



AGENCY FOR HEALTHCARE RESEARCH AND QUALITY



## STATISTICAL BRIEF #524

July 2019

### Trends in Health Insurance at Private Employers, 2008–2018

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#### Introduction

Employer-sponsored insurance (ESI) is the primary source of health insurance coverage for individuals under age 65. This Statistical Brief uses data from the 2018 Medical Expenditure Panel Survey-Insurance Component (MEPS-IC) private-sector national tables to describe trends in employer coverage, premiums, and deductibles from 2008 to 2018. The MEPS-IC is an annual survey of private employers and state and local governments and is designed to be representative of all 50 states and the District of Columbia.

This Statistical Brief describes trends and patterns in ESI for private-sector employees, overall and by three firm size categories: fewer than 50 employees (small firms), 50 to 99 employees (medium-sized firms), and 100 or more employees (large firms). All differences discussed in the text are at the 0.05 significance level, or better. All dollar estimates are nominal (not adjusted for inflation).

#### Findings

##### *Enrollment rates and number of covered employees*

From 2017 to 2018, there was no significant change in the percentage of private-sector employees covered by a health insurance plan offered by their employers (the “enrollment rate”), overall or by firm size (figure 1). The number of private-sector workers enrolled in a health insurance plan offered by their employers increased from 2017 to 2018 in all firms and in large firms. There were 62.1 million enrollees at private-sector employers in 2018, 9.1 million in small firms, 4.2 million in medium-sized firms, and 48.9 million in large firms (figure 2).

In 2018, the enrollment rate for all private-sector employees was 47.8 percent, but was 26.6 percent at small employers, 44.3 percent at medium-sized employers, and 56.5 percent at large employers (figure 1). Enrollment rates were lower at smaller (fewer than 100 employees) employers than at large employers throughout the 2008 to 2018 time period, mainly due to lower offer rates (figure 3).

##### *Offer rates*

There was no significant change in the overall percentage of employees working at establishments that offered insurance (“the offer rate”) between 2017 (84.5 percent) and 2018 (84.6 percent) (figure 3). Offer rates at small firms (with fewer than 50 employees), medium-sized firms (with 50 to 99 employees), and large firms (with 100 or more employees) were 47.3 percent, 88.0 percent, and 99.0 percent in 2018, respectively. These percentages were not statistically different from their 2017 values. Over the longer term, however, offer rates at small firms declined from 61.6 percent in 2008 to 47.3 percent in 2018.

##### *Eligibility rates*

The overall eligibility rate for employees at private-sector establishments that offered insurance increased from 76.8 percent in 2017 to 78.0 percent in 2018. The eligibility rate also increased at large firms from 76.6 percent to 78.0 percent. Overall and at large firms, the 2018 eligibility rates were higher than those observed from 2014 to 2017. Eligibility rates at small and medium-sized employers did not differ significantly from their 2017 levels (figure 4).

##### *Take-up rates*

The take-up rate declined from 73.5 percent in 2017 to 72.4 percent in 2018 at all private-sector employers, and declined from 74.5 percent to 73.3 percent at large firms. Overall and at large firms, the rates in 2018 were lower than in almost all years from 2008 to 2017. Take-up rates at small and medium-sized firms in 2018 did not differ significantly from their 2017 levels.

##### *Premiums*

In 2018, average health insurance premiums were \$6,715 for single coverage (figure 6), \$13,425 for employee-plus-one coverage (figure 7), and \$19,565 for family coverage (figure 8), representing increases over 2017 levels of 5.4 percent for single coverage, 5.0 percent for employee-plus-one coverage, and 4.7 percent for family coverage (figure 9). In general, the 2017 to 2018 premium growth rates were not significantly

#### Highlights

- There was no statistically significant change in the overall percentage of private-sector employees covered by a health insurance plan offered by their employers between 2017 and 2018 (47.8 percent).
- Between 2017 and 2018, there was no statistically significant change in the percentage of employees working at establishments that offered insurance overall (84.6 percent in 2018) or in small (47.3 percent), medium-sized (88.0 percent), or large firms (99.0 percent).
- The eligibility rate for employees at all private-sector establishments that offered insurance increased from 76.8 percent in 2017 to 78.0 percent in 2018. In large firms, it increased from 76.6 percent to 78.0 percent. The overall and large firm eligibility rates in 2018 were higher than those observed from 2014 to 2017.
- The take-up rate at all firms declined from 73.5 percent to 72.4 percent between 2017 and 2018, and at large firms it declined from 74.5 percent to 73.3 percent. The overall and large firm take-up rates were lower than rates in almost all years in the 2008 to 2017 period.
- In 2018, average health insurance premiums were \$6,715 for single coverage, \$13,425 for employee-plus-one coverage, and \$19,565 for family coverage, representing increases over 2017 levels of 5.4 percent for single coverage, 5.0 for employee-plus-one coverage, and 4.7 percent for family coverage.
- Average individual and family deductible levels did not increase significantly in 2018. This was the first year without a significant increase in deductible levels in the 2008 to 2018 period.

different from the 2016 to 2017 rates, both overall (figure 9) and by firm size (data not shown). The only exception was for large firms, where the growth rate for single premiums (6.2 percent from 2017 to 2018) was higher than the growth rate from 2016 to 2017 (3.8 percent).

#### *Employee premium contributions*

From 2017 to 2018, there were no significant changes in average employee contribution levels for single and employee-plus-one coverage; however, employee premium contribution levels for family coverage increased significantly. Average employee contributions to health insurance premiums in 2018 were \$1,427 for single coverage (figure 10), \$3,634 for employee-plus-one coverage (figure 11), and \$5,431 for family coverage (figure 12). At medium-sized employers, employee premium contribution levels increased significantly for single coverage (\$1,534 in 2018, figure 10) and family coverage (\$6,973 in 2018, figure 12).

#### *Deductibles*

In 2018, there was no significant change in the overall percentage of enrollees in a health insurance plan with a deductible (87.3 percent in 2018) (figure 13). From 2008 to 2018, the overall percentage of enrollees with a deductible increased from 70.7 percent to 87.3 percent.

Average deductible levels for single-coverage enrollees did not increase significantly in 2018. This was the first year without a significant increase in the 2008 to 2018 period. However, the average deductible level did rise significantly for single-coverage enrollees in small firms, increasing from \$2,136 in 2017 to \$2,327 in 2018 (an increase of 8.9 percent) (figure 14). The year 2018 was also the first time that average family deductibles did not rise significantly for family coverage enrollees (figure 15).

Average individual deductibles were higher in small (\$2,327) and medium-sized firms (\$2,369) than in large firms (\$1,692) in 2018. Family deductibles were also higher in small (\$4,364) and medium-sized firms (\$4,755) than in large firms (\$3,179) in 2018.

### **Data Source**

This Statistical Brief summarizes data from the 2008 through 2018 MEPS-IC. The data are available on the MEPS website at [https://www.meps.ahrq.gov/mepsweb/survey\\_comp/Insurance.jsp](https://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**

#### *Single coverage*

Single coverage is health insurance that covers the employee only.

#### *Employee-plus-one coverage*

Employee-plus-one coverage is health insurance that covers the employee and one other family member at a lower premium level than family coverage. If premiums differed for employee-plus-spouse and employee-plus-child coverage, information for employee-plus-child coverage was collected.

#### *Family coverage*

Family coverage is health insurance that covers the employee and one or more family members (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.

#### *Enrollment rate*

The enrollment rate is the percentage of all employees enrolled in their employer's health insurance at establishments both offering and not offering health insurance.

#### *Offer rate*

The offer rate is the percentage of employees who work at establishments that offer health insurance.

#### *Eligible employees*

Eligible employees are those that are allowed to enroll in employer-sponsored coverage offered by their employer. Common eligibility criteria include a minimum number of hours worked per pay period or a minimum length of service with the employer.

#### *Employee*

An employee is a person on the actual payroll. This definition excludes temporary and contract workers but includes the owner or manager if that person works at the firm.

#### *Establishment*

An establishment is a single physical location of a business.

#### *Health insurance plan*

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

#### *Take-up rate*

The take-up rate is the percentage of eligible employees who enroll in health insurance coverage through their employer at establishments that offer insurance.

#### *Deductible*

A deductible is a fixed dollar amount during the benefit period—usually a year—that an insured person pays before the insurer starts to make payments for covered medical services. The MEPS-IC collects information on deductibles for single and family coverage.

## About MEPS-IC

The MEPS-IC is a survey of private-sector business establishments and state and local 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 2018 survey, with 5.5 percent of the sample determined to be out of scope during the data collection process. The response rate for the private sector was 67.8 percent of the remaining in-scope sample units.

## Suggested Citation

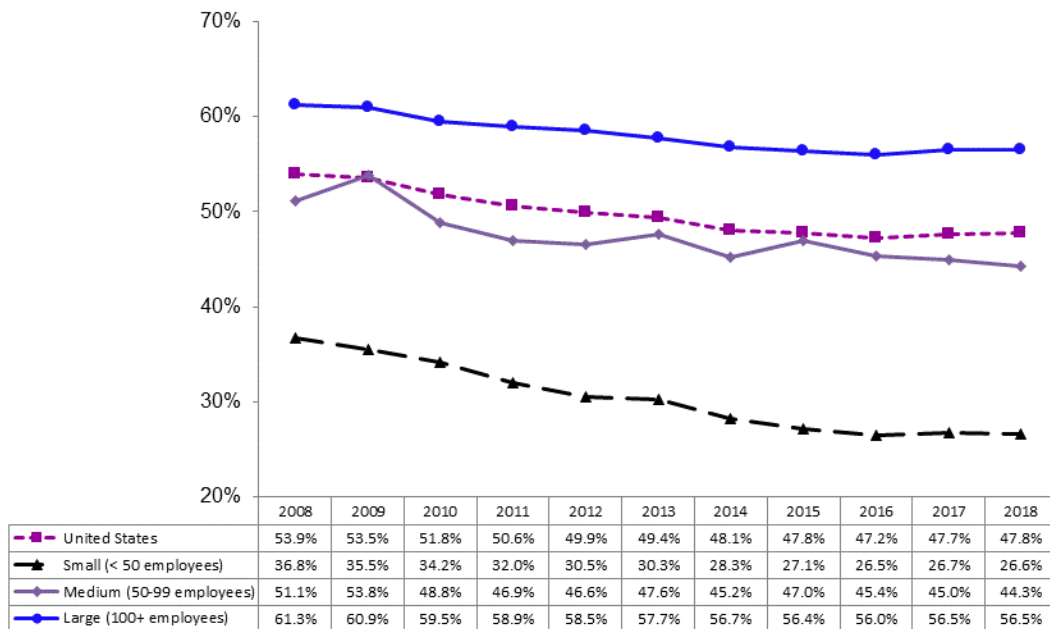
Miller, G.E., Keenan, P. and Vistnes, J. *Trends in Health Insurance at Private Employers, 2008–2018*. Statistical Brief #524. July 2019. Agency for Healthcare Research and Quality, Rockville, MD. [https://meps.ahrq.gov/mepsweb/data\\_files/publications/st524/stat524.shtml](https://meps.ahrq.gov/mepsweb/data_files/publications/st524/stat524.shtml)

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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 healthcare 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](mailto:MEPSProjectDirector@ahrq.hhs.gov) or send a letter to the address below:

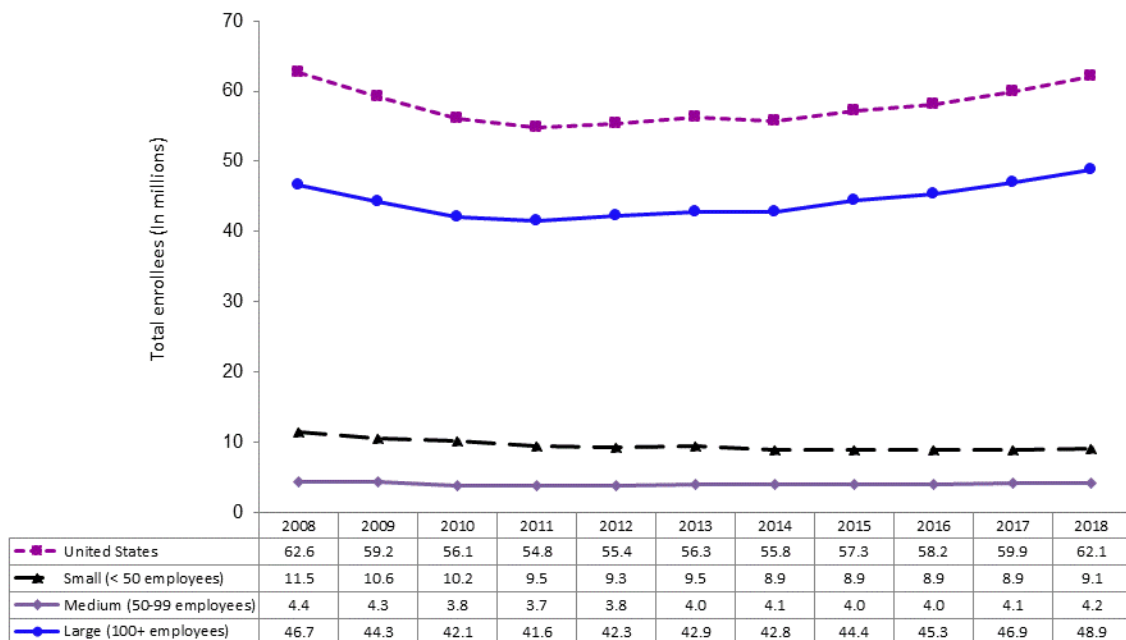
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**Figure 1. Enrollment Rate: Percentage of all private-sector employees enrolled in employer-sponsored health insurance, overall and by firm size, 2008–2018**



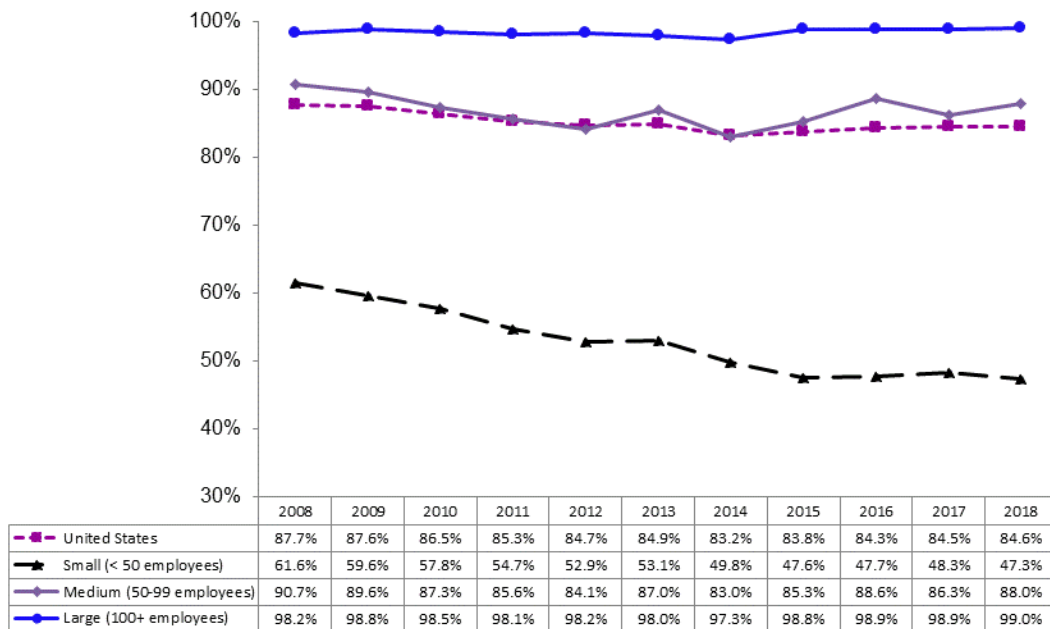
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.  
Denominator: Within each category, all employees in establishments.

**Figure 2. Total number (in millions) of private-sector enrollees in employer-sponsored health insurance, overall and by firm size, 2008–2018**



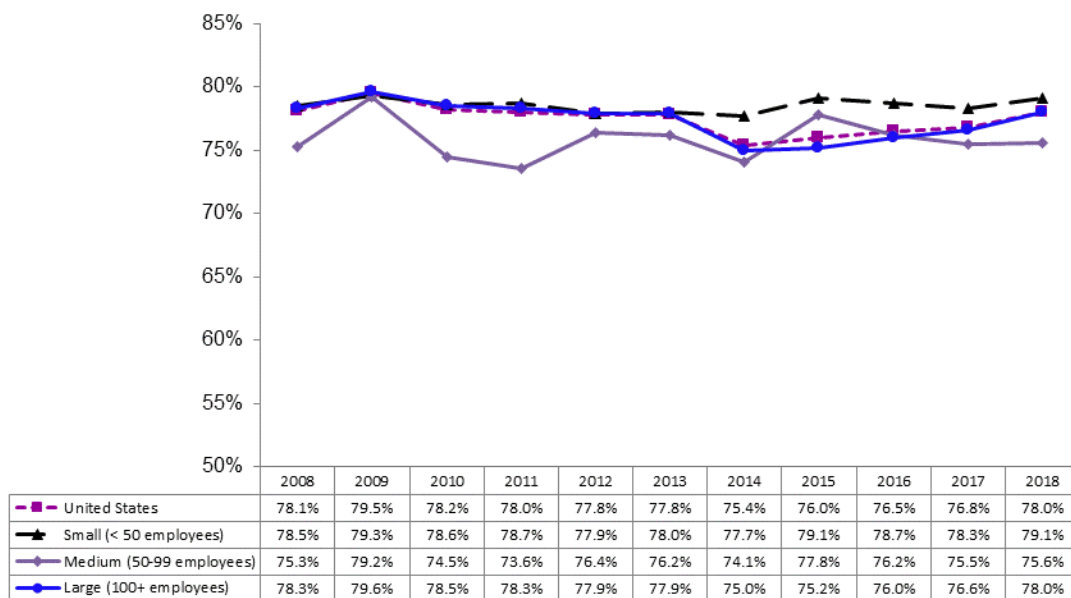
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 3. Offer rate: Percentage of private-sector employees in establishments that offer health insurance, overall and by firm size, 2008–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 4. Eligibility rate: Percentage of private-sector employees eligible for health insurance at establishments that offer health insurance, overall and by firm size, 2008–2018**

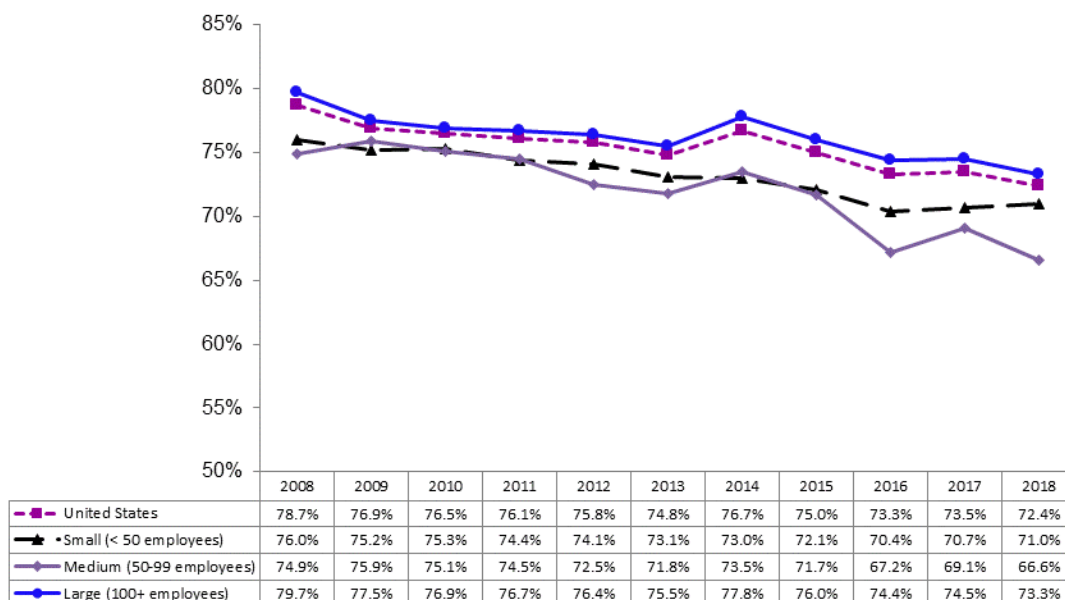


Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

Denominator: Within each category, all employees at establishments that offer health insurance.

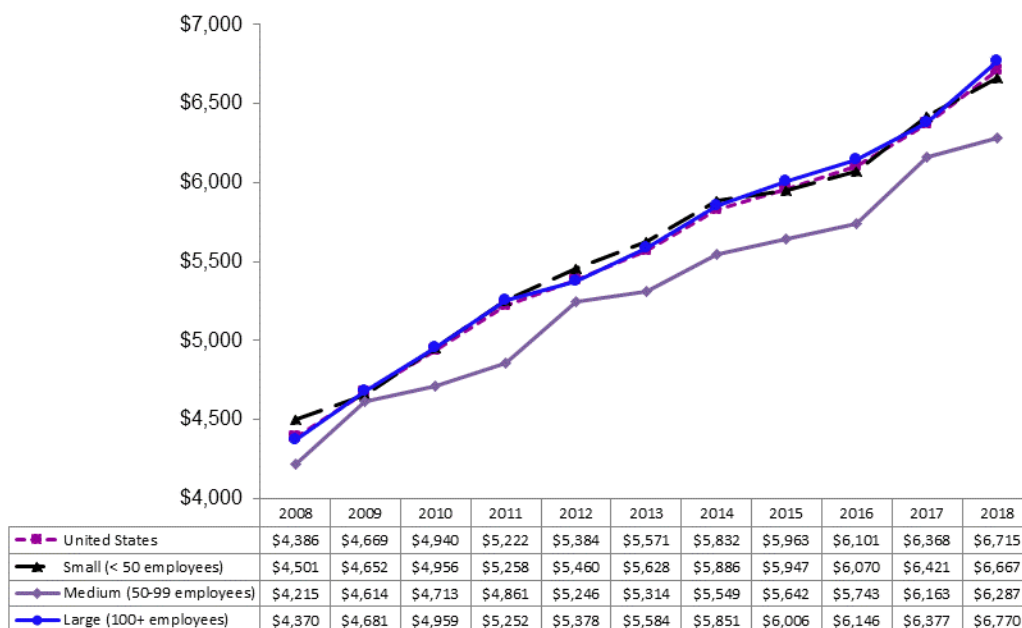


**Figure 5. Take-up rate: Percentage of eligible private-sector employees who are enrolled in health insurance at establishments that offer health insurance, overall and by firm size, 2008–2018**



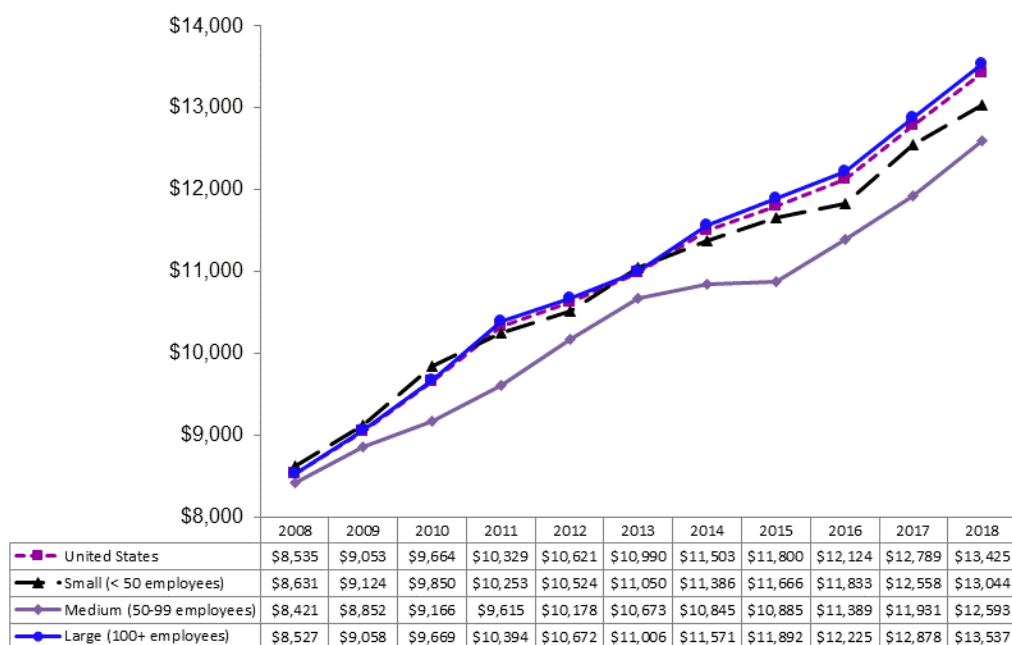
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.  
Denominator: Within each category, eligible employees at establishments that offer health insurance.

**Figure 6. Average total single premium per enrolled private-sector employee, overall and by firm size, 2008–2018**



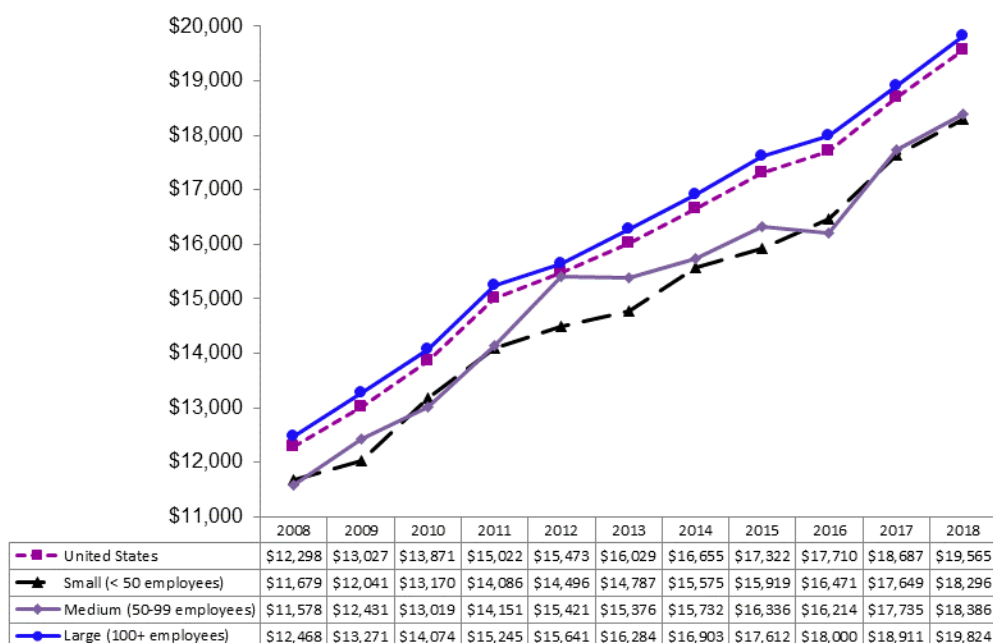
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 7. Average total employee-plus-one premium per enrolled private-sector employee, overall and by firm size, 2008–2018**



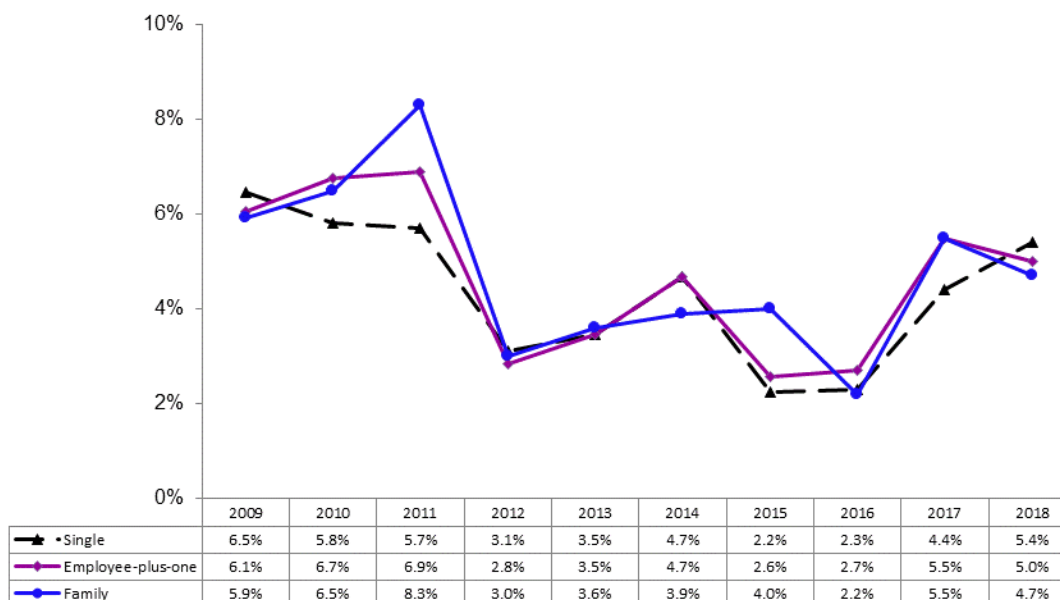
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 8. Average total family premium per enrolled private-sector employee, overall and by firm size, 2008–2018**



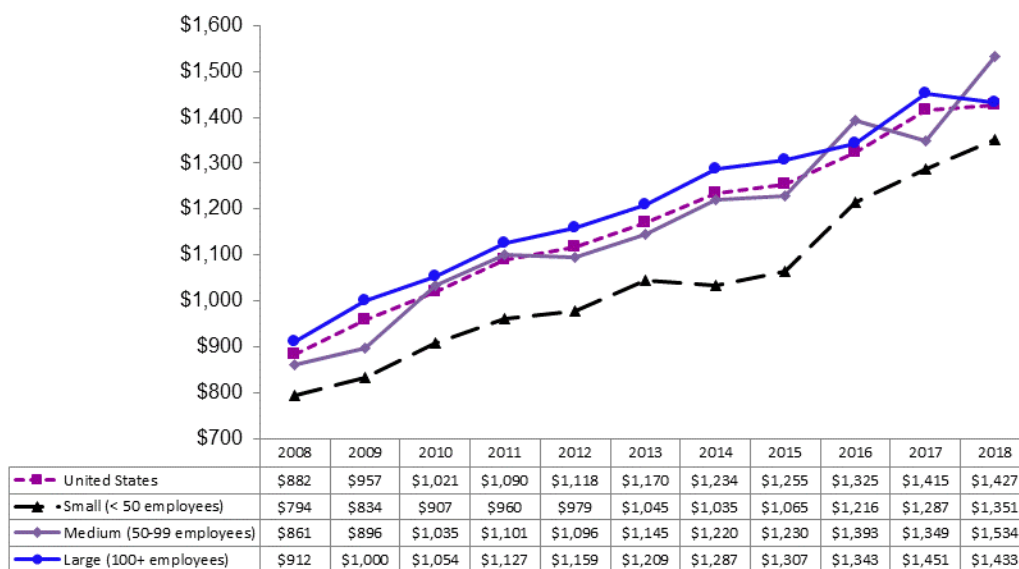
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 9. Percentage change in total premiums per enrolled private-sector employee for single, employee-plus-one, and family coverage, 2009–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

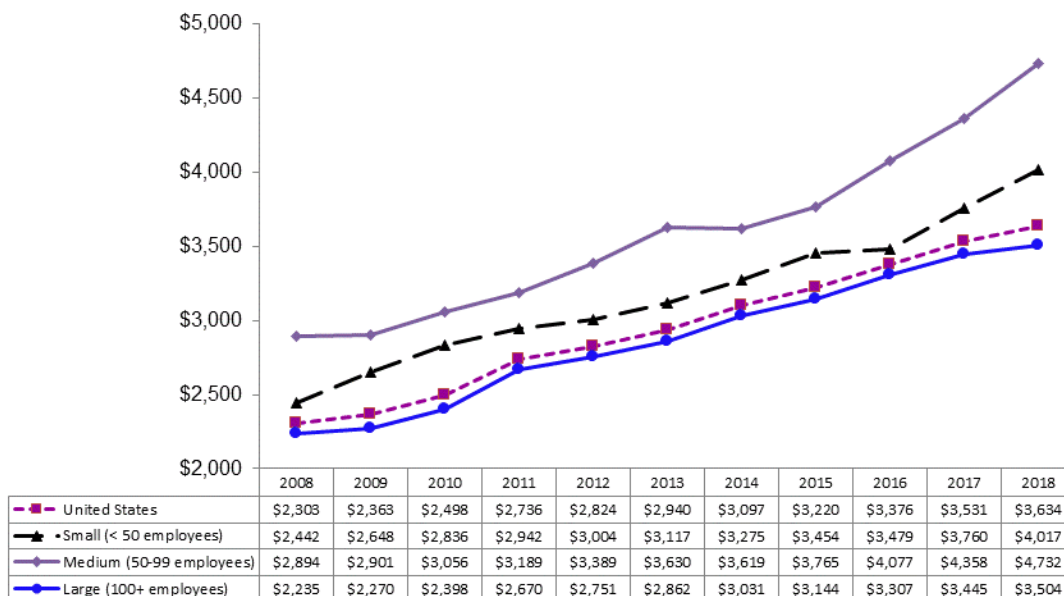
**Figure 10. Average annual employee contribution (in dollars) for single coverage, overall and by firm size, 2008–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

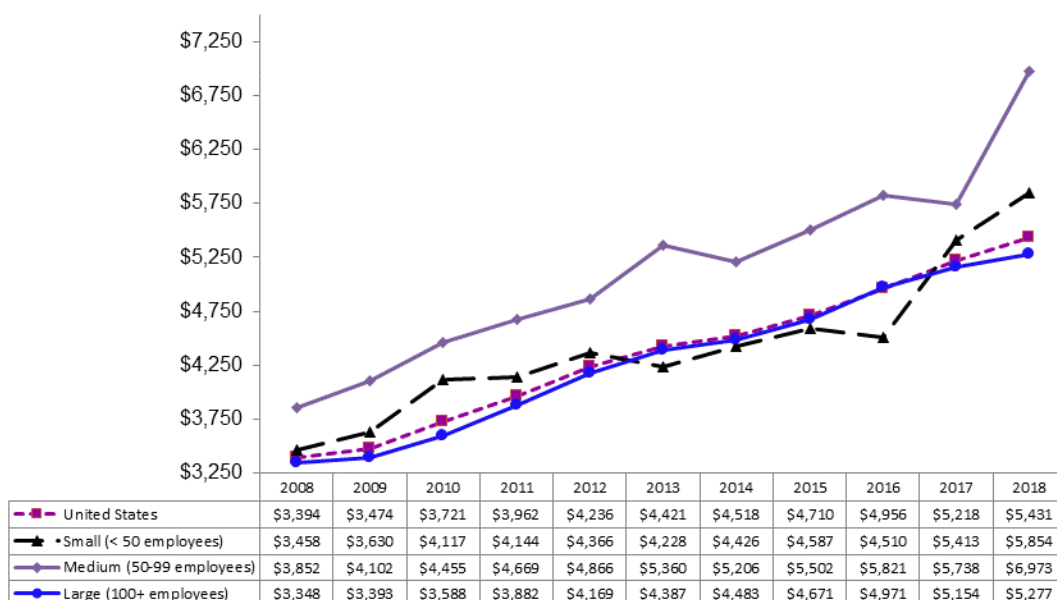


**Figure 11. Average annual employee contribution (in dollars) for employee-plus-one coverage, overall and by firm size, 2008–2018**



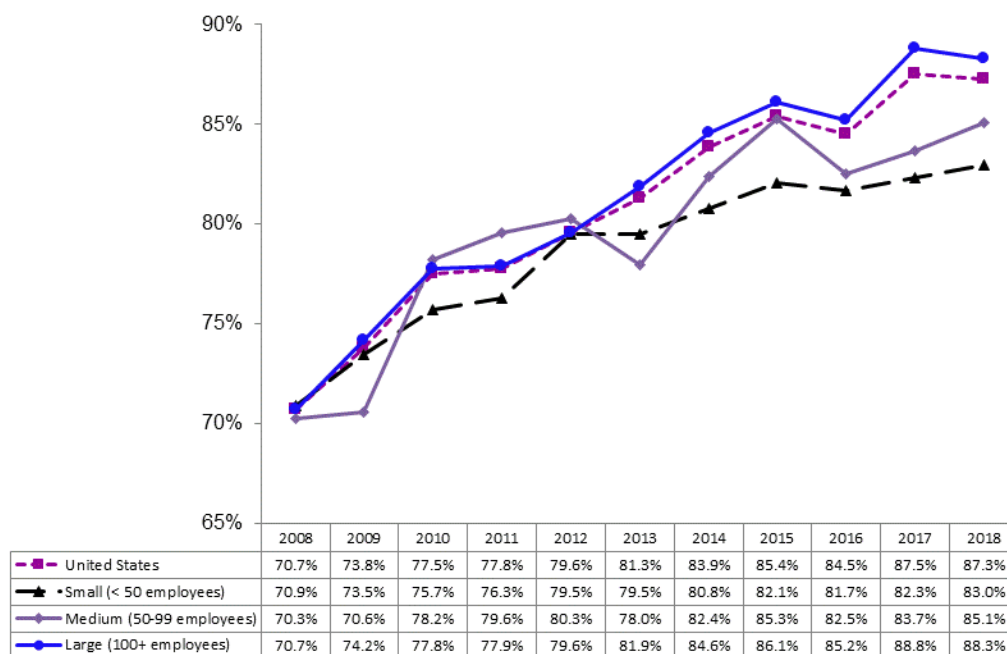
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 12. Average annual employee contribution (in dollars) for family coverage, overall and by firm size, 2008–2018**



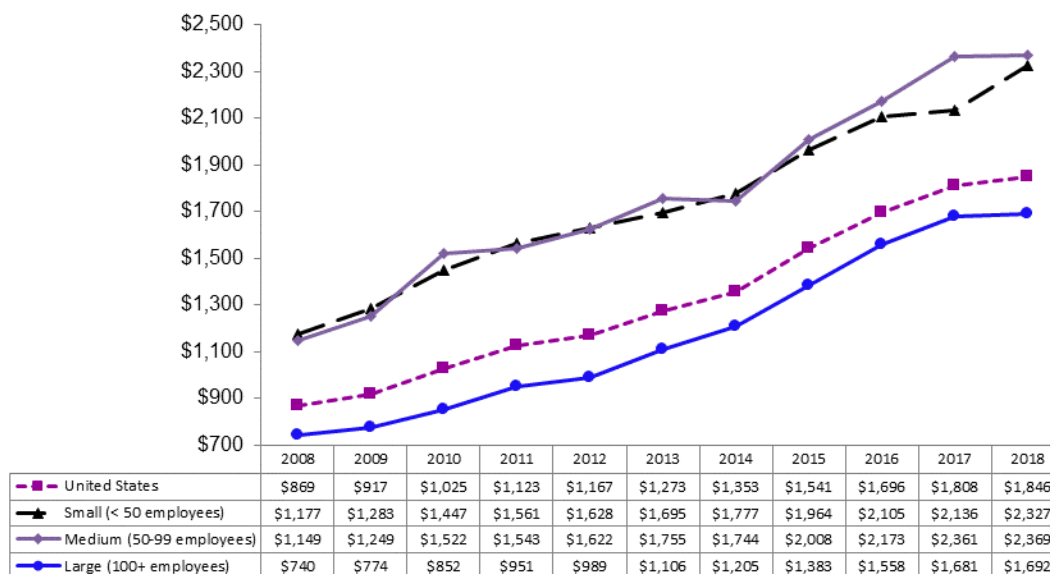
Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 13. Percentage of private-sector enrolled employees in a health insurance plan with a deductible, overall and by firm size, 2008–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018.

**Figure 14. Average individual deductible (in dollars) per private-sector employee with single coverage in a health insurance plan with a deductible, overall and by firm size, 2008–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey-Insurance Component, private-sector establishments, 2008–2018. Note: Due to refined data edits, the 2014 to 2015 increase is 4.8 percent higher than would have otherwise occurred.

**Figure 15. Average family deductible (in dollars) per private-sector employee enrolled with family coverage in a health insurance plan with a deductible, overall and by firm size, 2008–2018**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008–2018.  
 Note: Due to refined data edits, the 2014 to 2015 increase is 2.4 percent higher than would have otherwise occurred.