

STATISTICAL BRIEF #211

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Employer-Sponsored Health Insurance for Large Employers in the Private Sector, by Industry Classification, 2006

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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 2006 Medical Expenditure Panel Survey (MEPS-IC), approximately 99.7 million of the 114.7 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 60.6 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 average premiums and the average employee contributions towards 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.

Findings

Among the 83.1 million employees who worked for large private sector employers in 2006, 96.7 percent worked where the employer offered health insurance (figure 1). While all industries shown had offer rates for large firms that exceeded 90 percent, some differed significantly from the national average. Mining and Manufacturing, Utilities and Transportation, Retail Trade, and Professional Services were above average, with 98 percent or more of employees in firms that offered health insurance. Other Services was below average, with 92.6 percent of employees in firms that offered health insurance.

Among the employees of large employers where health insurance was offered, 60.9 percent enrolled (figure 2). The enrollment rates among large employers ranged from 36.4 percent for employees in the Other Services industry to 80.5 percent for 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

Highlights

- In 2006, 96.7 percent of employees of large firms worked where health insurance was offered. All industries had offer rates of over 90 percent for these large employers.
- In 2006, 60.9 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.
- Annual health insurance premiums per enrolled employee with single coverage at large firms averaged \$4,077 in 2006. Premiums averaged \$11,438 per enrolled employee for family-of-four coverage. Private sector single and family premiums for large firms were highest in Professional Services and lowest in Retail Trade.
- The average employee premium contribution per enrolled employee for single coverage across large private employers was \$812. The average employee premium contribution per enrolled employee for family coverage across large private sector employers was \$2,848.
- By industry, employees in Mining and Manufacturing had the lowest average contribution for single coverage for large firms, while those in Utilities and Transportation had the lowest contribution for family coverage. Employees in Other Services had the highest contributions for both single and family insurance.

Transportation, and Professional Services had higher than average enrollment rates for large employers of 76.6 percent, 72.2 percent, 68.7 percent and 66.9 percent, respectively. Retail Trade (46.8 percent) was the only other industry with lower than average enrollment rates among large employers.

Annual health insurance premiums per enrolled employee with single coverage at large firms averaged \$4,077 in 2006 (figure 3). Premiums averaged \$11,438 per enrolled employee for family-of-four coverage (figure 4) in large firms in the private sector. Among industries that varied significantly from the U.S. large firm average, Professional Services had the highest single premium (\$4,379) and the highest family premium (\$12,330). Retail Trade had the lowest single premium (\$3,597) and the lowest family premium (\$10,036). Both single (\$3,602) and family (\$10,333) premiums in the Construction industry were also significantly below the large firm averages.

Other industries that showed significant cost differences from the 2006 U.S. large firm average for family coverage plans were Financial Services and Real Estate with a higher than average premium of \$12,119 and Mining and Manufacturing with a lower than average premium of \$10,646 (figure 4).

Average employee contributions towards premiums for large private sector employers in 2006 were \$812 (figure 5) for single coverage and \$2,848 (figure 6) for a family of four. There were some significant variations in the average employee premium contributions by industry classification. Employees working for large employers in the Mining and Manufacturing sector made the lowest single premium contributions, at \$678 (figure 5). Employees working for large employers in Utilities and Transportation made the lowest family of four premium contributions, at \$2,141 (figure 6). Contributions for family coverage were also below average in Mining and Manufacturing (\$2,293), relative to the U.S.

Average premium contributions by employees in large firms in the Other Services sector were the highest for both single and family coverage—\$1,023 for single (figure 5) and \$3,867 for family (figure 6). Average premium contributions by employees in large firms in the Retail Trade industry were also higher than the national average for large employers, at \$950 for single coverage (figure 5) and \$3,285 for family coverage (figure 6).

Data Source

This Statistical Brief summarizes data from the 2006 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

In this 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. 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. 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 2006 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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http://www.meps.ahrq.gov/mepsweb/data_files/publications/st211/stat211.pdf

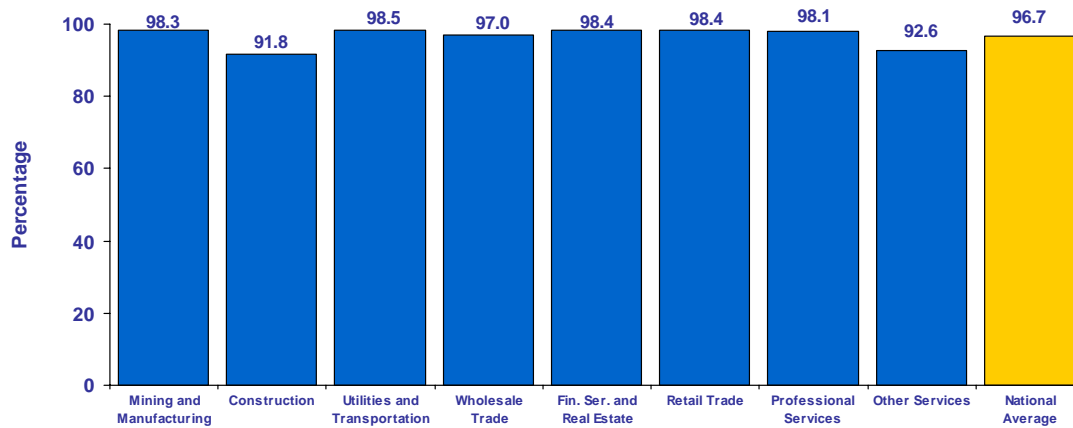
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using 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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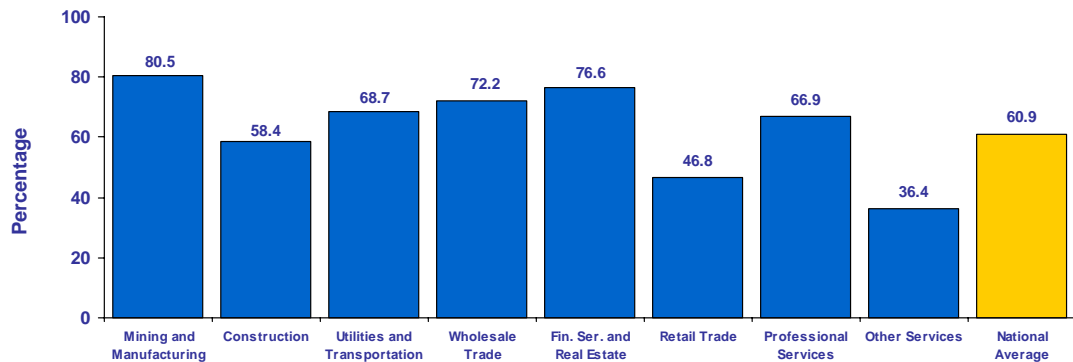
Figure 1. Percentage of employees in establishments that offered health insurance for firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



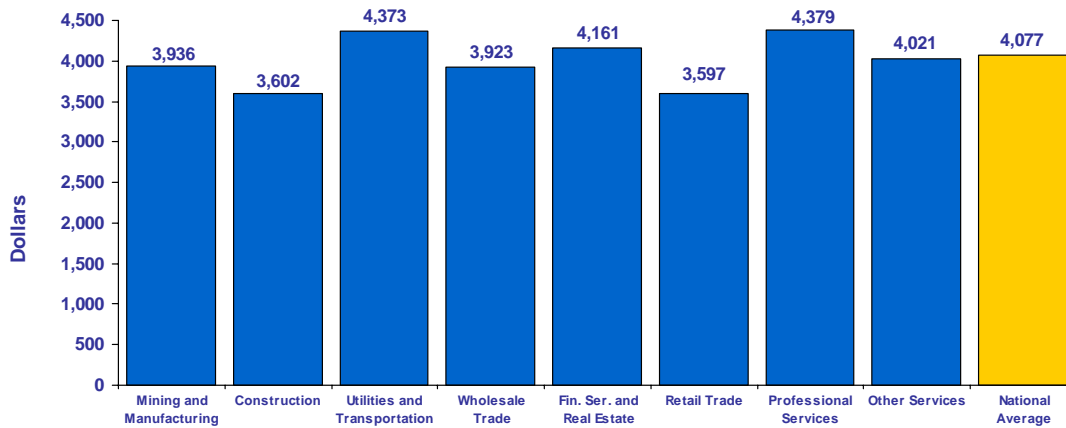
Figure 2. Percentage of employees enrolled in health insurance in establishments that offered health insurance for firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



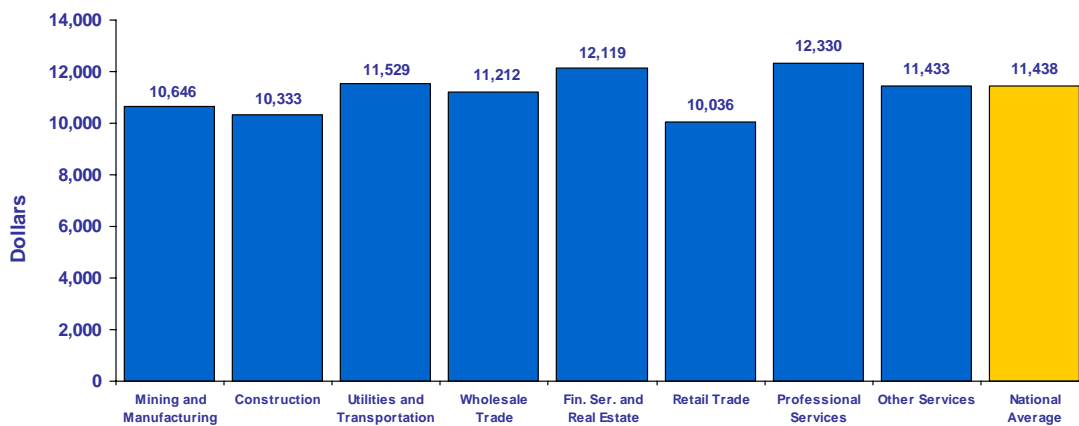
Figure 3. Average premium per enrolled employee for single coverage at establishments within firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



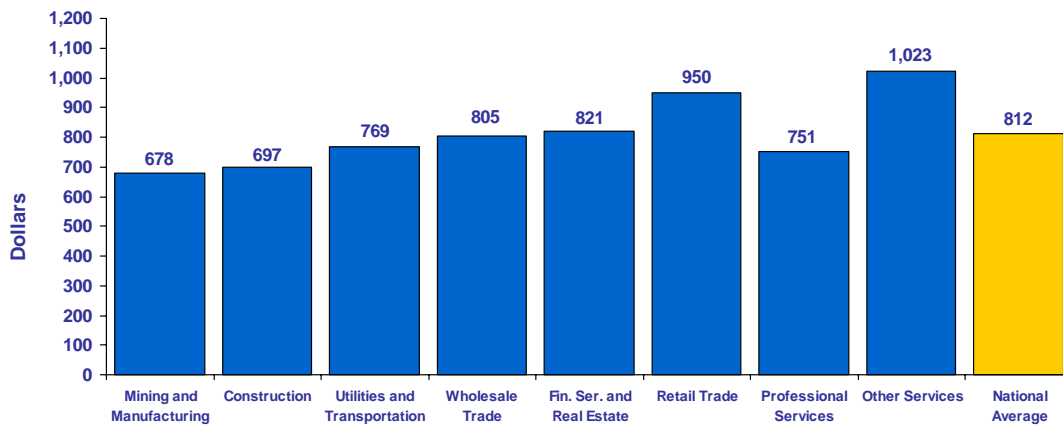
Figure 4. Average premium per enrolled employee for family-of-four coverage at establishments within firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



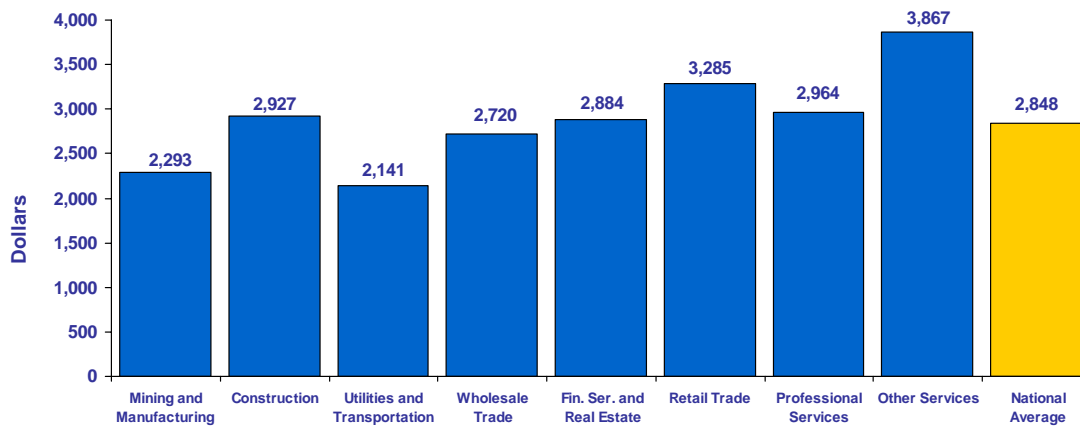
Figure 5. Average employee contribution per enrolled employee for single coverage at establishments within firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006



Figure 6. Average employee contribution per enrolled employee for family-of-four coverage at establishments within firms with 50 or more employees, by industry, 2006



Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2006