

SELF-INSURED HEALTH BENEFIT PLANS

2012

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ABSTRACT

The Patient Protection and Affordable Care Act of 2010 mandated that the Secretary of Labor prepare aggregate annual reports on self-insured group health plans based on Form 5500 Annual Return/Report of Employee Benefit Plan ("Form 5500") filings and financial filings of self-insured employers. Deloitte Financial Advisory Services LLP and its subcontractor Advanced Analytical Consulting Group, Inc. assisted the U.S. Department of Labor in its response to the law's requirement. This is the second report provided under this mandate. Unlike last year's analysis, this report uses a statistical year definition of Form 5500 data from 2001 to 2009. The statistical year grouping consists of all Form 5500 employee health benefit plan filings with a plan year ending date in a given year.

In 2009, 42% of plans filing a Form 5500 had a self-insured component (self-insured or mixed-funded). This represents a slight decline from 2008 and continues a downward trend since 2001 when 45% of plans had a self-insured component. In contrast, the percentage of health plan participants covered by self-insured or mixed-funded plans increased from 64% in 2001 to 71% in 2008 and to 73% in 2009. The report also presents evidence that the prevalence of self-insurance generally increased with plan size. For example, 26% of plans with 100-199 participants were mixed-funded or self-insured in 2009, compared with 79% of plans with 5,000 or more participants. Self-insurance rates varied by industry, with agriculture, mining, construction, and utilities firms having the highest prevalence of self-insurance.