

THE KAISER FAMILY FOUNDATION
- AND -
HEALTH RESEARCH AND
EDUCATIONAL TRUST

Employer
Health
Benefits

2001
ANNUAL SURVEY



-AND-



Overview

The Kaiser Family Foundation/Health Research and Educational Trust 2001 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a survey of 2,734 randomly selected public and private employers, including 1,907 who responded to the full survey and 827 who indicated whether or not they provide health coverage. Firms range in size from small enterprises with as few as 3 workers to corporations with more than 300,000 employees. The Kaiser/HRET Employer Benefits Survey is based on previous surveys sponsored by the Health Insurance Association of America from 1987–1991 and KPMG from 1991–1998. Researchers at the Kaiser Family Foundation and the Health Research and Educational Trust designed and analyzed the survey and National Research LLC conducted the field work between January and May 2001. The overall response rate for the survey was 50%.

These Charts present a summary of findings from the 2001 Kaiser/HRET Employer Health Benefits Survey: individual copies of the full report of survey findings (#3138) are available on the Kaiser Family Foundation's website at www.kff.org or by calling the Foundation's Publication Request Line. Multiple copies may be obtained from HRET by calling 1-800-242-2626 (order #097506).

The Henry J. Kaiser Family Foundation is an independent, national health care philanthropy dedicated to providing information and analysis on health issues to policymakers, the media, and the general public. The Foundation is not associated with Kaiser Permanente or Kaiser Industries.

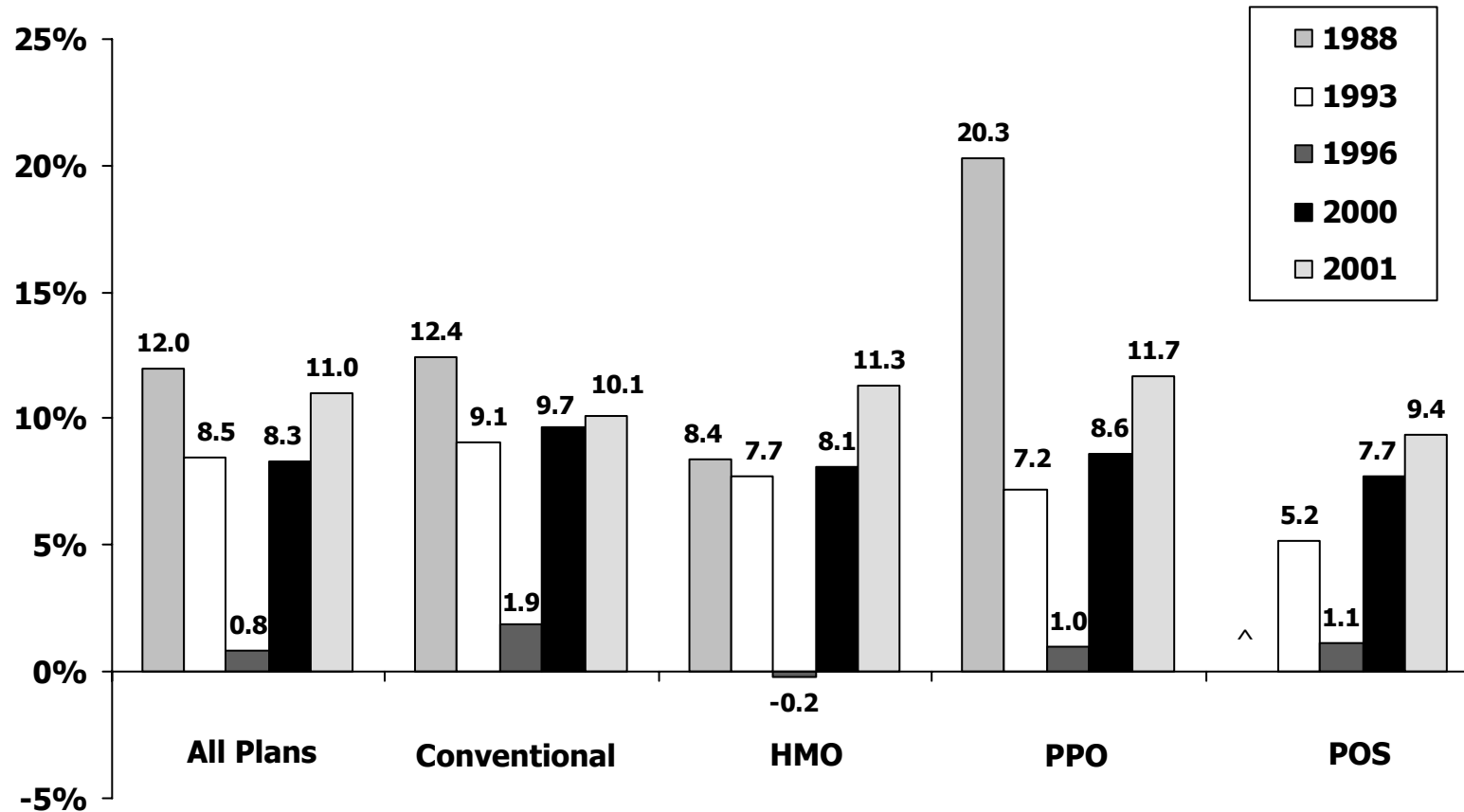
The Health Research and Educational Trust is a private, not-for-profit organization involved in research, education, and demonstration programs addressing health management and policy issues. Founded in 1944, HRET collaborates with health care, government, academic, business, and community organizations across the United States to conduct research and disseminate findings that help shape the future of health care.

Table of Contents

Cost and Enrollment Trends	1
Coverage and Benefit Trends	12
Retiree Coverage	25
Employer Attitudes	28

Cost and Enrollment Trends

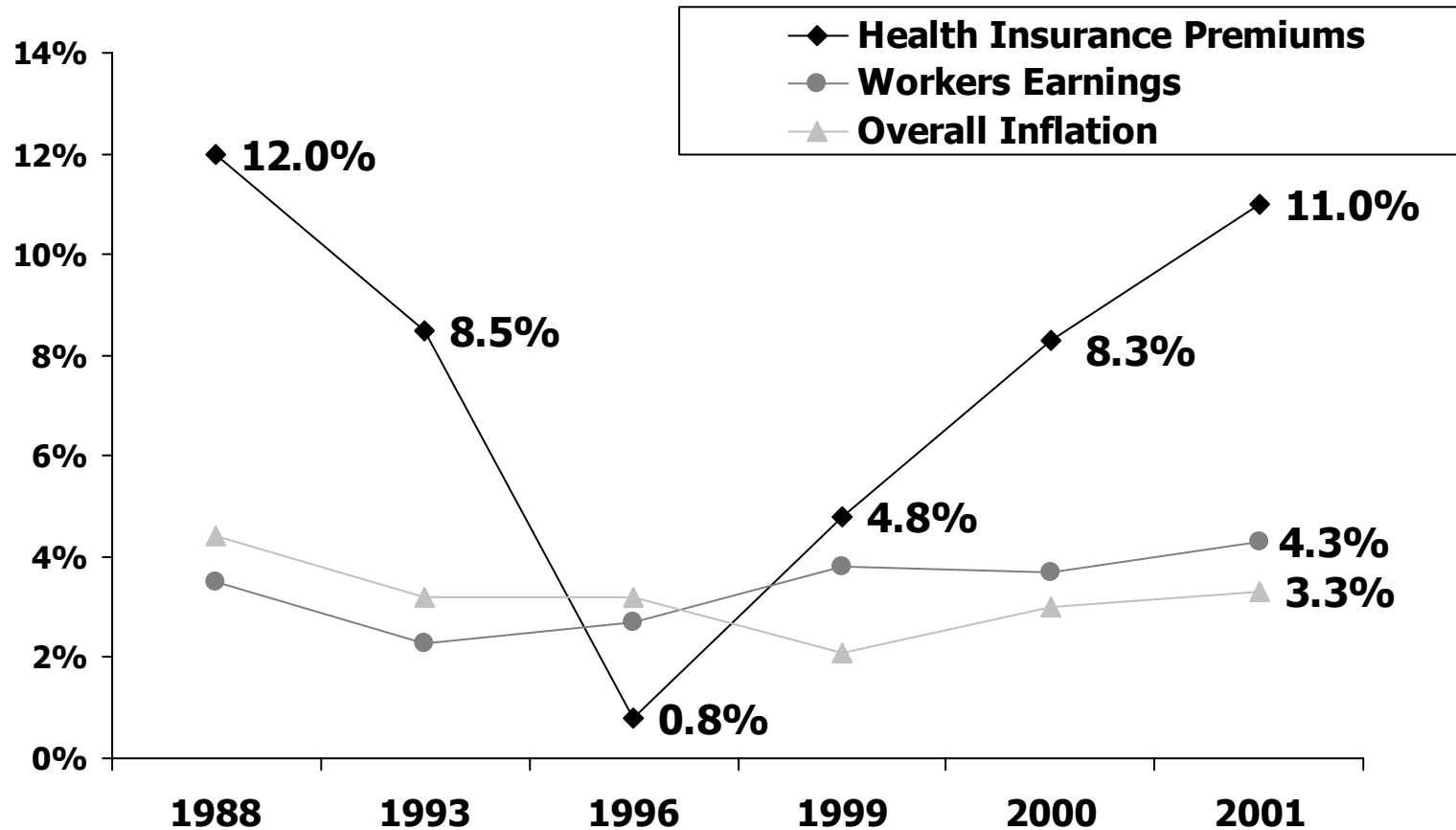
Percentage of Change in Health Insurance Premiums from Previous Year, by Plan Type, 1988-2001



^ Information was not obtained for POS plans in 1988.

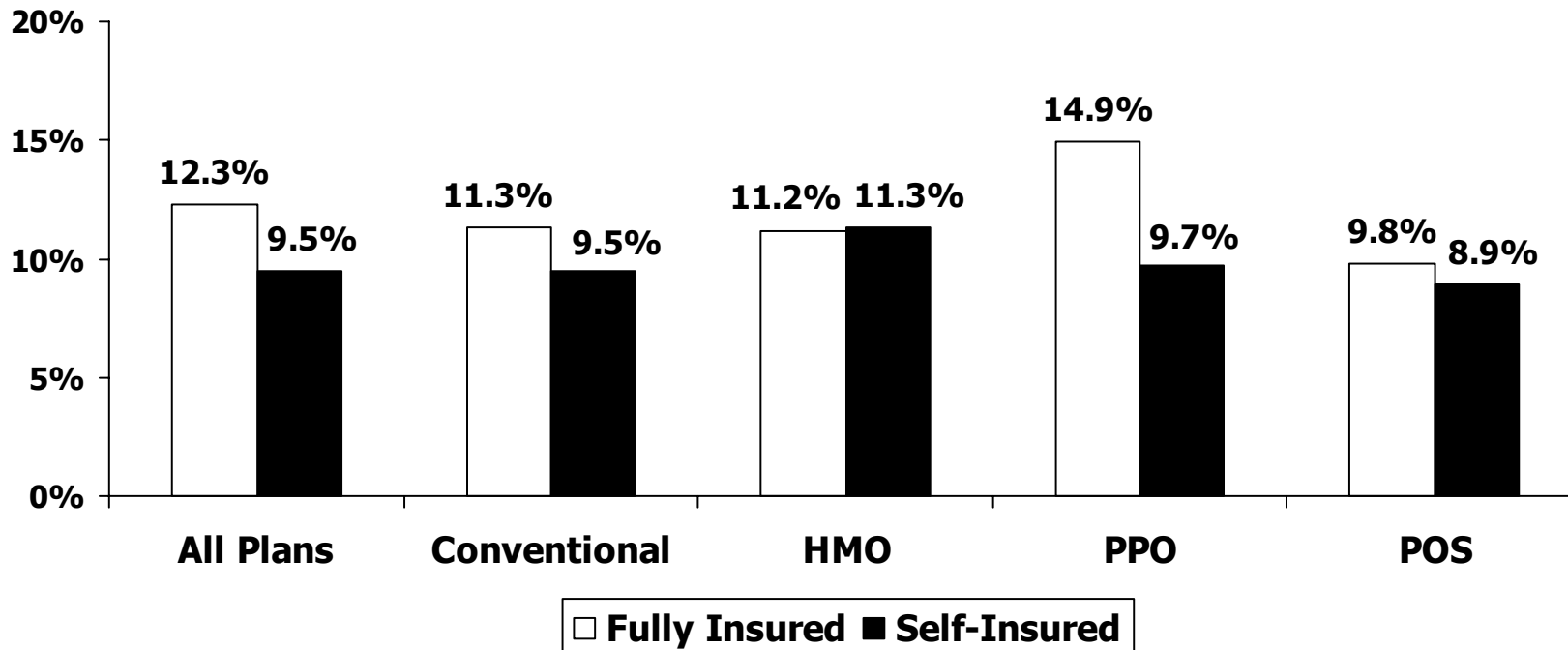
Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2001



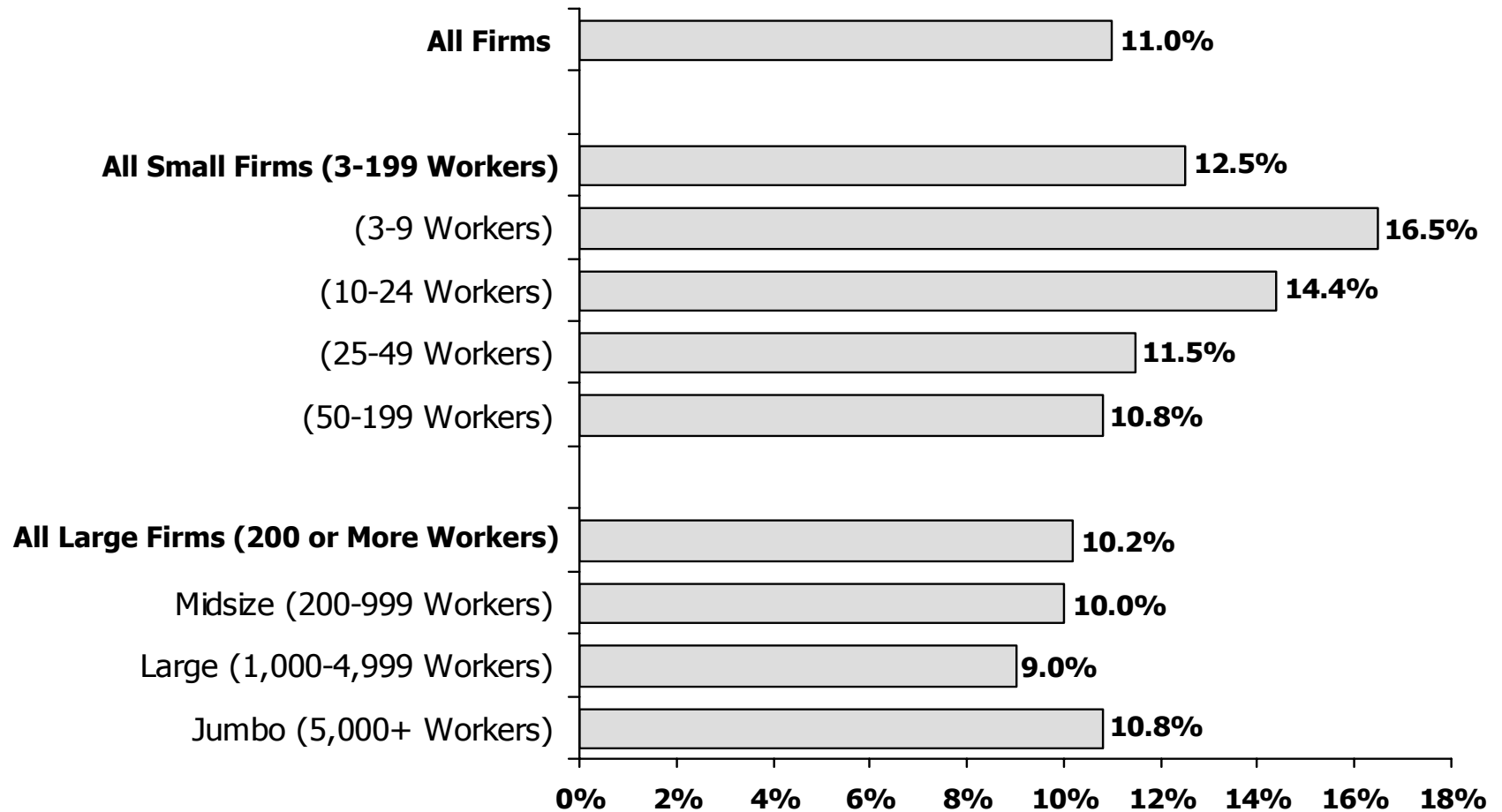
Source: KFF/HRET Survey of Employer-Sponsored Health Benefits: 1999, 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

Premium Increases by Plan Type and Funding Arrangement, 2001



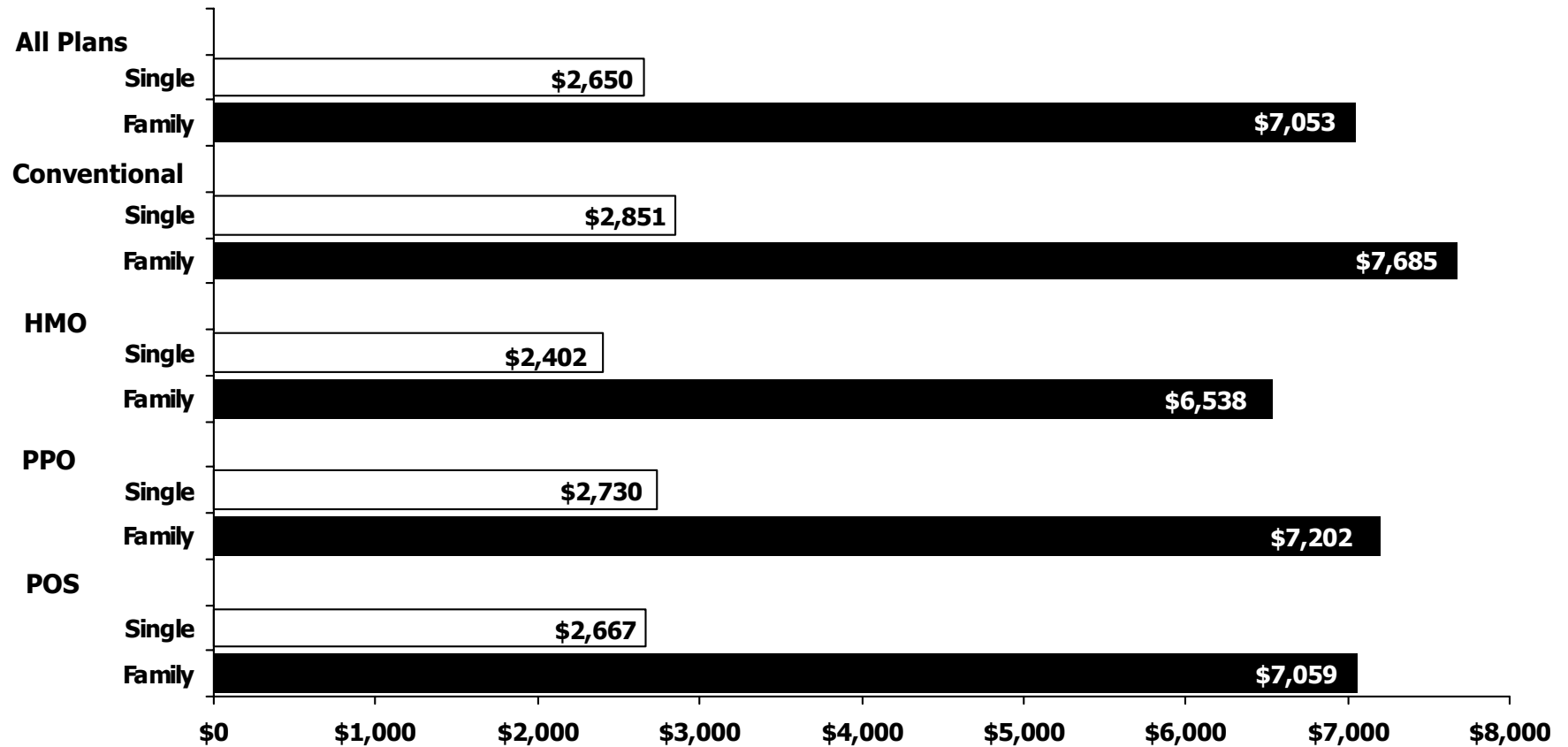
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Percentage Change in Premiums, by Firm Size, 2001



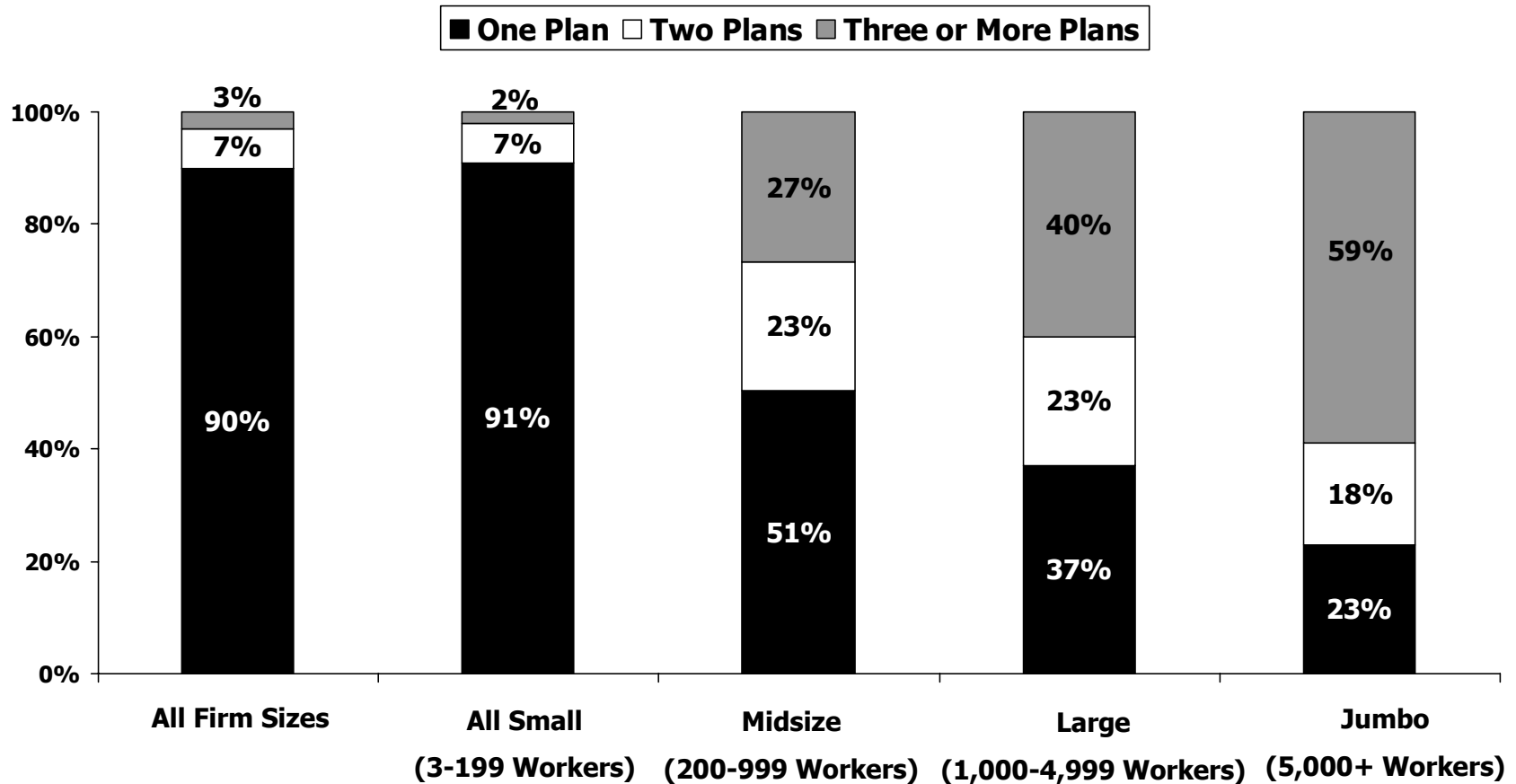
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Average Annual Premium Costs for Covered Workers, 2001



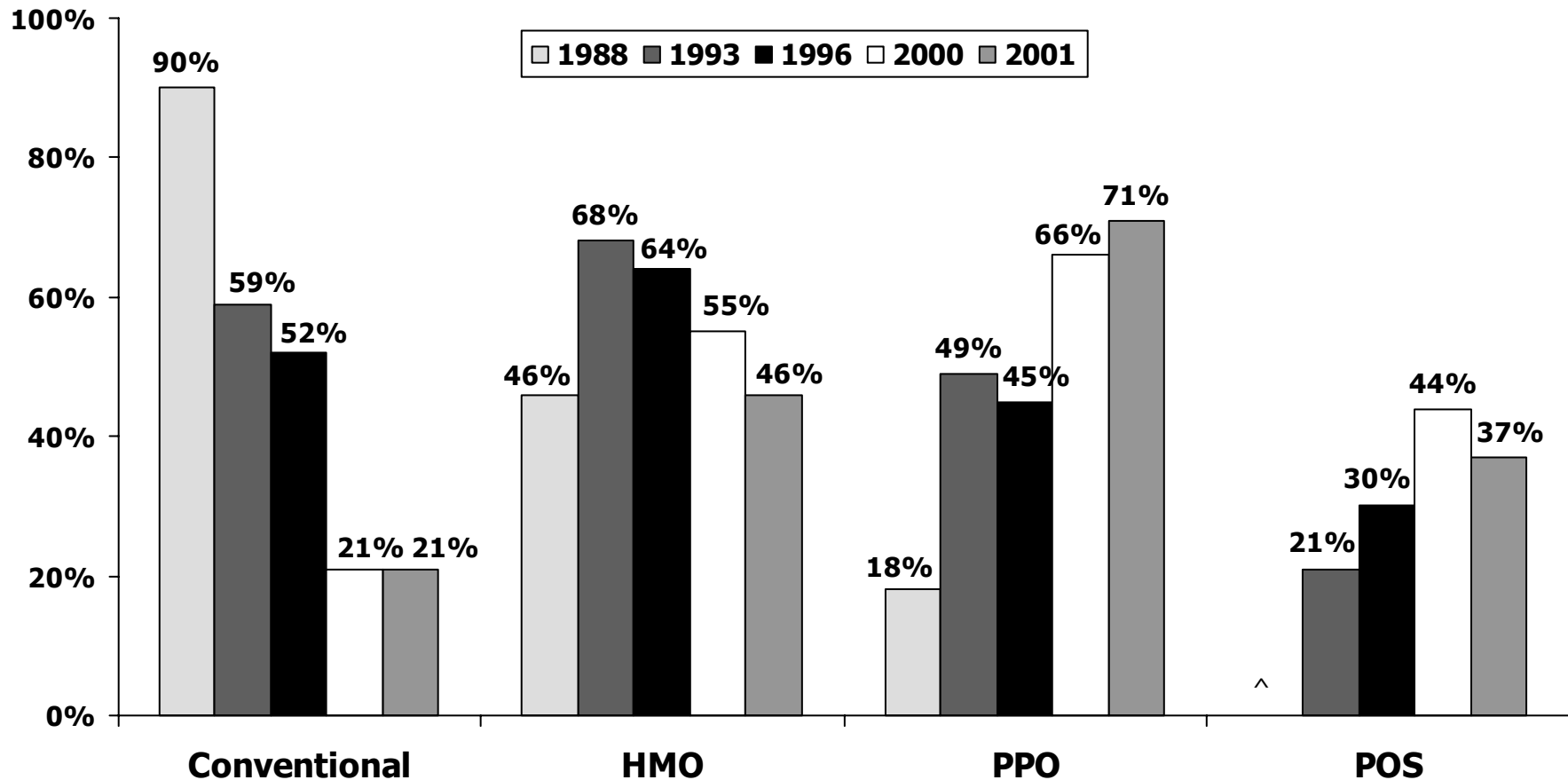
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Percentage of Employers Providing a Choice of Health Plans, by Firm Size, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

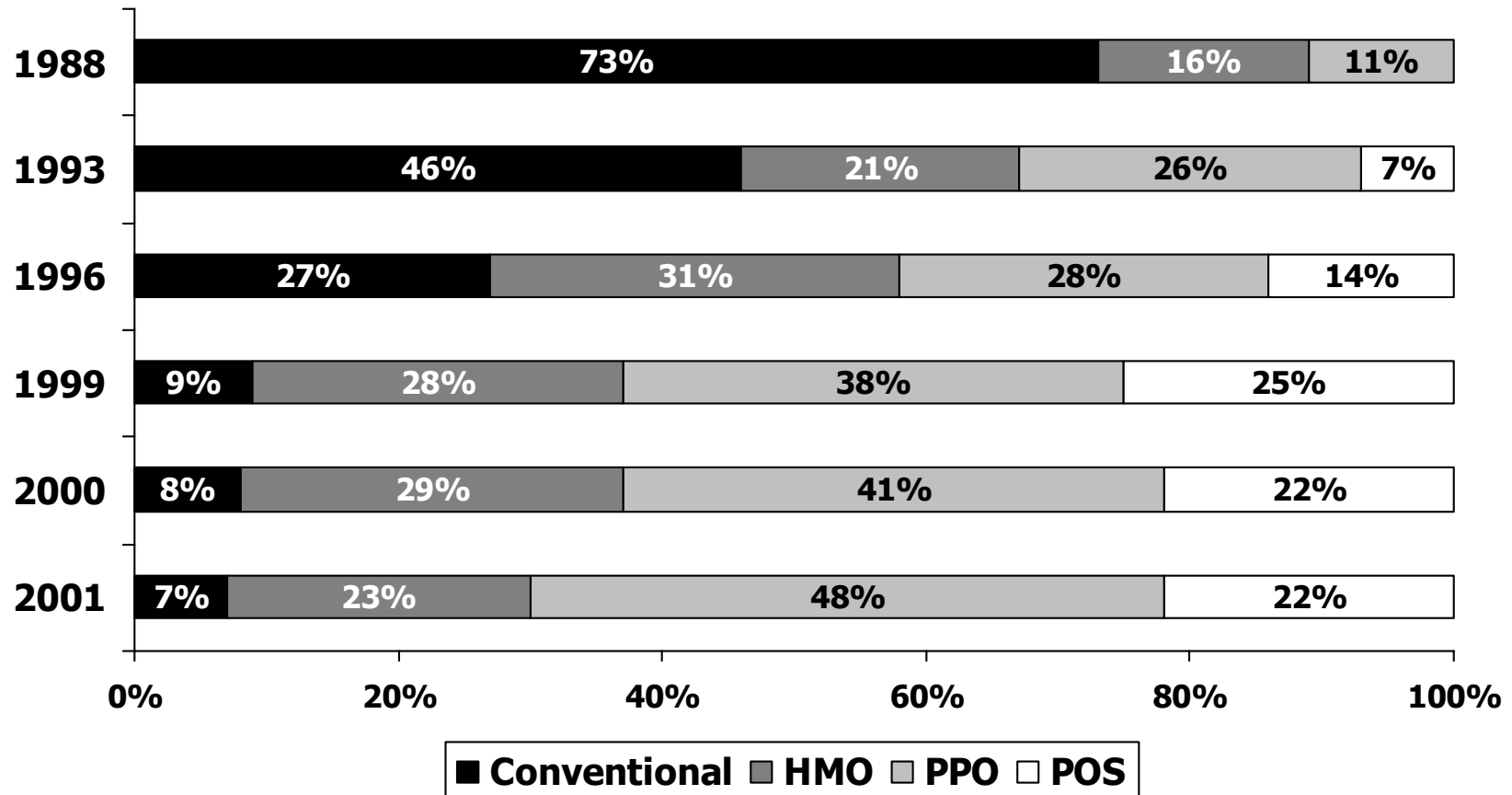
Percentage of Covered Workers With a Choice of Conventional, HMO, PPO, or POS Plans, 1988-2001



^ Information was not obtained for POS plans in 1988.

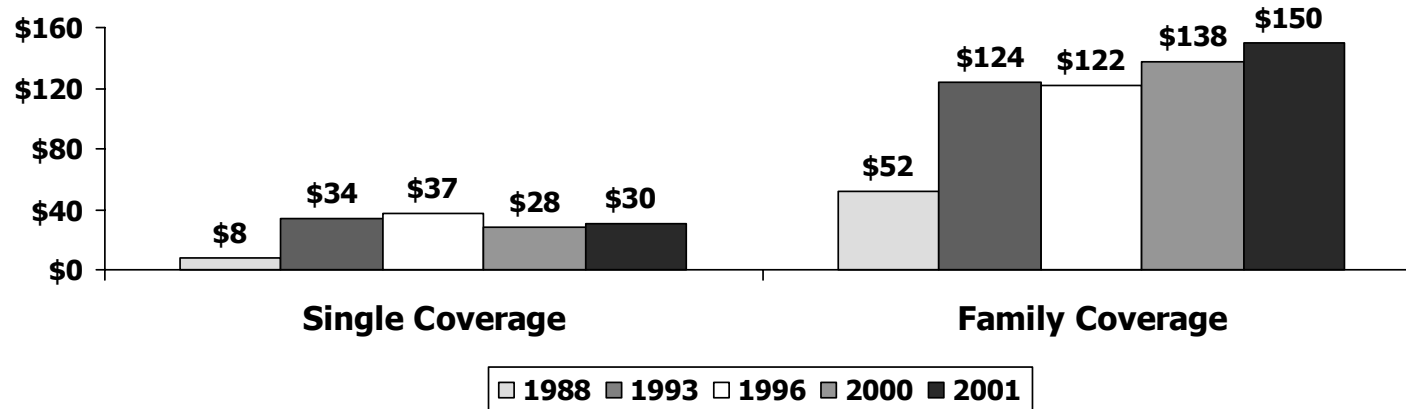
Source: KFF/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

Health Plan Enrollments for Covered Workers by Plan Type, 1988-2001



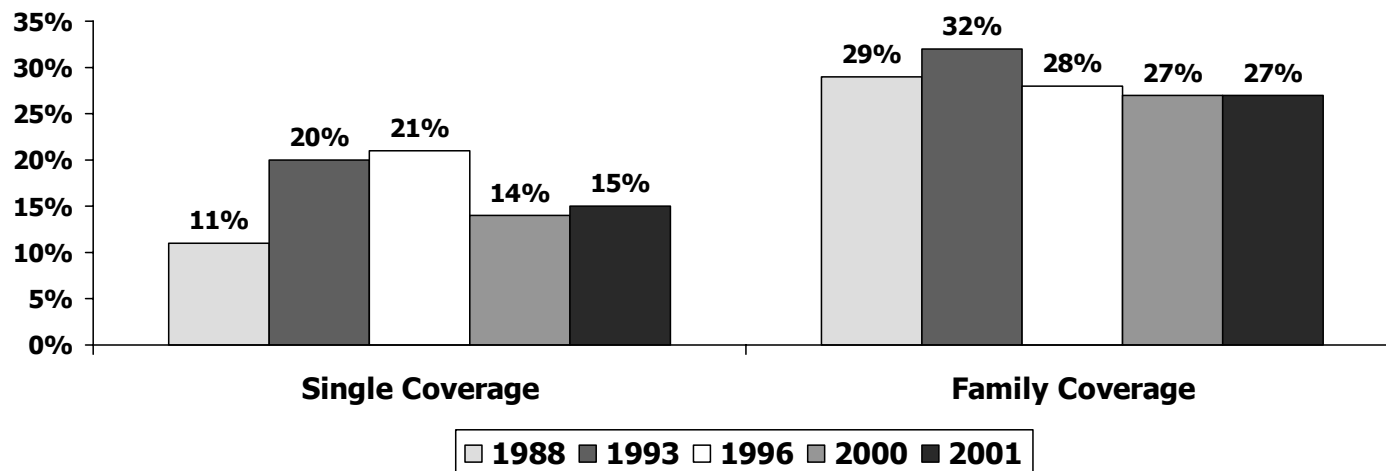
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 1999, 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

Average Monthly Worker Contribution, 1988-2001



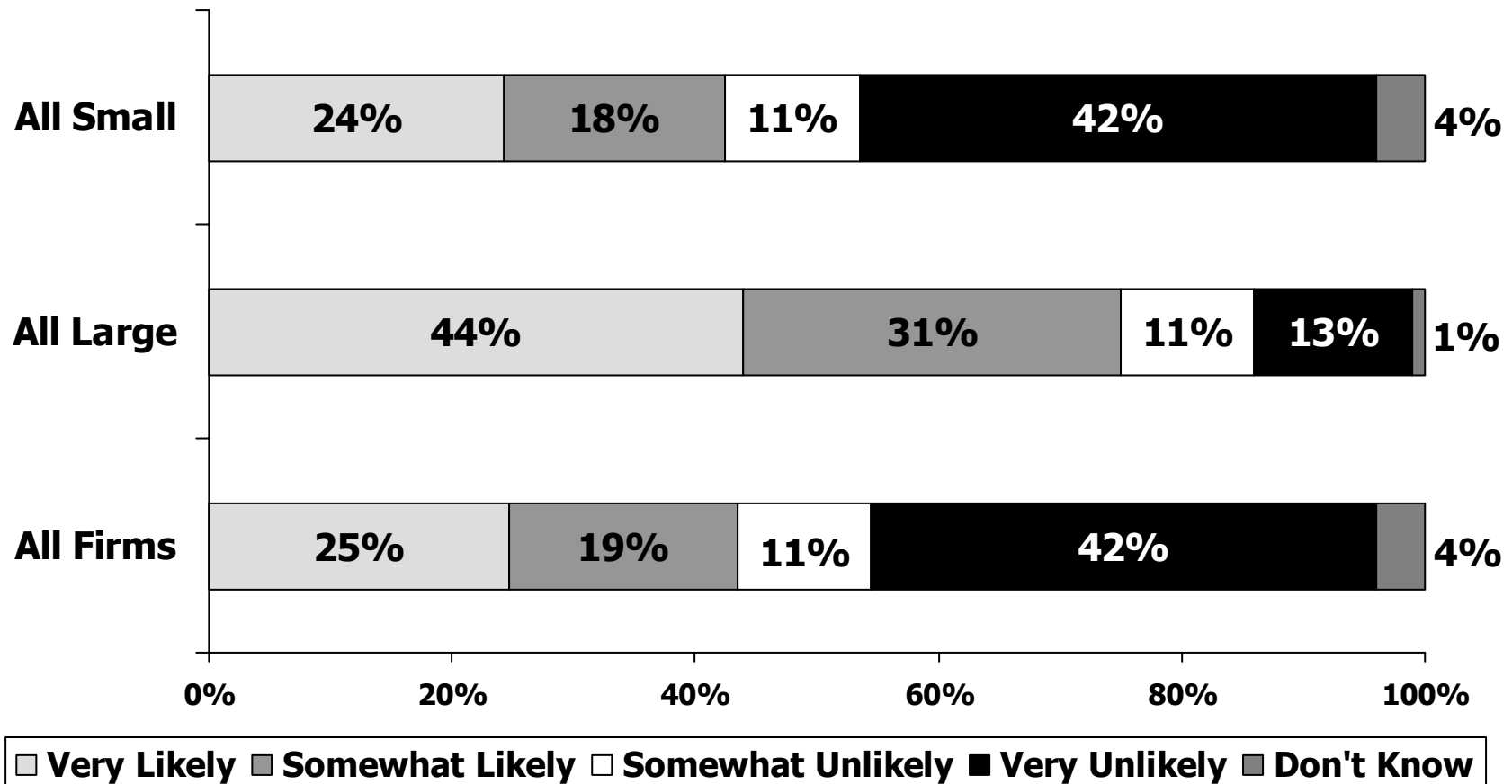
Sources: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

Percentage of Premium Paid by Covered Workers, 1988-2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1993, 1996

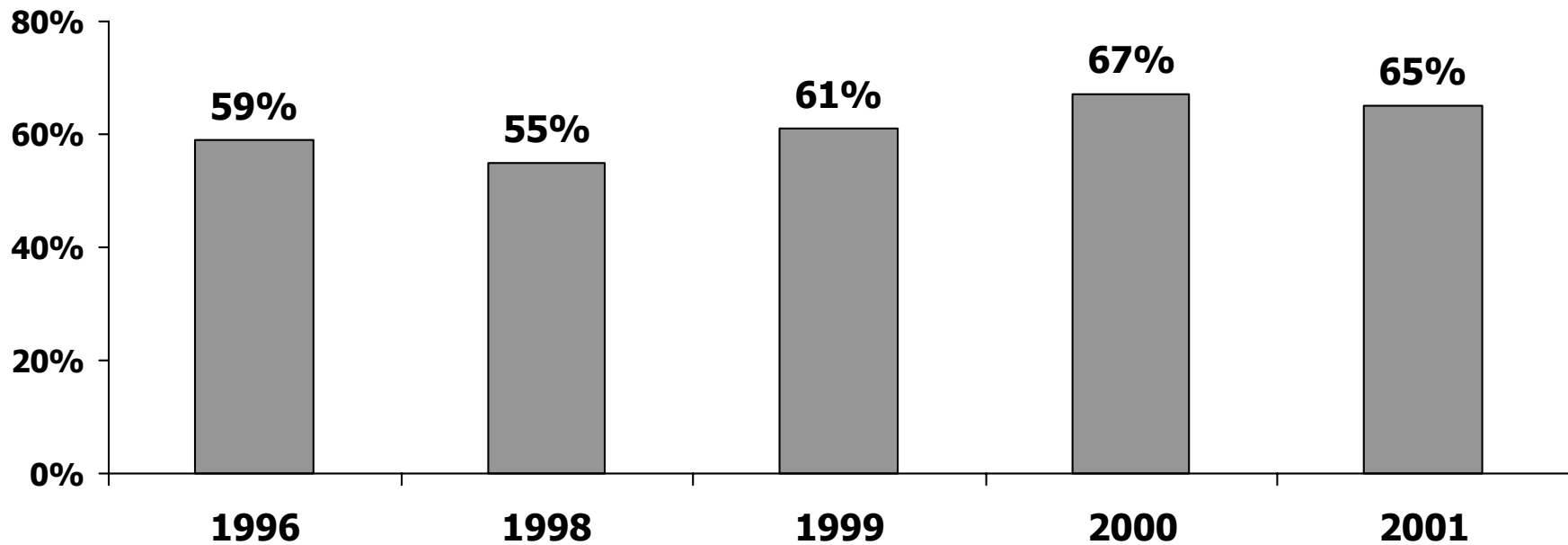
Likelihood That Firm Will Increase the Amount That Employees Pay for Health Insurance in the Next Year, by Firm Size, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

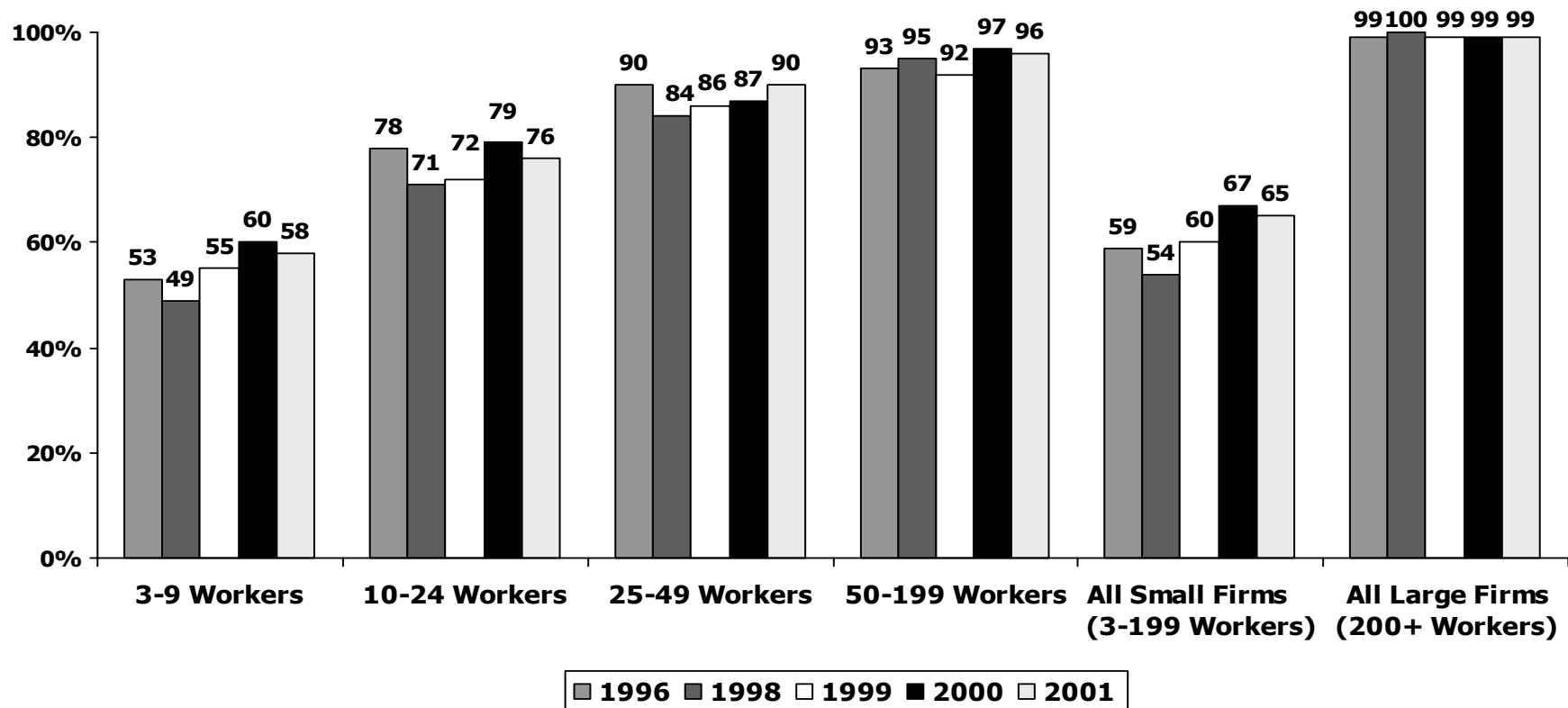
Coverage and Benefit Trends

Percentage of All Firms Offering Health Benefits, 1996-2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 1999, 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1996, 1998

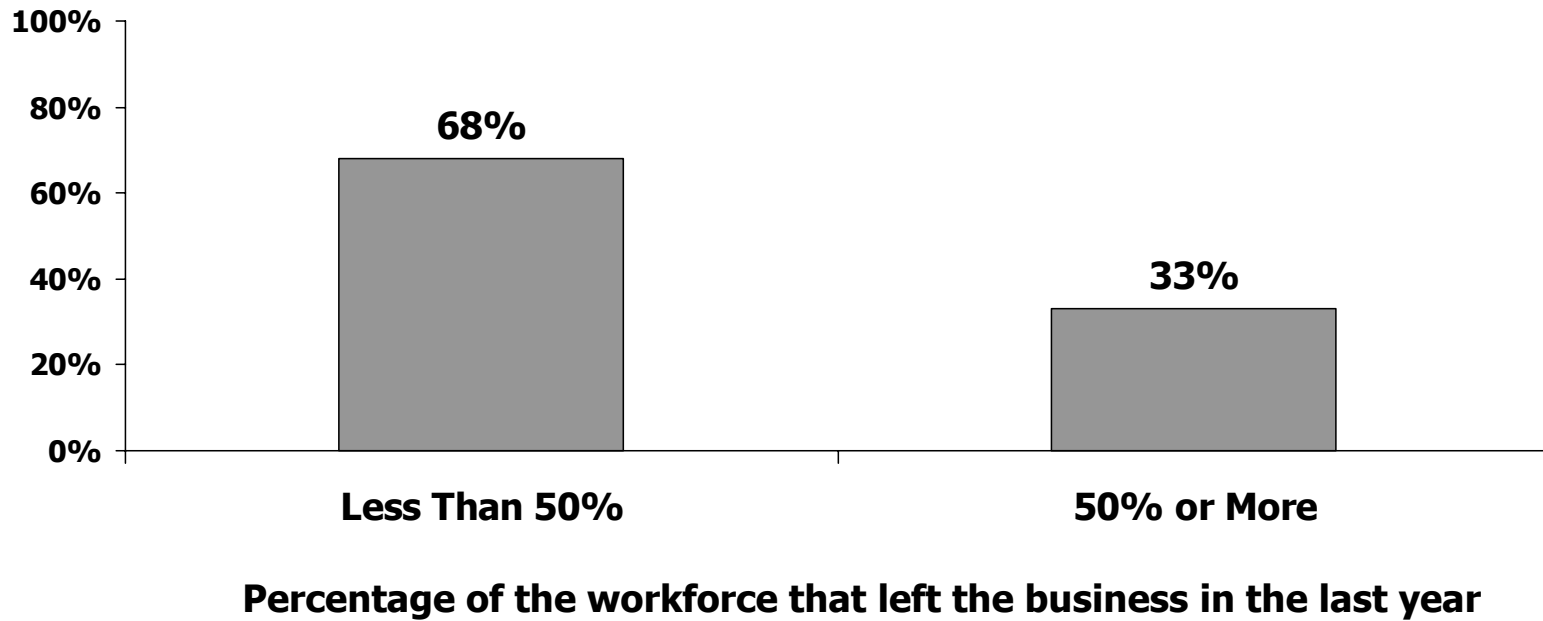
Percentage of Firms Offering Health Benefits, by Firm Size, 1996-2001



Note: Nationwide, there are about 5,355,412 firms with 3-199 workers and 86,957 with 200+ workers.

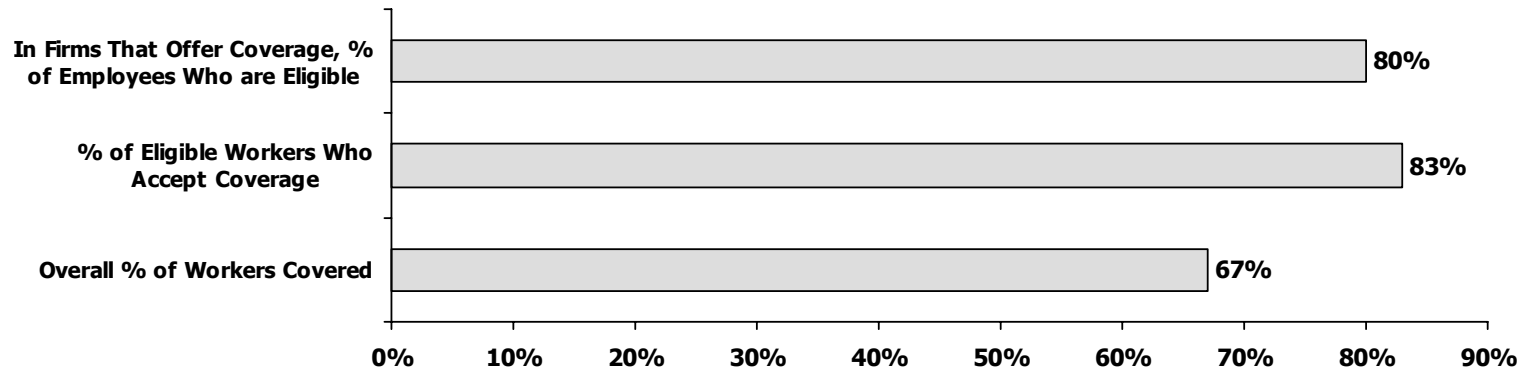
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 1999, 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1996, 1998

Percentage of Firms in Which Workers Are Offered Health Insurance, by Percentage of Workers That Left the Business in the Last Year, 2001



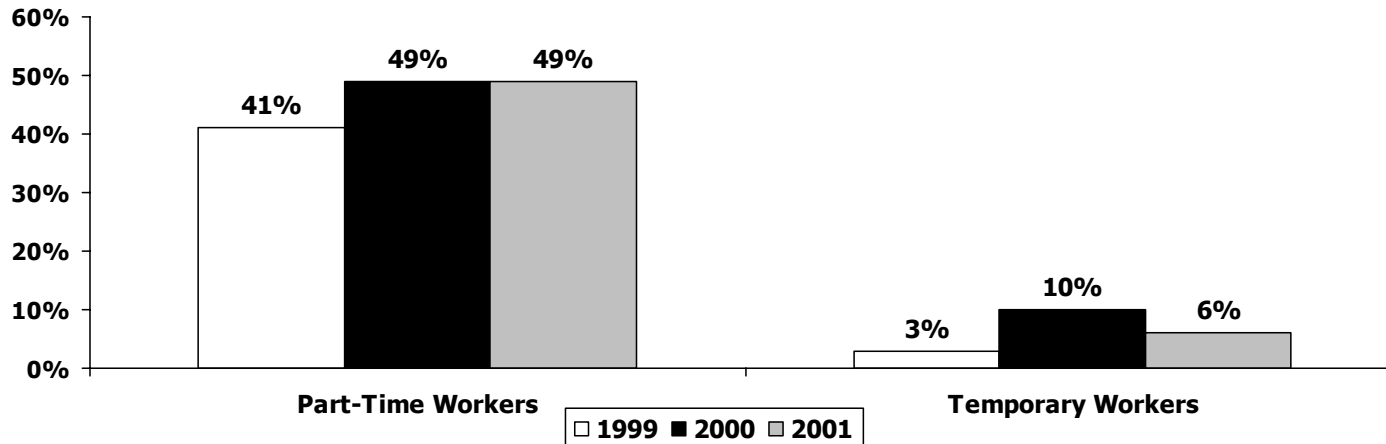
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Even When a Firm Offers Health Benefits, Not All Workers Are Covered, 2001



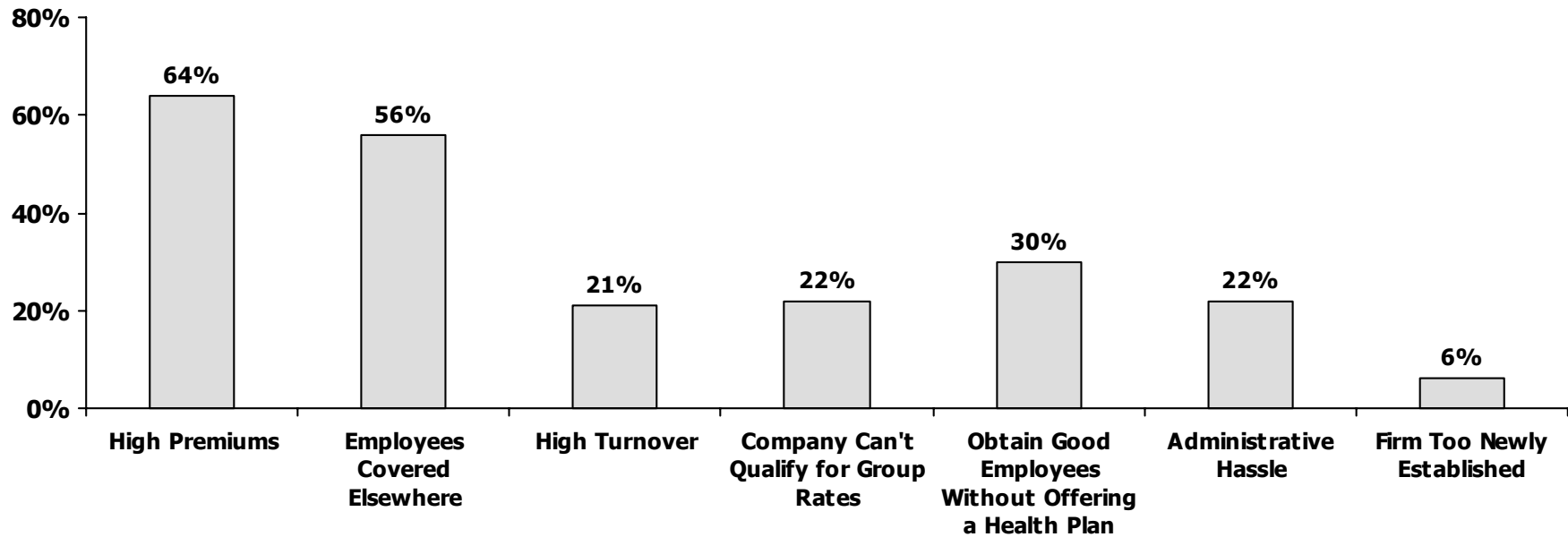
Sources: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Percentage of Workers Employed in Firms That Offer Part-Time and Temporary Workers Health Coverage, 1999, 2000, and 2001



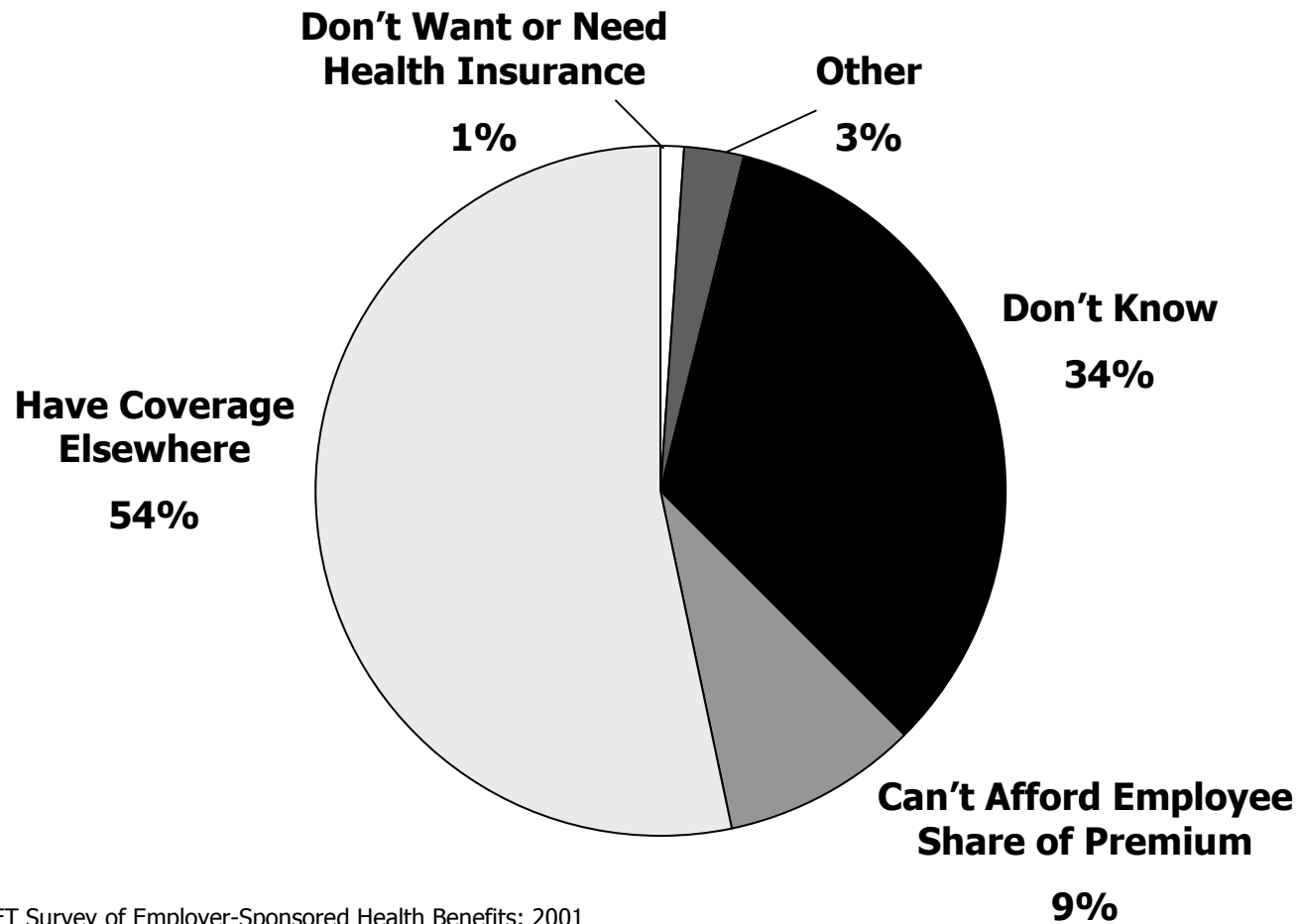
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 1999, 2000, 2001

Percentage of All Small Firms (3-199 Workers) Who Say That the Following are "Very Important" Reasons for Not Offering Health Insurance, 2001



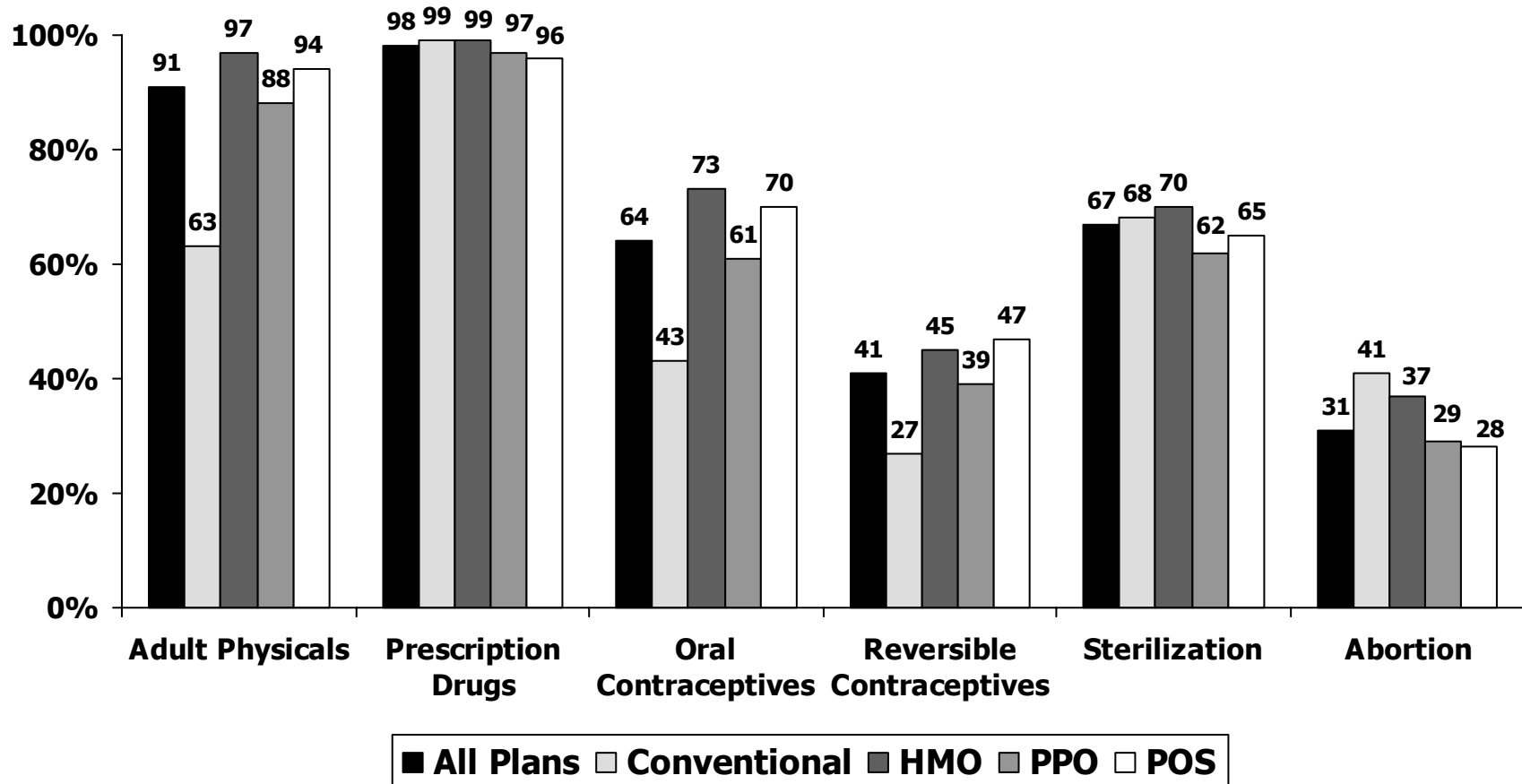
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Most Common Reasons Cited by Firms as to Why Workers Decline Coverage for Which They are Eligible, 2001



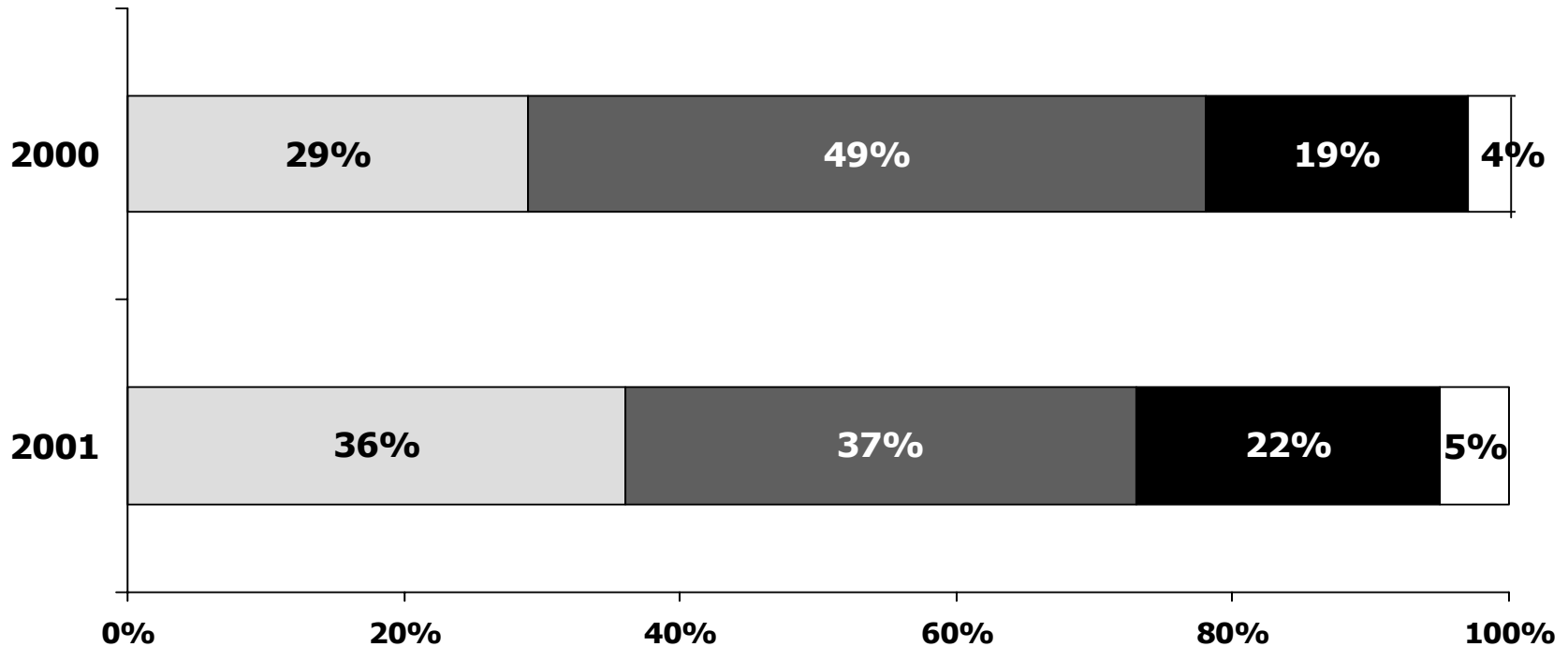
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Percentage of Workers Covered for Selected Benefits, by Plan Type, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

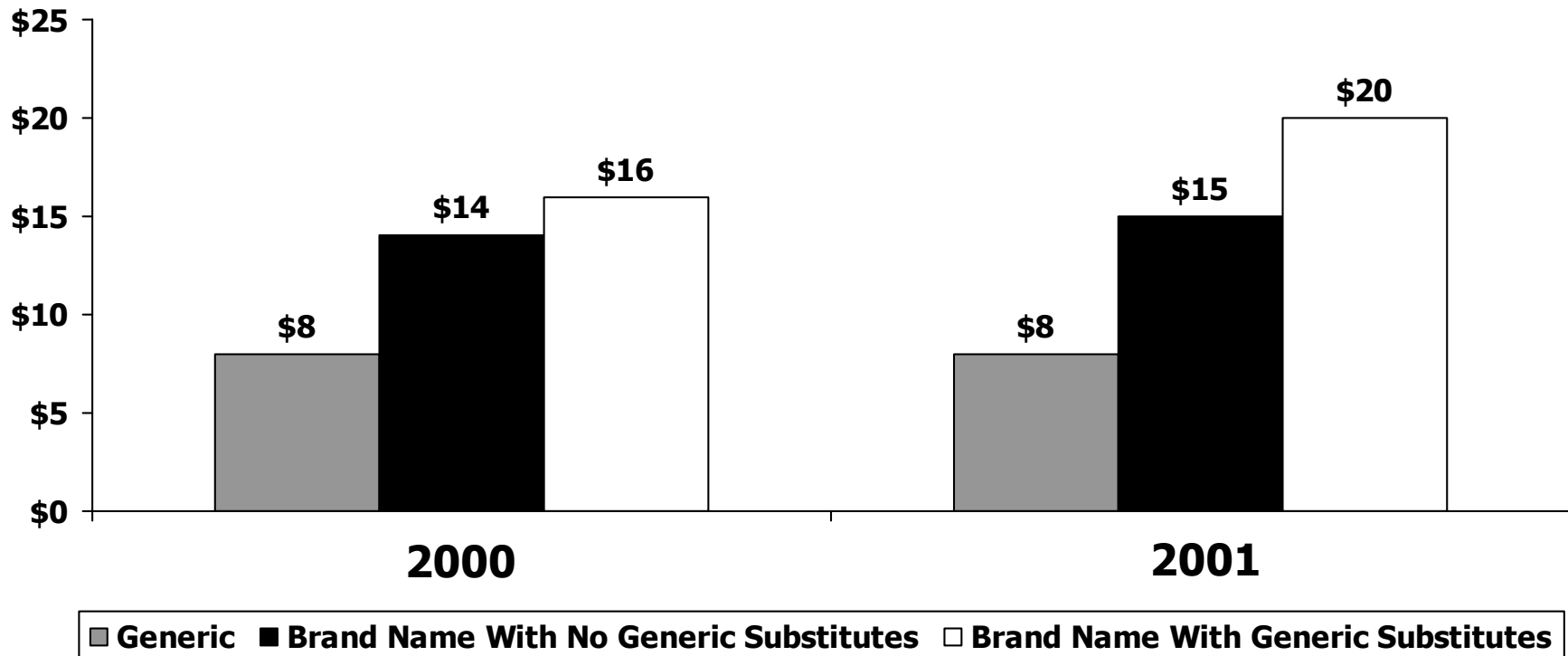
Percentage of Covered Workers Facing Different Cost Sharing Formulas for Prescription Drugs, 2000 and 2001



- Three Tier = One payment for generic drugs, another for name brand drugs with no generic substitute, and a third for name brand with a generic substitute
- Two Tier = One payment for generic drugs and one for name brand
- Payment the same regardless of type of drugs
- Other/ Don't know

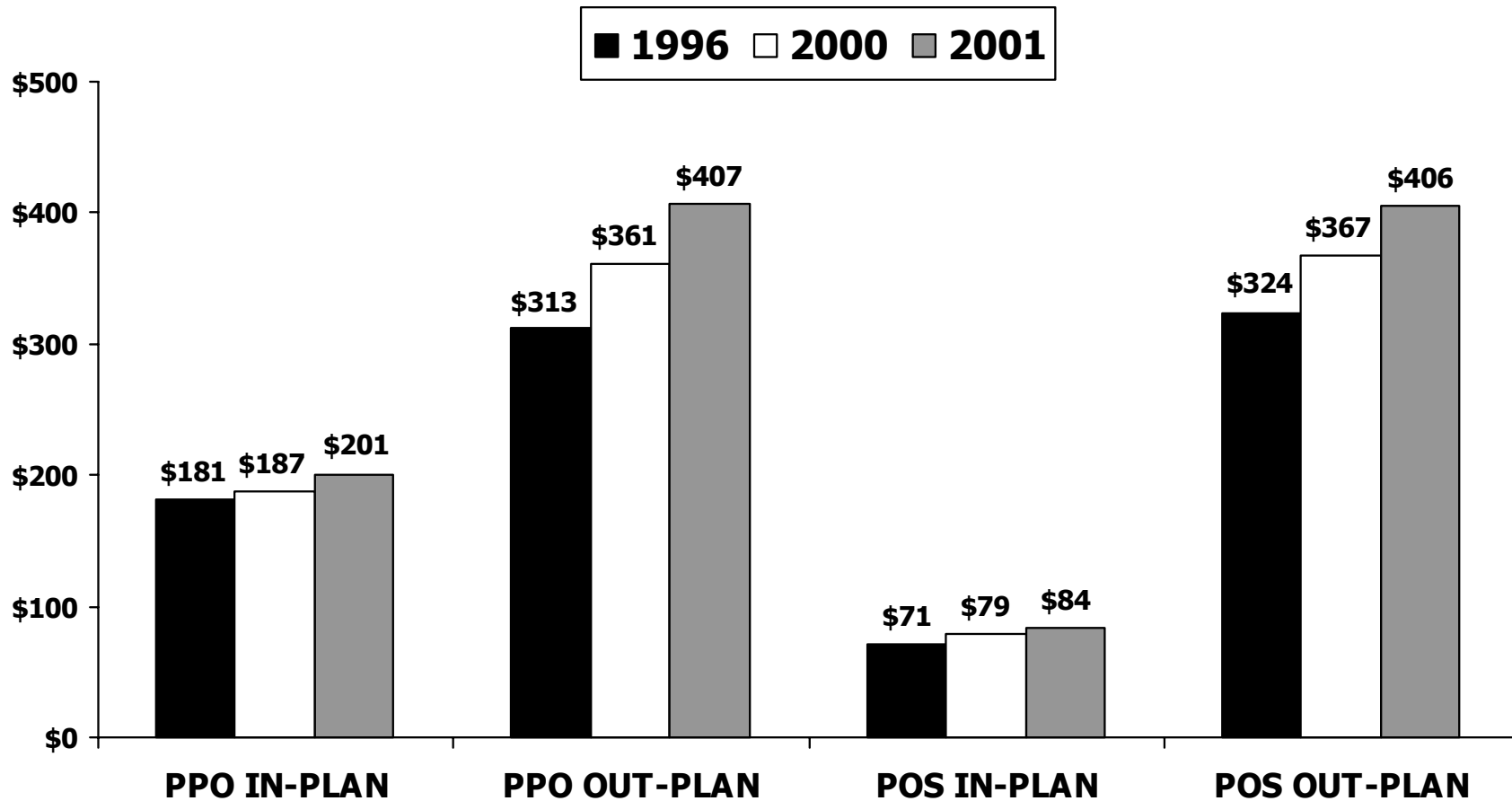
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001

Average Copays for Drugs, All Plan Types, 2000 and 2001



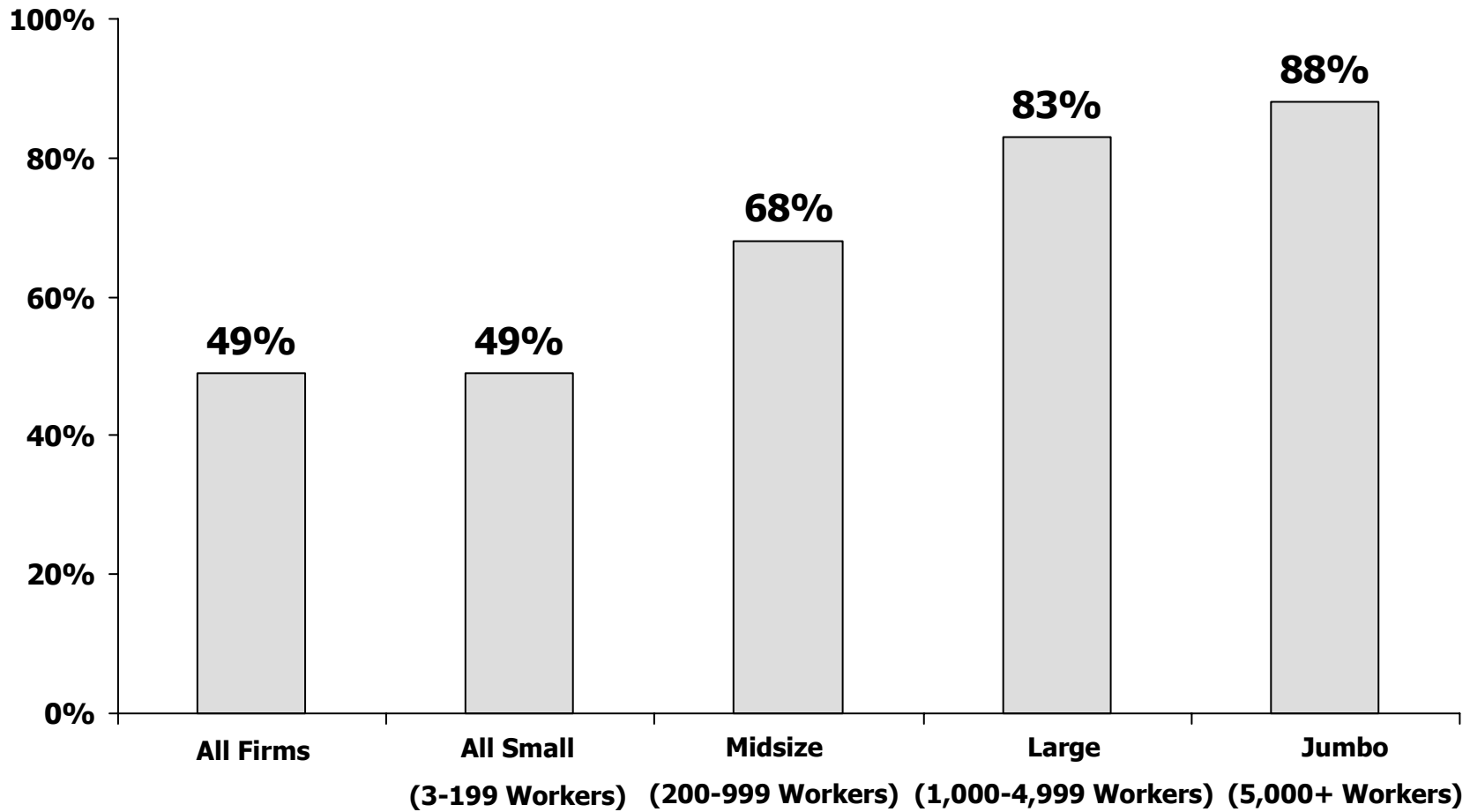
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001

Average Annual Deductibles for Coverage in PPO and POS Plans, 1996, 2000 and 2001



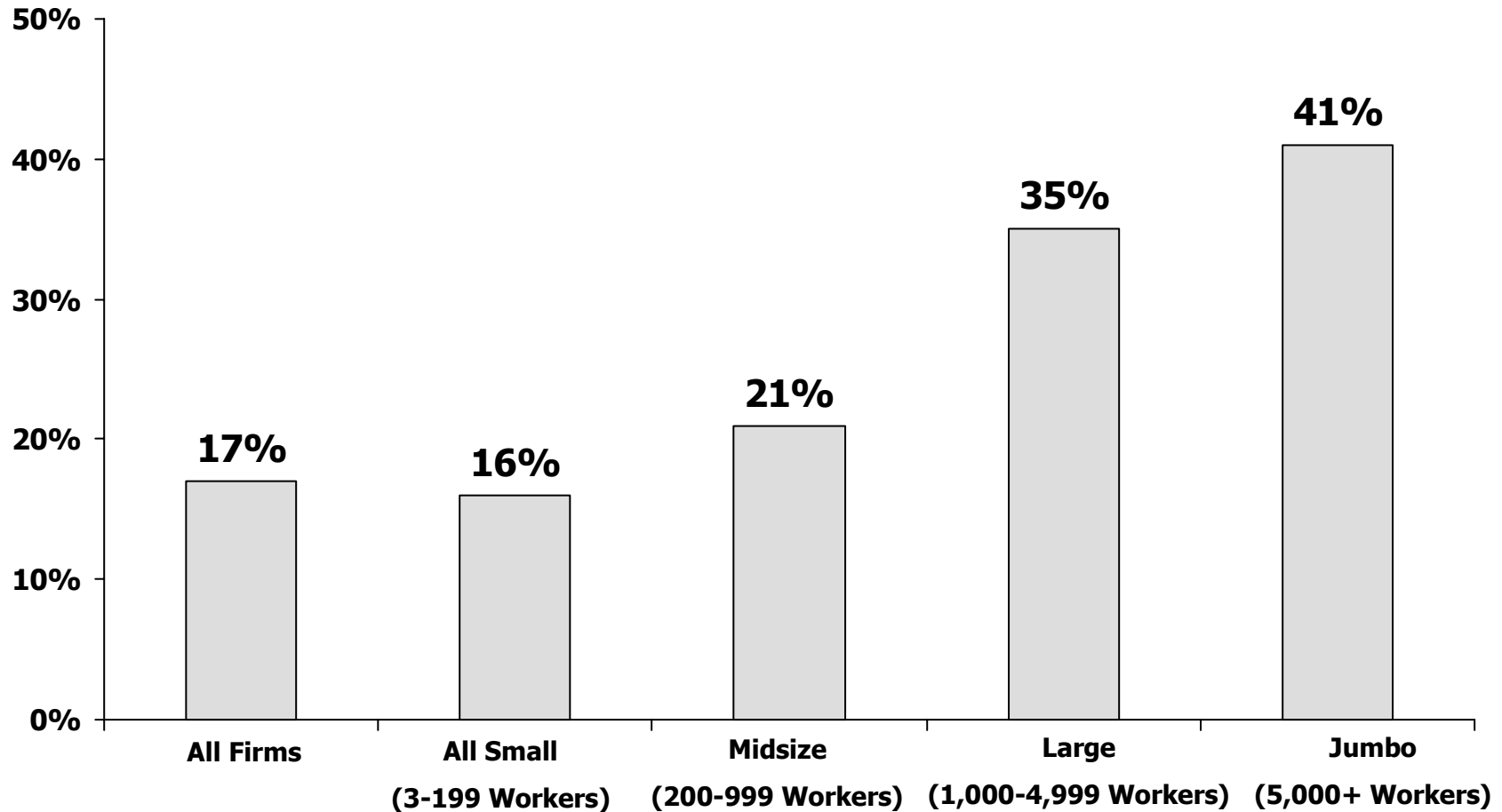
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer Sponsored Health Benefits: 1996

Percentage of Firms That Are Aware of The Federal Medical Privacy Regulation, by Firm Size, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

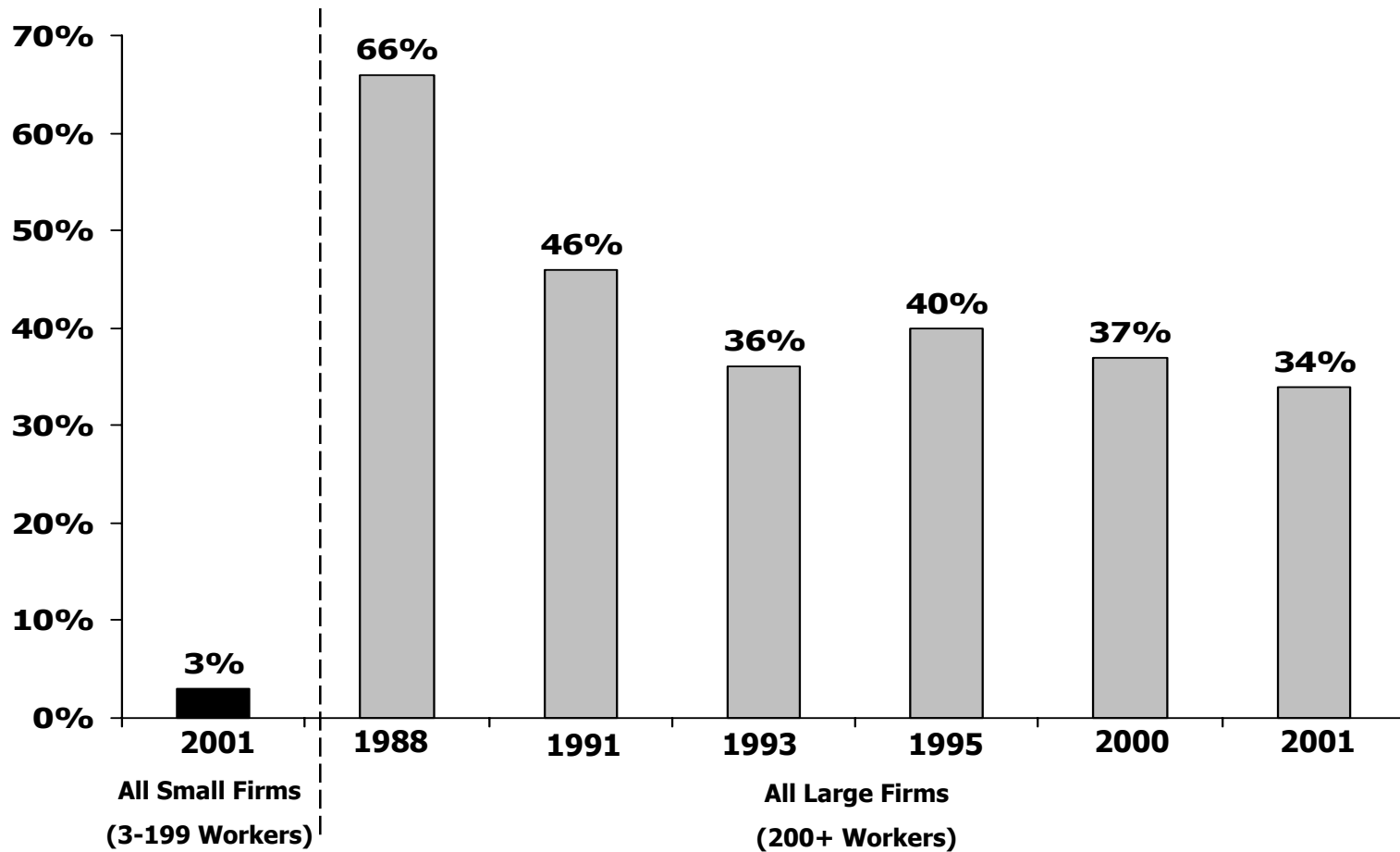
Percentage of Firms That Have the Ability to Link Medical Care Data to Individual Employees, by Firm Size, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

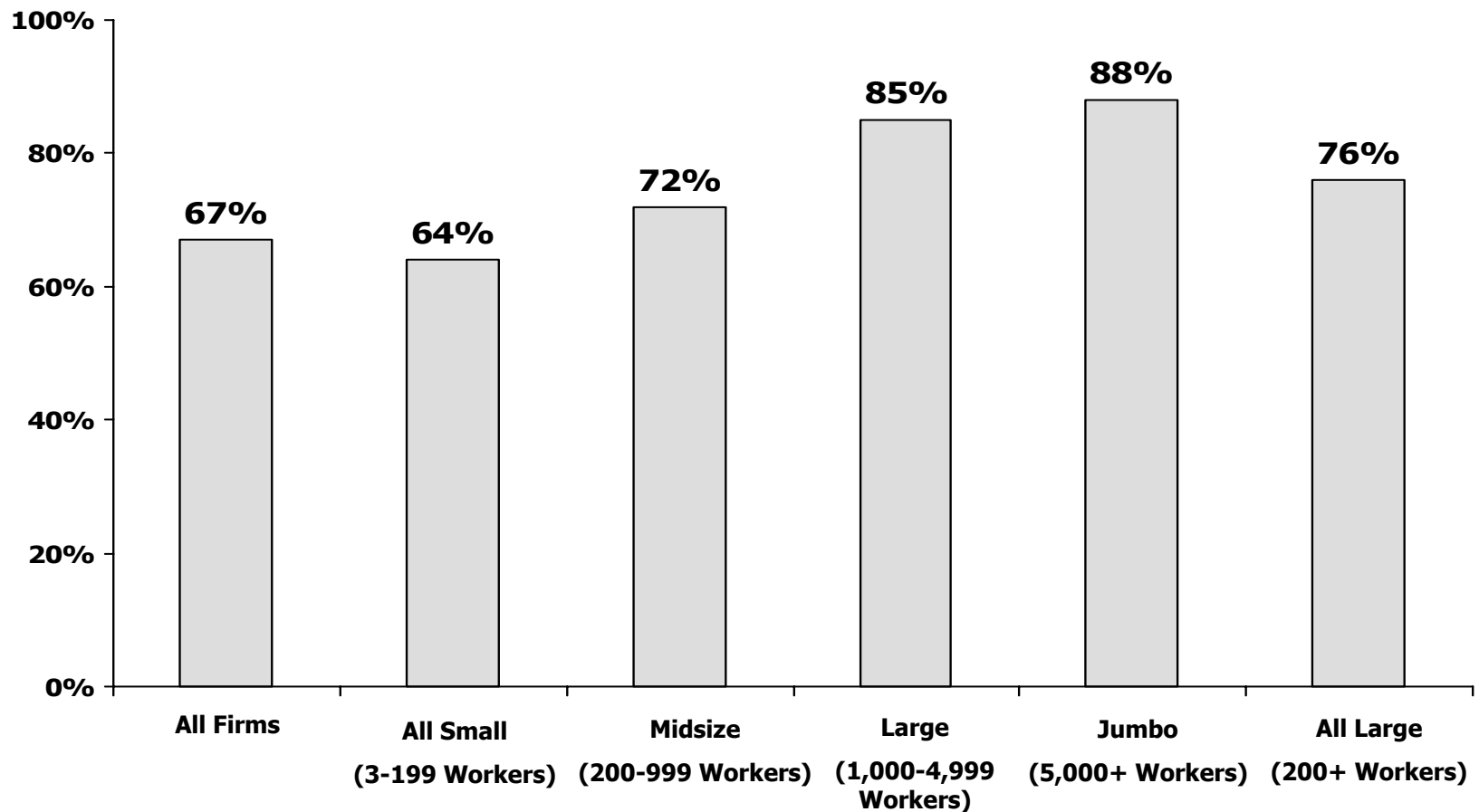
Retiree Coverage

Percentage of Firms Offering Retiree Health Benefits, by Firm Size, 1988-2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001; KPMG Survey of Employer-Sponsored Health Benefits: 1988, 1991, 1993, 1995

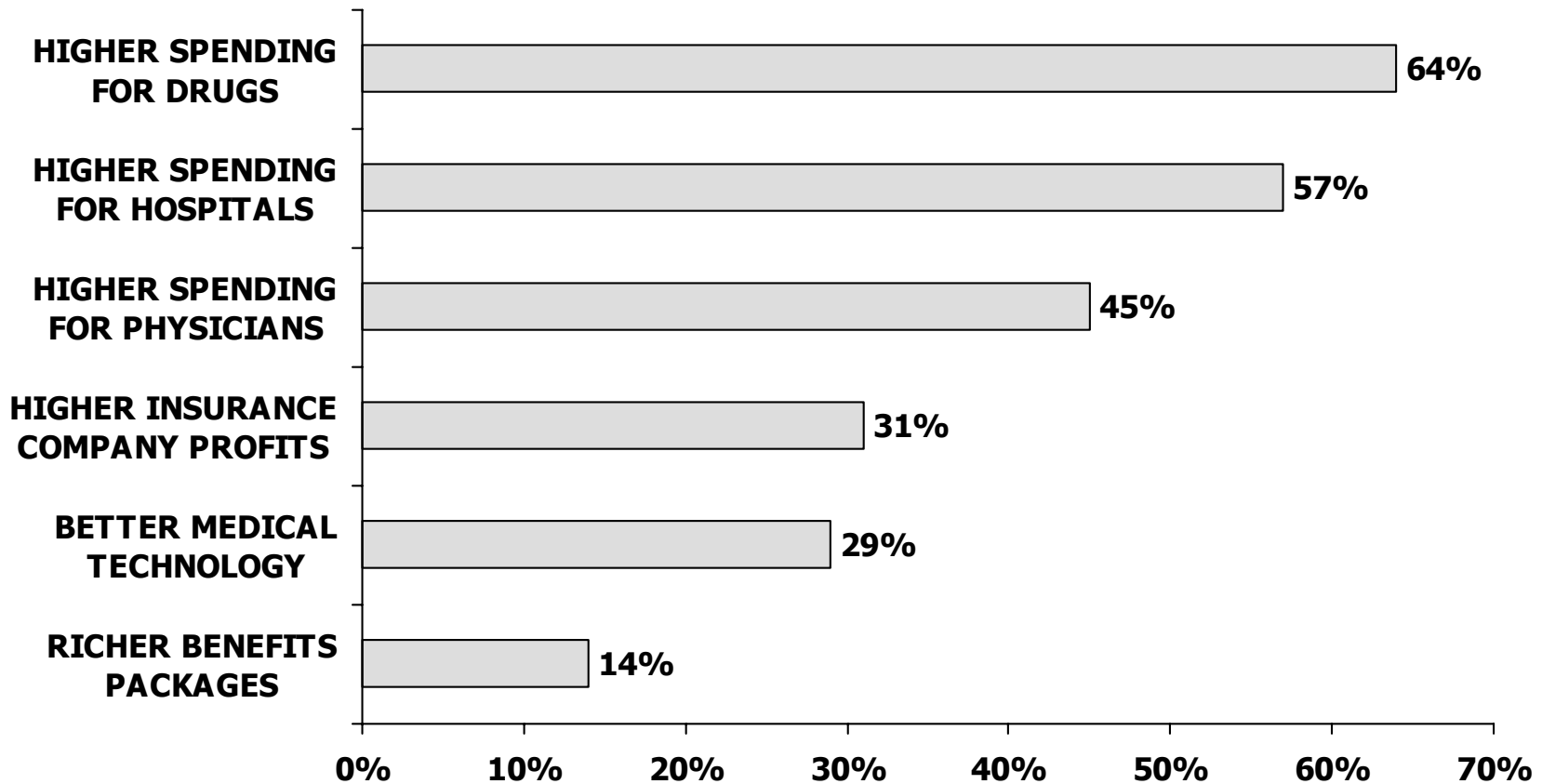
Among Firms Offering Retiree Health Benefits, Percentage of Firms Offering Drug Coverage in the Largest Plan Serving Medicare-Age Retirees, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

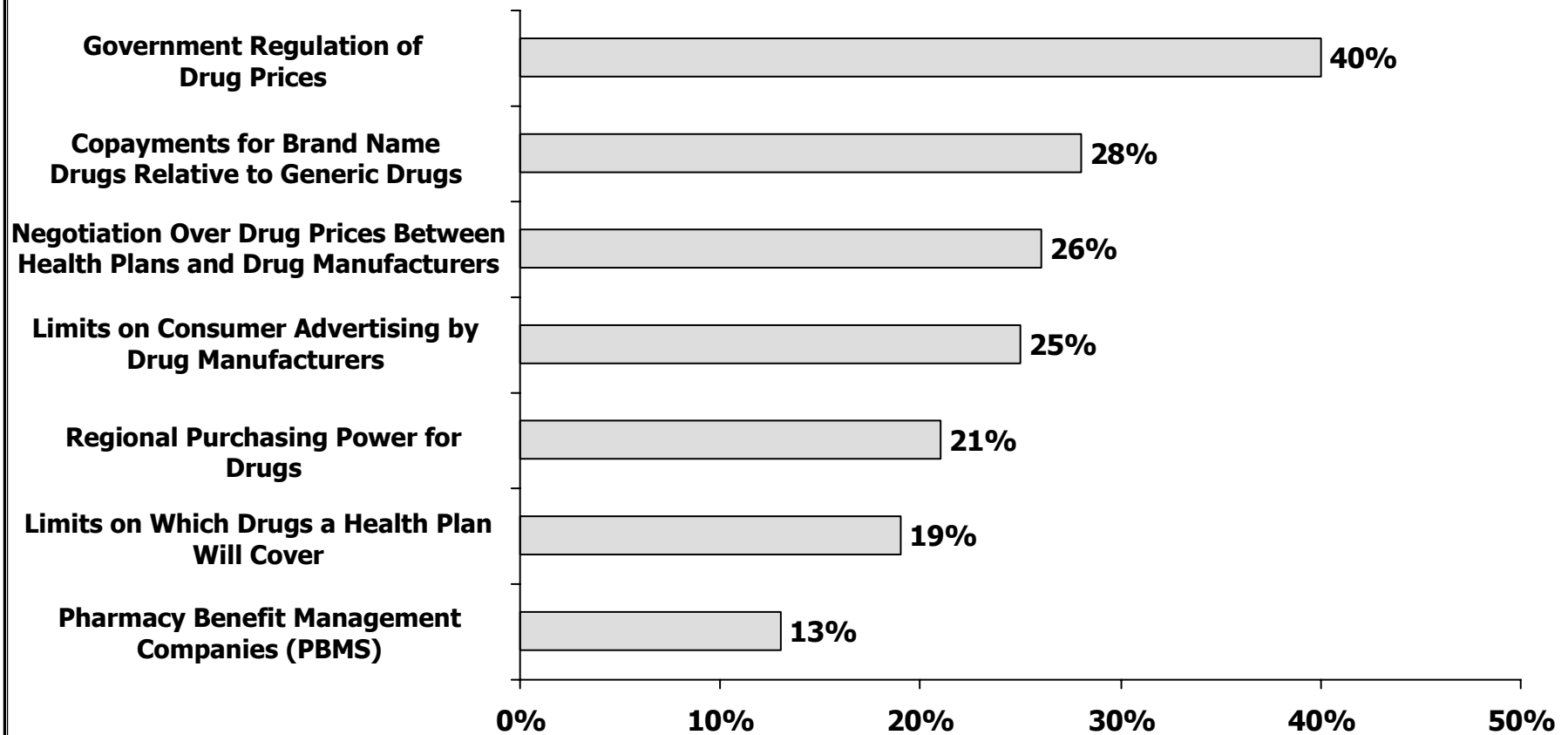
Employer Attitudes

Percentage of All Firms That Report the Following Factors Contribute "A Lot" to Increases in Health Insurance Premiums, 2001



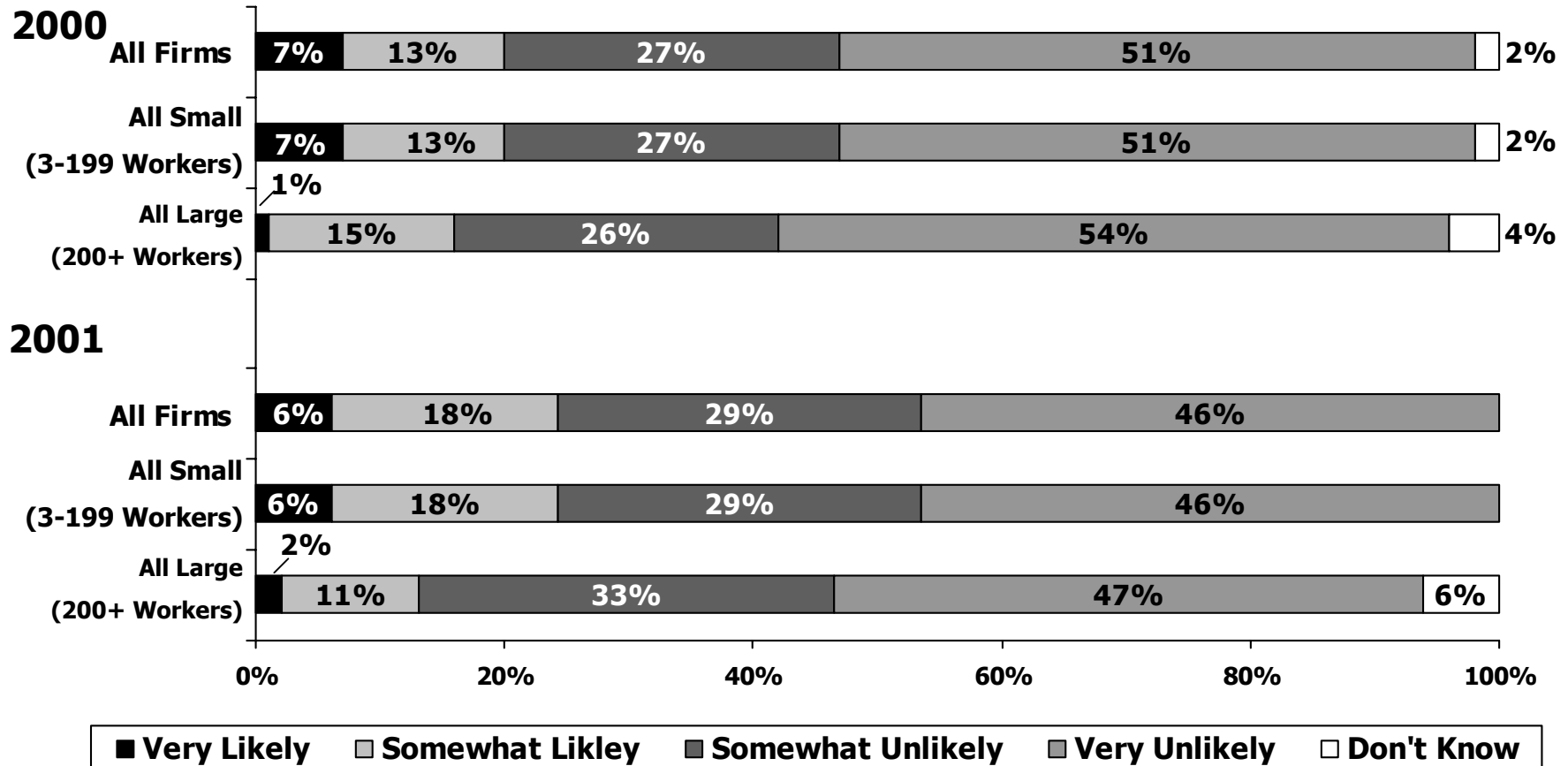
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Percentage of All Firms That Report the Following Factors Would be 'Very Effective' in Controlling Prescription Drug Costs, 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001

Likelihood of Employers Switching to Defined Contribution for Health Benefits in the Next Five Years, by Firm Size, 2000 and 2001



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2000, 2001

The Henry J. Kaiser Family Foundation

2400 Sand Hill Road
Menlo Park, CA 94025
(650) 854-9400 Fax: (650) 854-4800

Washington Office:
1450 G Street NW, Suite 250
Washington, DC 20005
(202) 347-5270 Fax: (202) 347-5274

www.kff.org

Individual copies of the full report of survey findings (#3138) are available on the Kaiser Family Foundation's web site at www.kff.org or by calling the Foundation's Publication Request line at 1-800-656-4533. Multiple copies may be obtained from HRET by calling 1-800-242-2626 (order #097506).

The Henry J. Kaiser Family Foundation is an independent, national health care philanthropy dedicated to providing information and analysis on health issues to policymakers, the media, and the general public. The Foundation is not associated with Kaiser Permanente or Kaiser Industries.