

## STATISTICAL BRIEF #323

April 2011

### **Co-pays, Deductibles, and Coinsurance Percentages for Employer-Sponsored Health Insurance in the Private Sector, by Industry Classification, 2009**

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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 2009 Medical Expenditure Panel Survey (MEPS-IC), approximately 96.8 million of the 110.5 million employees from the private sector worked where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 59.2 million were enrolled (data not shown in tables).

This Statistical Brief examines what percentage of enrollees pay a deductible and the size of deductibles, what percentage pay co-pays and the size of co-pays, and also coinsurance percentages. These values are compared by industry 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 59.2 million private sector employees enrolled in employer-sponsored health insurance in 2009, 73.8 percent were enrolled in a plan which required they meet an annual deductible (figure 1). This percentage varied significantly by industry. A lower than average percentage of enrollees from the Professional Services and Utilities and Transportation industries, 67.2 percent and 65.3 percent, respectively, had a plan with a deductible. The percentage of employees who had a deductible was higher than average for employees in Retail Trade (86.9 percent), Mining and Manufacturing (79.6 percent), and Construction (77.7 percent).

Among employees who paid a deductible, the average size of both single and family deductibles varied by industry in 2009. Enrollees with deductibles in the Construction industry paid an average single deductible of \$1,161 (figure 2), and family deductible of \$2,407 (figure 3) both higher than the national averages of \$917 and \$1,761, respectively. Enrollees with deductibles in the Utilities and Transportation and Mining and Manufacturing industries paid average family deductibles of \$1,541 and \$1,563, respectively, lower than the 2009 national average.

#### **Highlights**

- In 2009, 73.8 percent of private sector employees enrolled in employer-sponsored health insurance were required to pay a deductible by their health insurance plan.
- In 2009, private sector employees enrolled in employer-sponsored health insurance who were required to pay a deductible had an average single deductible of \$917 and an average family deductible of \$1,761. Both of these values varied by the employee's industry.
- Among private sector employees enrolled in employer-sponsored health insurance, 72.6 percent paid a co-pay for each doctor visit. The average dollar co-pay among these enrollees was \$21.53.
- The average coinsurance for a doctor visit for employees enrolled in employer-sponsored health insurance was 18.6 percent.

In 2009, 72.6 percent of private sector enrollees in employer-sponsored health insurance paid a co-pay for an office visit (figure 4). In the Retail Trade industry, the percentage was lower than average at 61.9 percent.

On average, the 2009 co-pay for private sector enrollees with co-pays was \$21.53 (figure 5). Enrollees with co-pays in the Construction and Retail Trade industries paid slightly higher than average co-pays of \$22.74 and \$22.56, respectively. Enrollees with co-pays in the Utilities and Transportation sector paid a slightly lower than average co-pay of \$20.05.

Persons who do not have co-pays have a percentage coinsurance. For private sector enrollees in 2009, the average coinsurance for an office visit for those enrollees who paid a coinsurance was 18.6 percent (figure 6). Enrollees in Wholesale Trade and Mining and Manufacturing paid a lower than average percent coinsurance of 16.8 and 17.9, respectively. Enrollees in the Construction sector paid a higher than average percent coinsurance of 19.7.

## Data Source

This Statistical Brief summarizes data from the 2009 MEPS-IC. The data are 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

### *Employer*

In this Statistical Brief, an employer is described as a private sector firm. 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. The definitions for private industries are based on the North American Industrial Classification System, available at <http://www.census.gov/eos/www/naics/>. Estimates for the Agriculture, Fishing, and Forestry sector do not meet standards of reliability or precision and have been excluded from this analysis.

### *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. For example, a plan may have a hospitalization deductible per admission. 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.

### *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.

## About MEPS-IC

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. The yearly response rate has averaged 78 percent for in-scope sample units. Approximately 4 percent of the original sample has been out of scope in a typical year. A total sample of 42,000 establishments was selected for the 2009 survey, prior to accounting for losses due to nonresponse and out-of-scope cases. For more information on this survey, see MEPS Methodology Reports 6, 8, 10, 14, 17, and 18 under MEPS publications at [http://www.meps.ahrq.gov/mepsweb/data\\_stats/publications.jsp](http://www.meps.ahrq.gov/mepsweb/data_stats/publications.jsp) and the MEPS Insurance/Employer Component Survey Basics at [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/Insurance.jsp](http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp).

## Suggested Citation

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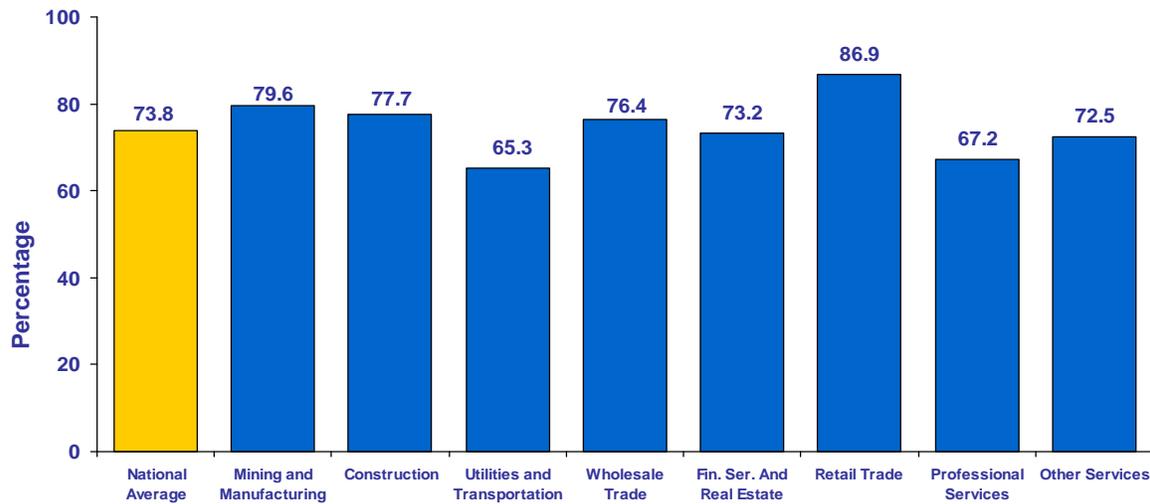
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using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

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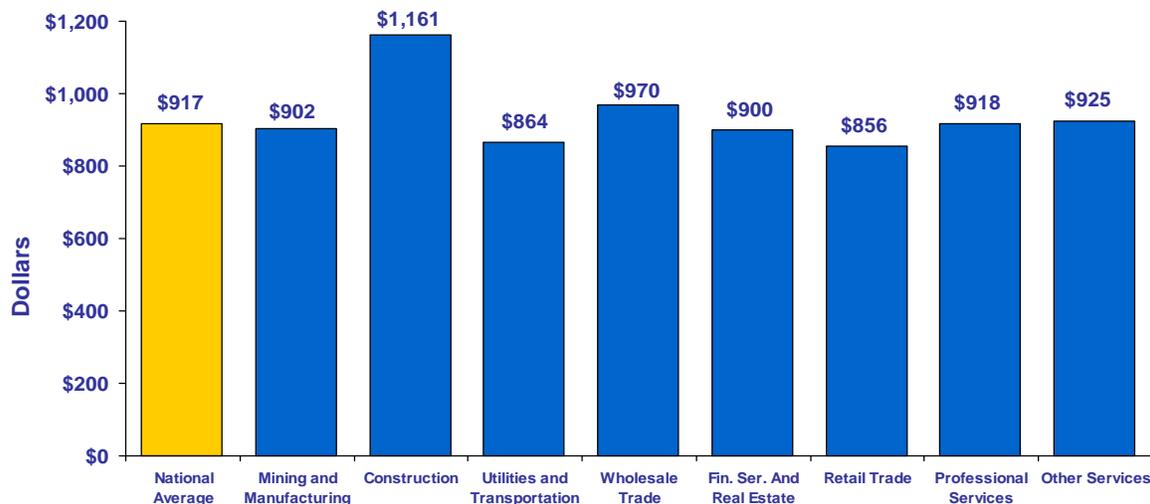
**Figure 1. Percentage of private sector employees enrolled in a plan with a deductible, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009



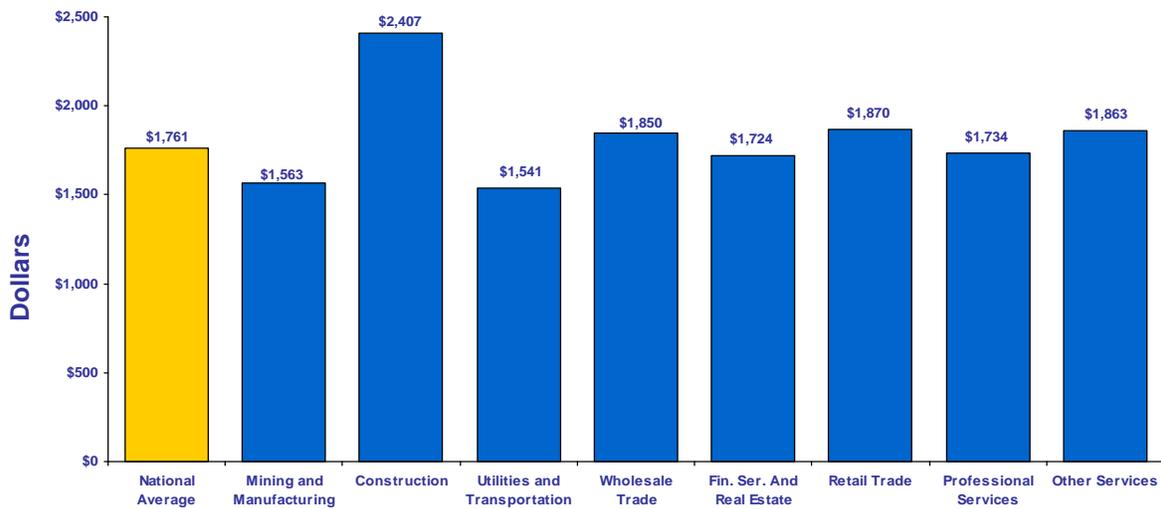
**Figure 2. Average single deductible of private sector employees enrolled in a plan with a deductible, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009



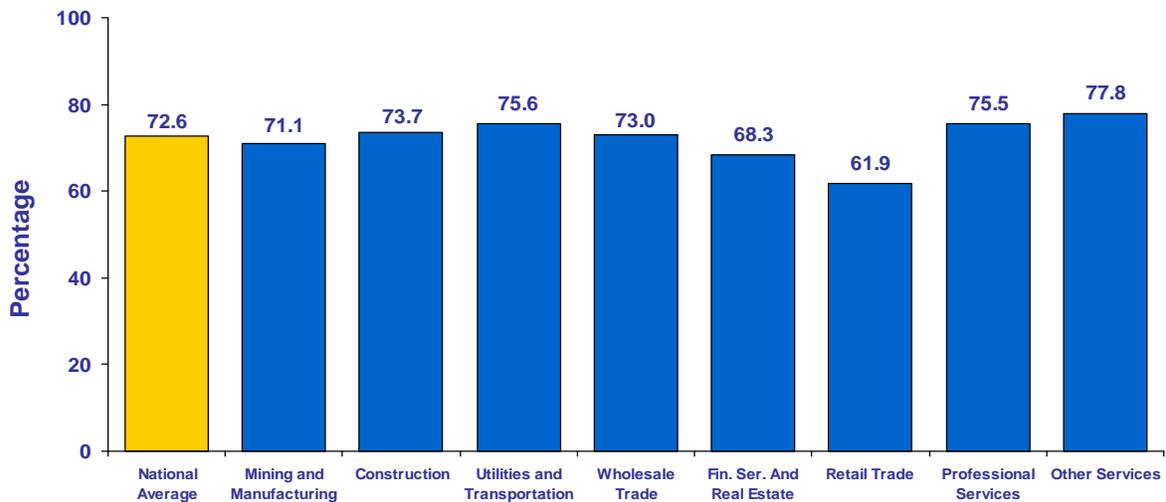
**Figure 3. Average family deductible of private sector employees enrolled in a plan with a deductible, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009



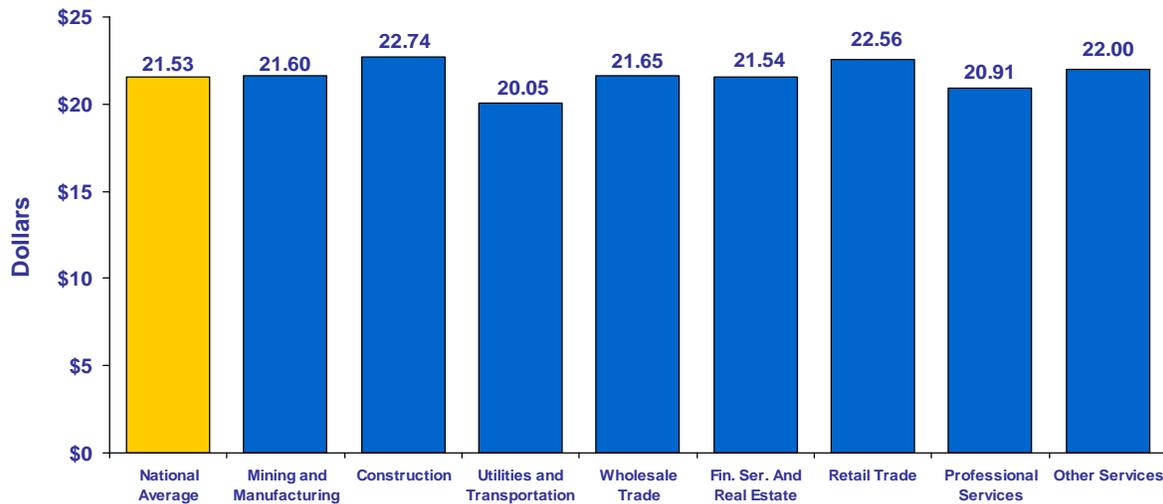
**Figure 4. Percentage of private sector enrollees who have a plan with a co-pay for an office visit, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009



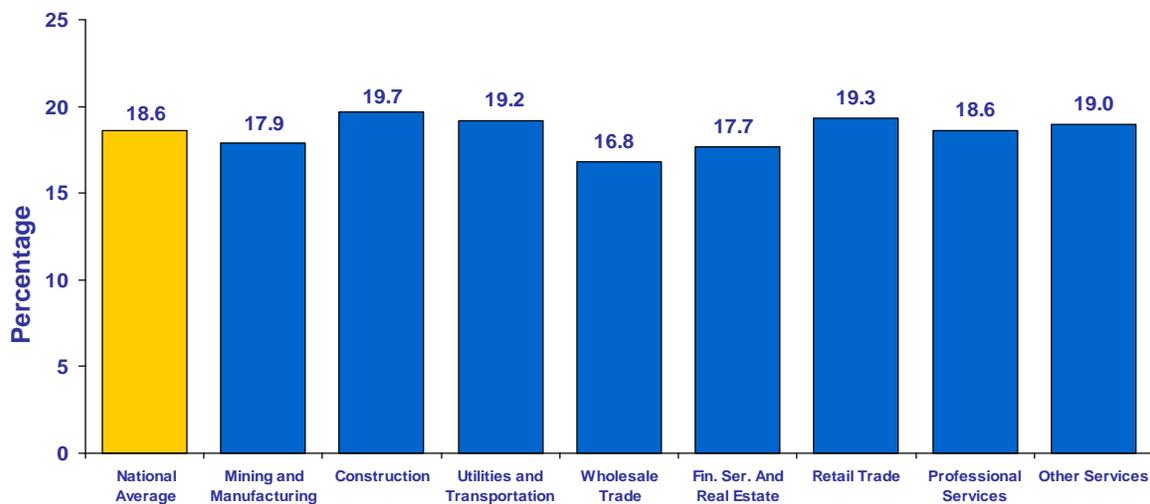
**Figure 5. Average co-pay for an office visit of private sector employees enrolled in a plan with a co-pay for an office visit, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009



**Figure 6. Average percentage coinsurance for an office visit of private sector employees enrolled in a plan with a percentage coinsurance for an office visit, by industry, 2009**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2009