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New Research from EBRI:

**After Years of Erosion, Mid-size and Some
Small Employers Added Health Coverage in 2016**

WASHINGTON—Despite predictions the Affordable Health Care Act (ACA) would cause private-sector employers to stop offering health coverage to their workers, the national “offer rate” is ticking up—possibly because of a healthy economy and low unemployment rates, according to new research by the nonprofit Employee Benefit Research Institute (EBRI).

The exception is small employers, where the offer rate has gone down slightly.

The EBRI analysis examines the percentage of employers offering health insurance from 2008–2016 to better understand how health insurance offer rates may have been affected by the ACA, the Great Recession of 2007–2009, and the subsequent economic recovery. The data come from the Medical Expenditure Panel Survey–Insurance Component (MEPS-IC).

“Many employers were expected to drop workplace health insurance with the introduction of the ACA. But since 2008, the percentage of coverage-offering employers with 1,000 or more employees has been consistently near or above 99 percent,” said Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report.

He added: “Smaller firms have shown a steady, though not precipitous, decline in offer rates.” For the smallest employers studied (those with fewer than 10 employees), the offer rate declined from 22.7 percent in 2015 to 21.7 percent in 2016.

The EBRI analysis finds that over the last year, perhaps with the strengthening economy and lower unemployment rates, there is evidence of what may be a rebound in employment-based coverage offer rates among firms with 10–999 employees. More specifically, from 2015–2016:

- For employers with 10–24 employees, those offering health benefits increased from 48.9 percent to 49.4 percent.
- For employers with 25–99 employees, those offering health benefits increased from 73.5 percent to 74.6 percent.

- For employers with 100–999 employees, those offering health benefits increased from 95.1 percent to 96.3 percent. For these employers, this trend actually began a year earlier, when the offer rate increased from 92.5 percent in 2014 to 95.1 percent in 2015.

Full results of the report are published in the Aug. 30 *EBRI Notes*, “After Years of Erosion, Mid-size and Some Small Employers Added Health Coverage in 2016,” online at www.ebri.org

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