

EMPLOYER HEALTH BENEFITS  
2014 ANNUAL SURVEY

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Health  
Benefits  
Offer Rates

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SECTION

2

55%

\$6,025

\$16,834

2014

## HEALTH BENEFITS OFFER RATES

WHILE NEARLY ALL LARGE FIRMS (200 OR MORE WORKERS) OFFER HEALTH BENEFITS TO AT LEAST SOME EMPLOYEES, SMALL FIRMS (3–199 WORKERS) ARE SIGNIFICANTLY LESS LIKELY TO DO SO. THE PERCENTAGE OF ALL FIRMS OFFERING HEALTH BENEFITS IN 2014 (55%) IS NOT STATISTICALLY DIFFERENT FROM 2013 AND 2012 (57% AND 61%, RESPECTIVELY). OVER A THIRD OF FIRMS OFFERING HEALTH BENEFITS COVER (39%) SAME-SEX DOMESTIC PARTNERS; THE SAME PERCENTAGE WHICH COVERS OPPOSITE-SEX DOMESTIC PARTNERS. NINE PERCENT OF FIRMS WHICH OFFER FAMILY COVERAGE RESTRICT ELIGIBILITY TO A SPOUSE WHEN HE/SHE HAS ANOTHER OFFER OF COVERAGE. AMONG LARGE EMPLOYERS OFFERING HEALTH BENEFITS 88% OFFER OR CONTRIBUTE TO SEPARATE DENTAL BENEFITS AND 63% DO SO FOR SEPARATE VISION BENEFITS. FIRMS NOT OFFERING HEALTH BENEFITS CONTINUE TO CITE “COST” AS THE MOST IMPORTANT REASON THEY DO NOT OFFER HEALTH BENEFITS (32%).

- ▶ In 2014, 55% of firms offer health benefits not statistically different from the 57% reported in 2013 (Exhibit 2.1).<sup>1</sup>
  - Ninety-eight percent of large firms (200 or more workers) offer health benefits to at least some of their workers (Exhibit 2.3). In contrast, only 54% of small firms (3–199 workers) offer health benefits in 2014. The percentage of both small and large firms offering health benefits to at least some of their workers is similar to last year (Exhibit 2.2).
  - Between 1999 and 2014, the offer rate for large firms (200 or more workers) has consistently remained at or above 97%.
  - Since most firms in the country are small, variation in the overall offer rate is driven primarily by changes in the percentages of the smallest firms (3–9 workers) offering health benefits. For more information on the distribution of firms in the country, see the Survey Design and Methods Section and Exhibit M1.
- ▶ Offer rates vary across different types of firms.
  - Smaller firms are less likely to offer health insurance: 44% of firms with 3 to 9 workers offer coverage, compared to 64% of firms with 10 to 24 workers, 83% of firms with 25 to 49 workers, and 91% of firms with 50 to 199 employees (Exhibit 2.3).
- Offer rates throughout different firm size categories in 2014 remained similar to those reported in 2013 (Exhibit 2.2).
- Firms with fewer lower-wage workers (less than 35% of workers earn \$23,000 or less annually) are significantly more likely to offer health insurance than firms with many lower-wage workers (55% vs. 33%) (Exhibit 2.4). The offer rate for firms with many lower-wage workers is not significantly different from the 23% reported in 2013.
- We observe a similar pattern among firms with many higher-wage workers (35% or more of workers earn \$57,000 or more annually) being more likely to offer coverage to employees (69% versus 47%) (Exhibit 2.4).
- The age of the workforce correlates with the probability of a firm offering health benefits. Firms where 35% or more of its workers are age 26 or younger are less likely to offer health benefits than firms where less than 35% of workers are age 26 or younger (30% and 53%, respectively) (Exhibit 2.4). The percentage of firms with many younger workers that offer health benefits is similar to the 23% reported in 2013.

### NOTE:

<sup>1</sup> Because surveys only collect information from a portion of the total number of firms in the country there is uncertainty in any estimate. Since there are so many small firms, sometimes even seemingly large differences are not statistically different. For more information on the Employer Health Benefits Survey's weighting and design please see the methods section.

- ▶ As the “employer shared responsibility” provision takes effect in 2015, some employers may adjust their workforce’s employment status to mitigate the provision’s impact. Starting in 2015, employers with more than 100 full time equivalents<sup>2</sup> who do not offer their full-time employees coverage will pay a penalty if one of their employees receives a premium subsidy on a health insurance exchange. Employers will be charged a penalty of \$2,000 for each employee beyond their first 30 employees if they do not offer coverage. For example, a firm with 65 employees would be charged \$70,000 annually for not offering coverage (35 employees multiplied by \$2,000 per employee). Employers that offer coverage may still be assessed a penalty if the coverage is either too expensive or does not meet minimum standards. Coverage offered by an employer must pay for 60% of a population’s covered medical expenses. In addition, the worker contribution to the premium cannot exceed 9.5% of the household’s income. In 2016 employers with 50 or more full time-equivalents will be subject to these penalties.
- Ninety-four percent of firms with 100 or more employees offered health benefits to at least some of their employees in 2014. Ninety percent of firms with between 50 and 99 workers offered benefits to at least some workers. Since the survey does not ask employers how many full-time equivalents they have, these firm size categories are determined by the number of workers at a firm and may include both full-time and part-time employees.

#### PART-TIME AND TEMPORARY WORKERS

- ▶ Among firms offering health benefits, relatively few offer benefits to their part-time and temporary workers.
- In 2014, 24% of all firms that offer health benefits offer them to part-time workers, similar to the 25% reported in 2013 (Exhibit 2.5). Firms with 200 or more workers are more likely to offer health benefits to part-time employees than firms with 3 to 199 workers (46% vs. 24%) (Exhibit 2.7).

- ▶ A small percentage (5% in 2014) of firms offering health benefits have offered them to temporary workers (Exhibit 2.6). The percentage of firms offering temporary workers benefits are similar for small firms (3–199 workers) and larger firms (5% vs. 9%) (Exhibit 2.8). The percentage of firms offering health benefits to temporary workers has remained stable over time.

#### DENTAL AND VISION BENEFITS

- ▶ Fifty-three percent of firms offering health benefits offer or contribute to a dental insurance benefit for their employees that is separate from any dental coverage the health plans might include. This is not statistically different from the 54% reported in 2012, which is the last time the survey asked about dental benefits (Exhibit 2.10). Large firms (200 or more workers) are far more likely than smaller firms to offer or contribute to a separate dental health benefit (88% vs. 52%) (Exhibit 2.9).
- ▶ Thirty-five percent of firms offer or contribute to a vision benefit for their employees that is separate from any vision coverage the health plan might include, which is not statistically different than the 27% we reported in 2012 but higher than 17% in 2010 (Exhibit 2.10).
- ▶ Large firms (200 or more workers) are more likely than smaller firms to offer or contribute to a separate vision care benefit, at 63% versus 34% (Exhibit 2.9).

#### SPOUSES, DEPENDENTS AND DOMESTIC PARTNER BENEFITS

The vast majority of firms offering health benefits offer benefits to spouses and dependents, such as children.

- ▶ In 2014, 96% of small firms (3 to 199 workers) and 99% of larger firms offering health benefits offer coverage to spouses. Similarly, in 2014, 92% of small firms and 99% of large firms offering health benefits cover other dependents, such as children. Four percent of small firms offering health benefits do not offer coverage to any dependents (Exhibit 2.11).

#### NOTE:

<sup>2</sup> A full-time equivalent accounts for one employee working thirty hours or more a week, therefore two employees working half a full workload account for one FTE.

- ▶ This year we asked employers whether same-sex and opposite-sex domestic partners were allowed to enroll in a firm's coverage. While definitions may vary, employers often define domestic partners as an unmarried couple who have lived together for a specified period of time. Firms may define domestic partners separate from any legal requirements a state may have. Employers may have a different policy in different parts of the country.
  - In 2014, 39% of firms offering health benefits offered coverage to unmarried opposite-sex partners, similar to the 37% who did so in 2012, the last time this question was asked. In 2014, 39% of firms offering benefits covered same-sex domestic partners, unchanged from the 31% in 2012 (Exhibit 2.13).
  - The rates at which firms have offered domestic partner benefits have increased over a longer period of time. For example, in 2014, 39% of firms offered benefits to same-sex domestic partners, a significant increase from the 22% that did so in 2008. The percentage of offering firms which covered opposite-sex domestic partner benefits has also increased from 24% in 2008 to 39% in 2014.
  - When we ask employers if they offer health benefits to opposite or same-sex domestic partners, many firms report that they have not encountered the issue of whether benefits would be offered to domestic partners. At many small firms (3–199 workers), the firm may not have formal HR policies on domestic partners simply because none of the firm's employees have asked to cover a domestic partner. Regarding health benefits for opposite-sex domestic partners, 34% of firms report in 2014 that they have not encountered this need or that the question was not applicable. The vast majority of firms in the United States are small business; 61% of firms have between 3 and 9 employees and 98% have between 3 and 199 employees. Therefore statistics about the percentage of firms that offer domestic partner benefits is largely controlled by small businesses. More small firms (35%) compared to large firms (3%) indicate that they have not encountered this need or that the question was not applicable (Exhibit 2.12). Regarding health benefits for same-sex domestic partners, 41% of firms report that they have not encountered the need or that the question was not applicable. More small firms (3–199 workers) (42%) than larger firms (5%) report that they have not encountered the issue of offering benefits to same-sex domestic partners (Exhibit 2.12).
  - Firms in the Northeast are more likely (60%) and firms in the South are less likely (25%) to offer health benefits to unmarried same-sex domestic partners than firms in other regions (Exhibit 2.12). Firms in the Northeast are more likely (50%) to offer health benefits to unmarried opposite-sex domestic partners than firms in other regions (Exhibit 2.12).
  - Firms in the state and local government industry are less likely to offer either same sex or opposite sex domestic partner benefits than firms in other industries (Exhibit 2.12).
- ▶ Firms may adjust their eligibility for some dependents based on whether the dependent has another offer of coverage.
  - Among firms offering coverage to spouses, spouses are not eligible to enroll for coverage if they are offered health insurance from another source at nine percent of firms (Exhibit 2.14).
  - Five percent of firms offering coverage to spouses require a greater contribution for coverage if a spouse is offered health insurance from another source. Large employers (200 or more workers) are more likely than small employer to have this requirement (9% vs. 5%) (Exhibit 2.14).

#### FIRMS NOT OFFERING HEALTH BENEFITS

- ▶ The survey asks firms that do not offer health benefits if they have offered insurance or shopped for insurance in the recent past, and about their most important reasons for not offering coverage. Because such a small percentage of large firms report not offering health benefits, we present responses for smaller firms (3 to 199 workers) that do not offer health benefits.
  - The cost of health insurance remains the primary reason cited by firms for not offering health benefits. Among small firms (3–199 workers) not offering health benefits, 32% cite high cost as “the most important reason” for not doing so, followed by “employees are generally covered under another plan” (24%) (Exhibit 2.15). This year we asked employers whether the launch of

the health insurance exchanges for individuals was the primary reason for not offering benefits; nine percent of employers cited "employees have other options, including exchanges" and one percent said "employees will get a better deal on the health insurance exchanges" (Exhibit 2.15). More small firms indicated they did not offer because of "cost" and "employees are generally covered under another plan" than "employees have other options, including exchanges".

- ▶ Many non-offering, small firms have either offered health benefits in the past five years, or shopped for alternative coverage options recently.
  - Eighteen percent of non-offering, small firms (3–199 workers) have offered health benefits in the past five years, while 24% have shopped for coverage in the past year (Exhibit 2.16). The 24% of non-offering small firms which have shopped for coverage in the past year is similar to the 18% who did so last year.
- ▶ Among non-offering, small firms (3–199 workers), 7% report that they provide funds to their employees to purchase health insurance through the individual, or non-group, market, such as on an individual health insurance marketplace (Exhibit 2.17). The percentage of firms offering funds to purchase non-group coverage is similar to last year (10%).
- ▶ Three-quarters of small firms (3–199 employees) not offering health benefits believed that their employees would prefer a two dollar per hour increase in wages rather than health insurance. (Exhibit 2.18). The percentage of small employers who believe that their employees would prefer a wage increase is the same as 2011 the last time the survey asked this question (75%).
- ▶ Small firms (3–199 workers) not offering health insurance gave a variety of estimates regarding the amount they believe the firm could afford to pay for health insurance for an employee with single coverage. Thirty-nine percent reported that they could pay less than \$100 per month; 6% reported that they could pay \$400 or more per month (Exhibit 2.19).

- ▶ Small firms (3–199 workers) not offering health benefits were asked to estimate what percentage of their employees had coverage from another source. Fifty percent of small employers estimated that three quarters or more of their employees were covered (Exhibit 2.20). On average, non-offering firms with between 3–9 employees believed that 75% of their employees had another source of coverage, 58% at firms with 10 to 24 employees, and 44% at firms with 25 to 199 employees.

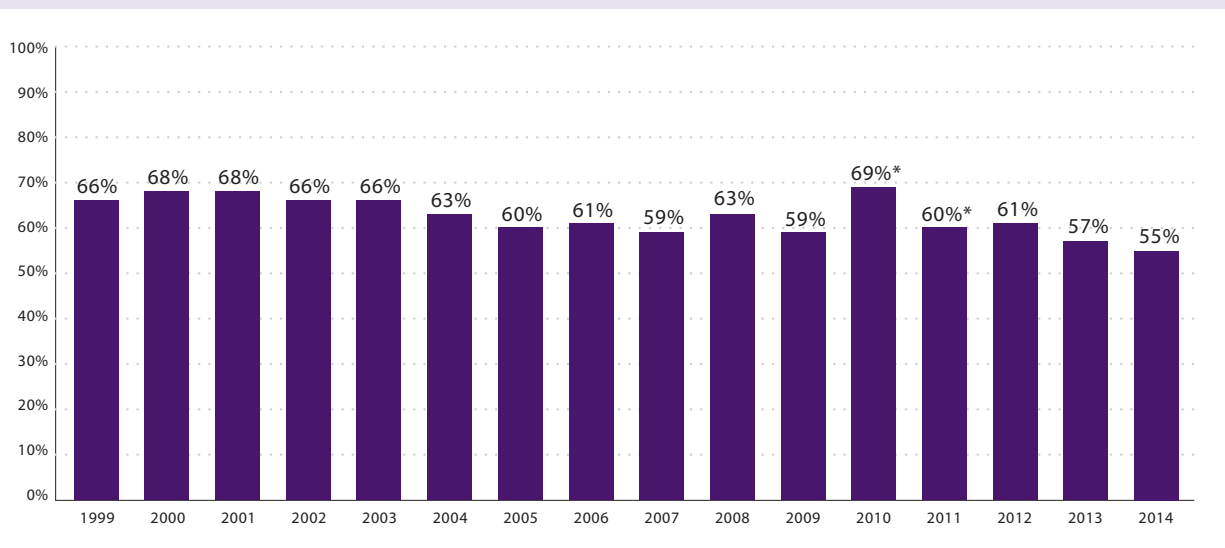
#### SHOP EXCHANGES

Small Business Health Options Program (SHOP) are federal or state sponsored exchanges in which employers may offer and contribute to health insurance provided to their employees. In many states SHOP exchanges were not fully implemented and many employers experience technical difficulties when trying to enroll. Small employers may qualify for the small business health care tax credit when purchase coverage through the SHOP exchanges. In 2014, firms with 50 or fewer full-time equivalents are eligible to participate in a SHOP exchange.

- ▶ Because our survey gathers information about the total number of full-time and part-time employees in a firm, we cannot calculate the number of full-time equivalent employees and therefore could not limit survey responses only to firms within the size range eligible for the SHOP marketplaces. To ensure that we included employers that may have a number of part-time or temporary employees but could still qualify, we directed questions to employers with 3 to 75 total employees. This approach allowed us to capture some employers with more than 50 employees who would nonetheless be eligible, but it also means that some employers who are unlikely to be eligible were asked these questions.
- ▶ Thirteen percent of firms with 3 to 75 employees who do not offer health benefits said they looked at purchasing coverage on a SHOP exchange. Similarly, twelve percent of firms with 3 to 75 employees that do offer health benefits looked at coverage on the SHOP exchanges (Exhibit 2.21).
- ▶ Among non-offering firms with 3 to 75 employees that chose not to purchase coverage on a SHOP exchange, 40% reported they did not do so because they were not interested and 28% said it was too expensive (Exhibit 2.22).

EXHIBIT 2.1

Percentage of Firms Offering Health Benefits, 1999–2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: The 55% offer rate in 2014 is statistically unchanged from the 2013 and 2012 estimates (61% and 57%, respectively). As noted in the Survey Design and Methods section, estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

EXHIBIT 2.2

Percentage of Firms Offering Health Benefits, by Firm Size, 1999–2014

FIRM SIZE	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3–9 Workers	55%	57%	58%	58%	55%	52%	47%	49%	45%	50%	47%	59%*	48%*	50%	45%	44%
10–24 Workers	74	80	77	70*	76	74	72	73	76	78	72	76	71	73	68	64
25–49 Workers	88	91	90	87	84	87	87	87	83	90*	87	92	85*	87	85	83
50–199 Workers	97	97	96	95	95	92	93	92	94	94	95	95	93	94	91	91
<b>All Small Firms (3–199 Workers)</b>	<b>65%</b>	<b>68%</b>	<b>67%</b>	<b>65%</b>	<b>65%</b>	<b>62%</b>	<b>59%</b>	<b>60%</b>	<b>59%</b>	<b>62%</b>	<b>59%</b>	<b>68%*</b>	<b>59%*</b>	<b>61%</b>	<b>57%</b>	<b>54%</b>
<b>All Large Firms (200 or More Workers)</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>98%</b>	<b>99%</b>	<b>98%</b>
<b>ALL FIRMS</b>	<b>66%</b>	<b>68%</b>	<b>68%</b>	<b>66%</b>	<b>66%</b>	<b>63%</b>	<b>60%</b>	<b>61%</b>	<b>59%</b>	<b>63%</b>	<b>59%</b>	<b>69%*</b>	<b>60%*</b>	<b>61%</b>	<b>57%</b>	<b>55%</b>

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: As noted in the Survey Design and Methods section, estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

## EXHIBIT 2.3

## Percentage of Firms Offering Health Benefits, by Firm Size, Region, and Industry, 2014

	Percentage of Firms Offering Health Benefits
<b>FIRM SIZE</b>	
3–9 Workers	44%*
10–24 Workers	64*
25–49 Workers	83*
50–199 Workers	91*
200–999 Workers	98*
1,000–4,999 Workers	100*
5,000 or More Workers	100*
<b>All Small Firms (3–199 Workers)</b>	<b>54%*</b>
<b>All Large Firms (200 or More Workers)</b>	<b>98%*</b>
<b>REGION</b>	
Northeast	57%
Midwest	58
South	48*
West	60
<b>INDUSTRY</b>	
Agriculture/Mining/Construction	48%
Manufacturing	61
Transportation/Communications/Utilities	66
Wholesale	42
Retail	37*
Finance	68
Service	57
State/Local Government	92*
Health Care	59
<b>ALL FIRMS</b>	<b>55%</b>

## SOURCE:

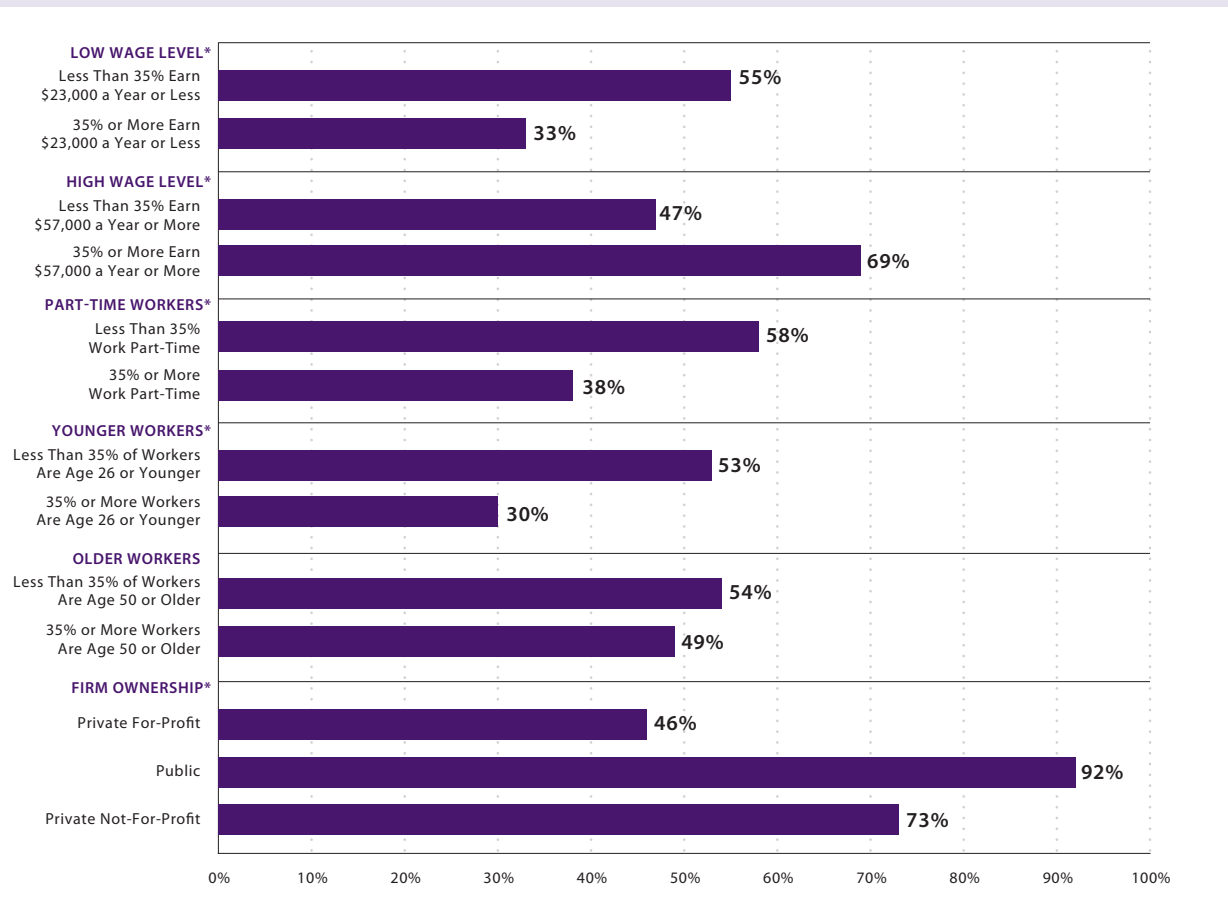
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

\* Estimate is statistically different from estimate for all other firms not in the indicated size, region, or industry category ( $p < .05$ ).

NOTE: As noted in the Survey Design and Methods section, estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

EXHIBIT 2.4

Percentage of Firms Offering Health Benefits, by Firm Characteristics, 2014



SOURCE:

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

\* Estimates are statistically different from each other within category (p<.05).



## EXHIBIT 2.5

Among Firms Offering Health Benefits, Percentage That Offer Health Benefits to Part-Time Workers, by Firm Size, 1999–2014

FIRM SIZE	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3–24 Workers	20%	21%	17%	22%	24%	20%	27%	31%	23%	22%	31%	24%	12%	27%*	24%	22%
25–199 Workers	25	24	31	28	29	29	28	28	25	30	27	28	26	30	28	28
200–999 Workers	35	34	42	43	38	41	33	40*	38	40	44	35*	40	41	45	44
1,000–4,999 Workers	52	48	55	60	57	51	46	55*	54	53	55	55	50	61*	55	55
5,000 or More Workers	61	52	60	58	57	60	61	63	63	67	60	61	59	66	68	58*
All Small Firms (3–199 Workers)	21%	22%	20%	23%	25%	22%	27%	30%	23%	24%	30%	25%	15%	28%*	25%	24%
All Large Firms (200 or More Workers)	39%	37%	45%	46%	42%	43%	36%*	43%*	41%	43%	46%	39%*	42%	45%	47%	46%
ALL FIRMS	21%	22%	20%	24%	26%	23%	27%	31%	24%	25%	31%	25%	16%	28%*	25%	24%

SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

## EXHIBIT 2.6

Among Firms Offering Health Benefits, Percentage That Offer Health Benefits to Temporary Workers, by Firm Size, 1999–2014

FIRM SIZE	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
3–24 Workers	5%	2%	4%	2%	1%	4%	2%	3%	2%	3%	4%	1%	4%	2%	2%	6%
25–199 Workers	3	7	3	4	4	3	5	4	4	3	3	4	4	2	5	4
200–999 Workers	3	9	6	5	9	8	5	5	7	4	4	6	6	6	6	8
1,000–4,999 Workers	7	8	9	8	7	6	5	9	9	7	7	8	5	5	5	11*
5,000 or More Workers	9	8	8	7	10	7	9	11	6*	8	9	8	4	8	8	8
All Small Firms (3–199 Workers)	4%	3%	4%	3%	2%	3%	3%	3%	2%	3%	3%	1%	4%	2%	3%	5%
All Large Firms (200 or More Workers)	4%	9%	7%	6%	9%	8%	5%	6%	7%	5%	5%	6%	6%	6%	6%	9%
ALL FIRMS	4%	3%	4%	3%	2%	4%	3%	3%	2%	3%	3%	1%	4%	2%	3%	5%

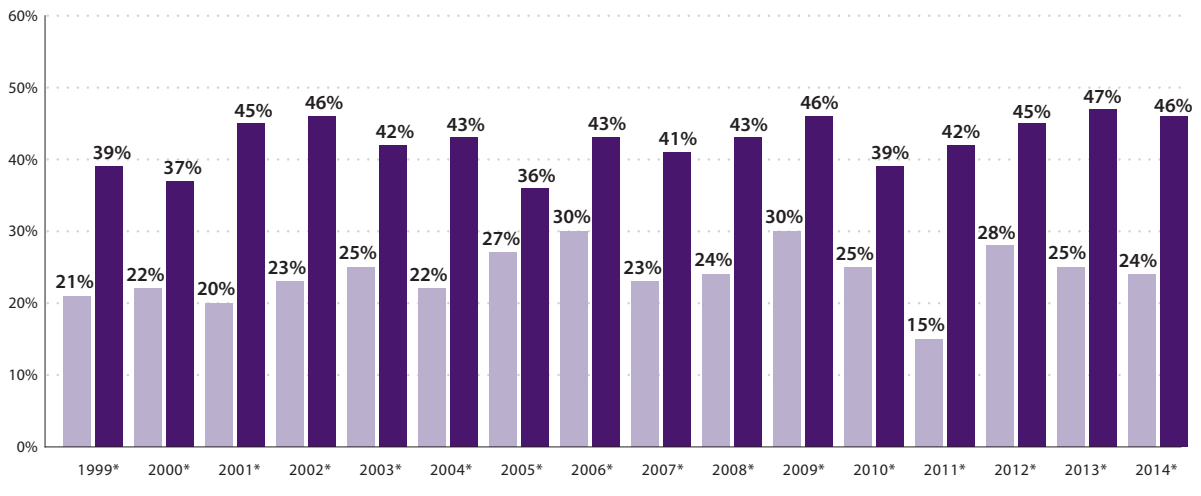
SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

EXHIBIT 2.7

Among Firms Offering Health Benefits, Percentage That Offer Health Benefits to Part-Time Workers, by Firm Size, 1999–2014



SOURCE:

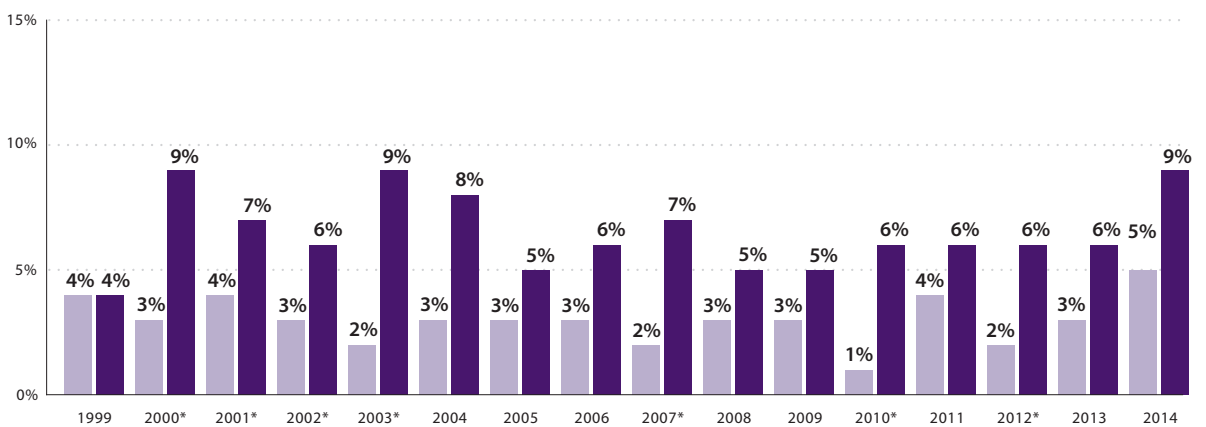
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

ALL SMALL FIRMS (3–199 WORKERS)  
ALL LARGE FIRMS (200 OR MORE WORKERS)

\* Estimate is statistically different between All Small Firms and All Large Firms within year ( $p < .05$ ).

EXHIBIT 2.8

Among Firms Offering Health Benefits, Percentage That Offer Health Benefits to Temporary Workers, by Firm Size, 1999–2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999–2014.

ALL SMALL FIRMS (3–199 WORKERS)  
ALL LARGE FIRMS (200 OR MORE WORKERS)

\* Estimate is statistically different between All Small Firms and All Large Firms within year ( $p < .05$ ).

## EXHIBIT 2.9

Percentage of Firms Offering Health Benefits That Offer or Contribute to a Separate Benefit Plan Providing Dental or Vision Benefits, by Firm Size and Region, 2014

	Separate Dental Benefits	Separate Vision Benefits
<b>FIRM SIZE</b>		
200-999 Workers	88%*	60%*
1,000-4,999 Workers	91*	76*
5,000 or More Workers	91*	75*
<b>All Small Firms (3-199 Workers)</b>	<b>52%*</b>	<b>34%*</b>
<b>All Large Firms (200 or More Workers)</b>	<b>88%*</b>	<b>63%*</b>
<b>REGION</b>		
Northeast	46%	30%
Midwest	60	41
South	59	39
West	45	30
<b>ALL FIRMS</b>	<b>53%</b>	<b>35%</b>

## SOURCE:

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

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

NOTE: The survey asks firms that offer health benefits if they offer or contribute to a dental or vision insurance program that is separate from any dental or vision coverage their health plans might include.

## EXHIBIT 2.10

Among Firms Offering Health Benefits, Percentage That Offer or Contribute to a Separate Benefit Plan Providing Dental or Vision Benefits, by Firm Size, 2000-2014

	2000	2003	2008	2010	2012	2014
<b>Dental Benefits</b>						
All Small Firms (3-199 Workers)	30%	37%	49%*	42%	45%	53%
All Large Firms (200 or More Workers)	60%	78%*	79%	81%	87%*	89%
<b>ALL FIRMS</b>	<b>31%</b>	<b>38%</b>	<b>50%*</b>	<b>43%</b>	<b>46%</b>	<b>54%</b>
<b>Vision Benefits</b>						
All Small Firms (3-199 Workers)	-	-	20%	15%	16%	27%*
All Large Firms (200 or More Workers)	-	-	42%	47%	53%	62%*
<b>ALL FIRMS</b>	<b>-</b>	<b>-</b>	<b>20%</b>	<b>16%</b>	<b>17%</b>	<b>27%*</b>

## SOURCE:

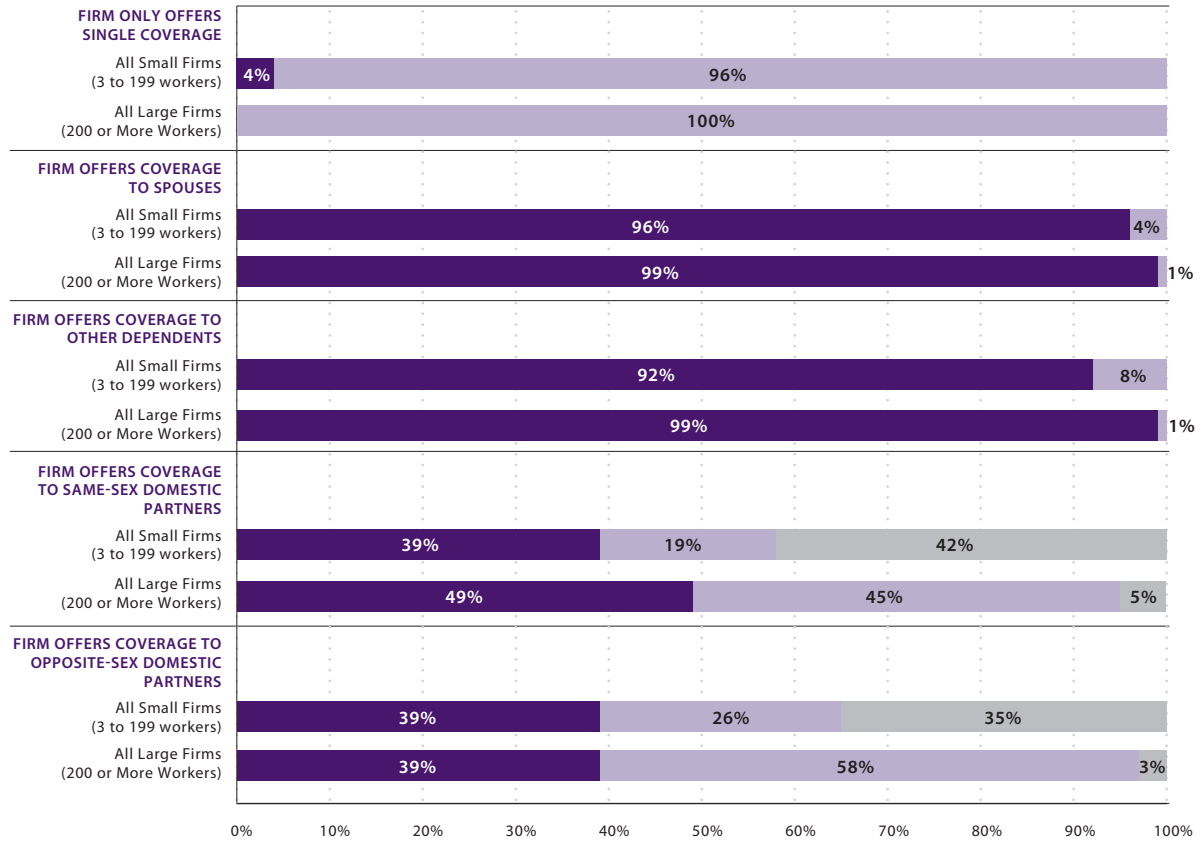
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: Data on vision benefits was not collected in 2000 and 2003. The survey asks firms that offer health benefits if they offer or contribute to a dental or vision insurance program that is separate from any dental or vision coverage their health plans might include.

EXHIBIT 2.11

Among Firms Offering Benefits, Percent of Firms Which Offer Coverage to Spouses, Dependents and Partners, 2014



SOURCE:

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

- YES
- NO
- NOT ENCOUNTERED

\* Estimates are statistically different from each other within category (p<.05).

NOTE: "Not encountered" refers to firms where no workers requested domestic partner benefits and there is no corporate policy on coverage for that classification of domestic partners.

## EXHIBIT 2.12

Among Firms Offering Benefits, Percent of Firms Which Offer Coverage to Same-Sex and Opposite-Sex Domestic Partners, 2014

	Firm Offers Coverage to Same-Sex Domestic Partners			Firm Offers Coverage to Opposite-Sex Domestic Partners		
	Yes	No	Not Encountered	Yes	No	Not Encountered
<b>FIRM SIZE</b>						
3–24 Workers	37%	14%*	49%*	38%	20%*	42%*
25–199 Workers	44	33*	23*	41	43*	16*
200–999 Workers	47	46*	6*	38	59*	4*
1,000–4,999 Workers	54*	45*	2*	42*	57*	1*
5,000 or More Workers	70*	29*	<1*	52*	48*	0*
<b>All Small Firms (3–199 Workers)</b>	<b>39%</b>	<b>19%*</b>	<b>42%*</b>	<b>39%</b>	<b>26%*</b>	<b>35%*</b>
<b>All Large Firms (200 or More Workers)</b>	<b>49%</b>	<b>45%*</b>	<b>5%*</b>	<b>39%</b>	<b>58%*</b>	<b>3%*</b>
<b>REGION</b>						
Northeast	60%*	21%	19%*	50%*	31%	19%*
Midwest	28	25	47	27	37	37
South	25*	22	53	32*	25	42
West	48	11	41	47	16	36
<b>INDUSTRY</b>						
Agriculture/Mining/Construction	29%	19%	52%	29%	23%	48%
Manufacturing	69*	20	12*	53*	38	9*
Transportation/Communications/Utilities	32	17	51	17	33	50
Wholesale	38	36	25	19	60	21
Retail	25	12	63	22	17	62
Finance	55	22	23	55	37	8
Service	38	21	41	36	26	38
State/Local Government	16*	27	57	35*	29	36
Health Care	51	15	34	68	19	13
<b>ALL FIRMS</b>	<b>39%</b>	<b>20%</b>	<b>41%</b>	<b>39%</b>	<b>27%</b>	<b>34%</b>

## SOURCE:

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

\* Estimate is statistically different from estimate for all other firms not in the indicated size, region, or industry category ( $p < .05$ ).

NOTE: "Not encountered" refers to firms where no workers requested domestic partner benefits and there is no corporate policy on coverage for that classification of domestic partners.

## EXHIBIT 2.13

Among Firms Offering Health Benefits, Percent of Employers That Offer Health Benefits to Unmarried Same-Sex and Opposite-Sex Domestic Partners, by Firm Size, 2008-2014

	2008	2010	2012	2014
<b>Same-Sex Domestic Partners</b>				
All Small Firms (3–199 Workers)	22%	21%	31%	39%
All Large Firms (200 or More Workers)	32%	34%	42%*	49%
<b>ALL FIRMS</b>	<b>22%</b>	<b>21%</b>	<b>31%</b>	<b>39%</b>
<b>Opposite-Sex Domestic Partners</b>				
All Small Firms (3–199 Workers)	24%	31%	37%	39%
All Large Firms (200 or More Workers)	32%	34%	39%	39%
<b>ALL FIRMS</b>	<b>24%</b>	<b>31%</b>	<b>37%</b>	<b>39%</b>

## SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: "Not encountered" refers to firms where no workers requested domestic partner benefits and there is no corporate policy on coverage for that classification of domestic partners. See Exhibit 2.12 for the percent of firms indicating 'no' and 'not encountered'.

## EXHIBIT 2.14

Among Firms Offering Benefits to Dependents, Limits on the Coverage Eligibility of Spouses, by Firm Size, 2014

FIRM SIZE	Percent of Firms Which Do Not Allow Spouses Who Are Offered Coverage from Another Source to Enroll in Coverage	Percent of Firms which Require Spouses Offered Coverage from Another Source to Contribute More to the Coverage Either in the Form of Premiums or Cost Sharing
3–24 Workers	9%	4%*
25–199 Workers	6	9
200–999 Workers	7	8
1,000–4,999 Workers	10	14*
5,000 or More Workers	12	23*
<b>All Small Firms (3–199 Workers)</b>	<b>9%</b>	<b>5%*</b>
<b>All Large Firms (200 or More Workers)</b>	<b>8%</b>	<b>9%*</b>
<b>ALL FIRMS</b>	<b>9%</b>	<b>5%*</b>

## SOURCE:

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

\* Estimate is statistically different from estimate for all other firms not in the indicated size, region, or industry category ( $p < .05$ ).

NOTE: As noted in the Survey Design and Methods section, estimates presented in this exhibit are based on the sample of both firms that completed the entire survey and those that answered just one question about whether they offer health benefits.

**EXHIBIT 2.15**

Among Small Firms (3–199 Workers) Not Offering Health Benefits, the Most Important Reason the Firm Does Not Offer, 2014

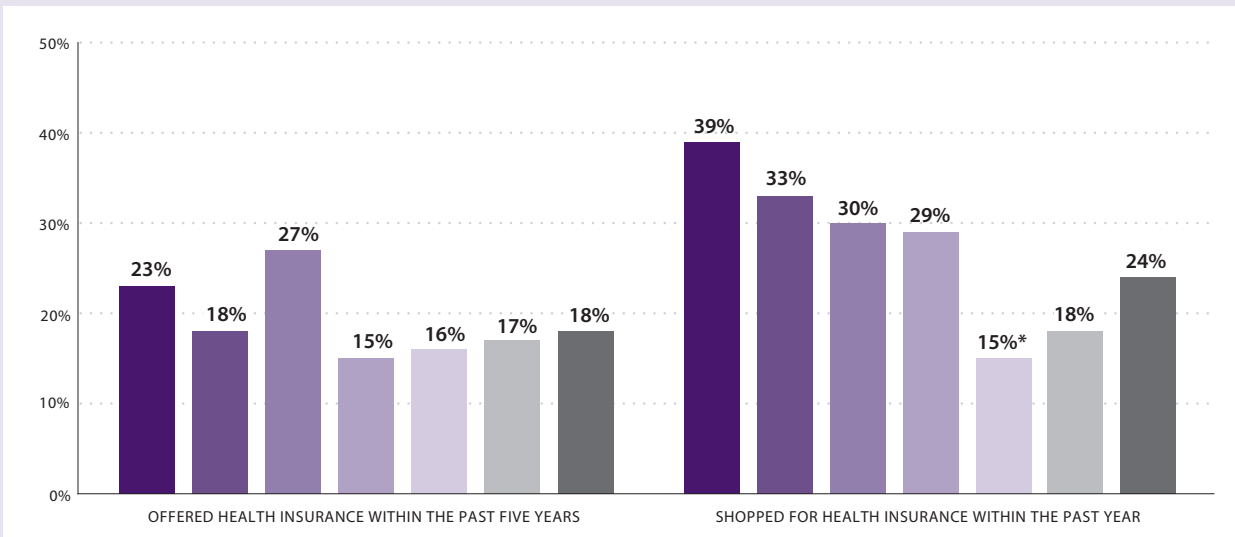
	Most Important Reason
Cost of health insurance is too high	32%
Employees are generally covered under another plan	24
The firm is too small	17
Employees have other options, including exchanges	9
Most employees are part-time or temporary workers	7
No interest/employees don't want it	4
Employee will get a better deal on health insurance exchange	1
Employee turnover is too great	0
Other	6
Don't know	0

SOURCE:

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

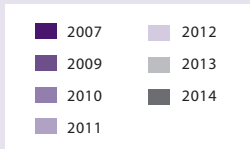
**EXHIBIT 2.16**

Among Small Firms (3–199 Workers) Not Offering Health Benefits, Percentage That Report the Following Activities Regarding Health Benefits, 2007–2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007–2014.



\* Estimate is statistically different from estimate for the previous year shown (p<.05).

NOTE: In 2014, we asked firms which offered health insurance within the past five years why they stopped offering coverage. Most respondents indicated that “cost” was the primary factor.

**EXHIBIT 2.17**

Among Small Firms (3–199 Workers) Not Offering Health Benefits, Percentage That Provide Employees Funds to Purchase Non-Group Insurance, 2012–2014

	2012	2013	2014
3–9 Employees	9%	8%	5%*
10–199 Employees	11%	16%	17%*
<b>ALL SMALL FIRMS</b>	<b>9%</b>	<b>10%</b>	<b>7%</b>

SOURCE:

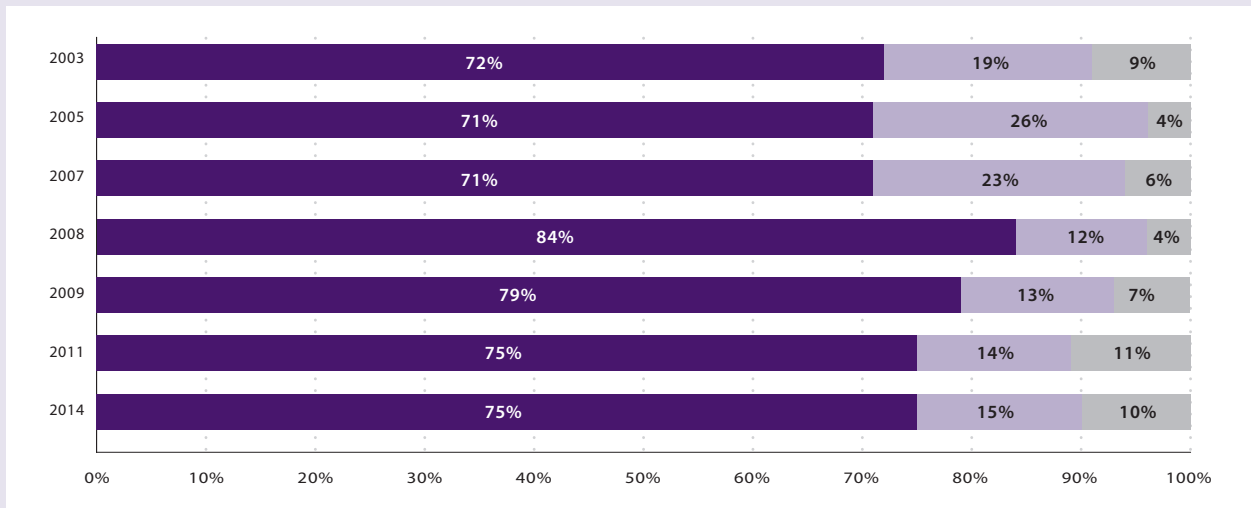
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012–2014.

\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: Starting in 2014, this question was modified to “Does your firm provide funds for employees to purchase insurance on their own in the individual market, or through a health insurance exchange.”

**EXHIBIT 2.18**

Among Small Firms (3–199 Workers) Not Offering Health Benefits, Employees’ Preference for Higher Wages or Health Insurance Benefits, 2003–2014

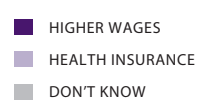


SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2003–2014.

\* Estimates are statistically different from each other within category ( $p < .05$ ).

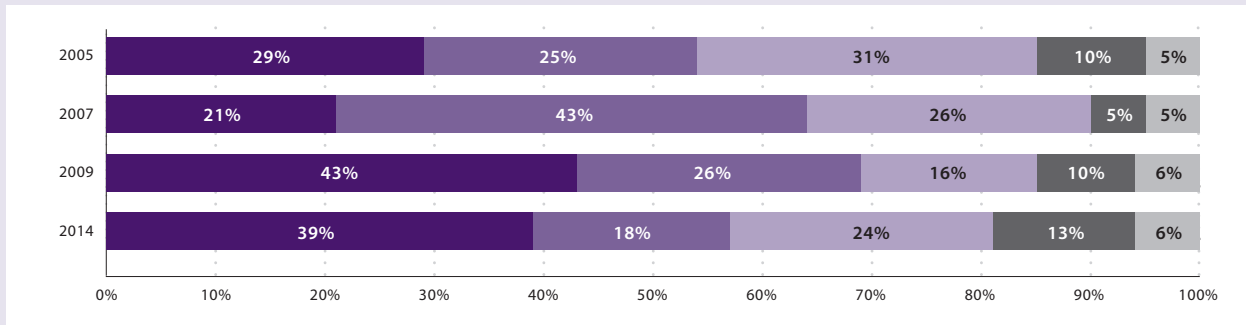
NOTE: The question asks firms whether they believe employees would rather receive an additional \$2 per hour (approximately the cost of health insurance for single coverage) in the form of higher wages or health insurance.





**EXHIBIT 2.19**

Among Small Firms (3–199 Workers) Not Offering Benefits, Amount the Firm Believes That It Could Afford to Pay Monthly for Health Insurance Coverage for an Employee with Single Coverage, 2005–2014



SOURCE:

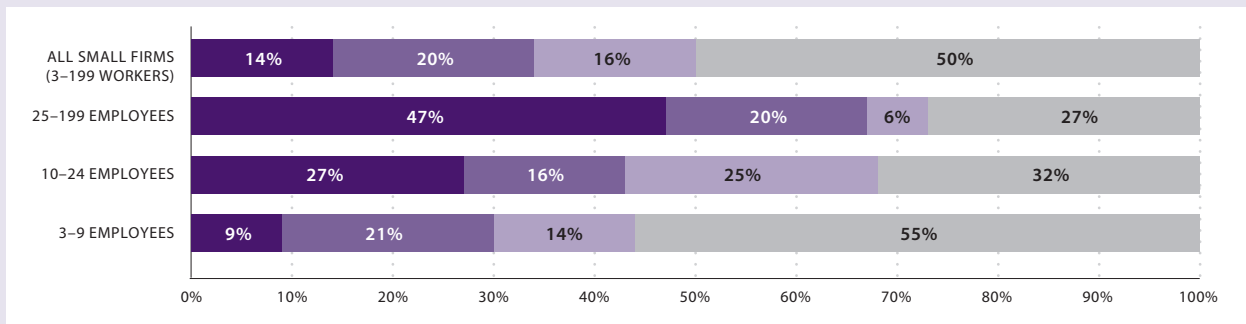
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005–2014.

NOTE: Respondents were given the opportunity to indicate “Don’t Know.” In 2005, 24% of firms selected “Don’t Know”; 21% in 2007; 43% in 2009; and 39% in 2014.

- GREATER OR EQUAL TO \$0 AND LESS THAN \$100
- GREATER OR EQUAL TO \$100 AND LESS THAN \$200
- GREATER OR EQUAL TO \$200 AND LESS THAN \$300
- GREATER OR EQUAL TO \$300 AND LESS THAN \$400
- GREATER OR EQUAL TO \$400

**EXHIBIT 2.20**

Among Small Firms (3–199 Workers) Not Offering Benefits, Percent of the Firm’s Employees which the Firm Believes are Covered from Another Source, 2014



SOURCE:

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

- 0% TO 25%
- MORE THAN 25% TO 50%
- MORE THAN 50% TO 75%
- MORE THAN 75% TO 100%

**EXHIBIT 2.21**

Among Small Firms (3 to 75 Workers) Not Offering and Offering Health Benefits, Percentage of Firms Who Looked At Purchasing Coverage through a SHOP Exchange, by Firm Size and Region, 2014

	Among Non-Offering Firms			Among Offering Firms		
	Yes	No	Don't Know	Yes	No	Don't Know
<b>FIRM SIZE</b>						
3–9 Workers	13%	86%	1%	NSD	NSD	NSD
10–75 Workers	15	79	6	10%	86%	4%
<b>ALL SMALL FIRMS (3 to 75 Workers)</b>	<b>13%</b>	<b>85%</b>	<b>2%</b>	<b>12%</b>	<b>81%</b>	<b>6%</b>

SOURCE:

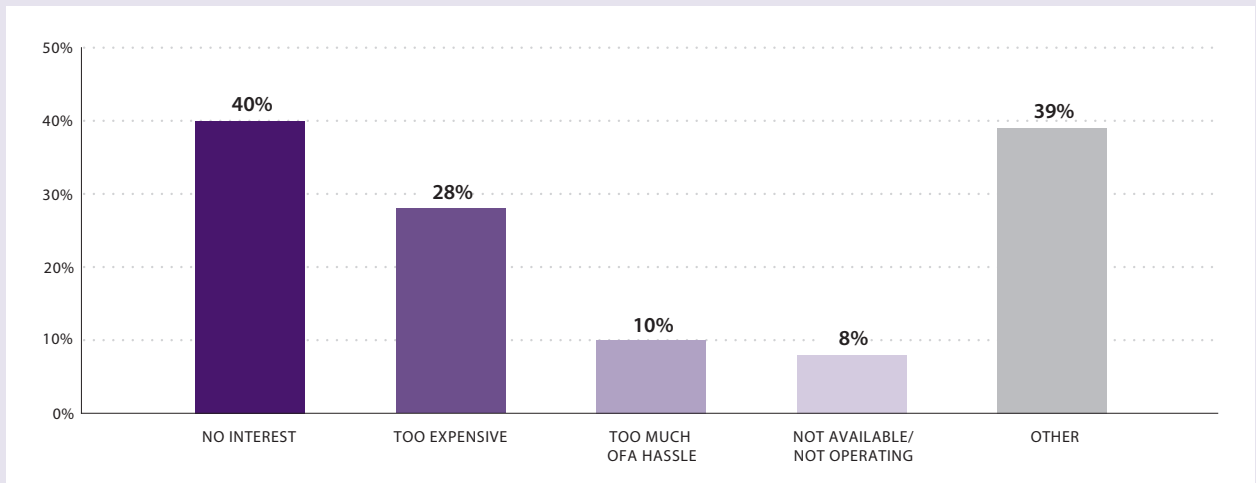
Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014.

NOTE: Among the 12% of offering firms with 3 to 75 workers that looked at purchasing coverage through a SHOP exchange, 2% did purchase, 97% did not, and 1% did not know.

Small Business Health Options Program (SHOP) are federal or state sponsored exchanges in which employers may offer and contribute to health insurance provided to their employees. Because our survey gathers information about the total number of full-time and part-time employees in a firm, we cannot calculate the number of full-time equivalent employees and therefore could not limit survey responses only to firms within the size range eligible for the SHOP marketplaces. To ensure that we included employers that may have a number of part-time or temporary employees but could still qualify, we directed questions to employers with 3 to 75 total employees.

**EXHIBIT 2.22**

Among Small Firms (3 to 75 Workers) Not Offering Health Benefits Who Determined They Were Eligible to Purchase Coverage on a SHOP Exchange, Reasons Why They Did Not Select a Plan, 2014



SOURCE:

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

NOTE: Estimates are not statistically different within size category from estimates for firms not in the indicated size category ( $p < .05$ ). Small Business Health Options Program (SHOP) are federal or state sponsored exchanges in which employers may offer and contribute to health insurance provided to their employees. Because our survey gathers information about the total number of full-time and part-time employees in a firm, we cannot calculate the number of full-time equivalent employees and therefore could not limit survey responses only to firms within the size range eligible for the SHOP marketplaces. To ensure that we included employers that may have a number of part-time or temporary employees but could still qualify, we directed questions to employers with 3 to 75 total employees.