

Workplace Health Coverage Benefits: By the Numbers

Provided by EBRI's Center for Research on Health Benefits Innovation

EBRI thanks the following companies for their support of the Center for Research on Health Benefits Innovation: Aon Hewitt, Blue Cross Blue Shield Association, ICUBA, JP Morgan Chase, Pfizer, and PhRMA.

Total Spending on Health Care in the United States

- In 2019, the United States spent \$3.8 trillion on health care, or \$11,582 per person. As a share of the nation's gross domestic product (GDP), spending on health care accounted for 17.7 percent.¹
- Health care spending as a share of GDP has been trending up. In 1960, 5 percent of GDP was spending on health care.²
- In 2028, spending on health care in the United States is projected to reach \$6.2 trillion. As a share of the nation's GDP, spending on health care is projected to account for 19.7 percent.³

Employer and Worker Spending on Health Care

- About one-third of total health care spending in the United States, or \$1.2 trillion, was spent on health insurance premiums and out-of-pocket payments by employers and individuals.⁴
- Employers paid \$551.6 billion toward health insurance premiums for their workers. Workers paid \$288.2 billion toward health insurance premiums as well. Another \$406.5 billion was spent on out-of-pocket expenses for health care services.

Percentage of Employers Offering Coverage

- Larger employers are much more likely than smaller employers to offer health benefits to workers. Nearly all private-sector employers with 1,000 or more employees offered health benefits in 2019, and 96.5 percent of those with 100–999 employees did so as well. In contrast, 76.3 percent of employers with 25–99 employees, 52 percent of employers with 10–24 employees, and 23 percent of employers with fewer than 10 employees offered health benefits.

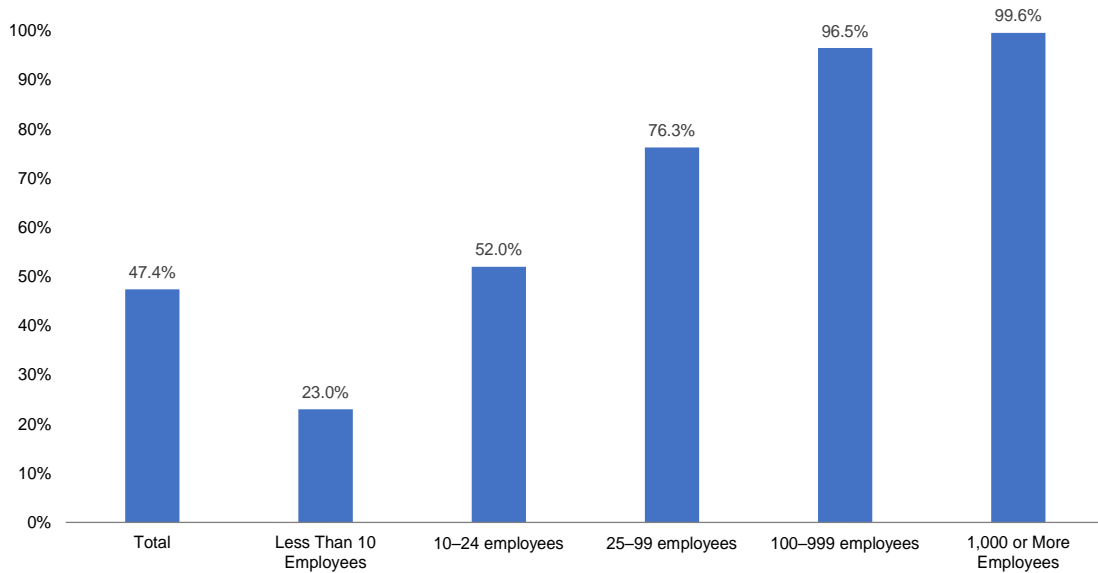
¹ <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical>

² <https://www.cms.gov/files/zip/nhe-summary-including-share-gdp-cy-1960-2019.zip>

³ <https://www.cms.gov/files/document/nhe-projections-2019-2028-forecast-summary.pdf>

⁴ <https://www.cms.gov/files/zip/nhe-tables.zip>

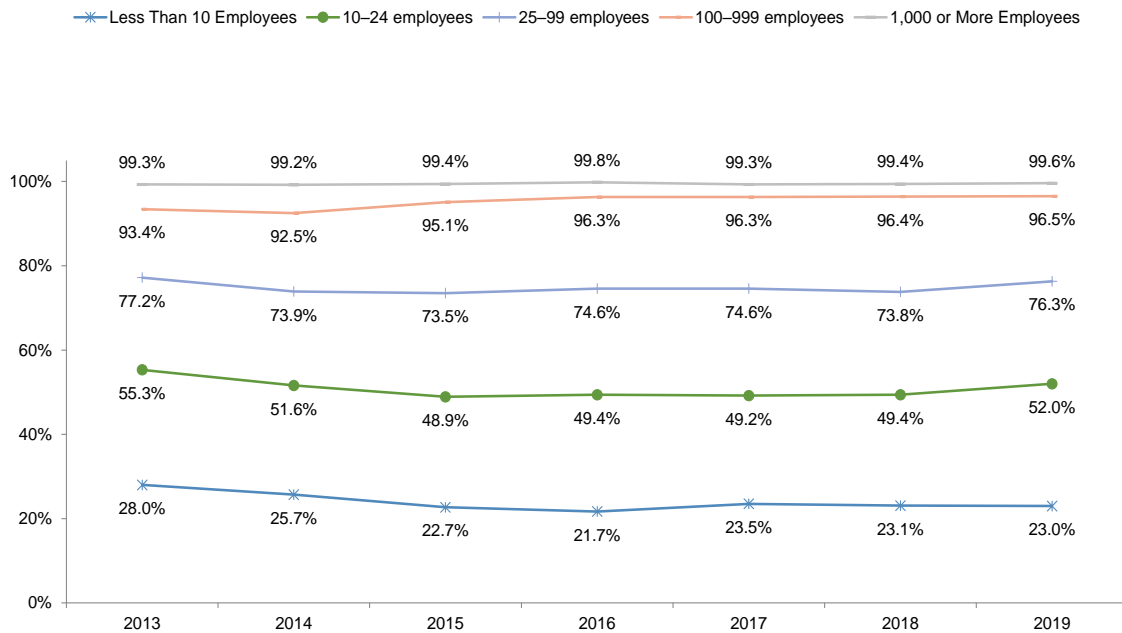
Figure 1
Percentage of Private-Sector Establishments That Offer Health Insurance, by Establishment Size, 2019



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- Generally, large employers have stayed the course by continuing to offer health coverage to their workers. Nearly all large employers offered health coverage before enactment of the Affordable Care Act (ACA) and continued to do so through 2019. Over this period, the percentage of employers with 1,000 or more employees that offered coverage was consistently above 99 percent.

Figure 2
Percentage of Private-Sector Establishments That Offer Health Insurance, by Establishment Size, 2013-2019



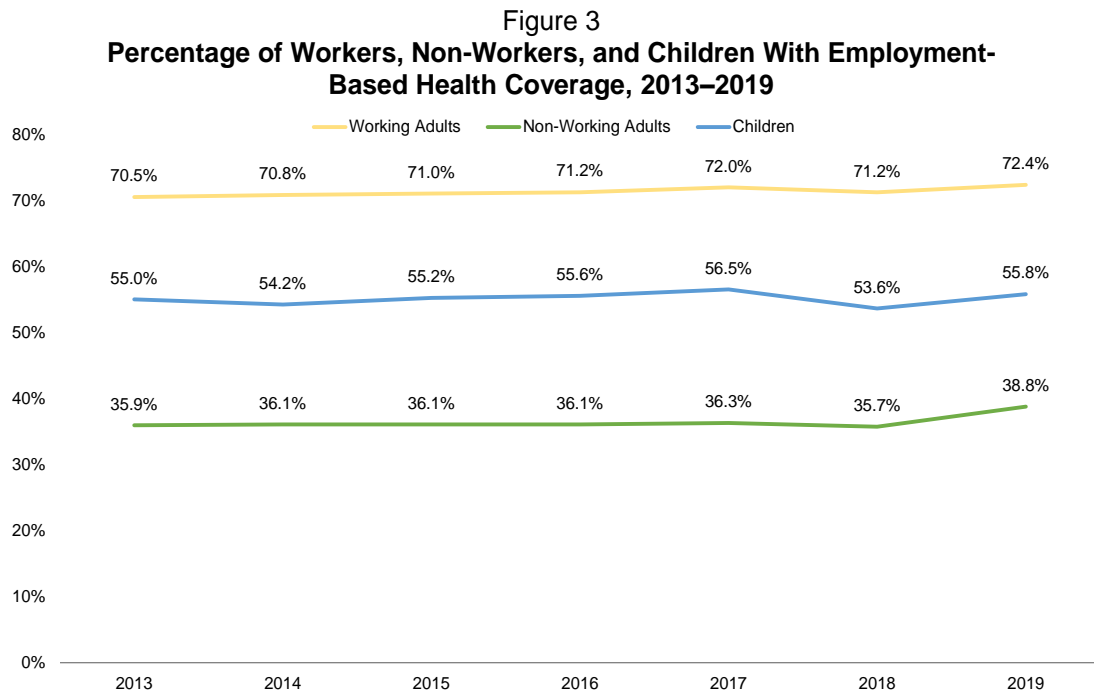
Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- In contrast to large employers, small and medium-sized companies did not stay the course. The percentage of small and medium-sized employers offering health benefits has been trending

downward since 2013, the year that most major provisions of the ACA took effect, though this continued a trend that started as far back as 2009.⁵

Number of Workers and Dependents With Employment-Based Health Insurance

- Overall, 72.4 percent of workers had employment-based health benefits in 2019 either through their own job or through a family member’s job. Only 38.8 percent of non-working adults had employment-based health benefits. Over one-half (55.8 percent) of children were covered by employment-based health benefits.



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2014–2020 Supplements.

- The percentage of workers, non-working adults, and children with employment-based health benefits has been relatively steady since 2013.

Likelihood of Having Employment-Based Health Insurance

- Historically, workers more likely to have employment-based health insurance include those employed in the public sector, those employed in manufacturing, those working for larger employers, full-time and full-year workers, those with annual earnings above \$50,000, and union members.⁶

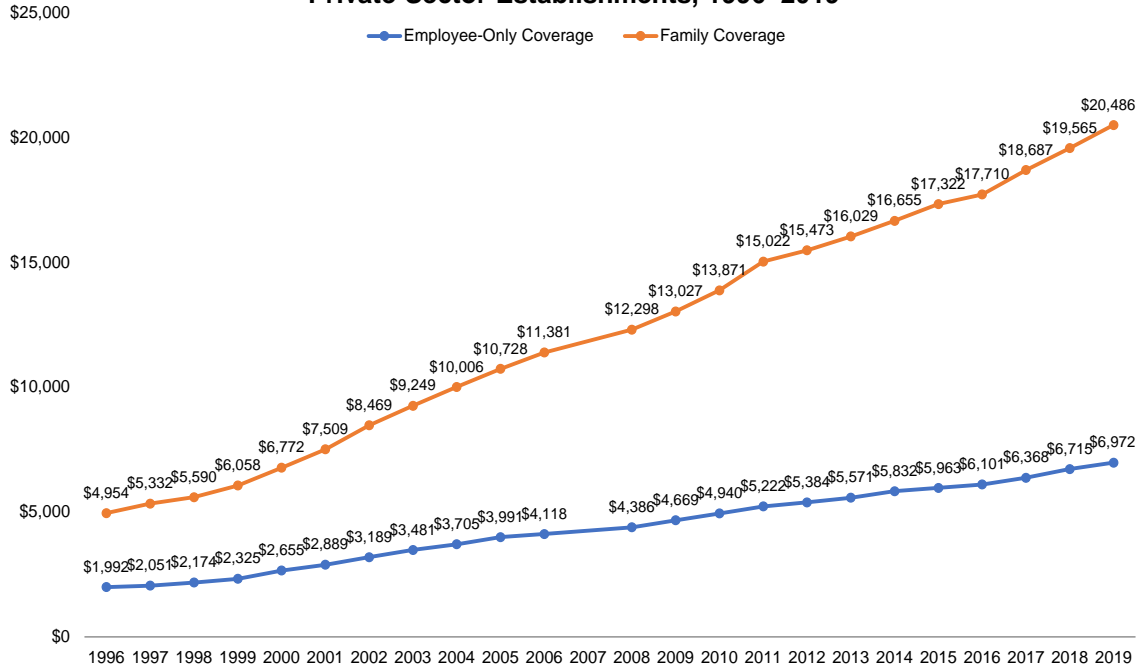
⁵ See Fronstin, Paul, “After Years of Erosion, More Employers are Offering Health Coverage; Worker Eligibility Higher,” *EBRI Issue Brief*, no. 455 (Employee Benefit Research Institute, August 2018), <https://www.ebri.org/health/publications/issue-briefs/content/after-years-of-erosion-more-employers-are-offering-health-coverage-worker-eligibility-higher>

⁶ See Fronstin, Paul, “Sources of Health Insurance Coverage: A Look at Changes Between 2013 and 2014 from the March 2014 and 2015 Current Population Survey,” *EBRI Issue Brief*, no. 419 (Employee Benefit Research Institute, October 2018), <https://www.ebri.org/retirement/publications/issue-briefs/content/summary/sources-of-health-insurance-coverage-a-look-at-changes-between-2013-and-2014-from-the-march-2014-and-2015-current-population-survey-3280>

Premiums for Employment-Based Health Insurance

- In 2019, average annual premiums for employee-only coverage were \$6,972. They were \$20,486 for family coverage. Both have been trending upward since at least 1996.

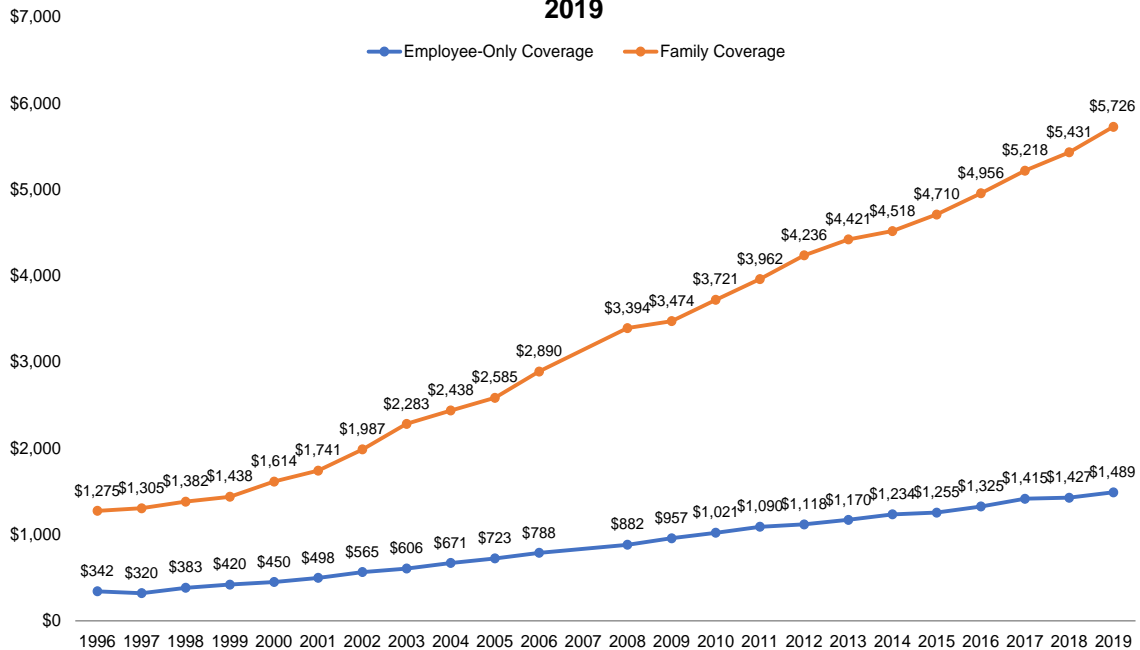
Figure 4
Average Total Health Insurance Premium Among Employees at Private-Sector Establishments, 1996–2019



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

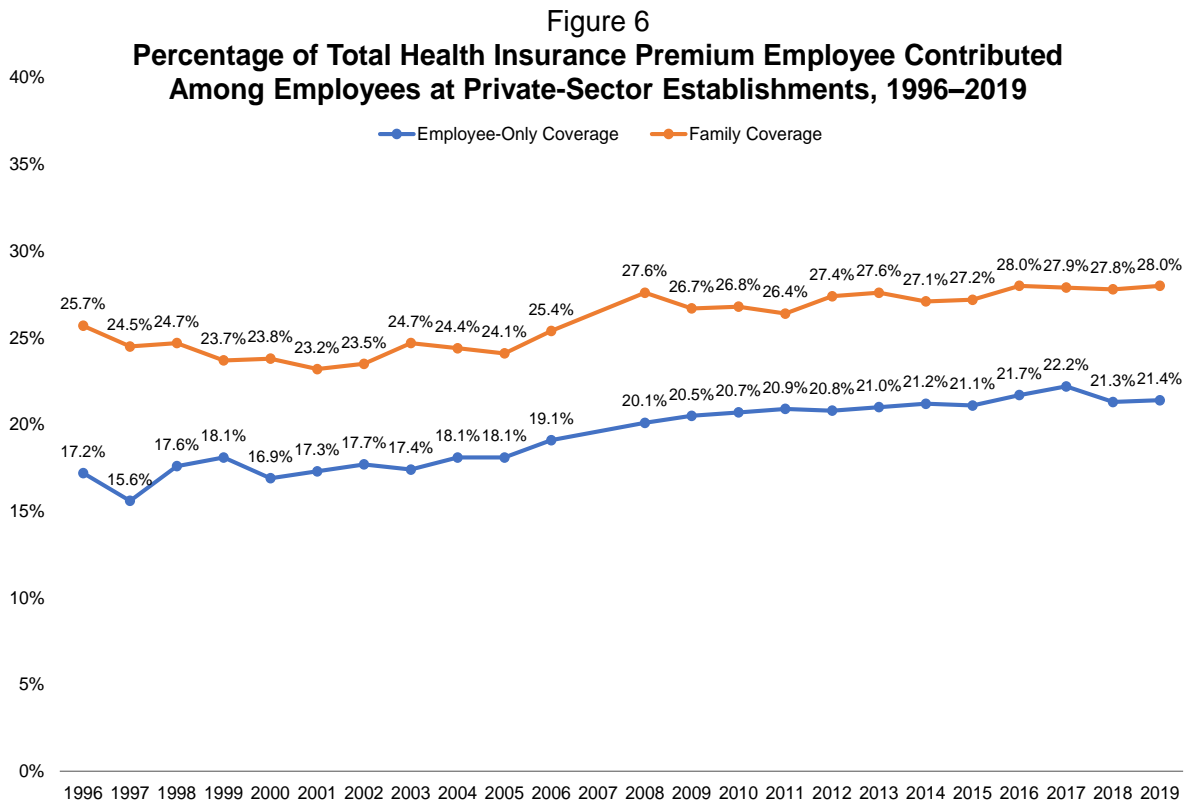
- Workers paid an average of \$1,489 for employee-only coverage and \$5,726 for family coverage in 2019.

Figure 5
Average Total Employee Contribution Toward Health Insurance Premium Among Employees at Private-Sector Establishments, 1996–2019



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

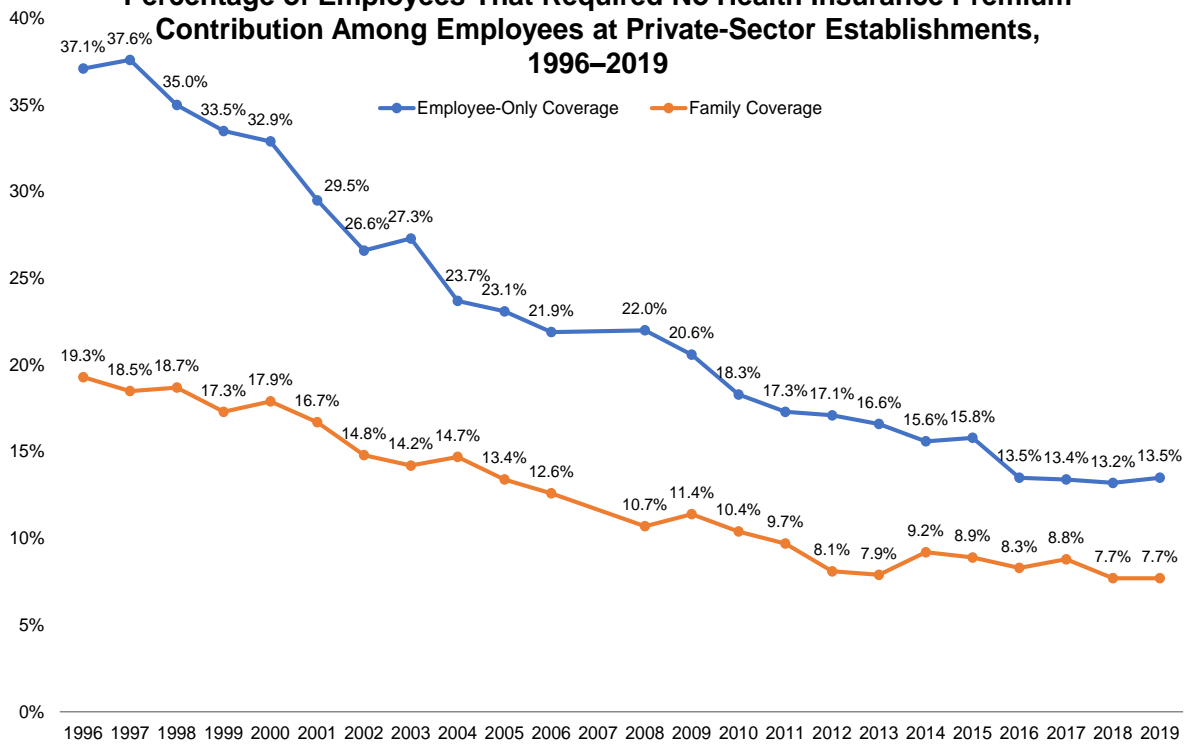
- Despite rising premiums, for the last decade, the percentage of the total health insurance premium paid by workers has been relatively flat. On average, workers paid 21 percent of the premium for employee-only coverage and 28 percent of the premium for family coverage in 2019.



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- Very few workers do not have to pay anything for health insurance coverage. In 2019, only 13.5 percent of workers were not required to make a contribution for employee-only coverage, and only 7.7 percent were not required to make a contribution for family coverage. In contrast, in 1996, 37.1 percent of workers were not required to make a contribution for employee-only coverage and 19.3 percent were not required to make a contribution for family coverage.

Figure 7
Percentage of Employees That Required No Health Insurance Premium Contribution Among Employees at Private-Sector Establishments, 1996–2019



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

Enrollment by Type of Health Plan

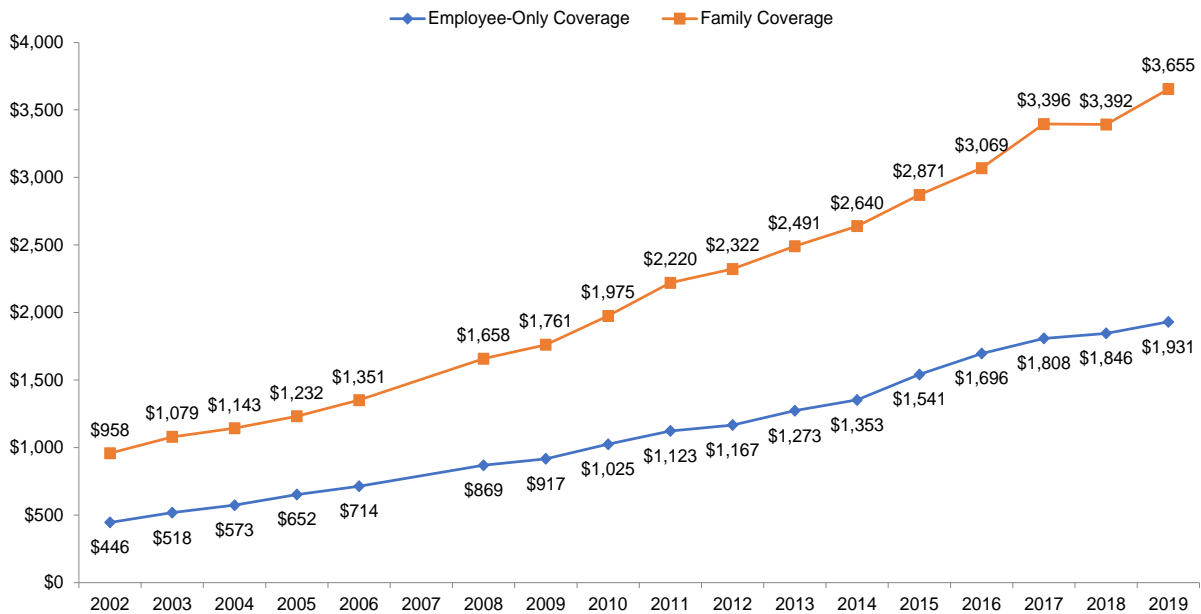
- Preferred provider organizations (PPOs) are the most common type of health plan, covering 47 percent of workers in 2020. High-deductible health plans covered 31 percent of workers; health maintenance organizations (HMOs) covered 13 percent, and point-of-service plans covered 8 percent.⁷

Out-of-Pocket Spending for Health Care Services

- When workers and their families use health care services, they are finding their cost for those services are increasing because cost sharing, such as deductibles and copayments, is increasing.
- Among individuals with a deductible, the average deductible increased from \$446 to \$1,931 from 2002 to 2019 among those with employee-only coverage. And it increased from \$958 to \$3,655 among those with family coverage.

⁷ See Figure 5.1 in <https://www.kff.org/report-section/ehbs-2020-section-5-market-shares-of-health-plans/>

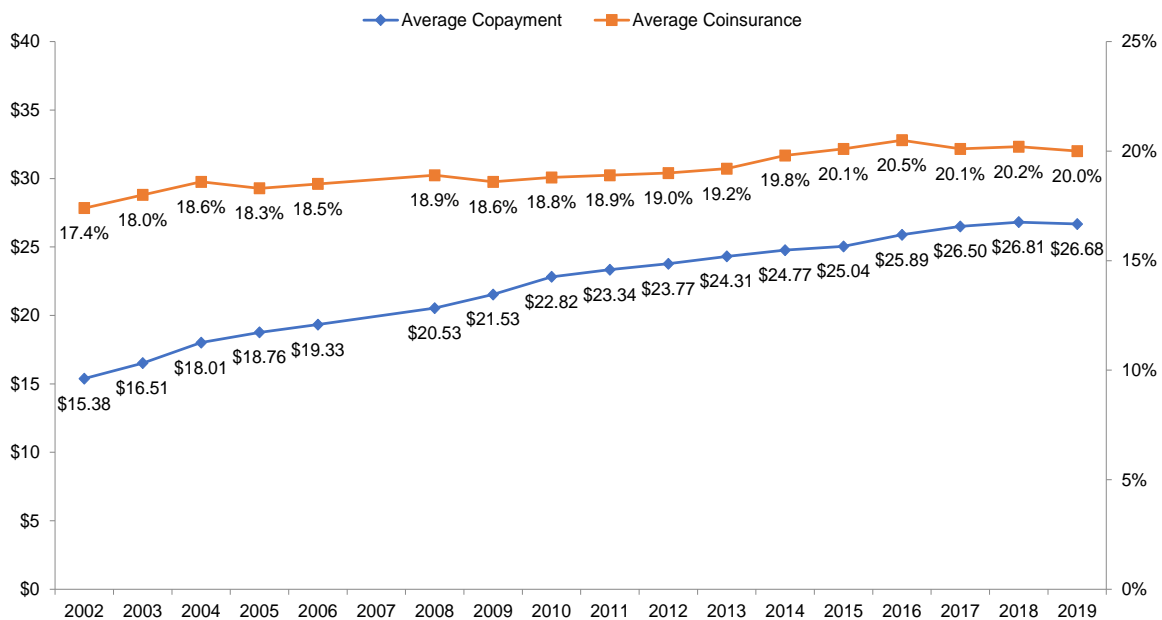
Figure 8
Average Annual Employee-Only and Family Deductible, Among
Workers in Private-Sector Establishments With a Deductible, 2002–
2019



Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- The average copayment for an office visit increased from \$15.38 in 2002 to \$26.68 in 2019.

Figure 9
Average Copayment and Coinsurance for a Physician Office Visit
Among Workers in Private-Sector Establishments With Copayments or
Coinsurance, 2002–2019



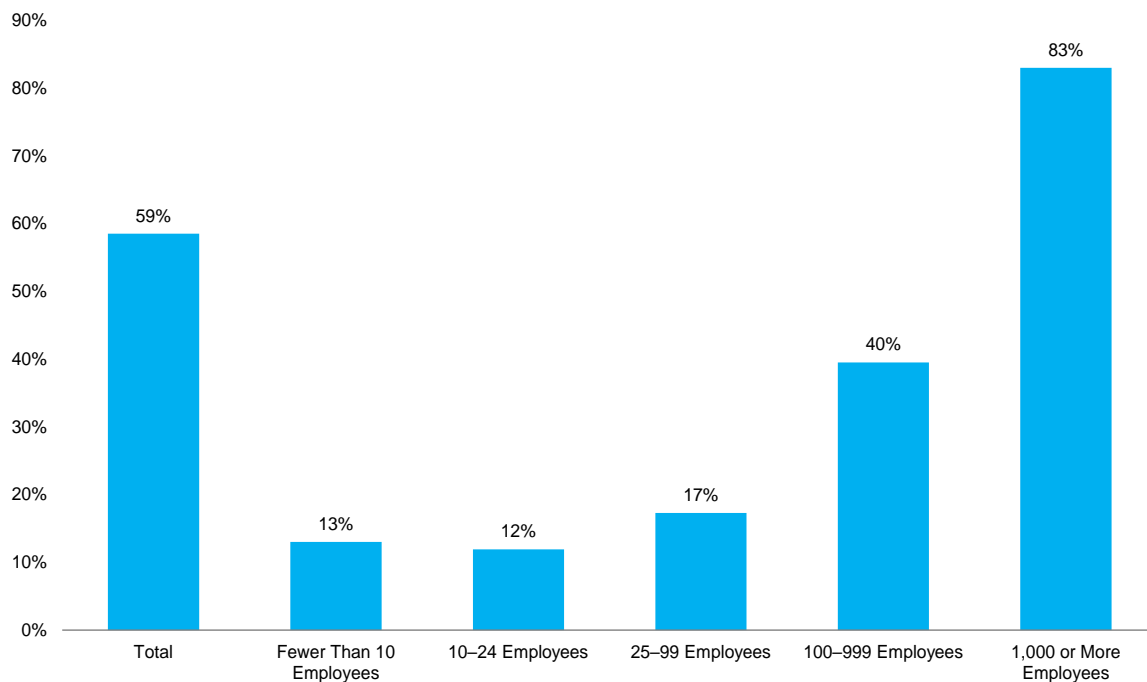
Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- Coinsurance rates for office visits increased more modestly, but since coinsurance requires plan participants to pay a percentage of the charge, out-of-pocket payments for coinsurance will increase with office visit costs.

Enrollment in Self-Insured Plans

- Overall, 59 percent of workers in private-sector establishments were enrolled in a self-insured plan.

Figure 10
Percentage of Covered Private-Sector Workers Enrolled in Self-Insured Health Plans, by Firm Size, 2019



Source: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC).

- Workers in large firms were much more likely than workers in small firms to be enrolled in a self-insured plan.
- In recent years, the percentage of firms offering a self-insured plan and the percentage of workers in a self-insured plan have been relatively unchanged.