

STATISTICAL BRIEF #189

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Co-pays and Coinsurance Percentages for an Office Visit to a Physician for Employer-Sponsored Health Insurance in the Private Sector, by Firm Size Classification, 2002–2005

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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 2005 Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC), approximately 97.5 million of the 112.2 million employees from the private sector worked in firms where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 61.1 million were enrolled.

In recent years, premiums for employer-sponsored health insurance have risen dramatically. However, premium costs are only one of several factors that determine costs of health care for enrollees. Other factors, such as whether an enrollee has a co-pay and the size of co-pays and coinsurance percentages, also contribute to differences in cost of care.

This Statistical Brief examines what percentage of enrollees is required to make a co-pay for an office visit to a physician, and the amount of those co-pays and coinsurance percentages. Data for 2002 are compared to those for 2005. Estimates for small firms (fewer than 50 employees) and large firms (50 or more employees) are analyzed. Only those comparisons that had a statistically significant difference at the 0.05 percent significance level are noted in the text.

Findings

During the 2002–2005 period, the percentage of enrollees in plans with a co-pay, coinsurance percentage, or both for an office visit to a physician held steady at 94 to 95 percent.

Overall, the percentage of employees enrolled in a health insurance plan that required a co-pay for an office visit to a physician was 78.9 percent in 2002 (figure 1). This figure fell to 76.4 percent in 2005. In 2002, employees of small firms were equally likely to be enrolled in a plan with a co-pay (78.8 percent) as employees of large firms (78.9 percent). By 2005, large firms' enrollees were less apt to have a co-pay (75.7 percent) than they were in 2002. In contrast, the percentage of enrollees in small firms with a co-pay did not differ in 2005.

Highlights

- The percentage of employees enrolled in a health insurance plan that required a co-pay for an office visit to a physician was 78.9 percent in 2002. This figure fell to 76.4 percent in 2005.
- The average co-pay per physician office visit rose from \$15 in 2002 to \$19 in 2005.
- Coinsurance percentages for an office visit to a physician stood at 17.4 percent in 2002, and rose to 18.3 percent in 2005.
- For enrollees in small and large firms, both co-pays and co-insurance percentages increased from 2002 to 2005.

The average co-pay per physician office visit rose from \$15 in 2002 to \$19 in 2005 (figure 2). While the co-pay amount increased for both small and large firms over the period, employees of small firms had higher co-pays than those of large firms in both years. Small firms' employees paid \$17 per visit in 2002, which increased to \$20 per visit in 2005. Large firms' employees paid \$15 in 2002, which also increased, to \$18, in 2005.

For all firms, coinsurance costs for visits to physicians' offices stood at 17.4 percent in 2002, and rose to 18.3 percent in 2005 (figure 3). Costs increased for enrollees in both small and large firms. Average coinsurance costs were at 18.5 percent for enrollees of small firms in 2002, versus 20.4 percent in 2005. Compared to enrollees of small firms, enrollees of large firms had lower average coinsurance percentages in both years – 17.2 percent in 2002 and 17.9 percent in 2005.

Data Source

This Statistical Brief summarizes data from the 2002–2005 MEPS-IC. The data are available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

Employer

In this Statistical Brief, an employer is defined as a private sector firm. A firm is defined as a business entity that controls one or more business establishments or locations. Consequently, an employer can have multiple work locations.

Firm size

Firm size is the count of employees across all locations controlled by an individual firm. Small firms have fewer than 50 employees at all locations combined, while large firms have 50 or more employees at all locations combined. More than seven out of ten private sector employees (72.1 percent) work for large firms.

Co-pay

A co-pay is a form of medical cost sharing in a health insurance plan that requires an insured person to pay a fixed dollar amount when a medical service is received, regardless of the total charge for service. The insurer is responsible for the rest of the reimbursement. There may be separate co-pays for different services. For example, an enrollee may pay a \$10 co-pay for each doctor's office visit, \$75 for each day in the hospital, and \$5 for each prescription. Some plans require that a deductible is first met for some specific services before a co-pay applies.

Coinsurance

Coinsurance is a form of medical cost sharing in a health insurance plan that requires an insured person to pay a stated percentage of medical expenses after the deductible amount, if any, was paid. Once any deductible amount and coinsurance are paid, the insurer is responsible for the rest of the reimbursement for covered benefits up to allowed charges; the individual could also be responsible for any charges in excess of what the insurer determines to be "usual, customary and reasonable." Coinsurance rates may differ if services are received from an approved provider (i.e., a provider with whom the insurer has a contract or an agreement specifying payment levels and other contract requirements) or if received by providers not on the approved list. In addition to overall coinsurance rates, rates may also differ for different types of services.

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. Bureau of the Census 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 establishments was selected for the 2005 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, 10, 14, 17, and 18 on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/publications.jsp and Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp.

Suggested Citation

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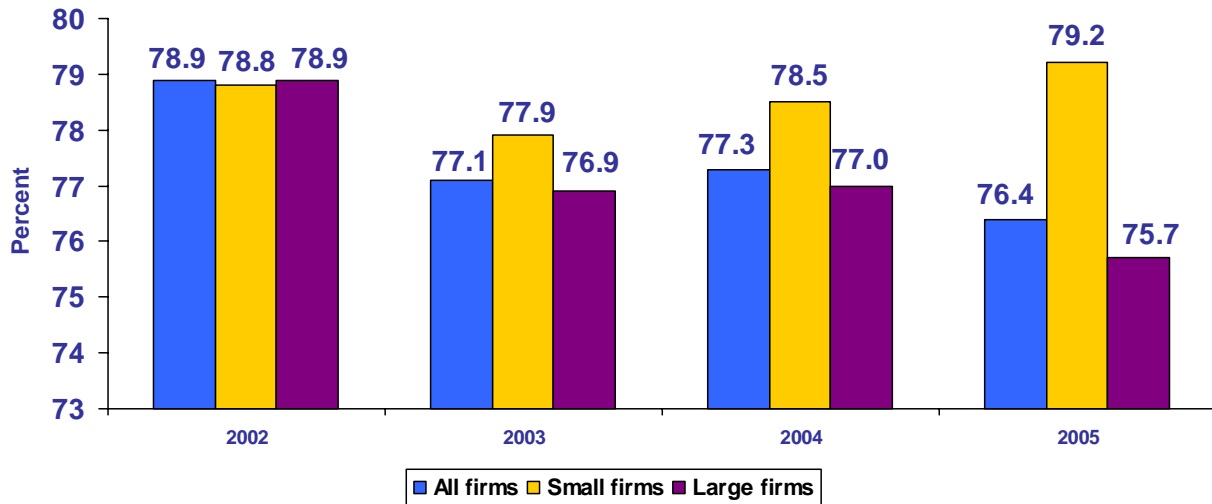
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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 mepsprojectdirector@ahrq.hhs.gov or send a letter to the address below:

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Figure 1. Percentage of employees enrolled in a health insurance plan that required a co-pay for an office visit to a physician, by firm size, private industry, 2002–2005

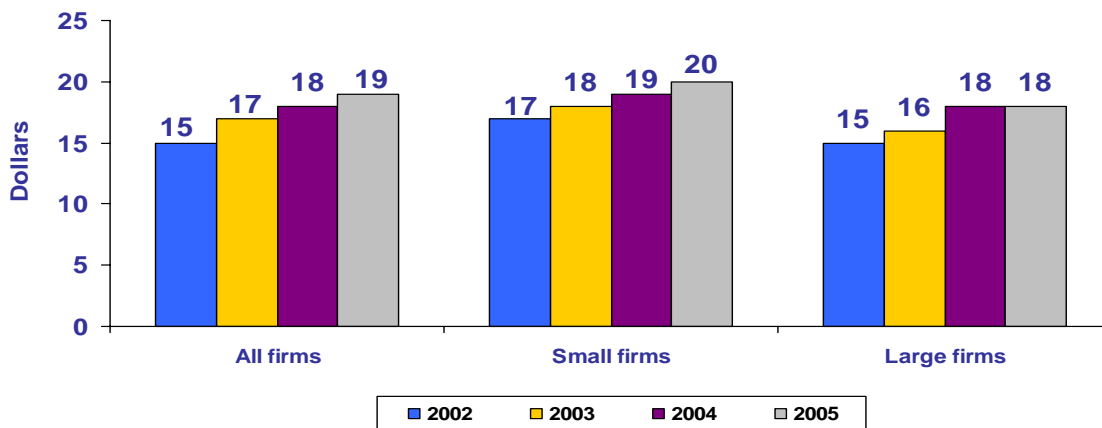


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005



Figure 2. Average co-pay amount for employees enrolled in a health insurance plan that required a co-pay for an office visit to a physician, by firm size, private industry, 2002–2005

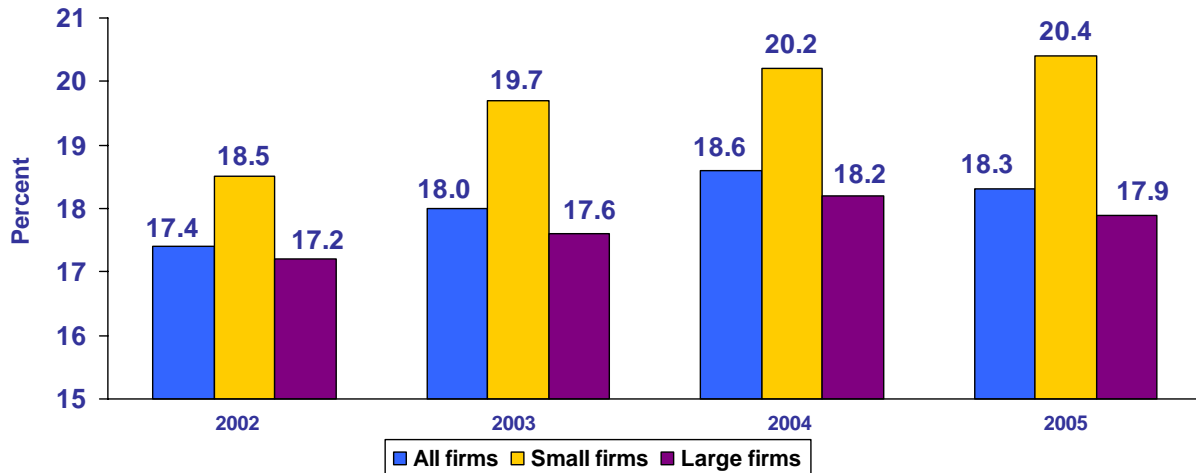


Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005



Figure 3. Average coinsurance percentage for employees enrolled in a health insurance plan that required coinsurance for an office visit to a physician, by firm size, private industry, 2002–2005



Note: Small firms have fewer than 50 employees; large firms have 50 or more employees.

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2005