

Report to Congress

Annual Report
on Self-Insured Group Health Plans

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March 2013

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Annual Report to Congress on Self-Insured Group Health Plans

Executive Summary

The Patient Protection and Affordable Care Act (the "Affordable Care Act") (P. L. 111-148) requires the Secretary of Labor to provide Congress with an annual report containing general information on self-insured employee health benefit plans and financial information regarding employers that sponsor such plans. The report must use data from the Annual Return/Report of Employee Benefit Plan (the "Form 5500") which many self-insured health plans are required to file annually with the Department of Labor (the "Department"). The first report was provided to Congress in March 2011.¹

Along with this third annual *Report*, the Department is submitting two detailed appendices produced under contract. Appendix A, *Group Health Plans Report: Abstract of 2010 Form 5500 Annual Reports Reflecting Statistical Year Filings*, provides detailed statistics describing group health plans that file a Form 5500.² Appendix B, *Self-Insured Health Benefit Plans 2013*, presents a study that explores statistical issues associated with Form 5500 health plan data and analyzes available data on the financial status of employers that sponsor group health plans filing the Form 5500.³

The Department continually seeks to improve the quality of data it collects and reports. To address anomalies discovered in Form 5500 filings, the Employee Benefits Security Administration's (EBSA) Office of the Chief Accountant collected supplemental data from a subset of Form 5500 health plan filers. Respondents to this supplemental data collection effort were asked to clarify ambiguities in their Form 5500 filings. As a result of this effort, it was discovered that the algorithm used to estimate funding mechanisms from Form 5500 filings for last year's report identified too many fully insured or mixed-funded plans and too few self-insured plans. Accordingly, the Department revised the algorithm to better estimate plans' funding arrangements.⁴ Consequently, this 2013 Report is not directly comparable to its predecessors and should not be used with them to project trends in health insurance funding. Rather, estimates presented in the 2013 Report should be viewed as the Department's best estimates of plan funding arrangements for 2010 and earlier years.

The Form 5500 data show that approximately 49,000 health plans filed a Form 5500 for 2010, a decrease of more than 3 percent from the approximately 50,000 health plans that

¹ Available at <http://www.dol.gov/ebsa/pdf/ACAReportToCongress032811.pdf>.

² This work was conducted for the Department by the Actuarial Research Corporation under contract number DOLB109330994.

³ This work was conducted for the Department by Deloitte Financial Advisory Services LLP under contract number DOLB109330993.

⁴ Please see the appendix to this Report, "Self-Insured Health Benefit Plans" for additional details regarding the funding algorithm and its changes from previous years.

filed a Form 5500 for 2009. Of health plans filing a 2010 Form 5500, about 19,800 were self-insured and approximately 4,000 mixed self-insurance with insurance (“mixed-insured”). Self-insured plans covered approximately 30 million participants in 2010 and held assets totaling about \$58 billion. In 2010 there were nearly 26 million participants covered by mixed-insured group health plans; these mixed-insured group health plans held more than \$136 billion in assets. The table below summarizes aggregate statistics for self-insured and mixed-insured health plans filing a Form 5500 for 2009 and for 2010.

Group Health Plans Filing Form 5500 for 2009-2010,
Reflecting Statistical Year Filings

	2009		2010	
	Self-Insured Plans	Mixed-Insured Plans	Self-Insured Plans	Mixed-Insured Plans
All Plans	20,400	4,100	19,800	4,000
Participants	29 million	26 million	30 million	26 million
Active Participants	26 million	20 million	27 million	21 million
Large plans where sponsor pays benefits directly	14,900	2,200	14,400	2,300
Participants	16 million	13 million	17 million	14 million
Active Participants	15 million	11 million	16 million	12 million
Plans holding assets in trust	5,500	1,900	5,400	1,700
Participants	13 million	13 million	13 million	12 million
Active Participants	11 million	9 million	11 million	9 million
Assets	\$52 billion	\$73 billion	\$58 billion	\$136 billion
Contributions	\$51 billion	\$96 billion	\$52 billion	\$87 billion
Benefit Payments	\$49 billion	\$94 billion	\$49 billion	\$88 billion

SOURCE: 2009 and 2010 Form 5500 filings. 2009 numbers recalculated using the revised 2010 algorithm for sorting plan types. Totals may not equal the sum of the components due to rounding.

Note: The difference between the 2009 Mixed-Insured Plan assets total, \$73 billion, and the total for 2010, \$136 billion, primarily resulted from the funding of a Voluntary Employee Beneficiary Association (VEBA) Trust Fund to provide health care benefits to United Auto Workers (UAW) retirees. As part of national contract negotiations with the UAW in 2007, the Big Three automobile companies (General Motors, Ford and Chrysler) agreed to fund the establishment of the VEBA. This arrangement, approved by federal courts in a class action settlement, allowed the Big Three to shift billions of dollars of retiree health care liabilities off their books. The UAW Retiree Medical Benefits Trust (the “VEBA Trust”) assumed responsibility for providing retiree health benefits coverage beginning January 1, 2010, in exchange for a series of asset transfers totaling billions of dollars in cash, stock and other assets from the Big Three to the VEBA Trust.

Sponsors of self-insured plans generally bear the risk associated with paying their plans’ covered health expenses. In contrast, sponsors of fully-insured plans generally pay

premiums to insurers and transfer all such risk to them. Some sponsors retain the risk for a subset of the benefits, but transfer the risk for the remaining benefits to health insurers – that is, they finance their plans’ benefits using a mixture of self-insurance and insurance. Self-insurance is more common among larger sponsors, mainly because the health expenses of larger groups are more predictable and therefore larger sponsors face less risk.

Self-insured and fully-insured plans play by somewhat different rules. State laws that govern group health insurance generally do not apply to self-insured plans. Likewise, some Affordable Care Act provisions apply to group health insurance but not to self-insured plans.

Generally, health benefit plans covering private-sector employees must file a Form 5500 if they cover 100 or more participants or hold assets in trust.⁵ This report presents data on such plans for 2010, the latest year for which complete data are available. Smaller private-sector plans that do not hold assets and plans covering government employees are not required to file a Form 5500. Therefore, data for such plans are not available for this report and are not included in the statistics provided in this report. In addition, self-insured plans are required to file financial information only with respect to assets they hold in trust. Thus, the aggregate financial statistics reported above are understated insofar as they do not include amounts associated with benefits paid directly from plan sponsors’ general assets.

Health benefits may be reported together with certain other benefits, such as disability or life insurance benefits, on a single Form 5500. This makes it difficult to distinguish how the different benefits are financed. As a result, the estimates presented here are subject to substantial uncertainty.

The Form 5500 does not collect data on plan sponsors’ finances. However, financial data are available from other sources for the subset of sponsoring employers that issue publicly traded equity or debt. The financial strength of these plan sponsors varies considerably. Similar variation is found among employers whose Form 5500 indicates that they sponsor self-insured plans, among those sponsoring plans that mix self-insurance with insurance, and among those sponsoring fully-insured plans.

⁵ Beginning in 2009, certain small plans can file a Form 5500 – Short Form.

Introduction

Section 1253 of the Patient Protection and Affordable Care Act (the "Affordable Care Act") (P. L. 111-148) requires the Secretary of Labor to prepare an aggregate annual report that includes certain general information on self-insured group health plans using data collected from the Annual Return/Report of Employee Benefit Plan (the "Form 5500"), as well as certain data from financial filings of self-insured employers. The first report, *Annual Report on Self-Insured Group Health Plans, March 2011* (March 2011 Report)⁶, was provided to Congress in March 2011 and summarizes the impact of the Form 5500 reporting requirements on the availability of group health plan data.⁷

Sponsors of self-insured plans generally bear the risk associated with paying their plans' covered health expenses. In contrast, sponsors of fully-insured plans generally pay premiums to insurers and transfer all such risk to them. Some sponsors retain the risk for a subset of benefits, but transfer the risk for the remaining benefits to health insurers – that is, they finance their plans' benefits using a mixture of self-insurance and insurance. The March 2011 Report discusses certain key, qualitative differences between self-insured plans, fully-insured plans, and plans that combine self-insurance with insurance.⁸

Section I of this report presents aggregate statistics describing self-insured plans that file a Form 5500 – generally, private-sector employee health plans that cover 100 or more participants or hold assets in trust. Section II presents certain available financial information on employers that sponsor such plans. Section III concludes.

Along with this *Report*, the Department of Labor (the "Department") is submitting two detailed appendices produced under contract. Appendix A, *Group Health Plans Report: Abstract of 2010 Form 5500 Annual Reports Reflecting Statistical Year Filings*, provides detailed statistics describing group health plans that file a Form 5500.⁹ Appendix B, *Self-Insured Health Benefit Plans 2013*, presents a study that explores statistical issues associated with Form 5500 health plan data and analyzes available data on the financial status of employers that sponsor group health plans filing the Form 5500.¹⁰

The Department continually seeks to improve the quality of data it collects and reports. To address anomalies discovered in Form 5500 filings, the Employee Benefits Security Administration's (EBSA) Office of the Chief Accountant collected supplemental data from a subset of Form 5500 health plan filers. Respondents to this supplemental data collection effort were asked to clarify ambiguities in their Form 5500 filings.

⁶ Available at <http://www.dol.gov/ebsa/pdf/ACAReportToCongress032811.pdf>.

⁷ March 2011 Report, Section IV. *Form 5500 Health Plan Filing Requirements*.

⁸ March 2011 Report, Section III. *What is a Self-Insured Group Health Plan?*

⁹ This work was conducted for the Department by the Actuarial Research Corporation under contract number DOLB109330994. EBSA defines a "statistical year" Form 5500 filing population as all Form 5500 employee benefit plan filings with a plan year ending date between January 1 and December 31 of a given year.

¹⁰ This work was conducted for the Department by Deloitte Financial Advisory Services LLP under contract number DOLB109330993.

Clarification as to whether the plan's health benefits were externally insured or self-insured was also obtained.

As a result of this effort, it was discovered that the algorithm used to estimate funding mechanisms from Form 5500 filings for last year's report identified too many fully insured or mixed-funded plans and too few self-insured plans. The current report's algorithm has been substantially revised and has improved the concordance with explicitly stated funding mechanisms in the supplemental data.¹¹ Chief among these revisions: the presence of a Schedule A is no longer taken as evidence of insurance if the reported benefit type includes stop-loss coverage, the schedule lists fees paid to a third-party administrator, or the reported per-capita premium amount was implausibly low; and a Schedule H or I with non-zero benefit payment amounts is now taken as evidence of self-insurance even if the funding/benefit arrangement is reportedly insurance only.

Because of the substantive nature of the revisions, prior years' data presented in the 2013 Report were recalculated using the revised algorithm. Thus, the 2013 Report is not directly comparable to its predecessors and should not be used with them to project trends in health insurance funding. Rather, the estimates presented in the 2013 Report should be viewed as the Department's best estimates of plan funding for the 2010 statistical year and before.

¹¹ Please see Appendix B to this Report, "Self-Insured Health Benefit Plans," for additional details regarding the funding algorithm and its changes from previous years.

Section I. Required Form 5500 Self-Insured and Mixed-Insured Group Health Plans Data

Section 1253 of the Affordable Care Act requires the Department to submit information on several data items from the Form 5500:

- a) “general information on self-insured group health plans (including plan type, number of participants, benefits offered, funding arrangements, and benefit arrangements)” and
- b) “data from the financial filings of self-insured employers (including information on assets, liabilities, contributions, investments, and expenses).”

The Form 5500 data presented below in response to these requirements should be interpreted with care for several reasons:¹²

- The Department has information for these data items only for those plans that are required to file a Form 5500. Generally, health benefit plans covering private-sector employees must file a Form 5500 only if they cover 100 or more participants or hold assets in trust. Smaller private-sector plans that do not hold assets and plans covering government employees are not required to file a Form 5500. Therefore, data for such plans are not available in the Form 5500 data and are not included in the statistics provided in this report.
- Self-insured plans are required to file financial information with respect to assets they hold in trust. Thus, the aggregate financial statistics provided in this report are understated insofar as they do not include amounts associated with health benefits paid directly from the plan sponsors’ general assets.
- In cases where a single plan provides several different types of welfare benefits, health benefits provided under the plan may be reported together with certain other welfare benefits, such as disability or life insurance benefits, on a single Form 5500. This makes it difficult to distinguish how the different benefits are financed and if the plan is self-insured or fully-insured. As a result, the estimates presented here are subject to substantial uncertainty.

The remainder of this section summarizes the Form 5500 data specified by Section 1253 of the Affordable Care Act. A detailed analysis of group health plans that filed a 2010 Form 5500 Return/Report is presented in Appendix A, *Group Health Plans Report: Abstract of 2010 Form 5500 Annual Reports Reflecting Statistical Year Filings*, and in Appendix B, *Self-Insured Health Benefit Plans 2013*.

¹² See Section “Definition of Self Insurance” in Appendix B for a detailed description of the Department’s method for estimating whether health plans are self-insured, fully-insured, or mixed-insured based on the Form 5500 data.

Form 5500 Group Health Plans Summary Information, 2010
Reflecting Statistical Year Filings

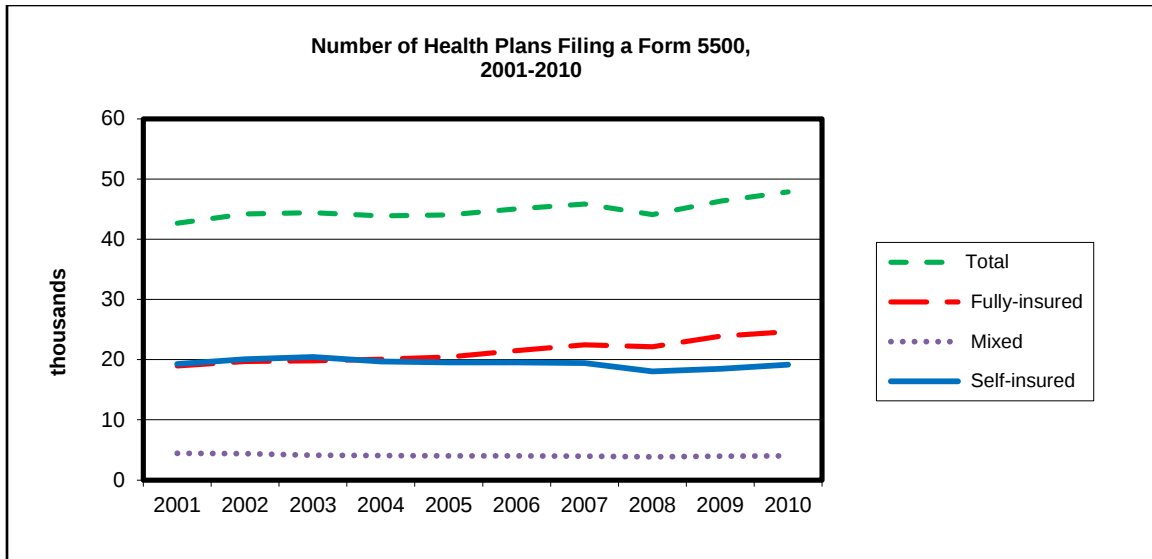
	All Plans	Self-Insured Plans	Mixed-Insured Plans	Fully-Insured Plans
All Plans	48,500	19,800	4,000	24,800
Participants	68 million	30 million	26 million	12 million
Active Participants	59 million	27 million	21 million	11 million
Large plans where sponsor pays benefits directly or purchases insurance out of general assets	41,300	14,400	2,300	24,700
Participants	43 million	17 million	14 million	12 million
Active Participants	40 million	16 million	12 million	11 million
Plans holding assets in trust	7,200	5,400	1,700	100
Participants	25 million	13 million	12 million	140,000
Active Participants	20 million	11 million	9 million	130,000
Assets	\$194 billion	\$58 billion	\$136 billion	\$27 million
Contributions	\$138 billion	\$52 billion	\$87 billion	\$17 million
Benefit Payments	\$138 billion	\$49 billion	\$88 billion	N/A

SOURCE: 2010 Form 5500 filings. Totals may not equal the sum of the components due to rounding.

Note: By definition, plans categorized as fully-insured do not make benefit payments, hence the designation of N/A.

Plan Type (single-employer plans versus multiemployer plans)

- Approximately 18,700 of the self-insured group health plans filing a 2010 Form 5500 were sponsored by a single employer; 1,100 plans were multiemployer plans. 3,400 of the mixed-insured group health plans filing a 2010 Form 5500 were sponsored by a single employer; approximately 700 plans were multiemployer plans. See Appendix A Table A2.
- On average, 45,000 group health plans filed a Form 5500 in the years 2001-2010. While more health plans filed a Form 5500 for a group health plan, the fraction of group health plans that are self-insured or mixed-insured has declined slightly from 56 percent in 2001 to 49 percent in 2010. See Appendix B Table 2, Table 9 and Table 10.

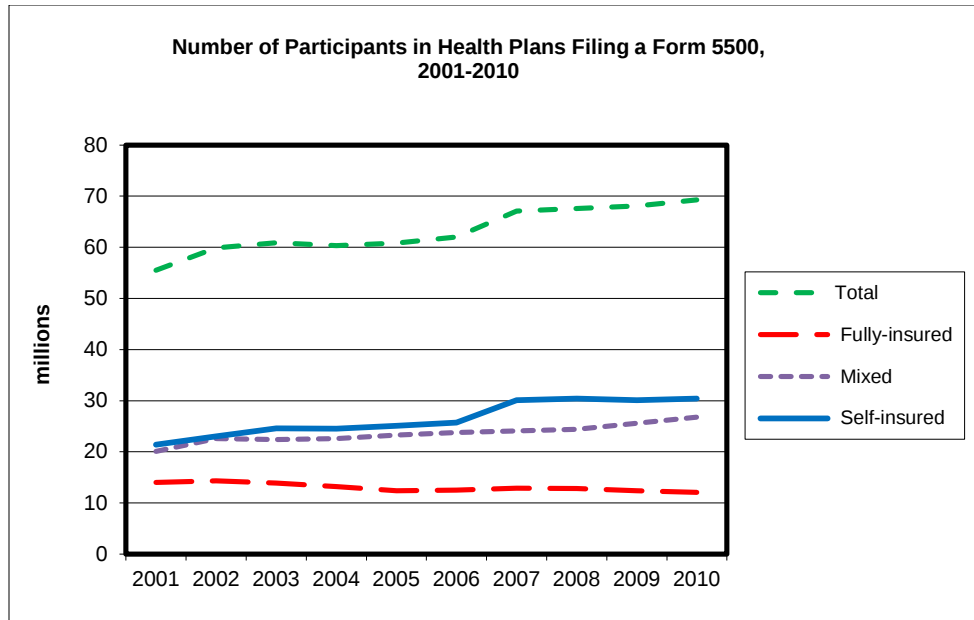


SOURCE: Appendix B.

Number of Participants¹³

- Overall, the 19,800 self-insured group health plans filing a 2010 Form 5500 covered approximately 30 million participants, 27 million of whom were active participants. The 4,000 mixed-insured group health plans filing a 2010 Form 5500 covered approximately 26 million participants, 21 million of whom were active participants. See Appendix A Table A2 and Table A3.
- In general, plans covering a larger number of participants are more likely to be self-insured than plans with fewer participants. While 52 percent of plans are fully-insured, only 17 percent of participants are covered by these plans. See Appendix B Table 9.
- Between the years 2001 and 2010, an average of 45,000 group health plans, covering an average of 63 million participants filed a Form 5500 annually. Although the fraction of group health plans that are self-insured or mixed-insured has declined slightly from 2001 to 2010, the number of plan participants covered by self-insured or mixed-insured plans has increased over this period. See Appendix B Table 3, Table 9 and Table 10.

¹³ The work conducted by ARC in Appendix A used the “statistical year” filings. The previous work conducted by Deloitte had used the “calendar year” filings, which are Form 5500 employee benefit plan filings with a plan year beginning date between January 1 and December 31 of a given year.



SOURCE: Appendix B.

New Plans

- Of the *new* health plans filing a 2010 Form 5500 approximately 31 percent were self-insured group health plans, more than 3 percent were mixed-insured, and nearly 66 percent were fully-insured (See Appendix B Table 14). *New* health plans are defined here as plans that checked the box for “first return/report filed for the plan” on the Form 5500. Some of these plans may have been in existence in previous years, but were not required to file because of funding arrangement or size.¹⁴
- More than 29 percent of the participants in *new* health plans filing a 2010 Form 5500 were covered under a self-insured group health plan, more than 46 percent were in a mixed-insured plan, and close to 25 percent were covered by a fully-insured plan. See Appendix B Table 14.

¹⁴ This is a change from previous Reports where plans were designated as “new” if they could not be matched to a plan filing in a prior year, going back to 2001. The 2013 Report identified “new” plans as those that checked the “first return/report filed” on the Form 5500 in 2010. As such, the number of “new” plans in 2010 and prior years is not comparable.

Benefits Offered

- Of the self-insured group health plans, close to 4,800 offered only health benefits and approximately 15,000 offered other benefits in addition to health benefits.¹⁵ Of the mixed-insured group health plans, approximately 300 offered only health benefits and close to 3,800 offered other benefits in addition to health benefits. See Appendix A Table A1.

Funding and Benefit Arrangements

- With respect to funding arrangements, of the 19,800 self-insured group health plans that filed, slightly more than 2,400 indicated a funding arrangement of a trust only, approximately 5,300 indicated a funding arrangement of general assets of the sponsor only, and nearly 8,500 indicated a funding arrangement of general assets of the sponsor combined with insurance. The remaining 3,600 filers indicated some other combination of funding arrangements or did not report any arrangement. Of the 4,000 mixed-insured group health plans, approximately 200 indicated a funding arrangement of insurance only, close to 600 indicated a funding arrangement of a trust only, about 800 indicated a funding arrangement of trust with insurance, and nearly 2,300 indicated a funding arrangement of general assets of the sponsor combined with insurance. The remaining filers indicated some other combination of funding arrangements or did not report any arrangement. See Appendix A Table A7.
- With respect to benefit arrangements, of the 19,800 self-insured group health plans that filed, about 1,700 indicated a benefit arrangement of a trust only, 2,200 indicated a benefit arrangement of trust with insurance, more than 5,000 indicated a benefit arrangement of general assets of the sponsor only, and nearly 8,600 indicated a benefit arrangement of general assets of the sponsor combined with insurance. The remaining filers indicated some other combination of benefit arrangements or did not report any arrangement. Of the 4,000 mixed-insured group health plans that filed, approximately 300 indicated a benefit arrangement of insurance only, nearly 1,200 indicated a benefit arrangement of trust with insurance, and approximately 2,300 indicated a benefit arrangement of general assets of the sponsor combined with insurance. The remaining filers indicated some other combination of benefit arrangements or did not report any arrangement. See Appendix A Table A7.
- Self-insured plans can purchase stop-loss insurance to mitigate the risk of unexpectedly large medical claims. Between 2001 and 2010, the percentage of

¹⁵ Note that a health-only plan does not imply that the employer only offers health benefits. For example, the employer could simultaneously offer a separate dental plan for which a separate Form 5500 filing exists. This report does not include information on welfare plans that do not provide health benefits.

group health plans filing a Form 5500 that reported having stop-loss insurance¹⁶ has remained in the range of approximately 28 percent to 32 percent for self-insured plans and approximately 18 percent to 22 percent for mixed-insured plans. Between 2009 and 2010, the number of plans reporting stop loss coverage decreased by less than 100, and the number of participants in the plans covered by stop-loss insurance decreased by about 800,000. Overall, self-insured plans with between 200 and 1,000 participants are the most likely to report stop-loss coverage, and plans with more than 1,000 participants are less likely to report stop-loss coverage as plan size increases. See Appendix B Table 16 through Table 19.

Plan Assets and Liabilities of Plans That Financed Benefits via Trusts

- Self-insured group health plans that financed benefits via trusts reported approximately \$58 billion in assets and \$10 billion in liabilities. Mixed-insured group health plans that financed benefits via trusts reported approximately \$136 billion in assets and \$16 billion in liabilities. See Appendix A Table A2.

Contributions, Investments and Expenses of Plans That Financed Benefits via Trusts

- Self-insured group health plans that financed benefits via a trust received approximately \$52 billion in contributions and paid approximately \$49 billion in benefit payments: \$39 billion of these benefit payments were paid directly to participants or beneficiaries, \$7 billion to insurance carriers for the provision of benefits¹⁷ and \$4 billion to others. Mixed-insured group health plans that financed benefits via a trust received approximately \$87 billion in contributions and paid approximately \$88 billion in benefit payments: \$59 billion of these benefit payments were paid directly to participants or beneficiaries, \$28 billion to insurance carriers for the provision of benefits, and \$2 billion to others. See Appendix A Table A4 and Table A5.
- Self-insured group health plans that financed benefits via a trust also reported paying more than \$3 billion in administrative expenses, with approximately \$500 million reported as professional fees, more than \$1 billion reported as administrator fees, \$100 million as investment advisory and management fees, and more than \$1 billion as other administrative expenses. Mixed-insured group health plans reported paying approximately \$4 billion in administrative expenses, with approximately \$400 million reported as professional fees, \$3 billion as

¹⁶ If a sponsor purchases stop-loss insurance for its own benefit, the stop-loss insurance is generally not required to be reported on Schedule A. Accordingly, the existence of stop-loss insurance as part of the employer's arrangements for the plan is understated, especially for those plans that do not use a trust.

¹⁷ Self-insured plans may make benefit payments to insurance companies for administrative services, stop-loss contracts, or for insurance contracts covering other types of benefits (such as dental or disability).

contract administrator fees, \$200 million as investment advisory and management fees, and close to \$1 billion as other administrative expenses. See Appendix A Table A5.

- Self-insured group health plans covering 100 or more participants that financed benefits via a trust held approximately 26 percent of assets in cash and U.S. Government Securities, 18 percent in direct filing entities (“DFEs”),¹⁸ 17 percent in mutual fund companies (registered investment companies), 11 percent in debt instruments, and 10 percent in stock. Mixed-insured group health plans covering 100 or more participants that financed benefits via a trust held 19 percent in cash and U.S. Government Securities, 12 percent in DFEs, 9 percent in mutual fund companies (registered investment companies), 10 percent in debt instruments, and 32 percent in stock. See Appendix A Table A6.

Section II. Additional Analysis of Financial Information on Employers Sponsoring Self-Insured and Fully-Insured Group Health Plans

Employers who self-insure group health plans face considerable financial risk.¹⁹ It is therefore relevant to consider the financial position of employers that self-insure health benefits. However, data on the financial position of the plan sponsor or employer are not included in Form 5500 filings. In order to provide data on financial filings of self-insured employers, data from the Form 5500 were matched to Capital IQ financial data available for a select group of companies with publicly-traded equity or debt.²⁰ Analysis of financial measures including revenue, market capitalization, net income, and number of employees shows that companies offering self-insured or mixed-insured health plans tend to be bigger than companies offering fully-insured health plans.²¹

The results of matching the 2010 Form 5500 data to the Capital IQ financial data were similar to the results of the matching for 2009. More than 4,000 Form 5500 filers were matched to the Capital IQ data. Most of the matched plans covered a large number of participants: more than 85 percent of the participants in matched plans were covered

¹⁸ DFEs are pooled investment arrangements - master trust investment accounts, insurance company pooled separate accounts, bank common/collective trusts, other plan asset pooled investment funds (“103-12 investment entities”), and group insurance arrangements. Some DFEs are required to file a Form 5500 while others are permitted to file. Each DFE lists the plans whose assets it holds on Schedule D Part 2.

¹⁹ See discussion in the March 2011 Report.

²⁰ Appendix B outlines this analysis. This work was also conducted for the Department by Deloitte Financial Advisory Services LLP. Capital IQ is a provider of financial and other data for private and public companies in the United States. The data include company characteristics, financial health and financial size.

²¹ See Appendix B Table 22 for the distribution of the measures for each of the three categories of plans.

through a plan with 5,000 or more participants.²² There were approximately 1,900 employers matched to a self-insured health plan filing a Form 5500 in 2010. The employers sponsoring these matched self-insured health plans reported a median employee count of approximately 3,000, median revenue of approximately \$1.1 billion, a median market capitalization of approximately \$1.5 billion, and a median net income of \$50 million.²³ Approximately 1,000 employers matched to a mixed-insured plan filing a Form 5500 in 2010. These mixed-insured matched health plans are sponsored by employers reporting a median employee count of approximately 11,000, median revenue of approximately \$3.6 billion, a median market capitalization of approximately \$3.6 billion, and a median net income of approximately \$160 million. The financial health of these matched companies was measured using three financial metrics.²⁴ Overall the results are mixed. At the median, fully-insured firms have more cash flow relative to total debt as other firms, but lower operating income relative to debt than mixed-funded or self-insured firms. The distributions of financial metrics are somewhat more dispersed for fully-insured firms than for other firms: the 75th percentiles are higher for the Altman Z-Score and the operating income relative to debt the 25th percentiles are lower.

Plans filing a Form 5500 can also be matched longitudinally to determine what changes the plan has undergone over time. Approximately 84 percent of the 2010 Form 5500 filings were matched with their accompanying 2009 filing.²⁵ Approximately 47 percent of the longitudinally matched plans were estimated to be mixed-insured or self-insured in both 2009 and 2010 and about 48 percent of these plans were fully-insured in both 2009 and 2010.²⁶ Also in 2010, approximately 3 percent of the longitudinally matched plans had changed their estimated funding arrangement to become mixed-insured or self-insured plans and about 2 percent of the matched plans had become fully-insured. Over the years from 2002 to 2010, the percent of plans switching their estimated funding status reduced from about 7 percent to 5 percent.

Section III. Conclusion

This *Annual Report to Congress on Self-Insured Group Health Plans* (April 2012), together with its Appendices, provides the most detailed statistics currently available on self-insured group health plans filing a Form 5500 and on the sponsors of such plans that issue publicly-traded equity or debt. This report also documents the limited scope of such data and the complexities involved in interpreting the data that are available. The Department recognizes the importance of quality data and looks forward to supplying Congress with annual updates on self-insured group health plans.

²² See Appendix B Table 5.

²³ See Appendix B Table 21.

²⁴ See Appendix B Table 22.

²⁵ See Appendix B Table 4.

²⁶ See Appendix B Table 23.