

facing larger premium contributions for family coverage and cost-sharing requirements at smaller firms.

A significant number of firms (18%) are asking their employees to complete a health risk assessment, with a share of employers levying financial penalties to certain workers who do not complete wellness programs or meet biometric outcomes.

Employers continue to implement the early provisions of the Affordable Care Act. Currently 2.9 million children are enrolled in a parent's employer-sponsored health plan as a result of the ACA. Less than half of covered workers are in grandfathered plans, a reduction from last year. The survey will continue to monitor employers' responses to health reform and other changes in the insurance market.

METHODOLOGY

The Kaiser Family Foundation/Health Research & Educational Trust 2012 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a telephone survey of 2,121 randomly selected public and private employers with three or more workers. Researchers at the Health Research & Educational Trust, NORC at the University of Chicago, and the Kaiser Family Foundation designed and analyzed the survey. National Research, LLC conducted the fieldwork between January and May 2012. In 2012 the overall response rate is 47%, which includes firms that offer and do not offer health benefits. Among firms that offer health benefits, the survey's response rate is also 47%.

From previous years' experience, we learned that firms that decline to participate in the study are less likely to offer health coverage. Therefore, we asked one question to all firms with which we made phone contact, but the firm declined to participate. The question was, "Does your company offer a health insurance program as a benefit to any of your employees?" A total of 3,326 firms responded to this question (including the 2,121 who responded to the full survey and 1,205 who responded to this one question). Their responses are included in our estimates of the percentage of firms offering health coverage. The response rate for this question is 73%. Since firms are selected randomly, it is possible to extrapolate from the sample to national, regional, industry, and firm size estimates using statistical weights. In calculating weights, we first determined the basic weight, then applied a nonresponse adjustment, and finally applied a post-stratification adjustment. We used the U.S. Census Bureau's Statistics of U.S. Businesses as the basis for the stratification and the post-stratification adjustment for firms in the private sector, and we used the Census of Governments as the basis for post-stratification for firms in the public sector. Some numbers in the exhibits in the report do not sum up to totals due to rounding effects, and, in a few cases, numbers from distribution exhibits referenced in the text may not add due to rounding effects. Unless otherwise noted, differences referred to in the text and exhibits use the 0.05 confidence level as the threshold for significance.

For more information on the survey methodology, please visit the Survey Design and Methods Section at <http://ehbs.kff.org/>.

¹ Kaiser Commission on Medicaid and the Uninsured. The Uninsured: A Primer. Kaiser Family Foundation. 2011 Oct. Available from: <http://www.kff.org/uninsured/upload/7451-07.pdf>. 56.2% of the non-elderly American population receives insurance coverage through an employer-sponsored plan.
² Kaiser/HRET surveys use the April-to-April time period. The inflation numbers are not seasonally adjusted. Bureau of Labor Statistics. Consumer Price Index, U.S. city average of annual inflation (April to April). [Internet]. Washington (DC): Department of Labor; 2012 [cited 2012 Aug 27]. Available from: http://data.bls.gov/timeseries/CUUR0000A0?include_graphs=false&output_type=column&years_option=all_years10. Wage data are from the Bureau of Labor Statistics and based on the change in total average hourly earnings of production and nonsupervisory employees. Employment, hours, and earnings from the Current Employment Statistics survey [Internet]. Washington (DC): Department of Labor; 2012 [cited 2012 Aug 27]. Available from: <http://data.bls.gov/timeseries/CES0500000008>.
³ The survey treats high-deductible plans that can be paired with a savings option as a distinct plan type – High-Deductible Health Plan with Savings Option (HDHP/SO) – even if the plan would otherwise be considered a PPO, HMO, POS plan, or conventional health plan. Specifically for the survey, HDHP/SOs are defined as (1) health plans with a deductible of at least \$1,000 for single coverage and \$2,000 for family coverage offered with an HRA (referred to as HDHP/HRAs); or (2) high-deductible health plans that meet the federal legal requirements to permit an enrollee to establish and contribute to an HSA (referred to as HSA-qualified HDHPs).
⁴ Twelve percent of firms indicated that they did not know if wellness programs were effective in improving employees' health and 13% did not know if wellness programs were effective in reducing costs.
⁵ Federal Register. Vol. 75, No 221, November 17, 2010, <http://www.gpo.gov/fdsys/pkg/FR-2010-11-17/pdf/2010-28861.pdf>.
⁶ In 2012 and 2011 firms that indicate "other" were allowed to explain why the plan was no longer eligible. In 2011 firms that indicated that they changed carriers were recoded as having a new plan. Federal regulations now allow some firms that changed carriers to preserve their grandfather status, and therefore these firms were not recoded as new plans in 2012.
⁷ Federal Register. Vol. 75, No 92, May 13, 2010, <http://www.gpo.gov/fdsys/pkg/FR-2010-05-13/pdf/2010-11391.pdf>.



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The Health Research & 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, an affiliate of the American Hospital Association, 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.

*The full report of survey findings (#8345) is available on the Kaiser Family Foundation's website at www.kff.org.
 This summary (#8346) is also available at www.kff.org.*