Employer Health Benefits
2012 Annual Survey

Employee Cost Sharing

SECTION

7

EMPLOYEE COST SHARING

In addition to any required premium contributions, covered workers may face cost sharing for the medical services they use. Cost sharing for medical services can take a variety of forms, including deductibles (an amount that must be paid before some or all services are covered), copayments (fixed dollar amounts), and/or coinsurance (a percentage of the charge for services). The type and level of cost sharing often vary by the type of plan in which the worker is enrolled. Cost sharing may also vary by the type of service, such as office visits, hospitalizations, or prescription drugs.

The cost-sharing amounts reported here are for covered workers using services provided in-network by participating providers. Plan enrollees receiving services from providers that do not participate in plan networks often face higher cost sharing and may be responsible for charges that exceed plan allowable amounts. The framework of this survey does not allow us to capture all of the complex cost-sharing requirements in modern plans, particularly for ancillary services (such as durable medical equipment or physical therapy) or cost-sharing arrangements that vary across different settings (such as tiered networks). Therefore, we do not collect information on all plan provisions and limits that affect enrollee out-of-pocket liability.

GENERAL ANNUAL DEDUCTIBLES

- A general annual deductible is an amount that must be paid by the enrollee before all or most services are covered by their health plan. The likelihood of having a deductible varies by plan type.
  - Workers in HMOs are less likely to have a general annual deductible for single coverage compared to workers in other plan types. Seventy percent of workers in HMOs do not have a general annual deductible, compared to 40% of workers in POS plans and 23% of workers in PPOs (Exhibit 7.1).
  - Workers without a general annual plan deductible often have other forms of cost sharing for medical services. For workers without a general annual deductible for single coverage, 76% in HMOs, 78% in PPOs, and 66% in POS plans are in plans that require cost sharing for hospital admissions. The percentages are similar for family coverage (Exhibit 7.2).
- General annual deductibles vary greatly by plan type and firm size.
  - The average annual deductibles among those workers with a deductible for single coverage are $691 for HMOs, $733 for PPOs, $1,014 for POS plans, and $2,086 for HDHP/SOs (Exhibit 7.3). There is no statistically significant change in deductible amounts from 2011 to 2012 for any plan type (Exhibit 7.5).
  - Deductibles are generally higher for covered workers in plans sponsored by small firms (3–199 workers) than for covered workers in large firms (200 or more workers) (Exhibit 7.3). For covered workers in PPOs, deductibles in small firms are more than twice as large as in large firms ($1,260 vs. $563).
- For family coverage, the majority of workers with general annual deductibles have an aggregate deductible, meaning all family members' out-of-pocket expenses count toward meeting the deductible amount. Among those with a general annual deductible for family coverage, the percentage of covered workers with an average aggregate general annual deductible is 60% for workers in HMOs, 59% for workers in PPOs, 63% for workers in POS plans and 83% for workers in HDHP/SOs (Exhibit 7.11).
  - The average amounts for workers with an aggregate deductible for family coverage are $1,329 for HMOs, $1,770 for PPOs, $2,163 for POS plans, and $3,924 for HDHP/SOs (Exhibit 7.12).

- The other type of family deductible, a separate per-person deductible, requires each family member to meet a separate per-person deductible amount before the plan covers expenses for that member. Most plans with separate per-person family deductibles consider the deductible met for all family members if a prescribed number of family members each reach their separate deductible amounts.
  - For covered workers in health plans that have separate per-person general annual deductible amounts for family coverage, the average plan deductible amounts are $754 for HMOs, $632 for PPOs, $1,092 for POS plans, and $2,821 for HDHP/SOs (Exhibit 7.12).
  - Most covered workers in plans with a separate per-person general annual deductible for family coverage have a limit to the number of family members required to meet the separate deductible amounts (Exhibit 7.16).[1] Among those workers in plans with a limit on the number of family members, the most frequent number of family members required to meet the separate deductible amounts is three for HMO and POS plans, and two for PPOs and HDHP/SOs.
- Thirty-four percent of covered workers are in plans with a deductible of $1000 or more for single coverage, similar to the percentage (31%) in 2011 (Exhibit 7.7).
  - Over the last five years, the percentage of covered workers with a deductible of $1,000 or more for single coverage has increased from 12% to 34% (Exhibit 7.7). Workers in small firms (3–199 workers) are more likely to have a general annual deductible of $1,000 or more for single coverage than workers in large firms (200 or more workers) (49% vs. 26%) (Exhibit 7.6).
- The majority of covered workers with a deductible are in plans where the deductible does not have to be met before certain services, such as physician office visits or prescription drugs, are covered.
  - Large majorities of covered workers (87% in HMOs, 78% in PPOs, and 79% in POS plans) with general plan deductibles are enrolled in plans where the deductible does not have to be met before physician office visits for primary care are covered (Exhibit 7.18).
  - Similarly, among workers with a general annual deductible, large shares of covered workers in HMOs (88%), PPOs (94%), and POS plans (91%) are enrolled in plans where the general annual deductible does not have to be met before prescription drugs are covered (Exhibit 7.18).

HOSPITAL AND OUTPATIENT SURGERY COST SHARING

- In order to better capture the prevalence of combinations of cost sharing for inpatient hospital stays and outpatient surgery, the survey was changed to ask a series of yes or no questions beginning in 2009. The new format allowed respondents to indicate more than one type of cost sharing for these services, if applicable. Previously, the questions asked respondents to select just one response from a list of types of cost sharing, such as separate deductibles, copayments, coinsurance, and per diem payments (for hospitalization only). Due to the change in question format, the distribution of workers with types of cost sharing does not equal 100% as workers may face a combination of types of cost sharing. In addition, the average copayment and coinsurance rates for hospital admissions include workers who may have a combination of types of cost sharing.
- Whether or not a worker has a general annual deductible, most workers face additional types of cost sharing when admitted to a hospital or having outpatient surgery (such as a copayment, coinsurance, or a per diem charge).
  - For hospital admissions, 58% of covered workers have coinsurance and 17% have copayments. Lower percentages of workers have per day (per diem) payments (4%), a separate hospital deductible (3%), or both copayments and

NOTE:

[1] Some workers with separate per-person deductibles or out-of-pocket maximums for family coverage do not have a specific number of family members that are required to meet the deductible amount and instead have another type of limit, such as a per person amount with a total dollar amount limit. These responses are included in the averages and distributions for separate family deductibles and out-of-pocket maximums.

coinsurance (9%), while 19% have no additional cost sharing for hospital admissions after any general annual deductible has been met (Exhibit 7.19). The average coinsurance rate is 18%; the average copayment is $263 per hospital admission; the average per diem charge is $221; and the average separate annual hospital deductible is $548 (Exhibit 7.21).

- The cost-sharing provisions for outpatient surgery are similar to those for hospital admissions, as most workers have coinsurance or copayments. Fifty-nine percent of covered workers have coinsurance and 19% have copayments for an outpatient surgery episode. In addition, 3% have a separate annual deductible for outpatient surgery, and 6% have both copayments and coinsurance, while 20% have no additional cost sharing after any general annual deductible has been met (Exhibit 7.20). For covered workers with cost sharing, the average coinsurance is 18%, the average copayment is $127, and the average separate annual outpatient surgery deductible is $544 (Exhibit 7.21).

COST SHARING FOR PHYSICIAN OFFICE VISITS

- The majority of covered workers are enrolled in health plans that require cost sharing for an in-network physician office visit, in addition to any general annual deductible.[2]
  - The most common form of physician office visit cost sharing for in-network services is copayments. Seventy-three percent of covered workers have a copayment for a primary care physician office visit and 17% have coinsurance. For office visits with a specialty physician, 73% of covered workers have copayments and 19% have coinsurance. Workers in HMOs, PPOs, and POS plans are much more likely to have copayments than workers in HDHP/SOs for both primary care and specialty care physician office visits. For example, the majority of workers in HDHP/SOs have coinsurance (53%) or no cost sharing after the general annual plan deductible is met (30%) for primary care physician office visits (Exhibit 7.22).
  - Among covered workers with a copayment for in-network physician office visits, the average copayment is $23 for primary care and $33 for specialty physicians (Exhibit 7.24), similar to $22 and $32 reported in 2011.
  - Among workers with coinsurance for in-network physician office visits, the average coinsurance rates are 18% for a visit with a primary care physician and 19% for a visit with a specialist (Exhibit 7.24).

EMERGENCY ROOM VISIT COST SHARING

- The large majority of covered workers have cost sharing when they visit an emergency room.
  - Ninety-one percent of covered workers have cost sharing for emergency room visits (Exhibit 7.23). Fifty-eight percent of workers pay a copayment while 22% pay coinsurance (Exhibit 7.22). The average copayment is $118 while the average coinsurance is 18% (Exhibit 7.24).[3]
  - Covered workers may find their emergency room cost sharing is waived if they are admitted to the hospital. Among workers with cost sharing for emergency room visits, 75% have the cost sharing waived if they are admitted to the hospital (Exhibit 7.23).

OUT-OF-POCKET MAXIMUM AMOUNTS

- Most covered workers are in a plan that partially or totally limits the cost sharing that a plan enrollee must pay in a year. These limits are generally referred to as out-of-pocket maximum amounts. Enrollee cost sharing, such as deductibles, office visit cost sharing, or spending on prescription drugs, may or may not apply to the out-of-pocket maximum. Therefore, the survey asks what types of out-of-

NOTE:

[2] Starting in 2010, the survey asked about the prevalence and cost of physician office visits separately for primary care and specialty care. Prior to the 2010 survey if the respondent indicated the plan had a copayment for office visits, we assumed the plan had a copayment for both primary and specialty care visits. The survey did not allow for a respondent to report that a plan had a copayment for primary care visits and coinsurance for visits with a specialist physician. The changes made in 2010 allow for variations in the type of cost sharing for primary care and specialty care. This year the survey includes cost sharing for in-network services only. See the 2007 survey for information on out-of-network office visit cost sharing.

[3] The average copayments and the average coinsurance for emergency room visits include workers who may have more than one type of cost sharing.

pocket expenses plans count when determining whether a covered worker has met the plan out-of-pocket maximum. When a plan does not count certain types of spending, it effectively increases the amount a worker may pay out-of-pocket.

- Thirteen percent of covered workers are in a plan that does not limit the amount of cost sharing enrollees have to pay for either single or family coverage (Exhibit 7.29). Covered workers in small firms (3 to 199 workers) are more likely to be in a plan without a limit on cost sharing than workers in larger firms (22% vs. 9%) (Exhibit 7.32).
  - Covered workers with single or family coverage in HMOs (30%) are more likely to be enrolled in a plan that does not limit the amount of cost sharing than workers in PPOs (10%) (Exhibit 7.29).
  - Covered workers without an out-of-pocket maximum, however, may not have large cost-sharing responsibilities. For example, 76% of covered workers in HMOs with no out-of-pocket maximum for single coverage have no general annual deductible, only 4% have coinsurance for a hospital admission and less than 1% have coinsurance for outpatient surgery episodes.
  - HSA-qualified HDHPs are required by law to have an out-of-pocket maximum of no more than $6,050 for single coverage and $12,100 for family coverage in 2012. HDHP/HRAs have no such requirement, and among workers enrolled in these plans, 10% have no out-of-pocket maximum for single or family coverage.
- For covered workers with out-of-pocket maximums, there is wide variation in spending limits.
  - Thirty-two percent of workers with an out-of-pocket maximum for single coverage have an out-of-pocket maximum of less than $2,000, while 41% have an out-of-pocket maximum of $3,000 or more (Exhibit 7.31). Covered workers with an out-of-pocket maximum in small firms (3 to 199 workers) are more likely than such workers in larger firms to be covered by a plan with an out-of-pocket maximum of $3,000 or more (54% vs. 36%).
  - Like deductibles, some plans have an aggregate out-of-pocket maximum amount for family coverage that applies to cost sharing for all family members, while others have a per-person out-of-pocket maximum that limits the amount of cost sharing that the family must pay on behalf of each family member. For covered workers with an aggregate out-of-pocket maximum for family coverage, 29% have an out-of-pocket maximum of less than $4,000 and 16% have an out-of-pocket maximum of $8,500 or more (Exhibit 7.33). Among workers with separate per-person out-of-pocket limits for family coverage, 86% have out-of-pocket maximums of less than $4,000 (Exhibit 7.34).
- As noted above, covered workers with an out-of-pocket maximum may be enrolled in a plan where not all spending counts toward the out-of-pocket maximum, potentially exposing workers to higher out-of-pocket spending.
  - Among workers enrolled in PPO plans with an out-of-pocket maximum for single or family coverage, 36% are in plans that do not count spending for the general annual plan deductible toward the out-of-pocket limit (Exhibit 7.30).
  - It is more common for covered workers to be in plans that do not count prescription drug cost sharing toward the out-of-pocket limit. Eighty percent of workers enrolled in PPO plans and 69% enrolled in HMO plans with an out-of-pocket maximum for single or family coverage are in plans that do not count prescription drug spending towards the out-of-pocket maximum (Exhibit 7.30).

EXHIBIT 7.1

Percentage of Covered Workers with No General Annual Health Plan Deductible for Single and Family Coverage, by Plan Type and Firm Size, 2012

	Single Coverage	Family Coverage
HMO		
200–999 Workers	75%	75%
1,000–4,999 Workers	76	76
5,000 or More Workers	68	68
All Small Firms (3–199 Workers)	**67%**	**67%**
All Large Firms (200 or More Workers)	**71%**	**71%**
ALL FIRM SIZES	**70%**	**70%**
PPO		
200–999 Workers	23%	23%
1,000–4,999 Workers	21	21
5,000 or More Workers	24	24
All Small Firms (3–199 Workers)	**24%**	**24%**
All Large Firms (200 or More Workers)	**23%**	**23%**
ALL FIRM SIZES	**23%**	**23%**
POS		
200–999 Workers	45%	45%
1,000–4,999 Workers	36	35
5,000 or More Workers	29	29
All Small Firms (3–199 Workers)	**42%**	**42%**
All Large Firms (200 or More Workers)	**37%**	**37%**
ALL FIRM SIZES	**40%**	**40%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: HDHP/SOs are not shown because all covered workers in these plans face a minimum deductible. In HDHP/HRA plans, as defined by the survey, the minimum deductible is $1,000 for single coverage and $2,000 for family coverage. In HSA-qualified HDHPs, the legal minimum deductible for 2012 is $1,200 for single coverage and $2,400 for family coverage. Average general annual health plan deductibles for PPOs and POS plans are for in-network services. Tests found no statistical differences within plan and coverage type from estimate for all other firms not in the indicated size category (p<.05).

EXHIBIT 7.2

Among Covered Workers with No General Annual Health Plan Deductible for Single and Family Coverage, Percentage Who Have the Following Types of Cost Sharing, by Plan Type, 2012

	Single Coverage	Family Coverage
Separate Cost Sharing for a Hospital Admission‡		
HMO	76%	76%
PPO	78%	78%
POS	66%	66%
Separate Cost Sharing for an Outpatient Surgery Episode		
HMO	73%	73%
PPO	79%	79%
POS	78%	78%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

‡ Separate cost sharing for each hospital admission includes the following types: separate annual deductible, copayment, coinsurance, and/or a charge per day (per diem). Cost sharing for each outpatient surgery episode includes the following types: separate annual deductible, copayment, and/or coinsurance.

Note: HDHP/SOs are not shown because all covered workers in these plans face a deductible. In HDHP/HRA plans, as defined by the survey, the minimum deductible is $1,000 for single coverage and $2,000 for family coverage. In HSA-qualified HDHPs, the legal minimum deductible for 2012 is $1,200 for single coverage and $2,400 for family coverage. Average general annual health plan deductibles for PPOs and POS plans are for in-network services.

EXHIBIT 7.3

Among Covered Workers with a General Annual Health Plan Deductible for Single Coverage, Average Deductible, by Plan Type and Firm Size, 2012

	Single Coverage
HMO	
All Small Firms (3–199 Workers)	$1,114*
All Large Firms (200 or More Workers)	$467*
ALL FIRM SIZES	**$691**
PPO	
All Small Firms (3–199 Workers)	$1,260*
All Large Firms (200 or More Workers)	$563*
ALL FIRM SIZES	**$733**
POS	
All Small Firms (3–199 Workers)	$1,213*
All Large Firms (200 or More Workers)	$664*
ALL FIRM SIZES	**$1,014**
HDHP/SO	
All Small Firms (3–199 Workers)	$2,386*
All Large Firms (200 or More Workers)	$1,881*
ALL FIRM SIZES	**$2,086**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

*Estimates are statistically different within plan type between All Small Firms and All Large Firms ($p<.05$).

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.4

Among Covered Workers with a General Annual Health Plan Deductible for Single Coverage, Average Deductible, by Plan Type and Region, 2012

	Single Coverage
HMO	
Northeast	$604
Midwest	$667
South	$854
West	NSD
ALL REGIONS	**$691**
PPO	
Northeast	$682
Midwest	$656
South	$726
West	$891
ALL REGIONS	**$733**
POS	
Northeast	NSD
Midwest	$844
South	$1,056
West	$1,123
ALL REGIONS	**$1,014**
HDHP/SO	
Northeast	$1,697*
Midwest	$2,269
South	$2,014
West	$2,289
ALL REGIONS	**$2,086**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different within plan type from estimate for all other firms not in the indicated region (p<.05).

NSD: Not Sufficient Data.

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.5

Among Covered Workers with a General Annual Health Plan Deductible for Single Coverage, Average Deductible, by Plan Type, 2006–2012

	2006	2007	2008	2009	2010	2011	2012
HMO	$352	$401	$503	$699*	$601	$911	$691
PPO	$473	$461	$560*	$634*	$675	$675	$733
POS	$553	$621	$752	$1,061	$1,048	$928	$1,014
HDHP/SO	$1,715	$1,729	$1,812	$1,838	$1,903	$1,908	$2,086

SOURCE:

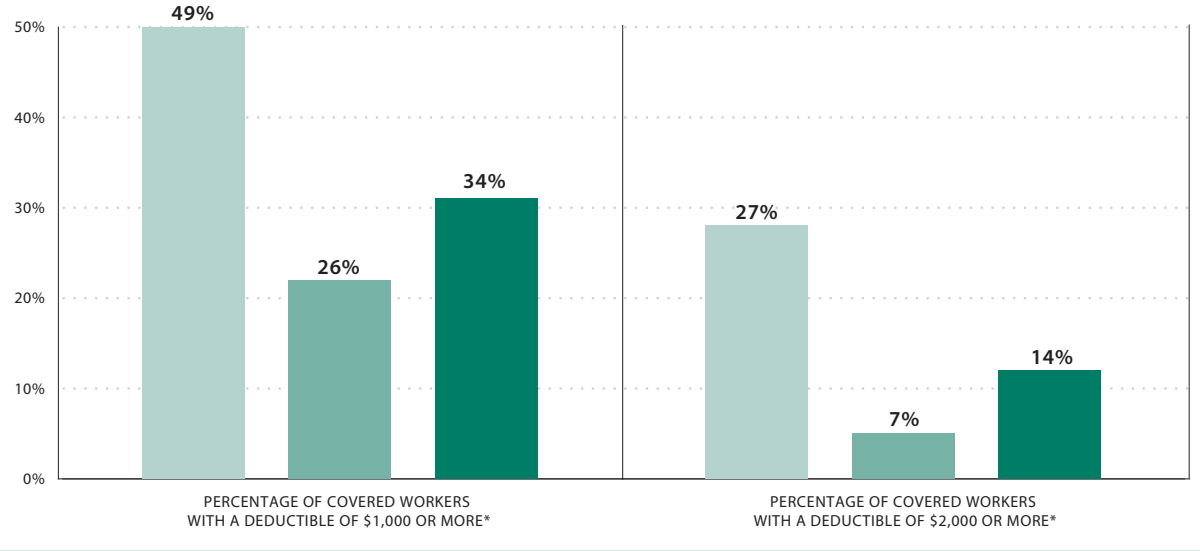
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Estimate is statistically different from estimate for the previous year shown by plan type (p<.05).

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.6

Percentage of Covered Workers Enrolled in a Plan with a High General Annual Deductible for Single Coverage, By Firm Size, 2012



SOURCE:

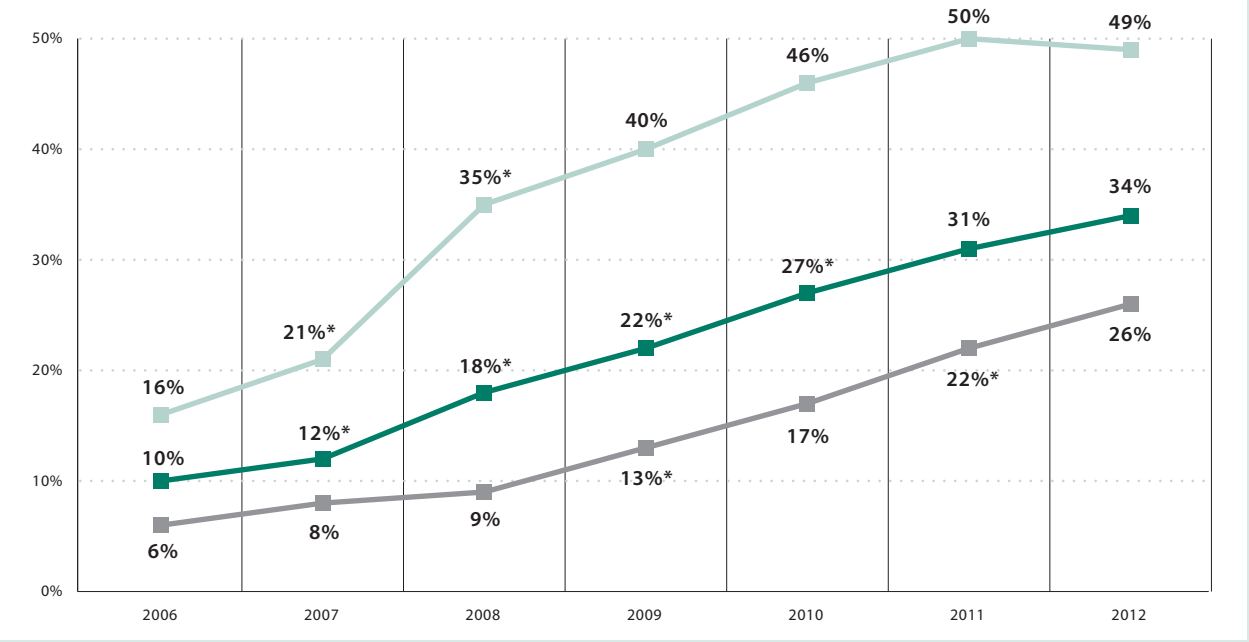
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different between All Small Firms and All Large Firms within category (p<.05).

Note: These estimates include workers enrolled in HDHP/SO and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $1,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.7

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006–2012



SOURCE:

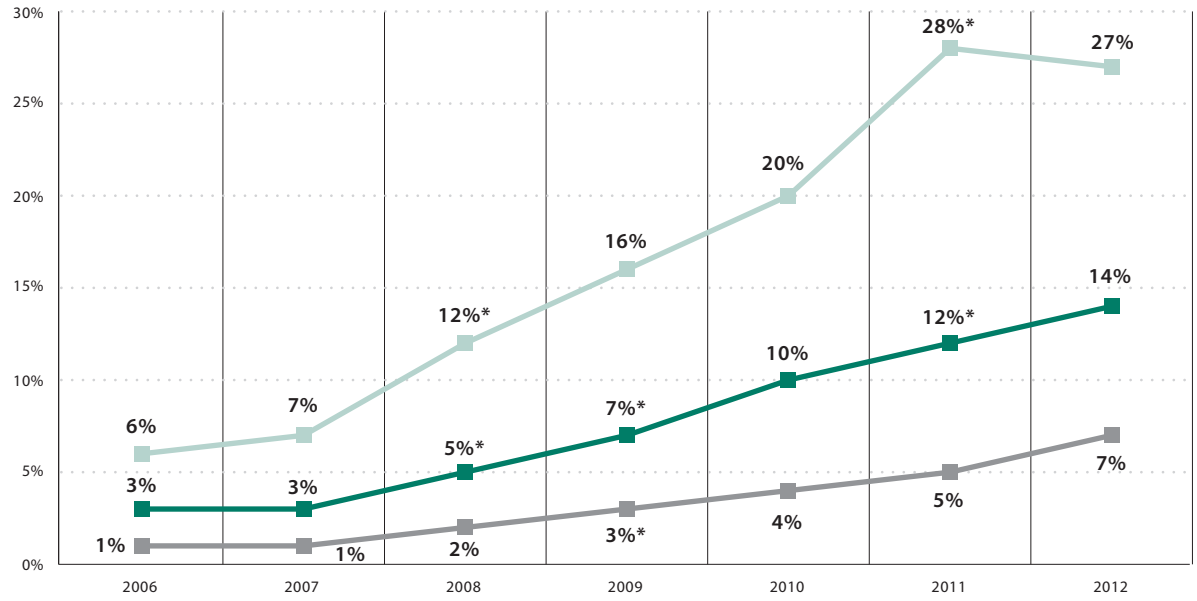
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: These estimates include workers enrolled in HDHP/SO and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $1,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.8

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $2,000 or More for Single Coverage, By Firm Size, 2006–2012



SOURCE:

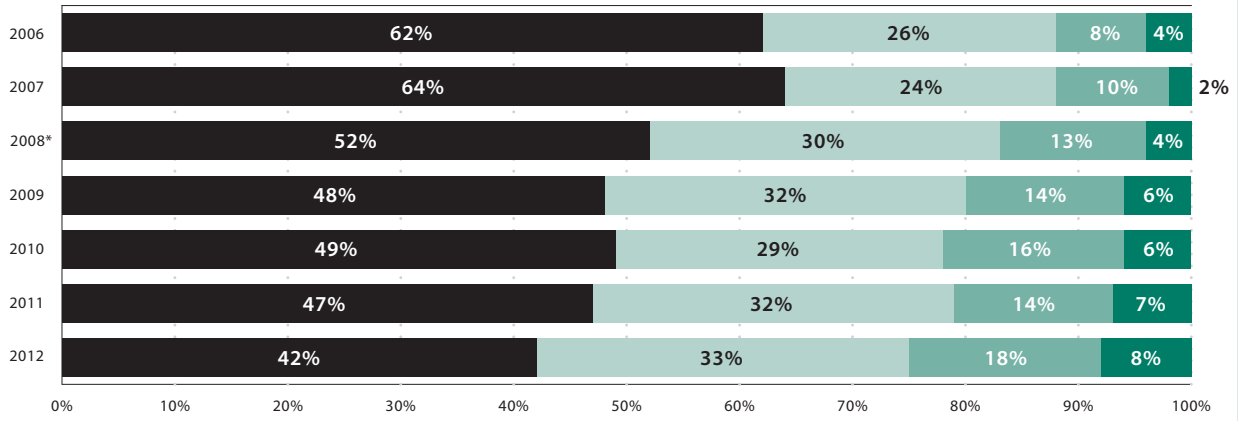
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: These estimates include workers enrolled in HDHP/SO and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $2,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.9

Among Covered Workers with a General Annual Health Plan Deductible for Single PPO Coverage, Distribution of Deductibles, 2006–2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Distribution is statistically different from distribution for the previous year shown (p<.05).

Note: Deductibles for PPO plans are for in-network services.

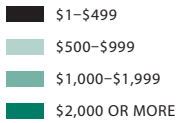
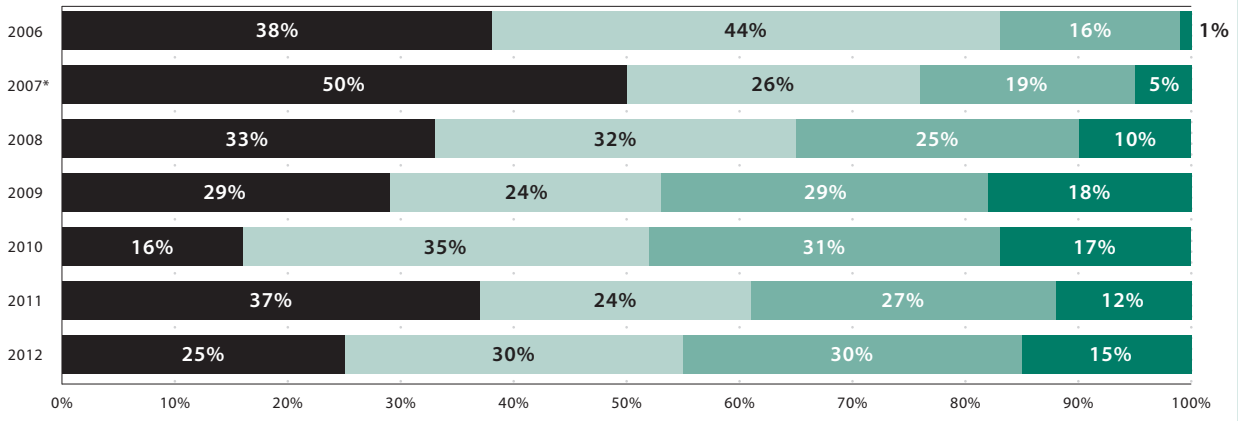


EXHIBIT 7.10

Among Covered Workers With a General Annual Health Plan Deductible for Single POS Coverage, Distribution of Deductibles, 2006–2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Distribution is statistically different from distribution for the previous year shown (p<.05).

Note: Deductibles for POS plans are for in-network services.

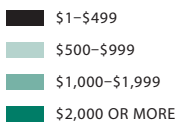


EXHIBIT 7.11

Distribution of Type of General Annual Deductible for Covered Workers with Family Coverage, by Plan Type and Firm Size, 2012

	No Deductible	Aggregate Amount	Separate Amount per Person
HMO			
All Small Firms (3–199 Workers)	67%	24%	9%
All Large Firms (200 or More Workers)	71	15	14
ALL FIRM SIZES	**70%**	**18%**	**12%**
PPO			
All Small Firms (3–199 Workers)	24%	47%	29%
All Large Firms (200 or More Workers)	23	45	32
ALL FIRM SIZES	**23%**	**45%**	**32%**
POS			
All Small Firms (3–199 Workers)	42%	33%	25%
All Large Firms (200 or More Workers)	37	47	17
ALL FIRM SIZES	**40%**	**38%**	**22%**
HDHP/SO			
All Small Firms (3–199 Workers)	NA	77%	23%
All Large Firms (200 or More Workers)	NA	87	13
ALL FIRM SIZES	**NA**	**83%**	**17%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

NA: Not Applicable. All covered workers in HDHP/SOs face a general annual deductible. In HDHP/HRA plans, as defined by the survey, the minimum deductible is $1,000 for single coverage and $2,000 for family coverage. In HSA-qualified HDHPs, the legal minimum deductible for 2012 is $1,200 for single coverage and $2,400 for family coverage.

Note: Tests found no statistical difference for estimates within plan type between All Small Firms and All Large Firms ($p<.05$). The survey distinguished between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount. Among workers with a general annual deductible, 60% of workers in HMOs, 59% in PPOs, and 63% in POS plans have an aggregate deductible. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.12

Among Covered Workers with a General Annual Health Plan Deductible, Average Deductibles for Family Coverage, by Deductible Type, Plan Type, and Firm Size, 2012

	Aggregate Amount	Separate Amount per Person
HMO		
All Small Firms (3–199 Workers)	NSD	NSD
All Large Firms (200 or More Workers)	$914	$516
ALL FIRM SIZES	**$1,329**	**$754**
PPO		
All Small Firms (3–199 Workers)	$2,956*	$1,014*
All Large Firms (200 or More Workers)	$1,364*	$523*
ALL FIRM SIZES	**$1,770**	**$632**
POS		
All Small Firms (3–199 Workers)	$2,643*	NSD
All Large Firms (200 or More Workers)	$1,516*	NSD
ALL FIRM SIZES	**$2,163**	**$1,092**
HDHP/SO		
All Small Firms (3–199 Workers)	$4,456*	NSD
All Large Firms (200 or More Workers)	$3,603*	$2,490
ALL FIRM SIZES	**$3,924**	**$2,821**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimates are statistically different within plan and deductible type between All Small Firms and All Large Firms (p<.05).

NSD: Not Sufficient Data.

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. The survey distinguished between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount.

EXHIBIT 7.13

Among Covered Workers with an Aggregate General Annual Health Plan Deductible for Family Coverage, Average Deductibles, by Plan Type, 2006–2012

	2006	2007	2008	2009	2010	2011	2012
HMO	$751	$759	$1,053	$1,524*	$1,321	$1,487	$1,329
PPO	$1,034	$1,040	$1,344*	$1,488	$1,518	$1,521	$1,770
POS	$1,227	$1,359	$1,860	$2,191	$2,253	$1,769	$2,163
HDHP/SO	$3,511	$3,596	$3,559	$3,626	$3,780	$3,666	$3,924

SOURCE:

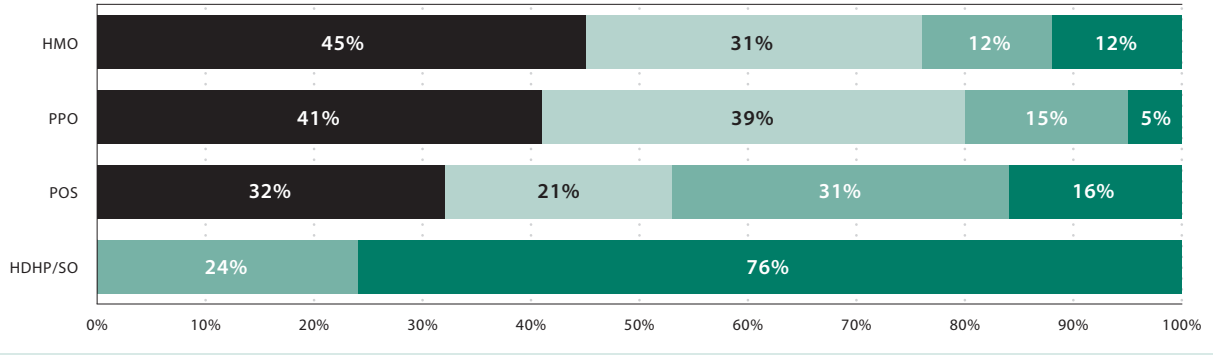
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Estimate is statistically different from estimate for the previous year shown by plan type (p<.05).

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.14

Among Covered Workers with a Separate Per Person General Annual Health Plan Deductible for Family Coverage, Distribution of Deductibles, by Plan Type, 2012



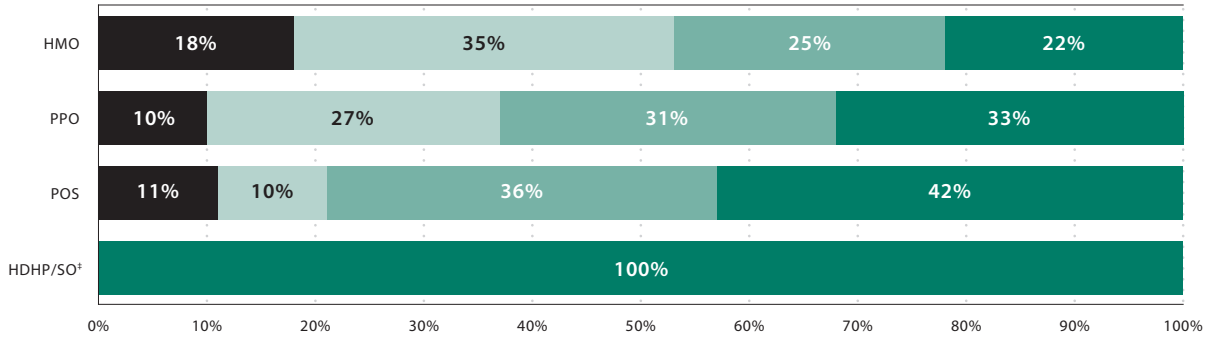
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. The survey distinguished between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount.

EXHIBIT 7.15

Among Covered Workers with an Aggregate General Annual Health Plan Deductible for Family Coverage, Distribution of Deductibles, by Plan Type, 2012



SOURCE:

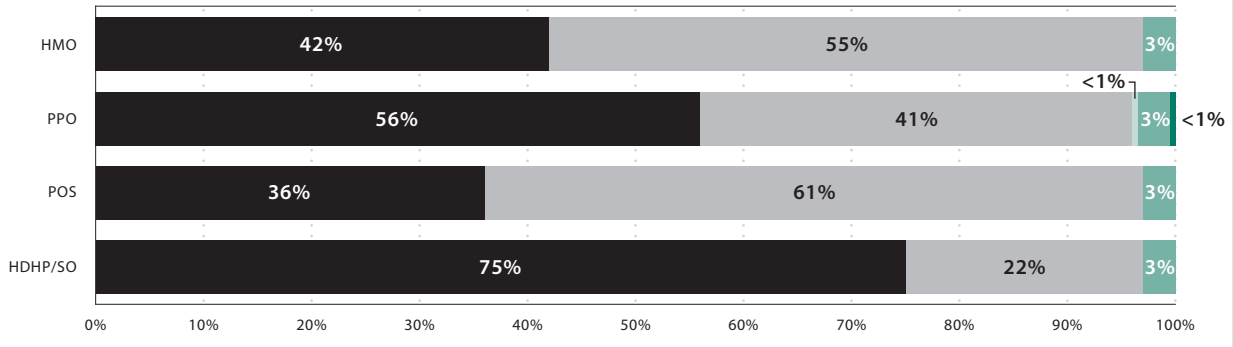
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

‡ By definition, 100% of covered workers in HDHP/SOs with an aggregate deductible have a family deductible of $2,000 or more.

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. The survey distinguished between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount.

EXHIBIT 7.16

Among Covered Workers With a Separate per Person General Annual Health Plan Deductible for Family Coverage, Distribution of Maximum Number of Family Members Required to Meet the Deductible, by Plan Type, 2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. The survey distinguishes between plans that have an aggregate family deductible that applies to spending by any covered person in the family or a separate family deductible that applies to spending by each family member or a limited number of family members. In 2012, the survey's skip logic was edited so that firms who selected a separate family deductible were asked if they had a combined limit or if the limit was considered met when a specified number of family members reached their separate per-person limit. The "other" category refers to workers that have another type of limit on per-person deductibles, such as a per-person amount with a total dollar cap.

EXHIBIT 7.17

Among Covered Workers With an Aggregate General Annual Health Plan Deductible for Family Coverage, Distribution of Aggregate Deductibles, by Plan Type, 2006–2012

	$1–$499	$500–$999	$1,000–$1,999	$2,000 or More
HMO				
2006	27%	42%	23%	7%
2007	22	48	23	8
2008	31	26	20	23
2009	7	22	33	38
2010	28	9	36	27
2011	35	14	28	23
2012	18	35	25	22
PPO				
2006	20%	42%	27%	12%
2007	14	49	25	12
2008*	11	38	32	19
2009	12	30	35	23
2010	7	33	35	24
2011	12	28	36	24
2012	10	27	31	33
POS				
2006	12%	26%	45%	18%
2007	32	13	29	25
2008	23	14	24	39
2009	3	18	30	49
2010	7	9	21	63
2011	6	26	36	33
2012	11	10	36	42

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Distribution is statistically different from distribution for the previous year shown (p<.05).

Note: By definition, 100% of covered workers in HDHP/SOs with an aggregate deductible have a family deductible of $2,000 or more. Average general annual health plan deductibles for PPOs and POS plans are for in-network services. The survey distinguished between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount.

EXHIBIT 7.18

Among Covered Workers with a General Annual Health Plan Deductible, Percentage with Coverage for the Following Services Without Having to First Meet the Deductible, by Plan Type, 2012

	HMO	PPO	POS	HDHP/HRA§
Physician Office Visits For Primary Care	87%	78%	79%	46%
Prescription Drugs	88%	94%	91%	79%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

§ By definition, HSA-qualified HDHPs are required by law to apply the plan deductible to nearly all services.

Note: These questions are asked of firms with a deductible for single or family coverage. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

EXHIBIT 7.19

Distribution of Covered Workers With Separate Cost Sharing for a Hospital Admission in Addition to Any General Annual Deductible, by Plan Type, 2012

Separate Cost Sharing for a Hospital Admission	HMO	PPO	POS	HDHP/SO§	**ALL PLANS**
Separate Annual Deductible for Hospitalizations	3%	4%	2%	0%*	**3%**
Copayment and/or Coinsurance					
Copayment	47*	12*	28*	6*	**17**
Coinsurance	20*	71*	31*	60	**58**
Both Copayment and Coinsurance‡	8	11	11	1*	**9**
Charge Per Day	9*	2*	12*	1*	**4**
None	23	13*	27	33*	**19**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimate ($p<.05$).

‡ This includes enrollees who are required to pay the higher amount of either the copayment or coinsurance under the plan.

§ Information on separate deductibles for hospital admissions was collected only for HDHP/HRAs because federal regulations for HSA-qualified HDHPs make it unlikely these plans would have a separate deductible for specific services.

Note: As in past years, we collected information on the cost-sharing provisions for hospital admissions that are in addition to any general annual plan deductible. However, beginning with the 2009 survey, in order to better capture the prevalence of combinations of cost sharing, the survey was changed to ask a series of yes or no questions. Previously, the question asked respondents to select one response from a list of types of cost sharing, such as separate deductibles, copayments, coinsurance, and per diem payments (for hospitalization only). Due to the change in question format, the distribution of workers with types of cost sharing does not equal 100% as workers may face a combination of types of cost sharing. Zero percent of covered workers have an "other" type of cost sharing for a hospital admission.

EXHIBIT 7.20

Distribution of Covered Workers with Separate Cost Sharing for an Outpatient Surgery Episode in Addition to Any General Annual Deductible, by Plan Type, 2012

Separate Cost Sharing for an Outpatient Surgery Episode	HMO	PPO	POS	HDHP/SO§	ALL PLANS
Separate Annual Deductible for Outpatient Surgery	2%	4%	1%	40%*	**3%**
Copayment and/or Coinsurance					
Copayment	48*	12*	40*	7*	**19**
Coinsurance	25*	70*	36*	58	**59**
Both Copayment and Coinsurance‡	3	8	7	1*	**6**
None	25	15*	22	34*	**20**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimate (p<.05).

‡ This includes enrollees who are required to pay the higher amount of either the copayment or coinsurance under the plan.

§ Information on separate deductibles for outpatient surgery was collected only for HDHP/HRAs because federal regulations for HSA-qualified HDHPs make it unlikely these plans would have a separate deductible for specific services.

Note: As in past years, we collected information on the cost-sharing provisions for outpatient surgery that are in addition to any general annual plan deductible. However, beginning with the 2009 survey, in order to better capture the prevalence of combinations of cost sharing, the survey was changed to ask a series of yes or no questions. Previously, the question asked respondents to select one response from a list of types of cost sharing, such as separate deductibles, copayments, coinsurance, and per diem payments (for hospitalization only). Due to the change in question format, the distribution of workers with types of cost sharing does not equal 100% as workers may face a combination of types of cost sharing. Less than 1% of covered workers have an "other" type of cost sharing for an outpatient surgery.

EXHIBIT 7.21

Among Covered Workers with Separate Cost Sharing for a Hospital Admission or Outpatient Surgery Episode in Addition to Any General Annual Deductible, Average Cost Sharing, by Plan Type, 2012

	Average Copayment	Average Coinsurance	Charge Per Day
Separate Cost Sharing for a Hospital Admission			
HMO	$293	16%	$219
PPO	258	17	133*
POS	227	22*	305
HDHP/SO	NSD	19	NSD
ALL PLANS	**$263**	**18%**	**$221**
Separate Cost Sharing for an Outpatient Surgery Episode			
HMO	$124	15%*	NA
PPO	117	17	NA
POS	167	21*	NA
HDHP/SO	109	19	NA
ALL PLANS	**$127**	**18%**	**NA**
Separate Cost Sharing for Emergency Room Visits			
HMO	$107	17%	NA
PPO	121	17	NA
POS	119	NSD	NA
HDHP/SO	123	18	NA
ALL PLANS	**$118**	**18%**	**NA**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimate (p<.05).

NSD: Not Sufficient Data.

NA: Not Applicable. The survey did not offer "Charge Per Day" (per diem) as a response option for questions about separate cost sharing for each outpatient surgery episode.

Note: The average separate annual deductible for hospital admission is $548 and the average separate annual deductible for outpatient surgery is $544. In most cases there were too few observations to present the average estimates by plan type. The average amounts include workers who may have a combination of types of cost sharing. All Plans estimates are weighted by workers in firms that reported cost sharing. See the Survey Design and Methods section for more information on weighting.

EXHIBIT 7.22

In Addition to Any General Annual Plan Deductible, Percentage of Covered Workers with the Following Types of Cost Sharing for Physician Office Visits and Emergency Room Visits, by Plan Type, 2012

	Copay Only	Coinsurance Only	No Cost Sharing	Other Type of Cost Sharing
Primary Care				
HMO	96%*	1%*	2%*	1%
PPO	80*	14	4*	2
POS	92*	3*	5	<1*
HDHP/SO	17*	53*	30*	<1*
ALL PLANS	**73%**	**17%**	**8%**	**2%**
Specialty Care				
HMO	93%*	3%*	3%	1%
PPO	80*	16	2*	2
POS	88*	4*	8	<1*
HDHP/SO	19*	53*	28*	<1*
ALL PLANS	**73%**	**19%**	**7%**	**1%**
Emergency Room Visits				
HMO	88%*	4%*	5%	3%*
PPO	59	23	3*	16
POS	69	7*	16	8
HDHP/SO	20*	43*	28*	9
ALL PLANS	**58%**	**22%**	**9%**	**12%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Distribution is statistically different from All Plans distribution (p<.05).

Note: In 2012, the survey includes questions on cost sharing for in-network services only. See the 2007 survey for information on out-of-network office visit cost sharing. Starting in 2010, the survey asked about the prevalence and cost of physician office visits separately for primary care and specialty care. Prior to the 2010 survey, if the respondent indicated the plan had a copayment for office visits, we assumed the plan had a copayment for both primary and specialty care visits. The survey did not allow for a respondent to report that a plan had a copayment for primary care visits and coinsurance for visits with a specialist physician. The changes made in 2010 allow for variations in the type of cost sharing for primary care and specialty care.

EXHIBIT 7.23

In Addition to Any General Annual Plan Deductible, Percentage of Covered Workers with Emergency Room Cost Sharing, by Plan Type, 2012

	Percentage of Covered Workers with Emergency Room Cost Sharing	Among Workers with Emergency Room Cost Sharing, Percentage of Covered Workers with Cost Sharing Waived if Individual is Admitted to the Hospital
HMO	95%	92%*
PPO	97*	75
POS	84	77
HDHP/SO	72*	48*
ALL PLANS	**91%**	**75%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimate (p<.05).

EXHIBIT 7.24

Among Covered Workers with Copayments and/or Coinsurance for In-Network Physician Office and Emergency Room Visits, Average Copayments and Coinsurance, by Plan Type, 2012

In-Network Office Visits	HMO	PPO	POS	HDHP/SO	ALL PLANS
Primary Care Office Visit					
Average Copay	$21*	$23	$25*	$23	**$23**
Average Coinsurance ‡	NSD	18%	NSD	18%	**18%**
Specialty Care Office Visit					
Average Copay	$31*	$33	$36	$35	**$33**
Average Coinsurance‡	NSD	19%	NSD	19%	**19%**
Emergency Room Visits					
Average Copay	$107	$121	$119	$123	**$118**
Average Coinsurance‡	17%	17%	NSD	18%	**18%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimates (p<.05).

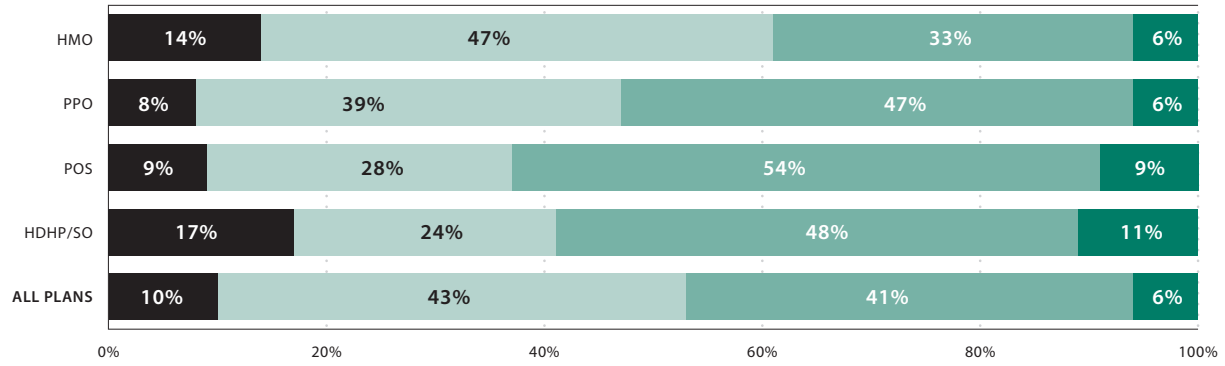
NSD: Not Sufficient Data.

‡ In the 2012 survey, the structure of cost-sharing questions was revised to include coinsurance rates with a minimum or maximum dollar amount. For most plan types, the average coinsurance rate is not significantly different depending on whether it included a minimum, maximum or neither. See the Survey Design and Methods Section for more information.

Note: The survey asks respondents if the plan has cost sharing for in-network office visits. In 2010, the survey asked about the prevalence and cost of physician office visits separately for primary care and specialty care. Prior to the 2010 survey if the respondent indicated the plan had a copayment for office visits, we assumed the plan had a copayment for both primary and specialty care visits. The survey did not allow for a respondent to report that a plan had a copayment for primary care visits and coinsurance for visits with a specialist physician. The changes made in 2010 allow for variations in the type of cost sharing for primary care and specialty care.

EXHIBIT 7.25

Among Covered Workers with Copayments for a Physician Office Visit with a Primary Care Physician, Distribution of Copayments, by Plan Type, 2012



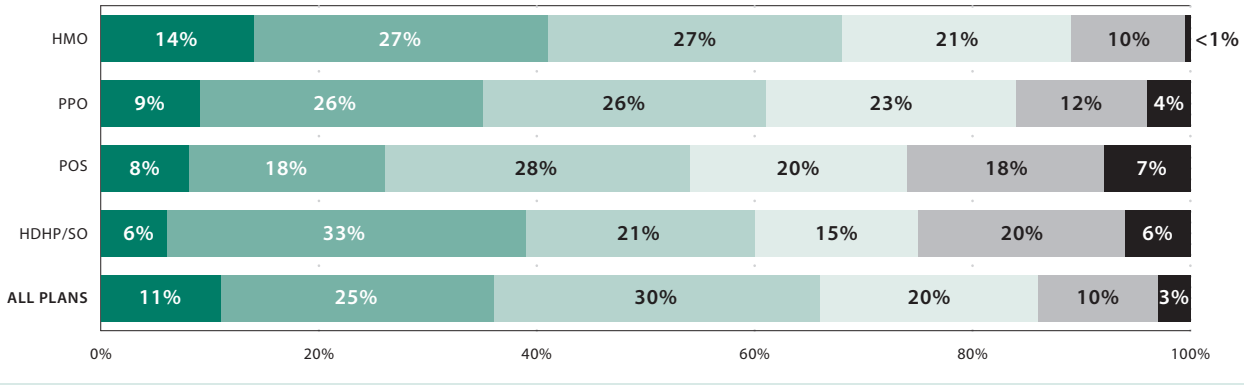
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: Copayments for PPO, POS, and HDHP/SO plans are for in-network providers.

EXHIBIT 7.26

Among Covered Workers with Copayments for a Physician Office Visit with a Specialty Care Physician, Distribution of Copayments, by Plan Type, 2012



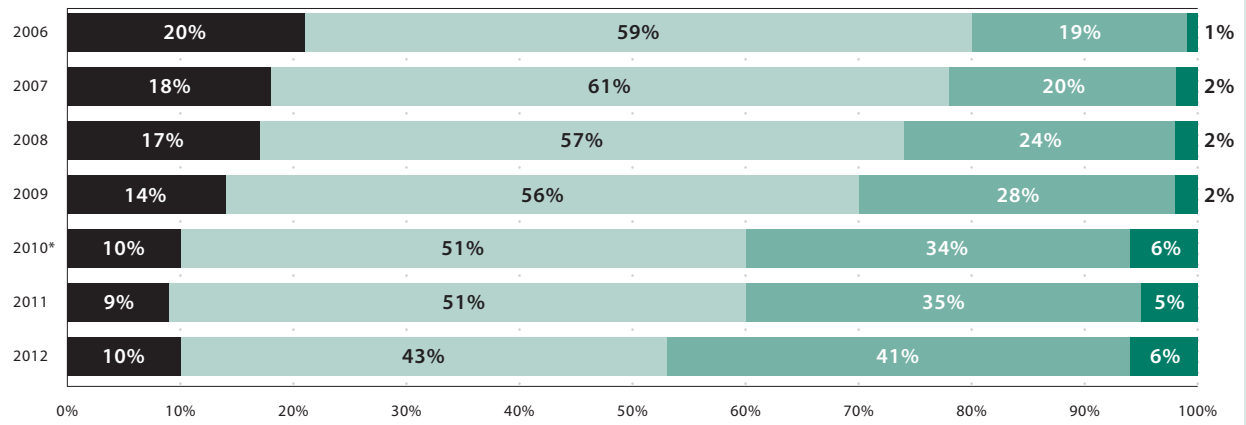
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: Copayments for PPO, POS, and HDHP/SO plans are for in-network providers.

EXHIBIT 7.27

Among Covered Workers with Copayments for a Physician Office Visit with a Primary Care Physician, Distribution of Copayments, 2006–2012



SOURCE:

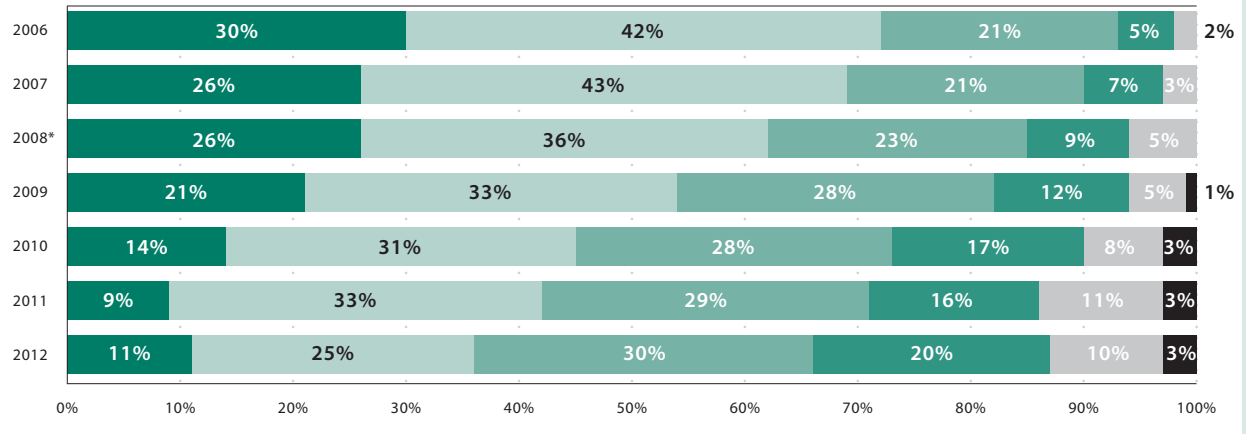
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Distribution is statistically different from distribution for the previous year shown (p<.05).

- $5 TO LESS THAN $15
- $15 TO LESS THAN $25
- $25 TO LESS THAN $35
- $35 OR MORE

EXHIBIT 7.28

Among Covered Workers with Copayments for a Physician Office Visit with a Specialty Care Physician, Distribution of Copayments, 2006–2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2012.

* Distribution is statistically different from distribution for the previous year shown (p<.05).

- $0 TO LESS THAN $20 PER VISIT
- $20 TO LESS THAN $30 PER VISIT
- $30 TO LESS THAN $40 PER VISIT
- $40 TO LESS THAN $50 PER VISIT
- $50 TO LESS THAN $60 PER VISIT
- $60 OR MORE

EXHIBIT 7.29

Percentage of Covered Workers without an Annual Out-of-Pocket Maximum for Single and Family Coverage, by Plan Type, 2012

	Single Coverage	Family Coverage
HMO	30%*	30%*
PPO	10	10
POS	24*	24*
ALL PLANS	**13%**	**13%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Estimate is statistically different from All Plans estimate within coverage type (p<.05).

Note: HSA-qualified HDHPs are required to have an annual maximum out-of-pocket liability of no more than $6,050 for single coverage and $12,100 for family coverage in 2012. HDHP/HRAs have no such requirement, and the percentages of covered workers in HDHP/HRAs with "No Limit" for annual out-of-pocket maximum for single and family coverage are 10% and 10%, respectively.

EXHIBIT 7.30

Among Covered Workers with an Annual Out-of-Pocket Maximum, Percentage Whose Spending on Various Services Does Not Count Towards the Out-of-Pocket Maximum, by Plan Type, 2012

	HMO	PPO	POS	HDHP/SO‡
General Annual Plan Deductible	16%	36%	13%	15%
Any Additional Plan Deductibles	NSD	57	NSD	NSD
Physician Office Visit Copayments	43	71	45	69
Physician Office Visit Coinsurance	NSD	6	NSD	7
Prescription Drug Cost Sharing	69	80	59	65

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

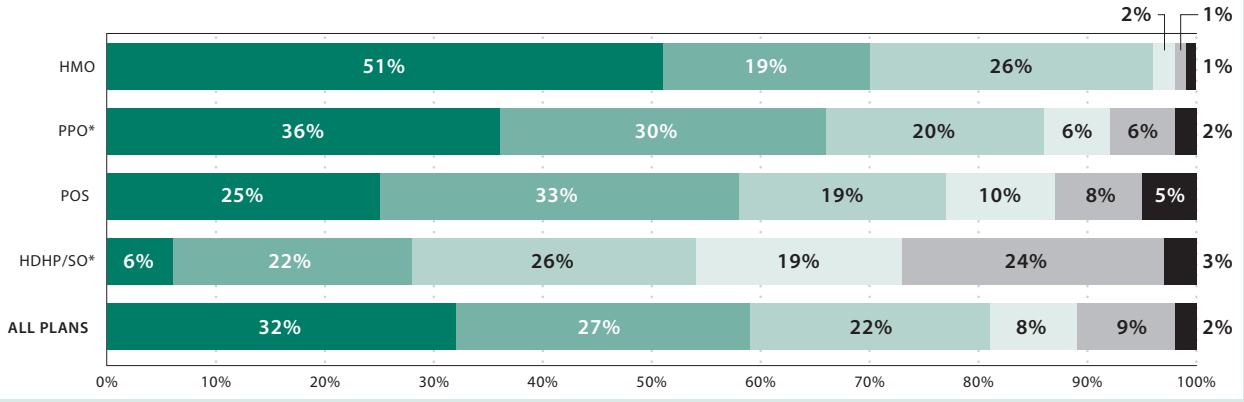
‡ Among HDHP/SO plans, questions other than "overall plan deductible" were asked only of HDHP/HRAs and not of HSA-qualified HDHPs. HSA-qualified HDHPs are required to apply most cost sharing to the out-of-pocket maximum. When HDHP/HRAs are considered exclusively, among covered workers with an annual out-of-pocket maximum, the percentage whose out-of-pocket maximum does not include certain services is as follows: Any Additional Plan Deductibles is NSD, Office Visit Copayments is 69%, Office Visit Coinsurance is 7%, and Prescription Drug Cost Sharing is 65%.

NSD: Not Sufficient Data.

Note: This series of questions is asked if the plan has an out-of-pocket maximum for single or family coverage.

EXHIBIT 7.31

Among Covered Workers with an Out-of-Pocket Maximum for Single Coverage, Distribution of Out-of-Pocket Maximums, by Plan Type, 2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Distribution is statistically different from All Plans distribution (p<.05).

Note: Distributions are among covered workers facing a specified limit for out-of-pocket maximum amounts. HSA-qualified HDHPs are required by law to have an out-of-pocket maximum of no more than $6,050 for single coverage and $12,100 for family coverage in 2012.

EXHIBIT 7.32

Distribution of Type of Out-of-Pocket Maximum for Covered Workers with Family Coverage, by Plan Type and Firm Size, 2012

	No Limit	Aggregate Amount	Separate Amount per Person
HMO			
All Small Firms (3–199 Workers)*	47%	43%	10%
All Large Firms (200 or More Workers)*	23	55	23
ALL FIRM SIZES	**30%**	**51%**	**19%**
PPO			
All Small Firms (3–199 Workers)	18%	60%	22%
All Large Firms (200 or More Workers)	8	62	30
ALL FIRM SIZES	**10%**	**62%**	**28%**
POS			
All Small Firms (3–199 Workers)	26%	62%	12%
All Large Firms (200 or More Workers)	20	67	13
ALL FIRM SIZES	**24%**	**64%**	**13%**
HDHP/SO‡			
All Small Firms (3–199 Workers)	8%	78%	14%
All Large Firms (200 or More Workers)	<1	91	9
ALL FIRM SIZES	**4%**	**85%**	**11%**
ALL FIRMS			
All Small Firms (3–199 Workers)*	22%	61%	17%
All Large Firms (200 or More Workers)*	9	65	26
ALL FIRM SIZES	**13%**	**64%**	**23%**

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

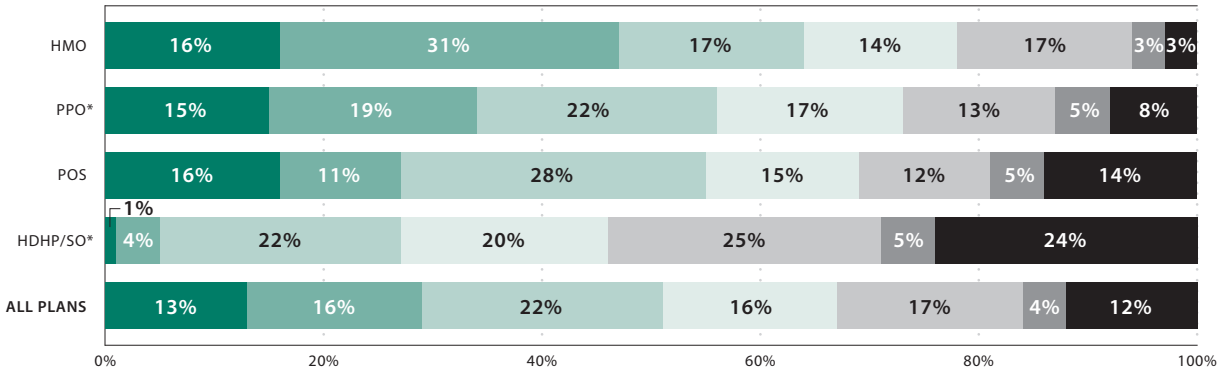
* Distributions are statistically different beween All Small Firms and All Large Firms within plan type (p<.05).

‡ HSA-qualified HDHPs are required by law to have an annual maximum out-of-pocket liability of no more than $6,050 for single coverage and $12,100 for family coverage in 2012. When they are excluded from the calculation, the distribution of type of out-of-pocket maximum for HDHP/HRAs only is as follows: All Small Firms – 28% No Limit, 62% Aggregate Amount, and 10% Separate Amount per Person; All Large Firms – 1% No Limit, 86% Aggregate Amount, and 13% Separate Amount per Person; All Firm Sizes – 10% No Limit, 79% Aggregate Amount, and 12% Separate Amount per Person.

Note: The survey distinguished between plans that have a family aggregate out-of-pocket maximum that applies to spending by any covered person in the family or a separate per person out-of-pocket maximum that applies to spending by each family member or a limited number of family members. Among workers with an out-of-pocket maximum, 73% of workers in HMOs, 69% in PPOs, 83% in POS plans, and 74% in All Plans have an aggregate out-of-pocket maximum.

EXHIBIT 7.33

Among Covered Workers with an Aggregate Out-of-Pocket Maximum for Family Coverage, Distribution of Out-of-Pocket Maximums, by Plan Type, 2012



SOURCE:

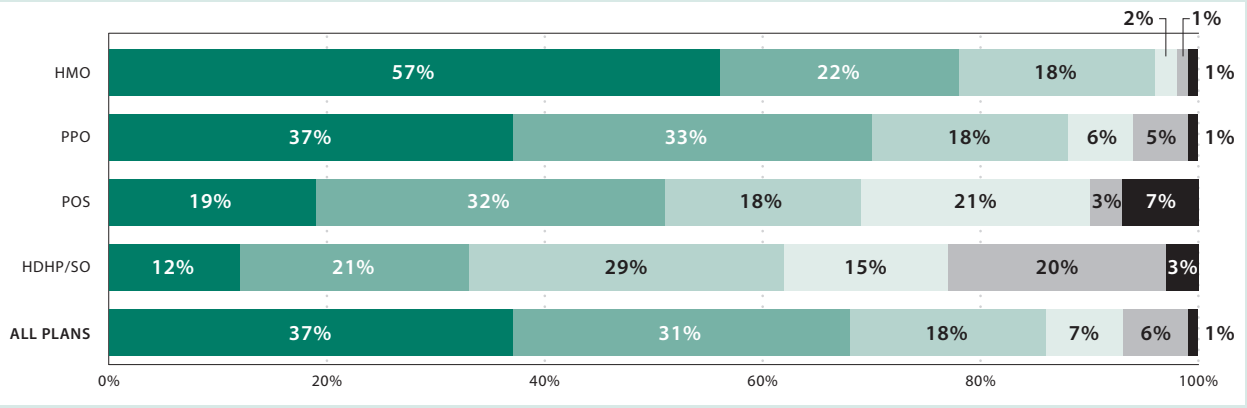
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Distribution is statistically different from All Plans distribution (p<.05).

Note: Distributions are among covered workers facing a specified limit for out of pocket maximum amounts. HSA-qualified HDHPs are required by law to have an out-of-pocket maximum of no more than $6,050 for single coverage and $12,100 for family coverage in 2012. The survey distinguished between plans that have a family aggregate out-of-pocket maximum that applies to spending by any covered person in the family or a separate per person out-of-pocket maximum that applies to spending by each family member or a limited number of family members.

EXHIBIT 7.34

Among Covered Workers with a Separate per Person Out-of-Pocket Maximum for Family Coverage, Distribution of Out-of-Pocket Maximums, by Plan Type, 2012



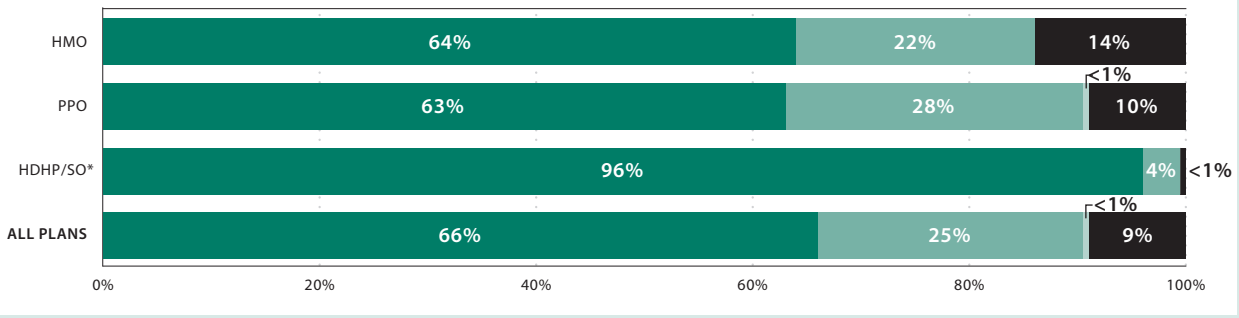
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

Note: Distributions were not statistically different from the All Plans distribution. Distributions are among covered workers facing a specified limit for out-of-pocket maximum amounts. The survey distinguished between plans that have a family aggregate out-of-pocket maximum that applies to spending by any covered person in the family or a separate per person out-of-pocket maximum that applies to spending by each family member or a limited number of family members.

EXHIBIT 7.35

Among Covered Workers with a Separate per Person Out-of-Pocket Maximum for Family Coverage, Distribution of Number of Family Members Required to Meet the Maximum, by Plan Type, 2012



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012.

* Distribution is statistically different from All Plans distribution (p<.05).

Note: Sufficient data was not available for POS plans. The survey distinguishes between plans that have a family aggregate out-of-pocket maximum that applies to spending by any covered person in the family or a separate out-of-pocket maximum that applies to spending by each family member or a limited number of family members. In 2012, the survey's skip logic was edited so that firms who selected a separate out-of-pocket maximum were asked if they had a combined limit or if the limit was considered met when a specified number of family members reached their separate per-person limit.