THE KAISER FAMILY FOUNDATION -AND- HEALTH RESEARCH & EDUCATIONAL TRUST

Employer Health Benefits

2009 Summary of Findings

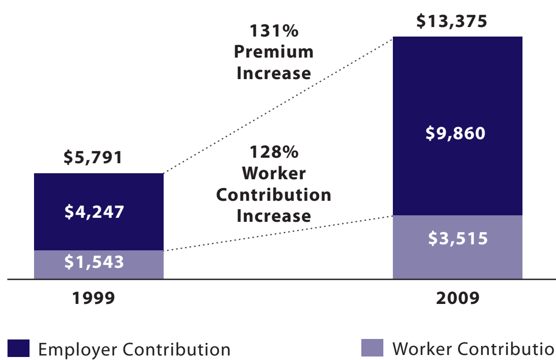
Employer-sponsored insurance is the leading source of health insurance, covering about 159 million nonelderly people in America.[1] To provide current information about the nature of employer-sponsored health benefits, the Kaiser Family Foundation (Kaiser) and the Health Research & Educational Trust (HRET) conduct an annual national survey of nonfederal private and public employers with three or more workers. This is the eleventh Kaiser/HRET survey and reflects health benefit information for 2009.

The key findings from the 2009 survey, conducted from January through May 2009, provide a mixed, but relatively stable story compared to 2008. In 2009, there was an increase in the average family premium, the percentage of covered workers with a deductible of $1,000 or more for single coverage, office visit copayments, and the percentage of large firms offering wellness programs. The average premium for single coverage did not significantly increase, breaking a long-standing trend.

The survey shows that many of the statistics related to health benefits remained relatively stable despite the severe economic downturn. This may indicate a strong commitment to maintaining workers' benefits, but several other factors may have contributed to this result as well. One is that the survey only collects information from firms that are still in business and cannot estimate the number of workers who lost coverage due to their company downsizing or closing. Another is that some firms may have made decisions about health benefits in advance of the plan year and may not have foreseen the full impact of the worsening economy on the firm. These firms may have made changes after they were surveyed or may make changes for the next plan year.

EXHIBIT A

Average Annual Health Insurance Premiums and Worker Contributions for Family Coverage, 1999–2009



Note: The average worker contribution and the average employer contribution may not add to the average total premium due to rounding.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2009.

HEALTH INSURANCE PREMIUMS

In 2009, the average annual premiums for employer-sponsored health insurance are $4,824 for single coverage and $13,375 for family coverage. Premiums for family coverage are 5% higher than last year ($12,680), but there was no statistically significant growth in the single premiums. Since 1999, average premiums for family coverage have increased 131% (Exhibit A). Average premiums for family coverage are lower for workers in small firms (3–199 workers) than for workers in large firms (200 or more workers). Average premiums for high-deductible health plans with a savings option (HDHP/SOs) are lower than the overall average for all plan types for both single and family coverage (Exhibit B).

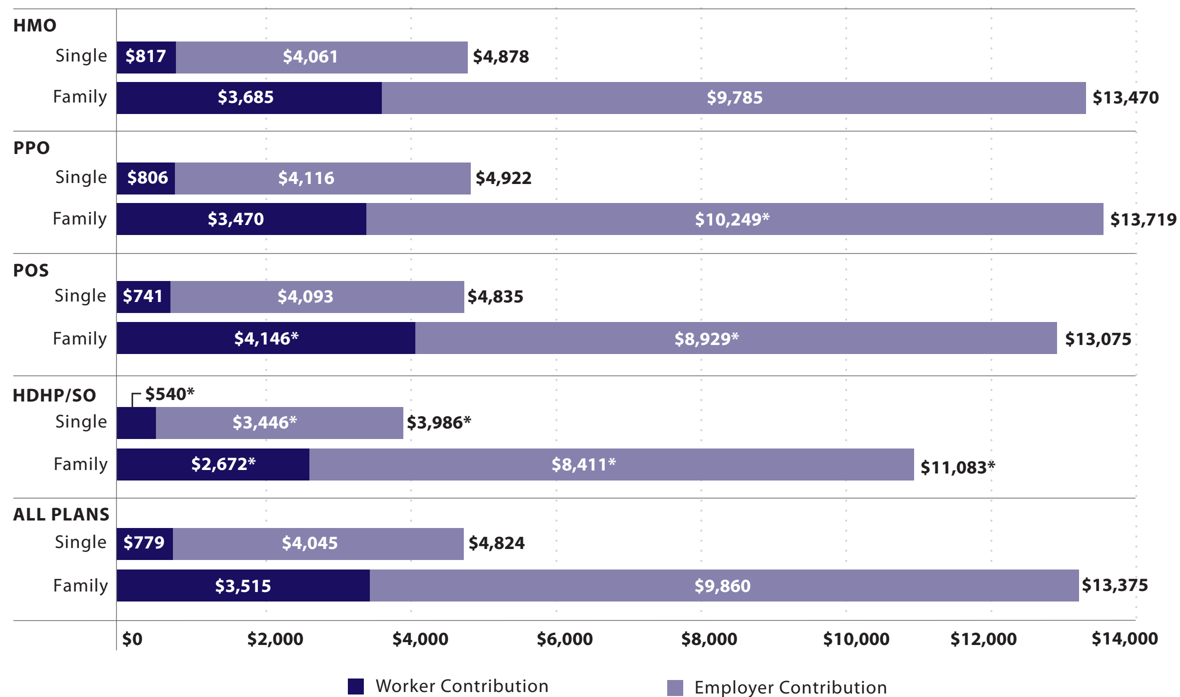
As a result of factors such as benefit differences and geographical location, there is significant variation around the average annual premium. Twenty percent of covered workers with family coverage are in plans with an annual total premium of at least $16,050 (120% of the average premium); 21% of covered workers are in plans where the family premium is less than $10,700 (80% of the average premium) (Exhibit C).

On average, covered workers contribute 17% of the total premium for single coverage and 27% for family coverage, similar to the last several years. The share of the premium workers contribute for coverage also varies considerably. For single coverage, 24% of workers pay more than 25% of the total premium while 18% make no contribution. Forty-five percent of workers with family coverage pay more than 25% of the total premium; only 6% make no contribution (Exhibit D). In terms of dollar amounts, the average annual worker contributions for single and family coverage are $779 and $3,515,[2] respectively, which are not significantly different from the amounts reported in 2008. For single coverage, workers in small firms (3–199 workers) contribute less on average than workers in large firms (200 or more workers) ($625 vs. $854), but for family coverage, workers in small firms contribute significantly more than workers in large firms ($4,204 vs. $3,182).

The majority (60%) of covered workers are enrolled in preferred provider organizations (PPOs). Health maintenance organizations (HMOs) cover 20%, followed by point-of-service (POS) plans (10%), HDHP/SOs (8%), and conventional plans (1%).

EXHIBIT B

Average Annual Employer and Worker Premium Contributions and Total Premiums for Covered Workers for Single and Family Coverage, by Plan Type, 2009



*Estimate is statistically different from All Plans estimate by coverage type (p<.05).

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

EMPLOYEE COST SHARING

Most covered workers face additional costs when they use health care services. Most workers in PPOs (74%) and POS plans (62%) have a general annual deductible for single coverage that must be met before all or most services are payable by the plan. In contrast, only 16% of workers in HMOs have a general annual deductible. Many workers with no deductible have other forms of cost sharing for office visits or other services.

Among workers with a deductible, the average general annual deductible for single coverage is $634 for workers in PPOs, $699 for workers in HMOs, $1,061 for workers in POS plans, and $1,838 for workers in HDHP/SOs (which by definition have high deductibles). Although only 16% of workers in HMOs have a general annual deductible, from 2008 to 2009 the average annual deductible for these workers increased from $503 to $699 for single coverage and from $1,053 to $1,524 for family coverage.[3] As in recent years, for single coverage, workers in small firms (3–199 workers) have higher deductibles than workers in large firms (200 or more workers) for HMOs, PPOs, and HDHP/SOs. The percentage of covered workers in a plan with a deductible of at least $1,000 for single coverage grew from 18% to 22% in the past year and, among large firms, it increased from 9% to 13% (Exhibit E). While there was no increase in the percentage of workers enrolled in HDHP/SOs in the past year, the percentage of workers in plans with deductibles of at least $1,000 who do not have a savings option increased from 10% to 13%.

Most plans cover certain services before the deductible is met. For example, in the most common plan type, PPOs, 88% of covered workers with a general annual deductible do not have to meet the deductible before preventive care is covered. Ninety-three percent of workers in PPOs do not have to meet the deductible before prescription drugs are covered.

The majority of workers also have to pay a portion of the cost of physician office visits. For example, 77% of covered workers pay a copayment (a fixed dollar amount) for a visit, and 14% pay coinsurance (a percentage of the charge). Covered workers in HMOs, PPOs, and POS plans are more likely to face copayments, while covered workers in HDHP/SOs are more likely to have coinsurance requirements or no cost sharing after any deductibles are met. Covered workers with a copayment pay an average of $20 for primary care and $28 for specialty physicians for in-network office visits, both of which are higher than last year ($19 and $26). The percentage of workers with copayments of $25 or $30 dollars for primary care physician office visits increased from 12% in 2004 to 31% in 2009. For covered workers with coinsurance, the average coinsurance is 18% for primary care, similar to last year.

Almost all covered workers (98%) have prescription drug coverage, and the majority face cost sharing for their prescriptions. Over three-quarters (78%) of covered workers are in plans with three or more levels or tiers of cost sharing that generally are based on the type or cost of the drug. Copayments are more common than coinsurance for the first three tiers. For the fourth tier, there is no statistical difference in the percentage of workers with copayments (41%) or coinsurance (29%). Among workers with

EXHIBIT C

Distribution of Premiums for Single and Family Coverage Relative to the Average Annual Single or Family Premium, 2009

Single Coverage		Family Coverage	
Premium Range, Dollar Amount	Percent Covered Workers in Range	Premium Range, Dollar Amount	Percent Covered Workers in Range
Less than $3,859	23%	Less Than $10,700	21%
$3,859 to <$4,341	15%	$10,700 to <$12,038	16%
$4,341 to <$4,824	19%	$12,038 to <$13,375	14%
$4,824 to <$5,306	13%	$13,375 to <$14,713	17%
$5,306 to <$5,788	13%	$14,713 to <$16,050	12%
$5,788 or More	18%	$16,050 or More	20%

Note: The average annual premium is $4,824 for single coverage and $13,375 for family coverage. The premium distribution is relative to the average single or family premium. For example, $3,859 is 80% of the average single premium, $4,341 is 90% of the average single premium, $5,306 is 110% of the average single premium, and $5,788 is 120% of the average single premium. The same break points relative to the average are used for the distribution for family coverage.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

three- or four-tier plans, the average copayments per prescription are $10 for first-tier drugs, often called generics; $27 for second-tier drugs, often called preferred; and $46 for third-tier drugs, often called nonpreferred. For fourth-tier drugs the average copayment is $85 and the average coinsurance is 31%.

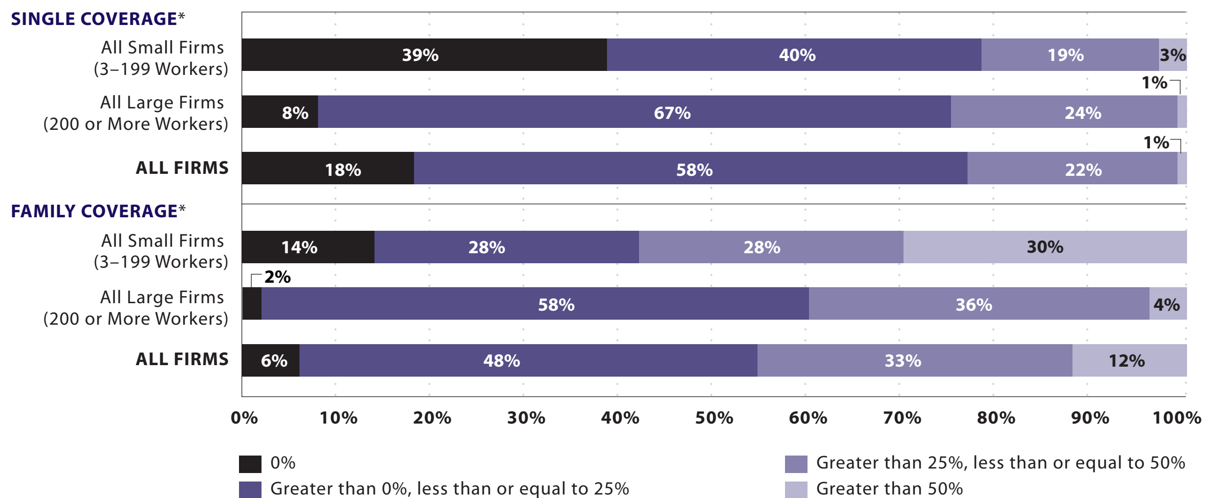
Cost sharing for prescription drugs varies by plan type. Covered workers in HDHP/SOs are more likely than workers in other plan types to be in plans with no cost sharing after the deductible is met or in plans where the cost sharing is the same regardless of the type of drug.

Most workers also face additional cost sharing for a hospital admission or an outpatient surgery. For hospital admissions, 51% of covered workers have coinsurance, 19% have a copayment, and 8% have both coinsurance and copayments. An additional 5% have a per day (per diem) payment and 5% have a separate annual hospital deductible, while 22% of covered workers have no cost sharing for hospital admissions. For hospital admissions, the average coinsurance rate is 18%, the average copayment is $234 per hospital admission, the average per diem charge is $179, and the average separate hospital deductible is $862.[4]

Although covered workers are often responsible for cost sharing when accessing health services, there is often a limit to the amount of cost sharing workers must pay each year, generally referred to as

EXHIBIT D

Distribution of the Percentage of Total Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2009



*Distributions for All Small Firms and All Large Firms are statistically different (p<.05).

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

an out-of-pocket maximum. Eighty-one percent of covered workers have an out-of-pocket maximum, but such limits vary considerably. For example, among covered workers in plans that have an out-of-pocket maximum for single coverage, 26% are in plans with an annual out-of-pocket maximum of $3,000 or more, and 24% are in plans with an out-of-pocket maximum of less than $1,500. However, not all spending counts toward the out-of-pocket maximum. For example, among workers in PPOs with an out-of-pocket maximum, 75% are in plans that do not count physician office visit copayments, 34% are in plans that do not count spending for the general annual deductible, and 85% are in plans that do not count prescription drug spending when determining if an enrollee has reached the out-of-pocket limit. Even in the absence of an out-of-pocket maximum, some workers may face limited cost sharing. For example, of the 41% of workers in HMOs with no out-of-pocket maximum for single coverage, 94% have no general annual deductible and less than 1% have coinsurance for hospital admissions.

Health plans may limit the benefit amount payable to an employee, often known as a lifetime maximum. Forty-one percent of covered workers are in a plan with no lifetime maximum benefit payable by the plan, while 16% have a lifetime maximum between $1 and $2 million, and 43% have a lifetime maximum of $2 million or more. The percentage of workers with a lifetime maximum of $2 million or more has increased from 32% of covered workers in 2007, the last time the question was asked.

AVAILABILITY OF EMPLOYER-SPONSORED COVERAGE

Sixty percent of employers offer health benefits in 2009, which is not statistically different from the 63% reported last year (Exhibit F). Less than half (46%) of firms with 3 to 9 workers offer coverage, compared to 72% of firms with 10 to 24 workers, 87% of firms with 25 to 49 workers, and over 95% of firms with 50 or more workers. As we have seen in past years, the offer rate is higher for firms with at least some union workers, compared to firms with no union workers (97% vs. 57%). Firms with fewer lower-wage workers (less than 35% of workers earn $23,000 or less annually) are also more likely to offer benefits compared to firms with more lower-wage employees (35% or more earn $23,000 or less annually) (64% vs. 39%). The offer rate represents information on firms that are still in business and does not account for firms that have gone out of business due to the economic recession.

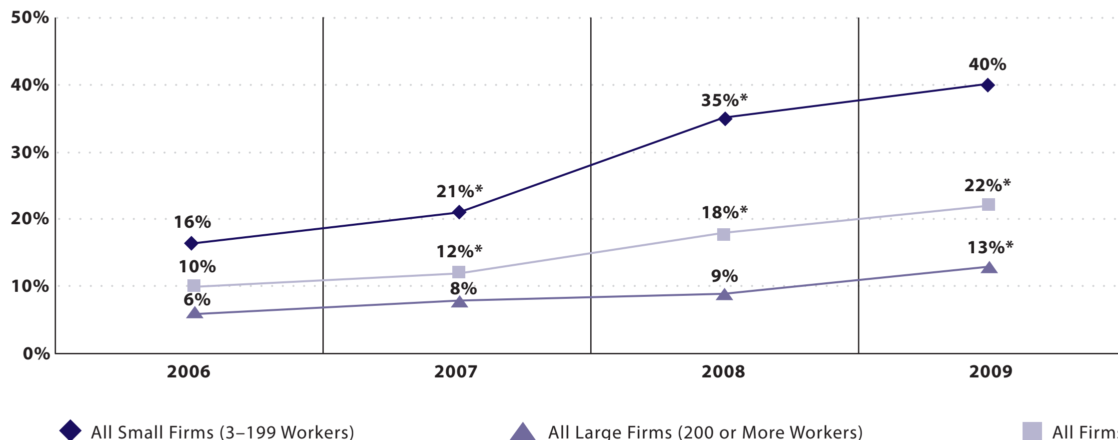
Even in firms that offer coverage, not all workers are covered. Some workers are not eligible to enroll as a result of waiting periods or minimum work-hour rules. Others choose not to enroll, perhaps because of the cost of coverage or their ability to access coverage through a spouse. Among firms that offer coverage, an average of 79% of workers are eligible for the health benefits offered by their employer. Of those eligible, 81% take up coverage, resulting in 65% of workers in firms offering health benefits having coverage through their employer. Among both firms that offer and do not offer health benefits, 59% of workers are covered by health plans offered by their employer.

HIGH-DEDUCTIBLE HEALTH PLANS WITH SAVINGS OPTION

High-deductible health plans with a savings option include (1) health plans with a deductible of at least $1,000 for single coverage and $2,000 for family coverage offered with an Health Reimbursement Arrangement (HRA), referred to as "HDHP/HRAs," and (2) high-deductible health plans that meet the federal legal requirements to permit an enrollee to establish and contribute to a Health Savings Account (HSA), referred to as "HSA-qualified HDHPs."

EXHIBIT E

Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, By Firm Size, 2006–2009



*Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: These estimates include workers enrolled in HDHP/SO and other plan types. Because we do not collect information on the attributes of conventional plans, to be conservative, we assumed that workers in conventional plans do not have a deductible of $1,000 or more. Because of the low enrollment in conventional plans, the impact of this assumption is minimal.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006–2009.

Twelve percent of firms offering health benefits offer an HDHP/SO in 2009, similar to last year. Although the HDHP/SO offer rate remained steady among all firms, the percentage of firms with 1,000 or more workers offering an HDHP/SO increased from 22% in 2008 to 28% in 2009. Firms with 1,000 or more workers are more likely to offer HDHP/SOs (28%) than firms with 3 to 199 workers (11%) or 200 to 999 workers (18%). Among firms offering health benefits, 2% offer an HDHP/HRA and 10% offer an HSA-qualified HDHP; neither estimate represents a significant difference from the percentages reported in 2008.

Enrollment of covered workers in HDHP/SOs remained the same as in 2008 (8%). Covered workers in small firms (3–199 workers) are more likely to be enrolled in an HDHP/SO than workers in large firms (200 or more workers) (13% vs. 6%). Three percent of covered workers are enrolled in HDHP/HRAs and 6% are enrolled in HSA-qualified HDHPs. Nine percent of workers in small firms (3–199 workers) are enrolled in HSA-qualified HDHPs, compared to 4% of workers in large firms (200 or more workers) (Exhibit G).

Annual deductibles for single coverage for HDHP/HRAs and HSA-qualified HDHPs average $1,690 and $1,922, respectively. Deductibles vary considerably however; for example, 27% of workers enrolled in an HSA-qualified HDHP for single coverage have a deductible between $1,150 and $1,499, while 10% have a deductible of $3,000 or more. The average aggregate annual deductible for family coverage for HDHP/HRAs is $3,422 and $3,734 for HSA-qualified HDHPs. Similar to the other plan types, many HDHP/SOs cover preventive services before the deductible is met: 94% of workers in HDHP/HRAs and 90% of workers in HSA-qualified HDHPs have preventive care covered before having to meet the deductible.

EXHIBIT F

Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2009

FIRM SIZE	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3–9 Workers	56%	57%	58%	58%	55%	52%	47%	48%	45%	49%	46%
10–24 Workers	74%	80%	77%	70%*	76%	74%	72%	73%	76%	78%	72%
25–99 Workers	86%	91%	90%	86%	84%	87%	87%	87%	83%	90%*	87%
50–199 Workers	97%	97%	96%	95%	95%	92%	93%	92%	94%	94%	95%
All Small Firms (3–199 Workers)	**65%**	**68%**	**68%**	**66%**	**65%**	**63%**	**59%**	**60%**	**59%**	**62%**	**59%**
All Large Firms (200 or More Workers)	**99%**	**99%**	**99%**	**98%**	**98%**	**99%**	**98%**	**98%**	**99%**	**99%**	**98%**
ALL FIRMS	**66%**	**69%**	**68%**	**66%**	**66%**	**63%**	**60%**	**61%**	**60%**	**63%**	**60%**

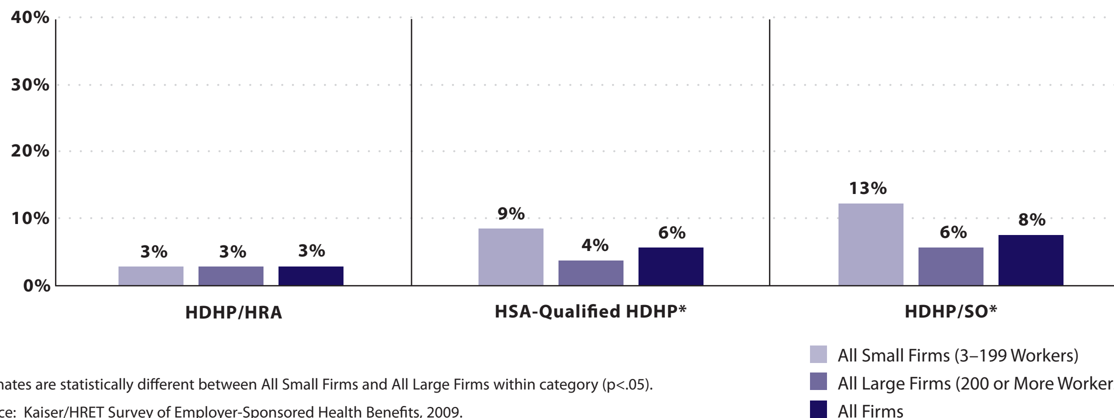
*Estimate is statistically different from estimate for the previous year shown (p<.05).

Note: As noted in the Survey Design and Methods section, estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2009.

EXHIBIT G

Percentage of Covered Workers Enrolled in an HDHP/HRA or HSA-Qualified HDHP, by Firm Size, 2009



*Estimates are statistically different between All Small Firms and All Large Firms within category (p<.05).

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

The distinguishing aspect of these high deductible plans is the savings feature available to employees. Workers enrolled in an HDHP/HRA receive an average annual contribution from their employer of $1,052 for single coverage and $2,073 for family coverage (Exhibit H). The average annual firm contributions to HSAs are $688 for single coverage and $1,126 for family coverage, and although these estimates are lower than the estimates for 2008, the differences are not statistically significant. It is important to note that not all firms offering HSA-qualified HDHPs contribute to the HSAs established by their workers. For example, among firms offering an HSA-qualified HDHP, 29% do not make a contribution to the HSA for single or family coverage (covering 31% of workers in these plans). If workers with no employer contribution to their HSA are excluded from the calculation, the average employer HSA contributions are $1,000 and $1,640 for single and family coverage, respectively. Among workers with an employer contribution to their HSA, workers in small firms (3–199 workers) on average receive higher contributions than workers in large firms (200 or more workers) for both single coverage ($1,319 vs. $619) and family coverage ($2,077 vs. $1,121), but they also face higher deductibles.

For both single and family coverage, average total premiums for HSA-qualified HDHPs and HDHP/HRAs are lower than the average premiums for workers in plans that are not HDHP/SOs. The average worker contributions to HSA-qualified HDHP single and family premiums and the HDHP/HRA family worker contribution to premiums are also lower than the average for non-HDHP/SO plans. When the employer contribution to the HSA is added to the total premium, the average total cost (i.e., the total premium plus any firm contribution to the savings option) for workers in HSA-qualified HDHPs is lower than the total cost for the average of all non-HDHP/SO plans for both single and family coverage. In contrast, when the employer contribution to the HRA is added to the total premium for HDHP/HRAs, the total cost for workers in HDHP/HRAs with single coverage is more than the total cost for workers in other plans.

RETIREE COVERAGE

Twenty-nine percent of large firms (200 or more workers) offer retiree health benefits in 2009, which is not statistically different from the 2008 offer rate of 31%. Among large firms that offer retiree health benefits, 92% offer health benefits to early retirees and 68% offer health benefits to Medicare-age retirees, similar to last year.

WELLNESS BENEFITS

More than half (58%) of employers offering health benefits offer at least one of the following wellness programs: weight loss program, gym membership discounts or on-site exercise facilities, smoking cessation program, personal health coaching, classes in nutrition or healthy living, Web-based resources for healthy living, or a wellness newsletter. Fifty-seven percent of small firms (3–199 workers) and 93% of large firms (200 or more workers) offering health benefits offer a wellness program, up from 88% of large firms in 2008. Firms offering health coverage and wellness benefits report that most wellness benefits (81%) are provided through the health plan rather than by the firm directly.

EXHIBIT H

Average Annual Premiums and Contributions to Savings Accounts For Covered Workers in HDHP/HRAs, or HSA-Qualified HDHPs, Compared to All Non-HDHP/SO Plans, 2009

	HDHP/HRA		HSA-Qualified HDHP		All Non-HDHP/SO Plans§	
	Single	Family	Single	Family	Single	Family
Total Annual Premium	$4,274*	$12,223*	$3,829*	$10,396*	$4,902	$13,591
Worker Contribution to Premium	$734	$3,067*	438*	$2,453*	$801	$3,595
Firm Contribution to Premium	$3,540*	$9,157	$3,391*	$7,943*	$4,101	$9,996
Annual Firm Contribution to the HRA or HSA‡	$1,052	$2,073	$688	$1,126	NA	NA
Total Annual Firm Contribution (Firm Share of Premium Plus Firm Contribution to HRA or HSA)	$4,592*	$11,230*	$4,079	$9,070*	$4,101	$9,996
Total Annual Cost (Total Premium Plus Firm Contribution to HRA or HSA, if Applicable)	$5,325*	$14,296	$4,517*	$11,523*	$4,902	$13,591

*Estimate is statistically different from estimate for All Non-HDHP/SO Plans ($p<.05$).

‡ When those firms that do not contribute to the HSA (29% for single and family coverage) are excluded from the calculation, the average firm contribution to the HSA for covered workers is $1,000 for single coverage and $1,640 for family coverage. For HDHP/HRAs, we refer to the amount that the employer commits to make available to an HRA as a contribution for ease of discussion. HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. Thus, employers may not expend the entire amount that they commit to make available to their employees through an HRA. Therefore, the employer contribution amounts to HRAs that we capture in the survey may exceed the amount that employers will actually spend.

§ In order to compare costs for HDHP/SOs to all other plans that are not HDHP/SOs, we created composite variables excluding HDHP/SO data.

NA: Not Applicable.

Note: Values shown in the table may not equal the sum of their component parts. The averages presented in the table are aggregated at the firm level and then averaged, which is methodologically more appropriate than adding the averages. This is relevant for Total Annual Premium, Total Annual Firm Contribution, and Total Annual Cost.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

HEALTH RISK ASSESSMENTS

Sixteen percent of firms offering health benefits give their employees the option of completing a health risk assessment to help employees identify potential health risks (Exhibit I).[5] Large firms (200 or more workers) are more likely to offer a health risk assessment to employees than small firms (3–199 workers) (55% vs. 14%). Eleven percent of firms offering health risk assessments offer financial incentives for workers to complete them. Large firms (200 or more workers) are more likely than small firms (3–199 workers) to offer financial incentives (34% vs. 7%). Among large firms offering financial incentives to employees who complete a health risk assessment, 27% of firms reported that employees pay a smaller share of the premium, 7% reported employees have a smaller deductible, and only 2% reported employees have a lower coinsurance rate. Among firms offering health risk assessments, 11% report offering employees merchandise, travel, gift cards, or cash for completing a health risk assessment; 27% of large firms (200 or more workers) offer this incentive, compared to 8% of small firms (3–199 workers).

OTHER TOPICS

For the first time, the survey asked firms with 1,000 or more employees about the availability of on-site health clinics. Among all firms, including those that do not offer coverage, 20% of firms with 1,000 or more workers reported that they have an on-site health clinic for employees at one or more locations. Of those firms with an on-site health clinic, 79% reported that employees can receive treatment for non-work related illness at the on-site clinic.

We also asked employers whether they have reduced their benefits or increased cost sharing due to the economic downturn. Twenty-one percent of employers offering health benefits report that, in response to the economic downturn, they reduced the scope of health benefits or increased cost sharing, and 15% report they increased the employee share of the premium. More large firms (200 or more workers) than small firms (3–199 workers) report increasing the share of the premium that the employee pays (22% vs. 15%).

OUTLOOK FOR THE FUTURE

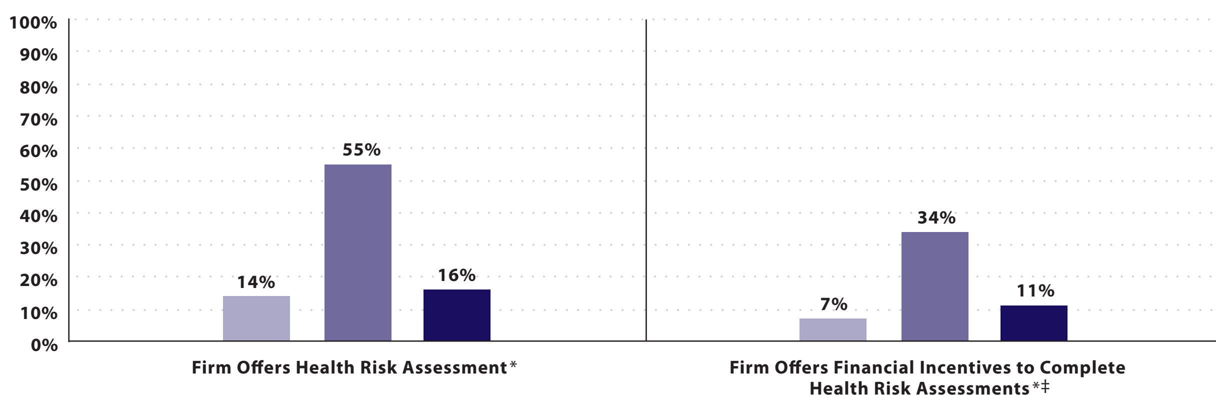
Each year we ask employers about the changes they plan to make to their health benefits in the next year. This year, given the extreme uncertainties about future economic trends, it is likely that employers had more difficulty making predictions about their future health care decisions. In general though, employers' responses this year are in line with those in the last several years. Among those that offer benefits, large percentages of firms report that in the next year they are very or somewhat likely to increase the amount workers contribute to premiums (42%), increase deductible amounts (36%), increase office visit cost sharing (39%), or increase the amount that employees have to pay for prescription drugs (37%). Although firms report planning to increase the amount employees have to pay when they have insurance, relatively few firms report they are very likely (2%) or somewhat likely (6%) to drop coverage. Four percent of firms offering coverage say that they are very likely to restrict eligibility for coverage next year, and an additional 5% say that they are somewhat likely to do so. Among firms offering health benefits but not offering an HSA-qualified HDHP, 6% say that they are very likely and 16% say they are somewhat likely to offer an HSA-qualified HDHP in the next year. A similar share of offering firms not currently offering an HDHP/HRA report that they are very likely (5%) or somewhat likely (15%) to offer that plan type next year.

CONCLUSION

In 2009, the survey finds premiums increased only moderately for family coverage, while the steady trend of increases in single premiums was broken. The percentage of workers with deductibles for single coverage of $1,000 or more increased, as did the average copayments for primary or specialty physician office visits. The percentage of firms offering health insurance and the percentage of workers covered by health insurance at their firm remained steady. The survey shows that health benefits remained

EXHIBIT I

Among Firms Offering Health Benefits, Percentage of Firms That Offer Health Risk Assessments and Incentives to Complete Assessments, by Firm Size, 2009



*Estimate is statistically different between All Small Firms and All Large Firms within category (p<.05).

‡Among firms offering employees the option to complete a health risk assessment.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009.

relatively stable despite the severe economic downturn. As noted above, this may indicate a strong commitment by employers to maintaining workers' benefits, but also could reflect the possibility that some employers made decisions about health benefits before the implications of the worsening economy were fully apparent. Further, the survey only collects information from firms that are still in business and does not estimate the number of workers who lost coverage due to their company downsizing or closing. Given the ongoing economic problems facing businesses, it will be important to monitor health benefits offer rates and coverage levels as well as other plan attributes. This information also will help inform the continuing health reform debate.

METHODOLOGY

The Kaiser Family Foundation/Health Research & Educational Trust 2009 Annual Employer Health Benefits Survey (Kaiser/HRET) reports findings from a telephone survey of 2,054 randomly selected public and private employers with three or more workers. Researchers at the Health Research & Educational Trust, the National Opinion Research Center at The University of Chicago, and the Kaiser Family Foundation designed and analyzed the survey. National Research, LLC conducted the fieldwork between January and May 2009. In 2009 our overall response rate is 47%, which includes firms that offer and do not offer health benefits. Among firms that offer health benefits, the survey's response rate is 48%.

From previous years' experience, we have learned that firms that decline to participate in the study are less likely to offer health coverage. Therefore, we asked one question of all firms with which we made phone contact where the firm declined to participate. The question was, "Does your company offer a health insurance program as a benefit to any of your employees?" A total of 3,188 firms responded to this question (including 2,054 who responded to the full survey and 1,134 who responded to this one question). Their responses are included in our estimates of the percentage of firms offering health coverage. The response rate for this question was 73%. Since firms are selected randomly, it is possible to extrapolate from the sample to national, regional, industry, and firm size estimates using statistical weights. In calculating weights, we first determined the basic weight, then applied a nonresponse adjustment, and finally applied a post-stratification adjustment. We used the U.S. Census Bureau's Statistics of U.S. Businesses as the basis for the stratification and the post-stratification adjustment for firms in the private sector, and we used the Census of Governments as the basis for post-stratification for firms in the public sector. This is the first year we used the Census of Governments as the basis for the sample of state and local governments. Some exhibits in the report do not sum up to totals due to rounding effects and, in a few cases, numbers from distribution exhibits referenced in the text may not add due to rounding effects. Unless otherwise noted, differences referred to in the text use the 0.05 confidence level as the threshold for significance.

For more information on the survey methodology, please visit the Survey Design and Methods Section at www.kff.org/insurance/7936/index.cfm.

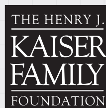
[1] Kaiser Family Foundation, Kaiser Commission on Medicaid and the Uninsured, *The Uninsured: A Primer*, October 2008.

[2] The average worker contributions include those workers with no contribution.

[3] Data presented are for workers with a family aggregate deductible where spending by any covered person in the family counts toward the deductible.

[4] In 2009, we changed the structure of the hospital and outpatient surgery cost-sharing questions. See the introduction to Section 7 for more information, available at www.kff.org/insurance/7936/index.cfm.

[5] Health risk assessments generally include questions on medical history, health status, and lifestyle.



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The Kaiser Family Foundation is a non-profit private operating foundation, based in Menlo Park, California, dedicated to producing and communicating the best possible analysis and information on health issues.

The Health Research & Educational Trust is a private, not-for-profit organization involved in research, education, and demonstration programs addressing health management and policy issues. Founded in 1944, HRET, an affiliate of the American Hospital Association, collaborates with health care, government, academic, business, and community organizations across the United States to conduct research and disseminate findings that help shape the future of health care.

The full report of survey findings (#7936) is available on the Kaiser Family Foundation's website at www.kff.org. This summary (#7937) is also available at www.kff.org.