

EBRI Databook on Employee Benefits

Chapter 31: Covered Medical Service

Data on covered medical services are available in the Kaiser Family Foundation/ Health Research and Education Trust's survey of employer-sponsored health benefits, [survey](#).

Another data-set with data on covered medical services is the National Compensation Survey. The data in this survey are presented as a percentage of full-time employees participating in a health plan with the particular cost-management strategy. This data-set is maintained by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). The data are available on the BLS Web page at <http://www.bls.gov/ncs/ebs/>. Preliminary data are released in a news release format. The most recent news releases are in the section titled "ECONOMIC NEWS RELEASES." More detailed tabulations are available at the above Web page under the section titled "PUBLICATIONS AND OTHER DOCUMENTATION."

Before 1999, data from the Employee Benefit Survey were released in three separate publications covering medium and large private establishments (establishments with 100 or more employees), small private establishments (establishments with 99 or fewer employees), and state and local governments. Starting with the 1999 data, BLS began publishing data for all private industry. The section titled "PUBLICATIONS AND OTHER DOCUMENTATION" provides supplementary data for years 1999 and 2000 under the old format of medium and large private establishments and small private establishments.

Other EBRI Research on Covered Medical Services -- Updated FEBRUARY 2007

► Summary Plan Documents

October 2006 Notes, "How Readable Are Summary Plan Descriptions for Health Care Plans?"

The summary plan description (SPD) is the primary source of information for workers who participate in an employment-based health care plan. This study investigates whether private-sector employers' SPDs are written so that an average plan participant can identify and read important information contained in the document, as required by federal law. The study collected and tested SPDs for 40 health care plans from a diverse national sample and subjected them to content and readability analyses.

- ***Important information contained in many SPDs is written at a reading level that may be too high for the average plan participant:*** The study found that the average readability level for important information concerning eligibility, benefits, and participant rights and responsibilities in summary plan descriptions is written at a first year college reading level. The average level of readability for SPDs is higher than the recommended reading level for technical material. Some of the SPDs in the study sample use language written at a 9th grade reading level. Other SPDs use language written at nearly a college graduate (16th grade) reading level.
- ***Readability levels do not differ between single-employer health care plans and multi-employer health care plans:*** The study found no statistically significant differences in readability levels between SPDs for health care plans sponsored by single- and multi-employer health care plans for union workers. The language used for both types of plans tested out at a college reading level.
- ***Fundamental literacy a barrier to health care literacy:*** According to the U.S. Department of Education, about 43 percent of American adults scored at below basic or basic levels of prose

literacy (able to read and understand sentences and paragraphs), and 34 percent scored at below basic or basic levels of document literacy (able to read sentence fragments, such as a medical prescription). Given the rapidly rising share of the immigrant, non-English-speaking U.S. population, a major barrier to health care literacy is the underlying issue of fundamental literacy.

- **Implications:** Findings from this study suggest that fundamental improvements are needed in the readability of written SPDs, and that employers and plan administrators should explore the use of alternative methods of communication to plan participants beyond the written SPD. Also, the trend toward consumer-driven health care plans may make the challenge of communicating information to participants through written SPDs even more difficult, since these plans shift significant responsibility to the participants in the plan for decisions concerning the utilization of health care services. This shift in decision-making responsibility to participants makes it more important than ever that participants understand how their health plan works.