

EMPLOYER HEALTH BENEFITS
2014 ANNUAL SURVEY

Market
Shares of
Health Plans

SECTION

5

55%

\$6,025

\$16,834

2014

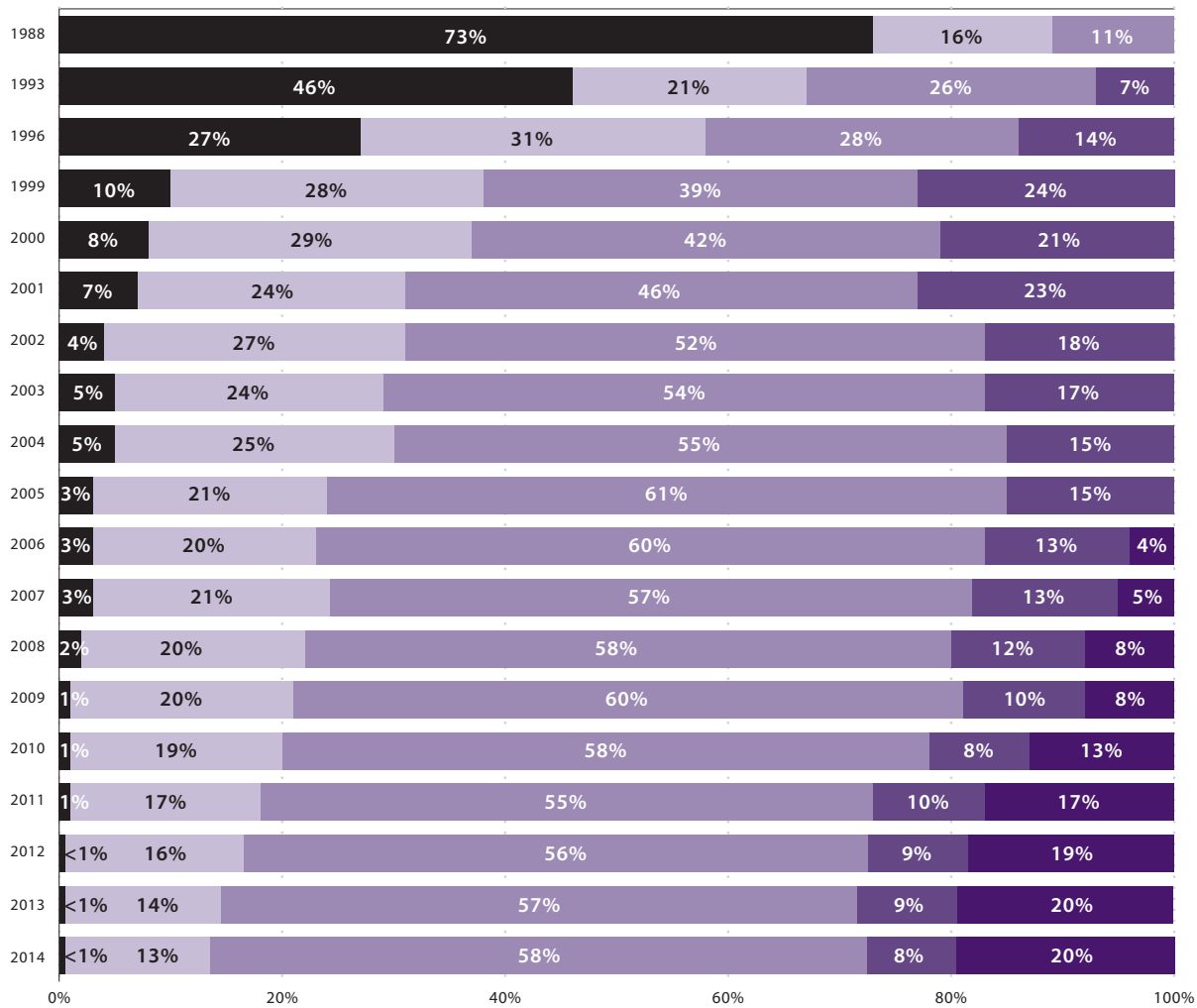
MARKET SHARES OF HEALTH PLANS

ENROLLMENT REMAINS HIGHEST IN PPO PLANS, COVERING MORE THAN HALF OF COVERED WORKERS, FOLLOWED BY HDHP/SOs, HMO PLANS, POS PLANS, AND CONVENTIONAL PLANS. ENROLLMENT DISTRIBUTION VARIES BY FIRM SIZE, FOR EXAMPLE, PPOs ARE RELATIVELY MORE POPULAR FOR COVERED WORKERS AT LARGE FIRMS (200 OR MORE WORKERS) THAN SMALLER FIRMS (63% VS. 46%) AND POS PLANS ARE RELATIVELY MORE POPULAR AMONG SMALLER FIRMS THAN LARGE FIRMS (17% VS. 4%). ENROLLMENT IN HDHP/SO PLANS (20%) REMAINS STATISTICALLY UNCHANGED FROM 2012 (19%).

- ▶ Fifty-eight percent of covered workers are enrolled in PPOs, followed by HDHP/SOs (20%), HMOs (13%), POS plans (8%), and conventional plans (<1%) (Exhibit 5.1).
- ▶ After years of significant annual increases in the percentage of covered workers enrolled in HDHP/SO plans (8% in 2009, 13% in 2010, and 17% in 2011), enrollment has remained steady over the past three years (19% in 2012, and 20% in 2013 and 2014) (Exhibit 5.1). The percentage of covered workers enrolled in HDHP/SO plans at both large firms (200 or more workers) and smaller firms is similar to last year.
- ▶ Enrollment in HDHP/SOs is similar for firms with many lower wage workers (at least 35% of workers earn \$23,000 per year or less) and those with fewer lower wage workers as well as between large firms (200 or more workers) and smaller firms.
- ▶ Enrollment in HMO plans is similar to 2013 but declined significantly from two years ago (16% in 2012) and five years ago (20% in 2009).
- ▶ Plan enrollment patterns vary by firm size. Workers in large firms (200 or more workers) are more likely than workers in smaller firms to enroll in PPOs (63% vs. 46%). Workers in small firms are more likely than workers in large firms to enroll in POS plans (17% vs. 4%) (Exhibit 5.2).
- ▶ Plan enrollment patterns also differ across regions.
 - HMO enrollment is significantly higher in the West (25%) and significantly lower in the South (9%) and Midwest (8%) (Exhibit 5.3).
 - Workers in the South (66%) are more likely to be enrolled in PPO plans than workers in other regions; workers in the West (51%) are less likely to be enrolled in a PPO (Exhibit 5.3).
 - Enrollment in HDHP/SOs is higher among workers in the Midwest (27%) than in other regions (Exhibit 5.3).
- ▶ Plan enrollment patterns differ by industry as well.
 - Covered workers in the state/local government industry (11%) are significantly less likely to be enrolled in an HDHP/SO plan than covered workers in other industries (Exhibit 5.3).

EXHIBIT 5.1

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988–2014



SOURCE:

Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988.

Note: Information was not obtained for POS plans in 1988. A portion of the change in plan type enrollment for 2005 is likely attributable to incorporating more recent Census Bureau estimates of the number of state and local government workers and removing federal workers from the weights. See the Survey Design and Methods section from the 2005 Kaiser/HRET Survey of Employer-Sponsored Health Benefits for additional information.

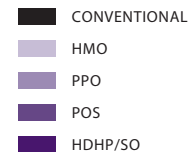
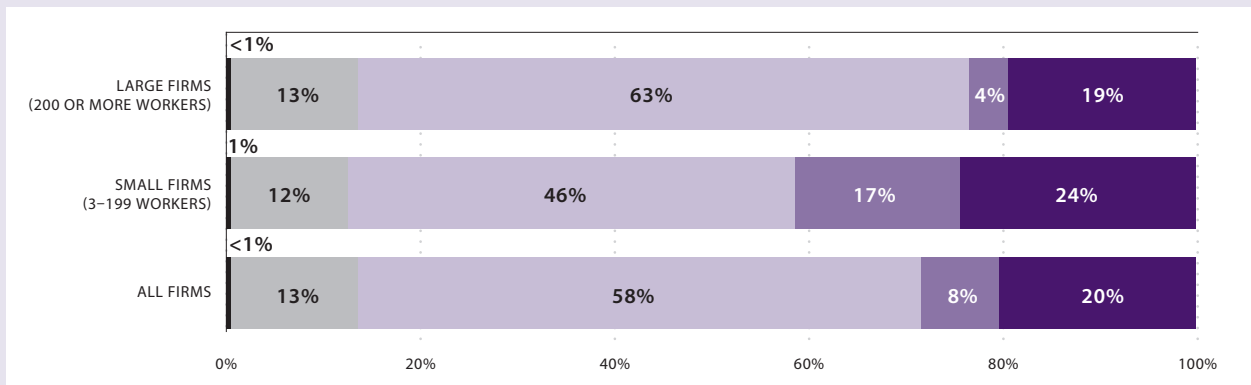


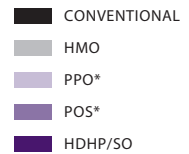
EXHIBIT 5.2

Distribution of Health Plan Enrollment for Covered Workers, by Plan Type and Firm Size, 2014



SOURCE:

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



* Enrollment in plan type is statistically different between Large and Small Employers (p<.05).

Note: 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 health reimbursement arrangements (HRAs) and health savings accounts (HSAs). Less than 1% of covered workers in Large Firms, Small Firms, and All Firms are enrolled in a conventional plan.

EXHIBIT 5.3

Distribution of Health Plan Enrollment for Covered Workers, by Firm Size, Region, and Industry, 2014

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZE					
3–24 Workers	<1%	8%	48%	21%*	23%
25–49 Workers	0*	16	44*	17	22
50–199 Workers	1	14	47*	15*	25
200–999 Workers	<1	14	59	7	19
1,000–4,999 Workers	<1	13	68*	3*	16*
5,000 or More Workers	<1	13	63*	4*	20
All Small Firms (3–199 Workers)	<1%	12%	46%*	17%*	24%
All Large Firms (200 or More Workers)	<1%	13%	63%*	4%*	19%
REGION					
Northeast	1%	14%	54%	13%	19%
Midwest	<1*	8*	56	9	27*
South	<1	9*	66*	6	19
West	<1	25*	51*	6	18
INDUSTRY					
Agriculture/Mining/Construction	0%*	3%*	60%	21%*	15%
Manufacturing	<1*	8*	64	5*	23
Transportation/Communications/Utilities	1	20*	58	1*	21
Wholesale	<1*	12	57	7	24
Retail	<1	8*	64	9	18
Finance	0*	10	53	10	27
Service	<1	16*	55	8	21
State/Local Government	<1	18	63	8	11*
Health Care	<1	11	56	13	20
ALL FIRMS	<1%	13%	58%	8%	20%

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, region, or industry category ($p < .05$).

