

# The Growing Cost Burden of Employer Health Insurance for U.S. Families: Implications for Health and Economic Security

*U.S. House of Representatives Committee on Ways and Means,  
Subcommittee on Select Revenue Measures*

*Hearing on “How Middle-Class Families Are Faring in Today’s Economy”*

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Invited Testimony

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## EXHIBIT 1

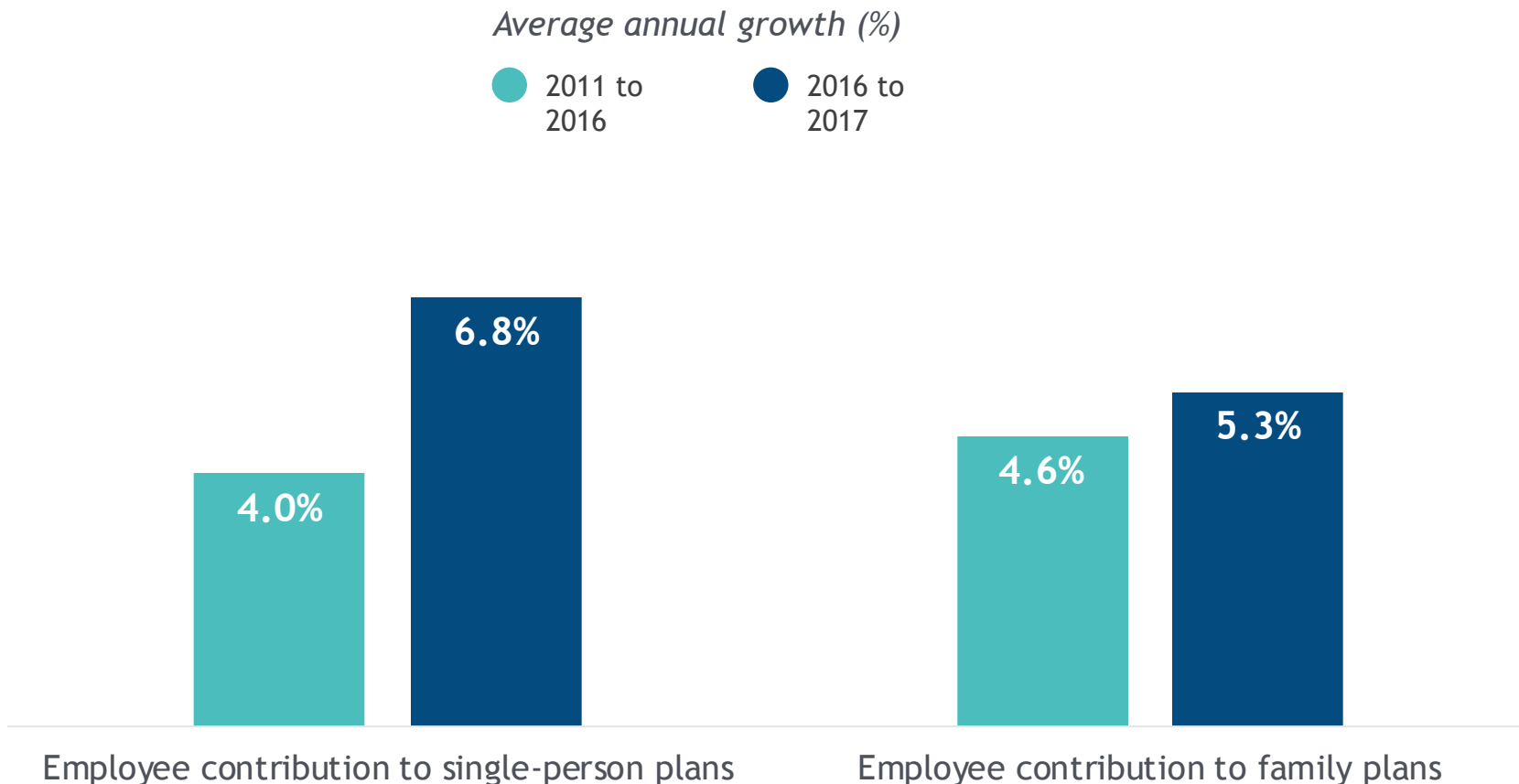
# Premiums for employer health plans climbed in 2017

*Average growth from previous year*



## EXHIBIT 2

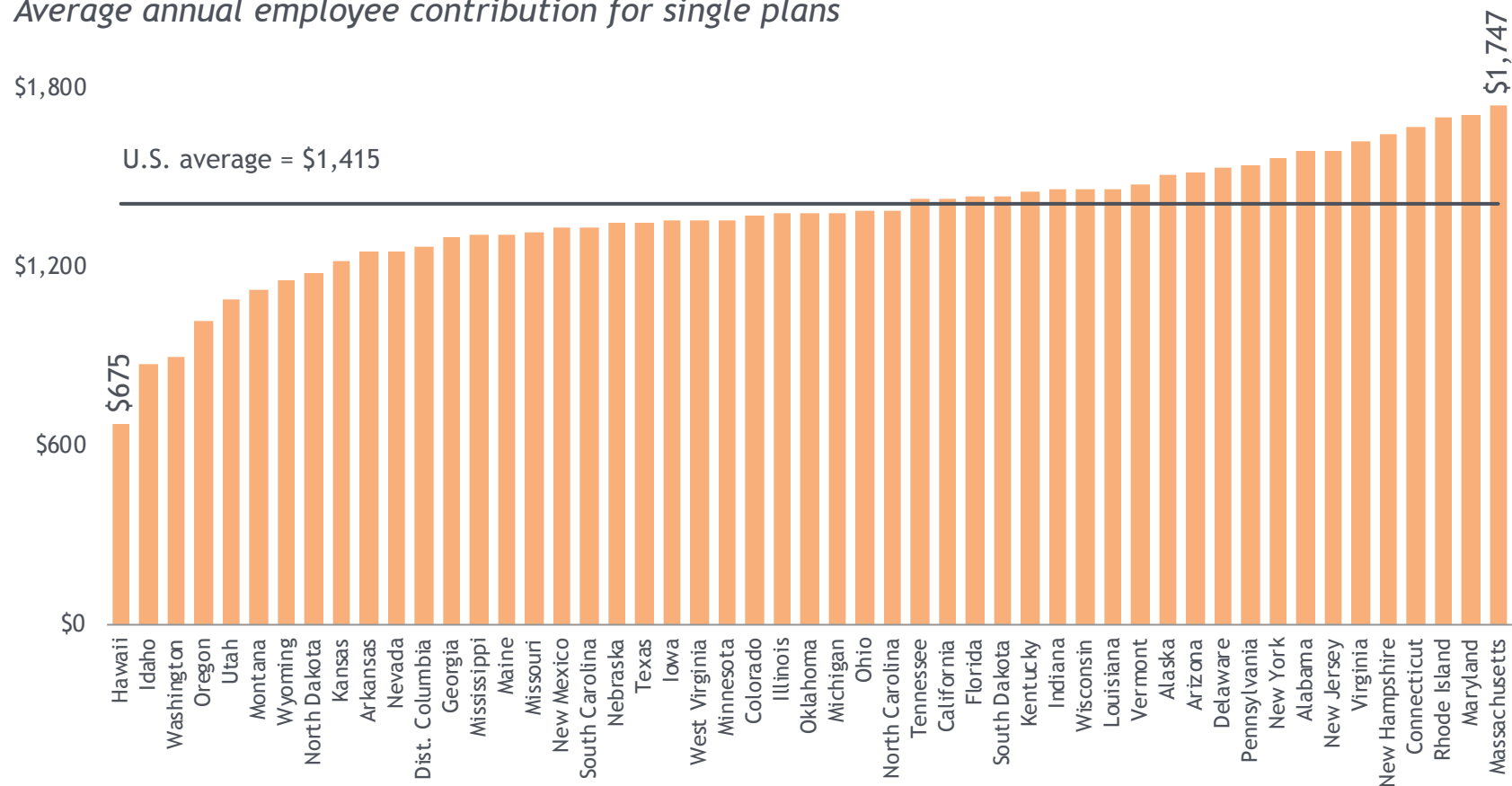
# Employer premiums have risen, so have employee contributions



## EXHIBIT 3

# Workers' premium payments for single plans range from \$675 in HI to \$1,747 in MA

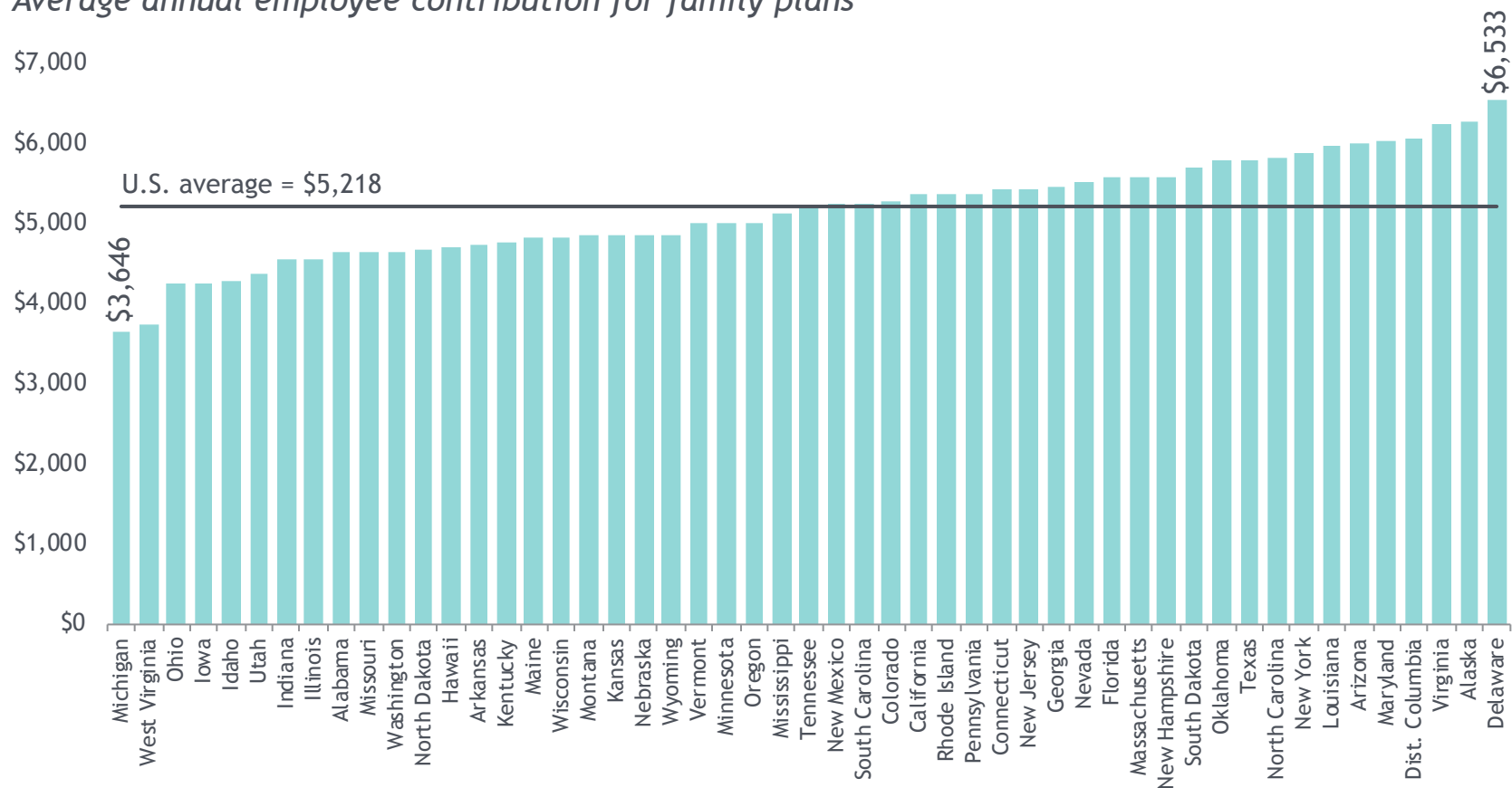
*Average annual employee contribution for single plans*



## EXHIBIT 4

# Workers' premium payments for family plans range from \$3,646 in MI to \$6,533 in DE

*Average annual employee contribution for family plans*



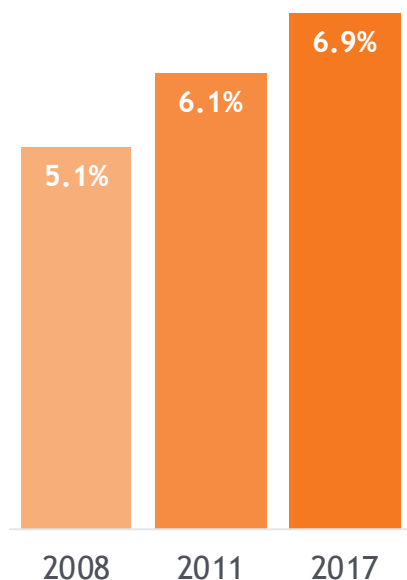
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Data: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2017.

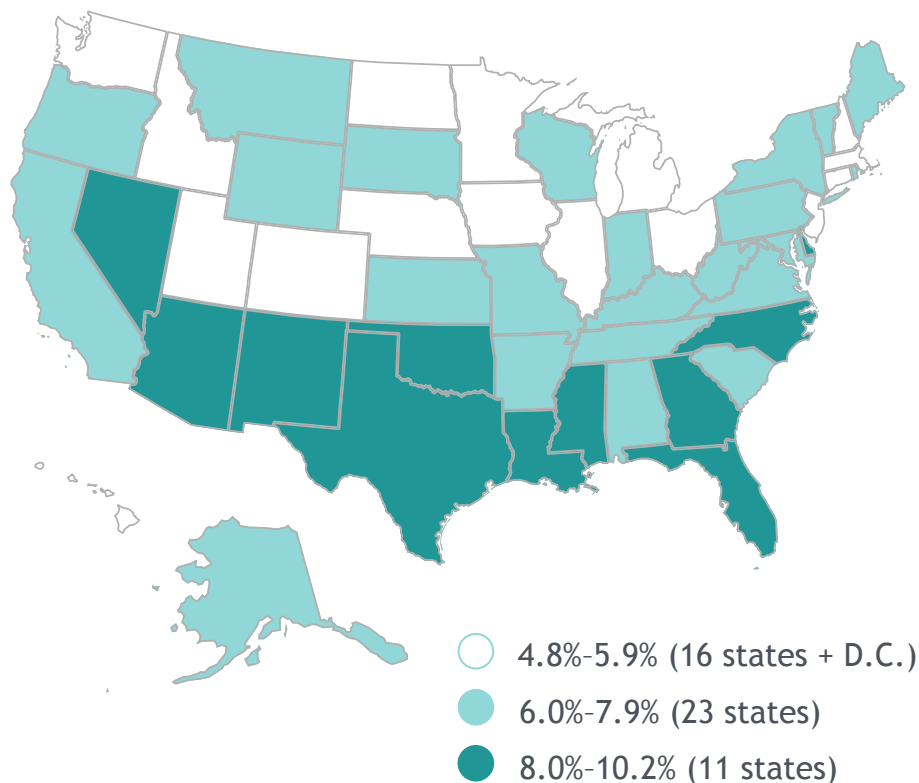
Source: Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* (Commonwealth Fund, Dec. 2018).

# Worker payments for employer coverage are growing faster than median income

*Employee premium contribution as share of median income*



*Average employee premium contribution as percent of median state income in 2017*



Notes: Estimates of median household income used in the denominator for this ratio come from the Current Population Survey (CPS), which revised its income questions in 2013. The denominator in our ratio estimates prior to 2014 is derived from the traditional CPS income questions, while ratio estimates from 2017 are estimated from the revised income questions. Household incomes have been adjusted for the likelihood that people in the same residence purchase health insurance together.

Data: Employee premium contribution: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2008, 2011, 2017; Median household income: Current Population Survey, 2008-09, 2011-12, 2017-18.

Source: Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* (Commonwealth Fund, Dec. 2018).

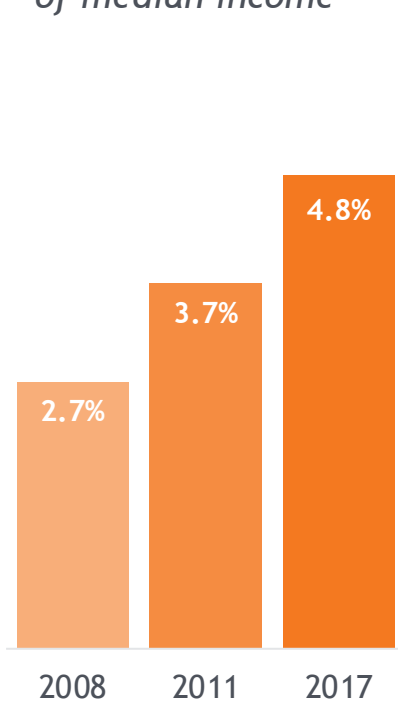


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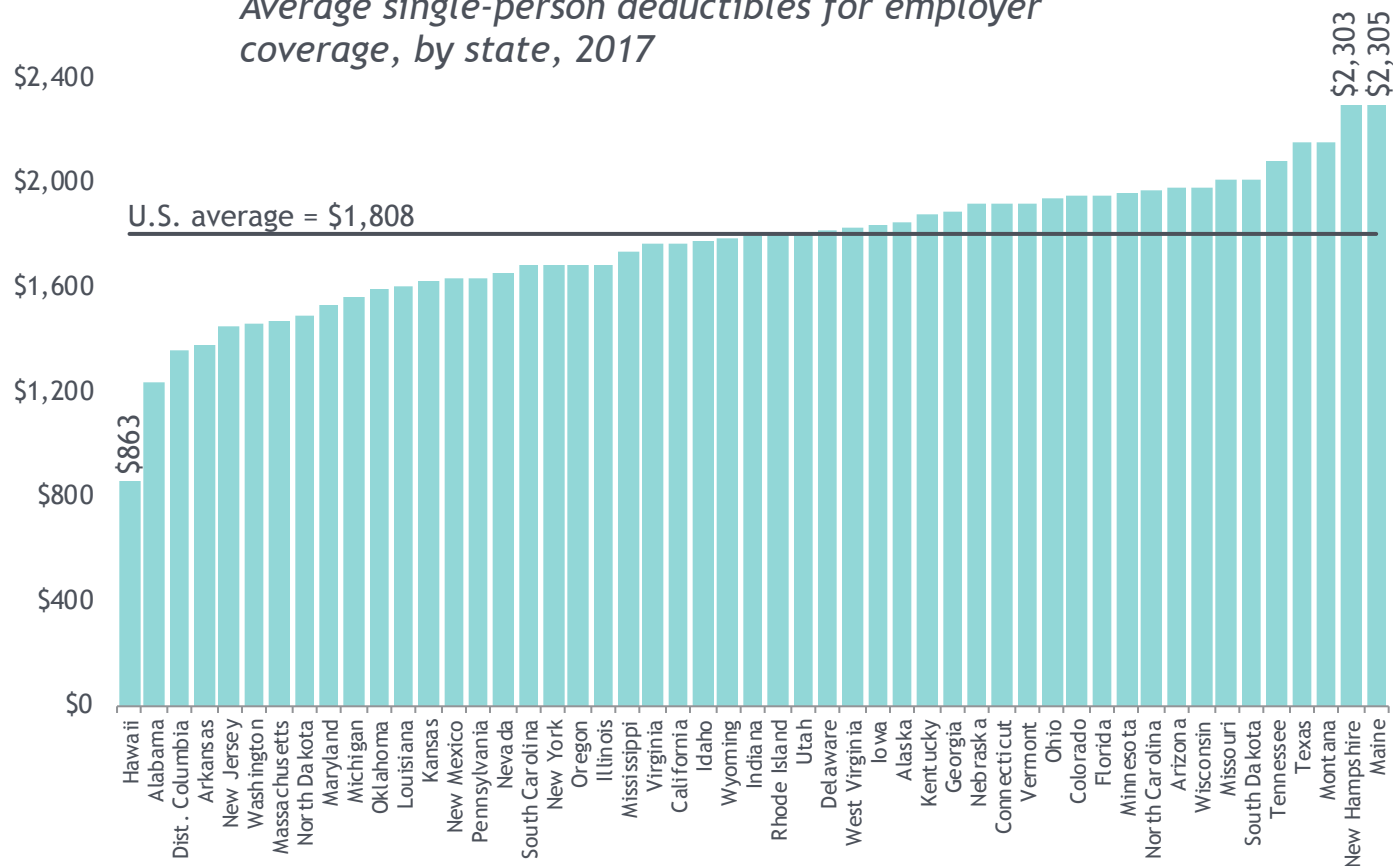
## EXHIBIT 6

# Average deductibles are also outpacing growth in median income

*Deductible as share of median income*



*Average single-person deductibles for employer coverage, by state, 2017*



Note: Estimates of median household income used in the denominator for this ratio come from the Current Population Survey (CPS), which revised its income questions in 2013. The denominator in our ratio estimates prior to 2014 is derived from the traditional CPS income questions, while ratio estimates from 2017 are estimated from the revised income questions. Household incomes have been adjusted for the likelihood that people in the same residence purchase health insurance together.

Data: Deductible: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2008, 2011, 2017; Median household income: Current Population Survey, 2008-09, 2011-12, 2017-18.

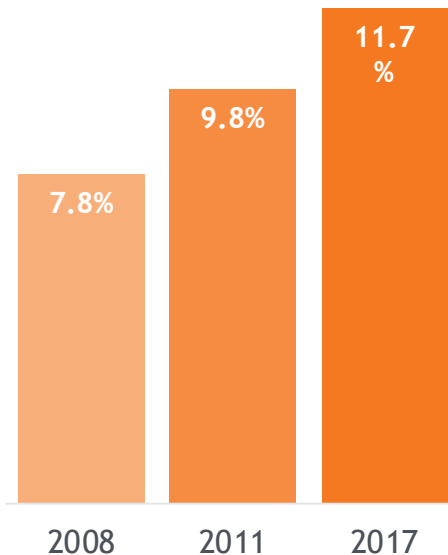
Source: Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* (Commonwealth Fund, Dec. 2018).



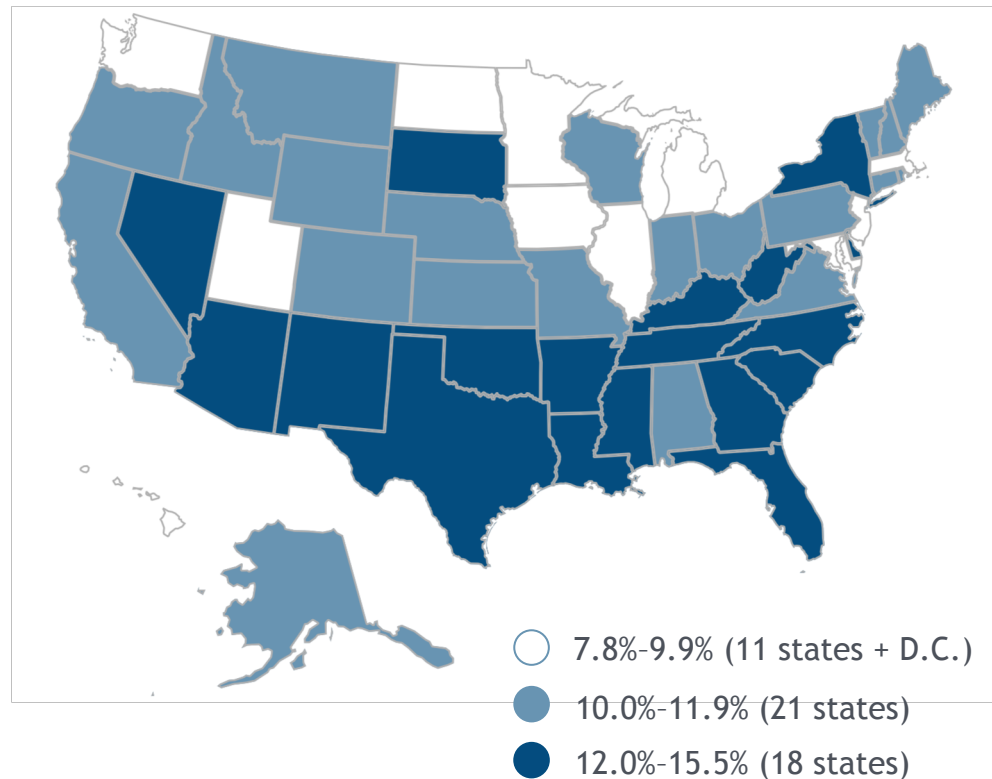
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# Premium and deductible costs amounted to nearly 12 percent of median income in 2017

*Combined employee premium contribution and deductible as share of median income*



*Average employee premium contribution plus average deductible as percent of median state income in 2017*



Note: Estimates of median household income used in the denominator for this ratio come from the Current Population Survey (CPS), which revised its income questions in 2013. The denominator in our ratio estimates prior to 2014 is derived from the traditional CPS income questions, while ratio estimates from 2017 are estimated from the revised income questions. Household incomes have been adjusted for the likelihood that people in the same residence purchase health insurance together.

Data: Employee premium contribution and deductible: Medical Expenditure Panel Survey-Insurance Component (MEPS-IC), 2008, 2011, 2017; Median household income: Current Population Survey, 2008-09, 2011-12, 2017-18.

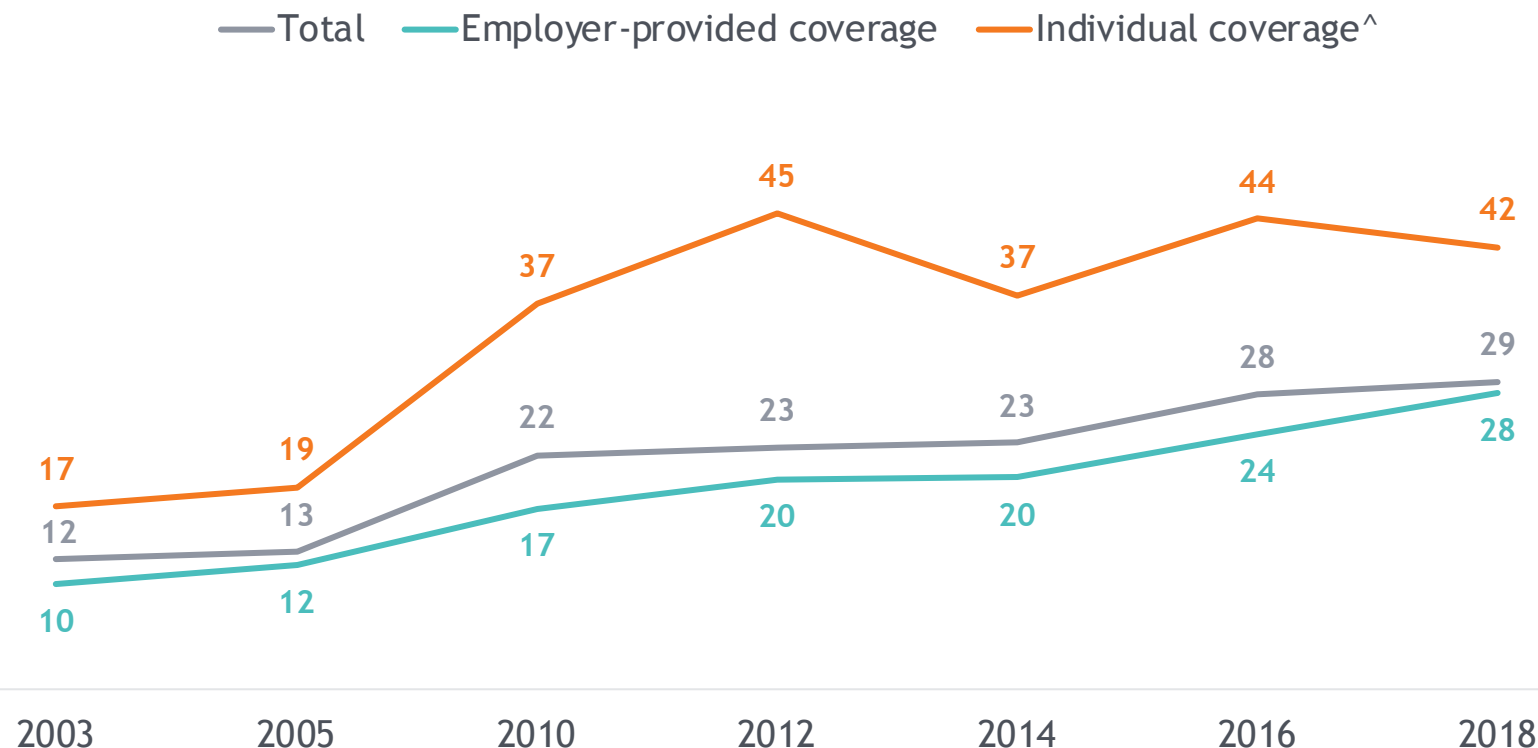
Source: Sara R. Collins and David C. Radley, *The Cost of Employer Insurance Is a Growing Burden for Middle-Income Families* (Commonwealth Fund, Dec. 2018).



## Exhibit 8

# More adults are underinsured, with the greatest growth occurring among those with employer coverage

Percent of adults ages 19-64 insured all year who were underinsured



Notes: “Underinsured” refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Total includes adults with coverage through Medicaid and Medicare. Respondents may have had another type of coverage at some point during the year, but had coverage for the entire previous 12 months. ^ For 2014 and 2016, includes those who get their individual coverage through the marketplace and outside of the marketplace.

Data: Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, 2014, 2016, 2018).

Source: Sara R. Collins, Herman K. Bhupal, and Michelle M. Doty, *Health Insurance Coverage Eight Years After the ACA: Fewer Uninsured Americans and Shorter Coverage Gaps, But More Underinsured* (Commonwealth Fund, Feb. 2019).



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## EXHIBIT 9

# Underinsured indicators among adults with employer coverage

*Underinsured indicators among adults ages 19-64 insured all year, with employer coverage at the time of the survey\**

	2003	2005	2010	2012	2014	2016	2018
Out of pocket medical expenses equal 10% or more of family annual income	6%	8%	11%	13%	12%	14%	14%
Out of pocket medical expenses equal 5% or more of income if low income <sup>^</sup>	6%	5%	7%	7%	8%	8%	7%
Cumulative percent/millions, using two indicators above	9%	11%	14%	15%	15%	16%	17%
Deductible equals 5% or more of income	2%	2%	6%	8%	11%	13%	16%
Cumulative percent/millions, using all three indicators <sup>^^</sup>	10%	12%	17%	20%	20%	24%	28%



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\* Respondents may have had another type of coverage at some point during the year, but had coverage for the entire previous 12 months.

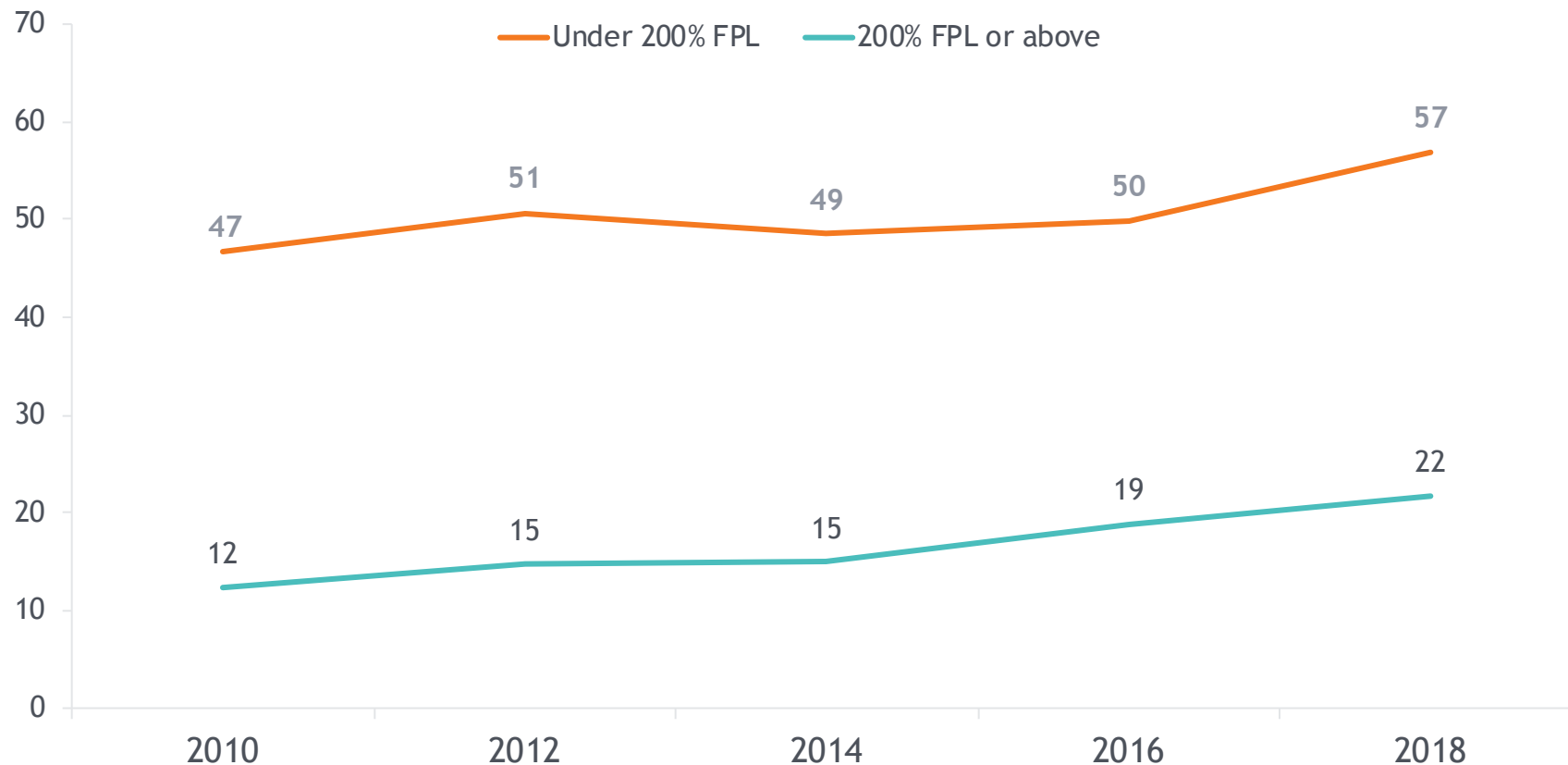
<sup>^</sup> Less than 200% of the Federal Poverty Level. <sup>^^</sup> Underinsured defined as insured all year but experienced one of the following: out of pocket expenses, excluding premiums, equaled 10% or more of income; out of pocket expenses, excluding premiums, equaled 5% or more of income if low income (<200% of poverty); or deductibles equaled 5% or more of income.

Data: Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, 2014, 2016, and 2018).

## EXHIBIT 10

# Underinsured rates among people in employer plans are highest among lower-income adults

*Percent of adults ages 19-64 insured all year, with employer coverage at time of survey, who were underinsured*



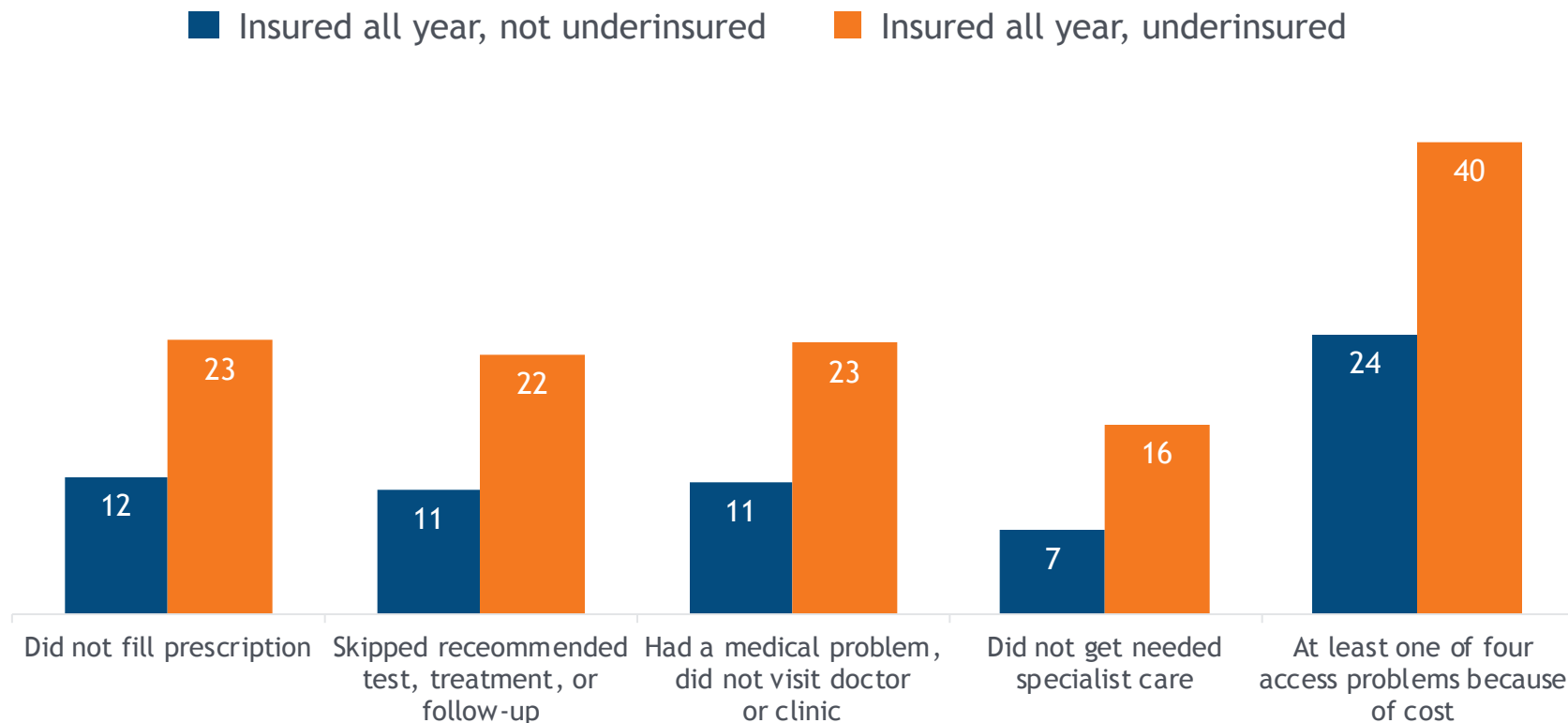
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Notes: "Underinsured" refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Respondents may have had another type of coverage at some point during the year, but had coverage for the entire previous 12 months.

Data: Commonwealth Fund Biennial Health Insurance Surveys (2010, 2012, 2014, 2016, and 2018).

# Underinsured adults in employer plans report more cost-related problems getting needed care

*Percent of adults ages 19-64 with employer coverage who had any of four access problems in past year because of cost\**



Notes: \* Includes any of the following because of cost: did not fill a prescription; skipped recommended medical test, treatment, or follow-up; had a medical problem but did not visit doctor or clinic; did not see a specialist when needed. "Underinsured" refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Respondents may have had another type of coverage at some point during the year, but had coverage for the entire previous 12 months.

Data: Commonwealth Fund Biennial Health Insurance Survey (2018).

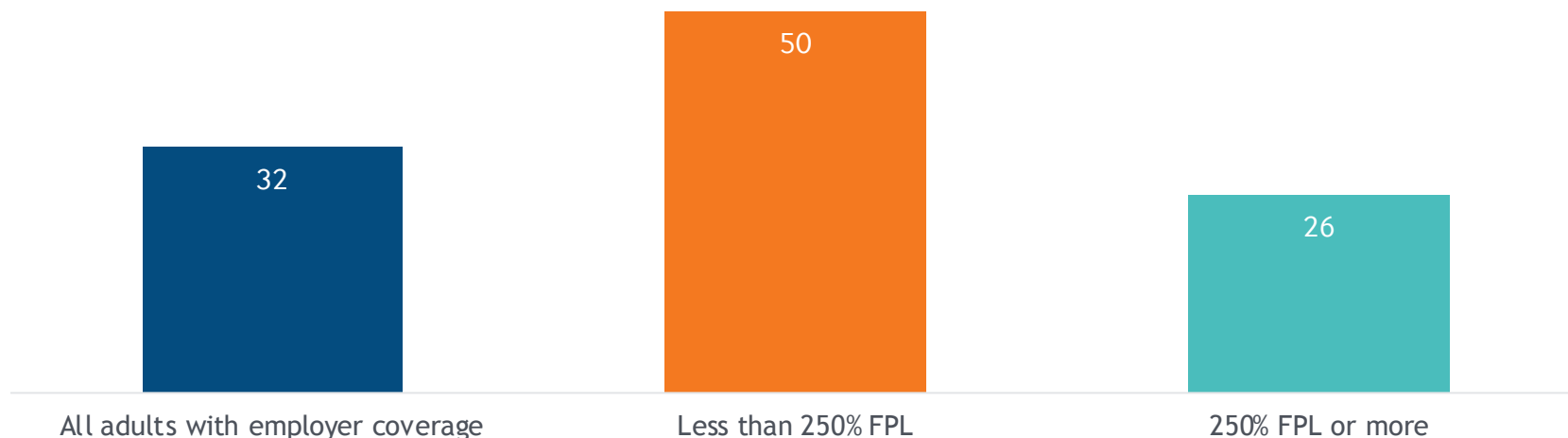


# One of third of adults with employer coverage say they would not have the money to pay an unexpected \$1,000 medical bill within 30 days



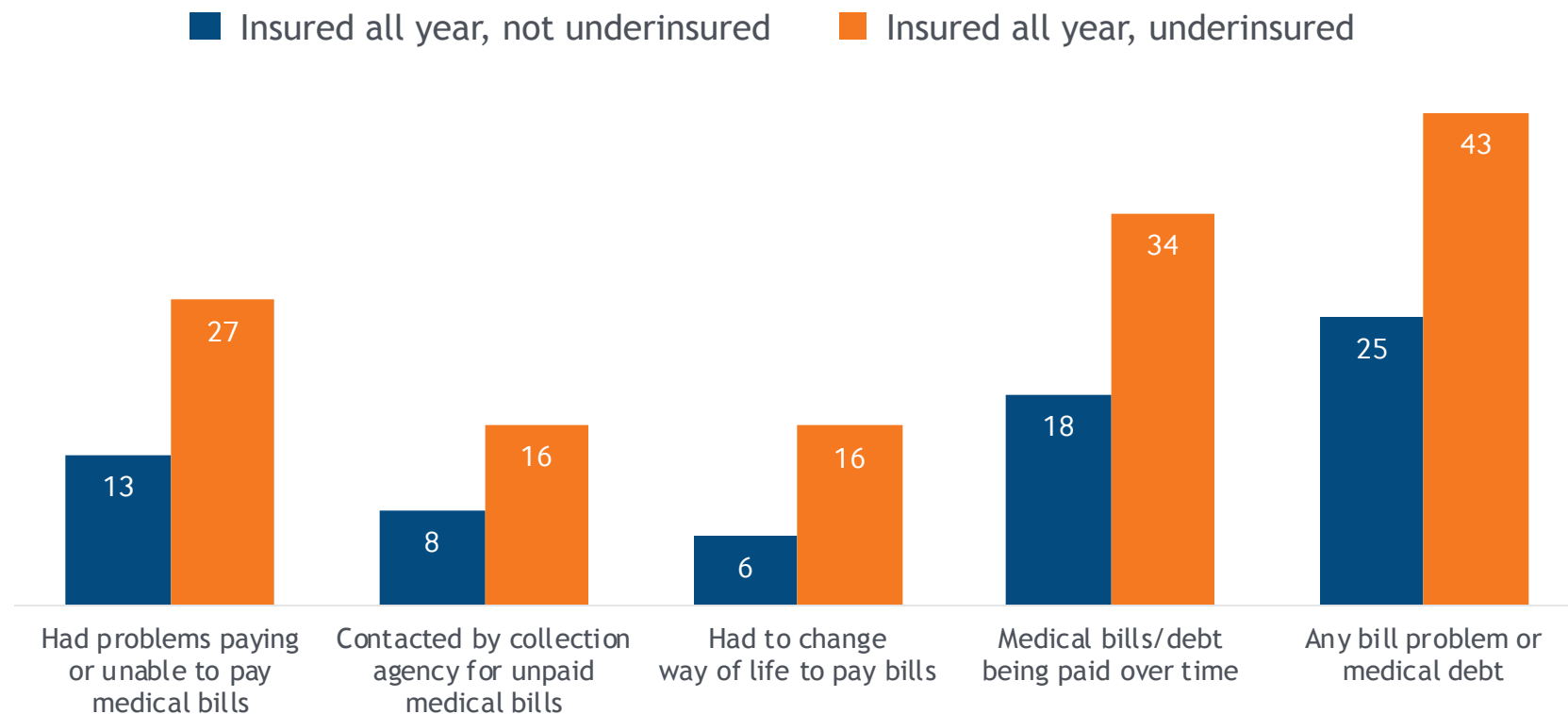
If you were to experience an unexpected medical event in 2018 that left you with a bill for \$1,000, would you have the money to pay the bill within 30 days?

*Percent of adults ages 19-64 with employer coverage who responded “no”*



# Underinsured adults in employer plans report more problems paying medical bills

*Percent of adults ages 19-64 with employer coverage who had medical bill or debt problems in past year\**



Notes: \* Includes any of the following: had problems paying or unable to pay medical bills; contacted by collection agency for unpaid medical bills; had to change way of life to pay bills; medical bills/debt being paid over time. "Underinsured" refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income. Respondents may have had another type of coverage at some point during the year, but had coverage for the entire previous 12 months.

Data: Commonwealth Fund Biennial Health Insurance Survey (2018).



# Adults with medical bill problems had lingering financial problems

*Percent adults ages 19-64 who reported the following happened in the past two years because of medical bill problems<sup>^</sup>*

