

STATISTICAL BRIEF #444

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State Differences in the Cost of Job-Related Health Insurance, 2013

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Introduction

Health insurance provided by employers is the source of medical coverage for most Americans under age 65. The cost of employer-sponsored health insurance varies considerably based on the State where the employer is located and the number of persons covered by the plan.

This Statistical Brief presents State variations from the national average of the cost of job-related health insurance and how these costs are shared by employers and their employees. The Brief specifically examines the average premiums and employee contributions for private sector establishments in 2013 in the 10 most populous states based on the 2010 Decennial Census. This analysis is based on the most recent data available from the Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC). Estimates for all other States and the District of Columbia are available on the MEPS Web site (<http://www.meps.ahrq.gov>).

Only those estimates with statistically significant differences from the national average using a multiple comparison procedure of estimates at the 0.05 percent significance level are noted in the text. These estimates are also identified in the tables, with those above the national average noted with two asterisks (**) and those below the national average noted with one asterisk (*).

Findings

The percentage of employees enrolled in single, employee-plus-one, or family coverage can vary by State based on such factors as the number of one- and two-person households in the State, the number of multiple-worker families in which each person takes

Highlights

- Among the 10 largest States, the percentage of employees opting for single coverage ranged from 44.6 percent in Michigan to 56.4 percent in North Carolina, for employee-plus-one coverage from 18.1 percent in California to 21.0 percent in Michigan, and for family coverage from 23.9 percent in North Carolina to 34.4 percent in Michigan.
- Nationwide, average premiums were \$5,571 for single coverage, \$10,990 for employee-plus-one coverage, and \$16,029 for family coverage. Among the 10 largest states, single premiums ranged from \$5,218 in North Carolina to \$6,156 in New York, employee-plus-one premiums ranged from \$9,969 in North Carolina to \$12,216 in New York, and family premiums ranged from \$14,762 in Georgia to \$17,530 in New York.
- Contributions toward health insurance premiums made by employees nationwide averaged \$1,170 for single coverage, \$2,940 for employee-plus-one coverage, and \$4,421 for family coverage. Among the 10 largest states, employee contributions for single coverage ranged from \$1,053 in Ohio to \$1,408 in Florida, for employee-plus-one coverage from \$2,389 in Ohio to \$3,700 in Florida, and for family coverage from \$3,631 in Ohio to \$5,653 in Florida.

single coverage from his or her employer, the prevalence of unions, and the additional cost to an employee to insure his or her family beyond the cost for single coverage.

From table 1:

—In the United States as a whole, employees enrolled in health insurance coverage through their employer in 2013 were more likely to take single, self-only coverage (51.3 percent) than they were to take employee-plus-one (18.9 percent) or family coverage (29.8 percent).

—The percentage of employees enrolled in single coverage in North Carolina (56.4 percent), California (55.2 percent), and Florida (54.8 percent), was higher than the national average of 51.3 percent. Enrollment in single coverage in Michigan (44.6 percent), Ohio (47.0 percent), and Pennsylvania (48.2 percent) was lower than the national average.

—The percentage of employees enrolled in family coverage in Michigan (34.4 percent), Ohio (32.0 percent), and Georgia (31.6 percent) was higher than the national average of 29.8 percent. Enrollment in family coverage was lower than the national average in North Carolina (23.9 percent), Florida (26.7 percent), and California (26.8 percent).

Many factors can contribute to differences in the average health insurance premiums between States including firm sizes, generosity of plans, workforce characteristics, state health insurance regulations, and the local cost of health care.

From table 2:

—Average annual health insurance premiums in the United States in 2013 were \$5,571 for single coverage, \$10,990 for employee-plus-one coverage, and \$16,029 for family coverage.

—Average State health insurance premiums for single coverage were above the national average in New York (\$6,156) and Illinois (\$5,824), while below the national average in North Carolina (\$5,218) and Michigan (\$5,319).

—Average State health insurance premiums for employee-plus-one coverage were above the national average in New York (\$12,216), and below the national average in North Carolina (\$9,969).

—Average State health insurance premiums for family coverage were above the national average in New York (\$17,530) and Illinois (\$16,928), and were below the national average in Georgia (\$14,762) and North Carolina (\$15,023).

Health insurance premiums can be paid totally by the employer or the employee, or the cost can be shared by both parties. While cost sharing between employers and employees is the most common arrangement, a significant number of employees pay no contribution toward their health insurance premium.

From table 3:

- Nationwide, 16.6 percent of employees with single coverage, 6.9 percent with employee-plus-one coverage, and 7.9 percent with family coverage made no contribution toward their premiums.
- Employees in California (22.2 percent) were more likely to make no contribution toward single-coverage premiums than the national average of 16.6 percent, while employees were less likely to make no contribution in Illinois (9.1 percent).
- Employees in Florida (4.1 percent) were less likely to make no contribution towards employee-plus-one coverage premiums than the national average of 6.9 percent.
- Employees in Texas (3.4 percent) were less likely to make no contribution towards family coverage premiums than the national average of 7.9 percent.

The average employee contribution to health insurance premiums (including the zero contributions noted in table 3) can vary significantly between States. In table 4, average employee contributions for single, employee-plus-one, and family coverage per enrolled employee are displayed for the 10 largest States—both in dollar amounts and as a percentage of the average premium in each State.

From table 4:

- Average annual employee contributions to health insurance premiums per enrolled employee in the United States in 2013 were \$1,170 for single coverage (21.0 percent of the average single premium), \$2,940 for employee-plus-one coverage (26.7 percent of the average employee-plus-one premium), and \$4,421 for family coverage (27.6 percent of the average family premium).
- Employees in Ohio (\$1,053 or 18.5 percent of the premium) and Pennsylvania (\$1,074 or 19.2 percent of the premium) contributed less toward their single coverage health insurance premiums than the national average of \$1,170 or 21.0 percent, while employees in Florida (\$1,408 or 26.2 percent of the premium) contributed more than the national average.
- Employees in Ohio (\$2,389 or 21.5 percent of the premium) contributed less toward their employee-plus-one coverage health insurance premiums than the national average of \$2,940 or 26.7 percent. Employees in Florida (\$3,700) contributed more than the national average. As a percentage of the premium, employee contributions were above the national average of 26.7 percent in Florida (34.6 percent) and Texas (29.0 percent).

—Employees in Florida (\$5,653 or 35.2 percent of the premium) contributed more than the national average of \$4,421 or 27.6 percent toward their family coverage health insurance premiums. Employees in North Carolina also contributed more as a percentage of the premium (31.2 percent) than the national average of 27.6 percent. Employees in New York (24.1 percent) contributed less than the national average toward their family coverage health insurance premiums.

Data Source

The statistics in this Brief are estimates from the 2013 MEPS-IC. All information comes from tables that are available on the MEPS Web site (<http://www.meps.ahrq.gov>). Estimates for other States and other years are also available on the MEPS Web site, although estimates are not available for every State in years prior to 2002.

Definitions

Employer

A particular workplace or physical location where business is conducted or services or industrial operations are performed. In this Brief, only private sector employer estimates are reported.

Employee

A person on the actual payroll. This excludes temporary and contract workers but includes the owner or manager if that person works at the firm.

Enrollee

An employee who is enrolled in a health insurance plan offered by the employer. Enrollees do not include any dependents covered by the plan.

Health insurance plan

An insurance contract that provides hospital and/or physician coverage to an employee for an agreed-upon fee for a defined benefit period, usually a year. This includes both fully-insured and self-insured health insurance plans.

Premium

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

Percentage of the average premium contributed by enrollees

The average employee contribution at the State level divided by the average health insurance premium at the State level.

Single coverage

Health insurance that covers the employee only.

Employee-plus-one coverage

Health insurance that covers the employee plus one family member at a lower

premium level than family coverage. This family member could be a spouse or a child. If premiums differed for employee-plus-spouse and employee-plus-child coverage, information for employee-plus-child coverage was reported.

Family coverage

Health insurance that covers the employee and the employee's family. If a plan offers more than one pricing level for family coverage, information for a family of four was reported.

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 2013 survey, with 6.7 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 74.6 percent of the remaining in-scope sample units.

For more information on this survey, see *MEPS Methodology Reports 6, 8, 10, 14, 17, 18, 27, and 28* 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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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 email us at MEPSProjectDirector@ahrq.hhs.gov or send a letter to the address below:

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Table 1. Distribution of private sector employees enrolled in employer-based health insurance plans by type of coverage: United States and 10 largest States, 2013

State	Single coverage	Employee-plus-one coverage	Family coverage
United States	51.3%	18.9%	29.8%
California	55.2%**	18.1%	26.8%*
Texas	51.3%	19.8%	28.9%
New York	51.3%	17.6%	31.0%
Florida	54.8%**	18.5%	26.7%*
Illinois	50.3%	19.1%	30.6%
Pennsylvania	48.2%*	20.1%	31.6%
Ohio	47.0%*	20.9%	32.0%**
Michigan	44.6%*	21.0%	34.4%**
Georgia	49.0%	19.4%	31.6%**
North Carolina	56.4%**	19.7%	23.9%*

* Below the national average. ** Above the national average.

Note: Percentages may not add to 100 percent due to rounding.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2013, Tables II.C.4, II.D.4, and II.E.4

Table 2. Average annual health insurance premium per enrolled employee at private sector establishments offering health insurance: United States and 10 largest States, 2013

State	Single coverage	Employee-plus-one coverage	Family coverage
United States	\$ 5,571	\$ 10,990	\$ 16,029
California	\$ 5,581	\$ 11,402	\$ 16,691
Texas	\$ 5,386	\$ 10,840	\$ 16,049
New York	\$ 6,156 **	\$ 12,216 **	\$ 17,530 **
Florida	\$ 5,383	\$ 10,706	\$ 16,070
Illinois	\$ 5,824 **	\$ 11,436	\$ 16,928 **
Pennsylvania	\$ 5,582	\$ 11,260	\$ 16,019
Ohio	\$ 5,679	\$ 11,108	\$ 15,955
Michigan	\$ 5,319 *	\$ 10,802	\$ 15,242
Georgia	\$ 5,374	\$ 10,808	\$ 14,762 *
North Carolina	\$ 5,218 *	\$ 9,969 *	\$ 15,023 *

* Below the national average. ** Above the national average.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2013, Tables II.C.1, II.D.1, and II.E.1

Table 3. Percentage of private sector employees enrolled in single, employee-plus-one, and family health insurance coverage that required no contribution from the employee: United States and 10 largest States, 2013

State	Single coverage	Employee-plus-one coverage	Family coverage
United States	16.6%	6.9%	7.9%
California	22.2%**	8.2%	8.7%
Texas	16.8%	5.4%	3.4%*
New York	19.9%	9.4%	13.5%
Florida	13.7%	4.1%*	5.8%
Illinois	9.1%*	5.2%	6.5%
Pennsylvania	15.5%	5.5%	7.7%
Ohio	12.6%	6.3%	8.8%
Michigan	13.2%	12.0%	10.0%
Georgia	11.6%	4.2%	6.8%
North Carolina	16.9%	5.9%	5.3%

* Below the national average. ** Above the national average.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2013, Tables II.C.4.a, II.D.4.a, and II.E.4.a

Table 4. Average annual employee contribution toward the premium per enrolled employee at private sector establishments offering health insurance: United States and 10 largest States, 2013

State	Single coverage		Employee-plus-one coverage		Family coverage	
	Dollars	Percentage of premium	Dollars	Percentage of premium	Dollars	Percentage of premium
United States	\$ 1,170	21.0%	\$ 2,940	26.7%	\$ 4,421	27.6%
California	\$ 1,091	19.5%	\$ 3,007	26.4%	\$ 4,518	27.1%
Texas	\$ 1,135	21.1%	\$ 3,149	29.0%**	\$ 4,892	30.5%
New York	\$ 1,291	21.0%	\$ 2,847	23.3%	\$ 4,232	24.1%*
Florida	\$ 1,408**	26.2%**	\$ 3,700**	34.6%**	\$ 5,653**	35.2%**
Illinois	\$ 1,301	22.3%	\$ 3,019	26.4%	\$ 4,478	26.5%
Pennsylvania	\$ 1,074*	19.2%*	\$ 2,745	24.4%	\$ 4,017	25.1%
Ohio	\$ 1,053*	18.5%*	\$ 2,389*	21.5%*	\$ 3,631	22.8%
Michigan	\$ 1,152	21.7%	\$ 2,626	24.3%	\$ 3,968	26.0%
Georgia	\$ 1,219	22.7%	\$ 3,042	28.1%	\$ 4,435	30.0%
North Carolina	\$ 1,064	20.4%	\$ 2,836	28.5%	\$ 4,685	31.2%**

* Below the national average. ** Above the national average.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2013, Tables II.C.2, II.C.3, II.D.2, II.D.3, II.E.2, and II.E.3