

## STATISTICAL BRIEF #328

July 2011

### **Employer-Sponsored Single, Employee-Plus-One, and Family Health Insurance Coverage: Selection and Cost, 2010**

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#### **Introduction**

Health insurance provided by employers is a key source of coverage for both employees and their families. In 2010, slightly more than half of private sector employees enrolled in employer-sponsored health insurance took single, self-only coverage and the remainder took non-single coverage (a plan covering the employee and at least one other family member). According to the Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC), those employees with non-single coverage contributed both a larger dollar amount and a larger percentage of the total premium for their coverage than did employees with single coverage.

Non-single health insurance plans encompass two types of coverage: family coverage and employee-plus-one coverage. Employee-plus-one coverage premiums are less expensive than those for family coverage (see Definitions section) when available for the same level of benefits.

This Statistical Brief presents information on the selection and cost of single, employee-plus-one, and family health insurance coverage for current employees in the private sector in 2010.

Only differences that are statistically significant at the 0.05 significance level are discussed in the text.

#### **Findings**

Among employees obtaining health insurance through their private sector employers in 2010, slightly more than half were enrolled in single coverage and the remainder were enrolled in non-single coverage (a plan covering one or more family members or dependents in addition to the employee) (figure 1). Of the 56.1 million employees enrolled in health insurance plans, 28.8 million employees had single coverage, 10.3 million employees had employee-plus-one coverage, and 17.0 million employees had family coverage (data not shown).

Employees in large private sector firms, those with 50 or more employees, were about equally likely to have enrolled in non-single coverage (50.7 percent) compared to single coverage (49.3 percent) (figure 1). However, for small firms, those with fewer than 50 employees, the portion of enrollment in single plans (60.3 percent) was much larger than in non-single plans (39.7 percent).

#### **Highlights**

- In 2010, the average annual family coverage premiums (\$13,871) were much higher than those for employee-plus-one coverage (\$9,664), which in turn were much higher than single coverage premiums (\$4,940) in the private sector. Compared with those with single coverage, employees with non-single coverage also contributed a larger amount toward their premium both in terms of dollars and percentage of total premium cost.
- In 2010, 51.3 percent of private sector employees with health insurance through their employer were enrolled in single coverage plans and 48.7 percent were enrolled in non-single coverage plans. About 38 percent of employees with non-single coverage were in employee-plus-one plans.
- For both large and small employers, employees with single coverage were much more likely to not have to contribute toward their plan's premium than employees with non-single coverage. Overall, 18.3 percent of those enrolled in single plans did not contribute toward the premium cost compared with 10.4 percent of those with family coverage, and 9.8 percent of those with employee-plus-one coverage.

There were large differences in 2010 between the average total premium costs for single, employee-plus-one, and family plans. Single coverage premiums averaged \$4,940 per year compared with \$9,664 for employee-plus-one premiums and \$13,871 for family premiums (figure 2). In the private sector, the average premium for single coverage in small firms was no different than the average premium for comparable coverage in large firms. For employee-plus-one coverage, the average small firm premium was 2.2 percent higher than the average large firm premium. However, the average premium for family coverage in small firms was 5.9 percent lower than the comparable coverage in large firms.

Premium costs for employer-based coverage may be paid completely by the employee, paid in part by the employer and in part by the employee, or paid completely by the employer. While 18.3 percent of private sector employees with single coverage were enrolled in a plan that did not require them to contribute toward the premium cost, only 10.4 percent of employees with family coverage and 9.8 percent of those with employee-plus-one coverage were in such a plan (figure 3). For both large and small employers, employees with single coverage were much more likely to contribute nothing toward their plan premium than those with non-single coverage.

In 2010, employees of small firms were much less likely to contribute to their premium than those in large firms. In small firms, 44.9 percent of those with single coverage did not contribute to their premium (figure 3). For large firms, that was true for only 11.1 percent of employees. The comparable figures for employee-plus-one coverage were 28.7 percent (small firms) versus 6.7 percent (large firms), and for family coverage 32.6 percent (small firms) versus 6.3 percent (large firms).

As with total premiums, the average annual contribution by an employee toward the premium was much larger for family coverage (\$3,721) than for employee-plus-one coverage (\$2,498) or single coverage (\$1,021) in 2010 (figure 4). These averages include all current employees who enrolled in private sector employer-sponsored plans. Employee contributions toward single coverage were 13.9 percent lower in small firms than large firms (\$907 versus \$1,053). In contrast, employee contributions toward employee-plus-one coverage were 16.0 percent higher for employees in small firms (\$2,836) compared with large firms (\$2,444), and employee contributions for family coverage were 12.8 percent higher in small firms (\$4,117) compared with large firms (\$3,649).

Employees with non-single coverage not only contribute a larger dollar amount toward their health insurance premium than employees with single coverage, they also pay a greater percentage of the total premium cost. In 2010, those with family and employee-plus-one coverage contributed 26.8 and 25.8 percent relative to the total cost of their premium, respectively, while employees with single coverage contributed 20.7 percent (figure 5). Large firms' employees paid 21.3 percent of the single premium, higher than the 18.3 percent that small firms' employees paid. For employee-plus-one and family coverage, the reverse was true. For employee-plus-one coverage, large firms' employees paid 25.4 percent of the premium, while employees of small firms paid 28.8 percent. For family coverage, large firms' employees paid 26.1 percent of the premium, while employees of small firms paid 31.3 percent.

## Data Source

The statistics in this Brief are estimates from the 2010 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](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 Fall 2011.

## Definitions

### *Health insurance plan*

An insurance contract that provides hospital and/or physician coverage to an employee for an agreed-upon fee (premium) for a defined benefit period.

### *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.

### *Firm*

A business entity consisting of one or more business establishments under common ownership or control. A firm represents the entire organization, including the company headquarters and all divisions, subsidiaries, and branches. A firm may consist of a single-location establishment, in which case the establishment and firm are identical.

### *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.

### *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.

### *Non-single coverage*

Health insurance that covers at least one person in addition to the employee. Both employee-plus-one coverage and family coverage are included in this category.

## **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 2010 survey, with 8.3 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private-sector was 82.7 percent of the remaining in-scope sample units.

For more information on this survey, see MEPS *Methodology Reports 6, 8, 10, 14, 17, and 18* on the MEPS Web site at [http://www.meps.ahrq.gov/mepsweb/data\\_stats/Pub\\_ProdLookup\\_Results.jsp?ProductType=Methodology%20Report&Comp=Insurance](http://www.meps.ahrq.gov/mepsweb/data_stats/Pub_ProdLookup_Results.jsp?ProductType=Methodology%20Report&Comp=Insurance) and Insurance 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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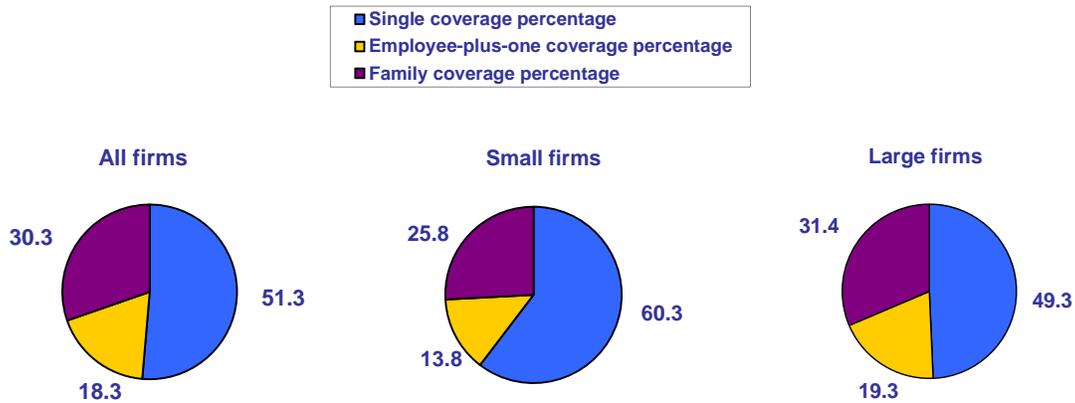
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 [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 enrolled employees with single, employee-plus-one, and family health insurance coverage, by firm size, private sector, 2010**

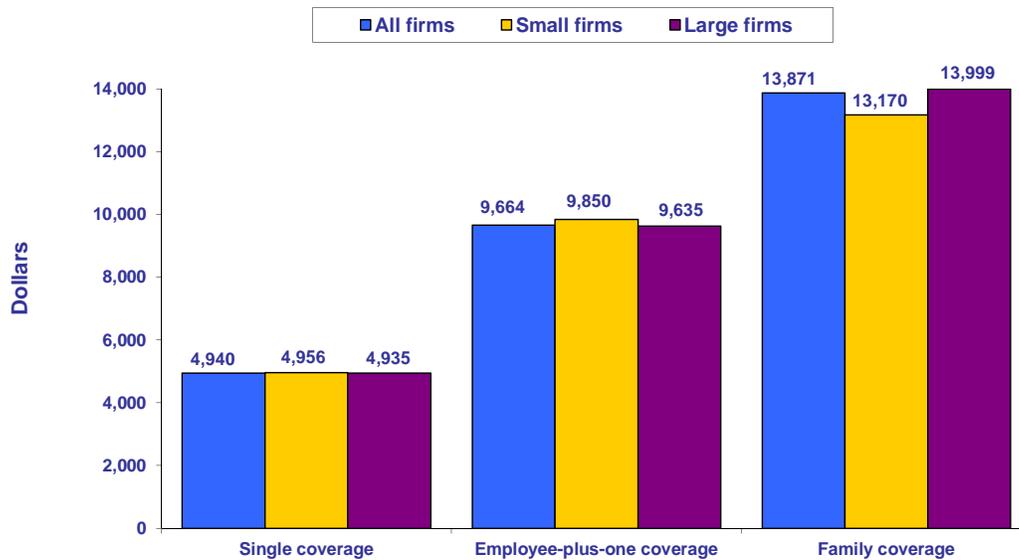


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2010



**Figure 2. Average total premium per enrolled employee, by firm size, private sector, 2010**

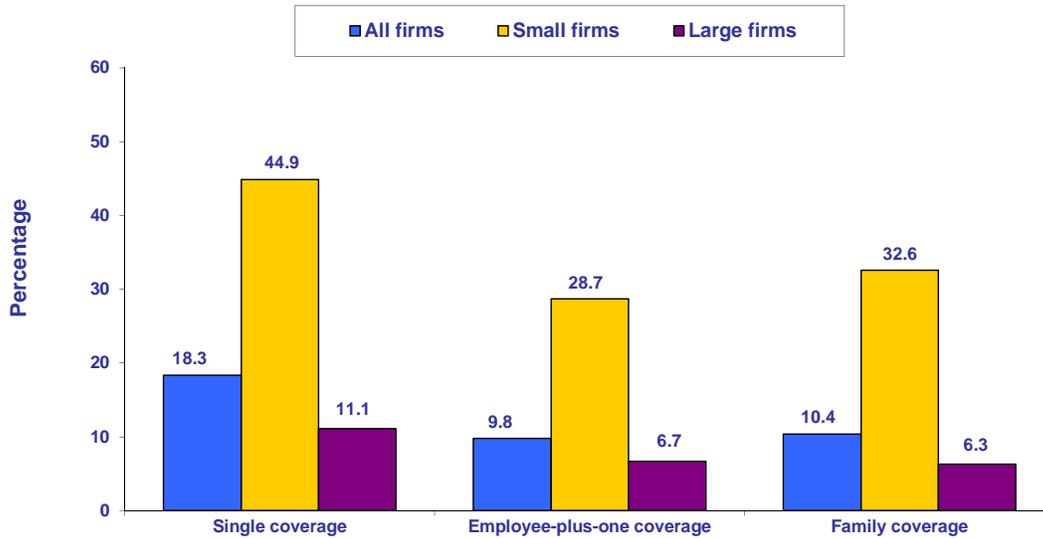


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2010



**Figure 3. Percentage of enrolled employees making no contribution toward health insurance premium, by firm size, private sector, 2010**

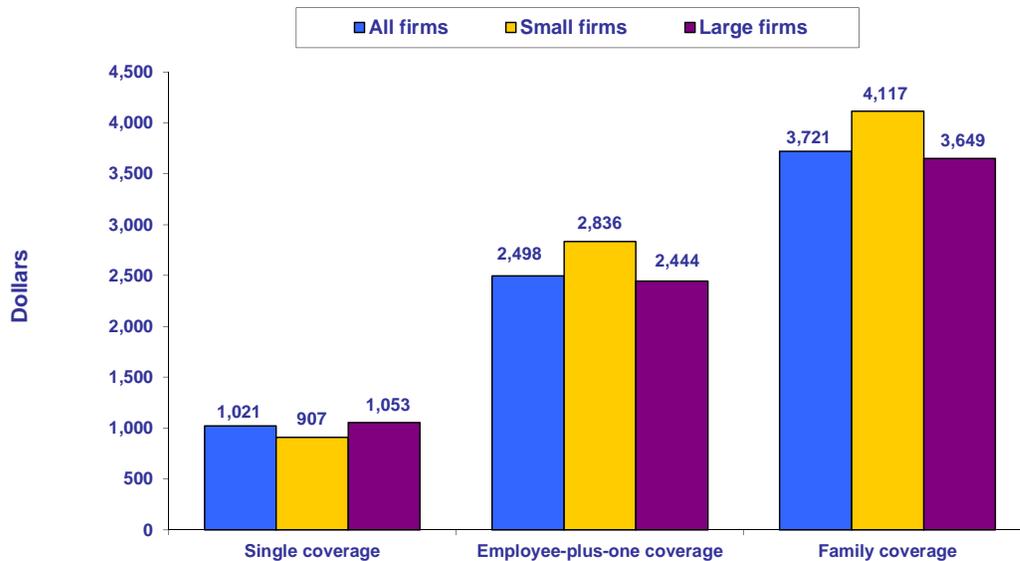


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2010



**Figure 4. Average employee contribution per enrolled employee, by firm size, private sector, 2010**

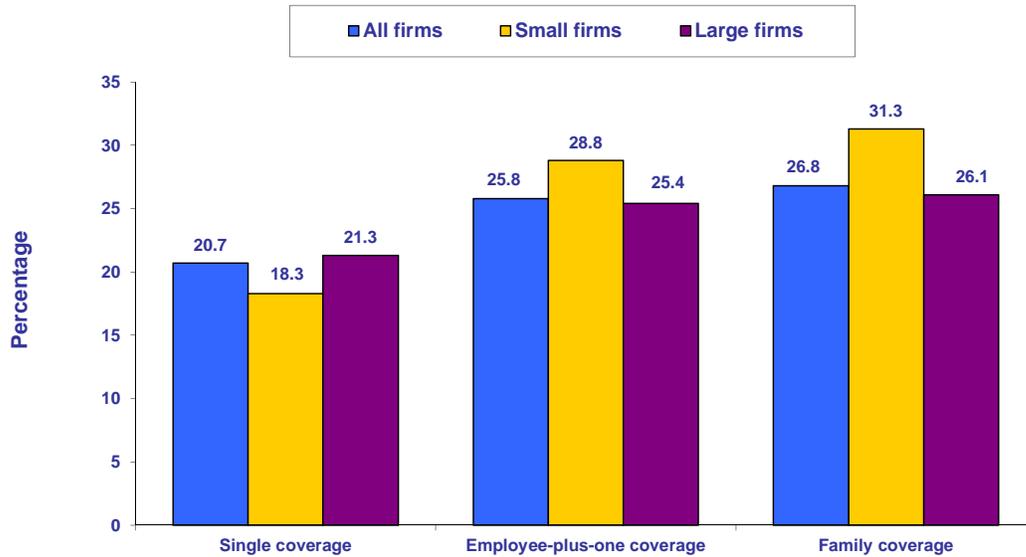


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2010



**Figure 5. Overall percentage of total premium paid by enrolled employees, by firm size, private sector, 2010**



Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2010