

## STATISTICAL BRIEF #344

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### The Number of Health Insurance Plans Offered by Private Sector Employers in 2000 and 2010

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#### Introduction

Health insurance provided by employers is typically the most important source of coverage for workers and their families. Data from the Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC) indicate that more employers have offered 2 or more plans to employees in recent years. At the same time, the percentage of employees not offered insurance has increased, and the workforce has decreased from 112.0 million workers to 108.4 million between 2000 and 2010.

This Statistical Brief presents information on the number of health insurance plans that employers offered to employees in 2010 versus 2000. In general, the number of health insurance plans offered increases with firm size. For this reason, estimates in this Brief are presented separately for small firms (less than 50 employees) and large firms (50 or more employees). Although most establishments are part of small firms, most employees work at establishments that are part of larger firms. For example, in 2010, three-quarters (75.7 percent) of establishments belonged to small firms, but only about one-quarter (27.5 percent) of employees worked at these establishments (data not shown).

It should be noted that an employer offering 2 or more health insurance plans does not necessarily mean that a choice of plans is available to every employee; only certain types of employees such as full-time, part-time, union, or executive workers may be offered certain choices.

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

#### Findings

Establishments of both small and large firms were more likely to offer 2 or more health insurance plans in 2010 than 2000. Among small firms, the share of establishments offering 2 or more plans increased from 6.2 percent in 2000 to 7.2 percent in 2010 (figure 1). Among large firms, the share of establishments offering 2 or more plans is much higher than that of small firms, and increased more dramatically from 51.8 percent in 2000 to 66.3 percent in 2010 (figure 2).

During the same period, the share of establishments among small firms (figure 1) not offering any health insurance increased from 52.8 percent in 2000 to 60.8 percent in 2010. This increase (8.0 percentage points) is notably higher than the increase in percentage offering a choice of plans (1.0 percentage point). Among large firms, the percentage offering no plans was small, and similar in 2000 (3.2 percent) and 2010 (3.6 percent) (figure 2).

#### Highlights

- Between 2000 and 2010, employers increasingly offered 2 or more health insurance plans to employees.
- Small firms increasingly did not offer health insurance between 2000 and 2010. This increase was greater than the increase in the percentage that offered 2 or more plans.
- In terms of employees, the percentage not offered health insurance by large or small firms was greater in 2010 than 2000.
- At large firms, a greater percentage of employees was offered 2 or more health insurance plans in 2010 compared to 2000. This change was more substantial than the increase in the percentage not offered health insurance.
- Compared to 2000, in 2010 a smaller proportion of establishments that offered health insurance had exclusive provider plans and a smaller proportion of establishments of large firms offered conventional indemnity plans.

In terms of employees, a greater percentage was not offered health insurance in 2010. Among small firms, 32.2 percent of employees in 2000 were not offered health insurance, increasing to 42.2 percent in 2010 (figure 3). Among large firms, 1.9 percent of employees in 2000, and 2.6 percent in 2010, were not offered health insurance (figure 4). On the other hand, an increasing share of employees at large firms may have had a choice of health insurance plans; 72.5 percent in 2010 worked where 2 or more plans were offered versus 64.6 percent in 2000. This increase (7.9 percentage points) was substantially greater than the increase in the percentage not offered health insurance (0.7 percentage points).

The types of insurance offered by employers also shifted between 2000 and 2010. Among establishments of both small and large firms offering health insurance, the percentage offering exclusive-provider managed care decreased. Among small firms, this decrease was from 34.4 percent to 32.1 percent (figure 5); among establishments of large firms, from 43.1 percent to 30.1 percent, while the percentage offering mixed-provider managed care increased from 83.3 percent to 88.4 percent (figure 6). Also, the proportion of establishments among large firms offering conventional indemnity insurance decreased (from 14.3 percent in 2000 to 8.9 percent in 2010).

## Data Source

The statistics in this Brief are estimates from the 2000 and 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 are also available for 2000 and will be published for 2010 in fall 2011.

## Definitions

### *Health insurance plan*

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

### *Conventional indemnity plan*

A plan that reimburses the patient or provider as expenses are incurred and allows the participant to choose any provider without effect on reimbursement.

### *Managed care plan*

A plan offering comprehensive health services and financial incentives for patients to use providers who belong to the plan.

### *Exclusive provider plan*

A plan offering coverage through a network of selected health care providers and no coverage for care received from a non-network provider except in an emergency.

### *Preferred (mixed) provider plan*

A plan offering coverage through a network of selected health care providers. The enrollees may go outside the network, but pay a larger portion of the costs.

### *Establishment*

A particular workplace or physical location where business is conducted or services or industrial operations are performed; also known as a site.

### *Firm*

A business entity consisting of one or more establishments under common ownership or control, including the company headquarters, all divisions, subsidiaries, and branches. A firm may consist of a single location, in which case the establishment and firm are identical (this true for 4.7 million of the 4.9 million total establishments of small firms and 0.2 million of the 1.7 million total establishments of large firms in 2010).

### *Employee*

A person on an employer's payroll, excluding temporary and contract workers but including the owners or managers who work for the firm.

## 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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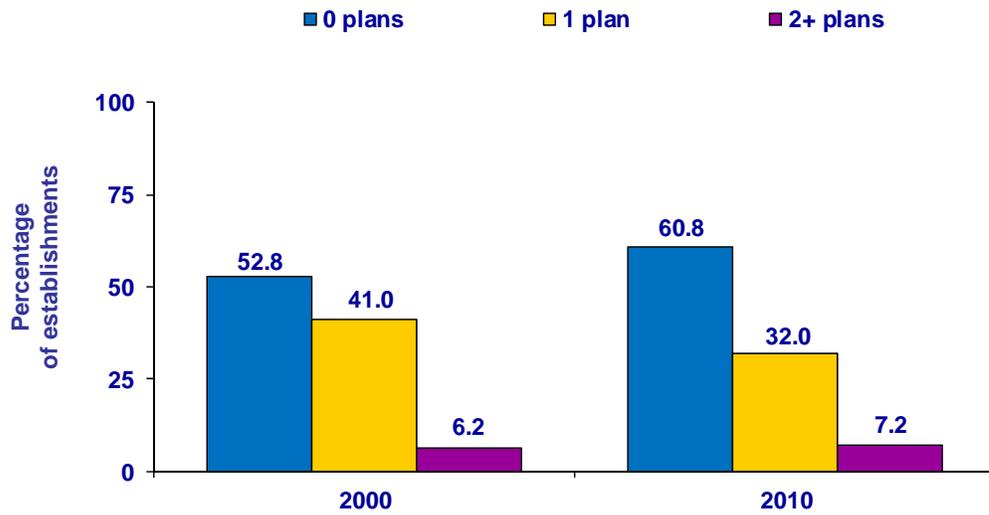
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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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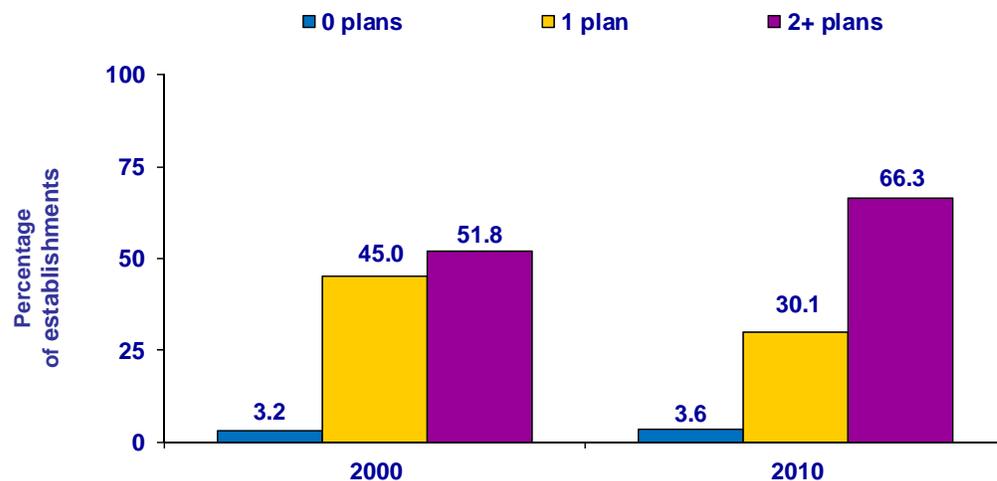
**Figure 1. Percentage of private sector establishments in small firms (less than 50 employees) by number of health insurance plans offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010



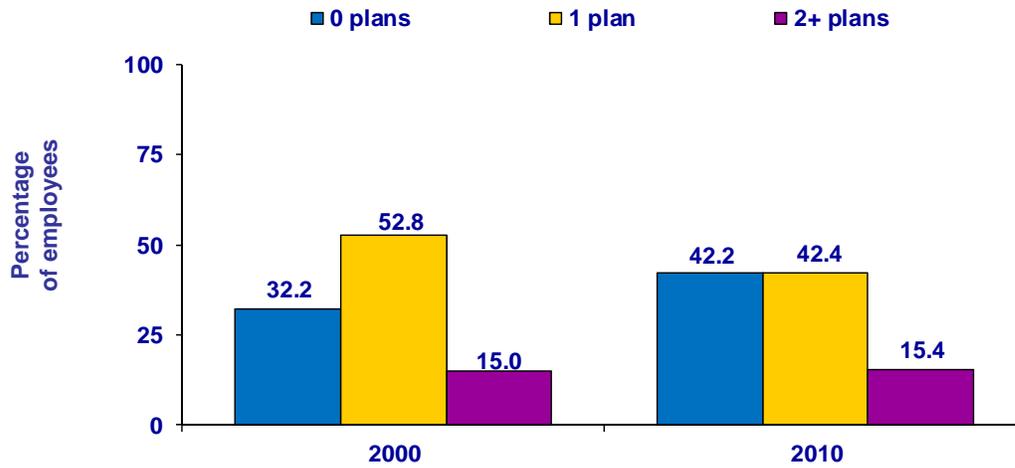
**Figure 2. Percentage of private sector establishments in large firms (50 or more employees) by number of health insurance plans offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010



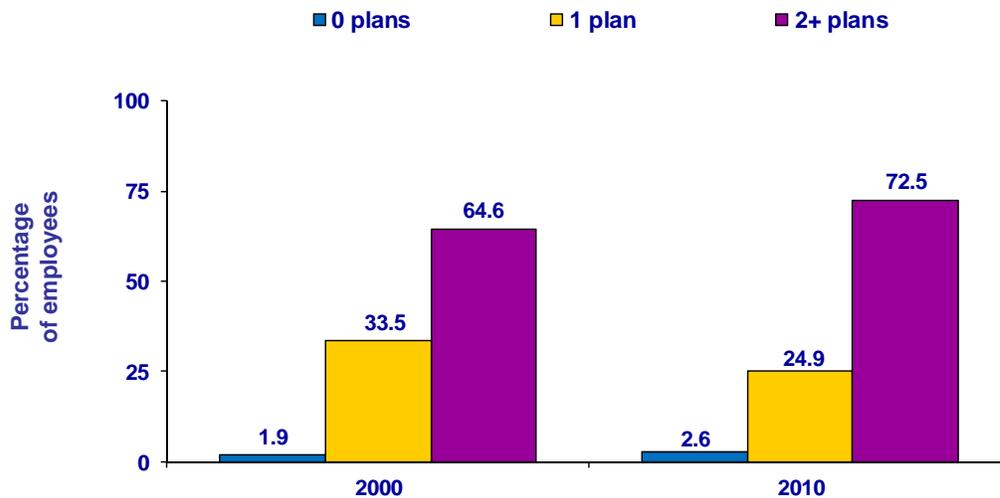
**Figure 3. Percentage of employees of small firms (less than 50 employees), by number of health insurance plans offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010



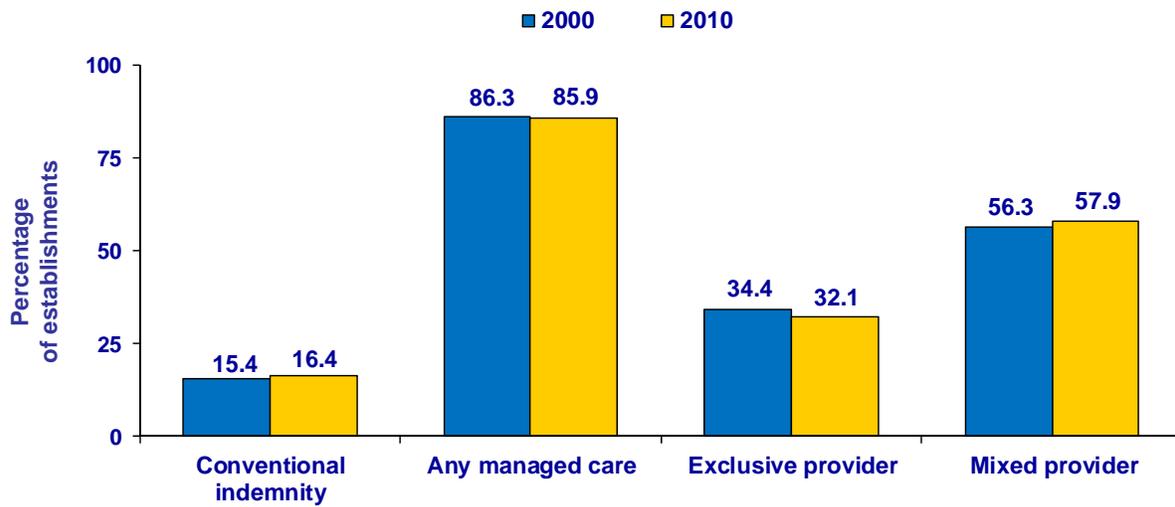
**Figure 4. Percentage of employees of large firms (50 or more employees), by number of health insurance plans offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010



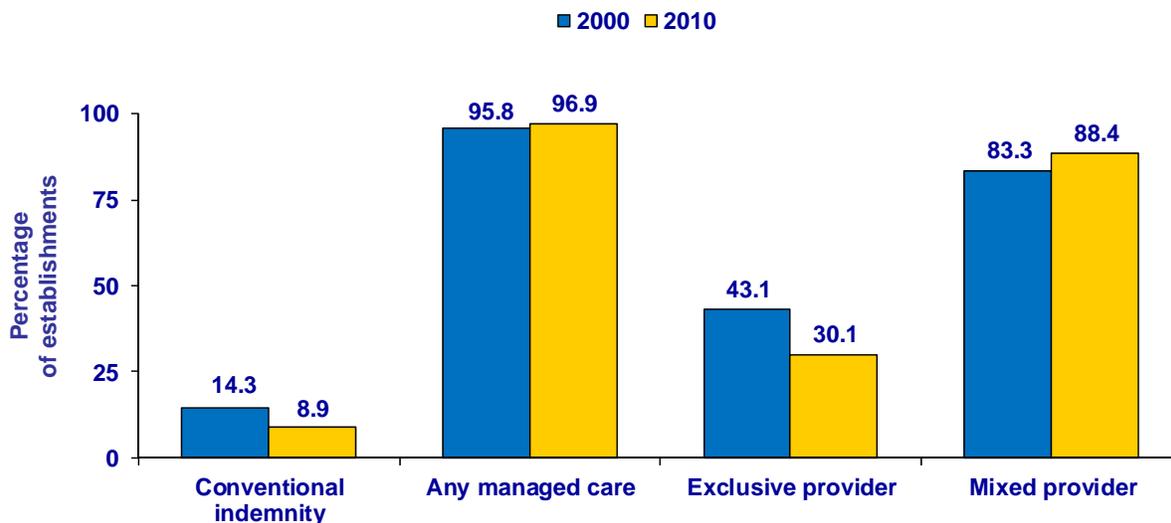
**Figure 5. Percentage of establishments in small firms (less than 50 employees) offering health insurance, by type of insurance offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010



**Figure 6. Percentage of establishments in large firms (50 or more employees) offering health insurance, by type of insurance offered, 2000 and 2010**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey 2000 and 2010