

Workplace Health Coverage Benefits: By the Numbers (2021)

Total Spending on Health Care in the United States

- In 2020, the United States spent \$4.1 trillion on health care, or \$12,530 per person. As a share of the nation's gross domestic product (GDP), spending on health care accounted for 19.7 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 2030, spending on health care in the United States is projected to reach \$6.8 trillion. As a share of the nation's GDP, spending on health care is projected to account for 19.6 percent.³

Employer and Worker Spending on Health Care

- 31.2 percent of total health care spending in the United States (2020), or \$1.28 trillion, was spent on health insurance premiums and out-of-pocket payments by employers and individuals.⁴
- Employers paid \$521.3 billion toward health insurance premiums for their workers. Workers paid \$366 billion toward health insurance premiums as well. Another \$388.6 billion was spent on out-of-pocket expenses for health care services.
- The remaining 68.8 percent (\$2.82 trillion) of total health care spending in the United States was spent among the following:
 - Medicare (20.1 percent or \$829.5 billion).
 - Medicaid (16.3 percent or \$671.2 billion).
 - Other health insurance programs (3.8 percent or \$157.2 billion).
 - Other third-party payers and programs and public health activity (17.8 percent or \$733.4 billion).
 - Investment (4.7 percent or \$192.7 billion).
 - Federal, state, and local contributions; tax credits; and subsidies for private health insurance premiums (6.4 percent or \$264.1 billion).

Percentage of Employers Offering Coverage

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

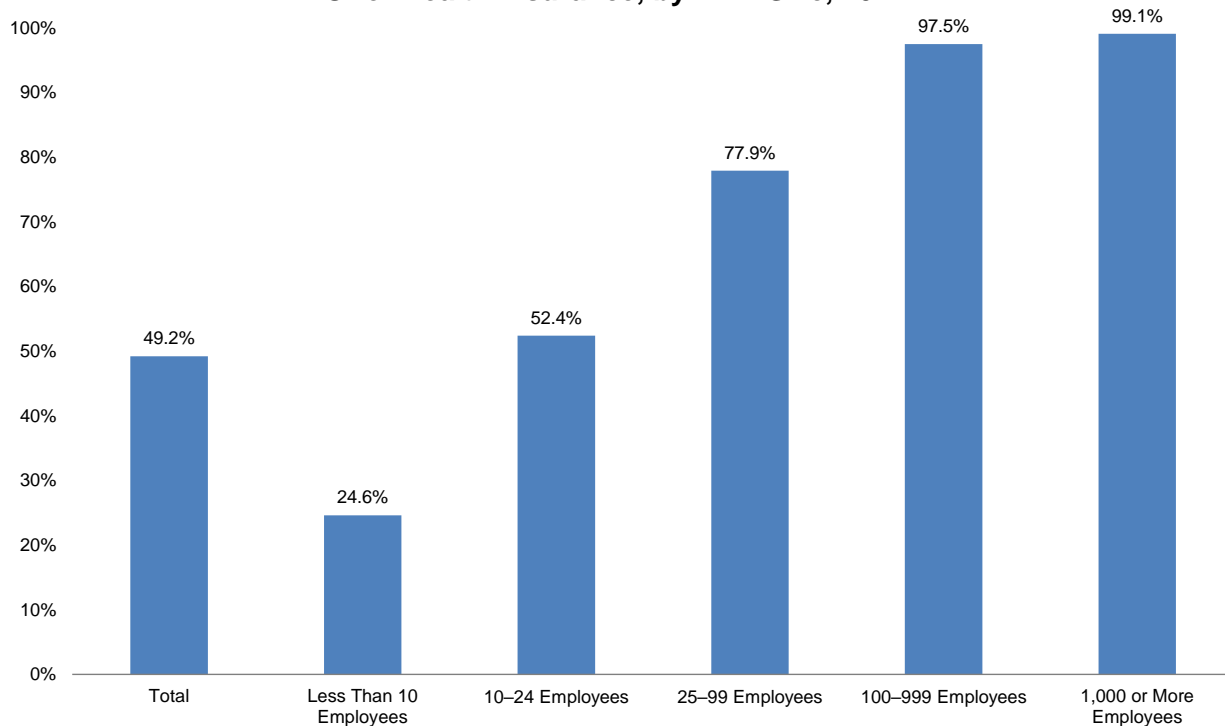
² See <https://www.cms.gov/files/zip/nhe-summary-including-share-gdp-cy-1960-2020.zip>.

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

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

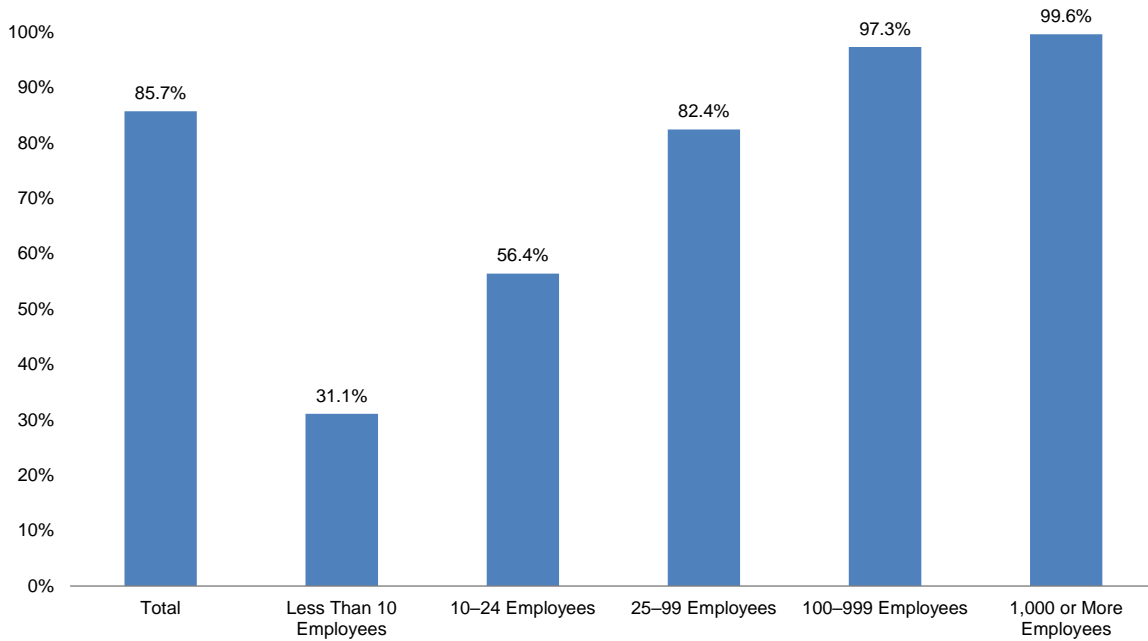
- Larger employers are much more likely than smaller employers to offer health benefits to workers. Nearly all private-sector employers with 1,000 or more employees offered health benefits in 2021. 97.5 percent of those with 100–999 employees did so as. In contrast, 77.9 percent of employers with 25–99 employees, 52.4 percent of employers with 10–24 employees, and 24.6 percent of employers with fewer than 10 employees offered health benefits.
- Generally, large employers continue to offer health coverage to their workers. Nearly all large employers offered health coverage before the enactment of the Affordable Care Act (ACA). Over 99 percent of employers with 1,000 or more employees offered coverage in 2021.
- Coinciding with these nearly universal offer rates among employers with 1,000 or more employees, the share of private-sector employees working at firms with 1,000 or more employees that offer health insurance is over 99 percent.

Figure 1
Percentage of Private-Sector Establishments That Offer Health Insurance, by Firm Size, 2021



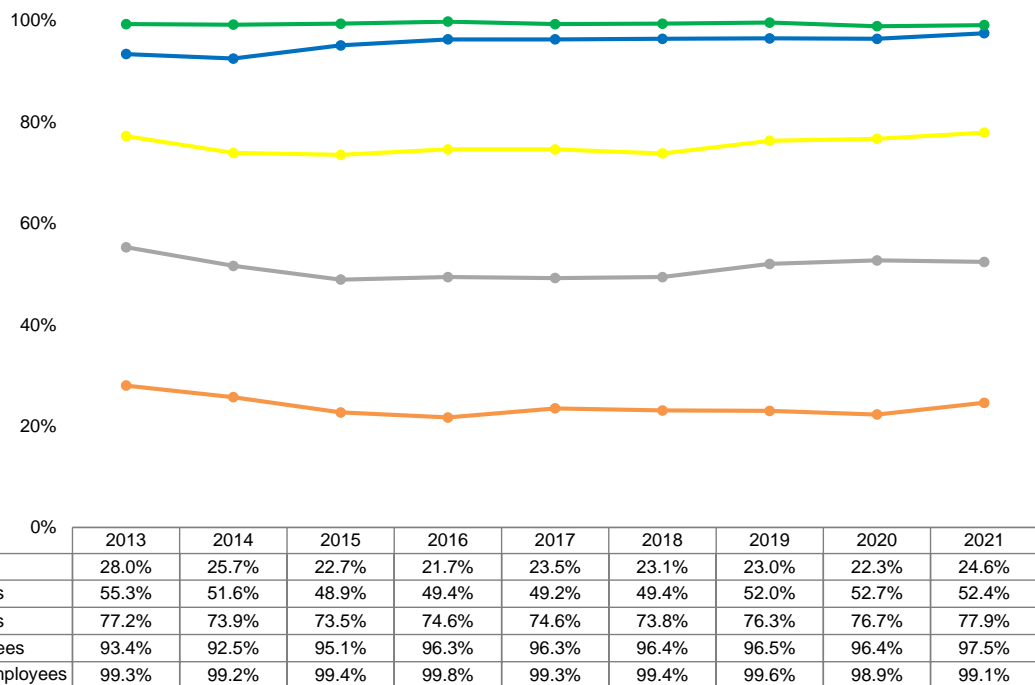
Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

Figure 2
Percentage of Private-Sector Employees in Establishments That Offer Health Insurance, by Firm Size, 2021



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

Figure 3
Percentage of Private-Sector Establishments That Offer Health Insurance, by Establishment Size, 2013-2021



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

- In contrast to large employers, companies with fewer than 25 employees did not stay the course. The percentage of small employers offering health benefits has been trending

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

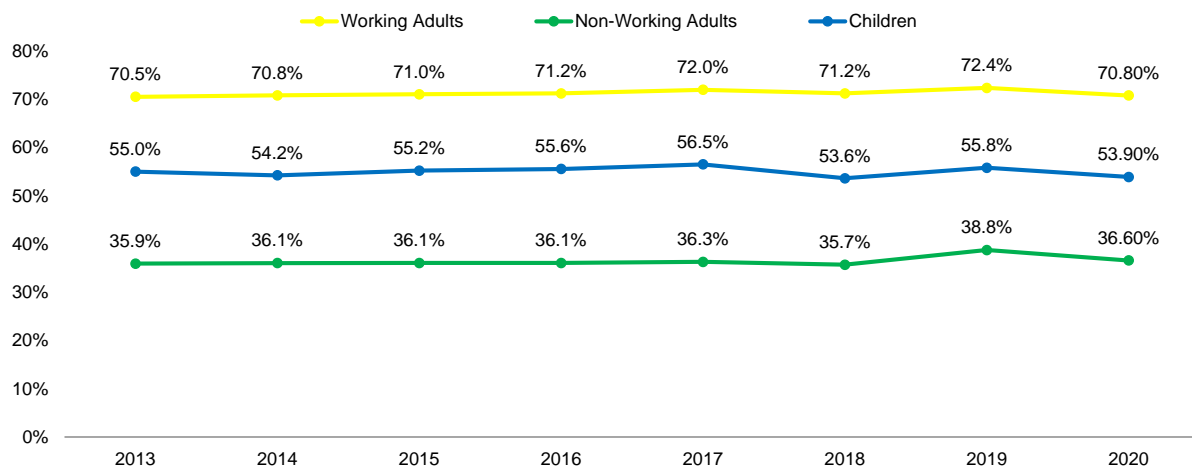
Number of Workers and Dependents With Employment-Based Health Insurance

- The share of adults and children with employment-sponsored health insurance fell since 2019. Overall, 70.8 percent of workers had employment-based health benefits in 2020 either through their own job or through a family member’s job. Only 36.6 percent of non-working adults had employment-based health benefits. Over one-half (53.9 percent) of children were covered by employment-based health benefits.

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

Figure 4
Percentage of Workers, Non-Workers, and Children With Employment-Based Health Coverage, 2013–2020



Source: Employee Benefit Research Institute estimates from the Current Population Survey, March 2014–2021 Supplements.

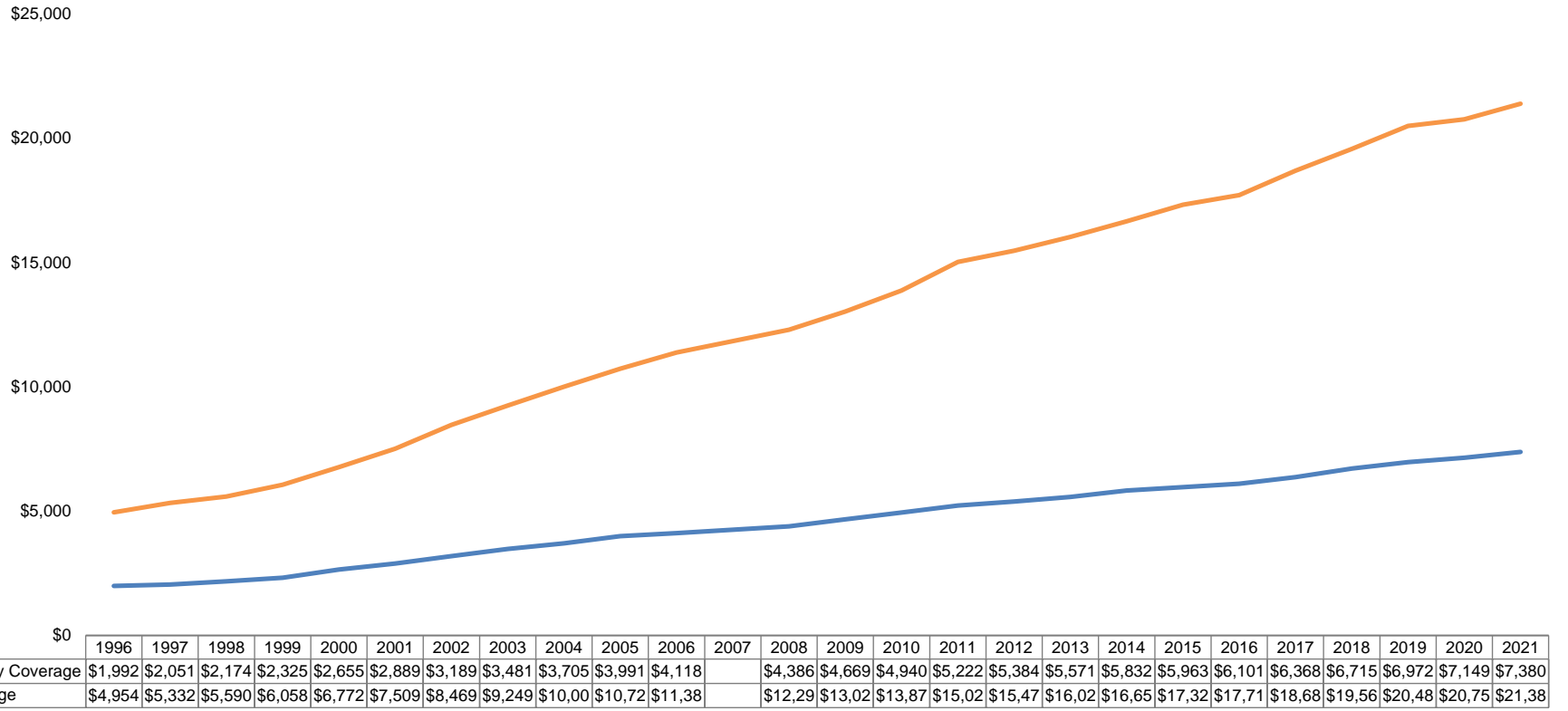
Premiums for Employment-Based Health Insurance

- In 2021, average annual premiums for employee-only coverage were \$7,380. They were \$21,381 for family coverage. Both have been trending upward since at least 1996.

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>.

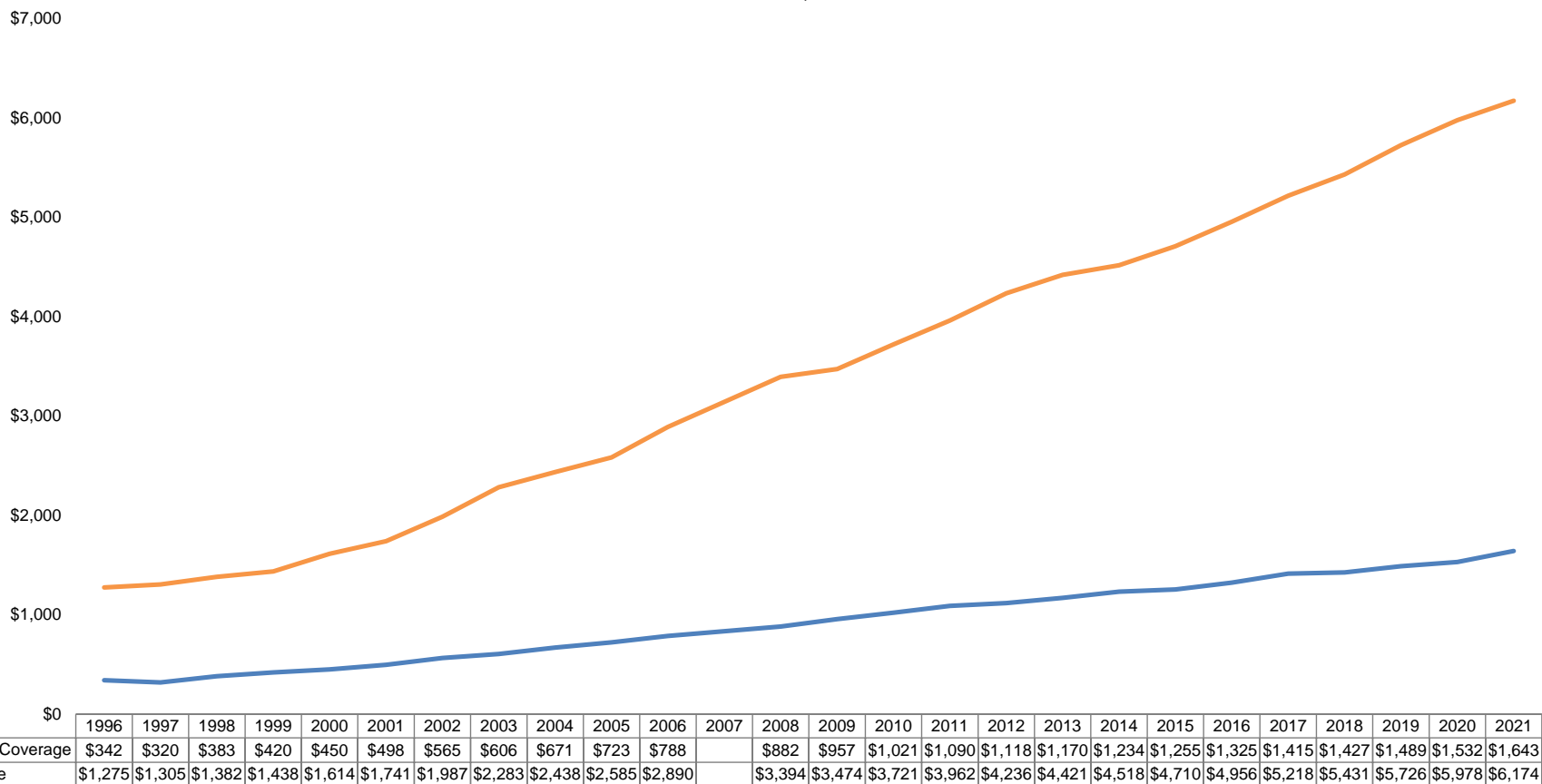
Figure 5
**Average Total Premium at Private-Sector Establishments
 That Offer Health Insurance, 1996–2021**



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

- Workers paid an average of \$1,643 for employee-only coverage and \$6,174 for family coverage in 2021.

Figure 6
**Average Total Employee Contribution for Coverage at
 Private-Sector Establishments, 1996–2021**



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

Figure 7
Percentage of Total Premiums Contributed by Employees at Private-Sector Establishments, 1996–2021

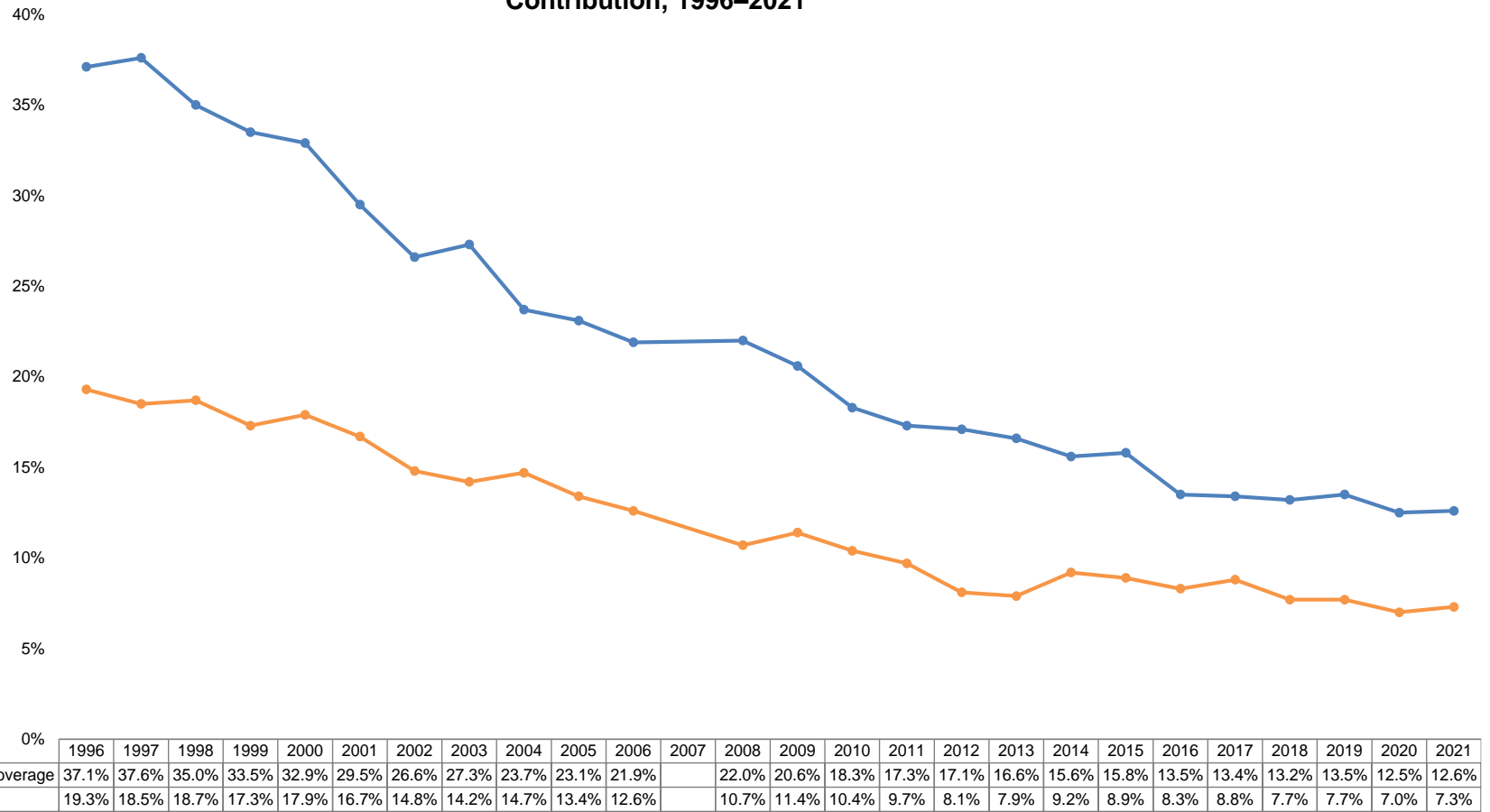
35%
 30%
 25%
 20%
 15%
 10%
 5%
 0%

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Employee-Only Coverage	17.2%	15.6%	17.6%	18.1%	16.9%	17.3%	17.7%	17.4%	18.1%	18.1%	19.1%		20.1%	20.5%	20.7%	20.9%	20.8%	21.0%	21.2%	21.1%	21.7%	22.2%	21.3%	21.4%	21.4%	22.3%
Family Coverage	25.7%	24.5%	24.7%	23.7%	23.8%	23.2%	23.5%	24.7%	24.4%	24.1%	25.4%		27.6%	26.7%	26.8%	26.4%	27.4%	27.6%	27.1%	27.2%	28.0%	27.9%	27.8%	28.0%	28.8%	28.9%

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

- Despite rising premiums, for the last decade, the percentage of total health insurance premiums paid by workers has been relatively flat. On average, workers paid 22.3 percent of the premium for employee-only coverage and 28.9 percent of the premium for family coverage in 2021.
- Very few workers pay nothing for health insurance coverage. In 2021, only 7.3 percent of workers were not required to contribute to employee-only coverage, and only 12.6 percent were not required to contribute to family coverage. In contrast, in 1996, 37.1 percent of workers were not required to contribute to employee-only coverage, and 19.3 percent were not required to contribute to family coverage.

Figure 8
Percentage of Private-Sector Employees Enrolled in a Health Insurance Plan That Required No Employee Contribution, 1996–2021



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

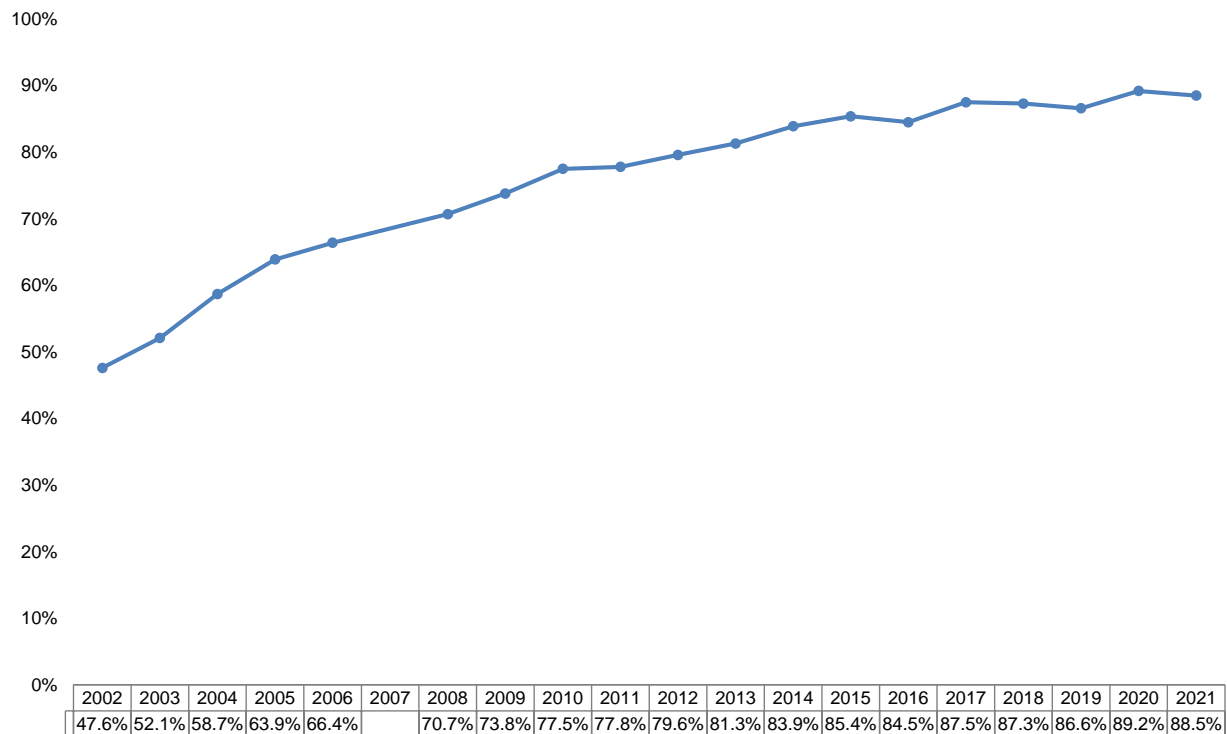
Enrollment by Type of Health Plan

- Preferred provider organizations (PPOs) are the most common type of health plan, covering 46 percent of workers in 2021. High-deductible health plans covered 28 percent of workers, health maintenance organizations (HMOs) covered 16 percent, and point-of-service plans covered 9 percent.⁷

Out-of-Pocket Spending for Health Care Services

- When workers and their families use health care services, their costs for those services are increasing because cost sharing, such as deductibles and copayments, is increasing.
- The percentage of private-sector employees enrolled in a health insurance plan with a deductible has been steadily rising over time. While only 47.6 percent of employees had a deductible in 2002, 88.5 percent did in 2021.
- Among individuals with a deductible, the average deductible increased from \$446 to \$2,004 from 2002 to 2021 among those with employee-only coverage. And it increased from \$958 to \$3,868 among those with family coverage.

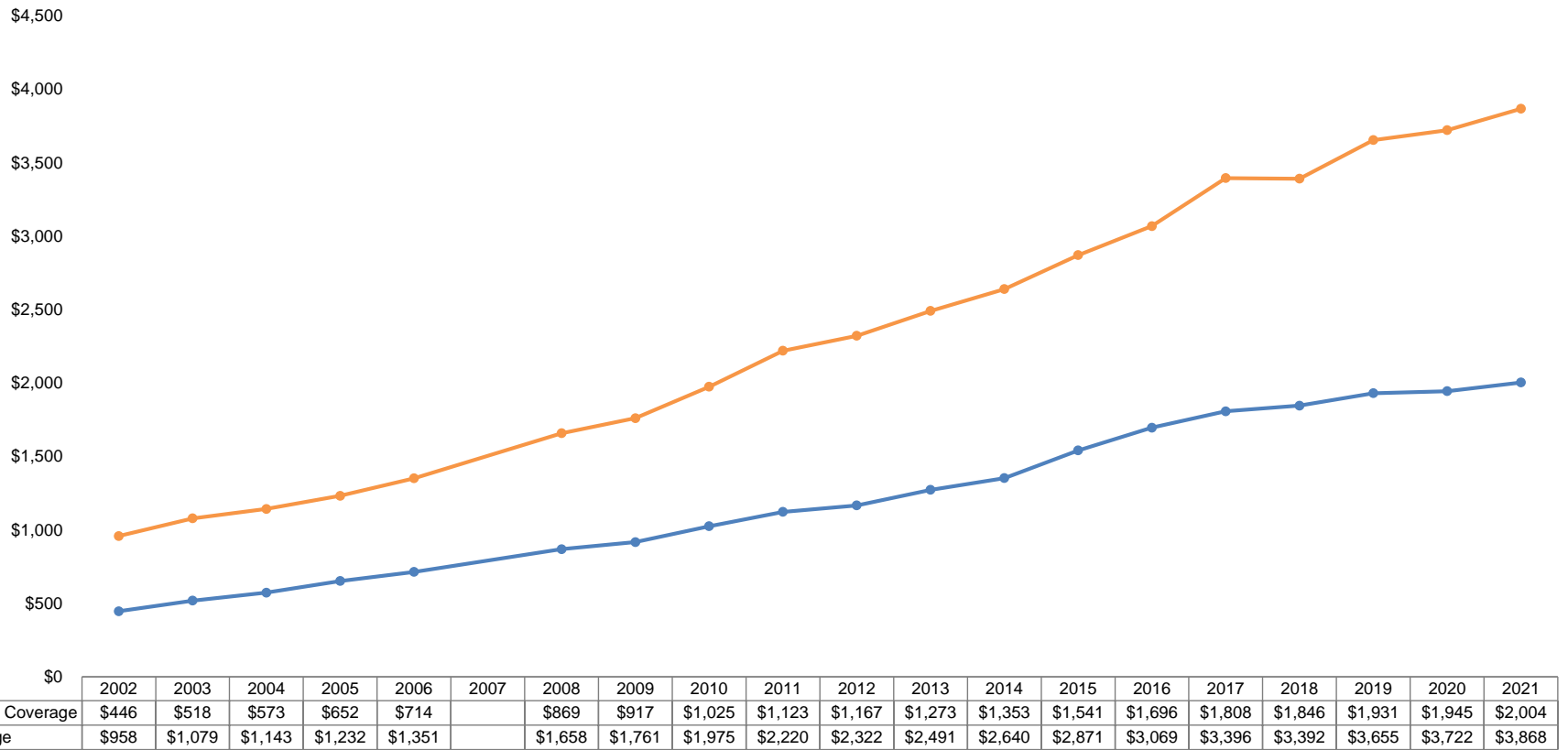
Figure 9
Percentage of Private-Sector Employees Enrolled in a Health Insurance Plan That Had a Deductible, 2002–2021



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

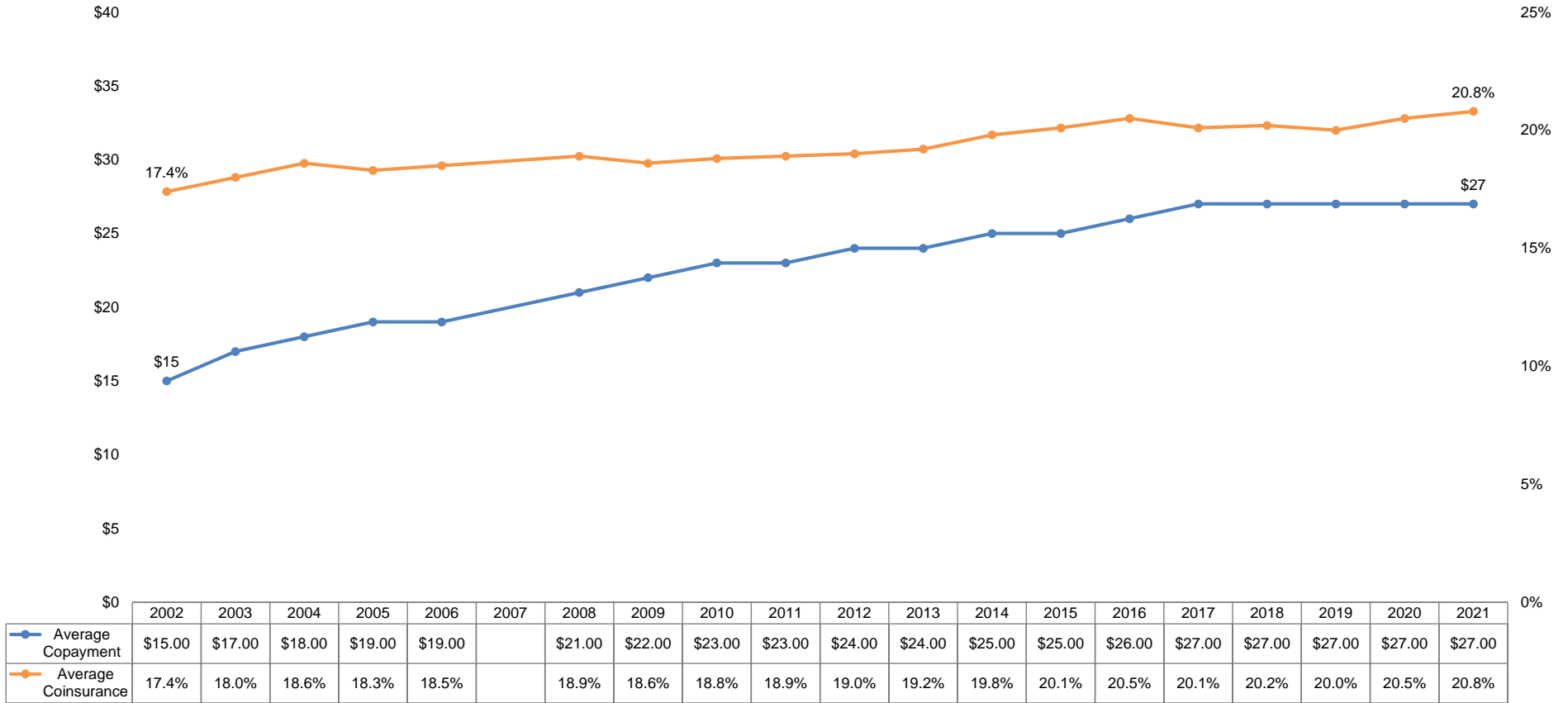
⁷ See Figure 5.1 in <https://www.kff.org/report-section/ehbs-2021-section-5-market-shares-of-health-plans/>.

Figure 10
**Average Annual Employee-Only and Family Deductible, Among Workers
 in Private-Sector Establishments With a Deductible, 2002–2021**



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

Figure 11
Average Copayment and Coinsurance for a Physician Office Visit Among Workers in Private-Sector Establishments With Copayments or Coinsurance, 2002–2021



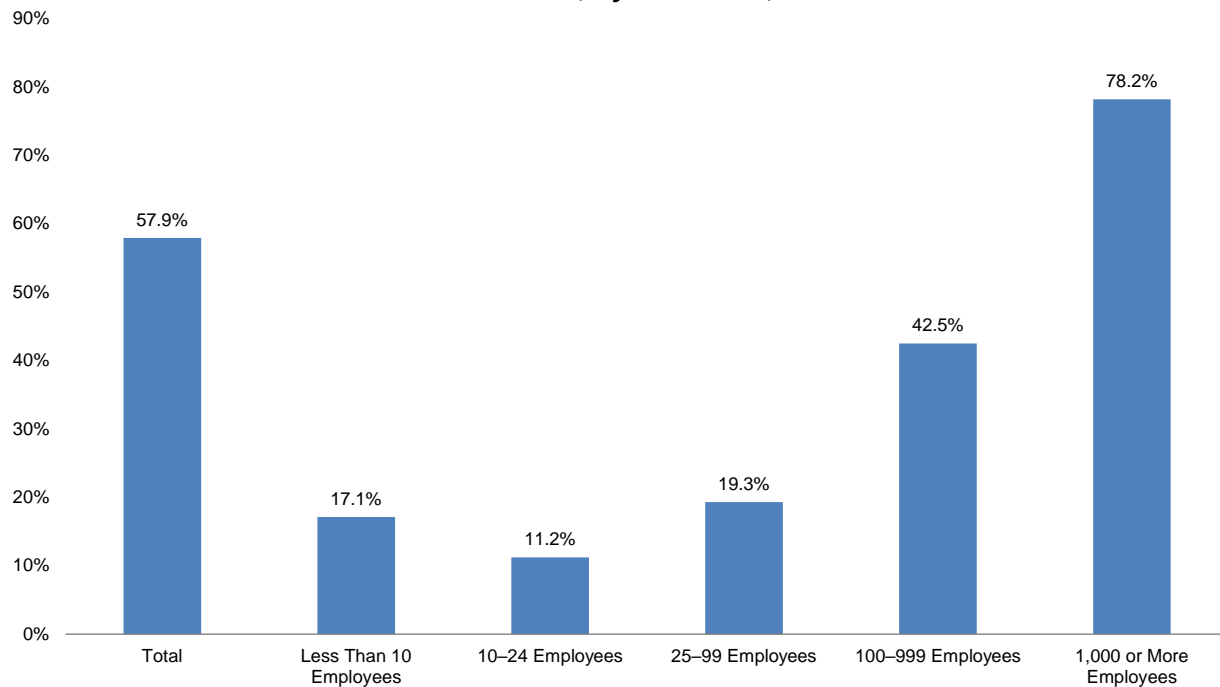
Source: Medical Expenditure Panel Survey - Insurance Component (MEPS-IC).

- The average copayment for an office visit has remained constant at \$27 from 2016–2021.
- Coinsurance rates for office visits increased modestly, from 20 percent in 2019 to 20.8 percent in 2021.

Enrollment in Self-Insured Plans

- Overall, 57.9 percent of workers in private-sector establishments were enrolled in a self-insured plan.
- Workers in large firms were much more likely than workers in small firms to be enrolled in a self-insured plan.
- From 2013–2021 the percentage of firms with fewer than 500 employees that offer a self-insured plan has risen, while the percentage of firms with 500 or more employees that offer a self-insured plan has fallen.

Figure 12
Percentage of Covered Private-Sector Workers Enrolled in Self-Insured Health Plans, by Firm Size, 2021



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

Figure 13
Percentage of Private-Sector Establishments Offering Health Plans
That Self-Insure at Least One Plan, by Firm Size, 2013–2021



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