

## SELF-INSURED HEALTH BENEFIT PLANS

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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 report updates the *Self-Insured Health Benefit Plans* ("2011 Report") and *Self-Insured Health Benefit Plans 2012* ("2012 Report"). This report contains an analysis of such characteristics as plan type, number of participants, funding arrangements, and sponsors' financial health. The current report analyzes Form 5500 data through statistical year 2010. The method for classifying funding mechanism was refined relative to that in the 2011 and 2012 Reports, and the current report documents historical figures based on the refined method.

In 2010, 48% of plans filing a Form 5500 had a self-insured component (self-insured or mixed-funded). This fraction remained roughly unchanged from 2009 but represents a downward trend since 2001 when 56% 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 75% in 2001 to 83% in 2010. The report also presents evidence that the prevalence of self-insurance generally increased with plan size. For example, 30% of plans with 100-199 participants were mixed-funded or self-insured in 2010, compared with 90% of plans with 5,000 or more participants. As seen in past years, multiemployer and multiple-employer plans were more likely to self-insure than single-employer plans. In 2010, 86% of multiemployer plans were self-insured or mixed-funded, compared with 58% of multiple-employer plans and 46% of single employer plans.