Web Briefing for Media:
2014 Kaiser/HRET Employer Health Benefits Survey

Presented by the Kaiser Family Foundation and Health Research & Educational Trust (HRET)

September 10, 2014
Employer Health Benefits Survey
2014
Introductory Charts

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President and CEO, Kaiser Family Foundation
September 10, 2014
Cumulative Average Premium Increases for Covered Workers with Family Coverage, Three Five-Year Periods, 1999-2014

* Premium Change is statistically different from previous period shown (p<.05).

Average General Annual Deductible Among Covered Workers Enrolled in a Plan with a Deductible for Single Coverage, by Firm Size, 2006-2014

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

Dr. Maulik Joshi

President

*Health Research & Educational Trust*
Gary Claxton
Vice President
*Kaiser Family Foundation*

Matthew Rae
Senior Policy Analyst
*Kaiser Family Foundation*
Cumulative Increases in Health Insurance Premiums, Workers’ Contributions to Premiums, Inflation, and Workers’ Earnings, 1999-2014

Average Annual Premiums for Single and Family Coverage, 1999-2014

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

Average Annual Worker Premium Contributions and Total Premiums for Covered Workers, Single and Family Coverage, by Firm Size, 2014

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

Many Workers are Lower-Wage | Many Workers are Higher-Wage
---|---
**Single Coverage**
Worker Premium Contribution: $1,304 | $1,304
Employer Premium Contribution: $3,871* | $5,175*
Total: $5,175* | $5,137*

**Family Coverage**
Worker Premium Contribution: $4,497* | $4,497*
Employer Premium Contribution: $7,706* | $13,084*
Total: $14,177* | $17,582*

*Estimate for many workers are lower-wage is statistically different from estimate for many workers are higher-wage, within coverage type (p<.05).

NOTE: Firms with many lower-wage workers are ones where 35% or more of employees earn $23,000 or less. Firms with many higher-wage workers are ones where 35% or more of employees earn $57,000 or more. Wage cutoffs are the inflation adjusted- 25th and 75th percentile of national wages according to Bureau of Labor Statistics using data from the Occupational Employment Statistics (OES) (2012).

Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, 1999-2014

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

Distribution of Percentage of Premium Paid by Covered Workers for Family Coverage, by Firm Size, 2014

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

Percentage of All Firms Offering Health Benefits, 1999-2014

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

NOTE: Estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits. The percentage of firms offering health benefits is largely driven by small firms. The large increase in 2010 was primarily driven by a 12 percentage point increase in offering among firms with 3 to 9 workers. In 2011, 48% of firms with 3 to 9 employees offer health benefits, a level more consistent with levels from recent years other than 2010. The overall 2011 offer rate is consistent with the long term trend, indicating that the high 2010 offer rate may be an aberration.

Percentage of Firms Offering Health Benefits to At Least Some of their Workers, by Firm Size, 2014

NOTE: Estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits. Sixty-two percent of workers at firms offering health benefits with 50 or more workers are covered by the health benefits offered by their firm. Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time employees.

Eligibility, Take-Up Rate, and Coverage for Workers in Firms Offering Health Benefits, 1999-2014

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

Among Firms Offering Benefits, Percent of Firms Which Offer Coverage to Spouses, Dependents and Partners, 2014

<table>
<thead>
<tr>
<th>Firm Only Offers Single Coverage</th>
<th>All Small Firms (3 to 199 workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4%</td>
<td>100%</td>
</tr>
<tr>
<td>No</td>
<td>96%</td>
<td>1%</td>
</tr>
<tr>
<td>Not Encountered</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm Offers Coverage to Spouses</th>
<th>All Small Firms (3 to 199 workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>96%</td>
<td>99%</td>
</tr>
<tr>
<td>No</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Not Encountered</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm Offers Coverage to Other Dependents, such as Children</th>
<th>All Small Firms (3 to 199 workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>92%</td>
<td>99%</td>
</tr>
<tr>
<td>No</td>
<td>8%</td>
<td>1%</td>
</tr>
<tr>
<td>Not Encountered</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm Offers Coverage to Same-Sex Domestic Partners</th>
<th>All Small Firms (3 to 199 workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39%</td>
<td>49%</td>
</tr>
<tr>
<td>No</td>
<td>19%</td>
<td>45%</td>
</tr>
<tr>
<td>Not Encountered</td>
<td>42%</td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm Offers Coverage to Opposite-Sex Domestic Partners</th>
<th>All Small Firms (3 to 199 workers)</th>
<th>All Large Firms (200 or More Workers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>No</td>
<td>26%</td>
<td>58%</td>
</tr>
<tr>
<td>Not Encountered</td>
<td>35%</td>
<td>3%</td>
</tr>
</tbody>
</table>

NOTE: “Not encountered” refers to firms where no workers requested domestic partner benefits and there is no corporate policy on coverage for that classification of domestic partners.

Among Firms Offering Health Benefits, Eligibility and Incentives for Enrolling in Coverage, By Firm Size, 2014

Firm Provides Additional Compensation If...

- Employees Elect Not to Participate in Health Benefits:
  - All Small Firms (3 to 199 Workers): 9%
  - All Large Firms (200 or More Workers): 9%
  - All Firms: 18%

- Employees Enroll on Spouses' Plan:
  - All Small Firms: 7%
  - All Large Firms: 7%
  - All Firms: 14%

If Spouses Are Offered Coverage from Another Source...

- They are Not Allowed to Enroll in the Firm's Plan:
  - All Small Firms: 9%
  - All Large Firms: 8%
  - All Firms: 9%

- They are Charged More in the Form of Higher Premiums or Cost Sharing:
  - All Small Firms: 5%
  - All Large Firms: 9%
  - All Firms: 5%

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

Among Firms with a Waiting Period the Percentage of Firms who Changed the Length of their Waiting Period During the Last Year, 2014

Percentage of Covered Workers Enrolled in Either a HDHP/HRA or HSA-Qualified HDHP, 2006-2014

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

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $2,000 or More for Single Coverage, By Firm Size, 2006-2014

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

Percent of Covered Workers Enrolled in a Plan with an Out-Pocket-Maximum Above $6,350 or in a Plan without an Out-of-Pocket Limit, 2006-2014

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

Percentage of Covered Workers Enrolled in Plans Grandfathered Under the Affordable Care Act (ACA), by Firm Size, 2011-2014

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

NOTE: For definitions of Grandfathered health plans, see the introduction to Section 13.

Among All Large Firms (200 or More Workers) Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits, 1988-2014

NOTE: Tests found no statistical difference from estimate for the previous year shown (p<.05). No statistical tests are conducted for years prior to 1999.

Among All Large Firms (200 or More Workers) Offering Health Benefits to Active Workers and Retirees, Percentage of Firms Considering Changing the way they Offer Retiree Coverage Because of Healthcare Exchanges, by Firm Size, 2014

### Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Firm Size, 1999-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>All Small Firms (3-199 Workers)</th>
<th>All Large Firms (200 or more)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>67%*</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>75%</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>77%</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>83%*</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>83%</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>81%</td>
<td></td>
</tr>
</tbody>
</table>

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

**NOTE:** Sixty-one percent of covered workers are in a partially or completely self-funded plan in 2014. Due to a change in the survey questionnaire, funding status was not asked of firms with conventional plans in 2006. Therefore, conventional plan funding status is not included in the averages in this exhibit for 2006. For definitions of Self-Funded and Fully Insured plans, see the introduction to Section 10.

Among Firms Offering Health Benefits, Percentage Offering a Particular Wellness Program to Their Employees, by Firm Size, 2014

- Offer at Least One Specified Wellness Program*: 73% (All Small Firms) vs. 98% (All Large Firms)
- Class in Nutrition/Healthy Living*: 47% (All Small Firms) vs. 87% (All Large Firms)
- Flu Shot*: 52% (All Small Firms) vs. 79% (All Large Firms)
- Employee Assistance Program*: 27% (All Small Firms) vs. 48% (All Large Firms)
- Weight Loss Programs*: 18% (All Small Firms) vs. 48% (All Large Firms)
- Biometric Screening*: 26% (All Small Firms) vs. 51% (All Large Firms)
- Lifestyle or Behavioral Coaching*: 22% (All Small Firms) vs. 58% (All Large Firms)
- Wellness Newsletter*: 33% (All Small Firms) vs. 60% (All Large Firms)
- Web-based Resources for Healthy Living*: 38% (All Small Firms) vs. 77% (All Large Firms)
- Smoking Cessation Program*: 26% (All Small Firms) vs. 64% (All Large Firms)
- Gym Membership Discounts or On-Site Exercise Facilities*: 26% (All Small Firms) vs. 64% (All Large Firms)
- Other Wellness Program*: 4% (All Small Firms) vs. 15% (All Large Firms)

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

^ Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

Among Large Firms (200 or More Workers) Offering Health Benefits, The Use of Financial Incentives for Participating in Various Health Programs, by Firm Size, 2014

- 98% of firms offering wellness programs.
- 36% of firms offering incentive to employees who participate.
- 12% of firms offering incentive to employees who complete.
- 51% of firms offering biometric screening.
- 1% of employees required to complete biometric screenings.
- 8% of employees rewarded or penalized for meeting biometric outcomes.
- 51% of firms offering financial incentive for employees who complete.
- 51% of firms offering the opportunity for a health risk assessment.
- 7% of employees with risk factor must complete wellness program.

*Percent of firms offering incentives is among firms offering health benefits who also offer the specified health program or activity.

~ Includes the following wellness programs: weight loss programs, biometric screenings, gym membership discounts or on-site exercise facilities, smoking cessation program, lifestyle or behavioral coaching, classes in nutrition or healthy living, web-based resources for healthy living, flu shots or vaccinations, or employee assistance programs (EAP) or a wellness newsletter.

^Among Firms Offering Health and Wellness Benefits. Any financial incentive indicates firms that offer employees who participate in wellness programs one of the following incentives: smaller premium contributions, smaller deductibles, higher HRA or HSA contributions, or gift cards, travel, merchandise, or cash.

Biometric screening is a health examination that measures an employee's risk factors such as cholesterol, blood pressure, stress, and nutrition.

A health risk assessment includes questions about medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed.

Among Offering Firms that Provide Incentives to Employees Who Participate in Wellness Programs, Firms’ Opinions on How Effective Incentives are for Employee Participation, by Firm Size, 2014

- **All Small Firms (3-199 Workers)**
  - Very Effective: 12%
  - Somewhat Effective: 33%
  - Not At All Effective: 30%
  - Don’t Know: 25%

- **All Large Firms (200 or More Workers)**
  - Very Effective: 33%
  - Somewhat Effective: 58%
  - Not At All Effective: 6%
  - Don’t Know: 2%

- **All Firms**
  - Very Effective: 14%
  - Somewhat Effective: 36%
  - Not At All Effective: 27%
  - Don’t Know: 22%

Among Large (200 or More Employees), Offering Firms, Percentage of Firms whose Largest Plan has Various Features, 2014

- Largest Plan Includes High Performance or Tiered Provider Network: 18%
- Largest Plan Includes Reference Pricing for ANY Service: 12%
- Offers a Plan Considered a Narrow Network Plan: 8%
- Largest Plan Covers Care at a Retail Clinic: 67%

Among Large (200 or More Employees) Offering Firms, Percentage of Firms Considering Offering Benefits Through a Private Exchange and the Percentage of Covered Workers Currently in a Private Exchange, by Firm Size, 2014

NOTES: 2% of large firms did not know if they were considering a private exchange and 3% did not know if they were considering a defined contribution approach. A private exchange is one created by a consulting company, not by either a federal or state government. Private exchanges allow employees to choose from several health benefit options offered on the exchange.

Thank you!

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