



Trends in Employer-Sponsored Insurance Related to Children's Coverage

Medicaid and CHIP Payment and Access Commission
Benjamin Finder

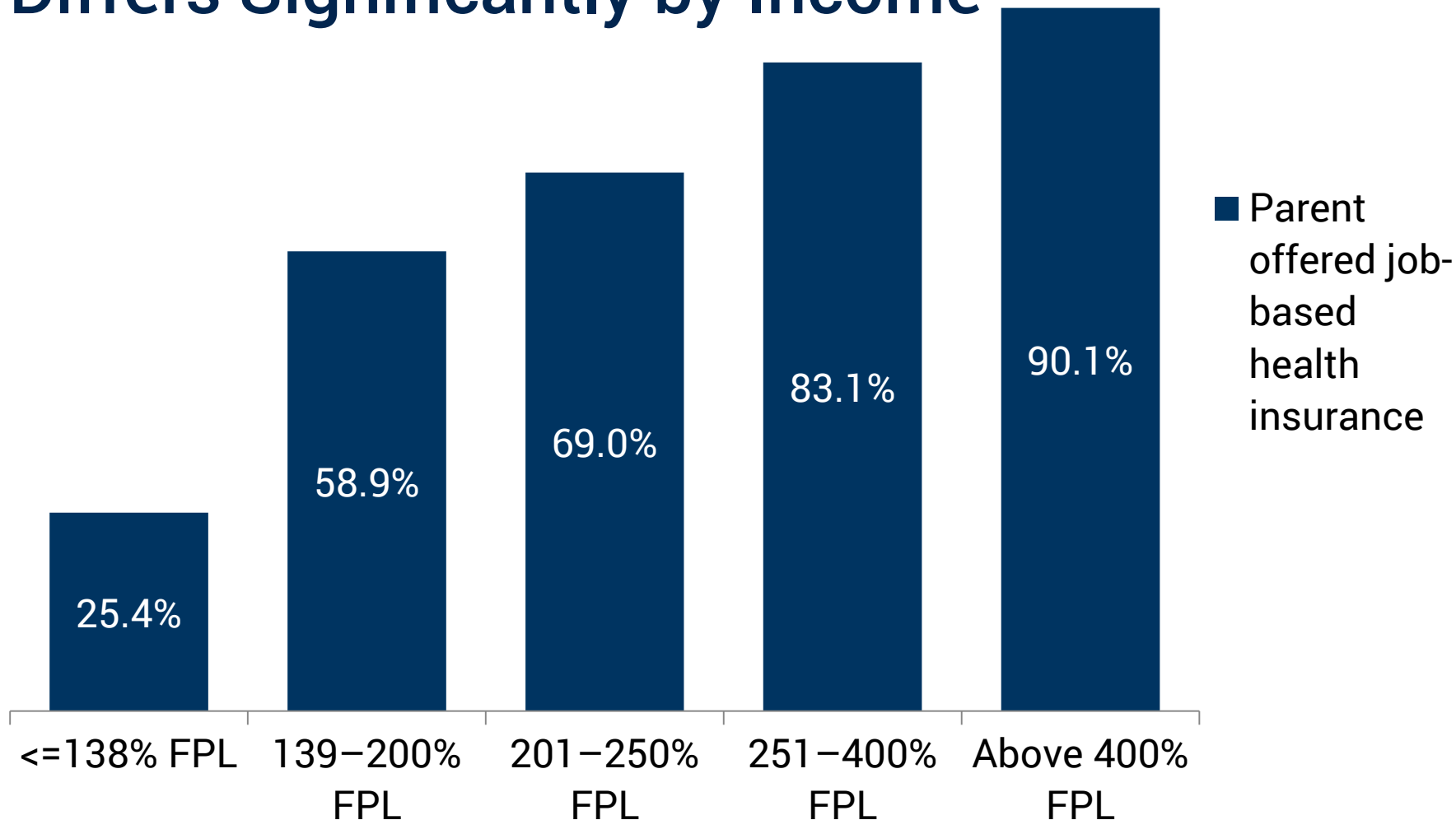
Context: Employer-Sponsored Coverage

- If separate CHIP funding ended in 2016, one-third of children (1.2 million) are projected to enroll in employer-sponsored coverage.
- Employer-sponsored insurance emerged when employers could not use wages to compete for workers.
- Federal policy recognizes the role of employer-sponsored insurance by permitting employers to pay for coverage tax-free.
- There are few other federal requirements for employer-sponsored insurance.

Key points: Trends in Employer-Sponsored Coverage

- Children in low to moderate-income families are less likely to have access to employer-sponsored insurance.
- Large firms are more likely to offer employer-sponsored coverage, and most firms offer dependent coverage.
- Even if they are offered coverage, low-income families may consider it unaffordable.
- In addition to premiums, families are likely to face deductibles and other cost-sharing requirements.
- Most employer-sponsored insurance plans cover inpatient and outpatient services, physician services, and prescription drugs.
- ESI plan premiums, cost-sharing requirements, and benefits can vary among employers, and sometimes within a single employer.

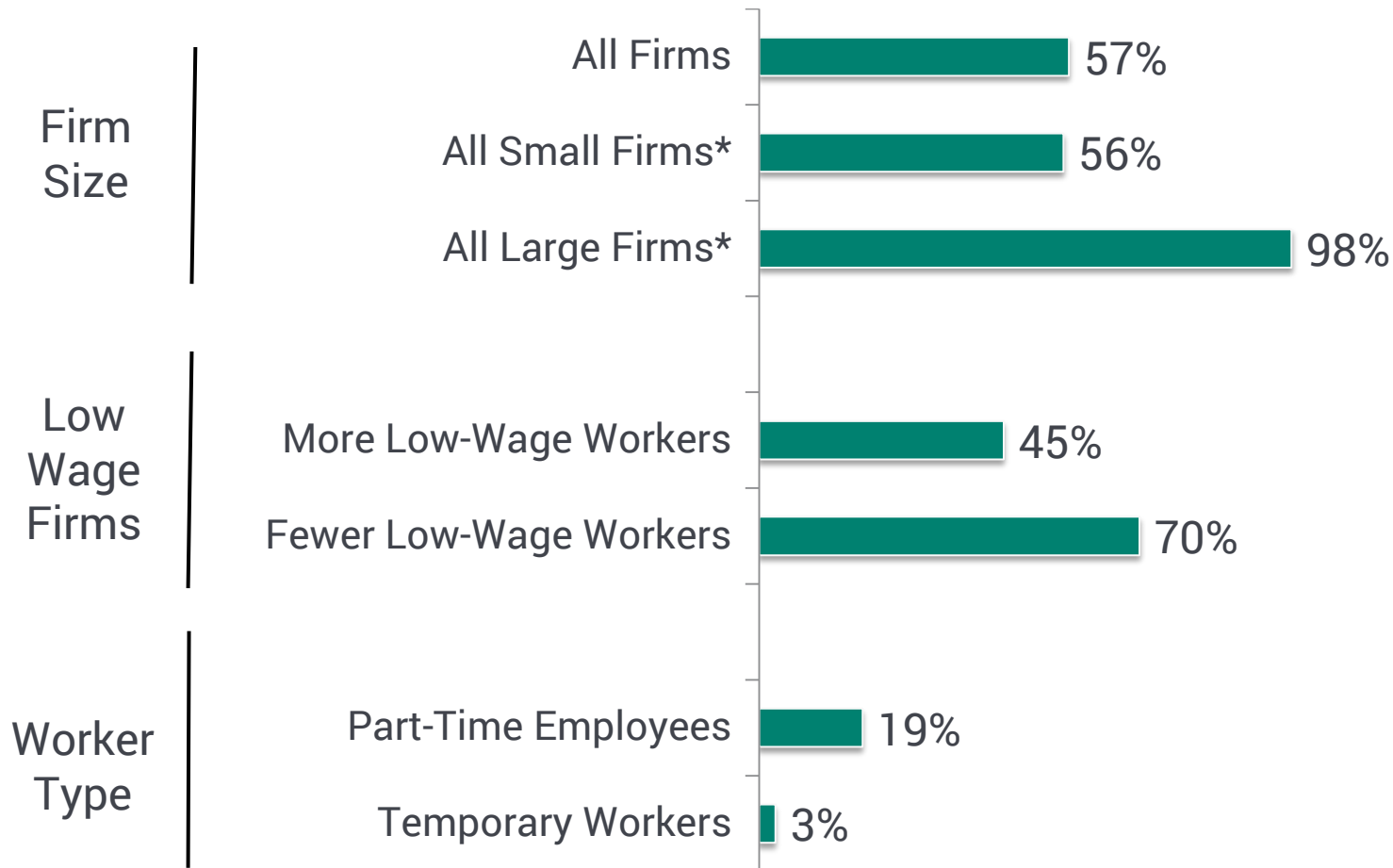
Children's Access to Job-Based Coverage Differs Significantly by Income



Note: FPL is federal poverty level, which is currently \$20,090 for a family of three. All differences from 139–200 percent FPL are significant at the 0.05 level.

Source: MACPAC analysis of children in 2013 National Health Interview Survey (NHIS).

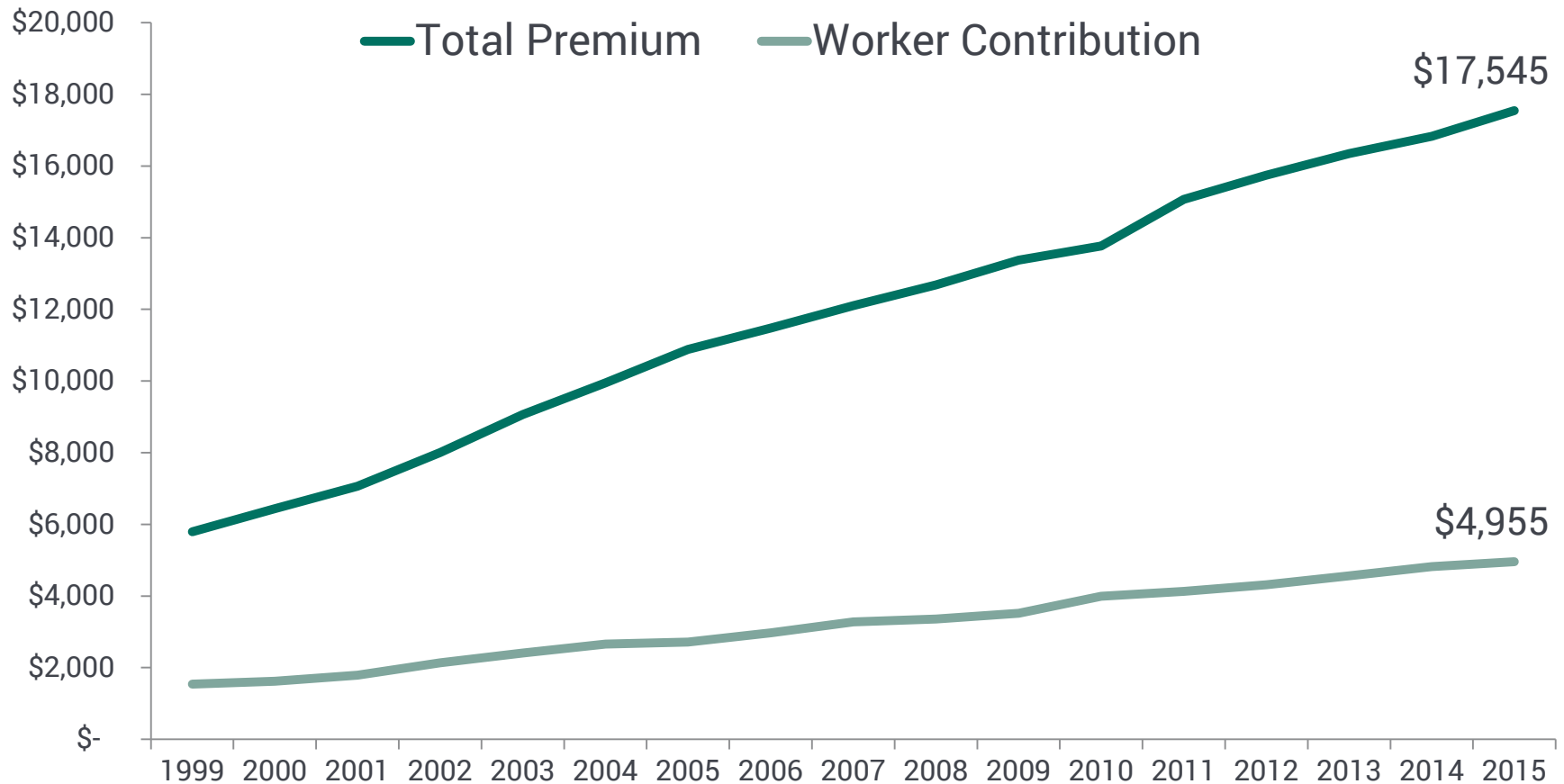
Percent of Firms Offering Health Benefits, by Select Firm Characteristics, 2015



Note: * denotes that estimates are statistically different from each other within category ($p < .05$). All small firms are those with between 3 and 199 workers, all large firms have 200 or more. Firms with more low-wage workers are defined as firms in which 35 percent or more workers earn \$23,000 a year or less; firms with fewer low-wage workers are those in which less than 35 percent of workers earn \$23,000 a year or less.

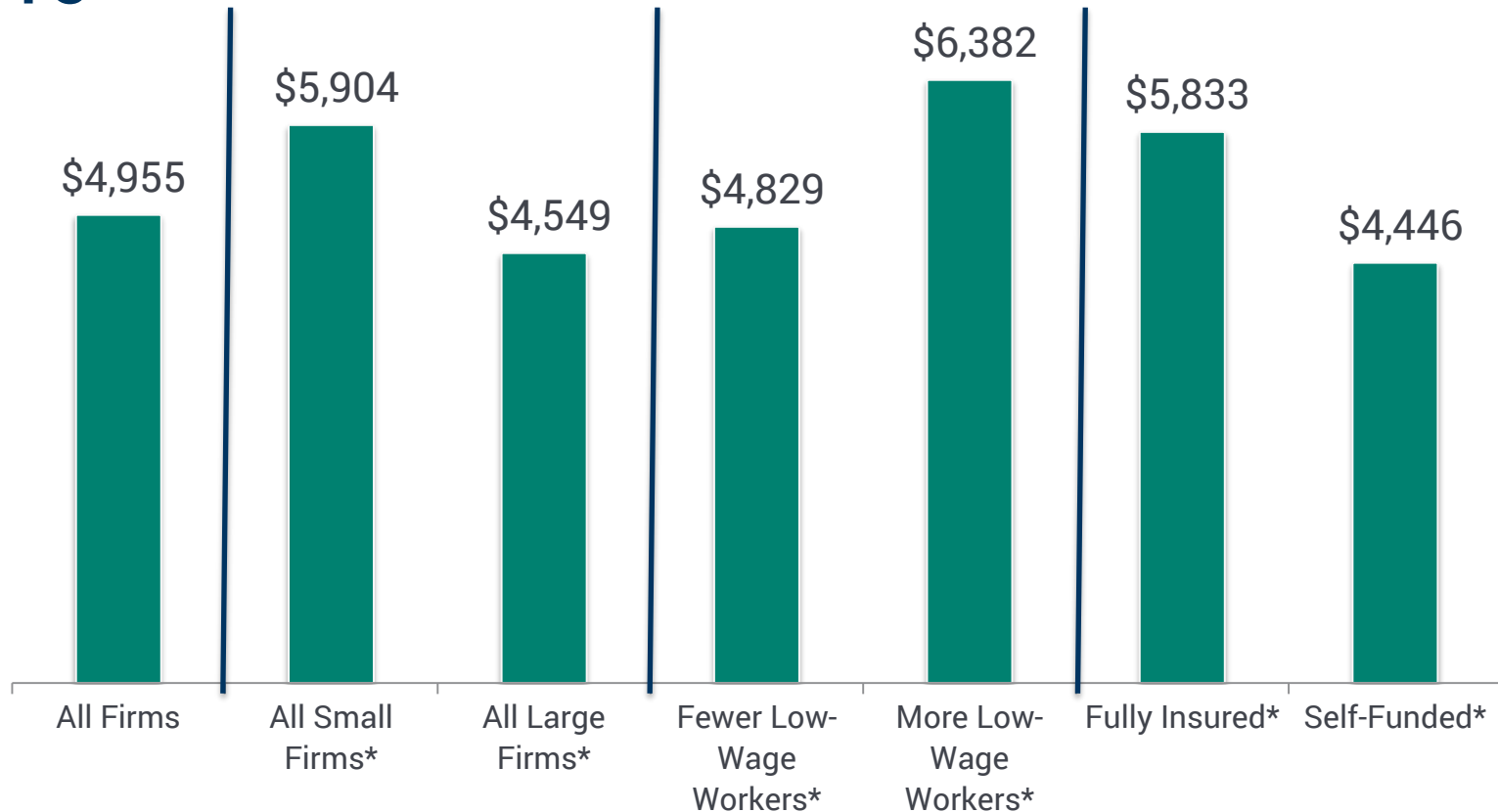
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

Average Annual Premium and Worker Contribution for Family Coverage, 1999-2015



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

Average Premium Paid by Covered Workers for Family Coverage, by Select Firm Characteristics, 2015



Note: * denotes that estimates are statistically different from each other within category ($p < .05$). All small firms are those with between 3 and 199 workers, all large firms have 200 or more. Firms with more low-wage workers are defined as firms in which 35 percent or more workers earn \$23,000 a year or less; firms with fewer low-wage workers are those in which less than 35 percent of workers earn \$23,000 a year or less.
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015.

Cost-Sharing Requirements

- In 2014, 84 percent of private sector employees were enrolled in a plan with a deductible for family coverage, up from 48 percent in 2002 (MACPAC analysis of MEPS-IC).
- The likelihood of having a deductible varies by plan type, but not firm size (Kaiser/HRET 2015).
- General annual family deductibles ranged from \$1,527 to \$5,297 in 2015 depending on firm size and plan type (Kaiser/HRET 2015).
- Annual deductibles have increased steadily since 2006, although the increase varies by plan type (Kaiser/HRET 2015).
- Most covered workers face additional cost-sharing requirements for primary and specialty care physician office visits and prescription drugs (Kaiser/HRET 2015).

Covered Benefits

- Most employer-sponsored insurance plans cover inpatient and outpatient services, physician services, and prescription drugs.
- For other services, coverage varies.
 - Many firms cover services such as physical therapy, occupational therapy, speech therapy, and autism services.
 - More than half of all plans (54 percent) do not include pediatric dental coverage. Of the employers that offer separate dental coverage, many require an additional premium.
- Most benefit mandates are issued at the state level, although some mandates may not apply to self-funded plans.



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