

EMPLOYER HEALTH BENEFITS
2014 ANNUAL SURVEY

Types of
Plans
Offered

SECTION

4

TYPES OF PLANS OFFERED

MOST FIRMS THAT OFFER HEALTH BENEFITS OFFER ONLY ONE TYPE OF HEALTH PLAN (85%) (SEE TEXT BOX). LARGE FIRMS (200 OR MORE WORKERS) ARE MORE LIKELY TO OFFER MORE THAN ONE TYPE OF HEALTH PLAN THAN SMALLER FIRMS. EMPLOYERS ARE MOST LIKELY TO OFFER THEIR WORKERS A PPO OR HDHP/SO PLAN AND ARE LEAST LIKELY TO OFFER A CONVENTIONAL PLAN (SOMETIMES KNOWN AS INDEMNITY INSURANCE).

- ▶ Eighty-five percent of firms offering health benefits in 2014 offer only one type of health plan. Large firms (200 or more workers) are more likely to offer more than one plan type than small firms (3–199 workers): 44% vs. 14% (Exhibit 4.1).

The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan.

HMO is health maintenance organization.

PPO is preferred provider organization.

POS is point-of-service plan.

HDHP/SO is high-deductible health plan with a savings option such as an HRA or HSA

- ▶ In addition to looking at the percentage of firms which offer multiple plan types, the percent of covered workers at firms which offer multiple plan types can be analyzed. Half (50%) of covered workers are employed in a firm that offers more than one health plan type. Sixty-three percent of covered workers in large firms (200 or more workers) are employed by a firm that offers more than one plan type, compared to 22% in small firms (3–199 workers) (Exhibit 4.2).

- ▶ Three quarters (77%) of covered workers in firms offering health benefits work in a firm that offers one or more PPO plans; 45% work in firms that offer one or more HDHP/SOs; 31% work in firms that offer one or more HMO plans; 13% work in firms that offer one or more POS plans; and 3% work in firms that offer one or more conventional plans (Exhibit 4.4).¹

- ▶ Among firms offering only one type of health plan, large firms (200 or more workers) are more likely to offer PPO plans than small firms (3–199 workers) (71% versus 49%), while small firms are more likely to offer HMO (8%) and POS (20%) plans than larger firms (2% and 5%, respectively) (Exhibit 4.5).

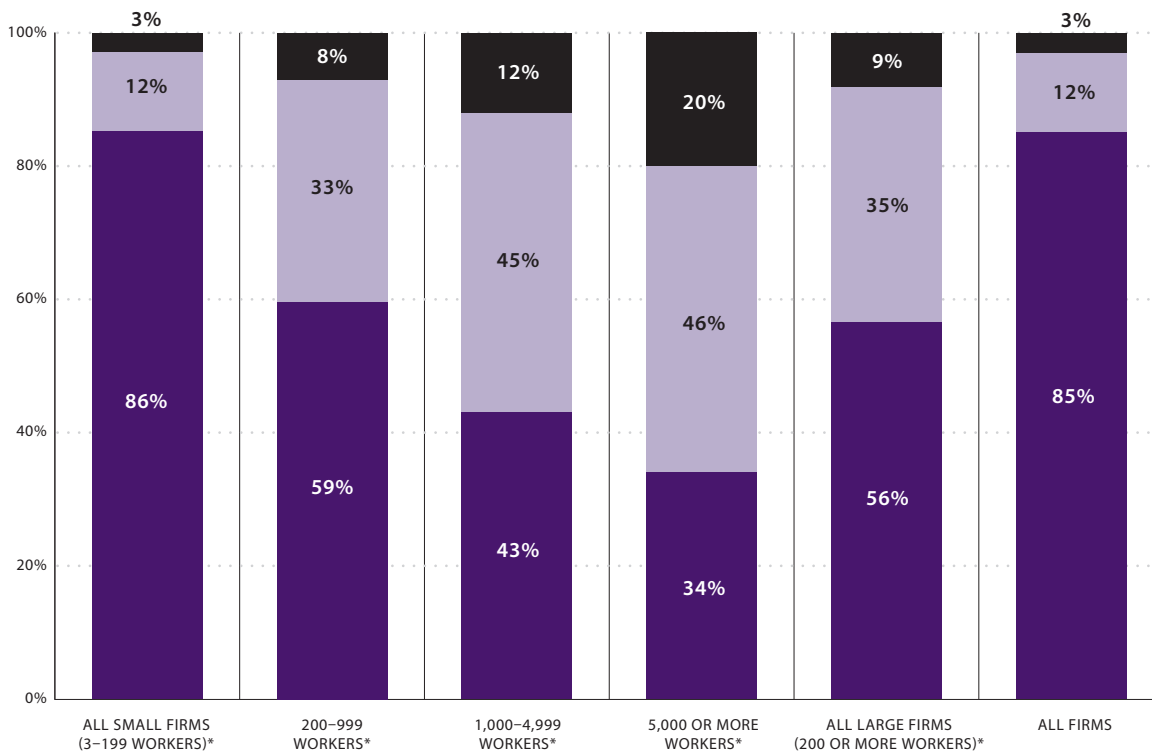
- ▶ Eleven percent of covered workers are covered at firm which only offers an HDHP/SO.

NOTE:

¹ Starting in 2010 we included firms that said they offer a plan type even if there are no covered workers in that plan type.

EXHIBIT 4.1

Among Firms Offering Health Benefits, Percentage of Firms That Offer One, Two, or Three or More Plan Types, by Firm Size, 2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

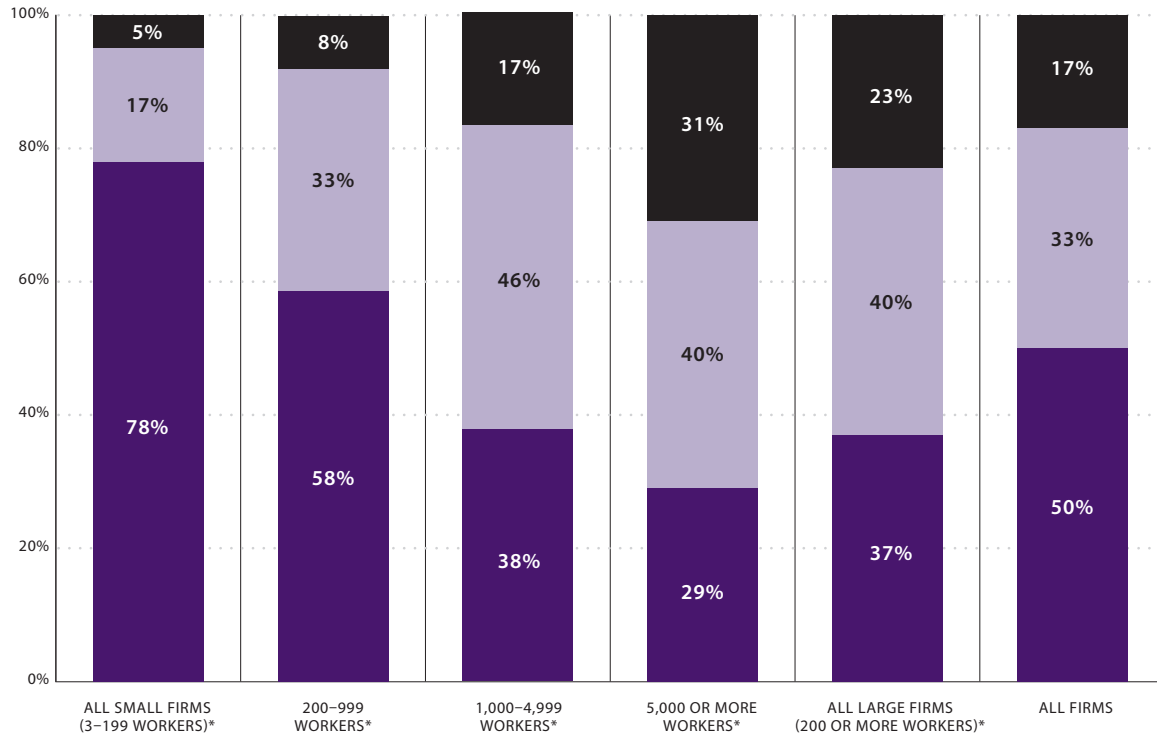
- THREE OR MORE PLAN TYPES
- TWO PLAN TYPES
- ONE PLAN TYPE

* Distribution is statistically different from distribution for all other firms not in the indicated size category (p<.05).

NOTE: The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan. Although firms may offer more than one of each plan type, the survey asks how many are offered among the following types: conventional, HMO, PPO, POS, and HDHP/SO.

EXHIBIT 4.2

Percentage of Covered Workers in Firms Offering One, Two, or Three or More Plan Types, by Firm Size, 2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

THREE OR MORE PLAN TYPES
 TWO PLAN TYPES
 ONE PLAN TYPE

* Distribution is statistically different from distribution for all other firms not in the indicated size category (p<.05).

NOTE: The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan. Although firms may offer more than one of each plan type, the survey asks how many are offered among the following types: conventional, HMO, PPO, POS, and HDHP/SO.

EXHIBIT 4.3

Among Firms Offering Health Benefits, Percentage of Firms That Offer the Following Plan Types, by Firm Size, 2014

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZES					
3–24 Workers	<1%	10%*	55%	24%	26%
25–199 Workers	<1	21*	54	22	32
200–999 Workers	1	25*	70*	14*	38*
1,000–4,999 Workers	1	31*	86*	8*	43*
5,000 or More Workers	4%*	40%*	85%*	9%*	50%*
All Small Firms (3–199 Workers)	<1%*	12%*	54%*	23%*	27%*
All Large Firms (200 or More Workers)	2%*	26%*	73%*	13%*	39%*
ALL FIRMS	<1%	13%	55%	23%	27%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different within plan type from estimate for all other firms not in the indicated size category ($p < .05$).

NOTE: The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan.

EXHIBIT 4.4

Among Firms Offering Health Benefits, Percentage of Covered Workers in Firms That Offer the Following Plan Types, by Firm Size, 2014

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZES					
3–199 Workers	<1%*	16%*	57%*	20%*	33%*
200–999 Workers	1	24*	76	11	37*
1,000–4,999 Workers	2	36	91*	6*	47
5,000 or More Workers	5	46*	86*	12	57*
All Small Firms (3–199 Workers)	<1%*	16%*	57%*	20%*	33%*
All Large Firms (200 or More Workers)	3%*	38%*	85%*	10%*	50%*
ALL FIRMS	3%	31%	77%	13%	45%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different within plan type from estimate for all other firms not in the indicated size category ($p < .05$).

NOTE: The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan.

EXHIBIT 4.5

Among Firms Offering Only One Type of Health Plan, Percentage of Covered Workers in Firms That Offer the Following Plan Type, by Firm Size, 2014

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZES					
All Small Firms (3–199 Workers)	<1%	8%*	49%*	20%*	23%
All Large Firms (200 or More Workers)	<1%	2%*	71%*	5%*	22%
ALL FIRMS	<1%	5%	60%	12%	22%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

* Estimate is statistically different within plan type from estimate for all other firms not in the indicated size category ($p < .05$).

NOTE: The survey collects information on a firm's plan with the largest enrollment in each of the plan types. While we know the number of plan types a firm has, we do not know the total number of plans a firm offers. In addition, firms may offer different types of plans to different workers. For example, some workers might be offered one type of plan at one location, while workers at another location are offered a different type of plan.