**HIGHLIGHTS FROM THE 2020**

**FORM 5500 GROUP HEALTH**

**PLANS REPORT**

Group health plans filing a Form 5500 represent a unique and diverse subset of private sector, employer-sponsored group health plans. These plans have numerous benefit structures, funding arrangements, and relationships to insurance that necessitate careful classification and interpretation in order to present meaningful statistics. For this report, the Employee Benefits Security Administration (EBSA) classified these plans as either self-insured, fully insured, or having both self-insured and fully insured characteristics (mixed-insured). Appendix A1 at the end of this report provides more information on the classification methodology. For this report, Form 5500 filings with plan year ending dates in 2020 are included.

The 2019 Form 5500 Group Health Plans Report included a discussion of potential issues related to filing delays resulting from the COVID-19 public health emergency. Because no filing deadlines or other dates that would impact filings with plan year ending dates in 2020 were altered, this report does not include a similar discussion. However, the pandemic appears to have impacted the volume of firms offering health insurance coverage.

Of note, the total end of year participants in large group health plans (both with and without operating trusts) decreased in 2020 by 0.8%, despite 1.6% more of these plans having filed the Form 5500. (See Table A2 and the 2019 Group Health Plans Report.)

Other findings from private sector, employer-sponsored group health plans filing Form 5500 series welfare reports for plan year 2020 are summarized below.

This document is Appendix A to the Report to Congress: Annual Report on Self-Insured Group Health Plansfor 2023*.*

**Plan Type Characteristics**

* In 2020, there were about 74,000 private sector, employer-sponsored group health plans filing the Form 5500. Roughly 38,000, or 51 percent, were self-insured. About 32,000, or 43 percent, were fully insured. Approximately 4,000, or 6 percent, were mixed-insured. (See Table A1.)
* Of the approximately 74,000 group health plans mentioned above, about 28 percent offered only health benefits. Conversely, 72 percent offered other welfare benefits (such as dental, vision, life, disability, etc.) in addition to health benefits.[[1]](#footnote-2) Of the approximately 54,000 plans that offer coverages in addition to health coverage, 55 percent were fully insured, 38 percent were self-insured, and 8 percent were mixed-insured. (See Table A1.)
* Of the self-insured plans that indicated they only provide health benefits, 96 percent did not report any type of insurance on Schedule A. Only 13 percent of self-insured plans providing both health and other benefits did the same. This indicates that even for self-insured plans, other benefits were more likely to be fully insured.[[2]](#footnote-3)
* Of all private sector, single-employer group health plans that filed a 2020 Form 5500, 43 percent provided fully insured health benefits to their employees. Multiemployer group health plans were much less likely to provide fully insured health benefits; only 18 percent of those plans did so in 2020. Roughly 61 percent of multiple-employer plans provided fully insured health benefits. (See Table A2.)
* Of the approximately 38,000 group health plans categorized as self-insured, about 37,000 were single-employer plans, about 1,000 were multiemployer, and the remaining 300 were multiple-employer. Of the approximately 32,000 group health plans categorized as fully insured, nearly all were single-employer plans, but about 300 were multiemployer plans and 500 were multiple-employer plans. Of the approximately 4,000 group health plans categorized as mixed-insured, the majority were single-employer, but about 300 were multiemployer, and fewer than 100 were multiple-employer. (See Table A2.)
* Of the 74,000 group health plans that filed a 2020 Form 5500, approximately 18,000 indicated a funding arrangement of insurance only, more than 2,000 indicated a funding arrangement of a trust only, and 5,000 indicated a funding arrangement of general assets of the sponsor only. The remaining 49,000 group health plan filers indicated some combination of funding arrangements (34,000) or did not report any arrangement (15,000).[[3]](#footnote-4) The most common combination of funding arrangements, reported by 31,000 plans, was general assets of the sponsor and insurance. (See Table A7.)
* More than 16,000 group health plans that filed the Form 5500 and reported fewer than 100 participants at the end of the plan year were classified as self-insured, compared to just 9,000 in 2019 (See Table A2 and the 2019 Group Health Plans Report). This increase was driven by plans appearing to participate in a non-plan Multiple Employer Welfare Arrangement (MEWA).[[4]](#footnote-5)

**Number of End of Year Participants**

* Of the approximately 78 million participants in group health plans filing a 2020 Form 5500, 45 percent, or 35 million, were covered under self-insured group health plans. (See Table A2.)
* About 51 percent of self-insured group health plans and 79 percent of mixed-insured group health plans covered 100 or more participants and did not operate a trust. Nearly all of the fully insured group health plans covered 100 or more participants and did not operate a trust.[[5]](#footnote-6) (See Table A2.)
* The mean and median number of participants in group health plans in 2020 were about 1,100 and 200, respectively. The means for self-insured, mixed-insured, and fully insured were 900, 6,500, and 500, respectively. The medians for self-insured, mixed-insured, and fully insured were 100, 1,200, and 200, respectively. (See Table A9.)

**Assets and Liabilities**

* In total, group health plans that filed a Form 5500 held about $283 billion in assets as of the end of 2020. Self-insured group health plans held approximately $112 billion, mixed-insured group health plans held $157 billion, and fully insured group health plans held about $14 billion. (See Table A2.)
* Despite comprising only 6 percent of plans, mixed-insured plans covered 37 percent of end-of-year participants and owned about 55 percent of all group health plan assets held in trusts. Therefore, a relatively small number of plans drive many of the aggregate statistics presented in this report. (See Table A2.) For instance, of the 20 largest plans by asset size, 13 were mixed-insured and held approximately $102 billion, or over one-third of total health plan assets.[[6]](#footnote-7)
* Self-insured group health plans with trusts and covering 100 or more participants held approximately 16 percent of their assets in cash and U.S. Government securities, 21 percent in direct filing entities, 27 percent in mutual fund companies (registered investment companies), 9 percent in debt instruments, and 8 percent in stock. Mixed-insured group health plans with trusts and covering 100 or more participants held approximately 23 percent of their assets in cash and U.S. Government securities, 11 percent in direct filing entities, 9 percent in mutual fund companies, 17 percent in debt instruments, and 10 percent in stock. (See Table A6.)
* Form 5500 group health plan filers reported $32 billion in liabilities as of the end of 2020. Approximately $11 billion was reported by self-insured group health plans, $19 billion by mixed-insured group health plans, and $2 billion by fully insured group health plans. (See Table A2.)
* The $11 billion in liabilities reported by self-insured plans represented 20 percent of total benefit payments made by self-insured plans and roughly 19 percent of total contributions to self-insured plans. These liabilities were all reported by plans with trusts, because, by definition, plans without trusts report no assets or liabilities. The liabilities reported in no way represent all of the future health and welfare benefit obligations of the group health plans presented in this report. (See Tables A2, A4, and A5.)

**Annual Cash Flows**

* Overall, group health plans with trusts reported receiving approximately $150 billion in contributions in 2020, with nearly $122 billion contributed by the employers and approximately $26 billion contributed by the plan participants. Plans with fewer than 100 participants accounted for roughly $2 billion of these contributions. (See Table A4.)
* In 2020, group health plans filing a Form 5500 that used trusts posted investment income gains of approximately $20 billion. About $8 billion was gained by self-insured group health plans, $11 billion was gained by mixed-insured group health plans, and $1 billion was gained by fully insured group health plans. (See Table A4.)
* Self-insured group health plans that filed a 2020 Form 5500, covered 100 or more participants, and used trusts made benefit payments of $46 billion directly to participants and $5 billion to insurance carriers. Mixed-insured plans that covered 100 or more participants and used trusts made benefit payments to participants totaling about $54 billion and to insurance carriers of $18 billion. Fully insured plans that covered 100 or more participants and used trusts paid about $2 billion directly to participants and $11 billion to insurance carriers for provision of benefits. (See Table A5.)
* In total, group health plans filing a 2020 Form 5500 reported about $8 billion in administrative expenses.[[7]](#footnote-8) Self-insured, mixed-insured, and fully insured plans reported $4 billion, $4 billion, and $500 million, respectively. (See Table A5.)

1. For the remainder of this report, health benefits exclude vision and dental benefits consistent with the 2020 Instructions for Form 5500 Annual Return/Report of Employee Benefit Plan at

   <https://www.dol.gov/sites/default/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2020-instructions.pdf>. [↑](#footnote-ref-2)
2. The statistics in this note were tabulated using the 2020 Group Health Plans Research File, which contains the data underlying the tables presented in this Report. For more information and to access the data, please visit <https://www.dol.gov/agencies/ebsa/researchers/data/group-health-plan-data>. [↑](#footnote-ref-3)
3. The Form 5500-SF does not require plans to report on the funding or benefit arrangements. [↑](#footnote-ref-4)
4. MEWAs that are not welfare benefit plans may not file the Form 5500, requiring individual participating employer plans to file. [↑](#footnote-ref-5)
5. However, this is a data restriction that results from the filing exemption provided to welfare benefit plans (other than plans required to file the Form M-1) covering fewer than 100 participants as of the beginning of the plan year that are unfunded, fully insured, or a combination of insured and unfunded, as specified in 29 CFR 2520.104-20. For more information on filing requirements and exemptions, see Appendix A1. [↑](#footnote-ref-6)
6. The statistics in this note were tabulated using the 2020 Group Health Plans Research File, which contains the data underlying the tables presented in this Report. For more information and to access the data, please visit <https://www.dol.gov/agencies/ebsa/researchers/data/group-health-plan-data>. [↑](#footnote-ref-7)
7. When applicable, Form 5500 filers report administrative expenses on either Schedule H – Financial Information, Part II – Income and Expense Statement, line number 2(i) – Administrative expenses or on Schedule I – Financial Information, Part I – Income, Expenses, and Transfers for this Plan Year, line number 2(h). Form 5500-SF filers report administrative expenses in Part III – Financial Information, line number 8(f). [↑](#footnote-ref-8)