

EMPLOYER HEALTH BENEFITS
2013 ANNUAL SURVEY

Market
Shares of
Health Plans

SECTION

5

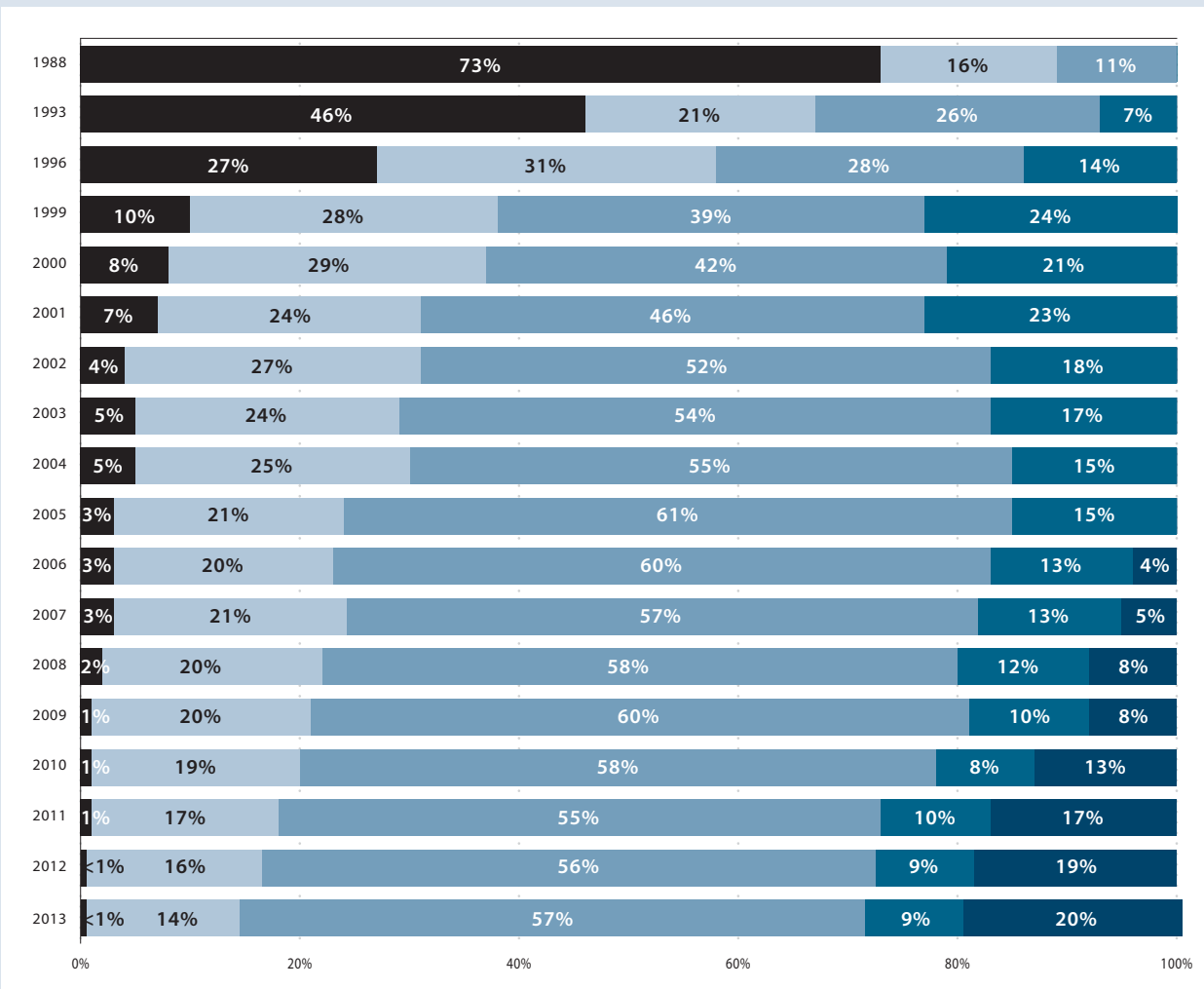
MARKET SHARES OF HEALTH PLANS

ENROLLMENT REMAINS HIGHEST IN PPO PLANS, COVERING MORE THAN HALF OF COVERED WORKERS, FOLLOWED BY HDHP/SOs, HMO PLANS, POS PLANS, AND CONVENTIONAL PLANS. ENROLLMENT DISTRIBUTION VARIES BY FIRM SIZE, FOR EXAMPLE, PPOs ARE RELATIVELY MORE POPULAR FOR COVERED WORKERS AT LARGE FIRMS (200 OR MORE WORKERS) THAN SMALLER FIRMS (62% VS. 47%) AND POS PLANS ARE RELATIVELY MORE POPULAR AMONG SMALLER FIRMS THAN LARGE FIRMS (16% VS. 5%).

- ▶ Fifty-seven percent of covered workers are enrolled in PPOs, followed by HDHP/SOs (20%), HMOs (14%), POS plans (9%), and conventional plans (<1%) (Exhibit 5.1).
- ▶ After years of significant annual increases in the percentage of covered workers enrolled in HDHP/SO plans (8% in 2009, 13% in 2010, and 17% in 2011), there has been a similar level of enrollment over the past two years (19% in 2012 and 20% in 2013) (Exhibit 5.1).
- ▶ Enrollment in HMO plans is similar to 2012, but has declined significantly since 2011.
- ▶ Plan enrollment patterns vary by firm size. Workers in large firms (200 or more workers) are more likely than workers in small firms (3–199 workers) to enroll in PPOs (62% vs. 47%). Workers in small firms are more likely than workers in large firms to enroll in POS plans (16% vs. 5%) (Exhibit 5.3).
- ▶ Plan enrollment patterns also differ across regions.
 - HMO enrollment is significantly higher in the West (25%) and significantly lower in the South (10%) and Midwest (7%) (Exhibit 5.3).
 - Workers in the South (66%) are more likely to be enrolled in PPO plans than workers in other regions; workers in the West (49%) are less likely to be enrolled in a PPO (Exhibit 5.3).
 - Enrollment in HDHP/SOs is higher among workers in the Midwest (27%) than in other regions (Exhibit 5.3).

EXHIBIT 5.1

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988–2013



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2013; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988.

Note: Information was not obtained for POS plans in 1988. A portion of the change in plan type enrollment for 2005 is likely attributable to incorporating more recent Census Bureau estimates of the number of state and local government workers and removing federal workers from the weights. See the Survey Design and Methods section from the 2005 Kaiser/HRET Survey of Employer-Sponsored Health Benefits for additional information.

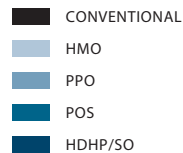
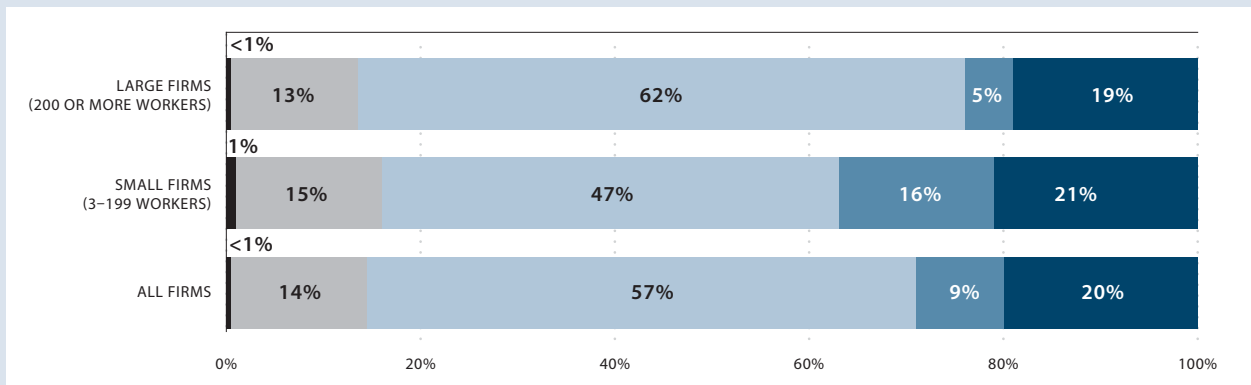


EXHIBIT 5.2

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type and Firm Size, 2013



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2013.

- CONVENTIONAL
- HMO
- PPO*
- POS*
- HDHP/SO

* Enrollment in plan type is statistically different between Large and Small Employers ($p < .05$).

Note: HMO is health maintenance organization. PPO is preferred provider organization. POS is point-of-service plan. HDHP/SO is high-deductible health plan with a savings option, such as health reimbursement arrangements (HRAs) and health savings accounts (HSAs). Less than 1% of covered workers in Large Firms and All Firms are enrolled in a conventional plan.

EXHIBIT 5.3

Distribution of Health Plan Enrollment for Covered Workers, by Firm Size, Region, and Industry, 2013

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZE					
3–24 Workers	1%	13%	44%*	19%*	23%
25–49 Workers	0*	24*	41*	10	25
50–199 Workers	1	12	53	17*	17
200–999 Workers	<1*	15	61	7	18
1,000–4,999 Workers	1	14	63	6	17
5,000 or More Workers	<1	13	63*	4*	20
All Small Firms (3–199 Workers)	1%	15%	47%*	16%*	21%
All Large Firms (200 or More Workers)	<1%	13%	62%*	5%*	19%
REGION					
Northeast	<1%	15%	53%	12%	20%
Midwest	<1	7*	56	10	27*
South	<1	10*	66*	7	16
West	1	25*	49*	8	17
INDUSTRY					
Agriculture/Mining/Construction	1%	10%	54%	19%	16%
Manufacturing	<1	6*	55	13	26
Transportation/Communications/Utilities	1	18	62	2*	17
Wholesale	0*	10	55	10	25
Retail	<1*	12	65	7	15
Finance	<1*	12	54	6	28
Service	1	15	55	8	22
State/Local Government	<1*	17	70*	8	5*
Health Care	1	18	56	10	16
ALL FIRMS	<1%	14%	57%	9%	20%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2013.

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

