

STATISTICAL BRIEF #365

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Premiums and Employee Contributions for Employer-Sponsored Health Insurance: Private versus Public Sector, 2008 and 2010

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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 2010 Medical Expenditure Panel Survey (MEPS-IC), approximately 113.2 million of the 128.0 million civilian employees worked where the employer offered health insurance. U.S. civilian employees include those employed in the private sector and in the public sector (state and local, but not federal employees). Of those employees who worked where health insurance was offered, approximately 34.6 million were enrolled in single coverage, 12.7 million were enrolled in employee-plus-one coverage, and 21.8 million were enrolled in family coverage (data not shown).

This Statistical Brief presents estimates, using 2008 and 2010 MEPS-IC data, on average premiums and employee contributions for single, employee-plus-one, and family coverage. Estimates are for public and private sector employees who worked for entities that offered health insurance, and for employees who enrolled in offered health insurance plans. Using 2010 data, estimates by census geographic division are also presented on average premiums and employee contributions for single and family coverage for enrollees in both public and private sectors. 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

Premiums in 2008 and 2010 (figure 1)

Among the 128.0 million civilian employees who worked for private or public sector employers in 2010, 88.4 percent worked where the employer offered health insurance (estimate not shown in figures). The average public sector premiums in 2010 were \$5,917 for single coverage, \$10,773 for employee-plus-one coverage, and \$14,988 for family coverage (figure 1). Public sector premiums increased 10.2 percent, 11.9 percent, and 13.7 percent respectively over 2008 premiums. These increases exceeded the 1.3 percent rise between 2008 and 2010 in overall consumer prices for urban consumers (i.e., CPI index).

The average private sector premiums in 2010 were \$4,940 for single coverage, \$9,664 for employee-plus-one coverage, and \$13,871 for family coverage. Private sector premiums increased 12.6 percent, 13.2 percent, and 12.8 percent respectively over 2008 premiums.

Employee contributions in 2008 and 2010 (figure 2)

Public sector employees contributed an average of \$612 for single coverage, \$2,022 for employee-plus-one coverage, and \$2,653 for family coverage to their health insurance premiums in 2010 (figure 2). The contributions increased 21.7 percent, 9.7 percent, and 21.1 percent respectively over 2008 public sector contributions.

Private sector employees contributed an average of \$1,021 for single coverage, \$2,498 for employee-plus-one coverage, and \$3,721 for family coverage to their health insurance premiums in 2010. The contributions increased 15.8 percent, 8.5 percent, and 9.6 percent respectively over 2008 private sector contributions.

Single and family coverage variations by census geographic division in 2010 (figures 3–6)

In 2010, average annual premiums and employee contributions varied substantially across both public and private sector employers and by geographic divisions as summarized below:

- Average annual health insurance premiums per enrolled civilian employee with single coverage ranged from \$4,677 for private sector employees in East South Central to \$7,284 for public sector employees in New England in 2010 (figure 3).

Highlights

- In 2010, the average public (state/local government) sector premiums were \$5,917 for single coverage, \$10,773 for employee-plus-one coverage, and \$14,988 for family coverage, with wide variations across geographic areas. Public sector premiums increased 10.2 percent, 11.9 percent, and 13.7 percent respectively over 2008 premiums.
- Within both the public and private sectors, the percentage increase in employee contributions between 2008 and 2010 for single coverage was higher than for employee-plus-one or family coverage.
- Within both the public and private sectors, the highest average health insurance premiums in 2010 for both single and family coverage were for employees in the New England division (\$7,284 and \$18,340, respectively).
- Within both the public and private sectors, the lowest average health insurance premiums in 2010 for both single and family coverage were for employees in the East South Central division (\$4,677 and \$12,904, respectively).

- Average employee contributions per enrolled civilian employee with single coverage ranged from \$364 for public sector employees in West North Central to \$1,240 for public sector employees in New England in 2010 (figure 4).
- Average annual health insurance premiums per enrolled civilian employee with family coverage ranged from \$12,904 for private sector employees in East South Central to \$18,340 for public sector employees in New England in 2010 (figure 5).
- Average employee contributions per enrolled civilian employee with family coverage ranged from \$1,786 for public sector employees in Middle Atlantic to \$4,503 for public sector employees in West South Central in 2010 (figure 6).

Data Source

This Statistical Brief summarizes data from the 2008 and 2010 MEPS-IC. The data are available on the MEPS Web site at 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

States were grouped into nine census divisions as follows:

- New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont
- Middle Atlantic: New Jersey, New York, Pennsylvania
- East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin
- West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
- South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
- East South Central: Alabama, Kentucky, Mississippi, Tennessee
- West South Central: Arkansas, Louisiana, Oklahoma, Texas
- Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
- Pacific: Alaska, California, Hawaii, Oregon, Washington

Civilian

Civilian employees include those employed in the private sector and in the public (state/local government) sector. Federal government employees, postal workers, military, and unincorporated self-employed individuals with no employees are not included.

Employee-plus-one coverage

Health insurance that covers the employee and one other family member at a lower premium level than family coverage. For the MEPS-IC survey, if premiums are different for employee-plus-spouse and employee-plus-child coverage, the costs for employee-plus-child coverage are collected.

Family coverage

Health insurance that covers the employee and one or more members of his/her immediate family (spouse and/or children as defined by the plan). For the MEPS-IC survey, "family coverage" is any coverage other than single and employee-plus-one. Some plans offer more than one rate for family coverage, depending on family size and composition. If more than one rate is offered, survey respondents are asked to report costs for a family of four.

Premium

Agreed upon fees paid for coverage of medical benefits for a defined benefit period. Premiums can be paid by employers, unions, employees, or split between the insured individual and the plan sponsor.

Single coverage

Health insurance that covers the employee only. This is also known as employee-only coverage.

About MEPS-IC

The 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. Census Bureau under the sponsorship of the Agency for Healthcare Research and Quality (AHRQ). A total sample of approximately 42,000 private-sector establishments was selected for the 2010 survey, with 8.3 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 82.7 percent of the remaining in-scope sample units. For state and local governments, a sample of approximately 3,100 governmental units was selected with a response rate of 93.4 percent.

For more information on this survey, see *MEPS Methodology Reports 6, 8, 10, 14, 17, and 18* and the MEPS-IC Technical Notes and Survey Documentation, which are available on the MEPS Web site (<http://www.meps.ahrq.gov>).

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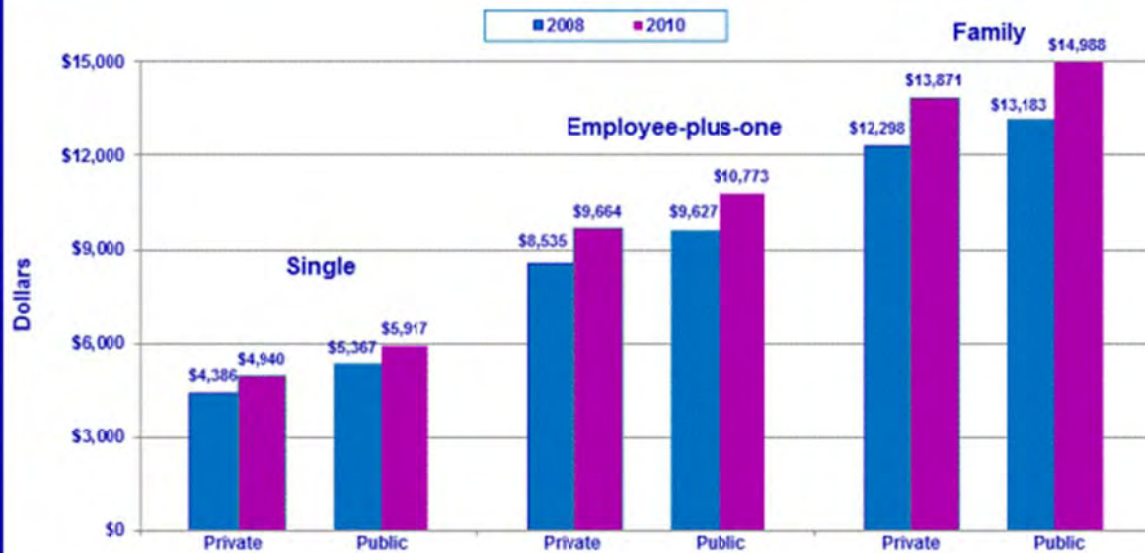
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 or send a letter to the address below:

Steve B. Cohen, PhD, Director
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Agency for Healthcare Research and Quality
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Figure 1. Average premium per enrolled employee: Private versus public sector, by type of coverage, 2008 and 2010



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010



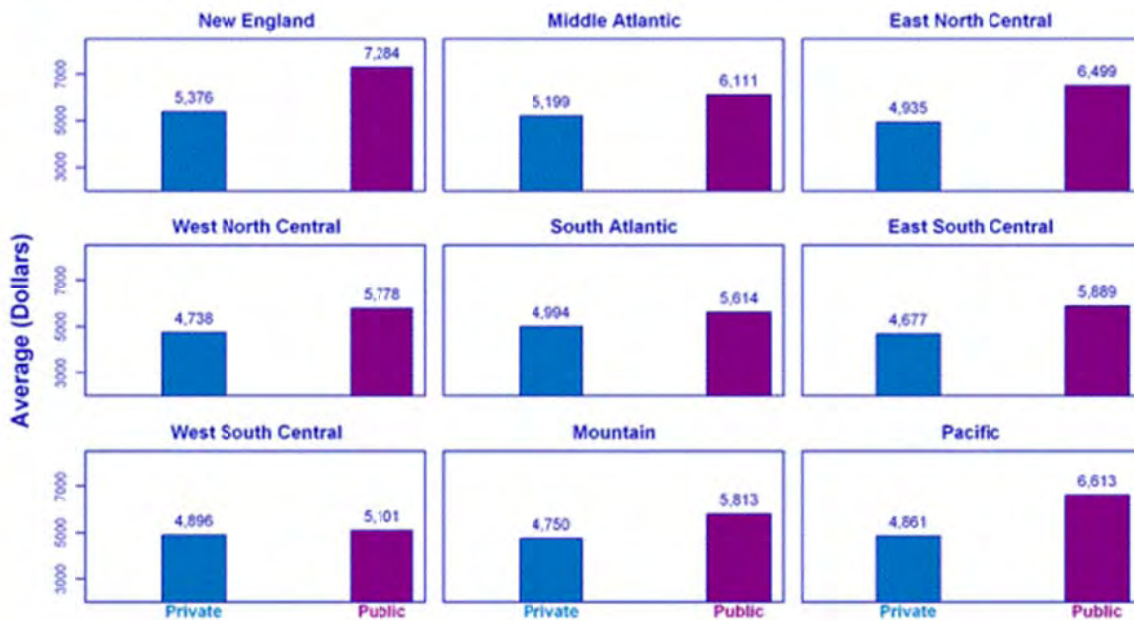
Figure 2. Average total employee contribution per enrolled employee: Private versus public sector, by type of coverage, 2008 and 2010



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010



Figure 3. Average premium per enrolled employee for single coverage: Private and public* sectors, by census division, 2010

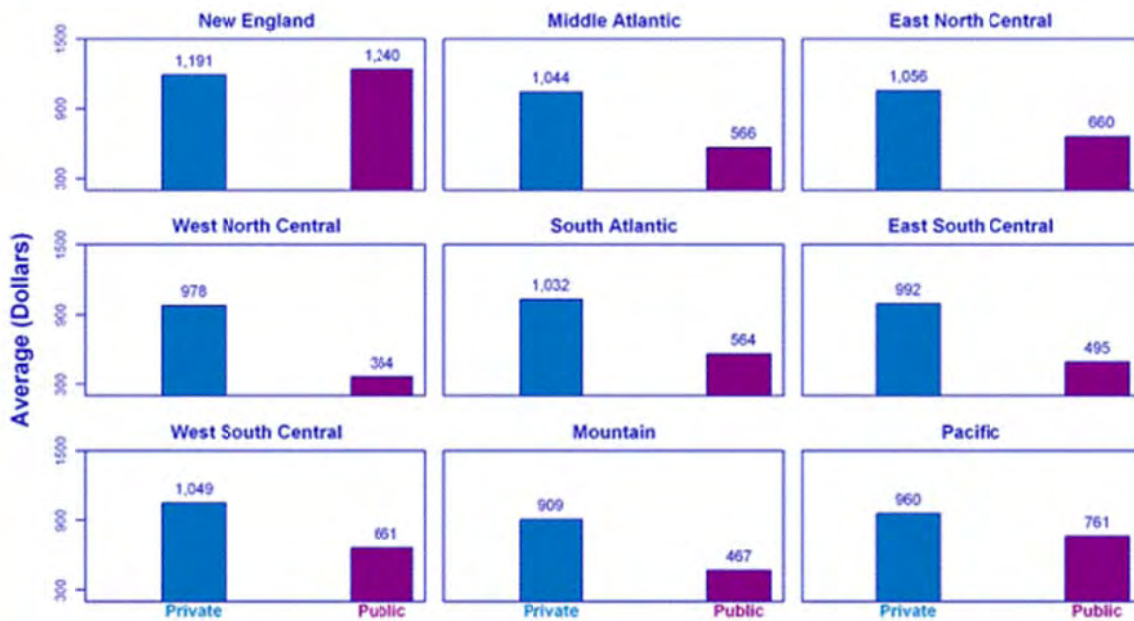


*Public sector excludes federal employees

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010



Figure 4. Average employee contribution per enrolled employee for single coverage: Private and public* sectors, by census division, 2010

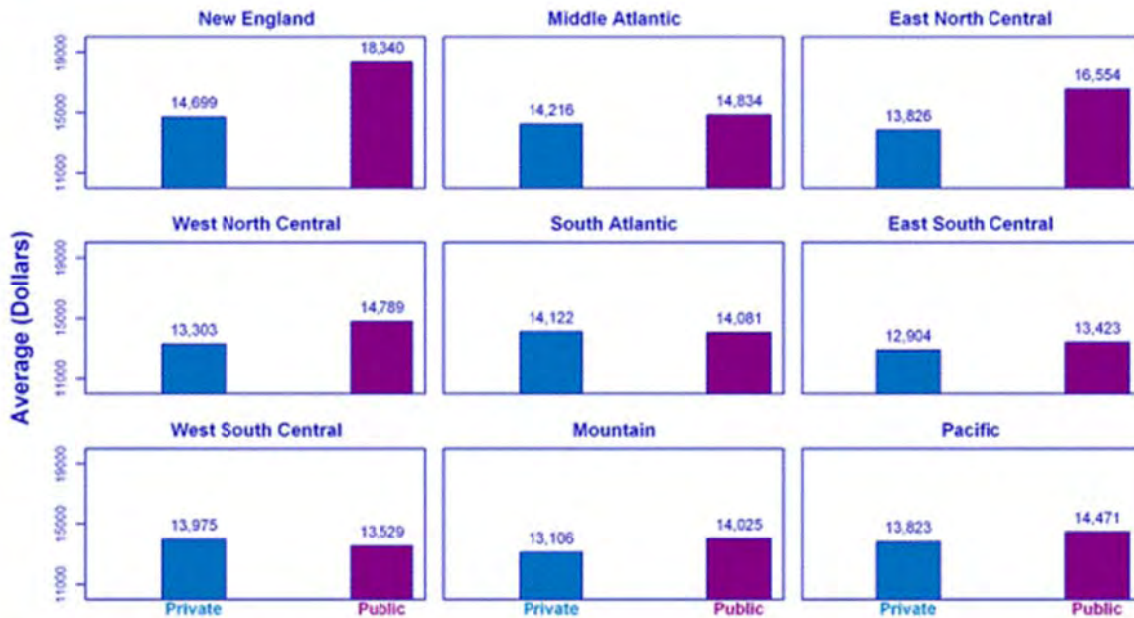


*Public sector excludes federal employees

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010



Figure 5. Average premium per enrolled employee for family coverage: Private and public* sectors, by census division, 2010

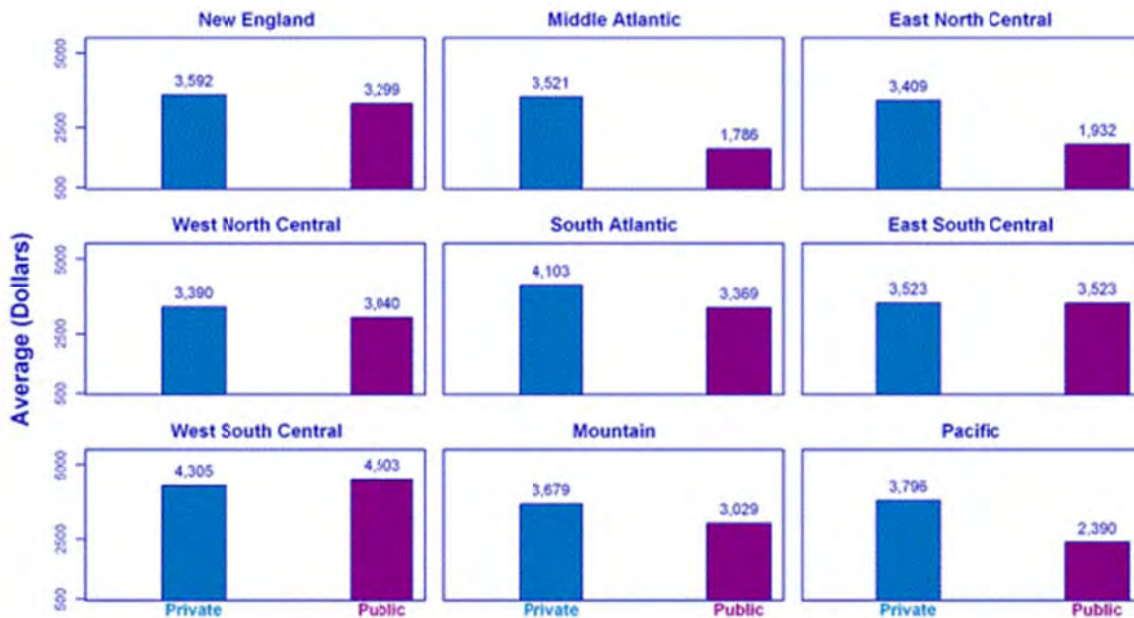


*Public sector excludes federal employees

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010



Figure 6. Average employee contribution per enrolled employee for family coverage: Private and public* sectors, by census division, 2010



*Public sector excludes federal employees

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008 and 2010