Employment-based health benefits – data from BLS today and tomorrow

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Goals for today

- Understand what data are available on employment-based health benefits
  - Coverage
  - Employer and employee costs
  - Plan details
- Discuss how these data might change as the Affordable Care Act is implemented
- Learn how to access data
Bureau of Labor Statistics

Statistical arm of the U.S. Department of Labor

Provides key economic data

- Employment and unemployment
- Consumer and producer prices
- Productivity
- Workplace safety and health
- Pay and benefits
BLS National Compensation Survey

Survey of employers
- Private industry and State/local government
- All industries and sizes

Variety of outputs
- Employer compensation costs
- Benefit incidence and provisions
Detailed characteristics

About the establishment
- Industry classification
- Number of workers
- Location

About the workers
- Occupation classification
- Full-time/part-time
- Union/non-union
- Wages
Capturing benefits data

For each benefit

Identify each plan

- Is it offered to a specific occupation?
- How many workers are covered?
- What is the cost to the employer?
- What must the worker do to get the benefit?
- Eligibility
- Required contribution
- Plan provisions
- Limits on coverage

How does the plan work?
Who has what benefits?

For each benefit

Identify each plan

- Is it offered to a specific occupation?
- How many workers are covered?
- What is the cost to the employer?
- What must the worker do to get the benefit?
- Eligibility
- Required contribution
- Plan provisions
- Limits on coverage

How does the plan work?
Who has medical benefits?

Percent with access to medical benefits, 2012

- Private industry: 70%
- Union: 94%
- Nonunion: 67%
- 1-99 employees: 57%
- 100 or more employees: 85%
- Goods-producing industries: 86%
- Service-providing industries: 67%
Are workers willing to pay for their medical benefits?

Percent of workers offered and taking medical benefits, private industry, 2012

Plan offered  Plan taken

All  Professional  Service  Sales/office  Production  Lowest wages  Highest wages

0  20  40  60  80  100
What do benefits cost and who pays?

For each benefit

1. Identify each plan
   - Is it offered to a specific occupation?
   - What is the cost to the employer?
   - What must the worker do to get the benefit?
   - How many workers are covered?
   - Eligibility
   - Required contribution
   - Plan provisions
   - Limits on coverage

2. How does the plan work?
Employer Compensation Costs -- Outputs

- **Employment Cost Index (ECI)**
  - Change in employer costs over time
  - Track a fixed set of occupations
    - What do employers spend on wages and benefits for these occupations each quarter

- **Employer Costs for Employee Compensation (ECEC)**
  - Dollar amount spent on wages and benefits
  - Share of compensation costs
Employment Cost Index

12-month percent change in employer costs for wages and benefits, private industry

Percent change

Wages
Benefits

0 1 2 3 4 5 6 7 8
ECI – All benefits and health benefits

Employment Cost Index, private industry, 12-month percent change in employer costs per hour worked, total benefits and health benefits

Percent change

-3 -2 -1 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24

82 84 86 88 90 92 94 96 98 00 02 04 06 08 10 12

Health benefits
Total benefits
Benefit costs by union status

Employment Cost Index: 12-month percent change in benefit costs, private industry by union status

Percent change


Union
Nonunion
Employer Compensation Costs -- Outputs

- Employment Cost Index (ECI)
  - Change in employer costs over time
  - Track a fixed set of occupations
    - What do employers spend on wages and benefits for these occupations each quarter

- Employer Costs for Employee Compensation (ECEC)
  - Dollar amount spent on wages and benefits
  - Share of compensation costs
Employer Costs for Employee Compensation, private industry, March 2012

- Wages: 71%
- Supplemental pay: 3%
- Paid leave: 7%
- Insurance: 8%
- Retirement and savings: 3%
- Legally required benefits: 8%
- Wages: 71%
# Employer Costs for Employee Compensation, private industry, March 2012

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<thead>
<tr>
<th>Component</th>
<th>Cost per hour worked</th>
<th>Percent of Compensation</th>
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<tbody>
<tr>
<td>Compensation</td>
<td>$28.78</td>
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<td>Wages and salaries</td>
<td>20.25</td>
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<td>Benefits</td>
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<td>Legally required</td>
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<td>8.2</td>
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<td>Insurance</td>
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<td>Paid leave</td>
<td>1.98</td>
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<tr>
<td>Retirement</td>
<td>1.02</td>
<td>3.6</td>
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<tr>
<td>Supplemental pay</td>
<td>0.83</td>
<td>2.9</td>
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</table>
Greater share of compensation dollar going to health benefits

Health costs as percent of compensation costs

- Health insurance
- Medicare
Who pays for health benefits has changed

- **Required employee contribution for single coverage**
- **Required employee contribution for family coverage**

- **1985:**
  - Single: 30
  - Family: 50

- **1989:**
  - Single: 40
  - Family: 60

- **2000:**
  - Single: 60
  - Family: 80

- **2005:**
  - Single: 80
  - Family: 100

- **2011:**
  - Single: 100
  - Family: 120

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*BLS*
Employers and employees share health benefit costs

Share of health costs, private industry, 2012

- Single coverage
- Family coverage

Employer share
Employee share
Benefit plan details

For each benefit

Identify each plan

Is it offered to a specific occupation?

How many workers are covered?

What is the cost to the employer?

Required contribution

What must the worker do to get the benefit?

Eligibility

How does the plan work?

Plan provisions

Limits on coverage
How health benefits are provided

- **Fee-for-service**
- **HMO**
- **PPO**
- **Other**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fee-for-service</th>
<th>HMO</th>
<th>PPO</th>
<th>Other</th>
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<tbody>
<tr>
<td>1985</td>
<td>100%</td>
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<td>1989</td>
<td>70%</td>
<td>10%</td>
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<td>1995</td>
<td>40%</td>
<td>30%</td>
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<td>2000</td>
<td>20%</td>
<td>40%</td>
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<tr>
<td>2005</td>
<td>10%</td>
<td>50%</td>
<td>40%</td>
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<tr>
<td>2010</td>
<td>5%</td>
<td>95%</td>
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</table>
Sample health provisions

Coverage for hospital room and board
- Copayment per visit

Coverage for skilled nursing care facility
- Limit on days of coverage per year

Coverage for inpatient mental health
- Limit on days of coverage per year

Coverage for vision exams, eye glasses, contact lenses, Lasik surgery
- Copayment per service or item
Example – coverage for selected services

Percent of participants with coverage, private industry, 2008

- Hospital room and board: 100%
- Skilled nursing facility: 70%
- Hospice care: 60%
- Hearing care: 20%
Out-of-pocket costs continue to rise

Average individual deductible per year

- 1985: $100
- 1989: $150
- 1995: $200
- 2000: $300
- 2005: $450
- 2010: $1000

Out of network services -- $1000
New feature: High deductible plans

- 24 percent of plan participants
  - 35 percent in smallest establishments
- Median deductible $1500
  - Range up to $3000
- Often coupled with health savings account or health reimbursement arrangement
Effect of the Affordable Care Act

Who’s covered by employment-based health benefits?
- Employer funds provided to employees
- Coverage obtained through a health exchange
- Employers opting out; paying penalty

How to identify employer cost

Identifying employee plans

Tracking changes in services covered and limits imposed;
- Identifying “essential” health benefits
How does BLS support data users?

Publications

- News releases, bulletins, articles, brochures, special publications

BLS Internet site

Information specialists
June jobless rates down over the year in 328 of 372 metro areas; payroll jobs up in 268

Jobless rates were lower in June than a year earlier in 328 of the 372 metropolitan areas, higher in 32, and unchanged in 12. Nonfarm payroll employment was up in 268 metropolitan areas over the year, down in 96, and unchanged in 8.

[Hyperlink to HTML or PDF]

Compensation costs up 0.5% March-June 2012, and 1.7% over the year ending June

Wages and salaries rose 0.4 percent and benefit costs rose 0.6 percent for civilian workers, seasonally adjusted, from March to June 2012. Over the year, compensation rose 1.7 percent, wages and salaries 1.7 percent, and benefits 2.1 percent.

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Persons born in the latter years of the baby boom held 11.3 jobs from ages 18 to 46

Jobless rate up in 27 states, down in 11 in June; payroll jobs up in 29 states, down in 21

In June, 1,317 mass layoff actions affected 131,406 workers

[Hyperlink to read more]
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