

## STATISTICAL BRIEF #174

July 2007

# Employer-Sponsored Health Insurance for Large Employers in the Private Sector, by Industry Classification, 2005

*Beth Levin Crimmel, MS and John P. Sommers, PhD*

### Introduction

Employer-sponsored health insurance for current workers is one of the primary sources of health insurance coverage in the United States. According to data from the Insurance Component of the 2005 Medical Expenditure Panel Survey (MEPS-IC), approximately 97.5 million of the 112.2 million employees from the private sector worked in firms where the employer offered health insurance. Of those who worked where health insurance was offered, approximately 61.1 million were enrolled.

This Statistical Brief presents estimates, by industry classification, on the percentage of employees who worked for large private sector employers (firms with 50 or more employees) who offered health insurance and of employees working in such firms who enrolled in offered health insurance plans. The brief also provides estimates on the average employee contributions towards premiums for single coverage and for family coverage. Only those estimates that had a statistically significant difference from the national average at the 0.05 percent significance level are noted in the text.

### Findings

Among the 81.0 million employees who worked for large private sector employers in 2005 (estimate not shown), 96.4 percent worked where the employer offered health insurance (figure 1). While all industries shown had offer rates for large firms that exceeded 90 percent, some differed significantly from the national average. Mining and Manufacturing, Wholesale Trade, Financial Services and Real Estate, Retail Trade, and Professional Services were above average, with 98 percent or more of employees in firms that offered health insurance.

Among the employees of large employers where health insurance was offered, 63.0 percent enrolled (figure 2). The enrollment rates among large employers ranged from 42.6 percent for employees in the Other Services industry to 80.8 percent for the Mining and Manufacturing industry. Both these industries differed significantly from the national average. Among the other industries, Financial Services and Real Estate, Wholesale Trade, Utilities and Transportation, and Professional Services had higher than average enrollment rates for large employers of 77.9 percent, 77.1 percent, 75.5 percent, and 66.1 percent, respectively. Retail Trade (47.0 percent) and Other Services (42.6 percent) had lower than average enrollment rates among their large employers.

### Highlights

- In 2005, 96.4 percent of employees of large private sector firms worked where health insurance was offered. All industries had offer rates of over 90 percent for these large employers.
- In 2005, 63.0 percent of employees of large firms enrolled in health insurance plans that were offered by their employers. There was substantial variation in the enrollment rates by industry classification for workers at large employers.
- The average employee premium contribution per enrolled employee for single coverage across large private employers was \$748. The average employee premium contribution per enrolled employee for family coverage (family of four) across large private sector employers was \$2,521.
- By industry, employees in Mining and Manufacturing had the lowest average contributions for both single and family coverage for large firms, while employees in Other Services had the highest contributions.

Average employee contributions towards premiums for large private sector employers in 2005 were \$748 (figure 3) for single coverage and \$2,521 (figure 4) for a family of four. There were some significant variations in the average employee premium contributions by industry classification. Employees working for large employers in the Mining and Manufacturing sector made the lowest single and the lowest family premium contributions, at \$629 for single coverage (figure 3) and \$1,975 for family of four coverage (figure 4). Contributions for family coverage were below the national average in Utilities and Transportation (\$2,030).

Average premium contributions by employees in large firms in the Other Services sector were the highest for both single and family coverage: \$883 for single (figure 3) and \$3,184 for family (figure 4). Average premium contributions by employees in large firms in the Retail Trade industry were higher than the national average for large employers, at \$865 for single coverage (figure 3) and \$3,015 for family coverage (figure 4).

## Data Source

This Statistical Brief summarizes data from the 2005 MEPS-IC. The data are available on the MEPS Web site at [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/Insurance.jsp](http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp) or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

## Definitions

In this brief, an employer is defined as a private sector firm. A firm is defined as a business entity which controls one or more business establishments or locations. Consequently, an employer can have multiple work locations. Only large employers with 50 or more employees across all their locations were included in this analysis.

The classification by industry is based upon the North American Industrial Classification System.

## About MEPS-IC

MEPS-IC is a survey of business establishments and governments that collects information on employer-sponsored health insurance, such as whether insurance is offered, enrollments, types of plans, and premiums. The survey is conducted annually by the U.S. Bureau of the Census under the sponsorship of the Agency for Healthcare Research and Quality. The yearly response rate has averaged 78 percent for in-scope sample units. Approximately 4 percent of the original sample has been out-of-scope in a typical year. A total sample of 42,000 establishments was selected for the 2005 survey, prior to accounting for losses due to nonresponse and out-of-scope cases.

For more information on this survey, see MEPS Methodology Reports 6, 8, 10, 14, 17, and 18 on the MEPS Web site at [http://www.meps.ahrq.gov/mepsweb/data\\_stats/publications.jsp](http://www.meps.ahrq.gov/mepsweb/data_stats/publications.jsp) and Insurance Component Survey Basics at [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/Insurance.jsp](http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp).

## Suggested Citation

Crimmel, B. L. and Sommers, J. P. *Employer-Sponsored Health Insurance for Large Employers in the Private Sector, by Industry Classification, 2005*. Statistical Brief #174. July 2007. Agency for Healthcare Research and Quality, Rockville, Md. [http://www.meps.ahrq.gov/mepsweb/data\\_files/publications/st174/stat174.pdf](http://www.meps.ahrq.gov/mepsweb/data_files/publications/st174/stat174.pdf)

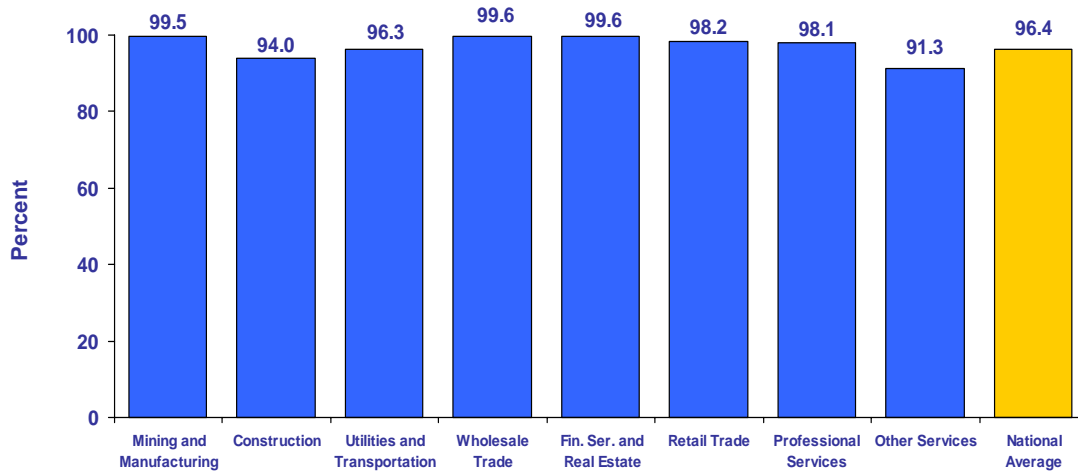
\* \* \*

AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at [mepsprojectdirector@ahrq.hhs.gov](mailto:mepsprojectdirector@ahrq.hhs.gov) or send a letter to the address below:

Steven B. Cohen, PhD, Director  
Center for Financing, Access, and Cost Trends  
Agency for Healthcare Research and Quality  
540 Gaither Road  
Rockville, MD 20850



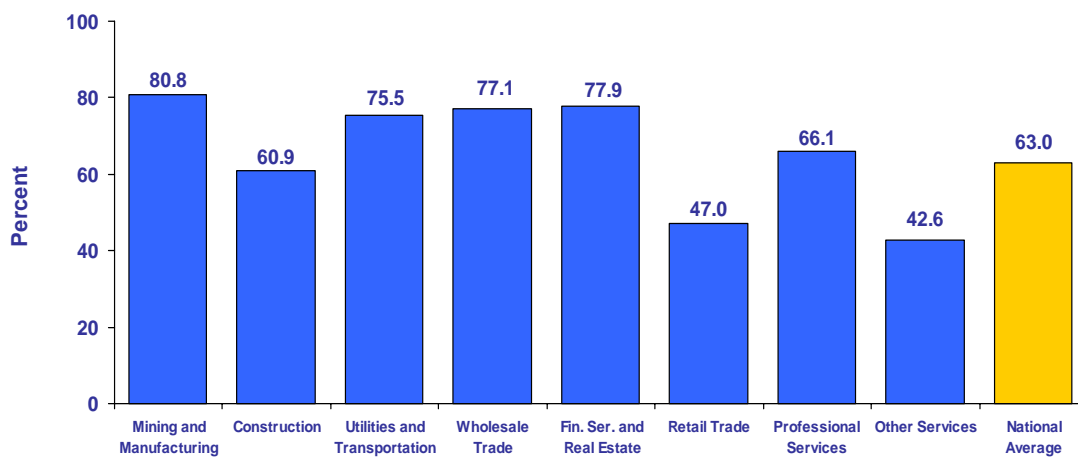
**Figure 1. Percentage of private sector employees in firms with 50 or more employees who worked where health insurance was offered, by industry, 2005**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005



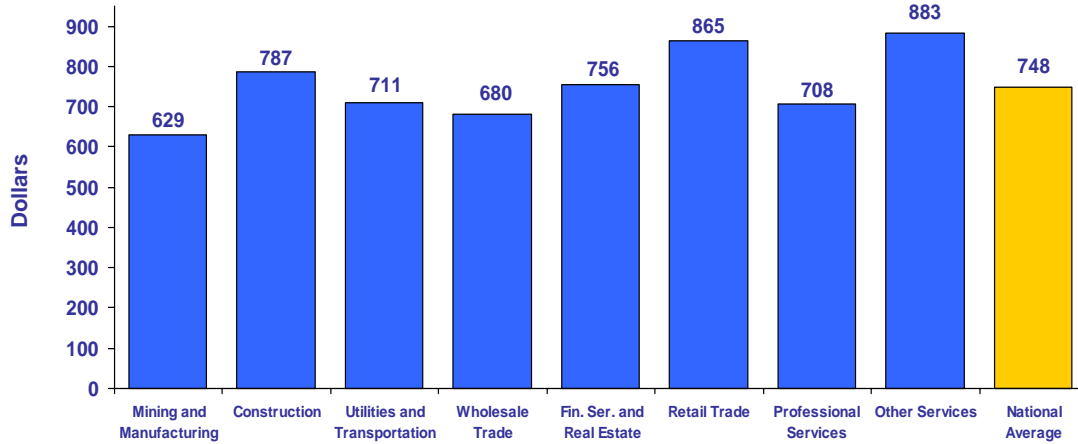
**Figure 2. Percentage of employees enrolled in health insurance in establishments that offered health insurance for firms with 50 or more employees, by industry, 2005**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005



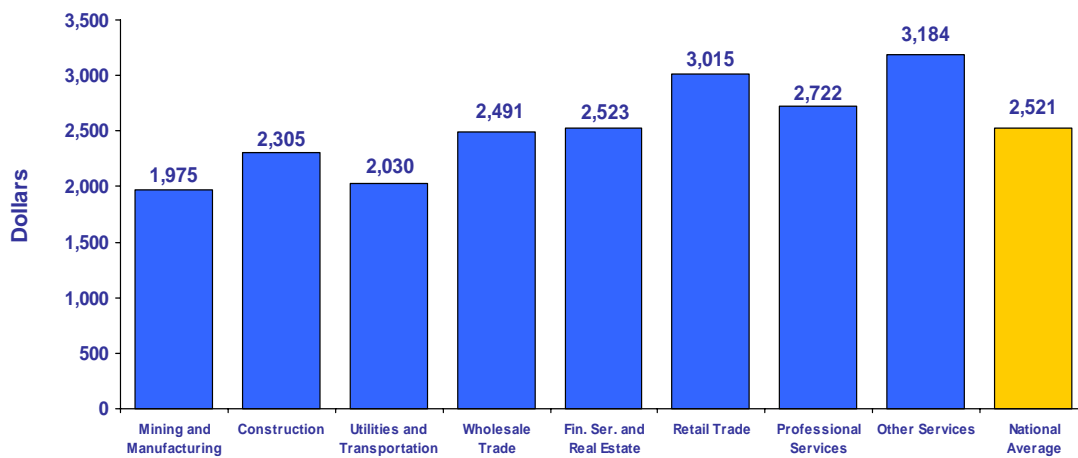
**Figure 3. Average employee contribution per enrolled employee for single coverage at establishments within firms with 50 or more employees, by industry, 2005**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005



**Figure 4. Average employee contribution per enrolled employee for coverage for a family of four at establishments within firms with 50 or more employees, by industry, 2005**



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005