

The Costs of Spousal Health Coverage

Employers looking for ways to cut or control health care costs may find the costs of spousal coverage a tempting target, according to a new analysis by the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI analysis notes that in 2011, policyholders used an average of \$5,430 worth of health care services, compared with \$6,609 for spouses.

The federal Patient Protection and Affordable Care Act (PPACA) requires that employers with 50 or more workers provide health coverage to workers and dependent children until they reach age 26. However, it does not require employers to provide health coverage to spouses.

The EBRI report explains that because spouses in an employment-based health plan are more likely to be female than male (twice as likely in this study), a key question is how much of the \$1,179 difference is due to gender. This analysis estimates that the marginal effect of being a spouse on annual total healthcare costs declines by \$268, which means gender explains about 23 percent of the difference. Taking into account age and overall health status in the model, the analysis also finds the spouse effect on total healthcare costs further declines to \$392, while controlling for region and plan type slightly increases the estimate, to \$404.

The analysis also explains that working and non-working spouses are likely quite different in their use of health services, and that a strategy of not covering spouses who are employed may have unintended consequences for employers.

“The Cost of Spousal Health Coverage” can be found in the January 2014 EBRI Notes, [online here](#).

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