Employer Health Benefit Survey 2017

Release Slides
September 19, 2017
Drew Altman

President and CEO

Kaiser Family Foundation
MOST OF THE HEALTH SYSTEM IS STABLE

**NON-GROUP MARKET**
Benchmark premium growth

**EMPLOYER PROVIDED COVERAGE**
Increase in family coverage

**MEDICAID**
Growth in per beneficiary costs

**MEDICARE**
Growth in per beneficiary costs

Matthew Rae

Senior Policy Analyst and study co-author

Kaiser Family Foundation
Figure 1

Average Annual Premiums for Single and Family Coverage, 1999-2017

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

Figure 2

Distribution of Annual Premiums for Covered Workers with Family Coverage, 2017

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 3
Average Annual Increases in Premiums for Family Coverage Compared to Other Indicators, 2000-2017

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

Figure 4
Cumulative Premium Increases for Covered Workers with Family Coverage, 2002-2017

* Percentage change in family premium is statistically different from previous five year period shown (p < .05).

Figure 5
Cumulative Increases in Family Premiums, Worker Contributions to Premiums, Inflation, and Workers' Earnings, 1999-2017

Figure 6
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Single and Family Coverage, by Firm Size, 2017

Worker Contribution  Employer Contribution

Single Coverage

All Small Firms (3-199 Workers)  $6,486  $1,030*  $5,456
All Large Firms (200 or More Workers)  $6,776  $1,289*  $5,486
All Firms  $6,690  $1,213  $5,477

Family Coverage

All Small Firms (3-199 Workers)  $17,615*  $6,814*  $10,801*
All Large Firms (200 or More Workers)  $19,235*  $5,264*  $13,971*
All Firms  $18,764  $5,714  $13,049

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

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 7
Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, 1999-2017

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

Figure 8
Distribution of Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2017

* Distributions are statistically different between All Small Firms and All Large Firms within coverage type (p < 0.05).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 9
Among Firms Offering Family Coverage, Percentage Using Various Approaches to Family Premium Contributions, by Firm Size, 2017

* Estimate is statistically different within response selection from all other firms not in the indicated firm size category (p < .05).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 10
Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2017

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

NOTE: As noted in the Survey Design and Methods section, estimates presented in this figure 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.

**Figure 11**

Percentage of All Workers at Firms That Offer Health Benefits to At Least Some Workers, by Firm Size, 1999-2017

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

NOTE: As noted in the Survey Design and Methods section, estimates presented in this figure 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. Not all workers at a firm offering benefits are eligible or enrolled in their firm's health benefits.

Figure 12
Percentage of All Workers Covered by Their Employer's Health Benefits, Both In Firms Offering and Not Offering Health Benefits, by Firm Size, 1999-2017

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

Figure 13

Among Firms Offering Health Benefits, Percentage That Provide Additional Incentives to Workers For Various Enrollment Decisions, by Firm Size, 2017

- Additional Incentives for Enrolling in a Spouse’s Plan
- Additional Incentives for Not Participating in Firm’s Health Benefits

Tests found no statistical difference from estimate for all other firms not in the indicated size category (p < .05).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Among Small Firms Not Offering Health Benefits, Percentage That Provide Workers Funds to Purchase Non-Group Insurance, by Firm Size, 2012-2017

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

NOTE: Among firms who provide funds to workers to purchase non-group coverage 7 percent started providing funds within the last 12 months. Starting in 2014, this question was modified to 'Does your firm provide funds for workers to purchase insurance on their own in the individual market, or through a health insurance exchange?'.

Figure 15
Average General Annual Health Plan Deductibles for Single Coverage, 2006-2017

- Average Deductible Among Covered Workers Who Face a Deductible for Single Coverage
- Average Deductible for Single Coverage Among All Covered Workers

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

NOTE: Average general annual deductible is among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

Figure 16
Average General Annual Health Plan Deductible for Single Coverage, By Firm Size, 2006-2017

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

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/HSOs are for in-network services.

Figure 17
Percentage of Covered Workers Enrolled in a Plan with a High General Annual Deductible for Single Coverage, by Firm Size, 2017

- All Small Firms (3-199 Workers)
- All Large Firms (200 or More Workers)
- ALL FIRMS

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

NOTE: These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 18

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

NOTE: OOP refers to ‘out-of-pocket.’ Out-of-pocket maximums reported are for in-network services. Covered workers without an OOP maximum are considered to be exposed to at least the specified threshold. Some of these workers may be enrolled in plans whose cost-sharing structure has other limits that make it impossible to reach the specified threshold.

Figure 19

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Conventional</th>
<th>HMO</th>
<th>PPO</th>
<th>POS</th>
<th>HDHP/SO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>73%</td>
<td></td>
<td></td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>1993</td>
<td>27%</td>
<td></td>
<td></td>
<td>39%</td>
<td>24%</td>
</tr>
<tr>
<td>1996</td>
<td>10%</td>
<td></td>
<td>28%</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>1999</td>
<td>8%</td>
<td></td>
<td>29%</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>2000</td>
<td>7%</td>
<td></td>
<td>24%</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>2001</td>
<td>4%</td>
<td></td>
<td>27%</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>2002</td>
<td>5%</td>
<td></td>
<td>25%</td>
<td></td>
<td>18%</td>
</tr>
<tr>
<td>2003</td>
<td>3%</td>
<td></td>
<td>21%</td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>3%</td>
<td></td>
<td>19%</td>
<td></td>
<td>15%</td>
</tr>
<tr>
<td>2005</td>
<td>3%</td>
<td></td>
<td>20%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>2006</td>
<td>3%</td>
<td></td>
<td>19%</td>
<td></td>
<td>4%</td>
</tr>
<tr>
<td>2007</td>
<td>3%</td>
<td></td>
<td>21%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>2008</td>
<td>20%</td>
<td></td>
<td>20%</td>
<td></td>
<td>12%</td>
</tr>
<tr>
<td>2009</td>
<td>19%</td>
<td></td>
<td>20%</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>17%</td>
<td></td>
<td>21%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>2011</td>
<td>16%</td>
<td></td>
<td>19%</td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>2012</td>
<td>16%</td>
<td></td>
<td>17%</td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>2013</td>
<td>14%</td>
<td></td>
<td>15%</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>2014</td>
<td>13%</td>
<td></td>
<td>14%</td>
<td></td>
<td>20%</td>
</tr>
<tr>
<td>2015</td>
<td>14%</td>
<td></td>
<td>13%</td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>2016</td>
<td>15%</td>
<td></td>
<td>14%</td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>2017</td>
<td>14%</td>
<td></td>
<td>15%</td>
<td></td>
<td>28%</td>
</tr>
</tbody>
</table>

NOTE: Information was not obtained for POS plans in 1988 or for HDHP/SO plans until 2006. 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.

Figure 20
Percentage of Covered Workers Enrolled in an HDHP/HRA or HSA-Qualified HDHP, 2006-2017

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

NOTE: Covered workers enrolled in an HDHP/SO are enrolled in either an HDHP/HRA or a HSA-Qualified HDHP.

Figure 21
Total Annual Costs (Premiums and Account Contributions) for Covered Workers in HDHP/SOs, for Family Coverage, by Firm Size, 2017

Employer Account Contribution  Employer Contribution to Premium  Worker Contribution

HDHP/HRA
All Small Firms  $4,472*  $12,559  $5,042  $22,073
All Large Firms  $1,523*  $14,388  $5,171  $21,082
All Firms  $2,444  $13,817  $5,130  $21,391

HSA-Qualified HDHP
All Small Firms  $870*  $10,301*  $4,777  $16,512*
All Large Firms  $535*  $13,143*  $4,155  $18,284*
All Firms  $608  $12,532  $4,289  $17,895

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

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. When those firms that do not contribute to the HSA (47% for single coverage and 46% for family coverage) are excluded from the calculation, the average firm contribution to the HSA for covered workers is $795 for single coverage and $1,417 for family coverage. Three percent of covered workers are enrolled in a plan where the firm matches employee HSA contributions. For HDHP/HRAs, we refer to the amount that the employer commits to make available to an HRA as a contribution for ease of discussion. HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. Thus, employers may not expend the entire amount that they commit to make available to their employees through an HRA. Covered workers enrolled in a plan where the firm matches any employee contribution to an HSA account are not included in the average contribution (3% for single coverage and 3% for family coverage). Values shown in the table may not equal the sum of their component parts. The averages presented in the table are aggregated at the firm level and then averaged, which is methodologically more appropriate than adding the averages.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 22

Among Firms Offering Health Benefits, Percentage That Offer Supplemental Insurance Benefits in Addition to Benefits Offered Through the Health Plan, by Firm Size, 2017

| Benefit Type                | Small Firms | Large Firms | Estimate
|-----------------------------|-------------|-------------|-----------
| Dental                      | 45%*        | 69%*        | 97%*      |
| Small Firms                 | 26%         | 47%*        | 82%*      |
| Large Firms                 | 23%*        | 44%*        | 46%*      |
| Hospital Indemnity          | 15%*        | 27%*        | 28%*      |
| Small Firms                 | 7%          | 15%*        | 25%*      |
| Large Firms                 | 10%         | 15%*        | 25%*      |

* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Critical illness insurance provides a cash benefit when an enrollee is diagnosed with a specified condition, such as cancer. Hospital indemnity plans provide a cash benefit when an enrollee is admitted to the hospital or has a certain type of outpatient surgery. Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to supplemental benefits that are separate from any their health plans might include.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 23
Among Firms Offering Health Benefits, Percentage of Firms Offering Various Wellness and Health Promotion Activities and Incentives, by Firm Size, 2017

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

NOTE: 'Specific Wellness Programs' include 'Programs to Help Employees Stop Smoking', 'Programs to Help Employees Lose Weight', or 'Other Lifestyle or Behavioral Coaching'.

Figure 24
Among Large Firms That Offer Workers an Incentive to Participate In or Complete Any Health Promotion Programs, Maximum Annual Value of the Incentive for All Programs Combined, 2017

NOTE: Large Firms have 200 or more workers. Includes incentives for health risk assessments, biometric screenings, and wellness programs. Firms with at least one of the listed health promotion programs were asked to report the maximum incentive a worker and his/her dependents could receive for all of the firm’s health promotion programs combined. Forty-five percent of offering firms have an incentive to complete any of their health promotion programs.
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 25

Among Firms Offering Health Benefits, Percentage That Require Workers Who Use Tobacco to Contribute More to the Premium or Cost Sharing, by Firm Size, 2017

Tests found no statistical difference from estimate for all other firms not in the indicated size category (p < .05).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Figure 26
Among Large Firms Offering Health Benefits, Percentage of Firms Whose Plan Includes Various Features, 2017

<table>
<thead>
<tr>
<th>Feature</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage at Retail Clinics</td>
<td>73%</td>
</tr>
<tr>
<td>Delivery of Care Through Telemedicine</td>
<td>63%</td>
</tr>
<tr>
<td>High Performance or Tiered Provider Network</td>
<td>15%</td>
</tr>
<tr>
<td>Eliminated Hospitals or Health Systems From Network</td>
<td>3%</td>
</tr>
<tr>
<td>Offers Plan Considered a Narrow Network</td>
<td>9%</td>
</tr>
<tr>
<td>Nurse Hotline</td>
<td>79%</td>
</tr>
</tbody>
</table>

NOTE: Large Firms have 200 or more workers. For Coverage at Retail Clinics, Delivery of Care Through Telemedicine, High Performance or Tiered Provider Network, and Nurse Hotline, firms were asked if their plan with the largest enrollment had these features. The High Performance or Tiered Provider Network question was asked of firms with 50 or more workers.

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017
Today’s Web Briefing Will Be Recorded

Read the report, and find a link to today’s presentation, at kff.org/ehbs
Contact Information

Craig Palosky, Kaiser Family Foundation
Email: CPalosky@KFF.org
Phone: 202-347-5270