



# *Fast Facts from EBRI*

Contact: John MacDonald, EBRI, (202) 775-6349, [macdonald@ebri.org](mailto:macdonald@ebri.org)  
FFE #71, Jan. 23, 2008

## Health Insurance: Trends in Availability and Cost

WASHINGTON—What are the recent trends in health insurance availability and cost?

The December 2007 *EBRI Issue Brief*, available at [www.ebri.org](http://www.ebri.org), said that while the cost of employment-based health benefits has risen sharply, the availability for workers has remained relatively constant. However, the availability of retiree health benefits has been declining. The *Issue Brief* contains data from EBRI and other sources. Here are some of the key points.

### Availability

**Long-term access trend:** The percentage of workers reporting that they have access to health benefits through their jobs is largely unchanged from the mid-1990s and down only slightly from the late 1980s. In 2005, 74 percent of workers who were not self-employed reported they were eligible for health benefits through their own job, up slightly from 73.6 percent in 1995. The percentage of small employers offering health benefits in 2007 was about the same as it was in 1996 (59 percent). The percentage of small employers offering health benefits rose during the late 1990s, but has fallen gradually since 2000.

**Employment-based coverage:** Between 1994 and 2000, the percentage of workers with health benefits through an employer held steady between 73 percent and 75 percent. Since 2000, the percentage of workers with health benefits has fallen to about 71 percent.

**Take-up rates:** Take-up rates for employment-based benefits have fallen from nearly 88 percent in 1988 to 83.5 percent in 2005 among workers with benefits from their own employer, but fewer than 5 percent of workers eligible for health benefits were uninsured.

**Retiree benefits:** In 2005, 12.7 percent of private-sector establishments offered retiree health care benefits, down substantially from 21.6 percent in 1997.

### Cost

**Growth rate:** From 2000 to 2007, the cost of employment-based health benefits doubled, while wages and overall inflation increased only 25 percent. The growth rate of providing health benefits fell between 2003 and 2007 (from 13.9 percent to 6.1 percent), but growth in the cost of providing health benefits continued to run double the growth in workers' earnings and was also double the rate of overall inflation.

**Premiums:** Average premiums for employee-only coverage increased from \$28 to \$52 per month from 2000 to 2006, an 86 percent increase. Average family-coverage premiums increased from \$138 to \$248 per month from 2000 to 2006, an 80 percent increase. In contrast, the consumer price index (CPI) increased by 17 percent from 2000 to 2006.

**Premium share:** In 1993, workers paid an average of 20 percent of the premium for employee-only coverage. By 2007, workers were paying 16 percent. The percentage that workers pay for family coverage has bounced around between 26 percent and 28 percent since 1996.

**Out-of-pocket costs:** In the mid-1990s, workers paid more than 30 percent of consumer health care expenses out of pocket. By 2005, worker out-of-pocket spending as a percentage of total consumer health care spending fell to 26 percent.

*Fast Facts from EBRI* is issued occasionally by the nonpartisan Employee Benefit Research Institute to highlight benefits information that may be of current interest. Established in 1978, EBRI is an independent nonprofit organization committed exclusively to data dissemination, policy research, and education on economic security and employee benefits. EBRI does not take policy positions and does not lobby.