

STATISTICAL BRIEF #338

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Co-pays, Deductibles, and Coinsurance Percentages for Employer-Sponsored Health Insurance in the Private Sector, by Industry Classification, 2010

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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 2010 Medical Expenditure Panel Survey (MEPS-IC), approximately 93.8 million of the 108.4 million employees from the private sector worked where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 56.1 million were enrolled (data not shown in figures).

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 56.1 million private sector employees enrolled in employer-sponsored health insurance in 2010, 77.5 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, 71.8 percent and 69.1 percent, respectively, had a plan with a deductible. The percentage of employees who had a deductible that was higher than average for employees was in Retail Trade (86.1 percent) and Mining and Manufacturing (83.5 percent).

Among employees who paid a deductible, the average size of both single and family deductibles varied by industry in 2010. Enrollees with deductibles in the Construction industry paid an average single deductible of \$1,463 (figure 2), and family deductible of \$2,692 (figure 3) both higher than the national averages of \$1,025 and \$1,975, respectively. Enrollees with deductibles in the Utilities and Transportation industry paid an average single deductible of \$854, and family deductible of \$1,612 both lower than the national average. Enrollees with deductibles in the Retail Trade and Other Services industries paid average family deductibles of \$2,217 and \$2,160, respectively, higher than the 2010 national average.

In 2010, 70 percent of private sector enrollees in employer-sponsored health insurance paid a co-pay for an office visit (figure 4). The percentage of enrollees that had a co-pay was higher than average in the Other Services industry (76.2 percent), and lower than average in the Retail Trade and Financial Services and Real Estate industries (65.9 percent and 63.2 percent, respectively).

On average, the 2010 co-pay for private sector enrollees with co-pays was \$22.82 (figure 5). Enrollees with co-pays in the Construction and Retail Trade industries paid slightly higher than average co-pays of \$24.59 and \$24.19, respectively. Enrollees with co-pays in the Utilities and Transportation and Professional Services sectors paid slightly lower than average co-pays of \$21.15 and \$22.33, respectively.

Persons who do not have co-pays usually have a percentage coinsurance. For private sector enrollees in 2010, the average coinsurance for an office visit for those enrollees who paid a coinsurance was 18.8 percent (figure 6). Enrollees in the Financial Services and Real Estate sector paid a lower than average percent coinsurance of 17.9. Enrollees in the Retail Trade and Other Services sectors paid higher than average percent coinsurances (20.3 and 20.2, respectively).

Highlights

- In 2010, 77.5 percent of private sector employees enrolled in employer-sponsored health insurance were required to pay a deductible by their health insurance plan.
- In 2010, private sector employees enrolled in employer-sponsored health insurance who were required to pay a deductible had an average single deductible of \$1,025 and an average family deductible of \$1,975. Both of these values varied across some employee industry categories.
- Among private sector employees enrolled in employer-sponsored health insurance, 70 percent paid a co-pay for each doctor visit. The average dollar co-pay among these enrollees was \$22.82.
- The average coinsurance for a doctor visit for employees enrolled in employer-sponsored health insurance was 18.8 percent.

Data Source

This Statistical Brief summarizes data from the 2010 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 on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

Employer

In this Statistical Brief, an employer is defined as a private sector firm and 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

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 of Healthcare Research and Quality (AHRQ). A total sample of 42,000 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* and the MEPS-IC Technical Notes and Survey Documentation, which are available on the MEPS Web site (<http://www.meps.ahrq.gov>).

Suggested Citation

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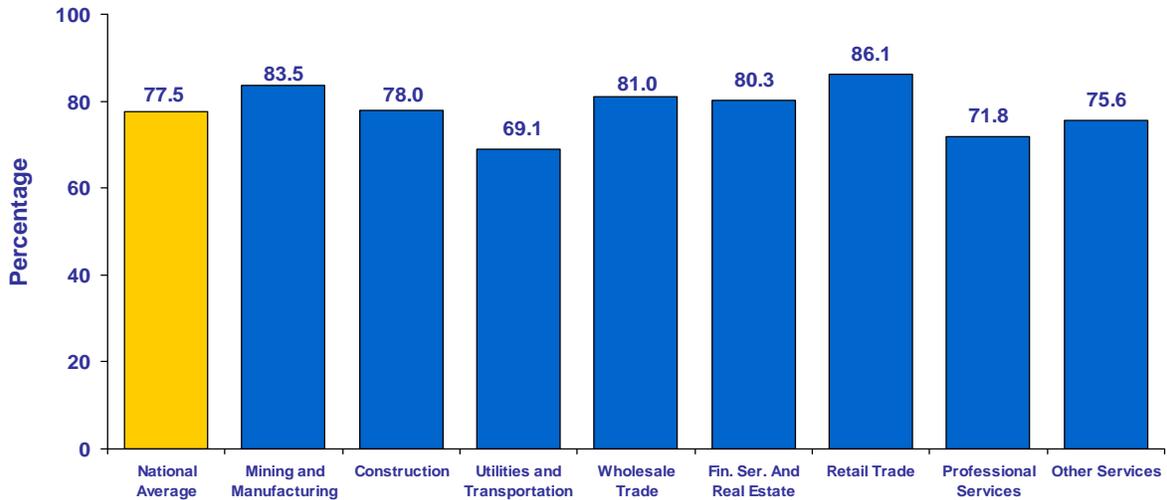
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using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

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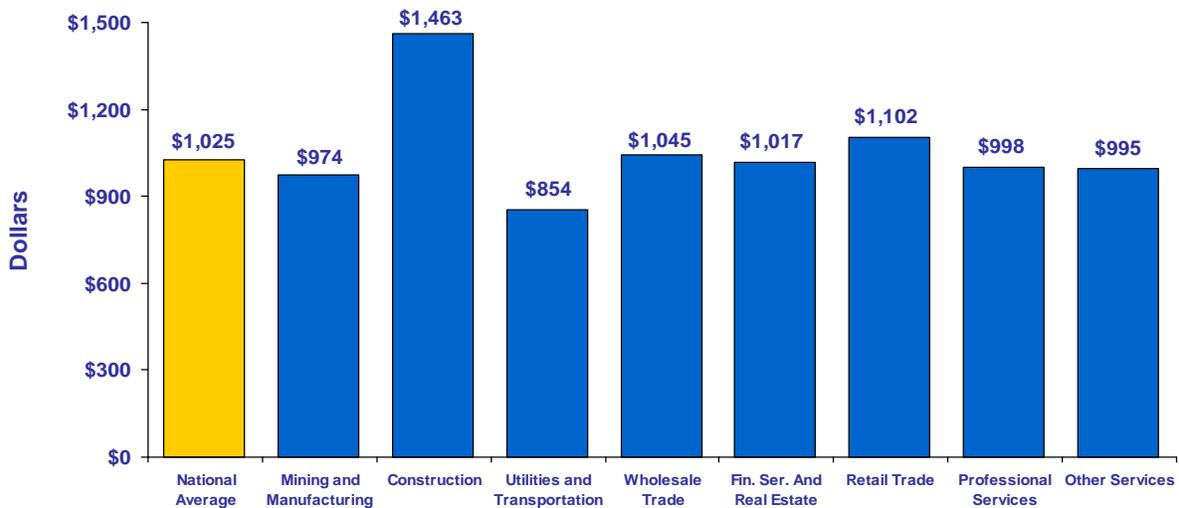
Figure 1. Percentage of private sector employees enrolled in a plan with a deductible, by industry, 2010



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



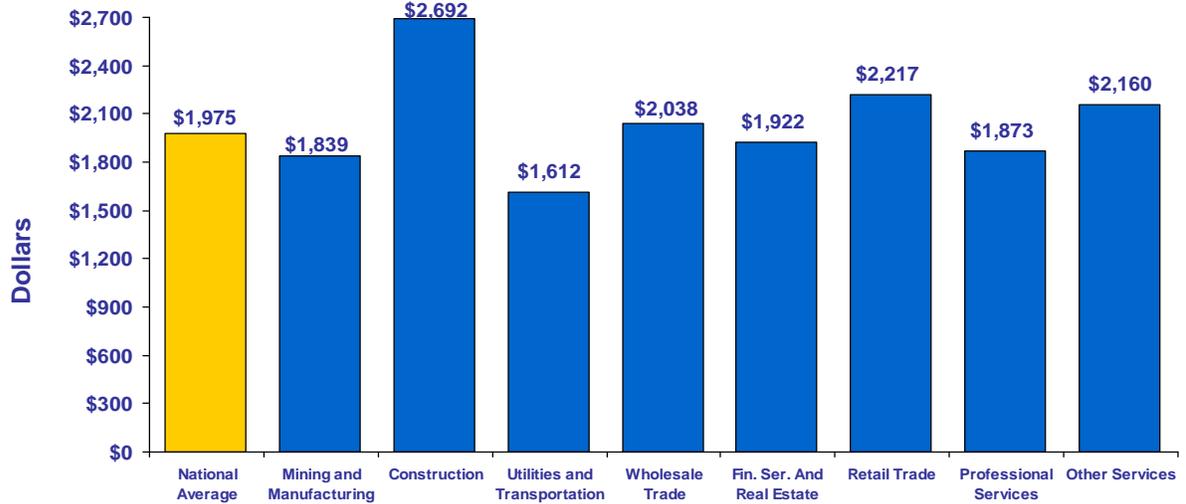
Figure 2. Average single deductible of private sector employees enrolled in a plan with a deductible, by industry, 2010



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



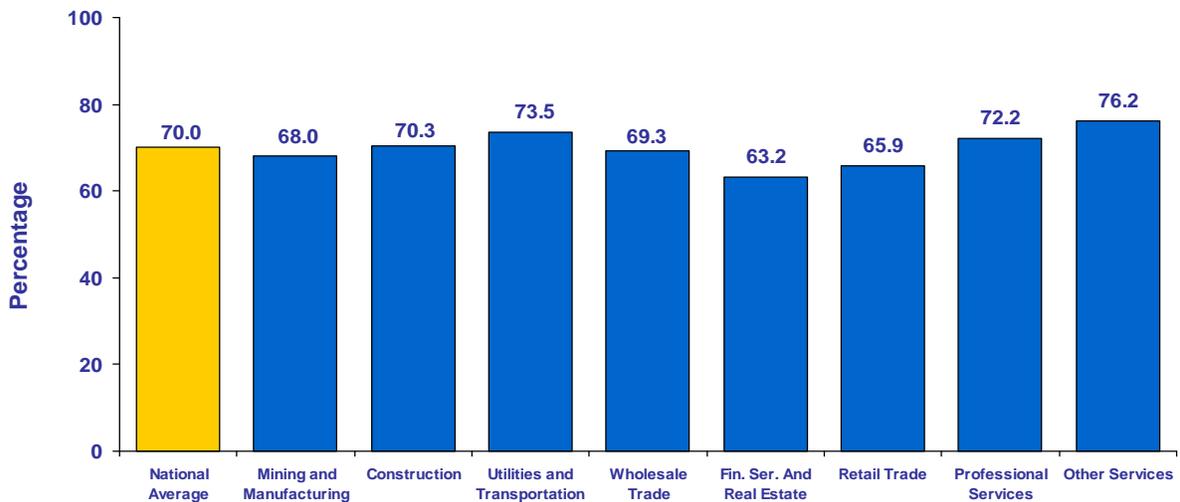
Figure 3. Average family deductible of private sector employees enrolled in a plan with a deductible, by industry, 2010



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



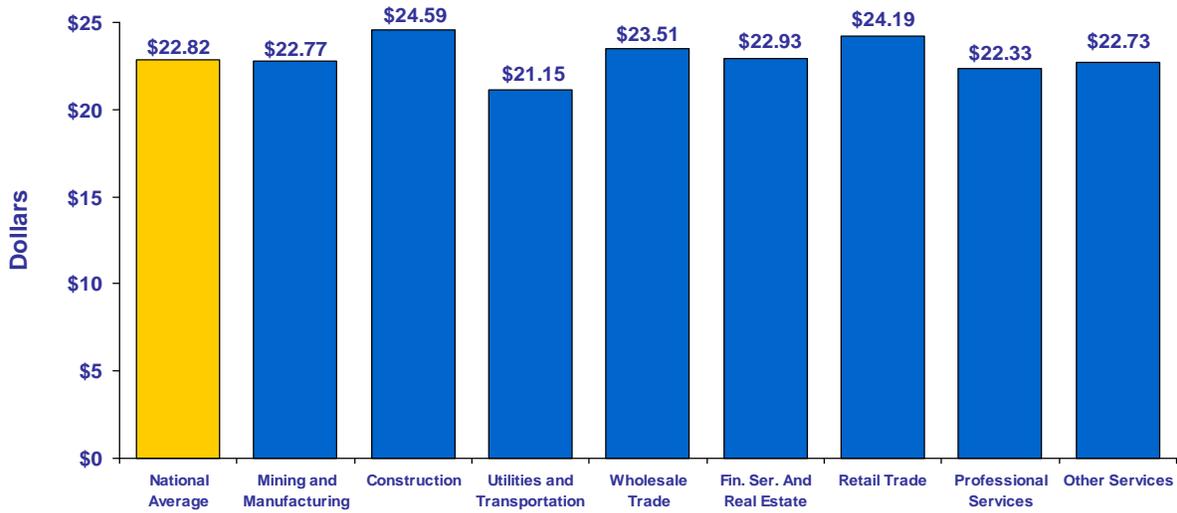
Figure 4. Percentage of private sector enrollees who have a plan with a co-pay for an office visit, by industry, 2010



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



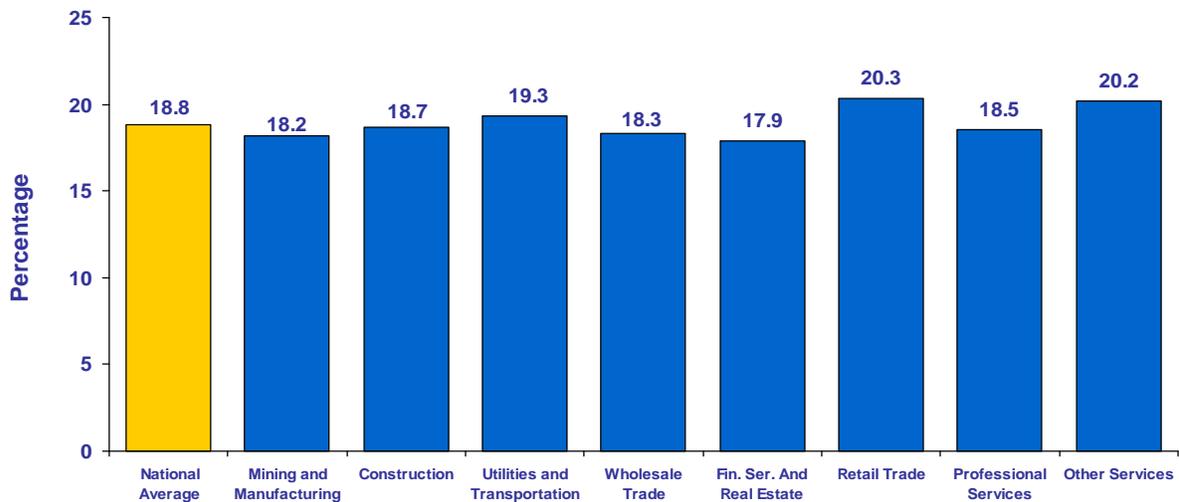
Figure 5. Average co-pay for an office visit of private sector employees enrolled in a plan with a co-pay for an office visit, by industry, 2010



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



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, 2010



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