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## **EBRI Research Finds Growth in Self-Insured Health Plans Among Smaller Employers; Stalling Among Larger Employers**

Research by the Employee Benefit Research Institute (EBRI) finds very different trends in coverage by self-insured health plans for small versus larger private-sector establishments: While the percentages of smaller establishments with at least one self-insured plan increased between 2015 and 2016, self-insurance in larger establishments declined over that same period of time.

“Since the passage of the Patient Protection and Affordable Care Act of 2010, there has been speculation that an increasing number of small and mid-sized employers would convert their health plans from fully insured to self-insured plans,” says Paul Fronstin, director of the Health Education and Research Program at EBRI. “The rationale has been that several of the key ACA components—creditable coverage, affordability, essential benefits, and various taxes and fees—would drive up the cost of health coverage, making self-insurance a more attractive alternative for many cost-conscious employers.” Yet, EBRI’s research finds, overall enrollment in self-insured plans fell from 60 percent to 57.8 percent between 2015 and 2016.

EBRI’s *Issue Brief*, “Self-Insured Health Plans: Recent Trends by Firm Size, 1996–2016,” explains why. Using findings from the Medical Expenditure Panel Survey-Insurance Component, the *Issue Brief* notes that the percentage of small establishments (less than 100 employees) that report offering self-insured plans actually did rise materially from 14.2 percent in 2015 to 17.4 percent in 2016. However, in 2016, the percentage of mid-sized establishments offering a self-insured plan fell from 30.1 percent to 29.2 percent. And, for large establishments (500 or more employees), the percentage offering self-insured options declined from 80.4 percent to 78.5 percent over that same time period.

Because large establishments employ so many more workers, the increase in self-insurance among small establishments was not large enough to offset the decline among large establishments, resulting in a decrease in the percentage of covered workers enrolled in self-insured plans.

The research confirms that more small employers adopted self-insured plans; however, it raises questions about why the recent movement to self-insured plans in the mid-sized market may be reversing itself.

The full report is published in the Feb. 27 *Issue Brief*, and is available online [here](#).

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