



# IDENTIFYING SELF-INSURED HEALTH PLANS USING RESEARCH DATA SOURCES

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## INTRODUCTION

The Patient Protection and Affordable Care Act of 2010 (ACA) has prompted an interest in gaining a better understanding of the funding mechanisms of employer-provided group health plans. Section 1253 of the ACA mandates that the Secretary of Labor ("Secretary") prepare an annual report with general information on self-insured group health plans.<sup>1</sup> As required by the ACA, the Secretary's report must use the information provided by health plan sponsors on Form 5500 Annual Return/Report of Employee Benefit Plan ("Form 5500") filings. Beginning in 1975, the Department of Labor (DOL), the Internal Revenue Service (IRS), and the Pension Benefit Guaranty Corporation (PBGC) jointly developed the Form 5500 Series to assist employee benefit plans in satisfying annual reporting requirements under Title I and Title IV of the Employee Retirement Income Security Act (ERISA) and under the Internal Revenue Code.<sup>2</sup> Form 5500 filings may be used, within limitations, to identify the funding status of group health plans.<sup>3</sup>

The goal of this report is to identify and describe research data sources, beyond the Form 5500, that could be used to examine characteristics of group health plans, including whether the plans are fully insured, self-insured, or some combination thereof. We identified a number of data sources from both the public and private sectors with information on group health plans. Where available for each data source, this report provides the following information:

- Overview
- Unit of observation
- Definition of funding mechanism
- Published sample statistics
- Questions/questionnaires used during data collection
- Sampling frame and sampling method
- Timing and frequency of data collection
- Availability of microdata
- Feasibility of augmenting future data collection efforts
- Noteworthy issues
- References

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<sup>1</sup> See <http://www.dol.gov/ebsa/pdf/ACAReportToCongress032811.pdf> for the Secretary of Labor's 2011 Report to Congress.

<sup>2</sup> [http://www.irs.gov/irm/part11/irm\\_11-003-007.html#d0e309](http://www.irs.gov/irm/part11/irm_11-003-007.html#d0e309).

<sup>3</sup> Brien, Michael J. and Constantijn W.A. Panis. 2011. *Self-Insured Health Benefit Plans*. Report for the U.S. Department of Labor, Employee Benefits Security Administration. <http://www.dol.gov/ebsa/pdf/deloitte2011-1.pdf>.

# KAISER FAMILY FOUNDATION AND HEALTH RESEARCH & EDUCATIONAL TRUST EMPLOYER HEALTH BENEFITS SURVEY

## Overview

In every year since 1999, the Kaiser Family Foundation (KFF) and Health Research & Educational Trust (HRET) have surveyed human resources or employee benefits managers about employer-sponsored health coverage. The survey asks a variety of questions related to employer-sponsored health plans, including coverage, costs, co-payments, deductibles, and funding arrangement. Though not the focus of this research, the survey also has questions about wellness benefits and health risk assessments. Starting in 2011, the survey contains questions regarding grandfathered health plans, changes in benefits for preventive care, enrollment of adult children due to the new health reform law, and, for self-insured plans, stop-loss coverage. The results of the current survey are presented in *Employer Health Benefits 2011 Annual Survey* ("2011 KFF/HRET Survey").<sup>4</sup>

The 2011 version of the survey included 3,184 randomly selected public and private firms with three or more employees (2,088 of which responded to the full survey and 1,096 of which only indicated whether they offered health insurance coverage to any of their employees). Of these firms, 492 had fewer than 50 employees, and 296 firms had 50-199 employees.

According to the 2011 KFF/HRET Survey, from 1999 to 2011, the fraction of covered workers in a health plan with a self-insured component increased from 44% to 60%.<sup>5</sup> In firms with more than 5,000 employees that fraction rose from 62% to 96% over the same period. Additionally, in 2011, preferred provider organization (PPO) plan covered workers were the most likely to be in a health plan with a self-insured component (70%) while point of service (POS) plan covered workers were the least likely to be in a health plan with a self-insured component (26%). About 58% of covered workers in self-insured plans belonged to plans that purchased stop-loss insurance. On average, stop-loss insurance began paying individual employee claims at \$200,000.

## Unit of Observation

Employers answer questionnaires at the plan level with separate sets of questions for conventional plans, health maintenance organization/exclusive provider option (HMO/EPO) plans, PPO plans, POS plans, and savings account plans. In 2011, 2,088 firms responded to the survey.

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<sup>4</sup> *Employer Health Benefits 2011 Annual Survey*. Publication 8225. Kaiser Family Foundation and Health Research & Educational Trust. <http://ehbs.kff.org>.

<sup>5</sup> The Survey Design and Methods Section of the 2011 KFF/HRET Survey defines covered workers as "employees receiving coverage from their employer" (<http://ehbs.kff.org/pdf/2011/8225.pdf>). Theoretically, covered workers may be double counted if they are in more than one plan in the data.

## Definition of Funding Mechanism

The questionnaire specifically asks about funding mechanism and provides a definition:<sup>6</sup>

Is this plan self-insured or is coverage underwritten by an insurer? **(If needed: Coverage is underwritten by the insurer if the firm pays a fixed amount to the insurance company or health plan each month, and the plan pays workers' claims. A plan is self-insured if the firm takes the financial risk and is either billed directly for claims, or claims are handled through a third party administrator.)**

- 1 – Coverage is underwritten by an insurer
- 2 – Plan is self-insured (includes partially self-insured up to a certain dollar amount, sometimes known as reinsurance or stop-loss coverage)
- 3 – Don't know

Additionally, the questionnaire includes a definition for self-funded plans as follows:

**Self-Funded Plan:** An insurance arrangement in which the employer assumes direct financial responsibility for the costs of enrollees' medical claims. Employers sponsoring self-funded plans typically contract with a third-party administrator or insurer to provide administrative services for the self-funded plan. In some cases, the employer may buy stop-loss coverage from an insurer to protect the employer against very large claims.

Based on the above definitions, self-insured and self-funded are used interchangeably for purposes of this section.

## Published Sample Statistics

KFF/HRET has published an annual report (typically in the fall) since 1999. The 2011 report contains numerous tables and graphs summarizing the findings of the survey.

The 2011 KFF/HRET Survey includes 11 tables with findings on health plan funding. These exhibits provide summary statistics for plans with a self-insured component by:

- Year
- Firm size (3-199, 200-999, 1,000-4,999, or 5,000+ workers)
- Type of plan (conventional, HMO, PPO, POS, high-deductible health plan with a savings option (HDHP/SO))
- Geographic region
- Firm industry

Table 1 shows the percentage of covered workers in a health plan with a self-insured component from 1999-2011, by firm size. From 1999 to 2011 the percentage of covered

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<sup>6</sup> Emphasis appears in original questionnaire.

workers in self-funded plans increased from 44% to 60%. In firms with more than 5,000 employees that number rose from 62% to 96% over the same period.

**Table 1. Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Firms' Number of Workers, 1999–2011**

Workers	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3–199	13	15	17	13	10	10	13	13	12	12	15	16	13
200–999	51	53	52	48	50	50	53	53	53	47	48	58	50
1,000–4,999	62	69	66	67	71	78	78	77	76	76	80	80	79
5,000+	62	72	70	72	79	80	82	89	86	89	88	93	96
All firms	44	49	49	49	52	54	54	55	55	55	57	59	60

Source: 2011 KFF/HRET Survey

Table 2 displays the trends in types of insurance provided. In 2011, PPO plan covered workers were the most likely to be in a health plan with a self-insured component (70%), while POS plan covered workers were the least likely to be in a plan with a self-insured component (26%). Among workers in HDHP/SO plans, 54% were in a plan with a self-insured component.

**Table 2. Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Plan Type, 1999–2011**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Conventional	65	64	65	58	49	43	53	n/a	53	47	48	61	53
HMO	16	23	31	27	29	29	32	33	34	40	40	41	41
PPO	60	63	61	61	61	64	65	63	65	64	67	67	70
POS	42	45	42	40	44	46	36	32	34	29	25	32	26
HDHP/SO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50	41	35	48	61	54
All plans	44	49	49	49	52	54	54	55	55	55	57	59	60

Source: 2011 KFF/HRET Survey

Table 3 shows the 2011 percentage of covered workers in plans with a self-insured component by firm size, region, and industry. Covered workers in the Midwest are the most likely to be in self-insured plans (65%), whereas those in the West are the least likely to be in self-insured plans (47%). Covered workers employed in the Agriculture/Mining/Construction industries are the least likely to be in self-insured plans (43%), while those in the Transportation/Communication/Utilities industries are the most likely to be in self-insured plans (80%).

**Table 3. Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Firm Size, Region, and Industry, 2011**

	Percentage in self-funded plan
<b>Firm size</b>	
200–999 workers	50
1,000–4,999 workers	79
5,000+ workers	96
All small firms (3–199 workers)	13
All large firms (200+ workers)	82
<b>Region</b>	
Northeast	61
Midwest	65
South	64
West	47
<b>Industry</b>	
Agriculture/Mining/Construction	43
Manufacturing	68
Transportation/Communications/Utilities	80
Wholesale	58
Retail	63
Finance	64
Service	51
State/Local Government	67
Health Care	60
All firms	60

Source: 2011 KFF/HRET Survey

Table 4 through Table 8 further present trends in the fraction of covered workers in self-insured health plans, by firm size and by health insurance plan type.

**Table 4. Percentage of Covered Workers in Partially or Completely Self-Funded Plans, by Plan Type and Firms' Number of Workers, 2011**

Workers	Conventional	HMO	PPO	POS	HDHP/SO
3–199	n/a	5	19	6	11
200–999	n/a	16	65	39	45
1,000–4,999	n/a	54	84	40	89
5,000+	n/a	67	98	n/a	98
All firms	53	41	70	26	54

Source: 2011 KFF/HRET Survey

**Table 5. Percentage of Covered Workers in Partially or Completely Self-Funded HMO Plans, by Firms' Number of Workers, 1999–2011**

Workers	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3–199	5	4	14	10	5	4	10	3	1	10	6	9	5
200–999	14	13	23	16	21	18	17	29	19	22	26	23	16
1,000–4,999	22	27	32	31	37	49	50	54	44	48	50	59	54
5,000+	19	35	40	38	44	40	44	47	58	66	61	65	67
All HMOs	16	23	31	27	29	29	32	33	34	40	40	41	41

Source: 2011 KFF/HRET Survey

**Table 6. Percentage of Covered Workers in Partially or Completely Self-Funded PPO Plans, by Firms' Number of Workers, 1999–2011**

Workers	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3–199	19	23	23	15	13	13	18	19	17	15	21	18	19
200–999	69	72	66	63	60	63	67	61	65	55	55	69	65
1,000–4,999	84	89	87	83	85	88	88	85	87	85	87	85	84
5,000+	87	88	87	93	93	93	95	97	90	94	93	96	98
All PPOs	60	63	61	61	61	64	65	63	65	64	67	67	70

Source: 2011 KFF/HRET Survey

**Table 7. Percentage of Covered Workers in Partially or Completely Self-Funded POS Plans, by Firms' Number of Workers, 1999–2011**

Workers	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
3–199	10	10	10	10	8	9	9	6	14	9	5	9	6
200–999	35	39	40	21	42	42	31	36	33	20	39	53	39
1,000–4,999	62	71	60	67	73	63	48	62	47	52	53	60	40
5,000+	75	77	76	67	71	77	74	80	89	65	76	85	n/a
All POS	42	45	42	40	44	46	36	32	34	29	25	32	26

Source: 2011 KFF/HRET Survey

**Table 8. Percentage of Covered Workers in Partially or Completely Self-Funded HDHP/SO Plans, by Firms' Number of Workers, 2006–2011**

Workers	2006	2007	2008	2009	2010	2011
3–199	7	4	7	18	24	11
200–999	57	27	48	36	53	45
1,000–4,999	81	86	72	81	88	89
5,000+	100	97	91	96	99	98
All HDHP/SOs	50	41	35	48	61	54

Source: 2011 KFF/HRET Survey

Note: Information on funding status for HDHP/SOs was not collected prior to 2006.

Table 9 through Table 11 display the fraction of workers in self-insured health plans covered by stop-loss insurance. The majority of self-insured, covered workers are in plans where stop-loss insurance limits plans' spending on individual employees. The likelihood of self-insured, covered workers being in a plan that purchases stop-loss insurance decreases with firm size. Similarly, the average per-employee claims cost at which stop-loss insurance pays a benefit decreases with firm size.



**Table 9. Percentage of Covered Workers Enrolled in a Partially or Completely Self-Funded Plan Covered by Stop-Loss Insurance, by Firm Size, Region, and Industry, 2011**

	Percentage in a self-funded plan covered by stop-loss insurance
<b>Firm size</b>	
50-199 workers	85
200-999 workers	90
1,000-4,999 workers	88
5,000+ workers	40
All small firms (3-199 workers)	72
All large firms (200+ workers)	57
<b>Region</b>	
Northeast	51
Midwest	62
South	54
West	66
<b>Industry</b>	
Agriculture/Mining/Construction	77
Manufacturing	54
Transportation/Communications/Utilities	31
Wholesale	68
Retail	60
Finance	58
Service	66
State/Local Government	31
Health Care	76
All self-funded firms	58

Source: 2011 KFF/HRET Survey

**Table 10. Prevalence and Average Retention of Stop-Loss Insurance, by Firm Size and Region, 2011**

	Percentage of covered workers in partially or completely self-funded plans	Percentage of covered workers enrolled in a self-funded plan that purchased stoploss insurance	Percentage of covered workers enrolled in a self-funded plan that purchased stoploss insurance which includes a limit on per employee spending	Average per employee claims cost at which stoploss insurance pays benefit
<b>Firm size</b>				
50-199 workers	23	85	89	\$73,824
200-999 workers	50	90	75	\$136,719
1,000-4,999 workers	79	88	84	\$205,210
5,000 + workers	96	40	80	\$301,815
All large firms (200+ workers)	82	57	80	\$208,280
<b>Region</b>				
Northeast	61	51	84	\$204,066
Midwest	65	62	85	\$184,860
South	64	54	81	\$218,586
West	47	66	75	\$183,554
All firms	60	58	81	\$199,605

Source: 2011 KFF/HRET Survey

**Table 11. Percentage of Covered Workers Enrolled in Partially or Completely Self-Funded Plans that Purchase Different Types of Stop-Loss Insurance, by Firm Size, 2011**

	Stop-loss insurance limits per employee spending	Stop-loss insurance limits total spending	Stop-loss insurance limits both per employee and total spending	Other
<b>Firm size</b>				
50-199 workers	66	7	23	4
200-999 workers	44	12	31	13
1,000-4,999 workers	60	7	24	9
5,000+ workers	61	11	19	9
All small firms (3-199 workers)	67	6	23	4
All large firms (200+ workers)	57	10	23	10
All firms	58	10	23	9

Source: 2011 KFF/HRET Survey

## Questions/Questionnaires Used During Data Collection

Upon request, KFF/HRET provides the survey instrument. We requested, received, and reviewed the questionnaires for the 2010 and 2011 surveys.

## Sampling Frame and Sampling Method

Researchers at KFF, the National Opinion Research Center at the University of Chicago, and HRET designed and analyzed the survey. Currently, the sample requirements are based on the U.S. Census Bureau's universe of firms. Prior to 2009, the survey used counts provided by Survey Sampling Incorporated (which obtains data from Dun and Bradstreet), but the survey designers found some inaccuracies and made a few corrections to the sampling methodology.<sup>7</sup> The KFF/HRET website states that "in 2003, we began using the more consistent and accurate counts provided by the Census Bureau's Statistics of U.S. Businesses and the Census of Governments as the basis for post-stratification, although the sample was still drawn from a Dun and Bradstreet list." Additionally, to increase precision, the sample is stratified by industry and the number of workers in the firm. Further, attempts are made to re-interview respondents (limited to those with at least 10 employees) who participated in the survey in either of the two previous years. As a result, 1,555 of the 2,088 firms included in the 2011 KFF/HRET survey sample were also included in the 2009 or 2010 KFF/HRET survey.<sup>8</sup>

## Timing and Frequency of Data Collection

From January to May 2011, contractors hired by KFF/HRET completed full interviews with 2,088 firms. The KFF/HRET website contains historical annual reports from 1999 through 2011.

According to the 2011 KFF/HRET Survey, "Prior to 1999, the survey was conducted by the Health Insurance Association of America (HIAA) and KPMG using a similar survey instrument, but data are not available for all the intervening years. Following the survey's introduction in 1987, the HIAA conducted the survey through 1990, but some data are not available for analysis. KPMG conducted the survey from 1991-1998. However, in 1991, 1992, 1994, and 1997, only larger firms were sampled. In 1993, 1995, 1996, and 1998, KPMG interviewed both large and small firms. In 1998, KPMG divested itself of its Compensation and Benefits Practice, and part of that divestiture included donating the annual survey of health benefits to HRET."

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<sup>7</sup> Dun and Bradstreet is a source of commercial business information. Its database currently contains more than 33 million active North American companies.  
<http://www.dnb.com/about-dnb/information-quality/14881801-1.html>.

<sup>8</sup> For more details on the sampling methodology, see the Sample Design and Methods Section of the 2011 KFF/HRET Survey at  
<http://ehbs.kff.org/?page=charts&id=1&sn=1&p=3>.

## Availability of Microdata

Data are collected from January to May each year. Shortly after the release of its annual report with survey findings, KFF/HRET makes a public use file available that may be obtained under a data use agreement. The 2011 annual report was released on September 27, 2011. We have acquired the 2000 through 2010 survey waves. The agreement requires that the data be used only for statistical analysis and reporting and stipulates safeguards that protect the identity of the respondents. It is our understanding that the data file contains all of the observations. It is made available free of charge.

## Feasibility of Augmenting Future Data Collection Efforts

We discussed the feasibility of adding questions and/or enlarging the sample with the Director of the KFF/HRET Survey. In principle, KFF/HRET is willing to add questions, though there are concerns over respondent burden. KFF/HRET is also willing in principle to expand the sample and increase the number of responding small employers. Again, concerns exist over the effect such sample enlargement would have on the overall response rate, since the response rate among small firms is lower than that among large firms.

## Noteworthy Issues

KFF/HRET imputes missing values to control for item nonresponse bias. Generally, less than 5% of observations are imputed for any given variable, but in 2011, there were four variables where the imputation rate was between 20% and 30%. KFF/HRET found no statistically significant difference between the four imputed and unimputed variables. Variables where “don’t know” is considered a valid response option are not imputed. Wherever possible, KFF/HRET imputes missing data using respondents’ answers to other questions.

The 2011 KFF/HRET survey corrects a calibration error from previous years’ surveys that resulted in an over-count of the actual number of national firms. Previously, firms operating in multiple industries were counted multiple times when computing the total firm count by industry, and some were counted multiple times when computing the total firm count by state. This occurred mainly for larger firms because of their increased likelihood to operate in multiple industries across multiple states. The error only affected statistics weighted by the number of firms (e.g., the percent of firms offering health benefits). The error did not affect statistics weighted by the number of workers or covered workers (e.g., average premiums, contributions, or deductibles). KFF/HRET addressed this issue by proportionally distributing the U.S. Census Bureau national total firm count within each firm size, industry, and state category. This process weighted each firm within each category (industry or state) proportionally to its share of workers in that category. This results in a synthetic count of firms across industry and state that sums to the national totals. The historical KFF/HRET survey estimates change little.

## References

- Survey homepage: <http://ehbs.kff.org>
- 2010 Report: <http://ehbs.kff.org/pdf/2010/8085.pdf>
- 2011 Report: <http://ehbs.kff.org/pdf/2011/8225.pdf>

## MEDICAL EXPENDITURE PANEL SURVEY—INSURANCE COMPONENT

### Overview

The Medical Expenditure Panel Survey (MEPS) surveys families and individuals, their employers, and medical providers to determine healthcare costs and health insurance coverage. Since 1996, MEPS has collected data on health insurance costs, scope, and breadth; and it specifically asks whether health plans are self-insured, whether the organization employed a third party administrator, and whether the organization purchased stop-loss coverage for the plan.<sup>9</sup> Additionally, MEPS collects health services usage, usage frequency, and costs data.

The MEPS contains both a Household Component (MEPS-HC) and an Insurance Component (MEPS-IC). The Household Component surveys individual households and their members, as well as the households' medical providers. The MEPS-IC surveys employers on insurance plans offered, premiums, employer and employee contributions, eligibility requirements, and employer characteristics. Surveyed employer characteristics include: industry group, ownership type (i.e., incorporation status, profit or nonprofit), firm age, number of locations, percent of full-time employees, percent of low-wage employees, and union status.

The 2010 MEPS-IC's nationwide random sample includes 38,409 private-sector establishments independently drawn from the U.S. Census Bureau's Business Register (23,641 from single-unit establishments and 14,768 from multiunit establishments). An "establishment" is a single workplace or location, and a "firm" can consist of many establishments under common ownership. The MEPS-IC sample is drawn at the establishment level, and more than one establishment can be sampled from the same firm.

The U.S. Census Bureau administers the MEPS-IC on behalf of the U.S. Department of Health and Human Services' (HHS) Agency for Healthcare Research and Quality (AHRQ). AHRQ researchers analyzed the survey results and published summary tables for each year from 1996-2010 (no data are available for 2007 because of a transition from retrospective to current data collection). These tables report the fraction of private-sector establishments offering health insurance that self-insured at least one plan, and they report the fraction of private-sector enrollees that were enrolled in self-insured plans at establishments that offered health insurance. From 1999-2010, the percentage of private-sector establishments that offered health insurance and self-insured at least one plan increased from 27% to 36%. In firms with more than 500 workers, that percentage rose from 66% to 82%. Over the same time period, the percentage of private-sector enrollees that were enrolled in self-insured plans at establishments that offered health insurance increased from 41% to 58%. In firms with more than 1,000 workers, that percentage rose from 57% to 84%.

The MEPS-IC summary tables also report national enrollment count and cost estimates. From 1999 to 2010, total enrollment in fully insured plans declined from 41.1 million to 26.0

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<sup>9</sup> The National Center for Health Statistics' 1994 National Employer Health Insurance Survey (NEHIS) was the first federal survey designed to produce state and national estimates of employer-sponsored health insurance forming the foundation for the MEPS-IC.

million while total enrollment in self-insured plans increased from 29.5 million to 38.4 million. Although fully insured enrollment declined from 1999-2010, fully insured health plan costs increased from \$171.1 million to \$208.6 million over that same period with a large portion of that cost increase shouldered by employees. Similarly, self-insured health plan costs grew much faster than enrollment with employees shouldering a larger portion of the cost increase than employers.

## Unit of Observation

Questionnaires are directed at the plan level for up to four health insurance plans. An “establishment” is a single workplace or location, and a “firm” can consist of many establishments under common ownership. The MEPS-IC sample is drawn at the establishment level, and more than one establishment can be sampled from the same firm.

## Definition of Funding Mechanism

The questionnaire specifically asks about funding mechanism and provides a definition; see Figure 1.<sup>10</sup>

**Figure 1. MEPS-IC Funding Status Questions**

GENERAL PLAN INFORMATION - Continued	
<p><b>5. Was this plan purchased from an insurance underwriter or was it self-insured?</b></p> <p><b>Purchased from an insurance underwriter - (Fully-insured)</b> Coverage is purchased from an insurance company or other underwriter who assumes the risk for enrollees' medical expenses.</p> <p><b>Self-Insured -</b> Your organization assumes the risk for the enrollees' medical expenses and may charge a premium to employees. This plan may be administered by a third party and may employ supplemental stop-loss insurance to limit unanticipated losses.</p>	<p>105</p> <p>1 <input type="checkbox"/> Purchased - <b>SKIP to Question 7a</b></p> <p>2 <input type="checkbox"/> Self-insured - <i>Continue with Question 6a</i></p> <p>3 <input type="checkbox"/> Don't know - <b>SKIP to Question 7a</b></p>
SELF-INSURED PLAN INFORMATION	
<p><i>Complete questions 6a-b if this plan was self-insured.</i></p> <p><b>6a. Did your organization employ a Third Party Administrator (TPA) for this self-insured plan?</b></p>	<p>713</p> <p>1 <input type="checkbox"/> Yes - Used a Third Party Administrator</p> <p>2 <input type="checkbox"/> No - Self-administered the plan</p>
<p><b>b. Did your organization purchase stop-loss coverage for this plan?</b></p>	<p>107</p> <p>1 <input type="checkbox"/> Yes</p> <p>2 <input type="checkbox"/> No</p>

Source: AHRQ, Center for Financing, Access and Cost Trends. MEPS-IC, 2010.

<sup>10</sup> [http://meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_survey/2010/meps10s.pdf](http://meps.ahrq.gov/mepsweb/survey_comp/ic_survey/2010/meps10s.pdf).

## Published Sample Statistics

In July of each year, AHRQ publishes annual MEPS-IC private-sector data online (in tabular form only). Due to confidentiality requirements surrounding samples drawn from the Census Bureau's Business Register, AHRQ does not publicly release MEPS-IC data files. However, MEPS-IC microdata may be accessed at the Census Bureau's Research Data Centers.

Table 12 presents the percentage of establishments from 1999-2010 that offered health insurance and self-insured at least one plan, by firm size. The percentage of private-sector establishments that offered health insurance and self-insured at least one plan increased over this period from 27% to 36%. In firms with more than 500 workers, that percentage rose from 66% to 82%.

**Table 12. Percentage of Establishments Offering Health Insurance and Self-Insuring at Least One Plan, by Firm Size, 1999-2010**

	1999	2000	2001	2002	2003	2004	2005	2006	2008	2009	2010
Less than 100 workers	12	11	12	13	12	14	12	14	13	14	13
100-499 workers	29	30	28	29	29	28	30	25	29	26	27
500 or more workers	66	76	76	78	80	83	79	81	82	82	82
Less than 50 workers	11	10	12	13	12	13	12	14	13	13	13
50 or more workers	52	59	58	60	61	64	61	62	63	62	63
Total	27	30	31	32	32	35	33	34	34	35	36

Source: AHRQ, Center for Financing, Access and Cost Trends. 1999-2010 MEPS-IC.  
Note: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at

[http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes)

Table 13 displays the percentage of establishments that offered health insurance and at least one self-insured plan in 2010, by firm size; and by industry group, ownership, firm age, multi/single status, percent of full-time employees, union presence, and percent of low-wage employees. The table reveals that the retail trade and utilities/transportation industries were the most likely to self-insure at least one health plan. The following types of firms exhibit the highest prevalence of self-funding at least one health plan:

- For profit, incorporated
- More than one location
- Firm older than 20 years
- With a union presence
- More than half of their employees low wage

**Table 13. Percentage of Establishments Offering Health Insurance and Self-Insuring at Least One Plan, By Firms' Number of Workers and By Multiple Characteristics, 2010**

	Total	Less than 100 workers	100-499 workers	500 or more workers	Less than 50 workers	50 or more workers
<b>Industry group **</b>						
Agric., fish., forest.	18	14	--	90	13	51
Mining and manufacturing	29	13	36	86	12	59
Construction	17	14	29	66	14	36
Utilities and transp.	50	16	25	90	16	73
Wholesale trade	32	12	31	89	10	63
Fin. svcs. and real estate	48	9	31	86	9	70
Retail trade	52	15	26	85	15	72
Professional services	27	12	26	78	11	55
Other services	35	15	20	74	15	57
<b>Ownership</b>						
For profit, incorporated	39	12	27	84	12	68
For profit, unincorporated	28	13	28	78	13	59
Nonprofit	26	19	24	54	19	34
<b>Age of firm</b>						
Less than 5 years	15	11	20	64	11	37
5-9 years	16	13	24	55	12	35
10-19 years	19	12	20	67	12	41
20 or more years	45	14	29	84	14	68
<b>Multi/single status</b>						
2 or more locations	62	12	27	82	11	67
1 location only	13	13	22	46	13	21
<b>Percent full-time employees</b>						
Less than 25%	34	13	17	71	13	52
25-49 %	42	15	15	77	15	61
50-74 %	41	13	22	86	13	69
75% or more	34	13	30	82	12	63
<b>Union presence</b>						
No union employees	29	12	26	79	12	56
Has union employees	77	39	32	94	39	87
Unknown	68	19	33	79	19	76
<b>Percent low wage employees</b>						
50% or more low wage	42	12	22	77	12	61
Less than 50% low wage	34	13	29	85	13	65

Source: AHRQ, Center for Financing, Access and Cost Trends. 2010 MEPS-IC.

Note: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at

[http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes)

-- Data suppressed due to high standard errors or no reported values in cell.

\*\* Definitions of industry groups and low-wage employees changed in 2000.

Data are not comparable to IC data prior to 2000. See Technical Appendix.

Table 14 presents the percentage of enrollees that were enrolled in a self-insured plan at an establishment that offered health insurance from 1999-2010, by firm size. From 1999-2010,



the percentage of private-sector enrollees that were enrolled in self-insured plans at establishments that offered health insurance increased from 41% to 58%. In firms with more than 1,000 workers, that percentage rose from 57% to 84%.

**Table 14. Percentage of Enrollees that Were Enrolled in Self-Insured Plans at Establishments that Offered Health Insurance, by Firm Size, 1999-2010**

	1999	2000	2001	2002	2003	2004	2005	2006	2008	2009	2010
Less than 10 workers	13	14	12	12	12	19	11	13	13	13	13
10-24 workers	10	11	11	10	12	13	11	11	11	10	12
25-99 workers	18	15	17	18	15	16	13	15	13	16	17
100-999 workers	39	39	40	39	36	36	36	33	37	33	38
1000 or more workers	57	69	69	72	76	78	79	79	82	83	84
Less than 50 workers	12	13	12	13	12	16	12	12	12	12	13
50 or more workers	50	58	58	59	61	63	63	63	65	66	68
All Workers	41	48	49	50	52	54	53	53	55	56	58

Source: AHRQ, Center for Financing, Access and Cost Trends. 1999-2010 MEPS-IC.

Note: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at

[http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes)

Table 15 displays the percentage of enrollees that were enrolled in self-insured plans at establishments that offered health insurance, by firm size; and by industry group, ownership, firm age, multi/single status, percent of full-time employees, union presence, and percent of low-wage employees. Table 15 reveals that the utilities/transportation industry had the highest percentage of enrollees that were enrolled in a self-insured plan. Table 15 also reveals the prevalence of self-insurance in firms older than 20 years. Similarly, Table 15 shows firms with more than one location had higher self-insurance rates than firms with a single location, and firms with unionized workforces had higher self-insurance rates than firms without unionized workforces. Although Table 13 showed incorporated for-profit establishments were more likely than nonprofit establishments to offer at least one self-insured plan, Table 15 shows nonprofit establishments had a higher percentage of enrollees that were enrolled in a self-insured plan. Similarly, Table 13 shows establishments with more than half of their workforce earning low wages were most likely to offer at least one self-insured plan, but Table 15 shows establishments with less than half of their workforce earning low wages had a higher percentage of enrollees that were enrolled in a self-insured plan.

**Table 15. Percentage of Enrollees that Were Enrolled in Self-Insured Plans at Establishments that Offered Health Insurance, By Firms' Number of Workers and By Multiple Characteristics, 2010**

	Less than 10	10-24	25-99	100- 999	1000 or more	Less than 50	50 or more	
	Total workers workers workers workers workers workers workers							
<b>Industry group **</b>								
Agric., fish., forest.	51	27 *	4 *	40 *	46 *	98	17 *	74
Mining and manufacturing	63	11	14	14	42	88	11	71
Construction	28	11	12	20	35	76	13	43
Utilities and transp.	78	18	5	16	44	93	15	83
Wholesale trade	55	10 *	13	21	49	89	11	69
Fin. svcs. and real estate	63	9	3 *	14	32	82	8	70
Retail trade	60	15	7	17	27	84	12	70
Professional services	58	12	13	16	38	84	12	67
Other services	47	15	14	19	33	71	16	56
<b>Ownership</b>								
For profit, incorporated	58	12	11	16	39	84	12	69
For profit, unincorporated	46	12	12	18	36	76	12	58
Nonprofit	62	21	15	24	35	86	19	66
<b>Age of firm</b>								
Less than 5 years	30	13	13 *	17	35	75	15	46
5-9 years	26	10	15	15	26	79	11	42
10-19 years	36	12	9	16	29	75	12	49
20 or more years	63	14	12	18	40	84	13	71
<b>Multi/single status</b>								
2 or more locations	73	12 *	8	15	40	84	11	75
1 location only	23	13	12	18	33	67	13	35
<b>Percent full-time employees</b>								
Less than 25%	44	16	8 *	8 *	27	72	10	54
25-49 %	50	16 *	17 *	14	26	77	16	58
50-74 %	68	11	13	21	35	89	13	77
75% or more	56	13	11	17	39	83	12	67
<b>Union presence</b>								
No union employees	48	11	10	16	37	83	11	60
Has union employees	77	48	35	34	45	87	38	79
Unknown	78	18	17 *	32 *	41	81	18	79
<b>Percent low wage employees</b>								
50% or more low wage	53	11	14	15	34	75	12	60
Less than 50% low wage	58	13	11	18	38	85	13	69

Source: AHRQ, Center for Financing, Access and Cost Trends. 2010 MEPS-IC.

Note: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at

[http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes)

\* Figure does not meet standard of reliability or precision.

\*\* Definitions of industry groups and low-wage employees changed in 2000.

These data are not comparable to IC data prior to 2000.

The following two tables display national health plan enrollee count estimates by indemnification type. Table 16 reveals that, from 1999 to 2010, total enrollment in fully insured plans declined from 41.1 million to 26.0 million while total enrollment in self-insured plans increased from 29.5 million to 38.4 million. Table 17 breaks down the 2010 count estimates of Table 16 by industry group.

**Table 16. National Hospitalization and Physician Service Health Plan Enrollee Totals, By Type of Indemnification, 1999-2010**

	1999	2000	2001	2002	2003	2004	2005	2006	2008	2009	2010
<b>Fully insured plan enrollees (thousands)</b>											
Active enrollees	37,726 (653)	33,277 (730)	32,399 (830)	30,600 (620)	29,353 (456)	28,129 (603)	28,363 (488)	28,536 (490)	28,021 (325)	25,963 (555)	23,865 (440)
Enrollees through COBRA	1,252 (34)	1,377 (53)	1,139 (44)	1,132 (72)	1,469 (114)	1,416 (319)	1,048 (60)	1,444 (433)	1,168 (246)	1,078 (29)	1,235 (94)
Retired enrollees	2,073 (158)	1,414 (119)	1,983 (228)	1,395 (118)	1,471 (209)	1,078 (75)	1,060 (110)	1,068 (110)	1,207 (355)	1,058 (395)	879 (223)
Enrollees with single coverage	21,172 (318)	18,181 (280)	17,899 (442)	17,586 (485)	17,033 (278)	15,901 (304)	16,463 (342)	16,932 (643)	16,935 (167)	15,853 (397)	14,611 (231)
Total fully insured plan enrollees	41,052 (748)	36,067 (820)	35,521 (861)	33,127 (695)	32,293 (627)	30,623 (775)	30,471 (566)	31,048 (809)	30,397 (418)	28,099 (651)	25,978 (544)
<b>Self-insured plan enrollees (thousands)</b>											
Active enrollees	26,480 (857)	31,008 (1,199)	30,959 (1,056)	30,959 (767)	31,382 (928)	32,799 (596)	32,706 (703)	32,109 (717)	34,720 (508)	33,282 (554)	32,312 (647)
Enrollees through COBRA	954 (46)	1,390 (54)	1,082 (40)	1,224 (46)	1,442 (89)	1,262 (61)	1,325 (99)	1,472 (82)	1,521 (100)	1,926 (201)	2,020 (94)
Retired enrollees	2,077 (114)	2,789 (294)	2,762 (207)	3,333 (254)	4,137 (515)	5,058 (460)	5,814 (252)	5,056 (230)	5,774 (468)	5,570 (754)	4,056 (493)
Enrollees with single coverage	12,849 (368)	14,834 (548)	14,364 (491)	15,127 (390)	15,838 (604)	16,940 (387)	17,780 (371)	17,286 (323)	19,781 (574)	19,047 (833)	18,441 (502)
Total self-insured plan enrollees	29,511 (890)	35,186 (1,419)	34,803 (1,091)	35,516 (816)	36,961 (1,156)	39,119 (848)	39,845 (766)	38,636 (796)	42,015 (693)	40,778 (1,273)	38,389 (764)

Source: AHRQ, Center for Financing, Access and Cost Trends. 1999-2010 MEPS-IC.

Notes: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes). Totals may not sum exactly because of rounding. Standard errors in parentheses.

**Table 17. National Hospitalization and Physician Service Health Plan Enrollee Totals, By Type of Indemnification and Industry Group, 2010**

	Active Enrollees	Enrollees through COBRA	Retired Enrollees	Enrollees with single coverage	Total plan enrollees
Fully insured plan enrollees (thousands)					
Agric., fish., forest.	140 (26)	2 (1)	0 0	80 (20)	143 (26)
Mining and manufacturing	3,176 (140)	106 (6)	120 (29)	1,732 (62)	3,401 (150)
Construction	1,850 (121)	79 (11)	18 (6)	1,033 (56)	1,947 (124)
Utilities and transp.	704 (61)	40 (12)	82 (39)	430 (46)	826 (93)
Wholesale trade	1,640 (92)	82 (10)	9 (2)	922 (64)	1,731 (99)
Fin. svcs. and real estate	2,831 (155)	313 (88)	101 (29)	1,704 (81)	3,245 (161)
Retail trade	2,168 (77)	117 (11)	24 (6)	1,480 (74)	2,309 (83)
Professional services	7,315 (263)	317 (22)	415 (250)	4,628 (164)	8,047 (339)
Other services	4,041 (133)	180 (12)	109 (49)	2,601 (74)	4,329 (146)
Self-insured plan enrollees (thousands)					
Agric., fish., forest.	146 (28)	4 (1)	16 (10)	86 (19)	167 (33)
Mining and manufacturing	5,365 (234)	214 (32)	1,120 (252)	2,775 (156)	6,699 (354)
Construction	709 (72)	21 (4)	28 (15)	358 (48)	758 (78)
Utilities and transp.	2,488 (236)	134 (26)	380 (44)	1,334 (125)	3,003 (268)
Wholesale trade	2,022 (176)	127 (13)	219 (82)	1,094 (146)	2,369 (240)
Fin. svcs. and real estate	4,745 (288)	488 (48)	923 (326)	2,979 (300)	6,155 (496)
Retail trade	3,203 (186)	361 (67)	94 (8)	2,006 (124)	3,658 (230)
Professional services	10,031 (426)	393 (39)	1,193 (234)	5,693 (236)	11,617 (429)
Other services	3,603 (228)	278 (31)	84 (36)	2,117 (186)	3,964 (278)

Source: AHRQ, Center for Financing, Access and Cost Trends. 2010 MEPS-IC.

Notes: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at

[http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes).

Totals may not sum exactly because of rounding. Standard errors in parentheses.

Definitions of industry groups changed in 2000. These data are not comparable to IC data prior to 2000. See Technical Appendix.

The following two tables display national health plan cost estimates by indemnification type. Table 18 reveals that total fully insured health plan costs increased from 1999-2010 even though total fully insured enrollment declined over the same period. Similarly, self-insured health plan costs grew much faster than enrollment with employees shouldering a larger portion of the cost increase than employers. Table 19 breaks down the 2010 cost estimates by industry group.

**Table 18. National Hospitalization and Physician Service Health Plan Cost Totals, By Type of Indemnification, 1999-2010**

	1999	2000	2001	2002	2003	2004	2005	2006	2008	2009	2010
Fully insured plan costs (millions of \$)											
Employer single coverage	39,320 (688)	37,537 (559)	40,580 (1,171)	43,807 (1,425)	45,756 (704)	45,174 (947)	51,112 (1,129)	52,657 (942)	56,989 (943)	54,552 (1,269)	52,905 (1,135)
Employee single coverage	10,760 (350)	9,704 (226)	10,558 (315)	11,895 (348)	12,867 (407)	12,949 (361)	14,588 (455)	16,101 (1,227)	17,920 (909)	19,197 (1,904)	17,718 (553)
Employer non-single* coverage	85,573 (2,283)	82,883 (2,844)	85,967 (2,419)	83,576 (1,700)	87,138 (1,885)	89,237 (3,007)	94,457 (1,854)	97,943 (2,454)	93,099 (1,984)	90,540 (3,137)	88,324 (2,918)
Employee non-single* coverage	35,480 (832)	36,472 (940)	35,374 (1,956)	34,349 (1,009)	40,214 (1,210)	43,721 (3,586)	42,028 (963)	46,952 (1,311)	52,966 (2,212)	49,706 (2,074)	49,630 (1,819)
Total fully insured plan costs	171,132 (3,553)	166,596 (4,306)	172,479 (4,806)	173,627 (3,869)	185,974 (3,642)	191,082 (6,217)	202,185 (3,777)	213,652 (4,633)	220,974 (4,031)	213,996 (6,216)	208,577 (5,499)
Self-insured plan costs (millions of \$)											
Employer single coverage	23,230 (771)	31,528 (1,427)	34,670 (989)	39,302 (1,387)	43,419 (1,874)	48,216 (1,367)	52,627 (1,644)	52,392 (1,025)	61,942 (1,742)	64,331 (2,457)	66,892 (1,559)
Employee single coverage	6,731 (191)	8,547 (371)	9,055 (275)	11,203 (542)	13,958 (588)	14,977 (487)	17,737 (403)	18,573 (653)	23,493 (824)	25,128 (1,348)	25,086 (1,036)
Employer non-single* coverage	78,139 (3,439)	109,034 (4,883)	107,251 (3,425)	120,538 (3,399)	132,163 (3,330)	145,917 (3,788)	154,681 (3,559)	155,773 (4,122)	167,943 (4,502)	175,583 (3,823)	171,697 (3,930)
Employee non-single* coverage	23,719 (578)	33,907 (1,458)	31,441 (877)	37,886 (998)	47,179 (1,623)	52,990 (1,562)	58,902 (2,136)	61,071 (2,162)	73,969 (1,852)	74,440 (3,290)	72,667 (2,377)
Total self-insured plan costs	131,819 (4,209)	183,016 (7,650)	182,416 (5,157)	208,929 (5,985)	236,719 (6,288)	262,097 (6,552)	283,948 (6,205)	287,809 (7,367)	327,348 (6,223)	339,483 (9,715)	336,342 (6,486)

Source: AHRQ, Center for Financing, Access and Cost Trends. 1999-2010 MEPS-IC.

Notes: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix at [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes). Totals may not sum exactly because of rounding. Standard errors in parentheses.

\* Non-single coverage includes both family and employee-plus-one coverage levels. This is a 2010 labeling change from prior years' tables however the estimates are comparable.

**Table 19. National Hospitalization and Physician Service Health Plan Cost Totals, By Type of Indemnification and Industry Group, 2010**

	Employer single coverage	Employee single coverage	Employer non-single*	Employee non-single*	Total plan costs
<b>Fully insured plan costs</b>					
(millions of \$)					
Agric., fish., forest.	326 (79)	62 (23)	515 (113)	174 (46)	1,077 (186)
Mining and manufacturing	5,606 (248)	2,227 (228)	13,001 (848)	6,273 (332)	27,108 (1,386)
Construction	3,554 (258)	1,258 (132)	6,496 (517)	4,161 (568)	15,469 (1,151)
Utilities and transp.	1,556 (169)	557 (51)	3,488 (547)	1,649 (203)	7,249 (878)
Wholesale trade	3,417 (326)	999 (71)	6,681 (449)	3,215 (264)	14,311 (864)
Fin. svcs. and real estate	6,411 (415)	2,270 (206)	12,556 (1,240)	7,252 (740)	28,488 (1,688)
Retail trade	4,478 (210)	2,030 (113)	5,642 (294)	4,094 (176)	16,244 (578)
Professional services	18,826 (656)	5,146 (246)	27,200 (1,217)	14,855 (969)	66,026 (2,743)
Other services	8,731 (292)	3,171 (170)	12,746 (669)	7,957 (665)	32,605 (1,536)
<b>Self-insured plan costs</b>					
(millions of \$)					
Agric., fish., forest.	357 (125)	144 (48)	564 (126)	285 (82)	1,350 (359)
Mining and manufacturing	9,579 (633)	3,444 (258)	33,162 (2,181)	11,612 (946)	57,797 (3,687)
Construction	1,447 (228)	369 (46)	3,638 (398)	1,225 (119)	6,679 (692)
Utilities and transp.	4,933 (544)	1,582 (153)	15,634 (1,652)	5,369 (625)	27,518 (2,830)
Wholesale trade	3,763 (370)	1,496 (280)	10,091 (928)	4,600 (627)	19,951 (1,903)
Fin. svcs. and real estate	9,448 (829)	4,803 (547)	25,244 (1,897)	13,650 (1,087)	53,145 (3,795)
Retail trade	6,261 (445)	3,060 (314)	11,243 (800)	6,993 (861)	27,557 (2,227)
Professional services	24,007 (954)	7,148 (533)	58,393 (2,268)	21,932 (1,381)	111,480 (3,850)
Other services	7,098 (658)	3,039 (298)	13,726 (829)	7,002 (452)	30,865 (1,985)

Source: AHRQ, Center for Financing, Access and Cost Trends. 2010 MEPS-IC.

Notes: Definitions and descriptions of the methods used for this survey can be found in the Technical Appendix [http://www.meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes](http://www.meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes). Totals may not sum exactly because of rounding. Standard errors in parentheses. Definitions of industry groups and low-wage employees changed in 2000. These data are not comparable to IC data prior to 2000. See Technical Appendix.

\* Non-single coverage includes both family and employee-plus-one coverage levels. This is a 2010 labeling change from prior years' tables however the estimates are comparable.

## Questions/Questionnaires Used During Data Collection

AHRQ publishes the 1996-2010 MEPS-IC survey instruments on its website at [http://meps.ahrq.gov/mepsweb/survey\\_comp/survey\\_ic.jsp](http://meps.ahrq.gov/mepsweb/survey_comp/survey_ic.jsp).

## Sampling Frame and Sampling Method

Currently, the MEPS-IC independently draws a nationwide list sample from the U.S. Census Bureau's Business Register. The Census Bureau maintains and updates this sampling frame every five years. AHRQ specifically designs the sample to make national- and state-level estimates.

Establishments are initially contacted by telephone confirming their address and designating a knowledgeable point-of-contact. Interviewers ask employers not offering health insurance the noninsurance employer characteristics questions, and this completes their interview. All other establishments (those offering health insurance or not responding to the telephone screening) receive a mailed establishment-level questionnaire. If the establishment does not respond to the first mailing within three weeks, then a second questionnaire is mailed to the establishment. If the establishment does not respond to either mailed questionnaire, then a computer-assisted telephone interview is conducted. Occasionally, large businesses and governments are interviewed in person due to the substantial amounts of data requested. In 2010, the MEPS-IC sampled 38,409 establishments with an 82.7% response rate.

From 1996-2001, MEPS-IC also included a Household (link) sample. The link sample specifically included employers identified by respondents in the MEPS's Household Component as the source of their health insurance. The link sample was designed to link employers to the MEPS-HC, and it was not designed to support national- or state-level estimates.

## Timing and Frequency of Data Collection

The MEPS-IC is conducted annually. MEPS-IC began in 1996, and data are currently available from 1996-2010.

Presently, MEPS-IC continually collects survey data on the current year (i.e., 2009 survey collects 2009 survey year data); but prior to 2008, MEPS-IC collected survey data on the previous year (i.e., 2005 survey collected 2004 survey year data). The switch from retrospective collection to current year collection enabled data to be released a full 12 months earlier. 2011 data are expected to be released in July 2012, but under retrospective collection, 2011 data would not be released until July 2013. Because of the switch from retrospective collection to current year collection, no data are available for the year 2007.



## Availability of Microdata

Because of the Business Register's confidentiality requirements, no public use files are available with microdata. Researchers meeting stringent requirements may access the microdata through the Census Bureau's Research Data Centers (RDCs).<sup>11</sup>

## Feasibility of Augmenting Future Data Collection Efforts

According to MEPS-IC project officials, AHRQ is coordinating with several federal agencies (including the Department of Labor, Employee Benefits Security Administration) to test the feasibility of adding MEPS-IC questions regarding self-insured plans, stop-loss coverage, and attachment points. MEPS-IC project officials will develop and test these questions in the first half of 2012 for potential inclusion on the 2013 MEPS-IC. The 2013 MEPS-IC survey instrument will be finalized in October 2012.<sup>12</sup>

## Noteworthy Issues

2007 data are not available because of the switch from retrospective to current year collection in 2008.

## References

- Survey homepage: <http://www.meps.ahrq.gov>
- Tables of Private-Sector Data by Firm Size, Industry Group, Ownership, Age of Firm, and Other Characteristics. Table I series:
  - 2010: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2010/ic10\\_ia\\_g.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2010/ic10_ia_g.pdf)
  - 2009: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2009/ic09\\_ia\\_g.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2009/ic09_ia_g.pdf)
  - 2008: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2008/ic08\\_ia\\_g.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2008/ic08_ia_g.pdf)
  - 2006: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2006/ic06\\_ia\\_g.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2006/ic06_ia_g.pdf)
  - 2005: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2005/ic05\\_ia\\_f.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2005/ic05_ia_f.pdf)
  - 2004: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2004/ic04\\_ia\\_f.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2004/ic04_ia_f.pdf)
  - 2003: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2003/ic03\\_ia\\_f.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2003/ic03_ia_f.pdf)
  - 2002: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2002/ic02\\_ia\\_f.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2002/ic02_ia_f.pdf)
  - 2001: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2001/ic01\\_tia\\_e.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2001/ic01_tia_e.pdf)
  - 2000: [http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/2001/ic01\\_tia\\_e.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/2001/ic01_tia_e.pdf)

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<sup>11</sup> For details see [http://www.census.gov/ces/pdf/Research\\_Proposal\\_Guidelines.pdf](http://www.census.gov/ces/pdf/Research_Proposal_Guidelines.pdf).

<sup>12</sup> Based on personal communication (1/3/2012).

- 1999:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_1/1999/ic99\\_tia\\_d.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_1/1999/ic99_tia_d.pdf)
- Tables of National Totals for Enrollees and Cost of Health Insurance Coverage for the Private and Public Sectors. Table IV series:
  - 2010:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2010/ic10\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2010/ic10_iva_b.pdf)
  - 2009:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2009/ic09\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2009/ic09_iva_b.pdf)
  - 2008:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2008/ic08\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2008/ic08_iva_b.pdf)
  - 2006:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2006/ic06\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2006/ic06_iva_b.pdf)
  - 2005:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2005/ic05\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2005/ic05_iva_b.pdf)
  - 2004:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2004/ic04\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2004/ic04_iva_b.pdf)
  - 2003:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2003/ic03\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2003/ic03_iva_b.pdf)
  - 2002:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2002/ic02\\_iva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2002/ic02_iva_b.pdf)
  - 2001:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2001/ic01\\_tiva-b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2001/ic01_tiva-b.pdf)
  - 2000:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/2000/ic00\\_tivab.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/2000/ic00_tivab.pdf)
  - 1999:[http://www.meps.ahrq.gov/mepsweb/data\\_stats/summ\\_tables/insr/national/series\\_4/1999/ic99\\_tiva\\_b.pdf](http://www.meps.ahrq.gov/mepsweb/data_stats/summ_tables/insr/national/series_4/1999/ic99_tiva_b.pdf)

## NATIONAL COMPENSATION SURVEY—BENEFITS

### Overview

The National Compensation Survey (NCS) surveys establishments across the country to determine occupational earnings, employment cost trends, benefit incidence, and detailed benefit provisions. The survey is designed to produce local, regional, and national data. Since 1979, the NCS benefits section, also called the Employee Benefits Survey (EBS), has collected data such as healthcare benefits, paid leave, and various retirement benefits. Currently, the Bureau of Labor Statistics' (BLS) field economists administer the NCS/EBS annually to approximately 18,000 private-sector and state and local government establishments.

Since the EBS's inception, it has undergone many changes that may complicate data interpretation. Prior to 1988, the EBS excluded most service industries and establishments with fewer than 50, 100, or 250 workers depending on the industry. The 1988 and 1989 surveys excluded all private industry establishments with fewer than 100 employees ("small establishments"), and all surveys prior to 1990 excluded Alaska and Hawaii. Beginning in 1990, the BLS surveyed small establishments biannually on even-numbered years, and it surveyed establishments with 100 or more employees ("large establishments") on odd-numbered years. In 1996, the BLS began integrating the EBS, the Employee Cost Index (ECI), and the Occupational Compensation Survey (OCS) into a single survey with a common sample design known collectively as the NCS. From 1997-2002, the BLS phased this new sampling methodology into the EBS and included all establishment sizes. In 2007, the BLS began publishing the NCS annually in its current form with all tables organized by worker and employer characteristics as well as geographic areas.

From 1988-2005, the BLS published NCS tables documenting self-insurance incidence across a variety of healthcare plan categories, but the current NCS does not contain any published healthcare plan funding statistics. In this period, the percentage of employees in a large establishment receiving medical care coverage from a self-insured plan increased from 34% to 41%. From 1990 to 2005, the percentage of employees receiving medical care in a self-insured plan at a small establishment decreased from 28% to 26%.

### Unit of Observation

Questionnaires are answered at the plan level. Private-sector establishments were contacted. An "establishment" is defined as an economic unit that produces goods or services, a central administrative office, or an auxiliary unit providing support services to a company. In the private sector, this usually refers to a single physical location. In the public sector, an "establishment" refers to a single agency or entity such as a school district, hospital, or administrative body.

## Definition of Funding Mechanism

According to the BLS website, the EBS uses the Federal Government's Interdepartmental Committee on Employment-based Health Insurance Surveys "self-insured plan" definition:<sup>13</sup>

A plan offered by employers who directly assume the major cost of health insurance for their employees. Some self-insured plans bear the entire risk. Other self-insured employers insure against large claims by purchasing stop-loss coverage. Some self-insured employers contract with insurance carriers or third party administrators for claims processing and other administrative services; other self-insured plans are self-administered. Minimum Premium Plans (MPP) are included in the self-insured health plan category. All types of plans (Conventional Indemnity, PPO, EPO, HMO, POS, and PHOs) can be financed on a self-insured basis. Employers may offer both self-insured and fully insured plans to their employees.

## Published Sample Statistics

In the summer of each year, the BLS publishes online annual statistics on the incidence and provisions of selected employee benefit plans as the percent of employees who have access to or participate in certain benefits, or as average benefit provisions. Since 2007, the BLS has published these estimates by:

- Industry/occupational groups (i.e., Service, Sales, Construction, etc.)
- Full- or part-time status
- Union presence
- Workers' wage percentile (Lowest 10, Lowest 25, Second 25, Third 25, Highest 25, Highest 10)
- Selected goods-producing and service-providing industries
- Firm size (1-49, 50-99, 100-499, 500+, 1-99, 100+ workers)
- Geographic area

The BLS also maintains a searchable online database of selected published statistics. A search of this database revealed two tables on private-sector plan funding. They both contain the percentage of employees receiving medical care coverage in a self-insured plan. One contains data for small establishments in the years 1990, 1992, and 1996. The other contains data for medium and large establishments in the years 1988, 1989, 1991, 1993, 1995, and 1997.

From 1988-2005, the BLS published NCS tables documenting self-insurance incidence across a variety of healthcare plan categories, but the current NCS does not contain any published healthcare plan funding statistics. Table 20 tabulates the percentage of employees receiving medical care in a self-funded plan. From 1988-2005, the percentage of employees receiving medical care in a large establishment self-insured plan increased from 34% to 41%. From 1990 to 2005, the percentage of employees receiving medical care in a self-insured plan at a small establishment decreased from 28% to 26%.

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<sup>13</sup> <http://www.bls.gov/ncs/ebs/sp/healthterms.pdf>.

**Table 20. Percentage of Employees Receiving Medical Care Coverage in a Self-Insured Plan, By Establishment Size, 1988-2005**

	1988	1989	1990	1991	1992	1993	1995	1996	1997	2000	2002	2003	2005
100 or more workers	34	36		39		46	47		47		38	39	41
Less than 100 workers			28		32			23			26	24	26
All workers										39	33	33	34

Source: BLS, NCS 1988-2005

Note: 1988 and 1989 surveys exclude establishments in Alaska and Hawaii, as well as part-time employees.

Table 21 documents the percentage of large establishment employees receiving medical care by plan type and funding status. From 1988-2005, most large establishment healthcare enrollees shifted from fully insured traditional indemnity plans to self- or fully insured PPO plans.

**Table 21. Percentage of Employees in Large Establishments Receiving Medical Care Coverage, by Plan Type and Funding Status, 1988-2005**

	1988	1989	1991	1993	1995	1997	2002	2003	2005
Traditional fee-for-service <sup>1</sup>	74	74	67	50	37	27	8	8	7
Self-insured <sup>2</sup>	31	32	33	30	26	19	4	4	3
With administrative services only contract	(5)	(5)	(5)	(5)	15	11	2	2	2
Without administrative services only contract	(5)	(5)	(5)	(5)	11	7	1	2	1
Not determinable	(5)	(5)	(5)	(5)	(5)	1	(6)	(6)	(6)
Fully insured	38	39	30	20	11	7	4	4	4
Combined financing	5	2	4	(6)	(6)	(6)	(5)	(5)	(5)
PPO <sup>3</sup>	7	10	16	26	34	40	60	67	66
Self-insured <sup>2</sup>	3	4	6	16	21	28	30	32	33
With administrative services only contract	(5)	(5)	(5)	(5)	14	16	21	23	26
Without administrative services only contract	(5)	(5)	(5)	(5)	7	10	6	6	6
Not determinable	(5)	(5)	(5)	(5)	(5)	2	2	3	1
Fully insured	4	6	9	9	13	12	30	35	33
Combined financing	(6)	(6)	1	(6)	(6)	(5)	(6)	(5)	1
HMO <sup>4</sup>	19	17	17	23	27	33	30	24	23
Self-insured <sup>2</sup>	(5)	(6)	(6)	(5)	(5)	(5)	4	2	3
Fully insured	19	17	16	23	27	33	26	22	20
Combined financing	(5)	(6)	(6)	(5)	(6)	(6)	(5)	(5)	(5)

Source: BLS, NCS 1988-2005

1 These plans pay for specific medical procedures as expenses are incurred.

2 Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions.

3 A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

4 A health maintenance organization (HMO) delivers comprehensive care on a prepayment rather than fee-for-service basis.

5 No published data, data do not meet publication criteria or no employees in this category.

6 Less than 0.5 percent.

Note: 1988 and 1989 survey excludes establishments in Alaska and Hawaii, as well as part-time employees. Sampling methodology changed between 1997 and 2002. Because of rounding, sums of individual items may not equal totals.

Table 22 documents the percentage of small establishment employees receiving medical care by plan type and funding status from 1990 to 2005. From 1990-2005, most small establishment healthcare enrollees shifted from fully insured traditional indemnity plans to fully insured PPO plans.

**Table 22. Percentage of Employees in Small Establishments Receiving Medical Care Coverage, by Plan Type and Funding Status, 1990-2005**

	1990	1992	1996	2002	2003	2005
Traditional fee-for-service <sup>1</sup>	74	68	36	6	7	7
Self-insured <sup>2</sup>	25	27	12	2	3	4
With administrative services only contract	(5)	(5)	6	(6)	1	2
Without administrative services only contract	(5)	(5)	3	2	2	2
Not determinable	(5)	(5)	3	(6)	(6)	(6)
Fully insured	46	39	23	4	4	3
Combined financing	2	2	(6)	(5)	(5)	(5)
PPO <sup>3</sup>	13	18	35	57	68	62
Self-insured <sup>2</sup>	3	5	11	22	19	19
With administrative services only contract	(5)	(5)	6	15	12	14
Without administrative services only contract	(5)	(5)	3	3	4	4
Not determinable	(5)	(5)	2	4	4	2
Fully insured	9	13	25	35	48	43
Combined financing	(5)	(6)	(6)	(5)	(5)	(5)
HMO <sup>4</sup>	14	14	27	36	24	27
Self-insured <sup>2</sup>	(6)	(6)	(5)	2	1	1
Fully insured	13	14	26	34	23	26
Combined financing	(6)	(5)	(5)	(5)	(5)	(5)

Source: BLS, NCS 1990-2005

1 These plans pay for specific medical procedures as expenses are incurred.

2 Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions.

3 A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

4 A health maintenance organization (HMO) delivers comprehensive care on a prepayment rather than fee-for-service basis.

5 No published data, data do not meet publication criteria or no employees in this category.

6 Less than 0.5 percent.

Note: Sampling methodology changed between 1997 and 2002. Because of rounding, sums of individual items may not equal totals.

Table 23 documents the percentage of all employees receiving medical care coverage by the type of plan, funding status, and various plan characteristics from 2000 to 2005. Over this period, the fraction of employees with PPO coverage increased by 13 percentage points. The increase was caused by an 18 percentage point boost in the share of employees in fully insured PPO plans, which more than offset a decline in the fraction of employees in self-insured PPO plans.

**Table 23. Percentage of All Employees Receiving Medical Care Coverage, by Plan Type and Characteristics, 2000-2005**

	2000	2002	2003	2005		2000	2002	2003	2005
Indemnity	60	67	76	76	Prepaid (HMO)	38	33	24	24
Self-insured	34	30	31	32	Self-insured	5	3	2	2
With ASO <sup>1</sup>	25	20	20	24	Fully insured	33	30	22	22
Without ASO <sup>1</sup>	3	6	7	6	Prepaid (HMO) in	(3)	22	20	21
Not determinable	6	3	4	2	network only	(3)	2	1	2
Fully insured	23	37	46	43	Self-insured	(3)	20	19	19
Traditional Indemnity	9	7	7	7	Fully insured	(3)	11	4	4
Self-insured	4	3	4	3	Prepaid (HMO) in	(3)	1	(2)	(2)
With ASO <sup>1</sup>	3	1	2	2	and out of network	(3)	10	4	3
Without ASO <sup>1</sup>	(2)	1	2	1	Self-insured	(3)	10	4	3
Not determinable	1	(2)	(2)	(2)	Fully insured	(3)	10	4	3
Fully insured	4	4	4	4					
Indemnity in and					Source: BLS, NCS 2000-2005				
out of network					1 Plans administered by a commercial carrier				
(PPO)	51	58	67	64	through Administrative Services Only (ASO)				
Self-insured	30	26	26	27	contracts.				
With ASO <sup>1</sup>	22	18	18	20	2 Less than 0.5 percent.				
Without ASO <sup>1</sup>	3	5	5	5	3 Either no employees in this category, or				
Not determinable	5	3	3	2	data do not meet NCS publication criteria.				
Fully insured	19	32	41	37	4 Primary care physician (PCP).				
Indemnity in and									
out of network	(3)	48	54	51					
(PPO) without PCP <sup>4</sup>									
Self-insured	(3)	22	22	21					
With ASO <sup>1</sup>	(3)	16	15	16					
Without ASO <sup>1</sup>	(3)	4	5	4					
Not determinable	(3)	2	2	1					
Fully insured	(3)	26	32	30					
Indemnity in and									
out of network	(3)	11	13	13					
(PPO) with PCP <sup>4</sup>									
Self-insured	(3)	5	4	6					
With ASO <sup>1</sup>	(3)	3	3	5					
Without ASO <sup>1</sup>	(3)	1	(2)	1					
Not determinable	(3)	1	1	(2)					
Fully insured	(3)	6	9	7					

See footnotes at end of table

Table 24 further presents the percentage of employees receiving medical care in 2005 by occupational group, industry, and union status.



**Table 24. Percentage of All Employees Receiving Medical Care Coverage, by Plan Type and Characteristics, 2005**

	Occupational Group <sup>4</sup>			Industry <sup>5</sup>		Union Status <sup>6</sup>	
	White Collar	Blue Collar	Service	Goods	Service	Union	Non Union
Indemnity	72	83	72	84	72	77	75
Self-insured	30	38	27	37	30	39	31
With ASO <sup>1</sup>	24	25	22	26	23	21	25
Without ASO <sup>1</sup>	4	11	5	9	5	15	5
Not determinable	2	2	1	2	2	3	2
Fully insured	42	45	44	47	42	38	44
Traditional Indemnity	6	10	(3)	10	6	17	6
Self-insured	2	6	(3)	5	3	11	2
With ASO <sup>1</sup>	2	3	(3)	4	1	4	2
Without ASO <sup>1</sup>	(2)	3	(3)	(2)	1	6	(2)
Not determinable	(2)	1	(3)	1	(2)	1	(2)
Fully insured	4	4	(3)	5	4	6	4
Indemnity in and out of network (PPO)	62	69	62	71	62	57	66
Self-insured	25	32	22	32	25	26	27
With ASO <sup>1</sup>	20	22	17	22	20	16	21
Without ASO <sup>1</sup>	4	8	5	9	4	9	4
Not determinable	2	1	(2)	1	2	2	1
Fully insured	37	37	40	39	37	30	38
Indemnity in and out of network (PPO) without PCP <sup>7</sup>	50	54	52	56	49	45	52
Self-insured	19	25	17	26	19	21	21
With ASO <sup>1</sup>	15	18	12	18	15	11	16
Without ASO <sup>1</sup>	2	6	4	7	3	8	3
Not determinable	2	1	(2)	1	1	2	1
Fully insured	30	28	35	30	30	24	31
Indemnity in and out of network (PPO) with PCP <sup>7</sup>	13	15	(3)	14	13	(3)	13
Self-insured	6	6	(3)	6	6	(3)	6
With ASO <sup>1</sup>	5	4	(3)	4	5	(3)	5
Without ASO <sup>1</sup>	1	2	(3)	2	1	(3)	1
Not determinable	(2)	(3)	(3)	(3)	(2)	(3)	(2)
Fully insured	6	8	(3)	8	6	(3)	7

See footnotes at end of table

**Table 24 (Cont'd)**

	Occupational Group <sup>4</sup>			Industry <sup>5</sup>		Union Status <sup>6</sup>	
	White Collar	Blue Collar	Service	Goods	Service	Union	Non Union
Prepaid (HMO)	28	17	28	16	28	23	25
Self-insured	3	( <sup>2</sup> )	4	1	2	1	2
Fully insured	25	17	24	15	25	22	22
Prepaid (HMO) in network only	24	14	25	13	24	20	21
Self-insured	2	( <sup>2</sup> )	4	1	2	1	2
Fully insured	22	13	21	12	22	19	19
Prepaid (HMO) in and out of network	4	3	4	3	4	3	4
Self-insured	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>2</sup> )
Fully insured	4	3	3	3	3	3	3

Source: BLS, NCS 2005

1 Plans administered by a commercial carrier through Administrative Services Only (ASO) contracts.

2 Less than 0.5 percent.

3 Either no employees in this category, or data do not meet NCS publication criteria.

4 See *Standard Occupational Classification System Manual* at [http://www.bls.gov/soc/soc\\_2010\\_user\\_guide.pdf](http://www.bls.gov/soc/soc_2010_user_guide.pdf)

5 See *North American Industry Classification System (NAICS)* manual at <http://www.census.gov/epcd/naics02/naicod02.htm>

6 A union member is a worker who has met the union's qualifications for membership, has joined the union, and maintained his or her membership rights. Each union usually determines its own qualifications. Retrieved from <http://www.bls.gov/ncs/ocs/sp/ncbl0062.pdf>

7 Primary care physician (PCP).

## Questions/Questionnaires Used During Data Collection

Upon request, the BLS provides the NCS survey instruments. According to BLS staff, BLS field economists complete the NCS survey instrument at each establishment, and the instrument is more accurately called a note-taking device than a questionnaire.<sup>14</sup> We have access to and have reviewed the instruments for the 2010 survey. The 2010 survey sections regarding health plan financing appear in Figure 2.<sup>15</sup>

<sup>14</sup> Based on personal communication (1/11/2012).

<sup>15</sup> As noted below, these funding-related questions were present in 2010 but were subsequently dropped from the survey.

**Figure 2. NCS Survey Sections Regarding Healthcare Financing**

**HEALTH INSURANCE (Benefit 11)**

Sched. # \_\_\_\_\_

Type:

Plan No.	Plan Name/ Carrier	Elig	Type of (2) Coverage (4)				Pay after services rendered (3)	Outside network higher cost (3b)	Does Employer pay any portion of claims (4)
			M	D	V	P			
01									
02									
03									
04									
05									
06									
07									
08									
09									
10									

M= Medical; D= Dental; V= Vision; P= Prescription drugs

3. Does this plan pay benefits after services are rendered, typically after coinsurance and deductibles?

3b. Can the enrollee go outside the network of plan providers for coverage at higher cost?

4. Does the employer pay any portion of claims?

**HEALTH INSURANCE (Benefit 11)**

Sched. # \_\_\_\_\_

**Financing:** (Choose one financing type and answer columns accordingly.)

Plan no.	Commercially Insured		Self-insured (4) answer 1. and 2.	1. Use of third-party administrators (Y/N)	Union Health/Welfare (Enter date)	2. Use of insurance for claims that exceed certain limits (stop-loss)
	Carrier	Plan Year			Expected change	
01						
02						
03						
04						
05						
06						
07						
08						
09						
10						

Source: BLS, NCS 2010.

### Sampling Frame and Sampling Method

Currently the NCS uses a three-stage stratified sampling design with probability proportional to employment sampling at each stage. The sample selection's first stage uses the Office of Management and Budget's geographical area definitions (2003) to draw a probability sample of areas.

The second stage uses a list of establishments developed from state unemployment insurance reports as the sampling frame, and it then draws a sample from this frame using the Probability-Proportionate-to-Size (PPS) technique, which gives larger establishments a greater selection probability. The second stage then divides the sample by industry using the North American Industry Classification System (NAICS).

The NCS uses a panel structure to rotate establishments in and out of the survey. Each panel consists of a representative cross-section of establishments that began participating in the NCS during the same year. The BLS requests each establishment to commit five years to the survey, and approximately one-fifth of the sample is reselected each year.

The sample selection's third stage uses a Probability Selection of Occupations (PSO) technique to randomly sample the jobs at each establishment along the Standard Occupational Classification System's (SOC's) job categories. Similar to the second stage's PPS, the PSO gives jobs with greater numbers of employees a higher probability of selection.

Finally, four weight-adjustment factors are used to correct for establishment nonresponse, occupational nonresponse, any special situations occurring during data collection, and post-stratification, or benchmarking, which adjusts estimated employment totals to actual counts of employment by industry for the survey reference date. In 2011, a sample of 15,566 private-sector establishments was contacted with 8,727 responding (4,343 refused or were unable to provide data, and 2,496 were out of business or not within the survey scope).

Prior to 2000, the NCS used a two-stage probability sample of occupations skipping the current NCS's first stage probability sample of areas.

## **Timing and Frequency of Data Collection**

Survey data are collected annually over a 13-month period from December to January with an average reference period of July. The BLS publishes the NCS Employee Benefits bulletin September after the reference year. For example, the 2010 NCS contains data collected from December 2008 to January 2010 with an average reference period of July 2009, and the 2010 NCS report is released in September of 2010.

## **Availability of Microdata**

NCS microdata are not available to the public. However, with confidentiality agreements, NCS may provide microdata access upon request; and NCS may provide specially requested microdata tabulations upon request.

## **Feasibility of Augmenting Future Data Collection Efforts**

The Federal Economic Statistics Advisory Committee (FESAC) advises the Commissioner of the Department of Labor's Bureau of Labor Statistics on statistical methodology and other technical matters related to the collection, tabulation, and analysis of federal economic statistics. Communication with BLS officials indicated the survey no longer captures health plan funding information featured in Figure 2. Specific proposals to augment the survey

should be directed to Philip M. Doyle (BLS Assistant Commissioner for Compensation Levels and Trends; email [doyle.philip@bls.gov](mailto:doyle.philip@bls.gov); phone 202-691-6200).<sup>16</sup>

## Noteworthy Issues

Since the EBS's inception, it has undergone many changes that may complicate data interpretation. Prior to 1988, the EBS excluded most service industries and establishments with less than 50, 100, or 250 workers, depending on the industry. The 1988 and 1989 surveys excluded all private industry establishments with less than 100 employees, and all surveys prior to 1990 excluded Alaska and Hawaii. Beginning in 1990, the BLS surveyed establishments with less than 100 employees biannually on even-numbered years, and it surveyed establishments with 100 or more employees on odd-numbered years. In 1996, the BLS began integrating the EBS, the ECI, and the OCS into a single survey with a common sample design known collectively as the NCS. From 1997-2002, the BLS phased this new sampling methodology into the EBS, which included all establishment sizes. In 2007, the BLS began publishing the NCS annually in its current form with all tables organized by worker and employer characteristics as well as geographic areas.

Standard errors are available for 2008 NCS benefits estimates and beyond.<sup>17</sup>

## References

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<sup>16</sup> Based on personal communication with the Bureau of Labor Statistics (1/13/2012).

<sup>17</sup> For more information see "BLS Resumes Estimation of Sample Errors for Benefits Measures," *Compensation and Working Conditions Online*, May 22, 2008 at <http://www.bls.gov/opub/cwc/cm20080520ar01p1.htm>.

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## **NATIONAL BUSINESS GROUP ON HEALTH ANNUAL PLAN DESIGN SURVEY**

### **Overview**

The National Business Group on Health (NBGH) conducts an annual member survey each spring, and it releases the results to its members in the NBGH Annual Plan Design Survey each August. According to NBGH personnel, the 2011 survey includes 83 members' participation, and 82% of the firms participating have more than 10,000 employees.<sup>18</sup> The NBGH Annual Plan Design Survey is copyrighted, and it cannot be reproduced or quoted without permission from the NBGH. The survey does not contain health plan funding information.

### **Unit of Observation**

The 2011 NBGH Annual Plan Design Survey uses each firm as the unit of observation.

### **Definition of Funding Mechanism**

The NBGH collects only limited member information, and discussions with NBGH personnel revealed that the 2011 NBGH Annual Plan Design Survey did not include a definition of funding mechanism. According to high-ranking NBGH personnel, the vast majority of NBGH's members are very large, self-insured companies.<sup>19</sup>

### **Published Sample Statistics**

The NBGH produces reports only for its membership, and it typically does not release public statistics. However, the NBGH provided us a public version of the 2011 NBGH Annual Plan Design Survey report upon request.<sup>20</sup> A review of the report revealed the survey does not contain any funding status data.

### **Questions/Questionnaires Used During Data Collection**

Discussions with NBGH personnel revealed that the 2011 NBGH Annual Plan Design Survey asked members about medical plan costs, consumer-directed health care (CDHC), pharmacy benefits, retiree medical coverage, healthy lifestyle incentives, and changes they were making as a result of the ACA.<sup>21</sup>

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<sup>18</sup> Based on personal communication (12/23/2011).

<sup>19</sup> Based on personal communication (12/23/2011).

<sup>20</sup> Based on personal communication (12/23/2011).

<sup>21</sup> Based on personal communication (12/23/2011).

## **Sampling Frame and Sampling Method**

The sampling frame and sample includes all 339 NBGH members. According to NBGH personnel, the 2011 NBGH Annual Plan Design Survey includes 83 members' participation.<sup>22</sup>

## **Timing and Frequency of Data Collection**

The NBGH begins data collection in the spring, and the Annual Plan Design Survey results are released to members in August.

## **Availability of Microdata**

NBGH Annual Plan Design Survey microdata are not available to the public.

## **Feasibility of Augmenting Future Data Collection Efforts**

The NBGH offers a "Quick Surveys" feature to its members. Quick surveys enable members to poll other members on desired specific issues. The NBGH makes quick survey results available immediately, and it posts the results for other members to view.

## **Noteworthy Issues**

Data are copyrighted and not available for inclusion in this report.

## **References**

- Survey home page: <http://www.businessgrouphealth.org/>

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<sup>22</sup> Based on personal communication (12/23/2011).



## **MERCER'S NATIONAL SURVEY OF EMPLOYER-SPONSORED HEALTH PLANS**

### **Overview**

Mercer is a human resources consulting firm that has conducted the National Survey of Employer-Sponsored Health Plans annually since 1985. The survey currently asks employers more than 75 questions including several questions regarding health plan funding status.

According to Mercer's website, statisticians at the Research Triangle Institute designed the National Survey of Employer-Sponsored Health Plans using a national probability sample of public and private employers with at least 10 employees. The 2011 survey includes results from 2,844 employers having 10 or more employees.

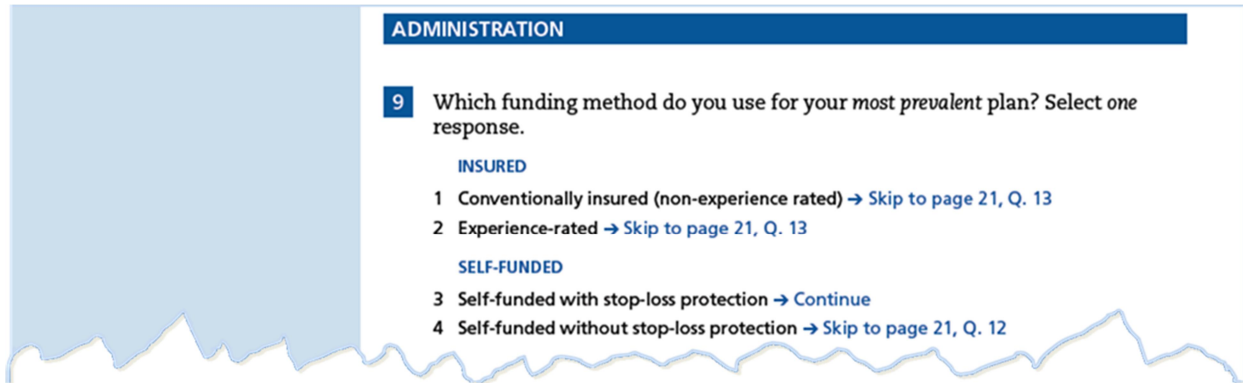
The 2011 National Survey of Employer-Sponsored Health Plans requests employer information about health plan funding status. Mercer's November 16, 2011 press release states that one-third of large employers (500+ employees) with a fully insured PPO intend to switch to self-insurance over the next three years because of ACA concerns. The survey is available for purchase.

### **Unit of Observation**

Mercer's National Survey of Employer-Sponsored Health Plans is taken at the plan level.

### **Definition of Funding Mechanism**

Figure 3 below reproduces the funding status question on Mercer's 2011 questionnaire.

**Figure 3. Mercer Question on Funding Status**

**ADMINISTRATION**

**9** Which funding method do you use for your *most prevalent* plan? Select one response.

**INSURED**

- 1 Conventionally insured (non-experience rated) → Skip to page 21, Q. 13
- 2 Experience-rated → Skip to page 21, Q. 13

**SELF-FUNDED**

- 3 Self-funded with stop-loss protection → Continue
- 4 Self-funded without stop-loss protection → Skip to page 21, Q. 12

Source: Mercer, 2011 National Survey of Employer-Sponsored Health Plans.

### Published Sample Statistics

Mercer does not publish National Survey of Employer-Sponsored Health Plans results. However, a November 16, 2011 press release stated: "Concerns that new PPACA regulations will drive up the cost of fully insured plans has sparked greater interest in self-funding. Of the 28% of employers with 500 or more employees that have a fully insured PPO, one-third say they are likely to switch to self-funding within the next three years. Just 8% of smaller employers say it's likely they will switch."<sup>23</sup>

<sup>23</sup> <http://www.mercer.com/press-releases/143488>.

## Questions/Questionnaires Used During Data Collection

Mercer contacts provided the 2010 and 2011 National Survey of Employer-Sponsored Health Plans questionnaires upon request. We have access to and have reviewed the questionnaires for the 2010 and 2011 surveys. The 2011 survey section regarding self-insured health plans is highlighted in Figure 4 below.

**Figure 4. Mercer Questionnaire Stop-Loss Questions**

	Additional explanations
<p><b>10</b> What kind of stop-loss coverage do you have?</p> <ol style="list-style-type: none"> <li>1 Do not have stop-loss coverage</li> <li>2 Aggregate (limits total medical plan liability) stop-loss only</li> <li>3 Specific (for medical claims attributed to any one individual) stop-loss only</li> <li>4 Aggregate and specific stop-loss</li> </ol>	
<p><b>11</b> If you have specific stop-loss insurance, what is the coverage amount? \$ _____</p>	
<p><b>12</b> If you self-fund your plan, what does the plan administrator charge for claims administration? Please indicate the payment method, then provide the amount charged. Do not include the actual claims cost, or cost for actuarial services or stop-loss premiums.</p> <ol style="list-style-type: none"> <li>1 Dollar amount per employee per month \$ _____</li> <li>2 Percentage of paid claims</li> <li>3 Other form of payment</li> </ol>	<p><b>12</b> Claims administration charges (or ASO fees) may include network access fees, claims adjudication and payment, utilization management, prescription drug administration, and nurse helpline.</p>
<p><b>13</b> If your most prevalent plan is fully insured, how likely are you to change to self-funding within the next three years?</p> <ol style="list-style-type: none"> <li>1 Very likely</li> <li>2 Likely</li> <li>3 Not very likely</li> <li>4 Not at all likely</li> </ol>	

Source: Mercer, 2011 National Survey of Employer-Sponsored Health Plans.

## Sampling Frame and Sampling Method

Mercer does not indicate a sampling frame. According to Mercer's website, statisticians at the Research Triangle Institute designed the National Survey of Employer-Sponsored Health Plans using a national probability sample of public and private employers with at least 10 employees. The 2011 survey includes results from 2,844 employers having 10 or more employees. The results are representative of 800,000 employers and 104 million employees.

## Timing and Frequency of Data Collection

The National Survey of Employer-Sponsored Health Plans is conducted annually. The Mercer website states that the survey is conducted in late summer, "when most employers have a

good fix on their costs for the current year."<sup>24</sup> The full 2011 report becomes available for purchase in March 2012.

### **Availability of Microdata**

Microdata are not available, but customized benchmarking reports can be purchased.

### **Feasibility of Augmenting Future Data Collection Efforts**

Contacts within Mercer indicated that augmenting data collection efforts is a possibility.<sup>25</sup>

### **Noteworthy Issues**

Data are copyrighted and not available for publication, but customized data reports are available for purchase.

### **References**

- Survey homepage: <http://www.mercer.com/ushealthplansurvey>
- November 16, 2011 Press Release: <http://www.mercer.com/press-releases/1434885>

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<sup>24</sup> <http://www.mercer.com/press-releases/143488>.

<sup>25</sup> Based on personal communication (1/10/2012 and 3/14/2012).

## ROBERT WOOD JOHNSON FOUNDATION EMPLOYER HEALTH INSURANCE SURVEY

The Robert Wood Johnson Foundation (RWJF) conducted two Employer Health Insurance surveys in the 1990s. The surveys described employers' and employees' behavior with respect to employment-based health insurance, tracked trends in health insurance provided by employers, and evaluated selected policies intended to regulate or expand employment-based health insurance coverage. The sample design enabled RWJF to associate the Employer Health Insurance Survey with the 60 communities in its Community Tracking Study (CTS). The 1993 RWJF survey interviewed 22,347 private employers in 10 states, and the 1997 survey interviewed 21,545 private employers in 48 states with an emphasis on 12 states undergoing small-group regulatory change.<sup>26</sup> An analysis of the surveys' microdata revealed that self-insurance prevalence declined from 1993 to 1997 in the seven states undergoing regulatory change that were emphasized in both surveys despite the expectation that increased regulation would encourage self-insurance.<sup>27</sup> Using the 1997 RWJF survey, the analysis estimated the national percentage of self-insured plan enrollees at 60% for large firms (more than 500 employees), 29% for medium firms (100-499 employees), and 3% to 8% for small firms (fewer than 50, and 50-99 employees, respectively). For more details see the above-referenced study.

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<sup>26</sup> The 1993 survey's ten states are Colorado, Florida, Minnesota, New Mexico, New York, North Dakota, Oklahoma, Oregon, Vermont, and Washington. The 1993 survey methods are described in *Robert Wood Johnson Foundation Employer Survey: Data Collection Methodology Report* (Rockville, Md.: Westat, Inc., 1995). The 1997 survey's 12 states are California, Colorado, Connecticut, Florida, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Vermont, and Washington. The 1997 survey methods are described in *1997 Employer Health Insurance Survey: Final Methodology Report* (Research Triangle Park, N.C.: Research Triangle Institute, 1998).

<sup>27</sup> See M.S. Marquis and S.H. Long, "Recent trends in self-insured employer health plans," *Health Affairs*, 18, no.3 (1999): 161-166. Online version available at <http://content.healthaffairs.org/content/18/3/161.citation>.

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