

STATISTICAL BRIEF #503

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Results from the 2016 MEPS-IC Private-Sector National Tables

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Introduction

Employer-sponsored insurance (ESI) is the primary source of health insurance coverage for individuals under age 65. This Statistical Brief uses data for private-sector establishments in the Medical Expenditure Panel Survey-Insurance Component (MEPS-IC) to describe trends in employer coverage, premiums, and deductibles from 2008 to 2016. The MEPS-IC is an annual survey of private employers and State and local governments and is designed to be representative of all 50 States and the District of Columbia.

The period presented in this Brief, 2008 to 2016, shows trends over time during a period of change in national health care policy that could have affected national ESI trends, as well as trends by firm size. Starting in 2014, most people were required to either obtain health insurance or make an individual shared responsibility payment. The employer shared responsibility provisions began to take effect for employers with 100 or more full-time-equivalent employees in 2015 and for employers with 50 or more employees in 2016.

This Brief describes trends and patterns in ESI for private-sector employees, overall and by three firm size categories (employees in establishments in firms with fewer than 50 employees, 50 to 99 employees, and 100 or more employees, respectively). All differences discussed in the text are at the 0.05 significance level, unless otherwise noted. All dollar estimates are nominal (not adjusted for inflation).

Findings

Enrollment rates and number of covered employees

From 2015 to 2016, there was no significant change in the overall percentage of private-sector employees covered by a health insurance plan offered by their employers (the "enrollment rate") and no significant change in the enrollment rates at small (fewer than 50 employees), medium-sized (50 to 99 employees), or large firms (100 or more employees) (figure 1). There was also no significant change in the number of enrollees overall, or in any firm-size category in this period (figure 2).

In 2016, 47.2 percent of employees were enrolled in a health plan through their employer, 26.5 percent at small employers, 45.4 percent at medium-sized employers, and 56.0 percent at large employers (figure 1). Enrollment rates were lower at smaller (fewer than 100 employees) employers than at large employers throughout the 2008 to 2016 time period, mainly due to lower offer rates (figure 3).

Offer rates

There was no significant change in the overall percentage of employees working at establishments that offer insurance ("the offer rate") between 2015 (83.8 percent) and 2016 (84.3 percent) (figure 3). While the offer rate at large firms (100 or more employees) was unchanged in this period (98.9 percent in 2016), the offer rate at medium-sized employers (50 to 99 employees) increased from 85.3 percent in 2015 to 88.6 percent in 2016, the first year that the federally-mandated employer shared responsibility provisions took effect for firms of this size. With respect to small firms (fewer than 50 employees), the offer rate was unchanged from 2015 to 2016. Over the longer term, however, offer rates at small firms declined from 61.6 percent in 2008 to 47.7 percent in 2016.

Eligibility rates

The overall eligibility rate for employees at private-sector establishments that offered insurance did not change significantly between 2015 (76.0 percent) and 2016 (76.5 percent) and also did not change significantly for small, medium-sized, or large employers (figure 4). Overall eligibility rates in each year from 2014 through 2016 were lower than eligibility rates in any year from 2008 to 2013.

Take-up rates

The overall take-up rate declined from 75.0 percent in 2015 to 73.3 percent in 2016, the lowest level in the 2008 through 2016 period, which began with an overall take-up rate of 78.7 percent in 2008. Take-up rates also declined in 2016 to their lowest levels in the 2008 through 2016 period for small, medium-sized, and large firms (figure 5). For small employers the take-up rate declined from 72.1 percent in 2015 to 70.4 percent in 2016, while for medium-sized employers, the take-up rate declined from 71.7 percent to 67.2 percent. For large firms, the take-up rate declined from 76.0 percent to 74.4 percent between 2015 and 2016.

Premiums

In 2016, average health insurance premiums for enrollees in private-sector employer plans were \$6,101 (single coverage) (figure 6), \$12,124 (employee-plus-one coverage) (figure 7), and \$17,710 (family coverage) (figure 8), representing increases of 2.3 percent for single coverage, 2.7 percent for employee-plus-one coverage, and 2.2 percent for family coverage over 2015 levels (figure 9).

Highlights

- From 2015 to 2016, there was no statistically significant change in either the overall percentage of private-sector employees covered by a health insurance plan offered by their employers (47.2 percent in 2016) or in the number of enrollees (58.2 million in 2016).
- There was no statistically significant change in the percentage of employees working at establishments that offer insurance ("the offer rate") between 2015 and 2016 (84.3 percent in 2016). However, the offer rate at medium-sized employers (with 50 to 99 employees) increased from 85.3 percent to 88.6 percent in this period. Offer rates at small firms (with fewer than 50 employees) and large firms (with 100 or more employees) were unchanged at 47.7 percent and 98.9 percent, respectively.
- The eligibility rate for employees at private-sector establishments that offered insurance did not differ significantly between 2015 (76.0 percent) and 2016 (76.5 percent). However, eligibility rates in 2014 through 2016 were lower than from 2008 to 2013.
- The overall take-up rate declined from 75.0 percent in 2015 to 73.3 percent in 2016, the lowest level in the 2008 through 2016 period.
- The 2015 to 2016 growth rates for single premiums and employee-plus-one premiums (2.3 percent and 2.7 percent, respectively) were similar to the growth rates from 2014 to 2015 (2.2 percent and 2.6 percent, respectively). The 2015 to 2016 growth rate for family premiums (2.2 percent) was lower than the growth rate for 2014 to 2015 (4.0 percent) ($p < 0.10$).

The 2015 to 2016 growth rates for single premiums and employee-plus-one premiums (2.3 percent and 2.7 percent, respectively) were similar to the growth rates from 2014 to 2015 (2.2 percent and 2.6 percent, respectively). The 2015 to 2016 growth rate for family premiums (2.2 percent) was lower than the growth rate for 2014 to 2015 (4.0 percent) ($p < 0.10$). The 2015–2016 growth rates for single, employee-plus-one coverage, and family coverage were among the lowest growth rates in the entire period, from 2009 through 2016, for each type of coverage.

Employee premium contributions

Average employee contributions to health insurance premiums in 2016 were \$1,325 for single coverage (figure 10), \$3,376 for employee-plus-one coverage (figure 11), and \$4,956 for family coverage (figure 12). From 2015 to 2016, average employee contributions for single, employee-plus-one, and family coverage increased by 5.6 percent, 4.8 percent, and 5.2 percent, respectively (data not shown). The percentage change in employee contributions for single coverage from 2015 to 2016 was larger at small employers (14.2 percent) than at large employers (2.8 percent).

Deductibles

There was no statistically significant change in the overall percentage of enrollees in a health insurance plan with a deductible from 2015 (85.4 percent) to 2016 (84.5 percent) (figure 13). There were also no significant changes in this measure for any of the three firm-size categories. From 2008 to 2015, there was a significant increase in the overall percentage of enrollees with a deductible (at $p < 0.10$ or better) in every year except from 2010 to 2011.

Among enrolled employees in single-coverage plans with deductibles, average individual deductibles rose from \$1,541 in 2015 to \$1,696 in 2016 (an increase of 10.1 percent), while average family deductibles rose from \$2,915 in 2015 to \$3,069 in 2016 (an increase of 5.3 percent) (figures 14 and 15). Average individual deductibles were higher in small (\$2,105) and medium-sized firms (\$2,173) than in large firms (\$1,558) in 2016. Family deductibles were also higher in small (\$3,940) and medium-sized firms (\$3,840) than in large firms (\$2,887) in 2016.

Data Source

This Statistical Brief summarizes data from the 2008 through 2016 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

Single coverage

Single coverage is health insurance that covers the employee only.

Employee-plus-one coverage

Employee-plus-one coverage is health insurance that covers the employee and one other family member at a lower premium level than family coverage. If premiums differed for employee-plus-spouse and employee-plus-child coverage, information for employee-plus-child coverage was collected.

Family coverage

Family coverage is health insurance that covers the employee and one or more family members (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.

Enrollment rate

The enrollment rate is the percentage of all employees enrolled in their employer's health insurance at establishments both offering and not offering health insurance.

Offer rate

The offer rate is the percentage of employees who work at establishments that offer health insurance.

Eligible employees

Eligible employees are those that are allowed to enroll in employer-sponsored coverage offered by their employer. Common eligibility criteria include a minimum number of hours worked per pay period or a minimum length of service with the employer.

Employee

An employee is a person on the actual payroll. This definition excludes temporary and contract workers but includes the owner or manager if that person works at the firm.

Establishment

An establishment is a single physical location of a business.

Health insurance plan

A health insurance plan is an insurance contract that provides hospital and/or physician coverage to an employee for an agreed-upon fee (premium) for a defined benefit period.

Take-up rate

The take-up rate is the percentage of eligible employees who enroll in health insurance coverage through their employer at establishments that offer insurance.

Deductible

A deductible is a fixed dollar amount during the benefit period—usually a year—that an insured person pays before the insurer starts to make payments for covered medical services. Plans may have both per individual and family deductibles.

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 2016 survey, with 5.5 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 67.6 percent of the remaining in-scope sample units.

Suggested Citation

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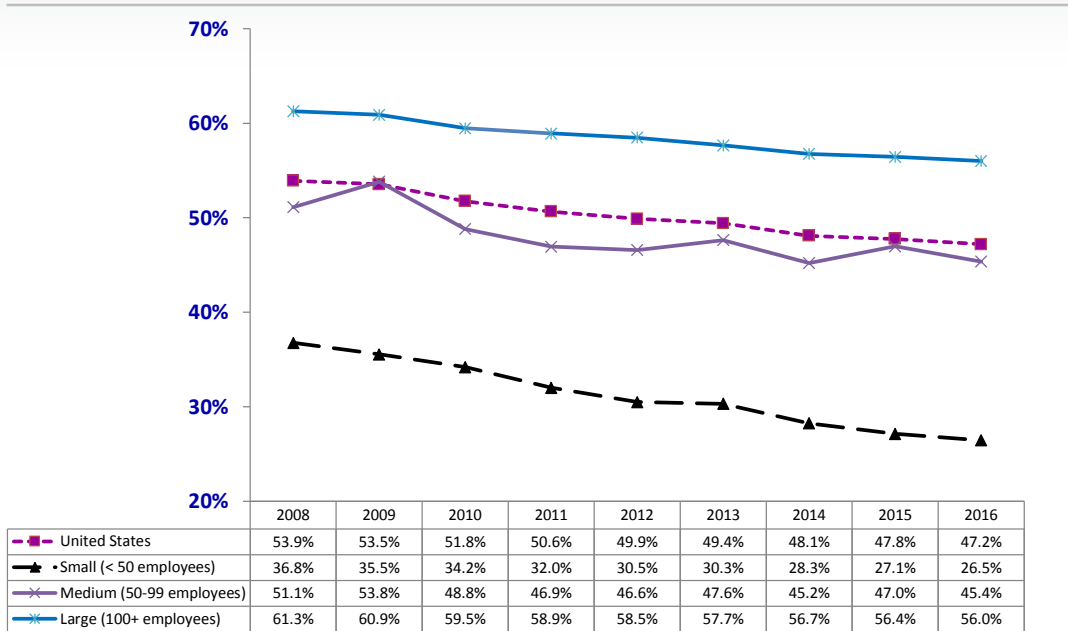
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using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

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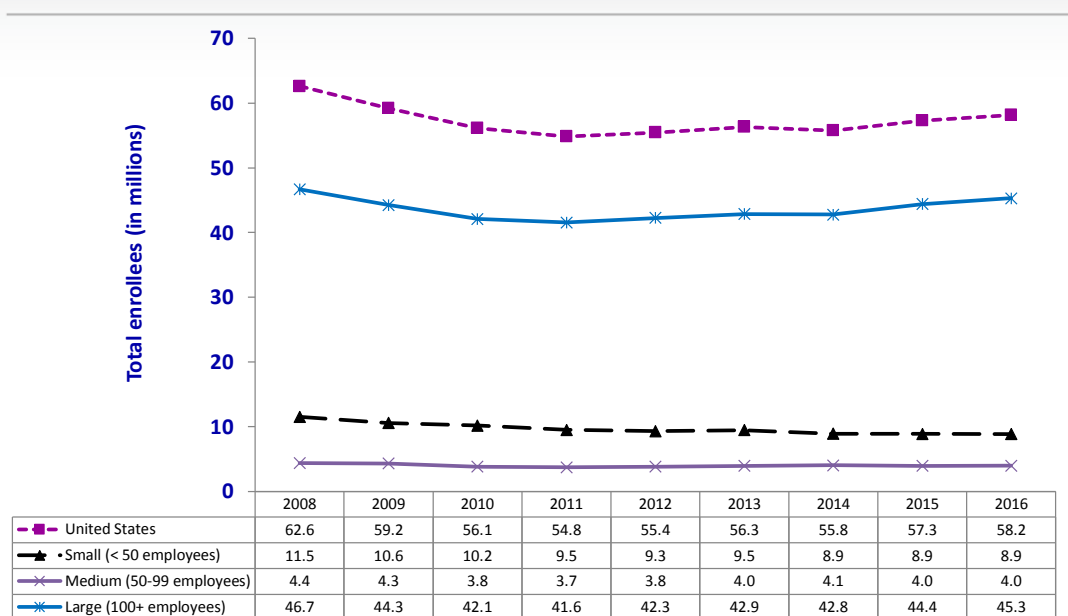
Figure 1. Enrollment rate: Percentage of all private-sector employees enrolled in employer-sponsored health insurance, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016. Denominator: Within each category, all employees in establishments.



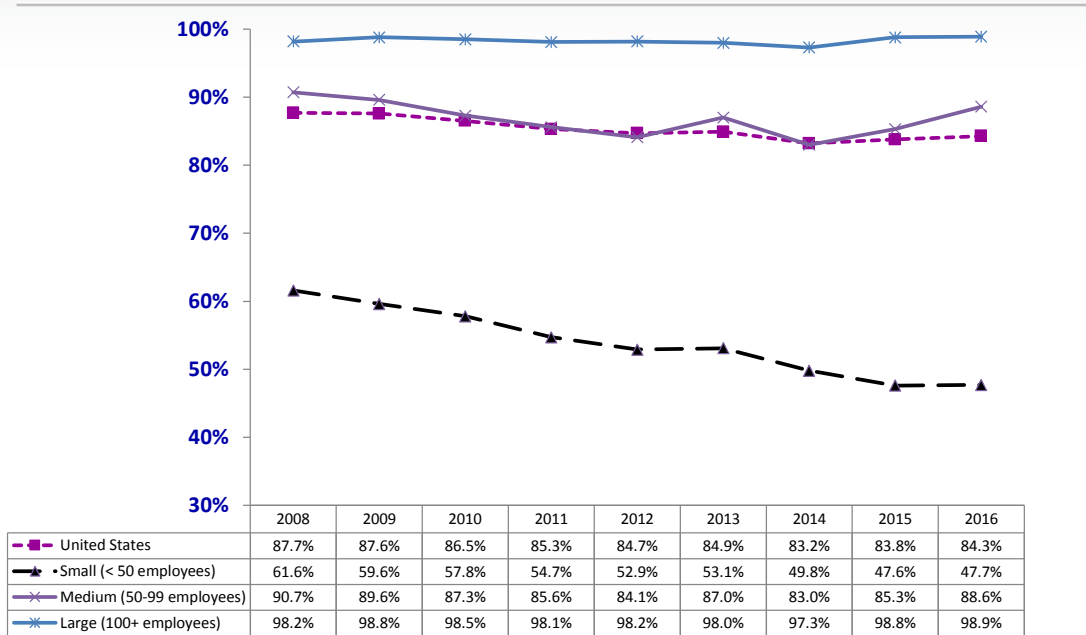
Figure 2. Total number (in millions) of private-sector enrollees in employer-sponsored health insurance, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



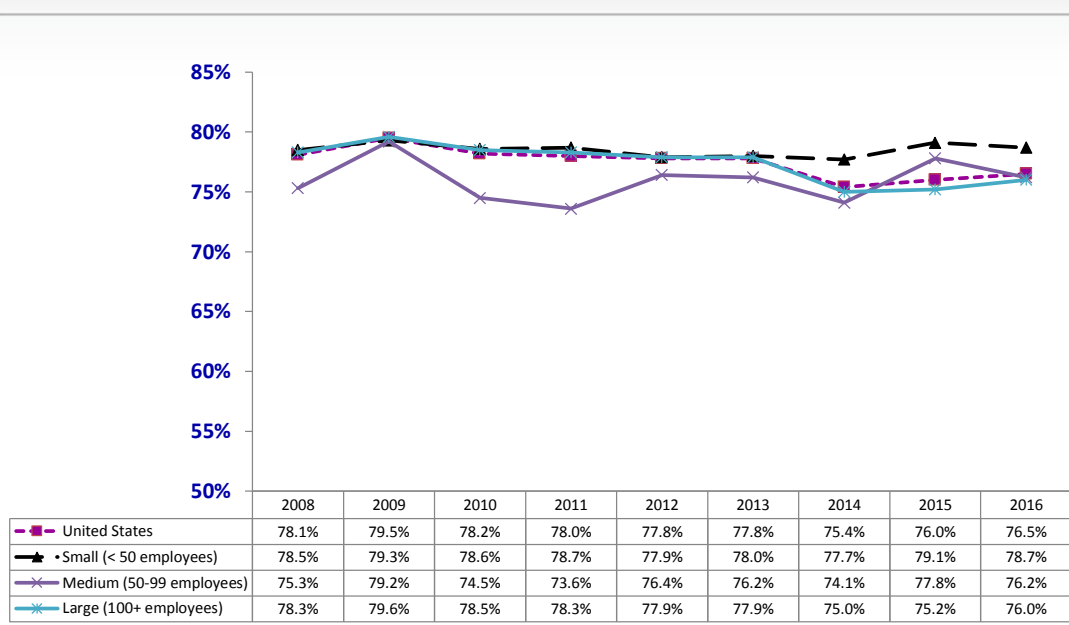
Figure 3. Offer rate: Percentage of private-sector employees in establishments that offer health insurance, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



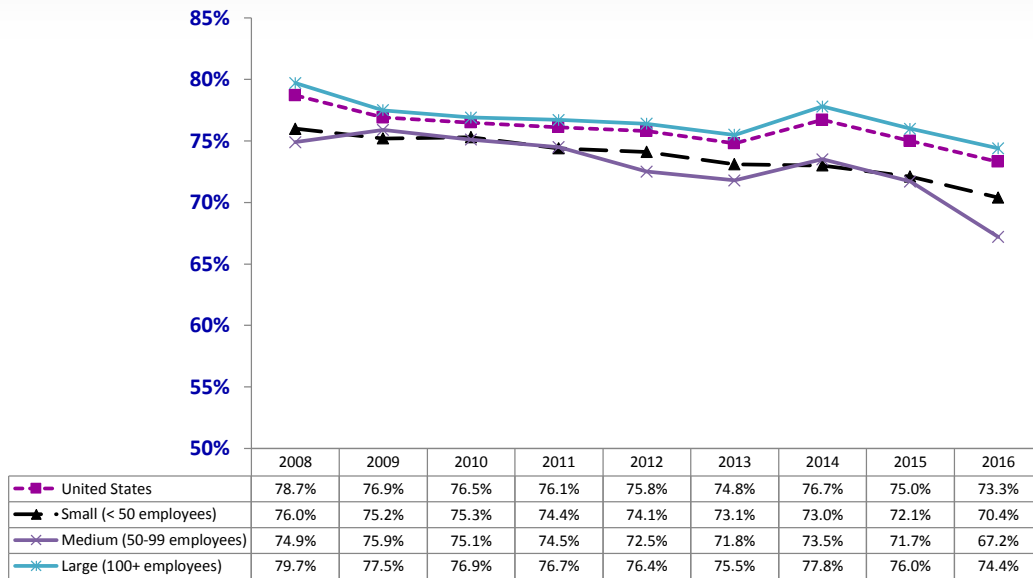
Figure 4. Eligibility rate: Percentage of private-sector employees eligible for health insurance at establishments that offer health insurance, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016. Denominator: Within each category, all employees at establishments that offer health insurance.



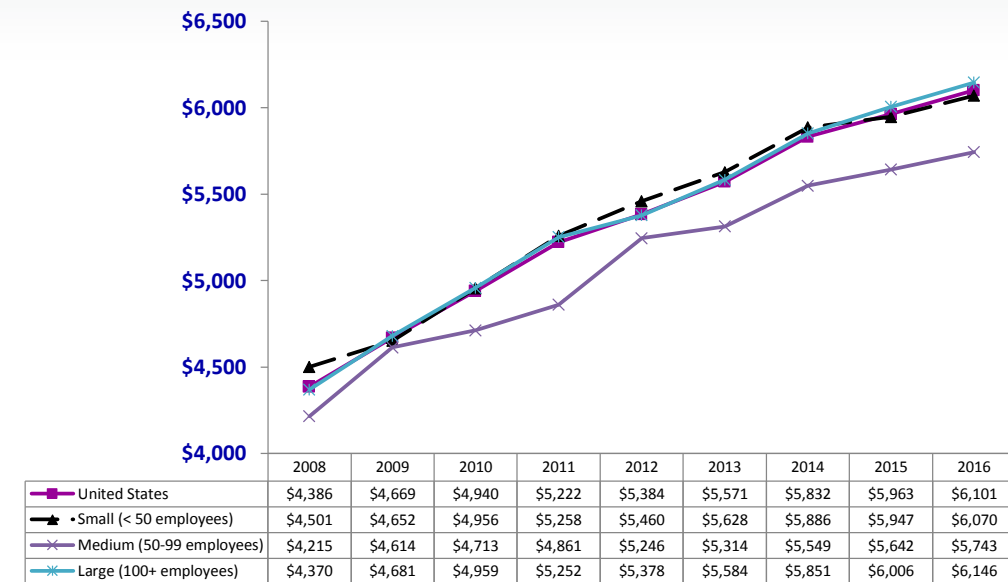
Figure 5. Take-up rate: Percentage of eligible private-sector employees who are enrolled in health insurance at establishments that offer health insurance, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–201. Denominator: Within each category, eligible employees at establishments that offer health insurance.



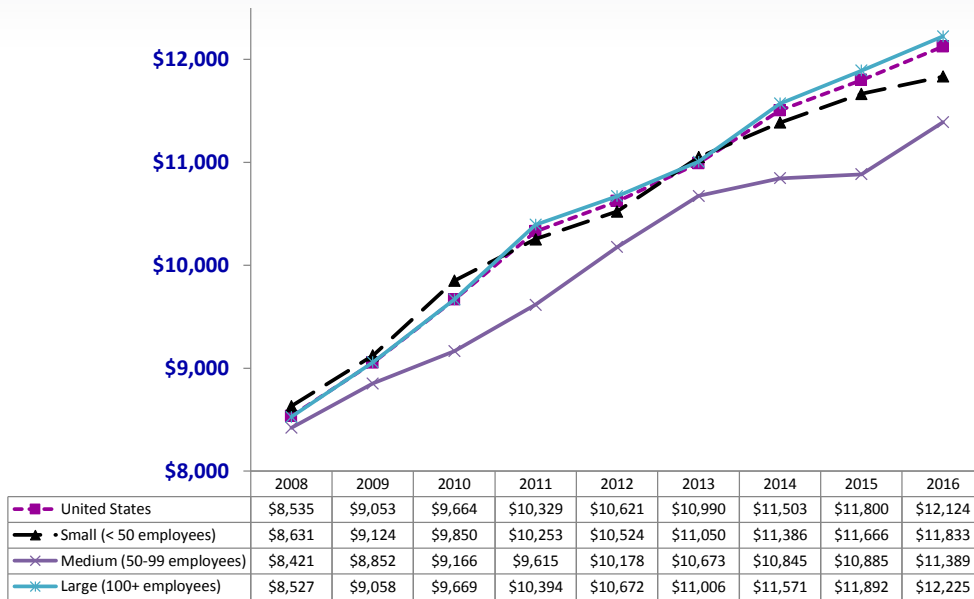
Figure 6. Average total single premium per enrolled private-sector employee, overall, and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



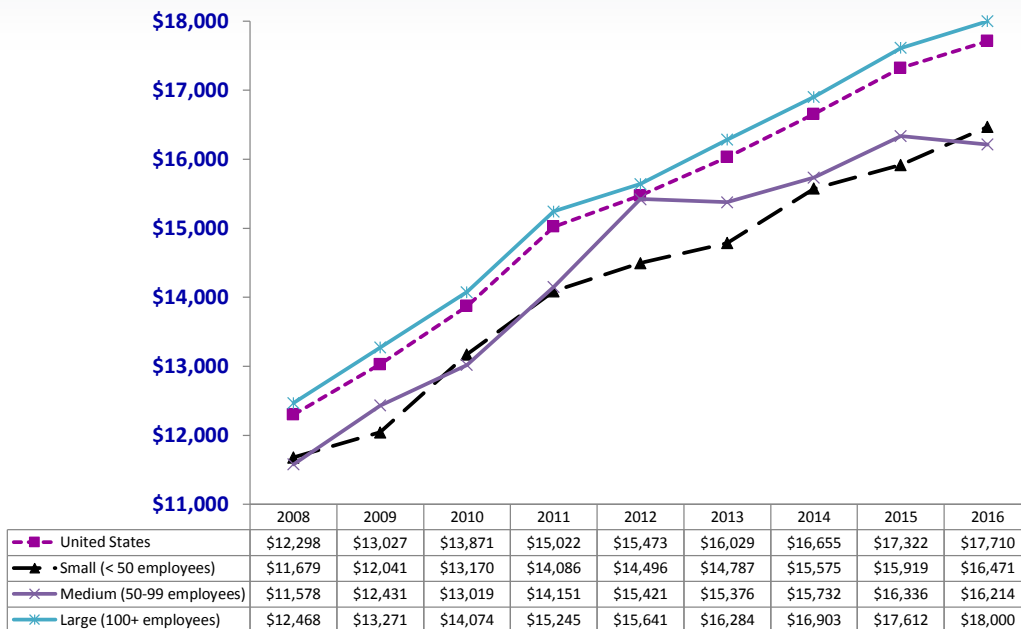
Figure 7. Average total employee-plus-one premium per enrolled private-sector employee, overall, and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



Figure 8. Average total family premium per enrolled private-sector employee, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



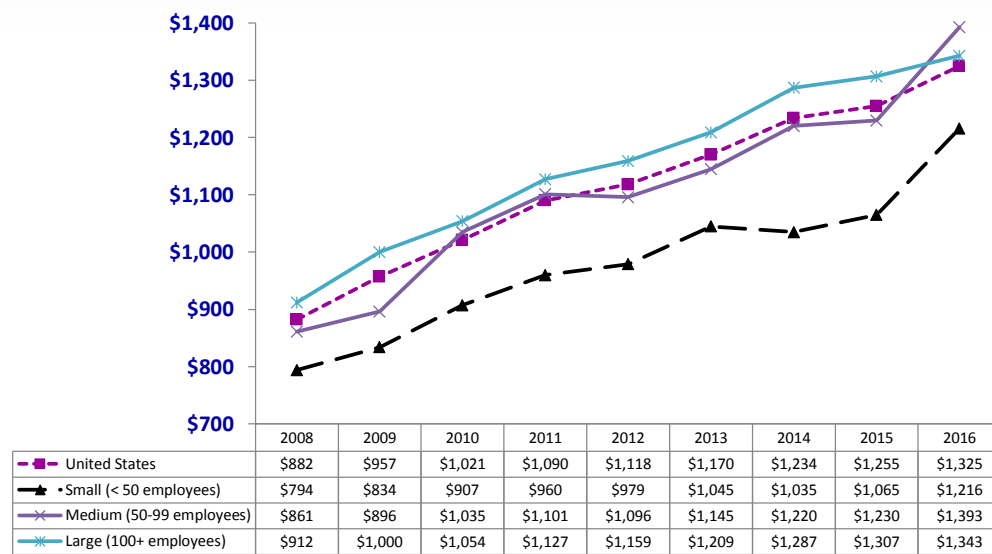
Figure 9. Percentage change from previous year in total premiums per enrolled private-sector employee for single, employee-plus-one, and family coverage, 2009–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016.



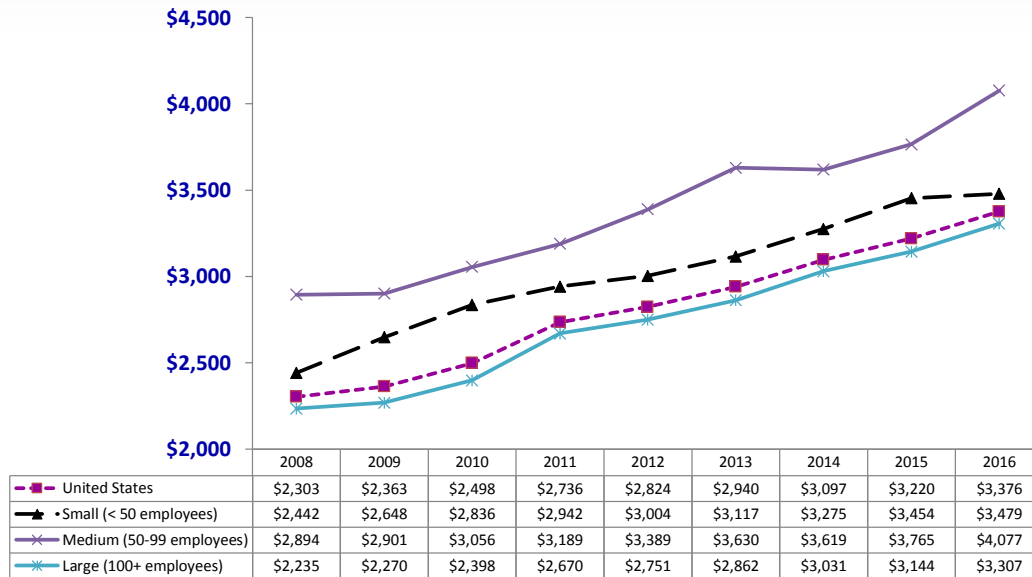
Figure 10. Average annual employee contribution (in dollars) for single coverage, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



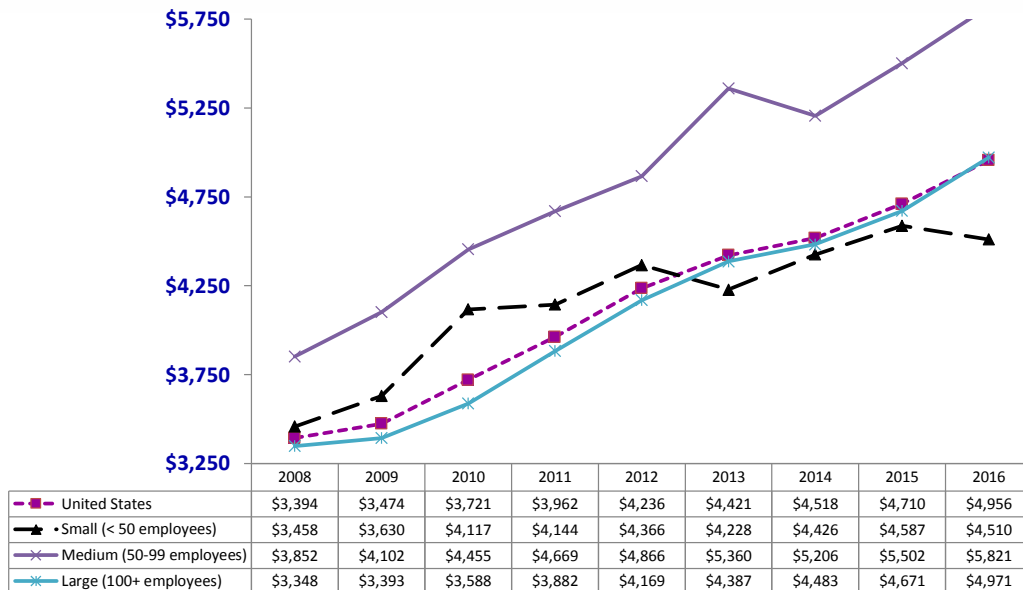
Figure 11. Average annual employee contribution (in dollars) for employee-plus-one coverage, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ. Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



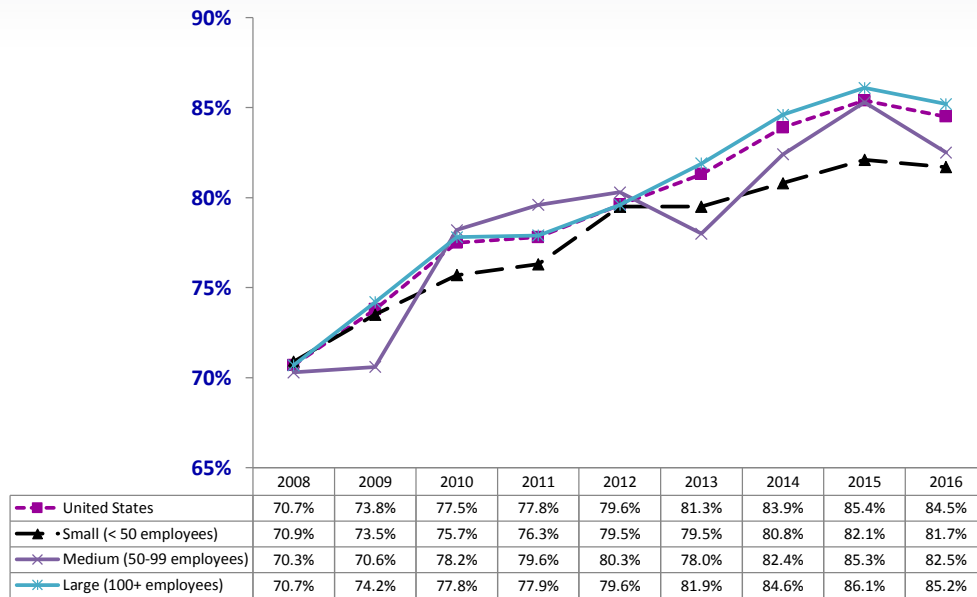
Figure 12. Average annual employee contribution (in dollars) for family coverage, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ. Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



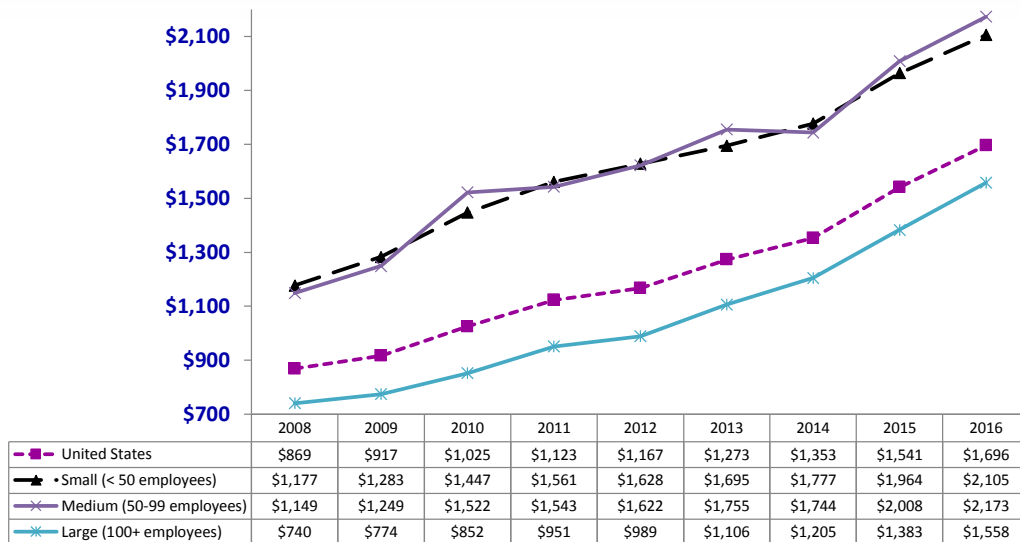
Figure 13. Percentage of private-sector enrolled employees in a health insurance plan with a deductible, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016



Figure 14. Average individual deductible (in dollars) per private-sector employee with single coverage in a health insurance plan with a deductible, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Medical Expenditure Panel Survey Insurance Component, private-sector establishments, 2008–2016.
 Note: Due to refined data edits, the 2014 to 2015 increase is 4.8 percent higher than would have otherwise occurred.



Figure 15. Average family deductible (in dollars) per private-sector employee enrolled with family coverage in a health insurance plan with a deductible, overall and by firm size, 2008–2016



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2008–2016.
 Note: Due to refined data edits, the 2014 to 2015 increase is 2.4 percent higher than would have otherwise occurred.