West South Central (figure 5). Average annual health insurance premiums per enrolled civilian employee with family coverage ranged from \$15,222 for public sector employees in East South Central to \$20,563 for public sector employees in New England.

* Public sector employee contributions toward family coverage were lower than private sector contributions in all census divisions except for West South Central, where employee contributions did not differ between sectors (figure 6). Average employee contributions per enrolled civilian employee with family coverage ranged from \$2,159 for public sector employees in Middle Atlantic to \$5,078 for private sector employees in West South Central.

* The percentage of premiums paid per enrolled employee for single coverage was lower in the public sector in all census divisions (figure 7). The average percentage of premiums paid by employees for single coverage ranged from 6.7 percent for public sector employees in West North Central to 24.1 percent for private sector employees in East South Central.

Data Source

This Statistical Brief summarizes data from the 2014 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 of the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

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 by State and local governments (referred to here as the public 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 2014 survey; with 7.3 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private-sector was 69.8 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 87.7 percent.

For more information on this survey, see *MEPS Methodology Reports 6, 8, 10, 14, 17, 18, 27, 28 and 30* and the MEPS-IC Technical Notes and Survey Documentation, which are available on the MEPS Web site (www.meps.ahrq.gov).

Suggested Citation

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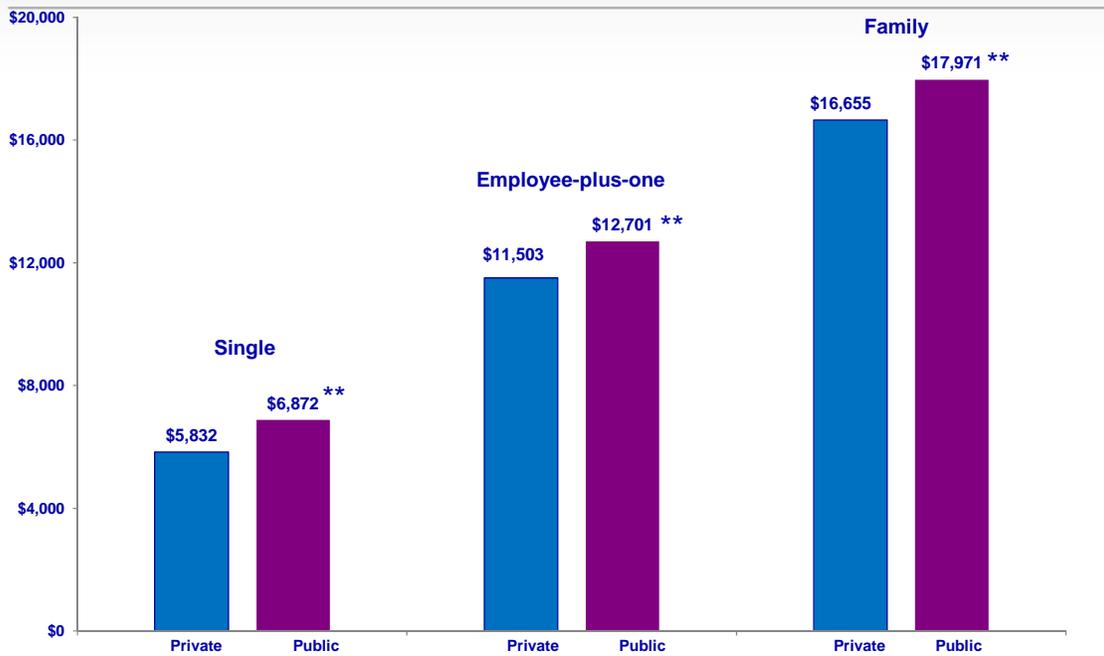
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using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

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Figure 1. Average premium per enrolled employee: Private versus public* sector, by type of coverage, 2014

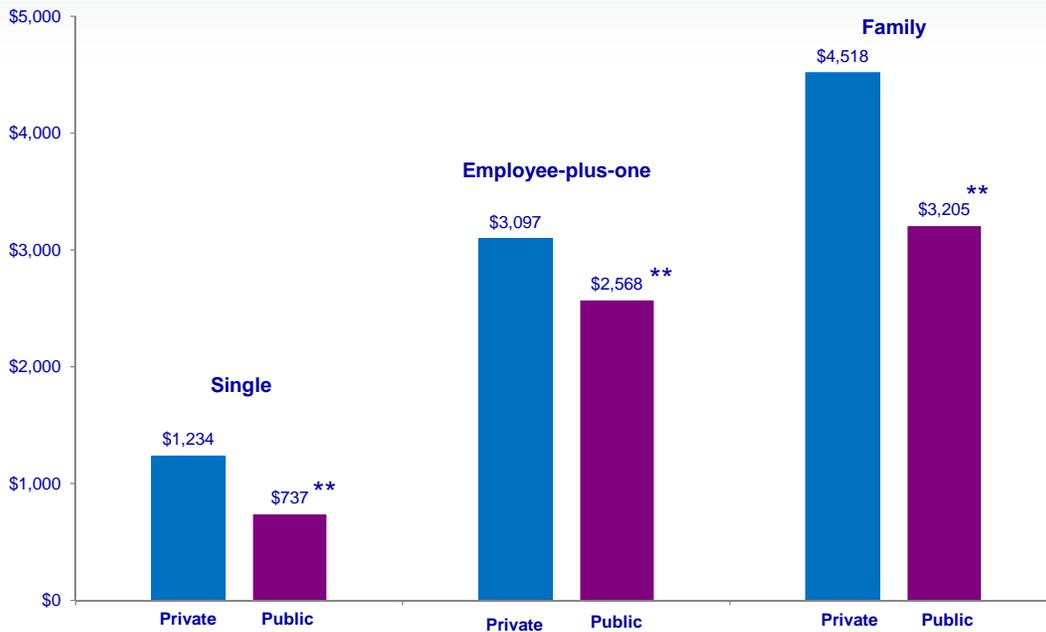


*Public sector excludes federal government employees. **Statistically significant at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 2. Average total employee contribution per enrolled employee: Private versus public* sector, by type of coverage, 2014

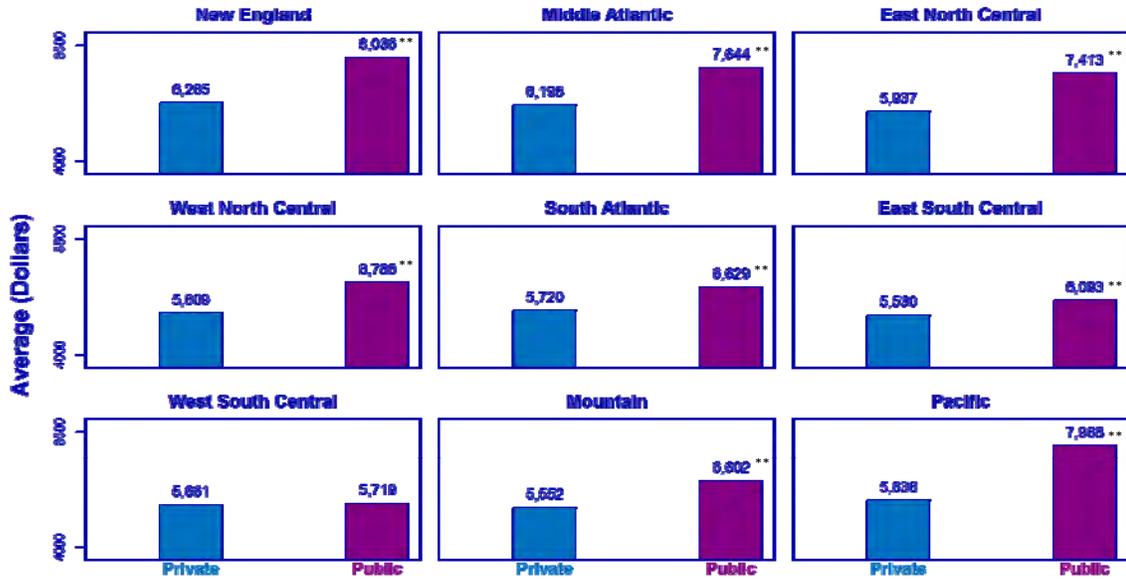


*Public sector excludes federal government employees. **Statistically significant at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 3. Average premium per enrolled employee for single coverage: Private and public* sectors, by census division, 2014



*Public sector excludes federal government employees **Statistically significant at the 0.05 level
Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 4. Average employee contribution per enrolled employee for single coverage: Private and public* sectors, by census division, 2014



*Public sector excludes federal government employees **Statistically significant at the 0.05 level
Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 5. Average premium per enrolled employee for family coverage: Private and public* sectors, by census division, 2014

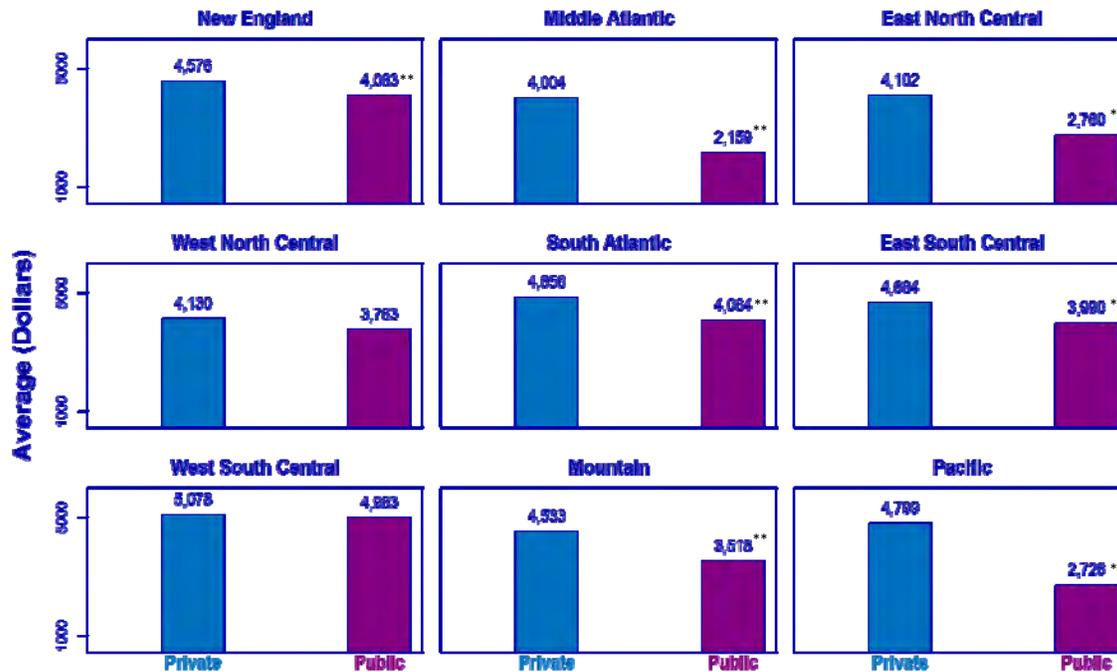


*Public sector excludes federal government employees **Statistically significant at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 6. Average employee contribution per enrolled employee for family coverage: Private and public* sectors, by census division, 2014



*Public sector excludes federal government employees **Statistically significant at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014



Figure 7. Percentage of premium paid per enrolled employee for single coverage: Private versus public* sector, by census division, 2014

	Single coverage	
	Private	Public
United States	21.2%	10.7%**
New England	23.3%	16.9%**
Middle Atlantic	19.5%	11.7%**
East North Central	21.8%	12.4%**
West North Central	22.0%	6.7%**
South Atlantic	22.7%	10.1%**
East South Central	24.1%	10.2%**
West South Central	21.2%	10.8%**
Mountain	21.3%	8.9%**
Pacific	18.2%	10.8%**

*Public sector excludes federal government employees. **Statistically significant at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2014