

## What is Behind the Decline in Private-Sector Self-Insured Health Plan Enrollment?

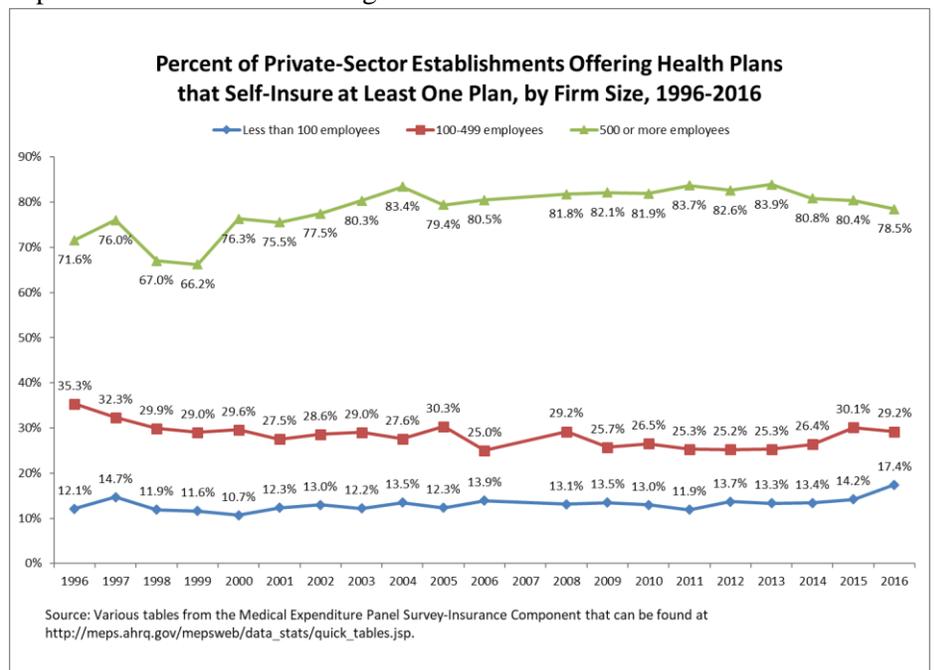
The percentage of covered workers enrolled in self-insured plans decreased between 2015 and 2016. Recent research on trends in self-insured health plans among private-sector establishments and workers reveals that this overall trend masks growth in self-insured options and enrollment among smaller establishments.<sup>1</sup>

Since the passage of the Patient Protection and Affordable Care Act of 2010 (ACA), 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. 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, thus possibly making self-insurance (which is viewed by many as generally less expensive than fully-insured alternatives) a more attractive alternative for many employers.

While the percentages of smaller establishments with at least one self-insured plan did indeed increase between 2015 and 2016, self-insurance in large establishments declined.

The percentage of small establishments (less than 100 employees) offering self-insured plans rose materially from 14.2 percent in 2015 to 17.4 percent in 2016. However, 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.<sup>2</sup>

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



<sup>1</sup> Based on data from the Medical Expenditures Panel Survey Insurance Component

<sup>2</sup> For mid-sized (100 to 499 employees) establishments, the percentage was relatively flat: 30.1 in 2015 versus 29.2 in 2016. Mid-sized self-insurance enrollment is up from 25.3 percent in 2013.

the percentage of covered workers enrolled in self-insured plans. As such, overall, enrollment fell from 60 percent to 57.8 percent between 2015 and 2016.

The Employee Benefit Research Institute report, “Self-Insured Health Plans: Recent Trends by Firm Size, 1996–2016” is published in the February 27, 2018, *EBRI Issue Brief*, and is available online [here](#).

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