

STATISTICAL BRIEF #132

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Employer-Sponsored Health Insurance for Large Employers in the Private Sector, by Industry Classification, 2004

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Introduction

Employer-sponsored health insurance for current workers is one of the primary sources of health insurance coverage in the United States. According to data from the Insurance Component of the 2004 Medical Expenditure Panel Survey Insurance Component (MEPS-IC), approximately 97.2 million of the 112.1 million employees from the private sector worked in firms where the employer offered health insurance. Of those who worked where health insurance was offered, approximately 61.6 million were enrolled.

This Statistical Brief presents estimates, by industry classification, on the percentage of employees who worked for large private sector employers (firms with 50 or more employees) who offered health insurance and of employees working in such firms who enrolled in offered health insurance plans. The brief also provides estimates on the average employee contributions toward premiums for single coverage and for family coverage. Only those estimates that had a statistically significant difference from the national average at the 0.05 percent significance level are noted in the text.

Among the large private sector employers, 97.2 percent of all employees worked where health insurance was offered. The offer rate did not exhibit significant variation across the different industry classifications. Alternatively, the enrollment rates and the employee costs for employer-sponsored health insurance varied significantly by industry classification across these large private sector employers.

Findings

Among the 79.4 million employees who worked for large private sector employers in 2004, 97.2 percent worked where the employer offered health insurance. Among the employees of large employers where health insurance was offered, 62.8 percent enrolled (figure 1). The enrollment rates among large employers ranged from 41.2 percent for employees in the Other Services industry to 78.6 percent in the Mining and Manufacturing industry. Both these industries differed significantly from the national average. Among the other industries, Financial Services and Real Estate, Wholesale Trade, Utilities and Transportation, and Professional Services had higher than average enrollment rates for large employers, at

Highlights

- In 2004, 62.8 percent of private sector employees enrolled in health insurance plans that were offered by their large employers. There was substantial variation in the enrollment rates by industry classification for workers at large employers.
- In 2004, 45.0 percent of private sector employees enrolled in single coverage health insurance plans that were offered by their large employers. There was substantial variation among large employers in the single coverage enrollment rates by industry classification.
- The average employee premium contribution per enrolled employee for single coverage across large private employers was \$711.
- The average employee premium contribution per enrolled employee for family coverage (family of four) across large private sector employers was \$2,434.

77.8 percent, 75.9 percent, 75.4 percent, and 66.2 percent, respectively. Retail Trade had a lower than average enrollment rate of 46.0 percent among its large employers.

Among the employees in large private sector firms that offered health insurance, 45.0 percent (figure 2) selected single coverage. These enrollment rates for large employers ranged from 38.0 percent for employees in Mining and Manufacturing to 53.1 percent for the employees in Other Services and 53.4 percent for employees in Retail Trade. These single coverage enrollment rates differed significantly from the national average for large employers.

Average employee contributions toward premiums for large private sector employers in 2004 were \$711 (figure 3) for single coverage and \$2,434 (figure 4) for a family of four. Furthermore, there was significant variation in the average employee premium contributions by industry classification among large employers. Employees working for large employers in the Mining and Manufacturing sector required lower than average single and family premium contributions, at \$617 for single coverage (figure 3) and \$1,919 for family of four coverage (figure 4). Average premium contributions for employees in large firms in the Retail Trade sector required the highest contribution toward single and family premiums, \$907 for single coverage (figure 3) and \$3,024 for family coverage (figure 4). Average contributions toward family coverage of \$2,705 for employees enrolled in the Professional Services industry were also higher than the national average.

Data Source

This Statistical Brief summarizes data from the 2004 MEPS-IC. The data are available on the MEPS Web site (www.meps.ahrq.gov) or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

In this brief, an employer is defined as a private sector firm. A firm is defined as a business entity which controls one or more business establishments or locations. Consequently, an employer can have multiple work locations. Only large employers with 50 or more employees across all their locations were included in this analysis.

The classification by industry is based upon the North American Industrial Classification System.

About MEPS-IC

MEPS-IC is a survey of business establishments and governments that collects information on employer-sponsored health insurance, such as whether insurance is offered, enrollments, types of plans, and premiums. The survey is conducted annually by the U.S. Census Bureau under the sponsorship of the Agency for Healthcare Research and Quality. The yearly response rate has averaged 78 percent for in-scope sample units. Approximately 4 percent of the original sample has been out-of-scope in a typical year. A total sample of 42,000 private sector establishments was selected for the 2004 survey, prior to accounting for losses due to nonresponse and out-of-scope cases.

For more information on this survey, see MEPS Methodology Reports 6, 8, and 10 and the MEPS-IC Technical Appendix, which are available on the MEPS Web site (www.meps.ahrq.gov).

Suggested Citation

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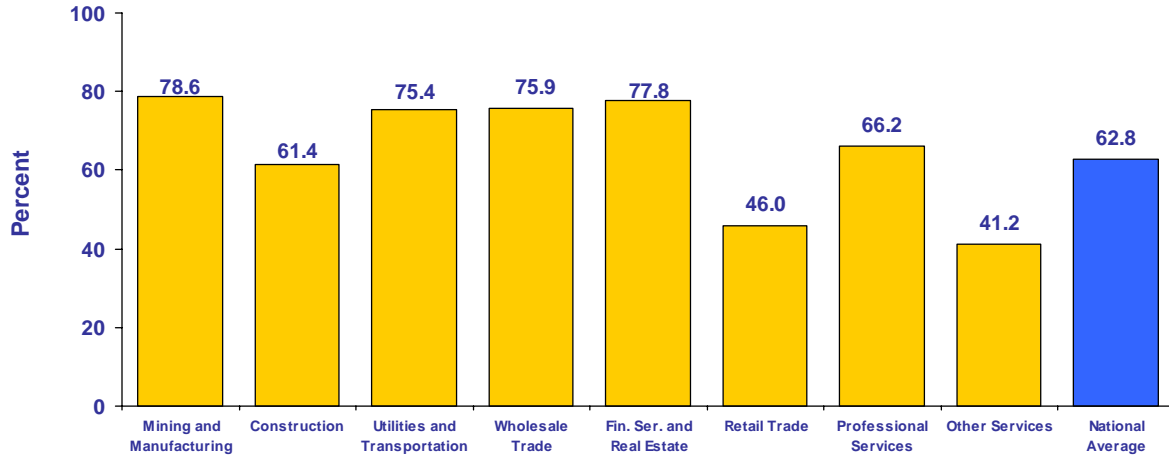
AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and

tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please e-mail us at mepspd@ahrq.gov or send a letter to the address below:

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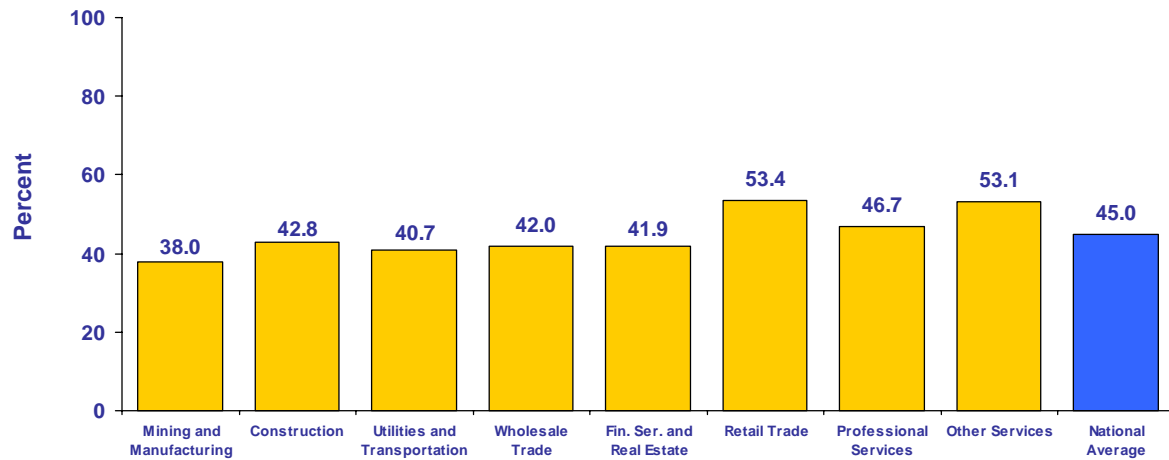
Figure 1. Percentage of employees enrolled in health insurance in establishments that offered health insurance for firms with 50 or more employees, by industry, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



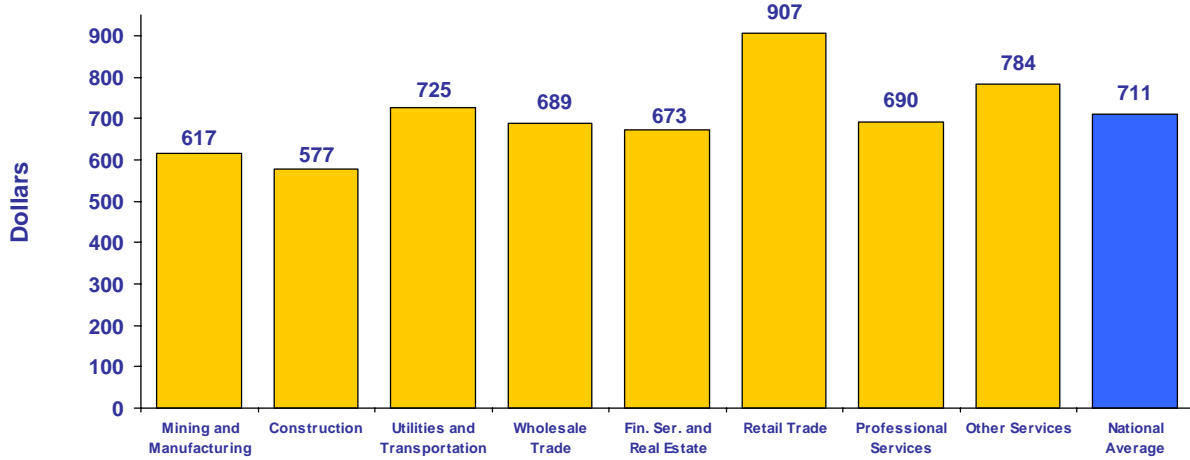
Figure 2. Percentage of employees enrolled in a health insurance plan with single coverage in establishments that offered health insurance for firms with 50 or more employees, by industry, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



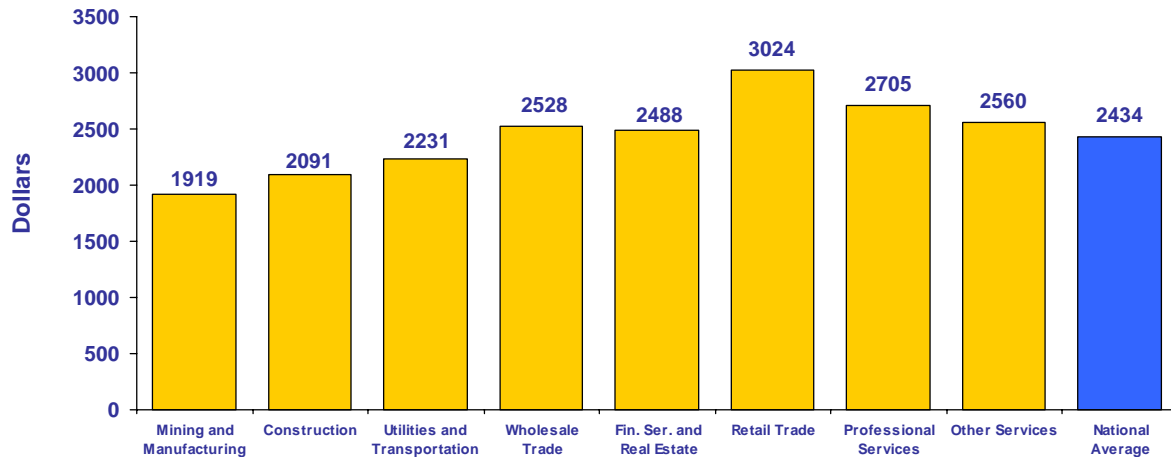
Figure 3. Average employee contribution per enrolled employee for single coverage at establishments within firms with 50 or more employees, by industry, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004



Figure 4. Average employee contribution per enrolled employee for coverage for a family of four at establishments within firms with 50 or more employees, by industry, 2004



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2004