STATE-LEVEL TRENDS IN EMPLOYER-SPONSORED HEALTH INSURANCE, 2011-2015

February 2017
• With the recent focus on health insurance coverage purchased through Affordable Care Act marketplaces, it is easy to forget that the majority of individuals are enrolled in health insurance through their employer.

• This chartbook summarizes the following analyses\(^1\) that highlight the experiences of private-sector workers with Employer-Sponsored Insurance (ESI).

• This chartbook has companion documents that include:
  • A blog on enrollment increases in High-Deductible Health Plans
  • A blog on the continued rise of ESI premiums
  • 50-state profiles, highlighting ESI trends, 2011 - 2015
  • A 50-state interactive map showing worker enrollment in ESI in 2015 and individual state ESI markets
  • 50-state data tables highlighting ESI trends, 2014 - 2015

These companion documents are available at: [www.shadac.org/MEPSESIRreport2016](http://www.shadac.org/MEPSESIRreport2016)

\(^1\)These analyses used estimates from the Medical Expenditure Panel Survey-Insurance Component (MEPS-IC) recently produced by the Agency for Healthcare Research and Quality (AHRQ).
Nationally, employer offer rates declined from 2014 to 2015, as did the percent of workers enrolled in ESI (i.e., “take-up”).

Changes in offer rates varied by firm size: Offer rates decreased among small firms but increased among large firms.

Nationally, 75.0% of eligible workers were enrolled in ESI in 2015, decreasing 1.7 percentage points (pp) from 2014.

The proportion of workers enrolled in a high-deductible health plan* increased significantly from 2014 to 2015 at the national level (4.2pp).

Premium increases have continued, but the growth rate of premiums remained stable from 2014 to 2015.^

State variation in access to and enrollment in ESI plans continued.

Among the states, Hawaii continued to have the highest percentage of eligible workers enrolled in ESI (81.5%), while Colorado had the lowest rate (67.9%).

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*The MEPS/IC has no data on the number of dependents covered and therefore cannot estimate total covered persons; it can only estimate worker enrollment.

*For the purposes of this analysis, high-deductible plans are defined as plans that meet the minimum deductible amount required for Health Savings Account (HSA) eligibility — $1,300 for an individual and $2,600 for a family in 2015).

^Average premium prices are not adjusted to account for variation in actuarial value.
• The majority of non-elderly Americans get their health insurance coverage from an employer, either their own employer or the employer of a family member (e.g., a spouse or parent).

• Worker access to ESI has three components:

  1. **Worker Offer**: A worker must be employed in an establishment that offers coverage.

  2. **Worker Eligibility**: A worker must meet the criteria established by the employer to be eligible for coverage that is offered. (For example, he/she might have to work a minimum number of hours per pay period or complete a minimum length of service with the employer in order to be eligible).

  3. **Worker Take-Up**: The worker must decide to enroll or “take up” the offer of ESI coverage.

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
In 2015, there were 120 million private sector workers in the U.S. and 7.2 million establishments.

Worker access to ESI:

1. **Worker Offer:** 101 million workers (83.8%) were employed in establishments that offered ESI.

2. **Worker Eligibility:** 76 million (76.0%) of workers with an offer were eligible to enroll in coverage.

3. **Worker Take-up:** 57 million (75.0%) of eligible workers enrolled in coverage.

**2015 Employer-Sponsored Insurance**

- **ALL:** 100%
- **OFFER:** 83.8%
- **ELIGIBILITY:** 76%
- **TAKE-UP:** 75%

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
• There was a 1.8 pp decline in the ESI offer rate among all firms from 2014 to 2015.
  • The decline was driven by small firms, which saw a decline of 2.8 pp from 2014 to 2015.
  • Among large firms, the offer rate increased by 1.2 pp.

• Only four states saw significant changes to employer offer rates (among firms of all sizes) from 2014 to 2015:
  • Arkansas (↑ 9.9 pp)
  • Indiana (↓ 6.2 pp)
  • Massachusetts (↓ 6.6 pp)
  • Virginia (↓ 6.2 pp)
WORKERS’ ACCESS TO ESI COVERAGE, 2015

- Nationwide, 83.8% of workers were employed by establishments offering health insurance in 2015.

- The percent of workers in establishments that offered ESI varied significantly among states in 2015.

- In 2015, **Hawaii** had the **highest** proportion of workers in establishments offering insurance (97.7%), and **Montana** had the **lowest** proportion (66.6%).

### WORKERS’ ACCESS TO ESI COVERAGE, ALL FIRM SIZES

<table>
<thead>
<tr>
<th>Top Five States</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>1. Hawaii</td>
<td>97.7%</td>
</tr>
<tr>
<td>2. District of Columbia</td>
<td>92.6%</td>
</tr>
<tr>
<td>3. Massachusetts</td>
<td>89.3%</td>
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<tr>
<td>4. Nevada</td>
<td>89.1%</td>
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<tr>
<td>5. New Jersey</td>
<td>87.3%</td>
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</table>

<table>
<thead>
<tr>
<th>Bottom Five States</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>1. Montana</td>
<td>66.6%</td>
</tr>
<tr>
<td>2. Idaho</td>
<td>71.8%</td>
</tr>
<tr>
<td>3. Wyoming</td>
<td>72.6%</td>
</tr>
<tr>
<td>4. Alaska</td>
<td>76.0%</td>
</tr>
<tr>
<td>5. New Mexico</td>
<td>76.4%</td>
</tr>
</tbody>
</table>

**United States** 83.8%

**Source:** Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC

**Note:** Hawaii has a broad employer mandate that preceded the ACA. The Hawaii Prepaid Health Care Act, enacted in 1974, requires private employers to provide health insurance for workers who work at least 20 hours (some exceptions apply).
• Nationwide, there was no significant change in the percent of workers in establishments (all sizes) offering ESI from 2014 to 2015.
  
  • Among small firms, the percent of workers in establishments offering coverage declined by 2.2 pp.
  
  • Among large firms, the percent of workers in establishments offering coverage increased by 1.6 pp.
  
• Only two states saw a significant change in the percent of workers who were offered coverage from 2014 to 2015:
  
  • Kansas (↑ 6.1 pp)
  
  • West Virginia (↑ 5.1 pp)

• Nationwide, among firms of all sizes, the percent of workers who were eligible for an offer remained stable from 2014 to 2015 (Florida, Idaho and Nevada had increases).
Nationally, 75% of workers eligible for insurance through their employer were enrolled in 2015.

Among the states, Hawaii had the highest rate of take-up in 2015 (81.5%), while Colorado had the lowest rate (67.9%).

**TOP FIVE STATES**

1. Hawaii 81.5%
2. Washington 80.5%
3. Idaho 79.8%
4. Pennsylvania 79.2%
5. Oregon 78.6%

**United States** 75.0%

**BOTTOM FIVE STATES**

1. Colorado 67.9%
2. New Mexico 69.1%
3. Wisconsin 69.4%
4. Rhode Island 70.4%
5. Alabama 70.6%

*The MEPS/IC has no data on the number of dependents covered and therefore cannot estimate total covered persons; it can only estimate worker enrollment.*
Nationally, the percent of eligible workers enrolled in ESI coverage at all firms declined 1.7 pp from 2014-2015.

- The decline was driven by large firms, which saw a decline of 1.8 pp.
- Among small firms, there was no change in the percent of eligible employees enrolled in insurance.

Seven states saw a decline in the percent of eligible employees enrolled in ESI at all firms from 2014 to 2015:

- Arizona (↓ 6.3 pp)
- Colorado (↓ 7.7 pp)
- Connecticut (↓ 5.7 pp)
- Illinois (↓ 4.3 pp)
- Nevada (↓ 4.5 pp)
- New York (↓ 4.4 pp)
- North Carolina (↓ 5.7 pp)

Only South Dakota saw an increase in the percent of eligible employees enrolled in ESI (↑ 6.2 pp).

Note: Of employees eligible for coverage offer, all firms.

*The MEPS/IC has no data on the number of dependents covered and therefore cannot estimate total covered persons; it can only estimate worker enrollment.
HDHP ENROLLMENT AND PREMIUMS
Nationally, 39.4% of enrolled employees at all firms were in high-deductible health plans* in 2015.

There was wide variation among states on this measure.

Among states, New Hampshire had the highest rate of enrolled employees who were in high-deductible plans (61.9%) in 2015, and Hawaii had the lowest rate (12.9%).

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<table>
<thead>
<tr>
<th>TOP FIVE STATES</th>
<th>PERCENT OF ENROLLED WORKERS (ENROLLED) IN HIGH-DEDUCTIBLE HEALTH PLANS, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Hampshire</td>
<td>61.9%</td>
</tr>
<tr>
<td>2. Utah</td>
<td>58.5%</td>
</tr>
<tr>
<td>3. Maine</td>
<td>55.4%</td>
</tr>
<tr>
<td>4. Florida</td>
<td>53.0%</td>
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<tr>
<td>5. Indiana</td>
<td>52.1%</td>
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</table>

United States 75.0%

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<th>BOTTOM FIVE STATES</th>
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<tr>
<td>1. Hawaii</td>
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<td>4. Pennsylvania</td>
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<td>5. Nevada</td>
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*For the purposes of this analysis, high-deductible plans are defined as plans that meet the minimum deductible amount required for Health Savings Account (HSA) eligibility — $1,300 for an individual and $2,600 for a family in 2015.

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
NATIONAL CHANGES IN HIGH-DEDUCTIBLE HEALTH PLAN ENROLLMENT

Percent of Enrolled Employees in High-Deductible Health Plans*, 2011-2015

*For the purposes of this analysis, high-deductible plans are defined as plans that meet the minimum deductible amount required for Health Savings Account (HSA) eligibility — $1,300 for an individual and $2,600 for a family in 2015.)
- From 2014 to 2015, the percent of workers enrolled in high-deductible plans (HDHPs)* increased in the large majority of states.
- **Nine states** had statistically significantly increases in high-deductible plan enrollment from 2014 to 2015.
- **Virginia** was the only state with a significant decrease (↓ 10.8 pp) during this period.

*For the purposes of this analysis, high-deductible plans are defined as plans that meet the minimum deductible amount required for Health Savings Account (HSA) eligibility — $1,300 for an individual and $2,600 for a family in 2015).*

**States with Significant Changes in HDHP Enrollment, Percentage Point Change, 2014-2015**

- Utah: 21.3
- Indiana: 16.1
- Georgia: 12.8
- Montana: 12.8
- Nebraska: 12.2
- Washington: 12.0
- Maryland: 10.1
- Hawaii: 9.8
- Florida: 8.7
- United States: 4.2
- Virginia: -10.8

*Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC*
• Nationally, the average premium for single coverage among all firms was $5,963 in 2015.

• There was wide and significant variation among states in average annual single coverage premiums in 2015.

• Among states, Alaska had the highest average premium in 2015 at $7,807, while Arkansas had the lowest average premium at $5,119—a difference of $2,688.

<table>
<thead>
<tr>
<th>AVERAGE ANNUAL SINGLE COVERAGE PREMIUM*, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP FIVE STATES</td>
</tr>
<tr>
<td>1. Alaska                                  $7,807</td>
</tr>
<tr>
<td>2. New York                                $6,801</td>
</tr>
<tr>
<td>3. New Hampshire                           $6,573</td>
</tr>
<tr>
<td>4. Massachusetts                           $6,519</td>
</tr>
<tr>
<td>5. Rhode Island                            $6,509</td>
</tr>
<tr>
<td>United States                              $5,963</td>
</tr>
<tr>
<td>BOTTOM FIVE STATES</td>
</tr>
<tr>
<td>1. Arkansas                                $5,119</td>
</tr>
<tr>
<td>2. Tennessee                               $5,329</td>
</tr>
<tr>
<td>3. Mississippi                             $5,420</td>
</tr>
<tr>
<td>4. Hawaii                                  $5,522</td>
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<tr>
<td>5. Kansas                                  $5,558</td>
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</table>

*Average premium prices are not adjusted to account for variation in actuarial value.
AVERAGE ESI PREMIUMS FOR SINGLE COVERAGE, 2015

*Average premium prices are not adjusted to account for variation in actuarial value.

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
PREMIUMS INCREASED NATIONALLY, BUT GROWTH RATES REMAINED STABLE

*Average premium prices are not adjusted to account for variation in actuarial value.

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
THE AVERAGE EMPLOYEE SHARE OF PREMIUMS REMAINED RELATIVELY STABLE NATIONALLY

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
• The employee contribution for single coverage premiums ranged from a low of 9.9% in Hawaii to a high of 25.5% in Connecticut in 2015.

• The employee contribution for family coverage premiums ranged from a low of 20.9% in Alaska to a high of 35.4% in Maryland in 2015.

• Seven states saw statistically significant declines in the percent of employee contribution to either single or family premiums between 2014 and 2015 (none by more than 6 percentage points).

• Eight states saw statistically significant increases in the percent of employee contribution to either single or family premiums between 2014 and 2015 (none by more than 8 percentage points).

### Employee Contribution for Single Coverage Premiums, 2015

<table>
<thead>
<tr>
<th>Lowest Contribution</th>
<th>Highest Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Hawaii</td>
<td>25.5%</td>
</tr>
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<td>3. Montana</td>
<td>24.4%</td>
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<td>5. District of Columbia</td>
<td>24.3%</td>
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</table>
• Nationally, annual single coverage premiums increased by $131 (2.2 percent).

• Eleven states had a decline in single coverage premiums, but these declines were not statistically significant.

• Six states had statistically significant increases in single coverage premiums and all were greater than 5%.

• Idaho had the largest absolute ($842) and relative (14.5 percent) increase in average annual single-coverage premiums from 2014 to 2015.

• Since 2010, premiums in Idaho, North Dakota, and Virginia have been below the national average; premiums in Alaska, New York, and Pennsylvania have been at or above the national average during this time period.

*Average premium prices are not adjusted to account for variation in actuarial value.

Source: Medical Expenditure Panel Survey / Insurance Component as analyzed by SHADAC
• This report includes estimates for private sector employers and employees only.
  • Small firms are defined as fewer than 50 employees.
  • Large firms are defined as 50 or more employees.

• For calculations based on all workers/all firms, we use the final weighted estimates from the MEPS/IC, which rakes to firm sizes from the Census Bureau’s Business Register as part of its weighting process. For more information on the MEPS/IC weighting methodology, see MEPS Methodology Report #28 at https://meps.ahrq.gov/data_files/publications/mr28/mr28.shtml

• The MEPS-IC defines “firm” as a business entity consisting of one or more “establishments” (i.e., locations) under common ownership or control. A firm represents the entire organization and may consist of a single-location establishment or multiple establishments (https://healthmeasures.aspe.hhs.gov/measure/247). The MEPS-IC calculates the following estimates using “establishments” as the employer/business unit: employees at businesses offering ESI, employees eligible for ESI at offering employers, and employee take-up of coverage offers for which they are eligible. The MEPS-IC uses “firm” as the employer/business unit when establishing employer/business size as defined by the number of workers. Throughout this report and the accompanying tables, we use the term “firm” to refer to employers and businesses broadly.
Suggested Citation

Other Contributors
Brett Fried and Joanna Turner contributed to the data analysis for this report. Carrie Au-Yeung provided substantial review and editing and Lindsey Lanigan provided the design and layout.