KFF

Employer Health Benefits

2023

Annual Survey

KFF

Primary Authors:

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Gary Claxton
Matthew Rae
Aubrey Winger
Emma Wager

DAVIS RESEARCH

Jason Kerns
Greg Shmavonian

INDEPENDENT CONSULTANT

Anthony Damico

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Introduction

This is the 25th annual Employer Health Benefits Survey. As in years past, the survey examines trends in employer-sponsored health coverage, including premiums, employee contributions, cost-sharing provisions, offer rates, wellness programs, and employer practices. This year we asked employers detailed questions about their provider networks, Center of Excellence programs, coverage limits for certain services, as well as coverage for abortion and gender-affirming care. The 2023 survey includes 2,133 interviews with non-federal public and private firms.

Annual premiums for employer-sponsored family health coverage reached $23,968 this year, 7% higher. On average, workers contributed $6,575 toward the cost of family coverage. The average deductible among covered workers in a plan with a general annual deductible is $1,735 for single coverage. Fifty-three percent of small firms and 98% of large firms offer health benefits to at least some of their workers, with an overall offer rate of 53%.

Survey results are released in several formats, including a full report with downloadable tables on a variety of topics, a summary of findings, and an article published in the journal *Health Affairs*. Additional resources including a technical supplement, an interactive graphic, and a deidentified public use data set are available at ehbs.kff.org

Summary of Findings

Employer-sponsored insurance covers almost 153 million nonelderly people[1]. To provide a current snapshot of employer-sponsored health benefits, KFF conducts an annual survey of private and non-federal public employers with three or more workers. This is the 25th Employer Health Benefits Survey (EHBS) and reflects employer-sponsored health benefits in 2023. The survey was fielded from January to July of 2023.

HEALTH INSURANCE PREMIUMS AND WORKER CONTRIBUTIONS

The average annual premium for employer-sponsored health insurance in 2023 is $8,435 for single coverage and $23,968 for family coverage. The average annual single premium and the average annual family premium each increased by 7% over the last year. Comparatively, there was an increase of 5.2% in workers' wages and inflation of 5.8%[2]. The average single and family premiums increased faster this year than last year (2% vs. 7% and 1% vs. 7% respectively).

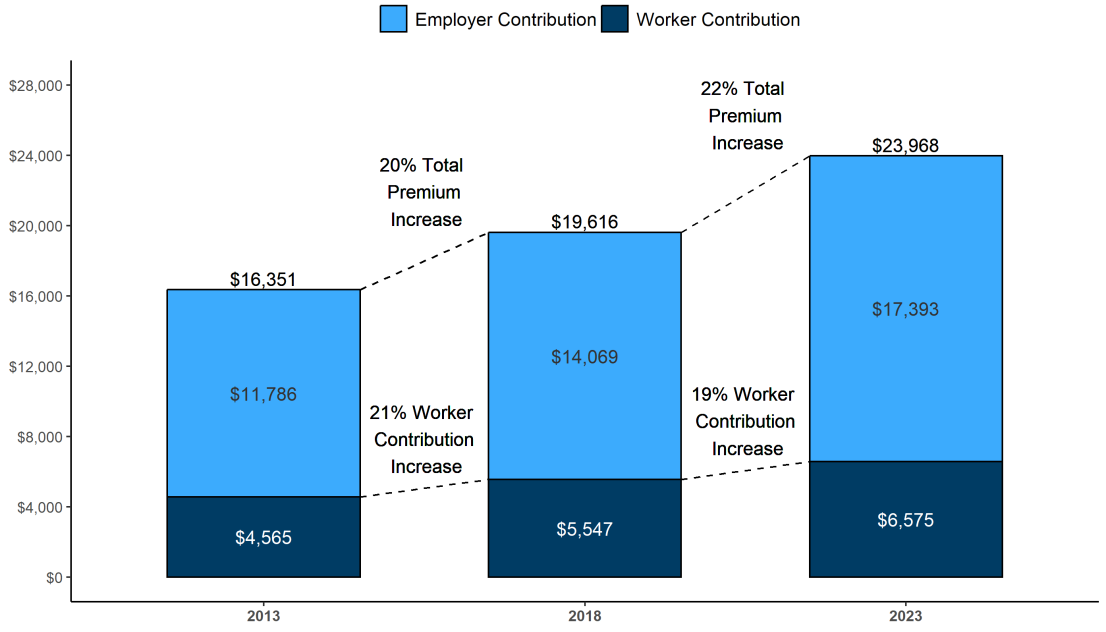
Over the last five years, the average premium for family coverage has increased by 22% compared to an 27% increase in workers' wages and 21% inflation [Figure A].

For single coverage, the average premium for covered workers is higher at small firms than at large firms ($8,722 vs. $8,321). The average premiums for family coverage are comparable for covered workers in small and large firms ($23,621 vs. $24,104). The average premiums for covered workers in high-deductible health plans with a savings option (HDHP/SO) are lower than the overall average premiums for both single coverage ($7,753) and family coverage ($22,344) [Figure B]. By contrast, average premiums for covered workers enrolled in PPOs are higher than the overall average premiums for both single ($8,906) and family coverage ($25,228). The average premium for single coverage is lower for covered workers at private for-profit firms ($8,078) than for those at public ($8,771) or private not-for-profit firms ($9,023). The average premiums for covered workers at firms with a relatively large share of older workers (where at least 35% of the workers are age 50 or older) are higher than the average premium for covered workers at firms with smaller shares of older workers, for both single coverage ($8,790 vs. $8,112) and family coverage ($24,700 vs. $23,304).

[1] Estimate from the KFF's analysis of the 2021 American Community Survey. KFF. Health insurance coverage of the nonelderly 0–64 [Internet]. San Francisco (CA): KFF; 2021 [cited 2023 Aug 29]. Available from: https://www.kff.org/other/state-indicator/nonelderly-0-64

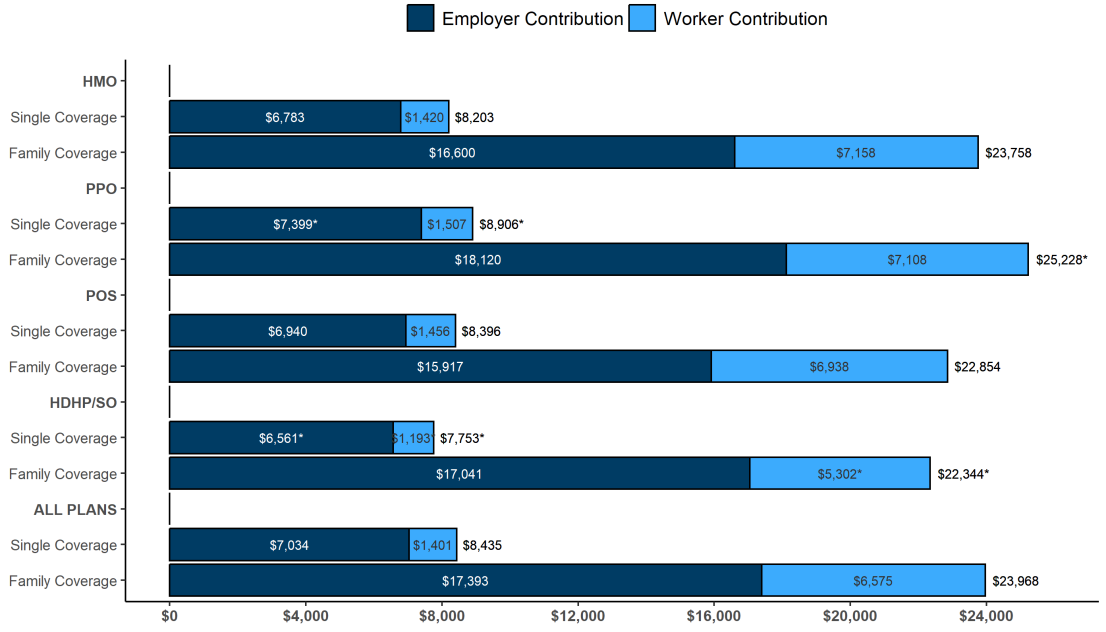
[2] Bureau of Labor Statistics. Consumer Price Index, U.S. City Average of Annual Inflation, 2013-2023 [Internet]. Washington (DC): BLS; [cited 2023 May 26]. Available from: https://data.bls.gov/timeseries/CUUR0000SA0 Seasonally adjusted data from the Current Employment Statistics Survey. Bureau of Labor Statistics. Employment, Hours, and Earnings from the Current Employment Statistics survey (National), 2013-2023 [Internet]. Washington (DC): BLS; [cited 2023 June 13]. Available from: https://data.bls.gov/timeseries/CES0500000008

Figure A
Average Annual Worker and Employer Premium Contributions for Family Coverage, 2013, 2018, and 2023



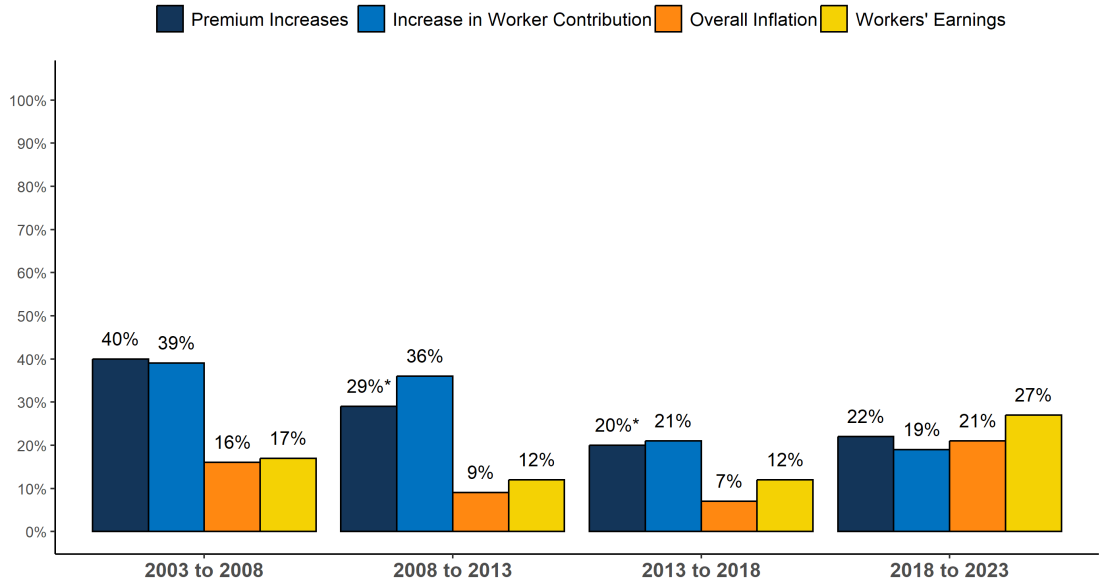
SOURCE: KFF Employer Health Benefits Survey, 2018 and 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2013.

Figure B
Average Annual Worker and Employer Premium Contributions for Single and Family Coverage, by Plan Type, 2023



* Estimate is statistically different from All Plans estimate within coverage type ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure C
Cumulative Premium Increases, Inflation, and Earnings for Covered Workers with Family Coverage, 2003-2023



* Percentage change in family premium is statistically different from previous five year period shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2003-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 2003-2023; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2003-2023.

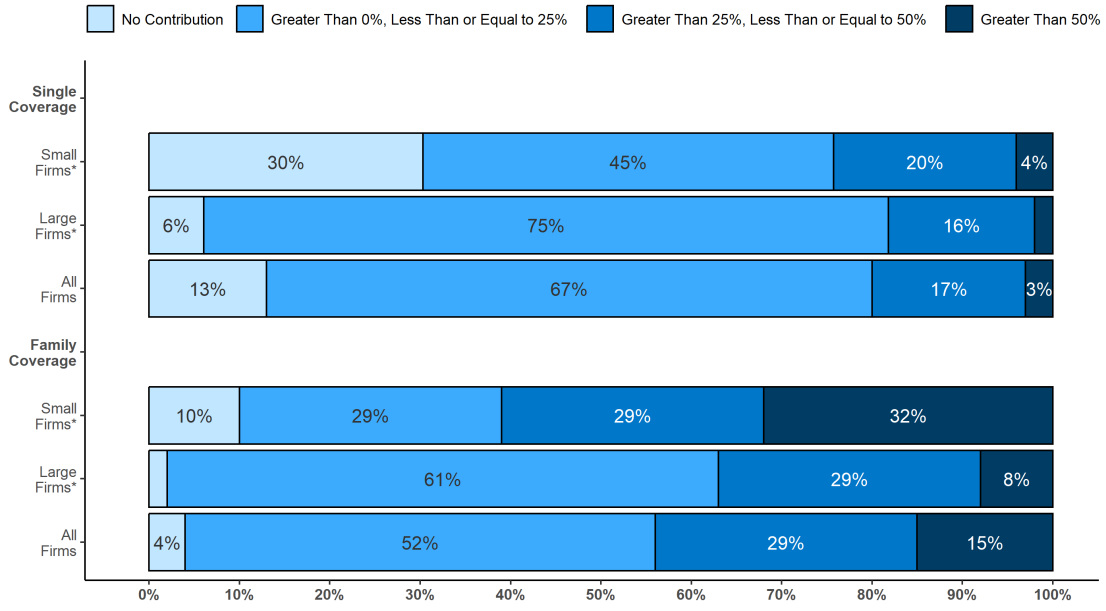
Most covered workers contribute to the cost of the premium for their coverage. On average, covered workers contribute 17% of the premium for single coverage and 29% of the premium for family coverage, similar to the percentages contributed in 2022. Covered workers at small firms contribute, on average, a higher percentage of the premium for family coverage than those at large firms (38% vs. 25%). As a result, the average contribution amount for covered workers at small firms ($8,334) is considerably higher than the average contribution amount for covered workers at large firms ($5,889).

Covered workers at private, for-profit firms have relatively high premium contribution rates for single coverage (19%). Covered workers at public organizations have relatively low premium contributions for single coverage (13%) and family (24%) coverage.

Thirty percent of covered workers at small firms are enrolled in a plan where the employer pays the entire premium for single coverage. This is the case for only 6% of covered workers at large firms. However, 32% of covered workers at small firms are in a plan where they must contribute more than half of the premium for family coverage, compared to 8% of covered workers at large firms [Figure D].

The average annual dollar amounts contributed by covered workers in 2023 are $1,401 for single coverage and $6,575 for family coverage, similar to the amounts last year but greater than five years ago. Eleven percent of covered workers, including 25% of covered workers at small firms, are in a plan with a worker contribution of $12,000 or more for family coverage. Single and family premium contributions for covered workers in HDHP/SO plans are, on average, lower than contributions for workers in other plan types.

Figure D
Distribution of Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2023

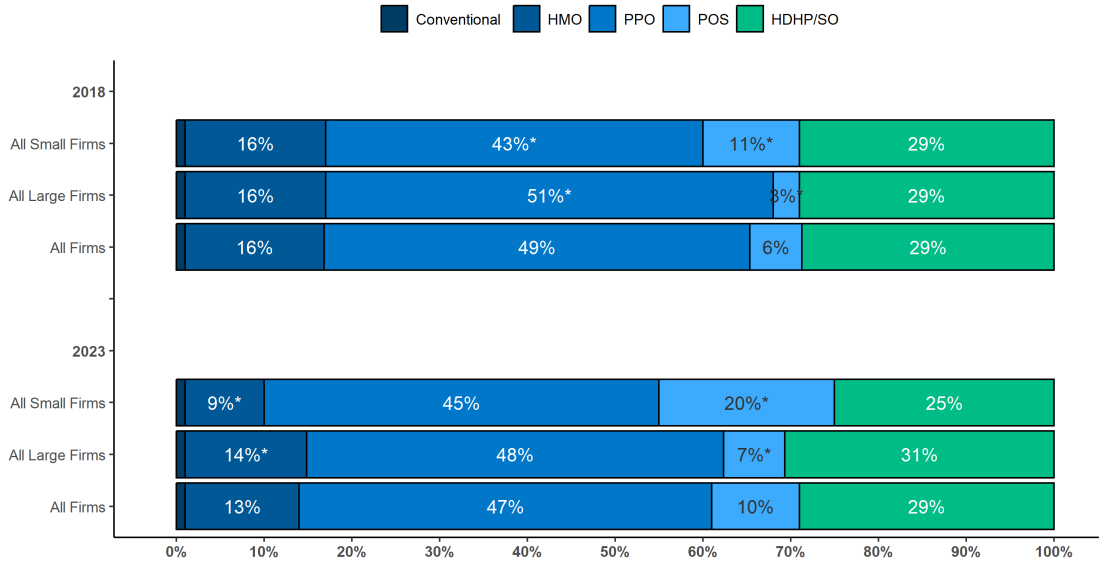


* Distributions are statistically different between Small Firms and Large Firms within coverage type ($p < 0.05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

PLAN ENROLLMENT

PPOs remain the most common plan type. In 2023, 47% of covered workers are enrolled in a PPO, 29% in a high-deductible plan with a savings option (HDHP/SO), 13% in an HMO, 10% in a POS plan, and 1% in a conventional (also known as an indemnity) plan [Figure E]. This distribution of covered workers across plan types is similar to the distributions of covered workers by plan type in recent years.

Figure E
Distribution of Health Plan Enrollment for Covered Workers, by Plan Type and Firm Size, 2018 and 2023



* Enrollment in plan type is statistically different between All Small Firms and All Large Firms within year ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. 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 a health reimbursement arrangement (HRA) or health savings account (HSA).
SOURCE: KFF Employer Health Benefits Survey, 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2018

SELF FUNDING

Many firms - particularly larger firms - self-fund, which means that they pay for the health services for their workers directly from their own funds rather than through the purchase of health insurance. Sixty-five percent of covered workers, including 18% of covered workers at small firms and 83% at large firms are enrolled in plans that are self-funded. The percentage of covered workers in self-funded plans in 2023 is similar to last year.

Thirty-four percent of small firms offering health benefits report that they have a level-funded plan, similar to the percentage in 2022. Level-funded arrangements combine a relatively small self-funded component with stop-loss insurance, which limits the employer's liability and transfers a substantial share of the risk to insurers. These plans have the potential to meaningfully affect competition in the small group market because, unlike insured plans, they use health status as a factor in rating and underwriting and are not required to provide all of the essential health benefits that are mandatory for other plans.

EMPLOYEE COST SHARING

Ninety percent of workers with single coverage have a general annual deductible that must be met before most services are paid for by the plan, similar to the percentage last year (88%).

The average deductible amount in 2023 for workers with single coverage and a general annual deductible is $1,735, similar to last year. The average deductible for covered workers is much higher at small firms than large firms ($2,434 vs. $1,478). Among workers with single coverage and any deductible, the average deductible amount has increased 10% over the last five years and 53% over the last ten years.

In 2023, among workers with single coverage, 47% of workers at small firms and 25% of workers at large firms have a general annual deductible of $2,000 or more. Over the last five years, the percentage of covered workers with a general annual deductible of $2,000 or more for single coverage has grown from 26% to 31% [Figure F].

Some workers in health plans with high deductibles also receive contributions to savings accounts from their employers. These contributions can be used to reduce cost sharing amounts. Seven percent of covered workers in an HDHP with a Health Reimbursement Arrangement (HRA), and 4% of covered workers in a Health Savings Account (HSA)-qualified HDHP receive an account contribution for single coverage that is greater than or equal to their deductible amount. Additionally, 34% of covered workers in an HDHP with an HRA and 12% of covered workers in an HSA-qualified HDHP receive account contributions that, if applied to their deductible, would reduce their personal annual liability to less than $1,000.

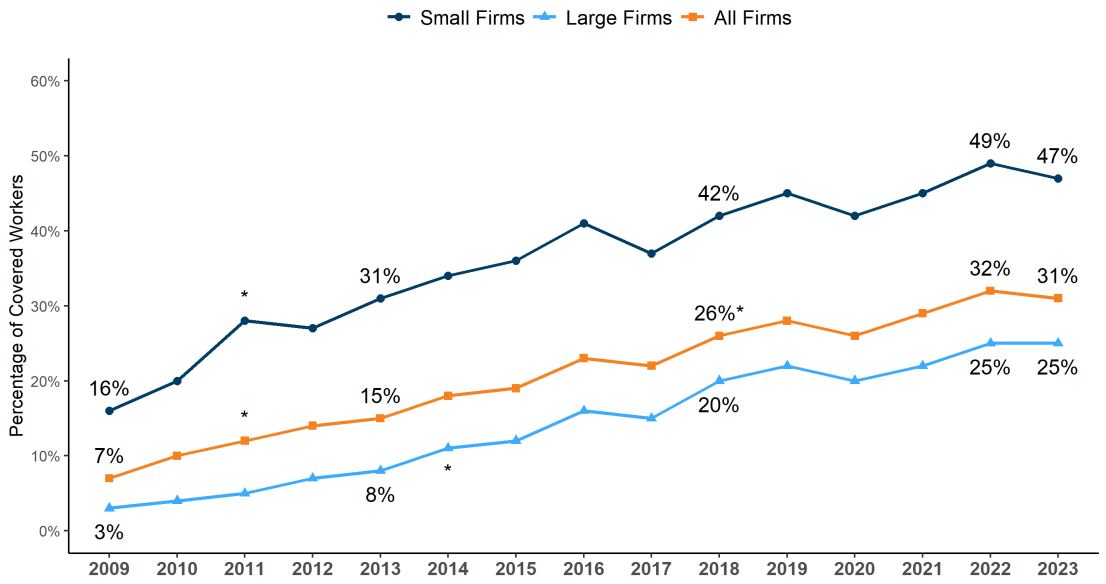
Regardless of their plan deductible, most covered workers also pay a portion of the cost for a physician office visit. Many covered workers face a copayment (a fixed dollar amount) when they visit a doctor, but some workers have coinsurance requirements (a percentage of the covered amount) instead. The average copayments are $26 for primary care and $44 for specialty care physician appointments, and average coinsurance rates are 19% for primary care and 20% for specialty care. These amounts are similar to 2022.

Most workers also face additional cost sharing for a hospital admission or outpatient surgery. Sixty-three percent of covered workers have coinsurance requirements, 10% have a copayment and 8% have both a copayment and coinsurance for hospital admissions. The average coinsurance rate for a hospital admission is 20% and the average copayment amount is $404. The cost sharing requirements for outpatient surgery follow a similar pattern to those for hospital admissions. However, the average copayment amount for outpatient surgery is lower, at $208.

Over nine in ten (93%) covered workers face cost sharing for emergency room visits in addition to any general annual deductible in 2023. Among these covered workers, 47% have a copay for an ER visit, 26% have a coinsurance requirement and 20% have both a copay and coinsurance requirement or whichever is greater. The average copayment amount for an emergency room visit is $217 and the average coinsurance amount is 21%. The average copayment and coinsurance amounts are both higher for small firms than for large firms.

Virtually all covered workers are in plans with an annual limit on in-network cost sharing (called an out-of-pocket maximum) for single coverage, though these limits vary significantly. Among covered workers in plans with an out-of-pocket maximum for single coverage, 13% are in a plan with an out-of-pocket limit of $2,000 or less, while 21% are in a plan with a limit of $6,001 or more.

Figure F
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $2,000 or More for Single Coverage, by Firm Size, 2009-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

AVAILABILITY OF EMPLOYER-SPONSORED COVERAGE

While nearly all large firms (firms with 200 or more workers) offer health benefits to at least some workers, small firms (3-199 workers) are significantly less likely to do so. In 2023, 53% of all firms offered some health benefits, similar to the percentage last year (51%).

Most firms are very small, leading to fluctuations in the overall offer rate, as the offer rates of small firms can vary widely from year to year. Most workers, however, work for larger firms, where the offer rates are high and much more stable. Over ninety percent (94%) of firms with 50 or more workers offer health benefits in 2023. This percentage has remained consistent over the last 10 years. Overall, 91% of workers employed at firms with 3 or more workers are employed at a firm that offers health benefits to at least some of its workers.

Although the vast majority of workers are employed by firms that offer health benefits, many workers are not covered by their employers. Some are not eligible to enroll (due to factors such as waiting periods or part-time or temporary work status), while others who are eligible choose not to enroll (they may feel the coverage is too expensive, or they may be covered through another source). Overall, at firms that offer coverage, an average of 79% of workers are eligible. Among eligible workers, 75% take up the firm's offer. Ultimately, 59% of workers at firms that offer health benefits are enrolled in coverage. All of these percentages are similar to those in 2022.

Among workers at firms offering health benefits, those at firms with a relatively large share of lower-wage workers are less likely to be covered by their own firm than workers at firms with a smaller share of lower-wage workers (42% vs. 61%)[3]. Similarly, workers at firms with a relatively large share of higher-wage workers are more likely to be covered by their employer's health benefits than those at firms with a smaller share of higher-wage

[3]This threshold is based on the twenty-fifth percentile of workers' earnings ($31,000 in 2023). Seasonally adjusted data from the Current Employment Statistics Survey. Bureau of Labor Statistics. Current Employment Statistics—CES (national) [Internet]. Washington (DC): BLS; [cited 2023 Oct 4]. Available from: https://www.bls.gov/ces/publications/highlights/highlights-archive.htm

workers (67% vs. 53%). The share of workers employed at public organizations covered by their own employer (72%) is higher than the shares of workers employed at private for-profit firms (57%) or private non-for-profit firms (57%) covered at their work.

Across firms that offer health benefits and firms that do not, 53% of all workers are covered by health plans offered by their employer. This is similar to the percentage last year.

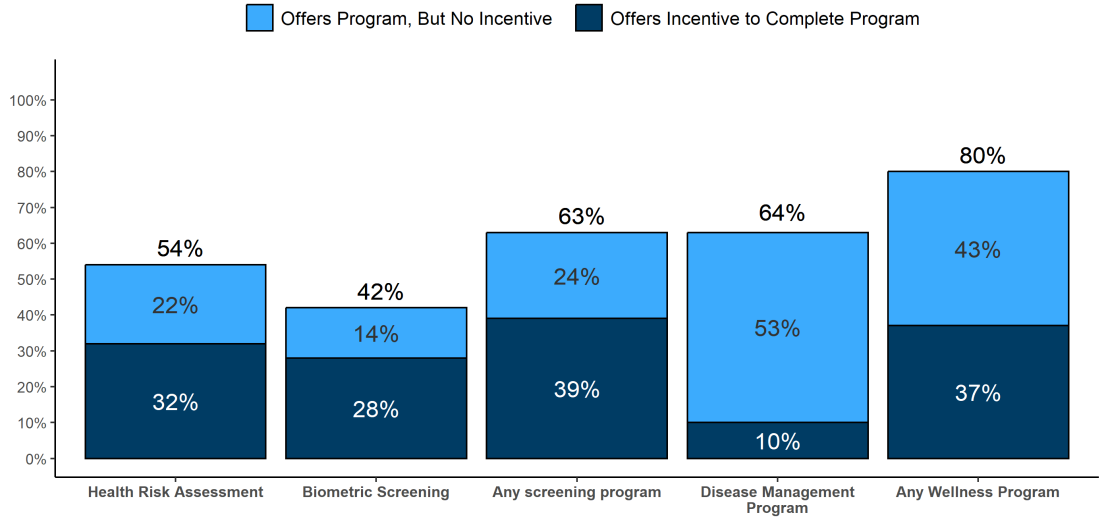
HEALTH PROMOTION AND WELLNESS PROGRAMS

Many firms have programs that help workers identify health issues and manage chronic conditions. These programs include health risk assessments, biometric screenings, and health promotion programs [Figure G].

Health Risk Assessments. Among firms offering health benefits, 36% of small firms and 54% of large firms provide workers the opportunity to complete a health risk assessment, similar to the percentages last year. Among large firms that offer a health risk assessment, 59% use incentives or penalties to encourage workers to complete the assessment, higher than the percentage (50%) in 2022.

Biometric Screenings. Among firms offering health benefits, 15% of small firms and 42% of large firms provide workers the opportunity to complete a biometric screening, similar to the percentages last year. Among large firms with a biometric screening program, 67% use incentives or penalties to encourage workers to complete the assessment. Although this is a larger share than last year (57%), it is not significantly different.

Figure G
Among Large Firms Offering Health Benefits, Percentage With Screening, Disease Management, or Wellness Programs, 2023



NOTE: Large Firms have 200 or more workers. A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed. Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking. Disease management programs help enrollees with chronic conditions like diabetes, asthma, hypertension, and high cholesterol improve their health and prevent further complications.
SOURCE: KFF Employer Health Benefits Survey, 2023

Health and Wellness Promotion Programs. Most firms offering health benefits offer programs to help workers identify and address health risks and unhealthy behaviors. Sixty-two percent of small firms and 80% of large firms offer a program in at least one of these areas: smoking cessation, weight management, and behavioral or lifestyle

coaching. The percentage of both small firms and large firms offering one of these programs are similar to the percentages last year (54% and 85% respectively).

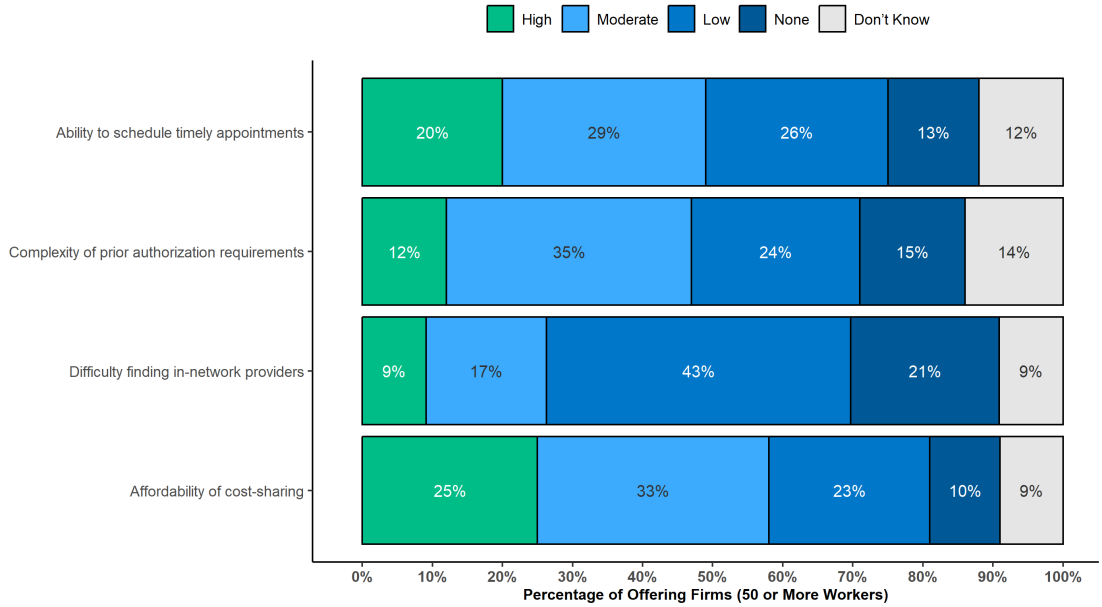
Disease Management Programs. Among firms that offer health benefits, 36% of small firms and 64% of large firms offer disease management programs. These programs aim to improve health and reduce costs for enrollees with certain chronic illnesses by educating them about their disease and suggesting treatment options.

EMPLOYER PERCEPTIONS OF ENROLLEE SATISFACTION

Employers use health benefits to attract and keep workers, making them an important part of the overall compensation that employers provide. Employers therefore have strong interest in assuring that their health benefit plans perform well and are viewed favorably by their workers. At the same time, health benefits are expensive. Therefore, employers manage plan costs within the broader context of the overall compensation they offer to their employees. Employers with 50 or more employees offering health benefits were asked about their views regarding the level of concern their employees had over certain aspects of their health benefit plans:

- **Appointments** - Twenty percent of these employers believe that their employees have a "high" level of concern about their ability to schedule timely appointments for care, and another 29% believe that their employees have a "moderate" level of concern.
- **Prior Authorization** - Twelve percent of these employers believe that their employees have a "high" level of concern about the complexity of prior authorization requirements in their health plan, and another 35% believe that their employees have a "moderate" level of concern.
- **Finding In-Network Providers** - Nine percent of these employers believe that their employees have a "high" level of concern about the difficulty of finding in-network providers, and another 17% believe that their employees have a "moderate" level of concern.
- **Affordability of Cost Sharing** - Twenty-five percent of these employers believe that their employees have a "high" level of concern about the affordability of cost sharing, and another 33% believe that their employees have a "moderate" level of concern.

Figure H
Among Firms Offering Health Benefits, How Much Concern Do Employers Have With Various Elements of the Firm's Plans, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Small Firms have 50-199 workers and Large Firms have 200 or more workers. Cost-sharing may include copays, coinsurances and deductibles.
SOURCE: KFF Employer Health Benefits Survey, 2023

HEALTH PLAN PROVIDER NETWORKS

Firms and health plans structure their networks of providers to ensure access to care, as well as to encourage enrollees to use providers who are lower cost or who provide better care. The breadth and composition of plan networks are key components in assuring timely access to necessary medical care for plan enrollees.

Narrow Networks Some employers offer a health plan with a relatively small, or narrow, network of providers. Narrow network plans reduce costs by limiting the number of providers that can participate, and generally are more restrictive than standard HMO networks. Nine percent of firms offering health benefits in 2023 report that they offer at least one plan that they considered to be a narrow network plan, the same as the percentage reported last year (9%). Firms with 1,000 to 4,999 workers and firms with 5,000 or more workers are more likely than smaller firms to offer at least one plan with a narrow network (14% and 18% respectively).

Timely Access to Care Over nine in ten (91%) firms offering health benefits say that there are a sufficient number primary care providers in the plan's networks to provide timely access to services for workers and their family members. However, only 67% of firms that say there are a sufficient number of behavioral health providers and in the plan's network to do this. Large firms are less likely than small firms to say that there are a sufficient number of providers to provide timely access to behavioral health services. Similarly, only 59% of firms offering health benefits say there are a sufficient number of providers who treat substance use conditions in the plan network to provide enrollees with timely access to substance use services.

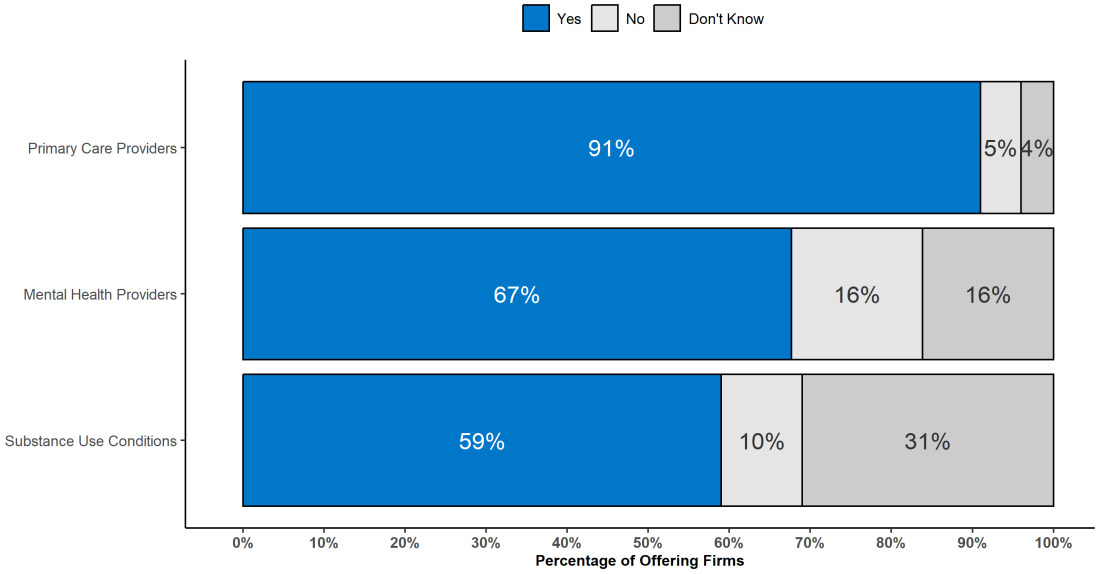
In the past 12 months, 30% of firms with 1,000 to 4,999 workers and 44% of firms with 5,000 or more workers took steps to increase the number of mental health providers in their plan networks.

Provider Directories Firms with 50 or more workers offering health benefits generally are satisfied with the accuracy of plan provider directories, with 31% stating they are "very satisfied" and an additional 58% reporting being "satisfied" with their accuracy.

Centers of Excellence Some plans limit their coverage of designated services to care received from a group of providers participating in a "Center of Excellence" program, or provide preferential cost sharing for enrollees who do so. These programs select providers based on the cost and quality of the services they provide, and may limit in-network coverage for theses services to a smaller group of providers than participate in the provider network overall. Among large firms offering health benefits, 19% said that they offered a center of excellence program, including 45% of firms with 5,000 or more workers. Among these firms, 22% have introduced a new center of excellence program within the last two years.

Forty-five percent of large employers with a center of excellence program indicated they had program for joint replacement, followed by 42% for back or spine surgery, 31% for bariatric surgery, 30% for mental health conditions and 28% for substance use disorders.

Figure I
Among Firms Offering Health Benefits, Percentage of Firms Which Believe That There Are a Sufficient Number of Providers in Their Plan's Networks To Provide Timely Access to Services, 2023



NOTE: Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

TELEMEDICINE

Among firms with 50 or more workers offering health benefits, 91% cover the provision of some health care services through telemedicine in their largest health plan, similar to the previous year (90%). Large firms are more likely than small firms (50-199 workers) to cover telemedicine services (97% vs. 89%).

Among these firms, 20% use a specialized telemedicine service provider, such as Teledoc, Doctor on Demand, or MDLIVE, while 59% offer services through their health plan, 19% offer services through both a specialized telemedicine provider and their health plan, and 2% provide services through some other arrangement. Small firms are more likely than large firms to provide telemedicine services only through their health plan while large firms are more likely than small firms to provide telemedicine services through a specialized telemedicine provider, or through both their health plan and a specialized telemedicine provider.

With the effects of the pandemic waning, medical services are generally available on an in-person basis and many employees have partially or fully returned to their workplaces. With this context, we asked employers how

important they felt telemedicine would be in providing care to employees going forward, both overall and for several specific types of services. Among firms with 50 or more enrollees offering health benefits:

- **Overall** - Twenty-eight percent of firms say that telemedicine will be "very important" in providing access to enrollees in the future, and another 32% of firms say that it will be "important."
- **Behavioral Health Services** - Forty-one percent say that telemedicine will be "very important" in providing access to behavioral health services in the future, and another 30% say that it will be "important". Larger firms (1,000 or more workers) are more likely than smaller firms to say that telemedicine will be "very important" to providing access to behavioral health services. (57% vs. 40%).
- **Primary Care** - Twenty-seven percent say that telemedicine will be "very important" in providing access to primary care in the future, and another 34% say that it will be "important" to providing access primary care.
- **Specialty Care** - Sixteen percent say that telemedicine will be "very important" in providing access to specialty care in the future, and another 30% say that it will be "important" to providing access to specialty care.

ABORTION SERVICES

The United States Supreme Court decision in Dobbs vs. Jackson, overturning Roe v Wade, and subsequent state activity to regulate abortion has increased interest in coverage for abortion services in employer plans. We asked large employers (those with 200 or more workers) offering health benefits which of several statements best described the coverage of abortion services in their largest health plan.

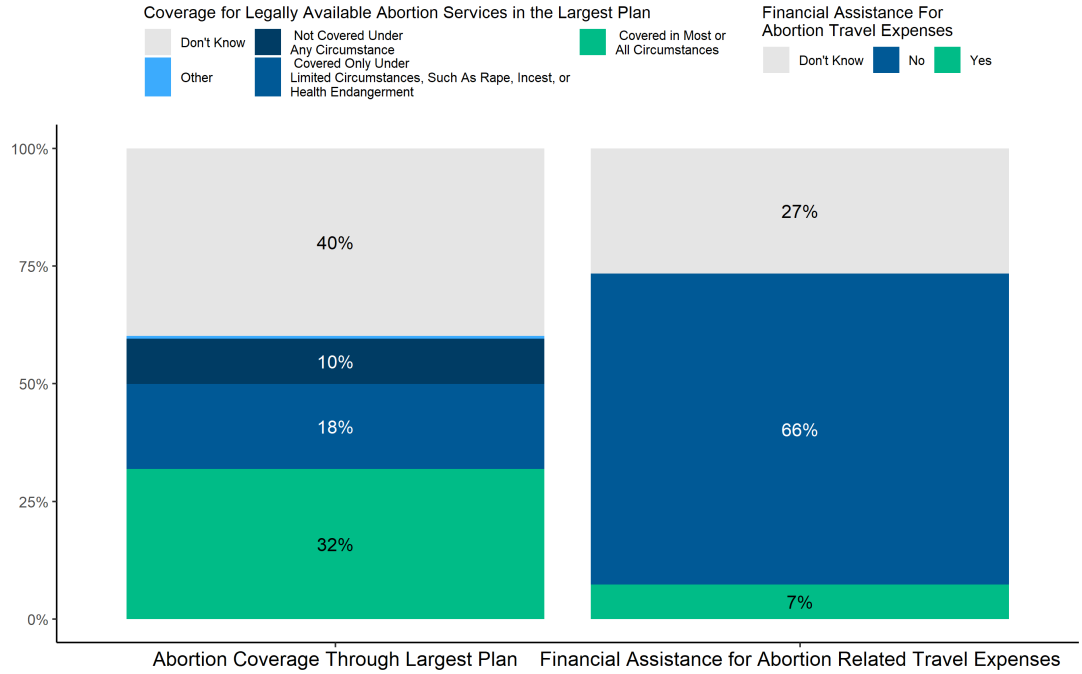
- Thirty-two percent of these firms said that legally provided abortions are covered in most or all circumstances (sometimes referred to as elective or voluntary abortion). Firms with 5,000 or more workers were more likely than smaller firms to give this response (43%).
- Eighteen percent of these firms said that legally provided abortions are covered only under limited circumstances, such as rape, incest, or health or life endangerment of the pregnant enrollee. Firms with 5,000 or more workers were more likely than smaller firms to give this reply (30%).
- Ten percent of these firms said that legally provided abortions are not covered under any circumstance.
- Forty percent of responding firms answered "Don't know" to this question. Respondents with 200 to 999 workers were more likely than other respondents to answer "Don't know," while respondents with 1,000 to 4,999 workers and 5,000 or more workers were less likely to do so.

Large firms also were asked if they or their health plan had taken certain actions related to coverage of abortion following the Supreme Court decision.

- Among firms that said they did not cover legally provided abortion services, or covered them only in limited circumstances, 3% reduced or eliminated coverage for abortion services in circumstances where they could be legally provided. Firms with 1,000 to 4,999 workers were more likely than larger or smaller firms to make this change (8%).
- Among firms that said legally provided abortion services were generally covered, 12% of these firms had added or significantly expanded coverage for abortion services in circumstances where they could be legally provided.

Seven percent of large firms offering health benefits currently provide or plan to provide financial assistance for travel expenses for enrollees who travel out of state to obtain an abortion if they do not have access near their home. Firms with 5,000 or more workers are more likely than other firms to say they provide or plan to provide travel benefits (19% vs. 7%).

Figure J
Coverage Policy for Abortion Services Among Large Firms Offering Health Benefits, 2023



NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

DISCUSSION

The average annual premiums for both single and family coverage increased 7% in 2023. This is a big change compared to last year, when there was not a statistically significant increase from the prior year, and suggests that the higher overall prices we have seen since 2022 in the rest of the economy have begun to affect premiums. Looking forward, both inflation and employer costs for labor are projected to moderate over the next two years[4], although premiums may not reflect these underlying changes right away. Over the last five years, family premiums have grown 22%, roughly comparable to the rate of inflation (21%) and the change in wages (27%) over the period.

Compared to premiums, deductible amounts have been growing relatively slowly. The average deductible in 2023 for single coverage among those with a deductible ($1,735) is similar to the amount last year ($1,763) and only 10% higher than the amount five years ago. This relatively low growth may reflect employer concerns about the ability of workers to afford higher out-of-pocket costs, particularly for workers with lower wages. As noted above, 25% of employers with 50 or more employees believe that their employees have a high level of concern about the affordability of cost sharing, with another 33% believing that their employees have a moderate level of concern. Employers also may be reluctant to reduce the value and attractiveness of their coverage offerings during this long period of low unemployment and intense competition for labor.

Whether and how to cover abortion services have become pressing issues for employers. The U.S. Supreme Court's decision in Dobbs v. Jackson, and subsequent state initiatives to restrict access to abortion services as well as coverage for those services, have created a complicated legal environment for employers, with potential civil or even criminal liability for providing coverage in some states or situations. Amid this backdrop, 32% of

[4] An Update to the Economic Outlook: 2023-2025. [Internet] Washington (DC): Congressional Budget Office; [cited 2023 July]. Available from: https://www.cbo.gov/publication/59431#_idTextAnchor010.

large firms (200 or more workers) said that they cover legally provided abortions in most or all circumstances, 18% said that legally provided abortions are covered only under limited circumstances, such as rape, incest, or health or life endangerment, and 10% said that legally provided abortions are not covered under any circumstance. A large share of respondents did not know the answer to this question or did not respond, perhaps reflecting the complexity of the issue and changing landscape of state laws.

The sufficiency of mental health providers in plan networks remains a concern for employers in 2023, with only 59% of large employers offering health benefits believing that there are a sufficient number of behavioral health providers in their plan's network to provide timely access to services for workers and their family members. Among larger firms offering health benefits, 30% of firms with 1,000 to 4,999 workers and 44% of firms with 5,000 or more workers took steps within the past 12 months to increase the number of mental health providers in their plan networks.

METHODOLOGY

The KFF 2023 Employer Health Benefits Survey reports findings from a survey of 2,133 randomly selected non-federal public and private employers with three or more workers. Davis Research, LLC conducted the field work between January and July 2023. The overall response rate is 15%, which includes firms that offer and do not offer health benefits. Unless otherwise noted, differences referred to in the text and figures use the 0.05 confidence level as the threshold for significance. Small firms have 3-199 workers unless otherwise noted. Values below 3% are not shown on graphs to improve readability. Some distributions may not sum due to rounding. For more information survey methodology, see the Survey Design and Methods section at http://ehbs.kff.org/.

Filling the need for trusted information on national health issues, KFF is a nonprofit organization based in San Francisco, California.

Employer Health Benefits

2023 Annual Survey

Survey Design and Methods

Survey Design and Methods

KFF has conducted this annual survey of employer-sponsored health benefits since 1999. Since 2020, KFF has employed Davis Research LLC (Davis) to field the survey. From January to July 2023, Davis interviewed business owners as well as human resource and benefits managers at 2,133 firms.

SURVEY TOPICS

The survey includes questions on the cost of health insurance, health benefit offer rates, coverage, eligibility, plan type enrollment, premium contributions, employee cost sharing, prescription drug benefits, retiree health benefits, and wellness benefits.

Firms that offer health benefits are asked about the plan attributes of their largest health maintenance organization (HMO), preferred provider organization (PPO), point-of-service (POS) plan, and high-deductible health plan with a savings option (HDHP/SO).[5] We treat exclusive provider organizations (EPOs) and HMOs as one plan type and conventional (or indemnity) plans as PPOs. The survey defines an HMO as a plan that does not cover nonemergency out-of-network services. POS plans use a primary care gatekeeper to screen for specialist and hospital visits. HDHP/SOs are plans with a deductible of at least $1,000 for single coverage and $2,000 for family coverage and that either offer a health reimbursement arrangement (HRA) or are eligible for a health savings account (HSA). Definitions of the health plan types are available in Section 4, and a detailed explanation of the HDHP/SO plan type is in Section 8. Throughout this report, we use the term "in-network" to refer to services received from a preferred provider.

To reduce survey burden, questions on cost sharing for office visits, hospitalization, outpatient surgery and prescription drugs were only asked about the firm's largest plan type. Firms sponsoring multiple plan types were asked about premiums, worker contributions and deductibles for their two largest plan types. Within each plan type, respondents are asked about the plan with the most enrollment.

Firms are asked about the attributes of their current plans during the interview. While the survey's fielding period begins in January, many respondents may have a plan whose 2023 plan year lags behind the calendar year. In some cases, plans may report the attributes of their 2022 plans and some plan attributes (such as HSA deductible limits) may not meet the calendar year regulatory requirements. Decisions concerning plan features and costs may have taken place months before the interview.

SAMPLE DESIGN

The sample for the annual KFF Employer Health Benefits Survey includes private firms and nonfederal government employers with three or more employees. The universe is defined by the U.S. Census' 2019 Statistics of U.S. Businesses (SUSB) for private firms and the 2017 Census of Governments (COG) for non-federal public employers. At the time of the sample design (December 2022), this data represented the most current information on the number of public and private firms nationwide with three or more workers. As in the past, the post-stratification is based on the most up-to-date Census data available (the 2020 SUSB). We determine the sample size based on the number of firms needed to ensure a target number of completes in six size categories.

[5] HDHP/SO includes high-deductible health plans with a deductible of at least $1,000 for single coverage and $2,000 for family coverage and that offer either a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA). Although HRAs can be offered along with a health plan that is not an HDHP, the survey collected information only on HRAs that are offered along with HDHPs. For specific definitions of HDHPs, HRAs, and HSAs, see the introduction to Section 8.

We attempted to repeat interviews with prior years' survey respondents (with at least ten employees) who participated in either the 2021 or the 2022 survey, or both. Firms with 3-9 employees are not included in the panel to minimize the potential of panel effects. In total, 205 firms participated in 2021, 452 firms participated in 2022, and 452 firms participated in both 2021 and 2022. Non-panel firms are randomly selected within size and industry groups.

Since 2010, the sample has been drawn from a Dynata list (based on a census assembled by Dun and Bradstreet) of the nation's private employers and the COG for public employers. To increase precision, we stratified the sample by ten industry categories and six size categories. The federal government and businesses with fewer than three employees are not included. Education is a separate category for the purposes of sampling, and included in 'Service' category for weighting. For information on changes to the sampling methods over time, please consult the extended methods at http://ehbs.kff.org/

RESPONSE RATE

Response rates are calculated using a CASRO method, which accounts for firms that are determined to be ineligible in its calculation. The overall response rate is 15% [Figure M.1].[6] The response rate for panel firms is higher than the response rate for non-panel firms. Similar to other employer and household surveys, the Employer Health Benefits Survey has seen a general decrease in response rates over time. Since 2017, we have attempted to increase the number of completes by increasing the number of non-panel firms in the sample. While this generally increases the precision of estimates by ensuring a sufficient number of respondents in various sub-groups, it has the effect of reducing the overall response rate.

The vast majority of questions are asked only of firms that offer health benefits. A total of 1,714 of the 2,133 responding firms indicated they offered health benefits. We asked one question of all firms in the study with which we made phone contact even if the firm declined to participate: "Does your company offer a health insurance program as a benefit to any of your employees?". A total of 4,892 firms responded to this question (including 2,133 who responded to the full survey and 2,759 who responded to this one question). These responses are included in our estimates of the percentage of firms offering health benefits.[7] The response rate for this question is 34% [Figure M.1].

Figure M.1

Response Rates for Various Subsets of the Sample, 2023

	Response Rate for Full Survey	Response Rate for Firms Answering A6
Small Firms (3-9 Workers)	15%	30%
Small Firms (3-199 Workers)	20%	40%
Large Firms (200 or More Workers)	12%	30%
Panel Firms (Completed Survey in at Least One of the Past Two Years)	43%	64%
Non Panel Firms	9%	29%
ALL FIRMS	**15%**	**34%**

SOURCE: KFF Employer Health Benefits Survey, 2023

While response rates have decreased, elements of the survey design limit the potential impact of a response bias. Most major statistics are weighted by the percentage of covered workers at a firm. Collectively, 3,100,000 of the 73,600,000 workers covered by their own firm's health benefits in the United States were employed by firms

[6] Response rate estimates are calculated by dividing the number of completes over the number of refusals and the fraction of the firms with unknown eligibility to participate estimated to be eligible. Firms determined to be ineligible to complete the survey are not included in the response rate calculation.

[7] Estimates presented in [Figure 2.1], [Figure 2.2], [Figure 2.3], [Figure 2.4], [Figure 2.5], and [Figure 2.6] 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.

which completed in the survey. The most important statistic that is weighted by the number of employers is the offer rate; firms that do not complete the full survey are asked whether their firm offers health benefits to any employees. As noted, this question relies on a wider set of respondents than just those completing the full survey. As in years past the majority of firms are very small, so the considerable fluctuation we see across years in the offer rate for these small firms drives the overall offer rate.

FIRM SIZES AND KEY DEFINITIONS

Throughout the report, we report data by size of firm, region, and industry. Unless otherwise specified, firm size definitions are as follows: small firms: 3-199 workers; and large firms: 200 or more workers. [Figure M.2] shows selected characteristics of the survey sample. A firm's primary industry classification is determined from Dynata's designation on the sampling frame and is based on the U.S. Census Bureau's North American Industry Classification System (NAICS), [Figure M.3]. A firm's ownership category and other firm characteristics such as the firm's wage level and the age of the work force are based on respondents' answers. While there is considerable overlap in firms in the "State/Local Government" industry category and those in the "public" ownership category, they are not identical. For example, public school districts are included in the 'Service' industry even though they are publicly owned. Family coverage is defined as health coverage for a family of four.

Figure M.2

Selected Characteristics of Firms in the Survey Sample, 2023

	Sample Size	Sample Distribution After Weighting	Percentage of Total for Weighted Sample
FIRM SIZE			
3-9 Workers	218	1,926,466	59.1%
10-24 Workers	286	789,520	24.2
25-49 Workers	256	287,875	8.8
50-199 Workers	353	199,923	6.1
200-999 Workers	494	46,978	1.4
1,000-4,999 Workers	343	8,930	0.3
5,000 or More Workers	183	2,352	0.1
REGION			
Northeast	343	610,429	18.7%
Midwest	601	642,042	19.7
South	658	1,279,934	39.2%
West	531	729,639	22.4
INDUSTRY			
Agriculture/Mining/Construction	145	377,797	11.6
Manufacturing	185	170,413	5.2
Transportation/Communications/Utilities	114	126,423	3.9
Wholesale	102	152,763	4.7
Retail	151	362,465	11.1
Finance	110	205,889	6.3
Service	938	1,409,581	43.2
State/Local Government	105	48,567	1.5%
Health Care	283	408,146	12.5
ALL FIRMS	**2,133**	**3,262,044**	**100**

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure M.3
Industries by NAICS code

Industry	SIC Code Range	NAICS Sector	NAICS Description
Agriculture/Mining/Construction	0100-1799	11	Agriculture Support, Forestry, Fishing, and Hunting
		21	Mining
		23	Construction
Manufacturing	2000-3999	31	Manufacturing
Transportation/Communications /Utilities	4000-4299 & 4400-4999	22	Utilities
		48	Transportation and Warehousing
		51	Information
Wholesale	5000-5199	42	Wholesale Trade
Retail	5200-5999	44	Retail Trade
Finance	6000-6799	52	Finance and Insurance
		53	Real Estate and Rental & Leasing
Service	7000-7999 & 8100-8199 & 8300-8999	54	Professional, Scientific, and Technical Services
		55	Management of Companies and Enterprises
		56	Administrative & Support and Waste Management & Remediation Services
		71	Arts, Entertainment, and Recreation
		72	Accommodation and Food Services
		81	Other Services (except Public Administration)
State/Local Government	9000-9999	NA	
Education	8200-8299	61	Educational Services
Health Care	8000-8099	62	Health Care and Social Assistance

[Figure M.4] presents the breakdown of states into regions and is based on the U.S Census Bureau's categorizations. State-level data are not reported both because the sample size is insufficient in many states and we only collect information on a firm's primary location rather than where all workers may actually be employed. Some mid- and large-size employers have employees in more than one state, so the location of the headquarters may not match the location of the plan for which we collected premium information.

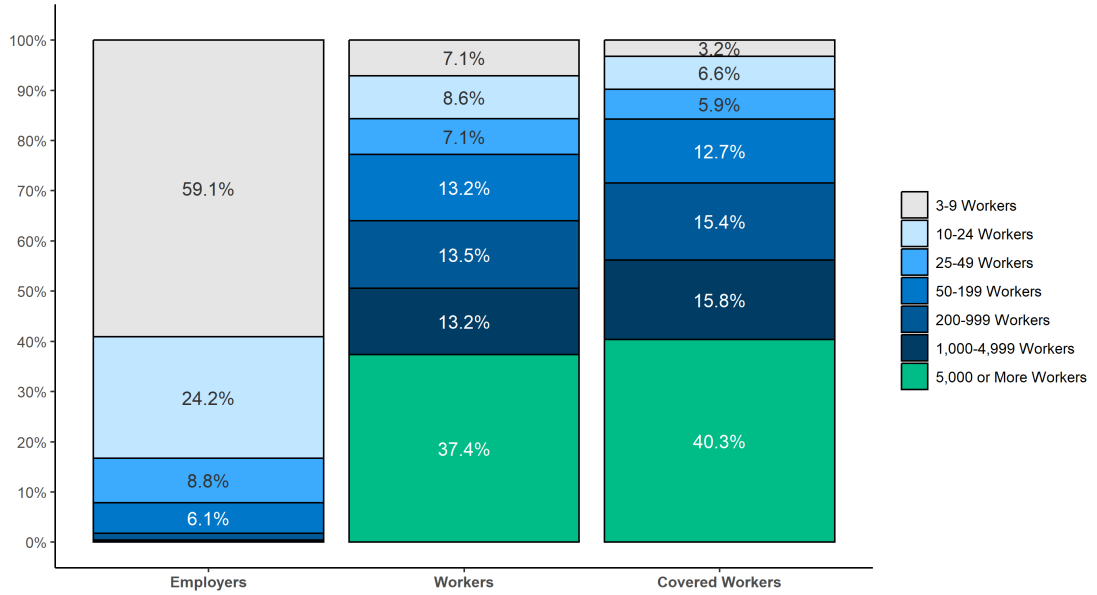
Figure M.4
States by Region, 2023

Northeast	Midwest	South	West
Connecticut	Illinois	Alabama	Alaska
Maine	Indiana	Arkansas	Arizona
Massachusetts	Iowa	Delaware	California
New Hampshire	Kansas	District of Columbia	Colorado
New Jersey	Michigan	Florida	Hawaii
New York	Minnesota	Georgia	Idaho
Pennsylvania	Missouri	Kentucky	Montana
Rhode Island	Nebraska	Louisiana	Nevada
Vermont	North Dakota	Maryland	New Mexico
	Ohio	Mississippi	Oregon
	South Dakota	North Carolina	Utah
	Wisconsin	Oklahoma	Washington
		South Carolina	Wyoming
		Tennessee	
		Texas	
		Virginia	
		West Virginia	

Source: KFF Employer Health Benefits Survey, 2023. From U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, available at http://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf

[Figure M.5] displays the distribution of the nation's firms, workers, and covered workers (employees receiving coverage from their employer). Among the three million firms nationally, approximately 59.1% employ 3 to 9 workers; such firms employ 7.1% of workers, and 3.2% of workers covered by health insurance. In contrast, less than one percent of firms employ 5,000 or more workers; these firms employ 37.4% of workers and 40.3% of covered workers. Therefore, the smallest firms dominate any statistics weighted by the number of employers. For this reason, most statistics about firms are broken out by size categories. In contrast, firms with 1,000 or more workers are the most influential employer group in calculating statistics regarding covered workers, since they employ the largest percentage of the nation's workforce. Statistics among small firms and those weighted by the number of firms tend to have more variability.

Figure M.5
Distribution of Employers, Workers, and Workers Covered by Health Benefits, by Firm Size, 2023



NOTE: Data are based on a data request to the U.S. Census Bureau for their most recent (2020) Statistics of U.S. Businesses data on private sector firms. State and local government data are from the Census Bureau's 2017 Census of Governments.
SOURCE: KFF Employer Health Benefits Survey, 2023

Although most firms in the United States are small, most workers covered by health benefits are employed at large firms: 72% of the covered worker weight is controlled by firms with 200 or more employees. Conversely, firms with 3–199 employees represent 98% percent of the employer weight.

The survey asks firms what percentage of their employees earn more or less than a specified amount in order to identify the portion of a firm's workforce that has relatively lower or higher wages. This year, the income threshold is $31,000 or less per year for lower-wage workers and $72,000 or more for higher-wage workers. These thresholds are based on the 25th and 75th percentile of workers' earnings as reported by the Bureau of Labor Statistics using data from the Occupational Employment Statistics (OES) (2021).[8] The cutoffs were inflation-adjusted and rounded to the nearest thousand.

Annual inflation estimates are calculated as an average of the first three months of the year. The 12 month percentage change for this period was 5.8%.[9] Data presented is nominal unless indicated specifically otherwise.

ROUNDING AND IMPUTATION

Some figures in the report do not sum to totals due to rounding. Although overall totals and totals for size and industry are statistically valid, some breakdowns may not be available due to limited sample sizes or high relative standard errors. Where the unweighted sample size is fewer than 30 observations, figures include the notation "NSD" (Not Sufficient Data). Estimates with high relative standard errors are reviewed and in some cases not

[8]Seasonally Adjusted Data from the Current Employment Statistics Survey. Bureau of Labor Statistics. Current Employment Statistics—CES (National) [Internet]. Washington (DC): BLS; [cited 2023 Aug 1]. Available from: https://www.bls.gov/ces/publications/highlights/highlights-archive.htm

[9]Bureau of Labor Statistics, Mid-Atlantic Information Office. Consumer Price Index historical tables for, U.S. City Average (1967 = 100) of Annual Inflation [Internet]. Washington (DC): BLS; [cited 2023 Aug 1]. Available from: https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical1967base_us_table.htm

published. Many breakouts by subsets may have a large standard error, meaning that even large differences between estimates are not statistically different. Values below 3% are not shown on graphical figures to improve the readability of those graphs. The underlying data for all estimates presented in graphs are available in the Excel documents accompanying each section on http://ehbs.kff.org/.

To control for item nonresponse bias, we impute values that are missing for most variables in the survey. On average, 13% of observations are imputed. All variables are imputed following a hotdeck approach. The hotdeck approach replaces missing information with observed values from a firm similar in size and industry to the firm for which data are missing. In 2023, there were eighty-six variables where the imputation rate exceeded 20%; most of these cases were for individual plan level statistics. When aggregate variables were constructed for all of the plans, the imputation rate is usually much lower. There are a few variables that we have decided not to impute; these are typically variables where "don't know" is considered a valid response option. Some variables are imputed based on their relationship to each other. For example, if a firm provided a worker contribution for family coverage but no premium information, a ratio between the family premium and family contribution was imputed and then the family premium was calculated. We estimate separate single and family coverage premiums for firms that provide premium amounts as the average cost for all covered workers.

To ensure data accuracy we have several processes to review outliers and illogical responses. Every year several hundred firms are called back to confirm or correct responses. In some cases, answers are edited based on responses to open-ended questions or based on established logic rules.

Figure M.6

Imputation Rates of Premiums, Worker Contributions, and Deductibles, by Plan Type, 2019-2023

	2019	2020	2021	2022	2023
HMO					
Single Premium	3.9%	5.1%	6.1%	10.7%	7.8%
Single Contribution	2.5	3.7	2.9	7.4*	4.7
Single Deductible	1.5	2.7	2	9*	5.1
Family Premium	5.2	5.7	8.3	13.5	13.3
Family Contribution	5	6.4	9.1	10.2	10.5
Family Deductible	2.5	4.7	5.4	8.5	5.8
PPO					
Single Premium	4.4%	7%*	5.6%	8.4%*	8%
Single Contribution	2.5	3.6	2.5	5.2*	5
Single Deductible	0.8	2.7*	1.2*	4.9*	3.1*
Family Premium	5.3	9.1*	6.9	10*	10.8
Family Contribution	4.4	6.4*	5	7.9*	7.9
Family Deductible	2.8	5.4*	4	5.9	4.9
POS					
Single Premium	10%	15.5%	10.3%	16%	17.6%
Single Contribution	7.4	10	4.9	7.8	12.5
Single Deductible	2.6	8.2*	7.6	11.3	12.2
Family Premium	11.6	21.3*	16.4	21.7	21.4
Family Contribution	11.6	21.3*	13.1*	14.5	18.8
Family Deductible	5.8	15.7*	13.1	15.7	12.2
HDHP/SO					
Single Premium	4%	4.9%	6.5%	7.1%	6.3%
Single Contribution	2.4	3.3	2	3	3.9
Single Deductible	0.8	1.6	1.1	4.6*	2.5*
Family Premium	4.6	6	6	7.4	6.9
Family Contribution	3.6	4.8	2.9	4.4	5.9
Family Deductible	1.8	3.4	4.5	4.9	5.5

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

SOURCE: KFF Employer Health Benefits Survey, 2019-2023;

WEIGHTING

Because we select firms randomly, it is possible through the use of weights to extrapolate the results to national (as well as firm size, regional, and industry) averages. These weights allow us to present findings based on the number of workers covered by health plans, the number of total workers, and the number of firms. In general, findings in dollar amounts (such as premiums, worker contributions, and cost sharing) are weighted by covered workers. Other estimates, such as the offer rate, are weighted by firms.

The employer weight was determined by calculating the firm's probability of selection. This weight was trimmed of overly influential weights and calibrated to U.S. Census Bureau's 2020 Statistics of U.S. Businesses for firms in the private sector, and the 2017 Census of Governments totals. The worker weight was calculated by multiplying the employer weight by the number of workers at the firm and then following the same weight adjustment process described above. The covered-worker weight and the plan-specific weights were calculated by multiplying the percentage of workers enrolled in each of the plan types by the firm's worker weight. These weights allow analyses of all workers covered by health benefits and of workers in a particular type of health plan.

The trimming procedure follows the following steps: First, we grouped firms into size and offer categories of observations. Within each strata, we calculated the trimming cut point as the median plus six times the interquartile range (M + [6 * IQR]). Weight values larger than this cut point are trimmed. In all instances, very few weight values were trimmed.

To account for design effects, the statistical computing package R version 4.3.1 (2023-06-16 ucrt) and the library "survey" version 4.2.1 were used to calculate standard errors.

STATISTICAL SIGNIFICANCE AND LIMITATIONS

All statistical tests are performed at the .05 confidence level. For figures with multiple years, statistical tests are conducted for each year against the previous year shown, unless otherwise noted. No statistical tests are conducted for years prior to 1999.

Statistical tests for a given subgroup are tested against all other firm sizes not included in that subgroup: For example, Northeast is compared to all firms NOT in the Northeast (an aggregate of firms in the Midwest, South, and West). However, statistical tests for estimates compared across plan types (for example, average premiums in PPOs) are tested against the "All Plans" estimate. In some cases, we also test plan-specific estimates against similar estimates for other plan types (for example, single and family premiums for HDHP/SOs against single and family premiums for HMO, PPO, and POS plans); these are noted specifically in the text. The two types of statistical tests performed are the t-test and the Wald test. The small number of observations for some variables resulted in large variability around the point estimates. These observations sometimes carry large weights, primarily for small firms. The reader should be cautioned that these influential weights may result in large movements in point estimates from year to year; however, these movements are often not statistically significant. Standard Errors for some key statistics are available in a technical supplement available at http://ehbs.kff.org/

Due to the complexity of many employer health benefits programs, this survey is not able to capture all the components of any particular plan. For example, many employers have complex and varied prescription drug benefits, premium contributions, and incentives for wellness programs. We attempted to complete interviews with the person who is most knowledgeable about the firm's health benefits. In some cases, the firm may not know details of some elements of their plan and not others. While we collect information on the number of workers enrolled in health benefits, the survey is not able to capture the characteristics of the workers offered or enrolled in any particular plan.

DATA COLLECTION AND SURVEY MODE

Starting in 2022, we expanded the use of computer assisted web interview (CAWI), offering most respondents the opportunity to complete the survey using an online questionnaire rather a telephone interview. In total fifty-five percent of survey responses were completed via telephone interview, and the remainder were completed online.

Survey mode did not impact the survey results in a systematic or obvious manner. The effects of mode and firm size on major firm characteristics such as annual premiums, contributions, and deductibles was tested using standard linear regression. For certain plan types, survey implementation through telephone interview had a negative effect on the reported value. However, the plan types affected were random, so this effect is more likely due to confounding variables. When examining demographic characteristics between the two modes, there were small differences in the distribution of categorical variables such as region and age.

2023 SURVEY

The 2023 survey features questions which have not been asked for several years including questions on spousal benefits, voluntary benefits, such as dental and vision coverage, waiting periods and emergency room cost-sharing. In addition, the survey includes new questions, on abortion coverage, prior authorization, coverage limits and coverage for gender-affirming care.

In 2022, the Employer Health Benefit Survey over-sampled California based firms in order to provide estimates for the California Health Care Foundation's Health Benefit Survey. For more information please see: https://www.chcf.org/publication/2023-edition-california-employer-health-benefits/. As a result, both our weighting and sampling in 2022 took into account whether a firm was located in California. In 2023, we sampled non-panel firms based on whether they were located in California. Our 2023 sampling method is similar to the methods used prior to 2022, and is based on a firms size and industry.

As in previous years, modification were made to existing survey questions, both to improve clarity or respond to changes in the marketplace.

- Starting in 2023, respondents are able to provider either monthly or annual HSA contribution amounts.
- The interview notes for the question on level-funding was editing to clarify that employing a third-party administrator does not necessarily mean a plan is level-funded.
- The question on whether a firm or plan gives workers the opportunity to complete biometeric screening was edited to include take-home kits, which collect biometetric data, not just in-person exams.
- The distribution of cost-sharing for hospital admission and outpatient surgery was edited, to make the categories "copay", "coninsurance", and "both copay and coinsurance", mutually exclusive. The both category may include covered workers who face either both cost-sharing requirements or which ever is greater.

Based on interview debriefs, we elected not to report the share of employers who believe that telehealth will be important for enrollees in remote settings. We continue to revise our data cleaning and editing procedures.

OTHER RESOURCES

Additional information on the 2023 Employer Health Benefit Survey is available at http://ehbs.kff.org/, including an article in the Journal Health Affairs, an interactive graphic and historic reports. Standard errors for some

statistics are available in the online technical supplement. Researchers may also request a public use dataset here: https://www.kff.org/contact-us/

The survey design and methods section found on our website (http://ehbs.kff.org/) contains an extended methods document that was not included in the portable document format (PDF) or the printed versions of this book. Readers interested in the extended methodology should consult the online edition of this publication.

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Employer Health Benefits
2023 Annual Survey

Cost of Health Insurance

SECTION

1

Section 1

Cost of Health Insurance

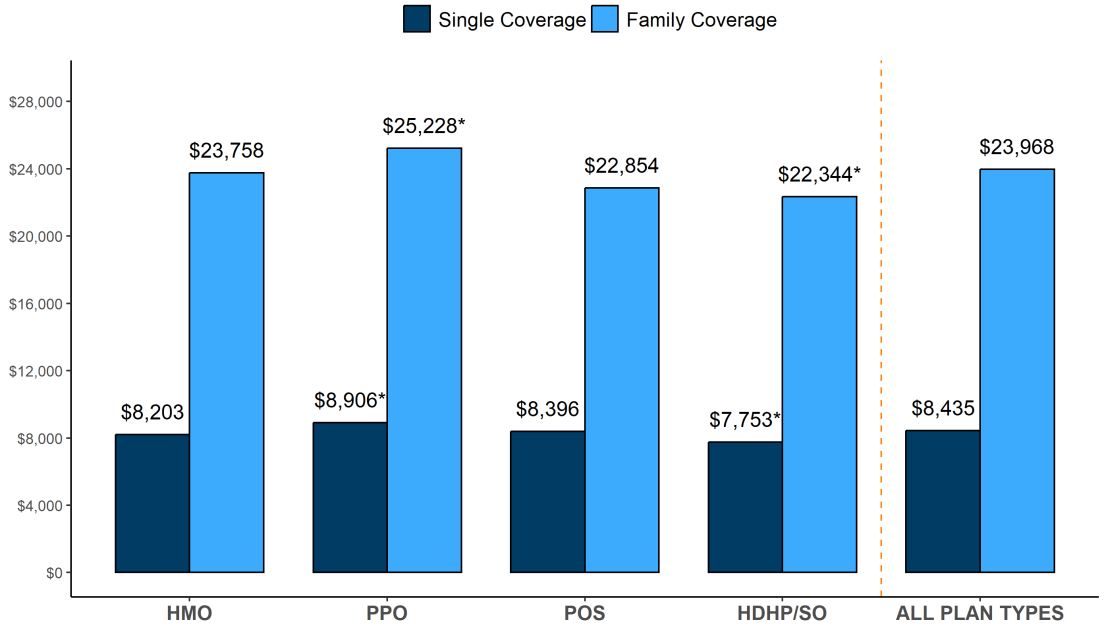
Average annual health insurance premiums in 2023 are $8,435 for single coverage and $23,968 for family coverage. These average premiums each increased 7% in 2023. The average family premium has increased 22% since 2018 and 47% since 2013.

As part of this report, KFF publishes an online tool which allows users to look at changes in premiums and worker contributions for covered workers at different types of firms over time: https://www.kff.org/interactive/premiums-and-worker-contributions/

PREMIUMS FOR SINGLE AND FAMILY COVERAGE

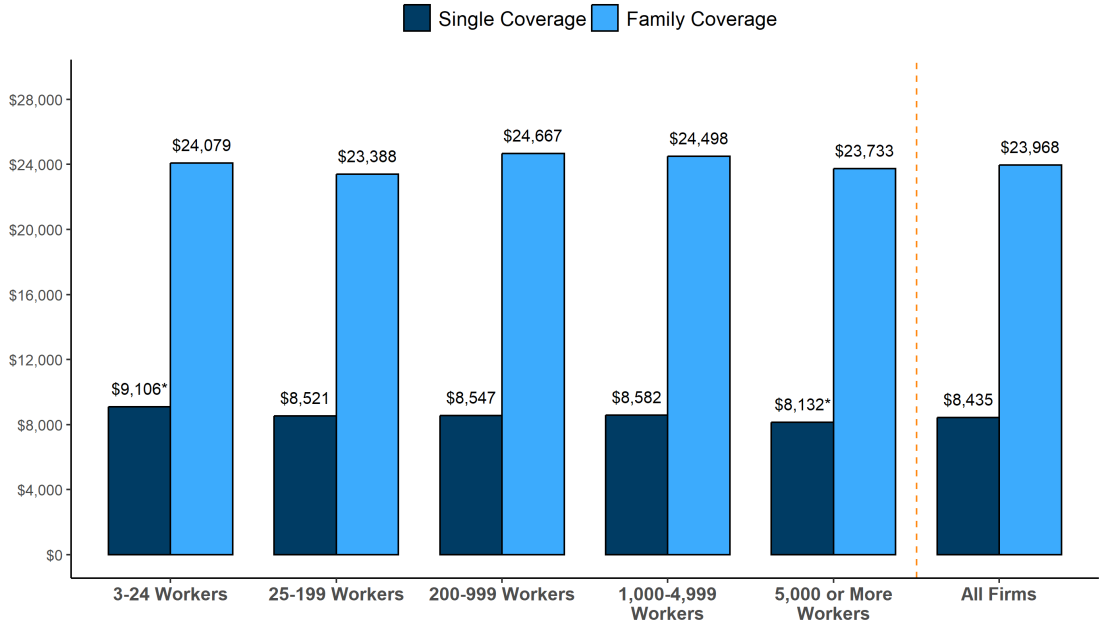
- The average premium for single coverage in 2023 is $8,435 per year. The average premium for family coverage is $23,968 per year [Figure 1.1].
- The average annual premium for single coverage for covered workers at small firms ($8,722) is higher than the average premium for covered workers at large firms ($8,321). The average annual premium for family coverage for covered workers at small firms ($23,621) is similar to the average premium for covered workers at large firms ($24,104) [Figure 1.3].
- The average annual premiums for covered workers in HDHP/SOs are lower than the average premiums for coverage overall for both single coverage ($7,753 vs. $8,435) and family coverage ($22,344 vs. $23,968). The average premiums for covered workers in PPOs are higher than the overall average premiums for both single coverage ($8,906 vs. $8,435) and family coverage ($25,228 vs. $23,968) [Figure 1.1].
- The average premium for covered workers with single coverage is relatively higher in the Northeast and relatively lower in the South. The average premium for covered workers with family coverage is relatively higher in the Northeast and relatively lower in the West [Figure 1.4].
- The average family premium for covered workers at firms with a relatively large share of lower-wage workers (firms where at least 35% of the workers earn $31,000 annually or less) is lower than the average premium for covered workers at firms with smaller shares of lower-wage workers for family coverage ($21,902 vs. $24,151) [Figure 1.7].
- The average premiums for covered workers at firms with a relatively large share of older workers (firms where at least 35% of the workers are age 50 or older) are higher than the average premium for covered workers at firms with smaller shares of older workers for single coverage ($8,790 vs. $8,112) and for family coverage ($24,700 vs. $23,304) [Figure 1.6] and [Figure 1.7].
- The average premium for single coverage is relatively low for covered workers at private for-profit firms and relatively high for covered workers at private not-for profit firms. The average premium for family coverage is higher for covered workers at private not-for-profit firms than average annual premiums for covered workers at other types of firms [Figure 1.6] and [Figure 1.7].

Figure 1.1
Average Annual Premiums for Covered Workers, Single and Family Coverage, by Plan Type, 2023



* Estimate is statistically different from All Plans estimate ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.2
Average Annual Premiums for Covered Workers, Single and Family Coverage, by Firm Size, 2023



* Estimate is statistically different from All Plans estimate ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.3

Average Monthly and Annual Premiums for Covered Workers, by Plan Type and Firm Size, 2023

	Monthly		Annual	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
HMO				
All Small Firms	$690	$1,914	$8,285	$22,968
All Large Firms	682	1,997	8,181	23,964
ALL FIRM SIZES	**$684**	**$1,980**	**$8,203**	**$23,758**
PPO				
All Small Firms	$760	$2,070	$9,119	$24,842
All Large Firms	735	2,114	8,826	25,372
ALL FIRM SIZES	**$742**	**$2,102**	**$8,906**	**$25,228**
POS				
All Small Firms	$693	$1,762*	$8,316	$21,149*
All Large Firms	708	2,069*	8,493	24,825*
ALL FIRM SIZES	**$700**	**$1,905**	**$8,396**	**$22,854**
HDHP/SO				
All Small Firms	$704*	$1,957	$8,450*	$23,481
All Large Firms	628*	1,832	7,536*	21,990
ALL FIRM SIZES	**$646**	**$1,862**	**$7,753**	**$22,344**
ALL PLANS				
All Small Firms	$727*	$1,968	$8,722*	$23,621
All Large Firms	693*	2,009	8,321*	24,104
ALL FIRM SIZES	**$703**	**$1,997**	**$8,435**	**$23,968**

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

* Estimates are statistically different within plan and coverage types between All Small Firms and All Large Firms ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.4

Average Monthly and Annual Premiums for Covered Workers, by Plan Type and Region, 2023

	Monthly		Annual	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
HMO				
Northeast	$765*	$2,186*	$9,176*	$26,232*
Midwest	NSD	NSD	NSD	NSD
South	652*	1,967	7,820*	23,599
West	666	1,893	7,993	22,716
ALL REGIONS	**$684**	**$1,980**	**$8,203**	**$23,758**
PPO				
Northeast	$779	$2,250*	$9,350	$26,999*
Midwest	761	2,178*	9,132	26,130*
South	703*	2,014*	8,434*	24,170*
West	759	2,002	9,110	24,028
ALL REGIONS	**$742**	**$2,102**	**$8,906**	**$25,228**
POS				
Northeast	$831*	$2,297*	$9,976*	$27,568*
Midwest	691	1,947	8,297	23,365
South	627*	1,706*	7,526*	20,472*
West	681	1,723*	8,167	20,680*
ALL REGIONS	**$700**	**$1,905**	**$8,396**	**$22,854**
HDHP/SO				
Northeast	$708*	$1,997	$8,491*	$23,960
Midwest	621	1,786	7,456	21,437
South	631	1,873	7,569	22,481
West	662	1,838	7,947	22,058
ALL REGIONS	**$646**	**$1,862**	**$7,753**	**$22,344**
ALL PLANS				
Northeast	$764*	$2,179*	$9,167*	$26,146*
Midwest	696	1,988	8,353	23,861
South	671*	1,944	8,050*	23,330
West	706	1,908*	8,474	22,896*
ALL REGIONS	**$703**	**$1,997**	**$8,435**	**$23,968**

NOTE: NSD: Not Sufficient Data

* Estimates are statistically different within plan and coverage types from estimate for all firms not in the indicated region ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.5

Average Monthly and Annual Premiums for Covered Workers, by Plan Type and Industry, 2023

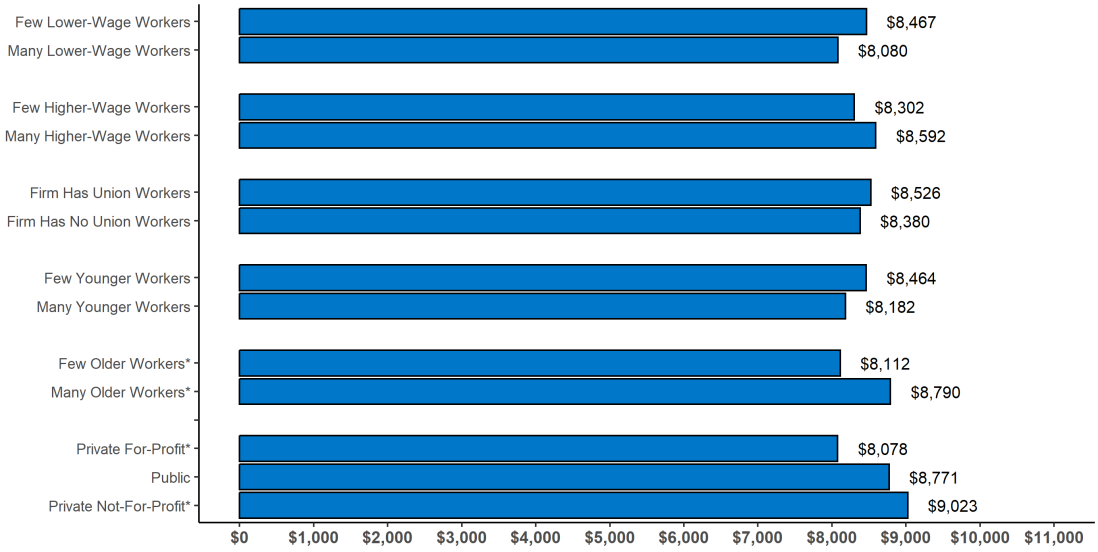
	Monthly		Annual	
	Single Coverage	Family Coverage	Single Coverage	Family Coverage
PPO				
Agriculture/Mining/Construction	$618*	$1,805*	$7,415*	$21,663*
Manufacturing	737	2,210	8,845	26,520
Transportation/Communications/Utilities	690*	2,062	8,280*	24,747
Wholesale	746	2,134	8,946	25,604
Retail	677*	1,959	8,129*	23,509
Finance	782	2,204	9,386	26,452
Service	763	2,077	9,156	24,927
State/Local Government	743	2,067	8,911	24,799
Health Care	776*	2,204*	9,310*	26,446*
ALL INDUSTRIES	**$742**	**$2,102**	**$8,906**	**$25,228**
HDHP/SO				
Agriculture/Mining/Construction	$674	$1,922	$8,094	$23,067
Manufacturing	602*	1,797	7,228*	21,559
Transportation/Communications/Utilities	662	2,073	7,940	24,871
Wholesale	645	2,037	7,742	24,441
Retail	591*	1,712	7,097*	20,541
Finance	691	1,951	8,291	23,410
Service	665	1,832	7,978	21,985
State/Local Government	613	1,654*	7,350	19,850*
Health Care	621	1,789	7,456	21,465
ALL INDUSTRIES	**$646**	**$1,862**	**$7,753**	**$22,344**
ALL PLANS				
Agriculture/Mining/Construction	$623*	$1,792*	$7,475*	$21,509*
Manufacturing	684	2,013	8,202	24,156
Transportation/Communications/Utilities	683	2,084	8,192	25,009
Wholesale	708	2,088	8,498	25,057
Retail	648*	1,865	7,772*	22,376
Finance	736	2,078	8,836	24,937
Service	716	1,949	8,594	23,385
State/Local Government	704	1,954	8,447	23,443
Health Care	731	2,096	8,768	25,150
ALL INDUSTRIES	**$703**	**$1,997**	**$8,435**	**$23,968**

NOTE: HMO and POS premiums are included in the All Plans average. In most cases, there is an insufficient number of firms to report these averages by industry.

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

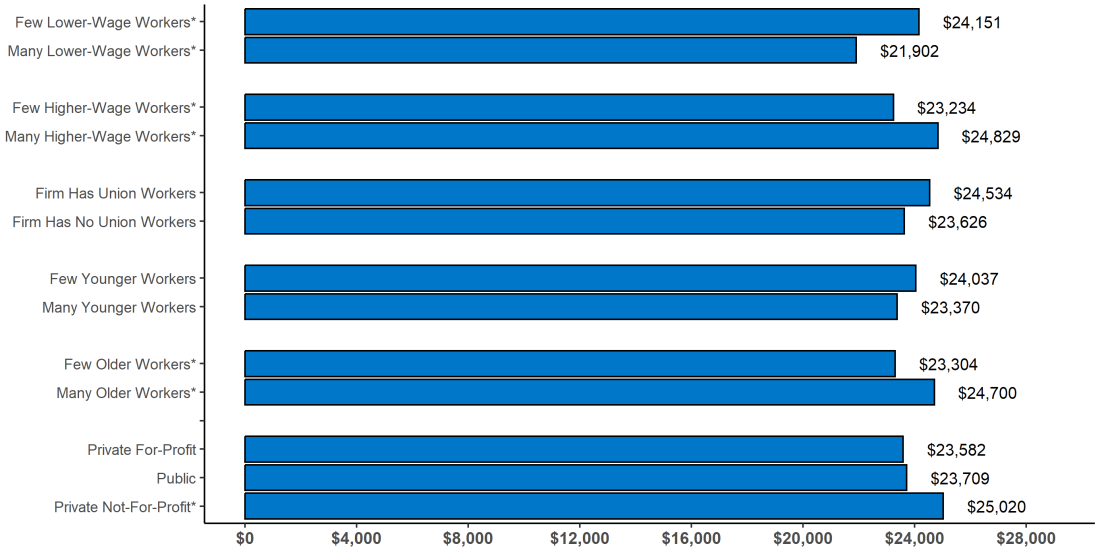
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.6
Average Annual Premiums for Covered Workers with Single Coverage, by Firm Characteristics, 2023



* Estimates are statistically different from each other within category ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.7
Average Annual Premiums for Covered Workers with Family Coverage, by Firm Characteristics, 2023



* Estimates are statistically different from each other within category ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.8

Average Annual Premiums for Covered Workers, by Firm Characteristics and Firm Size, 2023

	Single Coverage		Family Coverage	
	All Small Firms	All Large Firms	All Small Firms	All Large Firms
LOWER WAGE LEVEL				
Few Lower-Wage Workers	$8,787*	$8,339	$23,920*	$24,241
Many Lower-Wage Workers	$7,994*	$8,115	$20,180*	$22,560
HIGHER WAGE LEVEL				
Few Higher-Wage Workers	$8,414*	$8,248	$22,524*	$23,571
Many Higher-Wage Workers	$9,229*	$8,397	$25,401*	$24,656
UNIONS				
Firm Has Union Workers	$9,757*	$8,465	$26,500	$24,437
Firm Has No Union Workers	$8,653*	$8,177	$23,427	$23,772
YOUNGER WORKERS				
Few Younger Workers	$8,789*	$8,326	$23,862*	$24,110
Many Younger Workers	$7,665*	$8,284	$19,847*	$24,058
OLDER WORKERS				
Few Older Workers	$8,121*	$8,109*	$22,353*	$23,714
Many Older Workers	$9,484*	$8,542*	$25,250*	$24,508
FUNDING ARRANGEMENT				
Fully Insured	$8,762	$8,353	$23,861	$23,539
Self-Funded	$8,531	$8,315	$22,503	$24,216
FIRM OWNERSHIP				
Private For-Profit	$8,395*	$7,926*	$23,319	$23,706
Public	$9,806*	$8,656	$25,437	$23,519
Private Not-For-Profit	$9,248*	$8,918*	$23,932	$25,520*
ALL FIRMS	**$8,722**	**$8,321**	**$23,621**	**$24,104**

NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger. Small Firms have 3-199 workers and Large Firms have 200 or more workers.

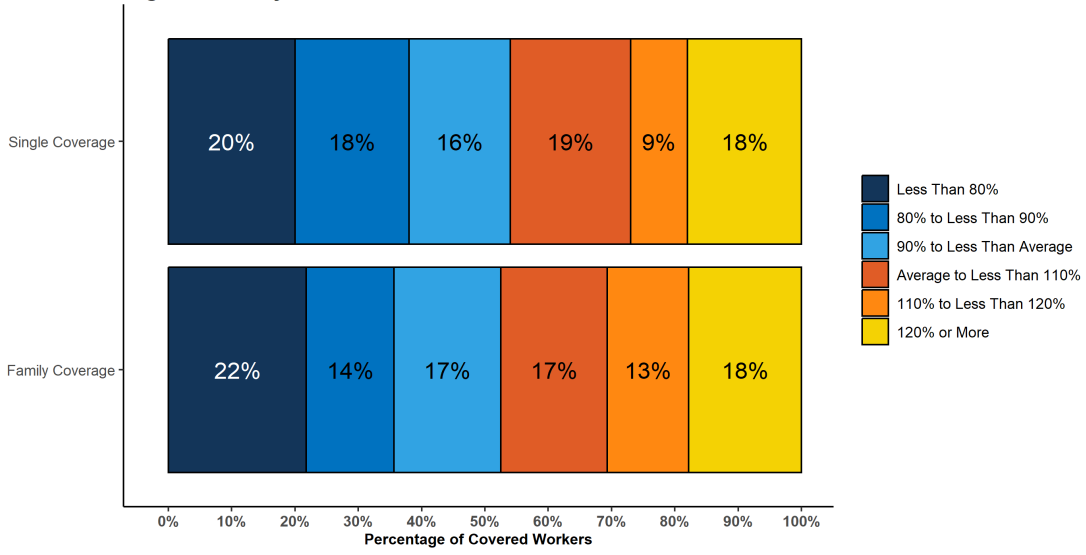
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

PREMIUM DISTRIBUTION

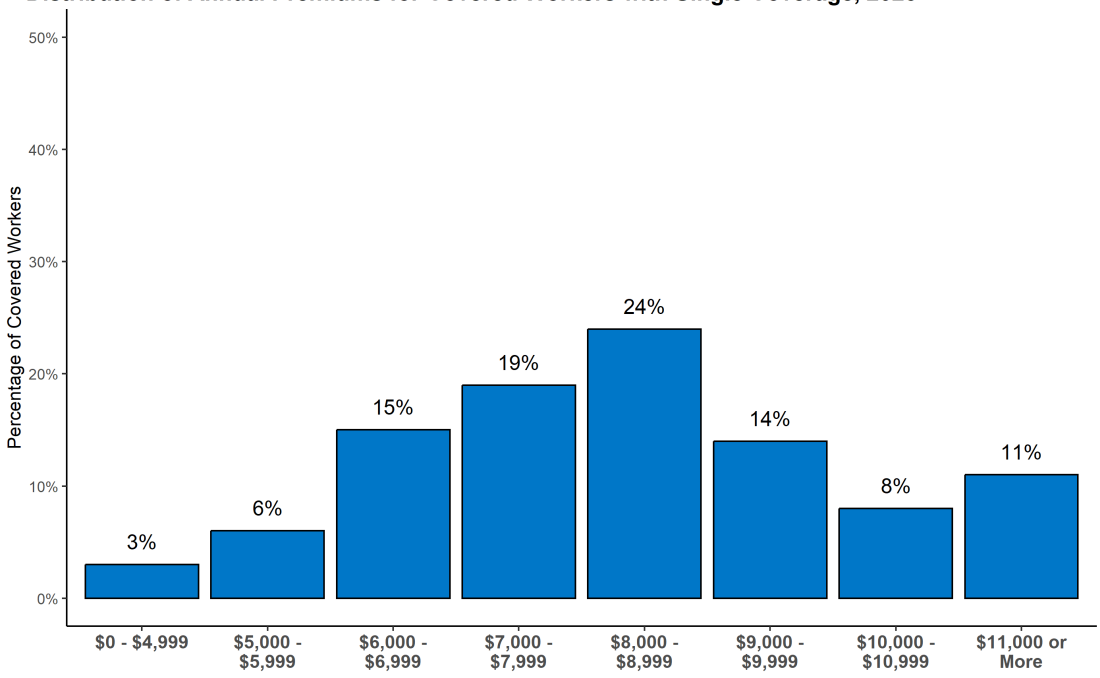
- There is considerable variation in premiums for both single and family coverage.
  - Eighteen percent of covered workers are employed at a firm where the single coverage premium is at least 20% higher than the average single premium, while 20% of covered workers are at firms with a single premium less than 80% of the average single premium [Figure 1.9].
  - For family coverage, 18% of covered workers are employed at a firm with a family premium at least 20% higher than the average family premium, while 22% of covered workers are at firms with a family premium less than 80% of the average family premium [Figure 1.9].
- Nineteen percent of covered workers are at a firm with an average annual premium of at least $10,000 for single coverage [Figure 1.10]. Seventeen percent of covered workers are at a firm with an average annual premium of at least $29,000 for family coverage [Figure 1.11].

Figure 1.9
Distribution of Annual Premiums for Single and Family Coverage Relative to the Average Annual Single or Family Premium, 2023



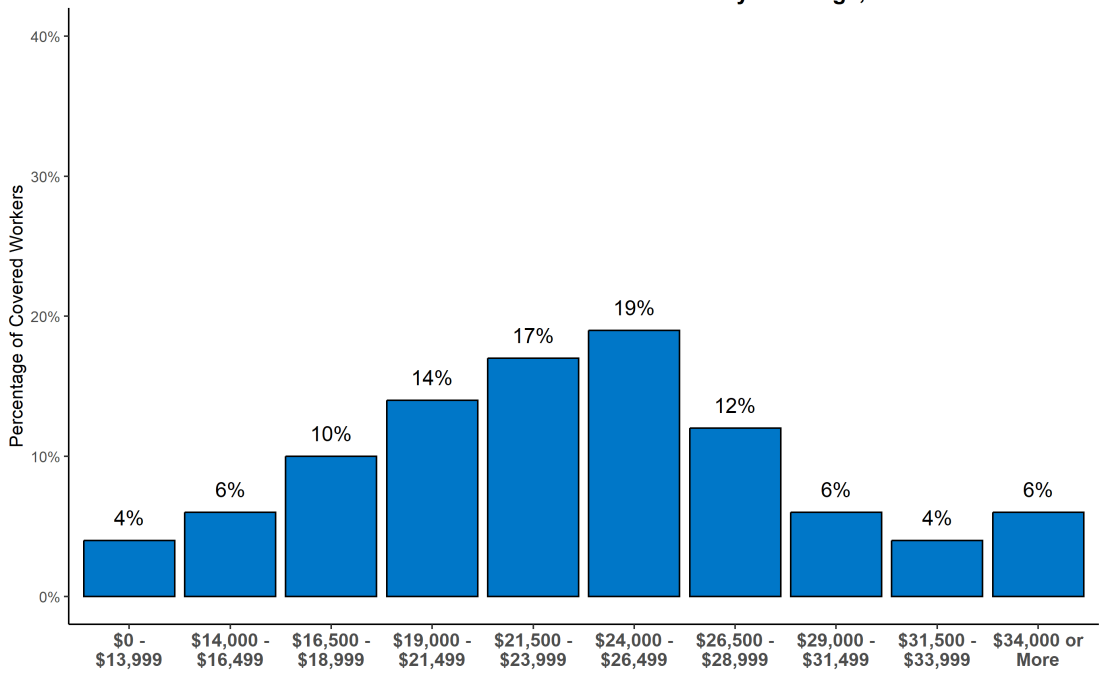
NOTE: The average annual premium is $8,435 for single coverage and $23,968 for family coverage. The premium distribution is relative to the average single or family premium. For example, $6,748 is 80% of the average single premium, $7,591 is 90% of the average single premium, $9,278 is 110% of the average single premium, and $10,122 is 120% of the average single premium. The same break points relative to the average are used for the distribution for family coverage.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.10
Distribution of Annual Premiums for Covered Workers with Single Coverage, 2023



SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 1.11
Distribution of Annual Premiums for Covered Workers with Family Coverage, 2023



SOURCE: KFF Employer Health Benefits Survey, 2023

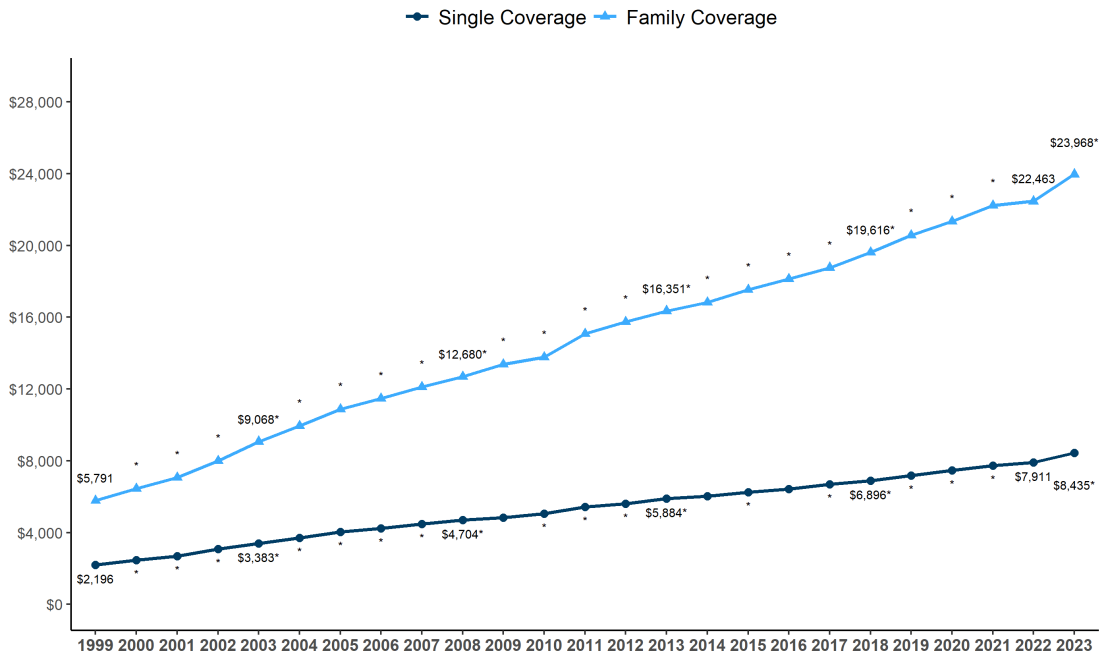
PREMIUM CHANGES OVER TIME

- The average premiums for covered workers with single and family coverage are each 7% higher than the average premiums from last year [Figure 1.12].
  - The average premium for single coverage has grown 22% since 2018, the same as the growth in the average premium for family coverage over the same period [Figure 1.12].
  - The $23,968 average family premium in 2023 is 22% higher than the average family premium in 2018 and 47% higher than the average family premium in 2013. The 22% family premium growth in the past five years is similar to the 20% growth between 2013 and 2018 [Figure 1.15].
  - The average family premiums for covered workers at small firms and at large firms have grown at similar rates since 2018 (26% at small firms and 21% at large firms). For small firms, the average family premium rose from $18,739 in 2018 to $23,621 in 2023. For large firms, the average family premium rose from $19,972 in 2018 to $24,104 in 2023 [Figure 1.13].
  - The average family premiums have grown at similar rates since 2013 for covered workers at small firms and at large firms (52% at small firms and 44% at large firms). At small firms, the average family premium rose from $15,581 in 2013 to $23,621 in 2023. In large firms, the average family premium rose from $16,715 in 2013 to $24,104 in 2023 [Figure 1.13].
- Over the past five years, the average family premium for covered workers at large firms that are fully insured has grown at a similar rate to the average family premium for covered workers in fully or partially self-funded firms (19% for fully insured plans and 21% for self-funded firms) [Figure 1.14].
- The average family premium grew 7% in 2023, similar to the inflation rate (5.8%). Over the last 5 years, family premiums grew 22%, also similar to the rate of inflation during this period (21%). Over the last ten

years, the growth in the average premium for family coverage far outpaced inflation (47% vs. 30%) [Figure 1.15].

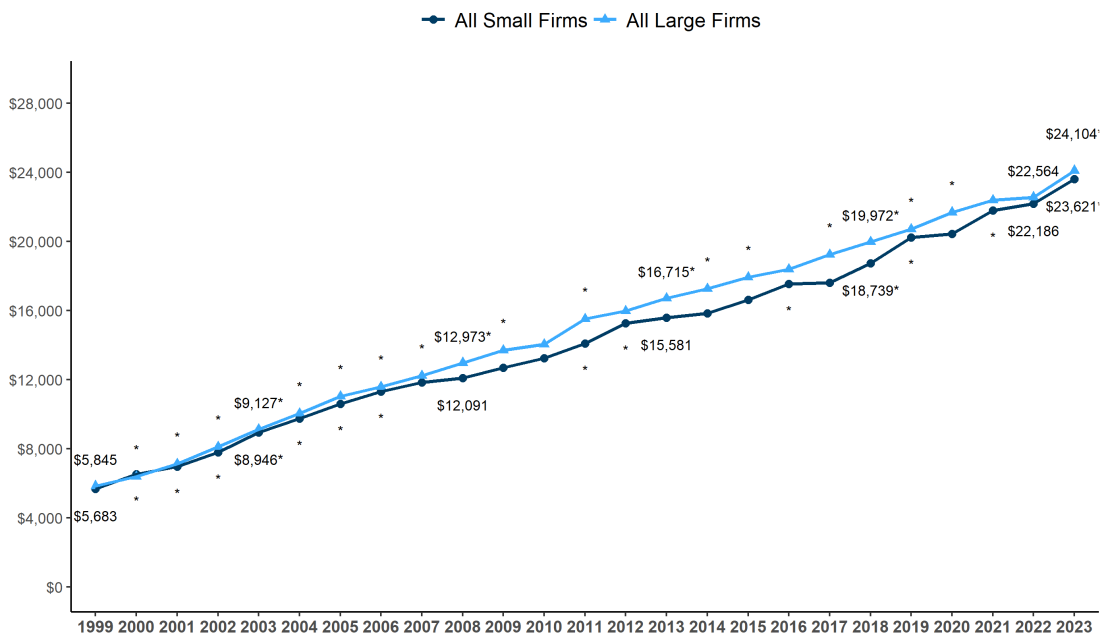
- The average family premium grew 7% in 2023, compared to the average wage growth rate of 5.2%. Over the last 5 years, family premiums grew 22%, compared to 27% wage growth. Over the last ten years, the average family premium and average wages grew at roughly comparable rates (47% vs. 42%) [Figure 1.15].

Figure 1.12
Average Annual Premiums for Single and Family Coverage, 1999-2023



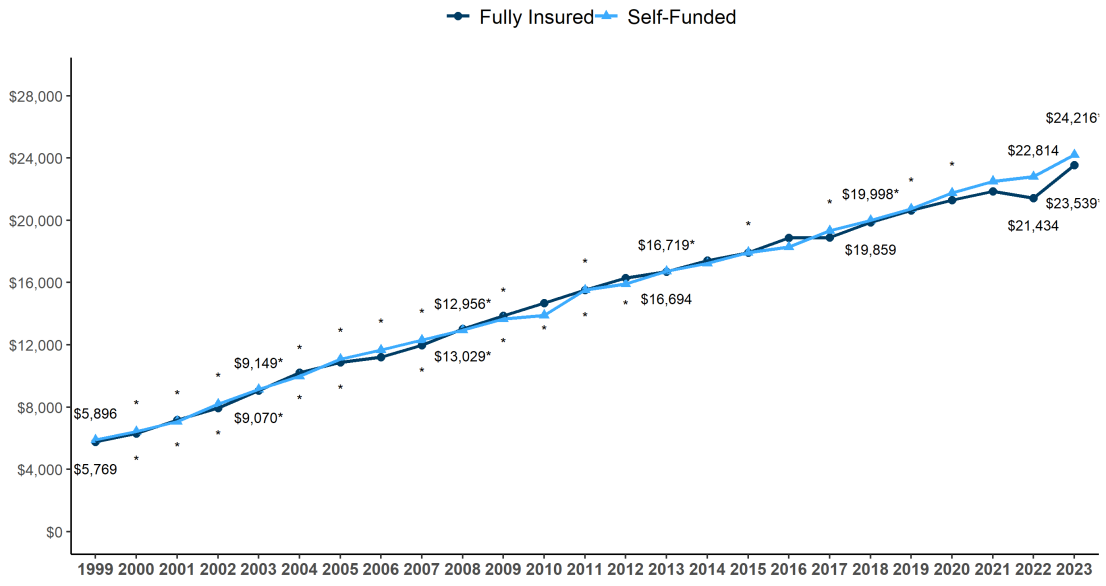
* Estimate is statistically different from estimate for the previous year shown (p < .05).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 1.13
Average Annual Premiums for Covered Workers with Family Coverage, by Firm Size, 1999-2023



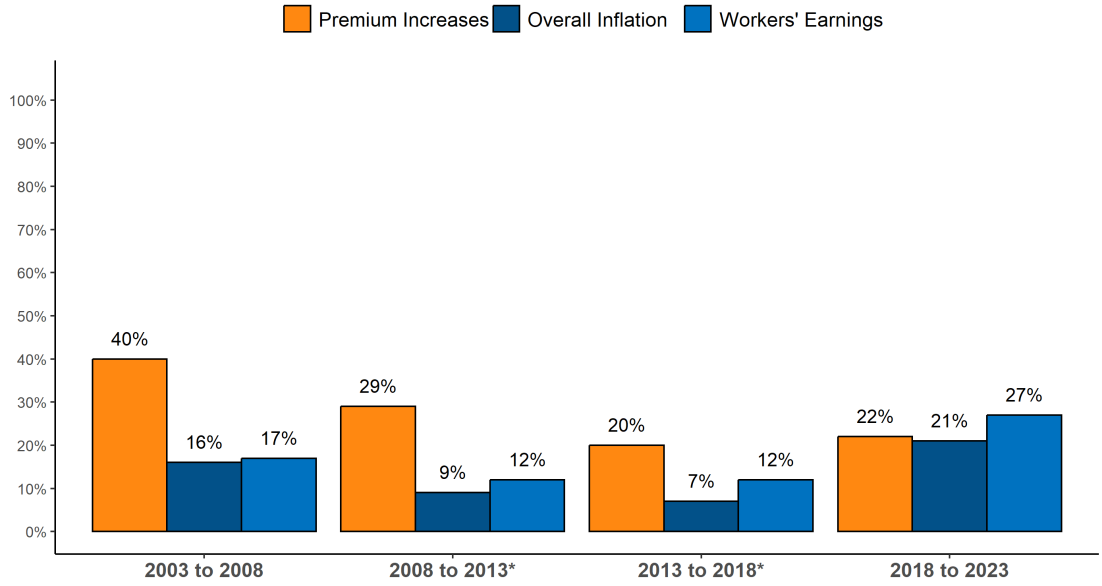
* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 1.14
Among Workers in Large Firms, Average Annual Premiums for Family Coverage, by Funding Arrangement, 1999-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Large Firms have 200 or more workers. For definitions of Self-Funded and Fully Insured Plans, see Section 10. Self-Funded includes plans that purchase stoploss coverage.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 1.15
Cumulative Premium Increases, Inflation, and Earnings for Covered Workers with Family Coverage, 2003-2023



* Percentage change in family premium is statistically different from previous five year period shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2003-2017. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 2003-2023; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2003-2023.

Employer Health Benefits

2023 Annual Survey

Health Benefits Offer Rates

SECTION

2

Section 2

Health Benefits Offer Rates

While nearly all large firms (98% of firms 200 or more workers) offer health benefits to at least some workers, smaller firms with 3-199 workers are significantly less likely to do so (53%). The percentage of all firms offering health benefits in 2023 (53%) is similar to both the percentage of firms offering health benefits last year (51%), and five years ago (57%).

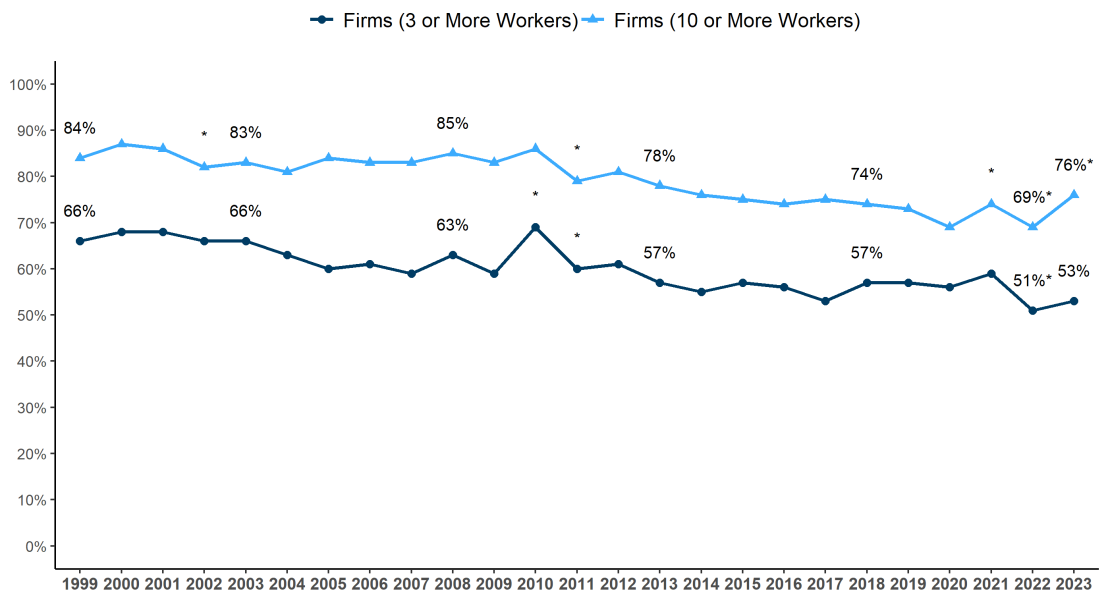
Most firms are very small, so the considerable fluctuation we see across years in the small firm offer rate drives fluctuations in the overall offer rate. However, most workers work for larger firms, where offer rates are high and much more stable. Over ninety percent (94%) of firms with 50 or more workers offer health benefits in 2023; this percentage has remained consistent over the last 10 years. Overall, 91% of workers at firms with 3 or more workers are employed at a firm that offers health benefits to at least some of its workers. Almost all (98%) firms that offer health benefits offer both single and family coverage.

Small firms not offering health benefits say the most important reasons they do not offer coverage are that "the cost of insurance is too high" and that "the firm is too small."

FIRM OFFER RATES

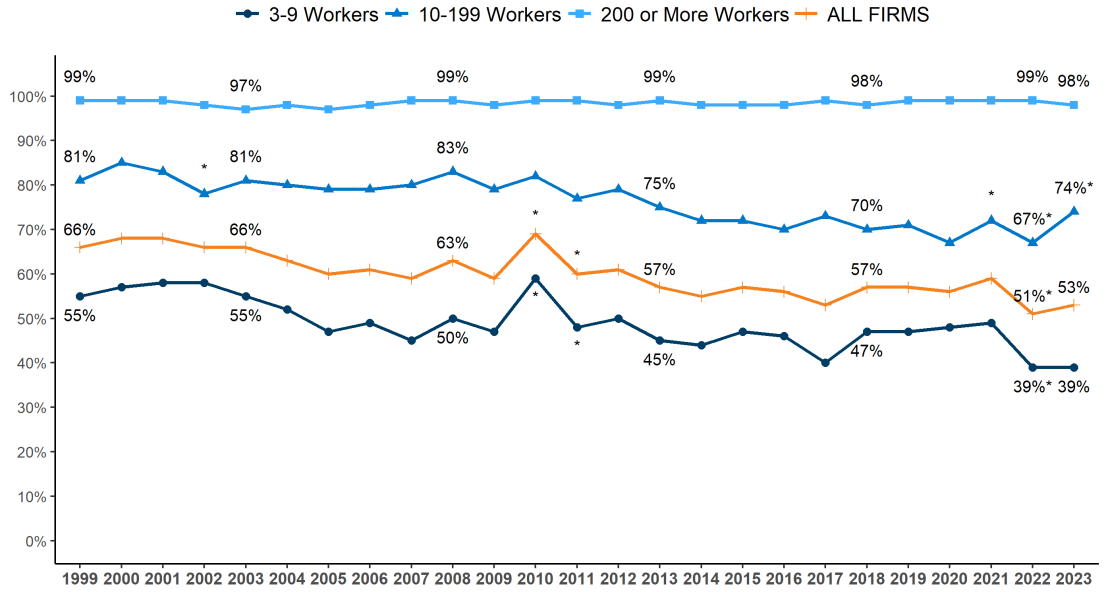
- In 2023, 53% of firms offer health benefits, similar to the percentage last year (51%) [Figure 2.1].
  - The smallest-sized firms are least likely to offer health insurance: 39% of firms with 3-9 workers offer coverage, compared to 67% of firms with 10-24 workers, 78% of firms with 25-49 workers, and 92% of firms with 50-199 workers [Figure 2.3].
  - Since most firms in the country are small, variation in the overall offer rate is driven largely by changes in the offer rates of the smallest firms (3-9 workers) offering health benefits [Figure 2.2]. For more information on the distribution of firms in the country, see the Survey Design and Methods Section and [Figure M.5].
  - Only 50% of firms with 3-49 workers offer health benefits to at least some of their workers, compared to 94% of firms with 50 or more workers [Figure 2.5].
- Because most workers are employed by larger firms, most workers work at a firm that offers health benefits to at least some of its employees. Ninety-one percent of all workers are employed by a firm that offers health benefits to at least some of its workers [Figure 2.6].

Figure 2.1
Percentage of Firms Offering Health Benefits, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 2.2
Percentage of Firms Offering Health Benefits, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 2.3

Percentage of Firms Offering Health Benefits, by Firm Size, Region, and Industry, 2023

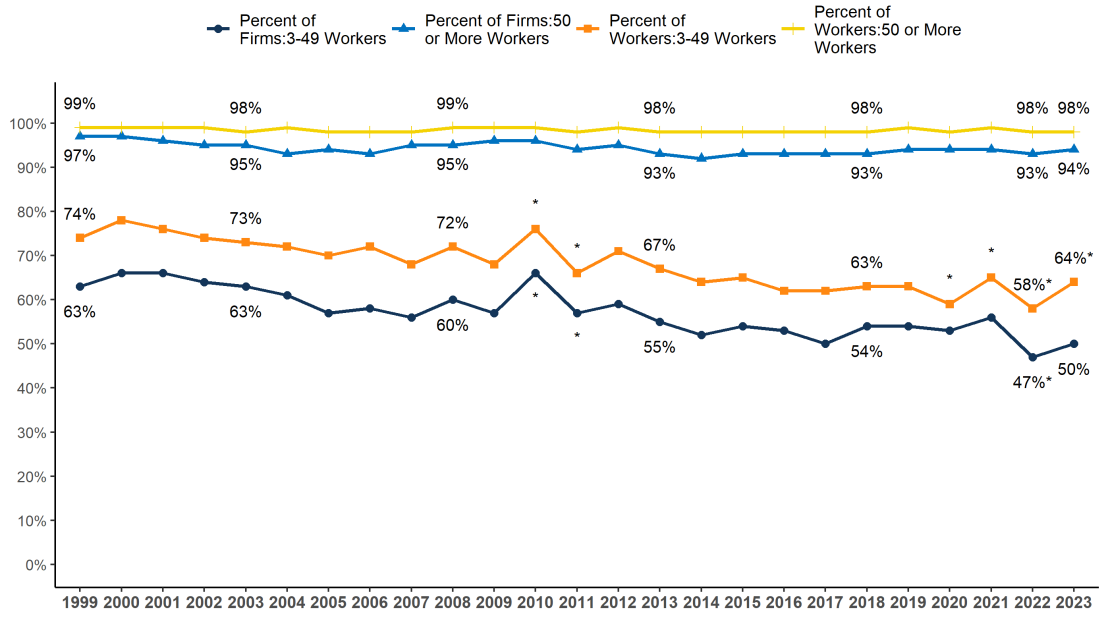
	Percentage of Firms Offering Health Benefits
FIRM SIZE	
3-9 Workers	39%*
10-24 Workers	67*
25-49 Workers	78*
50-199 Workers	92*
200-999 Workers	98*
1,000-4,999 Workers	100*
5,000 or More Workers	100*
All Small Firms (3-199 Workers)	**53%***
All Large Firms (200 or More Workers)	**98%***
REGION	
Northeast	56%
Midwest	60*
South	50
West	50
INDUSTRY	
Agriculture/Mining/Construction	49%
Manufacturing	71*
Transportation/Communications/Utilities	59
Wholesale	54
Retail	37*
Finance	65
Service	51
State/Local Government	76*
Health Care	61*
ALL FIRMS	**53%**

NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.

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

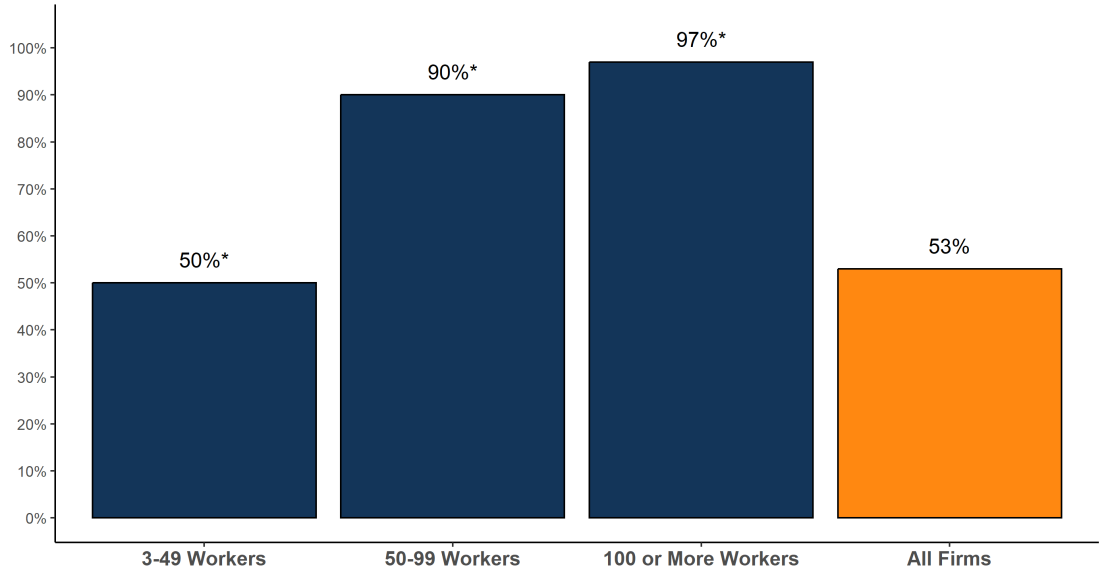
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.4
Percentage of Firms and Workers Offering Health Benefits, by Firm Size, 1999-2023



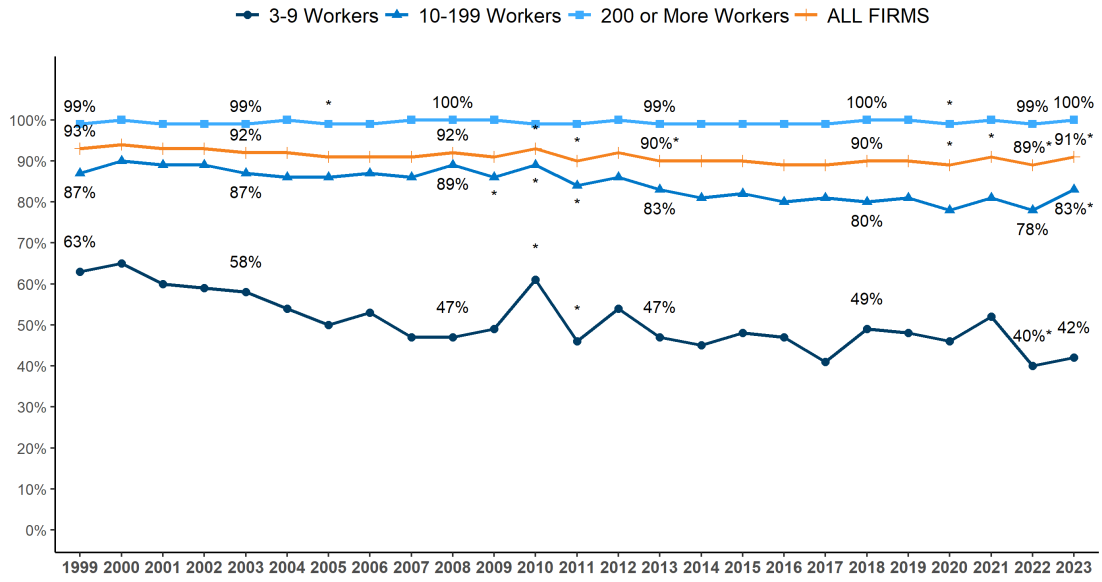
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Not all workers at a firm offering benefits are eligible or enrolled in their firm's health benefits.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 2.5
Percentage of Firms Offering Health Benefits to At Least Some of Their Workers, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.6
Percentage of Workers at Firms That Offer Health Benefits to at Least Some Workers, by Firm Size, 1999-2023



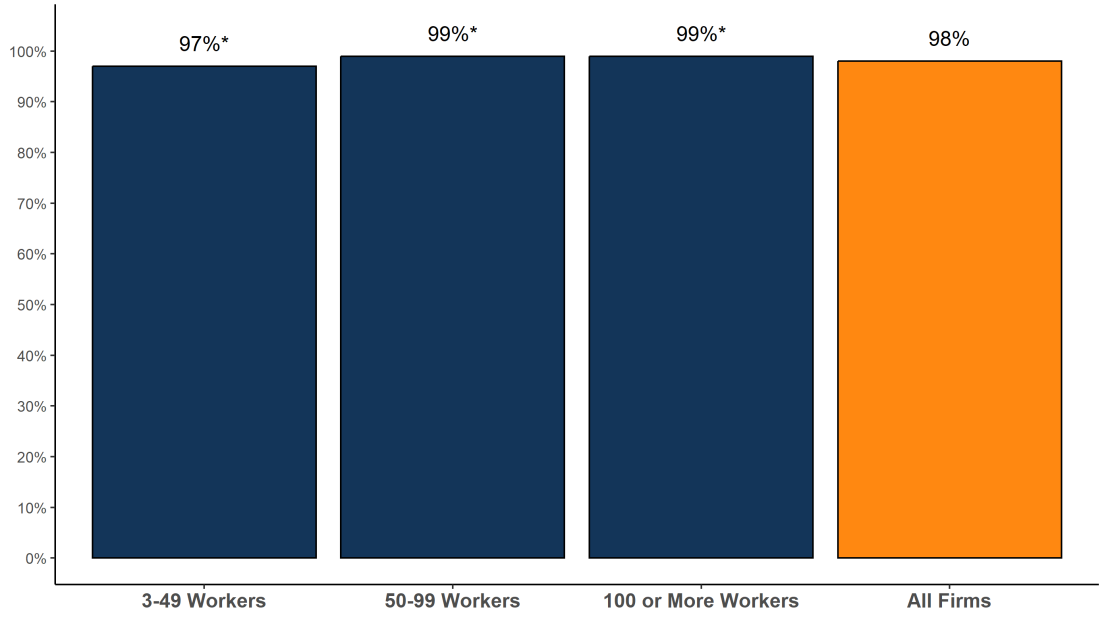
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Estimates are based on both the sample of firms that completed the entire survey and those that answered just one question about whether they offer health benefits (See Methods). Not all workers at a firm offering benefits are eligible or enrolled in their firm's health benefits.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

SPOUSES, DEPENDENTS, AND DOMESTIC PARTNER BENEFITS

- The vast majority of firms offering health benefits offer to spouses and dependents, such as children.
  - Ninety-five percent of small firms and 99% of large firms offering health benefits offer coverage to spouses, the same as the percentage of larger firms offering spousal coverage in 2020 (99%) [Figure 2.8].
  - Ninety-five percent of small firms and 99% of large firms offering health benefits cover dependents other than spouses, such as children, similar to the percentage of large firms offering dependent coverage in 2020 (100%) [Figure 2.8].
  - Four percent of small firms offering health benefits offer only single coverage to their workers, similar to the percentage in 2020 (4%) [Figure 2.8].
- Firms were also asked whether they offer health benefits to same-sex or opposite-sex domestic partners. While definitions may vary, employers often define domestic partners as an unmarried couple who has lived together for a specified period of time. Firms may define domestic partners separately from any legal requirements a state may have.
  - Thirty-two percent of firms offering health benefits offer coverage to opposite-sex domestic partners, similar to the 34% that did so in 2019 [Figure 2.9].
  - Thirty-eight percent of firms offering health benefits offer coverage to same-sex domestic partners, similar to the 43% that did so in 2019 [Figure 2.9].
  - Thirty-seven percent of large firms offering health benefits offer coverage to opposite-sex domestic partners, similar to the 36% that did so in 2019 [Figure 2.10].

- Forty-five percent of large firms offering health benefits offer coverage to same-sex domestic partners, similar to the 42% that did so in 2019 [Figure 2.10].
- When firms are asked if they offer health benefits to opposite or same-sex domestic partners, many small firms report that they have not encountered this issue. These firms may not have formal human resource policies on domestic partners simply because none of the firm's workers have asked to cover a domestic partner.
- Regarding health benefits for opposite-sex domestic partners, 22% of small firms report that they have not encountered this request or that the question was not applicable [Figure 2.9].
- Similarly, for health benefits for same-sex domestic partners, 30% of small firms report that they have not encountered the request or that the question was not applicable [Figure 2.9].

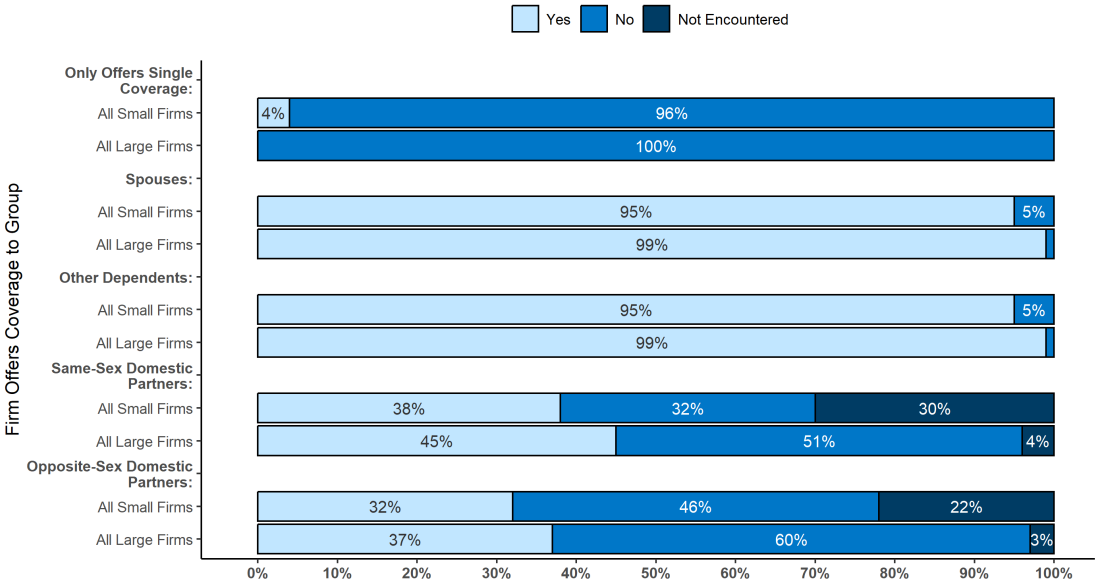
Figure 2.7
Percentage of Firms Offering Health Benefits Which Offer Family Coverage, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.8

Among Firms Offering Benefits, Percentage That Offer to Spouses, Dependents and Partners, by Firm Size, 2023



NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. 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.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.9

Among Firms Offering Health Benefits, Percentage That Offer to Unmarried Same-Sex and Opposite-Sex Domestic Partners, by Firm Size and Region, 2023

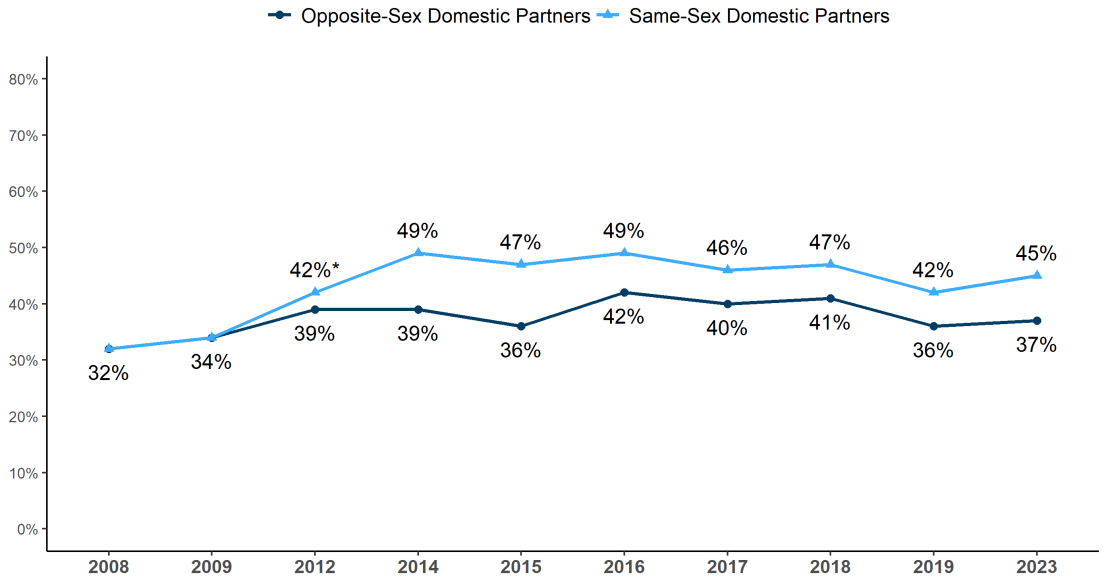
	Same-Sex			Opposite-Sex		
	Yes	No	Not Encountered	Yes	No	Not Encountered
FIRM SIZE						
3-24 Workers	35%*	30%	35%*	31%	45%	24%
25-199 Workers	45	37	17*	35	49	16
200-999 Workers	45	50*	4*	36	60*	3*
1,000-4,999 Workers	44	54*	3*	36	63*	1*
5,000 or More Workers	53*	47*	1*	47*	53	0*
All Small Firms (3-199 Workers)	**38%**	**32%***	**30%***	**32%**	**46%***	**22%***
All Large Firms (200 or More Workers)	**45%**	**51%***	**4%***	**37%**	**60%***	**3%***
REGION						
Northeast	40%	22%	38%	40%	38%	22%
Midwest	25*	49*	26	22*	62*	16
South	33	34	32	26	45	29
West	58*	22	20	45	41	15
ALL FIRMS	**38%**	**32%**	**30%**	**32%**	**46%**	**22%**

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.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.10
Among Large Firms Offering Health Benefits, Percentage That Offer to Unmarried Opposite-Sex and Same-Sex Domestic Partners, 2008-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. See Section 2 for the percentage of large firms indicating 'no' and 'not encountered'. These questions were not asked in all years.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008-2017

PART-TIME WORKERS

Among firms offering health benefits, relatively few offer benefits to their part-time workers.

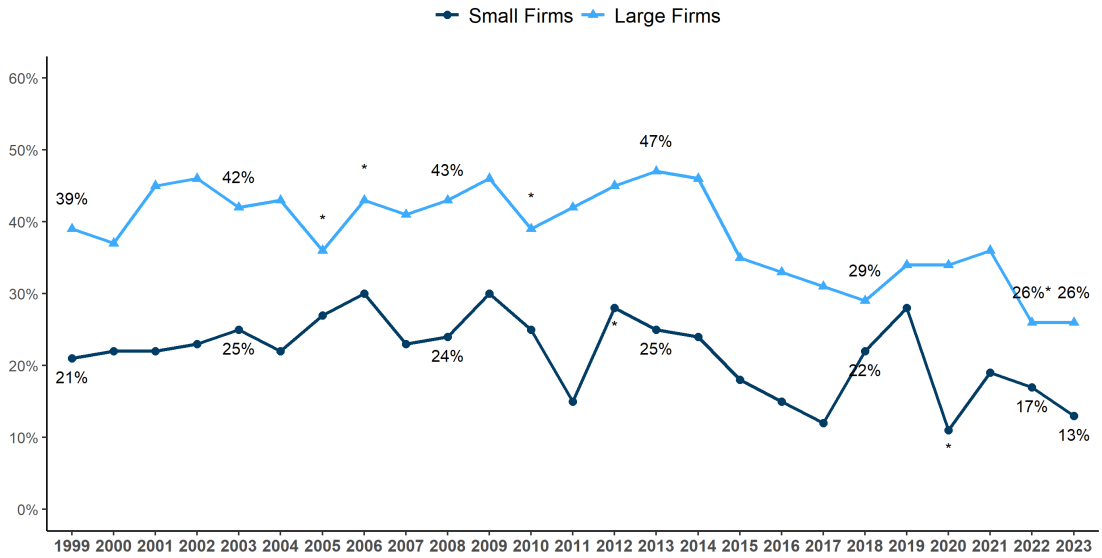
The Affordable Care Act (ACA) defines "full-time" workers as those who work an average of at least 30 hours per week, and "part-time" workers as those who work fewer than 30 hours. The employer shared responsibility provision of the ACA requires that firms with at least 50 full-time equivalent employees offer most of their full-time employees coverage that meets minimum standards or be assessed a penalty.[1]

Beginning in 2015, we modified the survey to explicitly ask employers whether they offered benefits to employees working fewer than 30 hours per week. The question did not previously include a definition of "part-time." For this reason, historical data on part-time offer rates are shown, but we did not test whether the differences between 2014 and 2015 were significant. Many employers use multiple definitions of "part-time" - one for compliance with legal requirements, and another for internal policies and programs.

- Twenty-six percent of large firms that offer health benefits in 2023 offer health benefits to part-time workers, the same percentage that did so in 2022 [Figure 2.11]. The share of large firms offering health benefits to part-time workers increases with firm size [Figure 2.12].

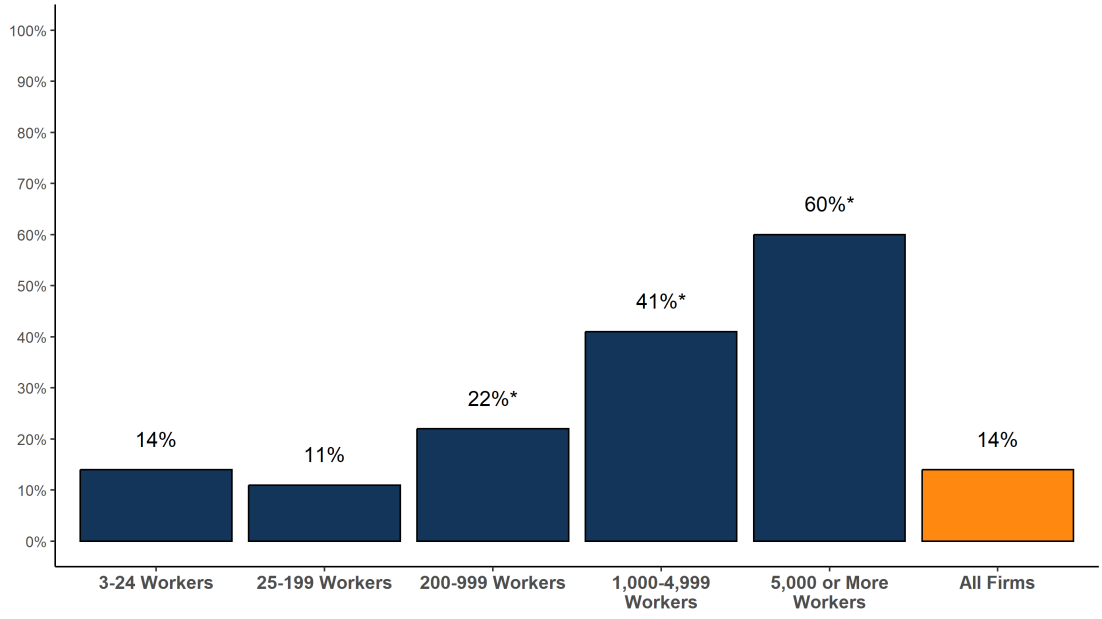
[1] Internal Revenue Code. 26 U.S. Code § 4980H - Shared responsibility for employers regarding health coverage. 2011. https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleD-chap43-sec4980H.pdf

Figure 2.11
Among Firms Offering Health Benefits, Percentage That Offer to Part-Time Workers, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Prior to 2015, each respondent defined part-time according to their firm's policies; starting in 2015, respondents were asked whether employees working fewer than 30 hours per week were eligible for benefits. There was no statistical testing between 2014 and 2015.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 2.12
Among Firms Offering Health Benefits, Percentage That Offer to Part-Time Workers, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Firm size categories are determined by the number of workers at a firm, which may include full-time and part-time workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

VOLUNTARY INSURANCE BENEFITS

Many firms offer voluntary benefits to their workers, separate from coverage provided through their health plans. These plans can help with costs that are not covered by the health plan, or provide additional financial assistance if an enrollee is hospitalized or develops a serious health condition. Employers might contribute toward the cost of these benefits, or employees might pay the entire cost.

- Among firms offering health benefits in 2023, 90% of small firms and 94% of large firms offer a dental insurance program to their workers, separate from any plan included in their health benefits plan [Figure 2.13].
  - Sixty percent of firms offering a dental program to their workers make a contribution toward the cost of coverage [Figure 2.14].
- Among firms offering health benefits in 2023, 80% of small firms and 88% of large firms offer a vision insurance program to their workers, separate from any plan included in their health benefits plan [Figure 2.13].
  - Thirty-five percent of firms offering a vision program to their workers make a contribution toward the cost of coverage [Figure 2.14].
- Among firms offering health benefits in 2023, 49% of small firms and 58% of large firms offer critical illness insurance to their workers [Figure 2.13].
  - Four percent of firms offering critical illness insurance to their workers make a contribution toward the cost of coverage [Figure 2.14].
- Among firms offering health benefits in 2023, 25% offer long-term care insurance to their workers [Figure 2.13].
  - Thirty-nine percent of firms offering long-term care insurance to their workers make a contribution toward the cost of coverage [Figure 2.14].

Figure 2.13

Among Firms Offering Health Benefits, Percentage of Firms That Offer Voluntary Benefits in Addition to the Health Plan, by Firm Size, Region and Industry, 2023

	Separate Dental Insurance	Separate Vision Insurance	Separate Critical Illness Insurance	Separate Hospital Indemnity Insurance	Separate Long Term Care Insurance
FIRM SIZE					
50-199 Workers	90%*	80%*	49%*	30%	25%
200-999 Workers	94	87*	56	35	27
1,000-4,999 Workers	95*	90*	65*	49*	22
5,000 or More Workers	96*	88	62*	40	28
All Small Firms (3-199 Workers)	**90%***	**80%***	**49%***	**30%**	**25%**
All Large Firms (200 or More Workers)	**94%***	**88%***	**58%***	**37%**	**26%**
REGION					
Northeast	96%*	78%	55%	35%	29%
Midwest	88	82	39*	23*	17*
South	92	88*	60*	36	30
West	86	74*	48	31	25
INDUSTRY					
Agriculture/Mining/Construction	86%	78%	29%*	7%*	23%
Manufacturing	95	84	54	34	25
Transportation/Communications/Utilities	93	92	49	48	21
Wholesale	86	70	56	32	27
Retail	86	81	63	38	24
Finance	96	84	72*	59*	35
Service	91	84	43*	23*	23
State/Local Government	81	72	55	36	32
Health Care	92	80	61	42	26
ALL FIRMS	**91%**	**82%**	**51%**	**32%**	**25%**

NOTE: Critical illness insurance provides a cash benefit when an enrollee is diagnosed with a specified condition, such as cancer. Hospital indemnity plans provide a cash benefit when an enrollee is admitted to the hospital or has a certain type of outpatient surgery. Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to voluntary benefits that are separate from coverage their health plans might include.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.14

Among Firms Offering Health Benefits, Percentage That Offer Voluntary Benefits in Addition to Benefits Offered Through the Health Plan, by Firm Size, 2023

	Dental		Vision		Critical Illness		Hospital Indemnity		Long Term Care	
	Offers Insurance Separately	Among Firms With Separate Offers, Share That Contribute	Offers Insurance Separately	Among Firms With Separate Offers, Share That Contribute	Offers Insurance Separately	Among Firms With Separate Offers, Share That Contribute	Offers Insurance Separately	Among Firms With Separate Offers, Share That Contribute	Offers Insurance Separately	Among Firms With Separate Offers, Share That Contribute
FIRM SIZE										
200-999 Workers	94%	67%*	87%*	39%	56%	3%	35%	3%	27%	35%
1,000-4,999 Workers	95*	74*	90*	31	65*	2	49*	2	22	37
5,000 or More Workers	96*	77*	88	39	62*	7	40	4	28	18*
All Small Firms (3-199 Workers)	**90%***	**57%***	**80%***	**34%**	**49%***	**4%**	**30%**	**3%**	**25%**	**40%**
All Large Firms (200 or More Workers)	**94%***	**69%***	**88%***	**38%**	**58%***	**3%**	**37%**	**3%**	**26%**	**34%**
ALL FIRMS	**91%**	**60%**	**82%**	**35%**	**51%**	**4%**	**32%**	**3%**	**25%**	**39%**

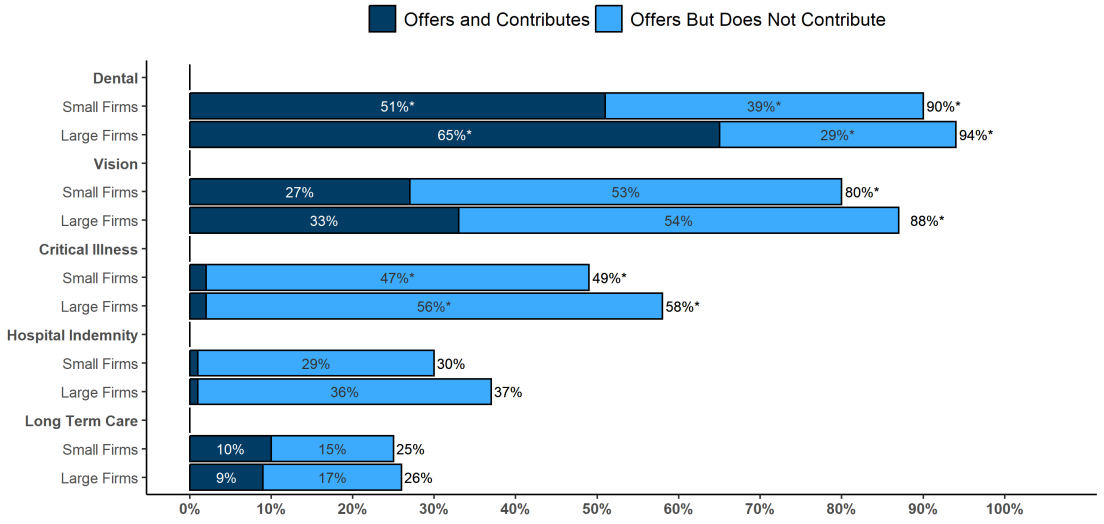
NOTE: Critical illness insurance provides a cash benefit when an enrollee is diagnosed with a specified condition, such as cancer. Hospital indemnity plans provide a cash benefit when an enrollee is admitted to the hospital or has a certain type of outpatient surgery. Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to voluntary benefits that are separate from coverage their health plans might include.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.15

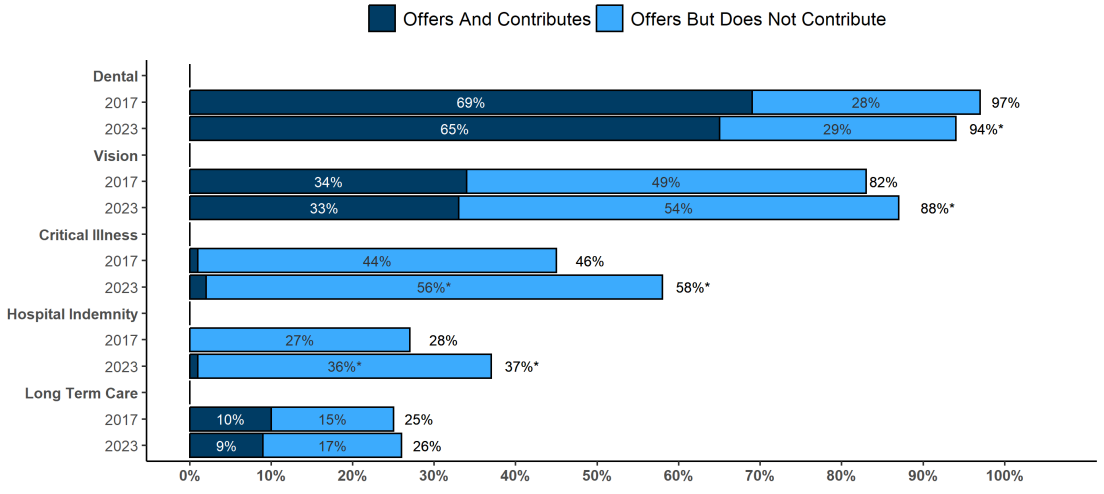
Among Firms Offering Health Benefits, Percentage of Firms That Offer Voluntary Insurance Benefits in Addition to Benefits Offered Through the Health Plan, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Critical illness insurance provides a cash benefit when an enrollee is diagnosed with a specified condition, such as cancer. Hospital indemnity plans provide a cash benefit when an enrollee is admitted to the hospital or has a certain type of outpatient surgery. Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to voluntary benefits that are separate from any their health plans might include.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.16

Among Large Firms Offering Health Benefits, Percentage of Firms That Offer Voluntary Insurance Benefits in Addition to Benefits Offered Through the Health Plan, by Firm Size, 2017-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. Critical illness insurance provides a cash benefit when an enrollee is diagnosed with a specified condition, such as cancer. Hospital indemnity plans provide a cash benefit when an enrollee is admitted to the hospital or has a certain type of outpatient surgery. Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to voluntary benefits that are separate from any their health plans might include.
SOURCE: KFF Employer Health Benefits Survey, 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017

Figure 2.17

Among Firms Offering Health Benefits, Percentage of Firms That Offer or Contribute to a Separate Benefit Plan Providing Dental or Vision Benefits, by Firm Size, 2000-2023

	2000	2003	2006	2008	2010	2012	2014	2017	2019	2023
Separate Dental Benefits										
Small Firms	30%	37%	49%*	42%	45%	53%	52%	67%*	59%	90%*
Large Firms	60%	78%*	79%	81%	87%*	89%	88%	97%*	92%*	94%
ALL FIRMS	**31%**	**38%**	**50%***	**43%**	**46%**	**54%**	**53%**	**68%***	**60%**	**91%***
Separate Vision Benefits										
Small Firms			20%	15%	16%	27%*	34%	47%*	44%	80%*
Large Firms			42%	47%	53%	62%*	63%	82%*	83%	88%
ALL FIRMS			**20%**	**16%**	**17%**	**27%***	**35%**	**49%***	**46%**	**82%***

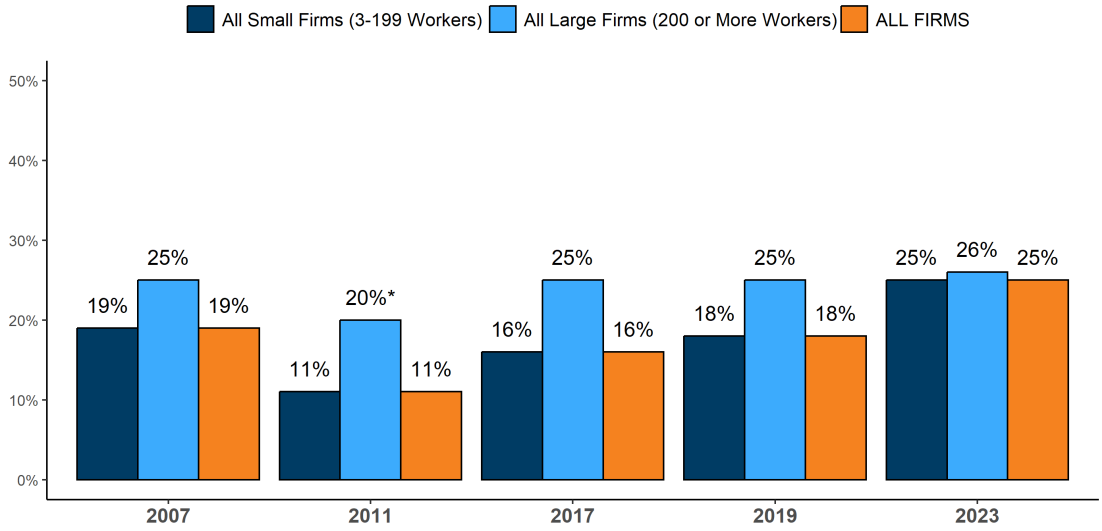
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Data on vision benefits was not collected in 2000 and 2003. The survey asks firms that offer health benefits if they offer or contribute to a dental or vision insurance program that is separate from any dental or vision coverage their health plans might include.

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

SOURCE: KFF Employer Health Benefits Survey, 2019-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2017

Figure 2.18

Among Firms Offering Health Benefits, Percentage of Firms That Offer Long Term Care Insurance in Addition to Benefits Offered Through the Health Plan, by Firm Size, 2007-2023



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

NOTE: Long term care insurance covers assistance with daily living not generally covered by health insurance such as care from a home health worker or nursing home. The survey asks firms that offer health benefits if they offer or contribute to long term care insurance that is separate from any coverage their health plans might include.

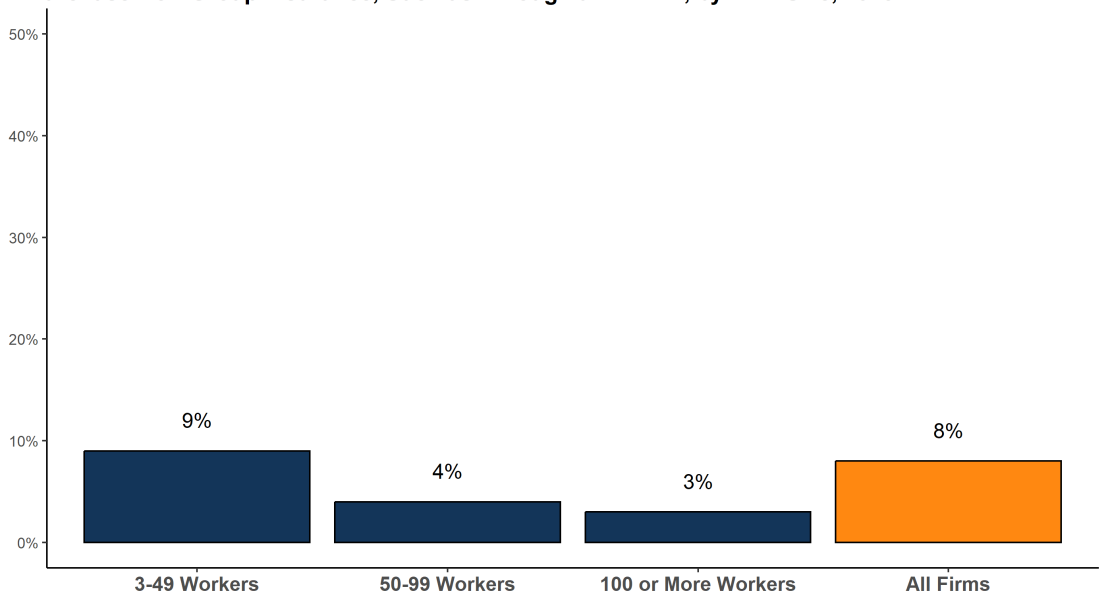
SOURCE: KFF Employer Health Benefits Survey, 2019 and 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007, 2011, and 2017

ICHRA AND ASSISTING EMPLOYEES WITH PURCHASING COVERAGE IN THE NON-GROUP MARKET

Some employers provide funds to some or all of their employees to help them purchase coverage in the individual ("non-group") market. Employers that do not otherwise offer health benefits may offer these funds as an alternative to offering a group plan. Additionally, employers that offer a group plan to some employees may use this approach for other types or classes of workers, such as part-time employees. One way an employer can provide tax-preferred assistance for employees to purchase non-group coverage is through an Individual Coverage Health Reimbursement Arrangement, or ICHRA. Both employers that offer and those that do not offer health benefits were asked if they provide funds to any employee to purchase non-group coverage.

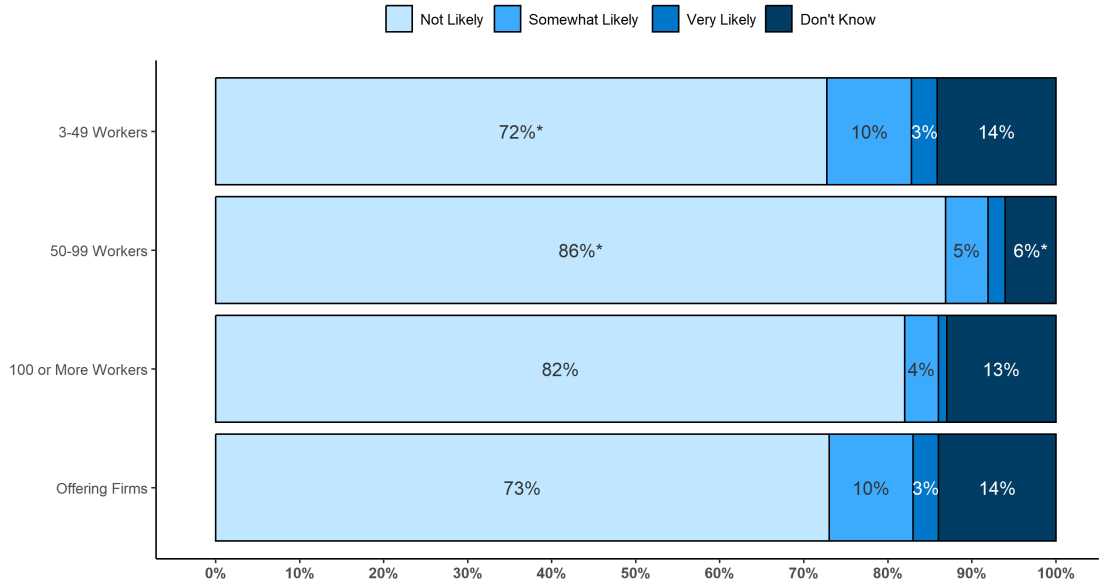
- Eight percent of firms offering health benefits, and 12% of firms not offering health benefits, offered funds to one or more of their employees to purchase non-group coverage in 2023 [Figure 2.19].
  - Among small firms not offering health benefits, 12% offered funds to one or more of their employees to purchase non-group coverage, a similar percentage (7%) as last year [Figure 2.21].
- Among firms offering health benefits that do not offer funds to any employees to purchase non-group coverage in 2023, 3% say they are "very likely" and an additional 10% are "somewhat likely" to offer an ICHRA to at least some employees in the next two years [Figure 2.20]. Among small firms not offering health benefits that do not offer funds to any employees to purchase non-group coverage in 2023, only 2% say they are "very likely" and an additional 16% say they are "somewhat likely" to offer an ICHRA to at least some employees in the next two years [Figure 2.22].

Figure 2.19
Among Firms Offering Health Benefits, Percentage of Firms That Provide Workers Funds to Purchase Non-Group Insurance, Such as Through an ICHRA, by Firm Size, 2023



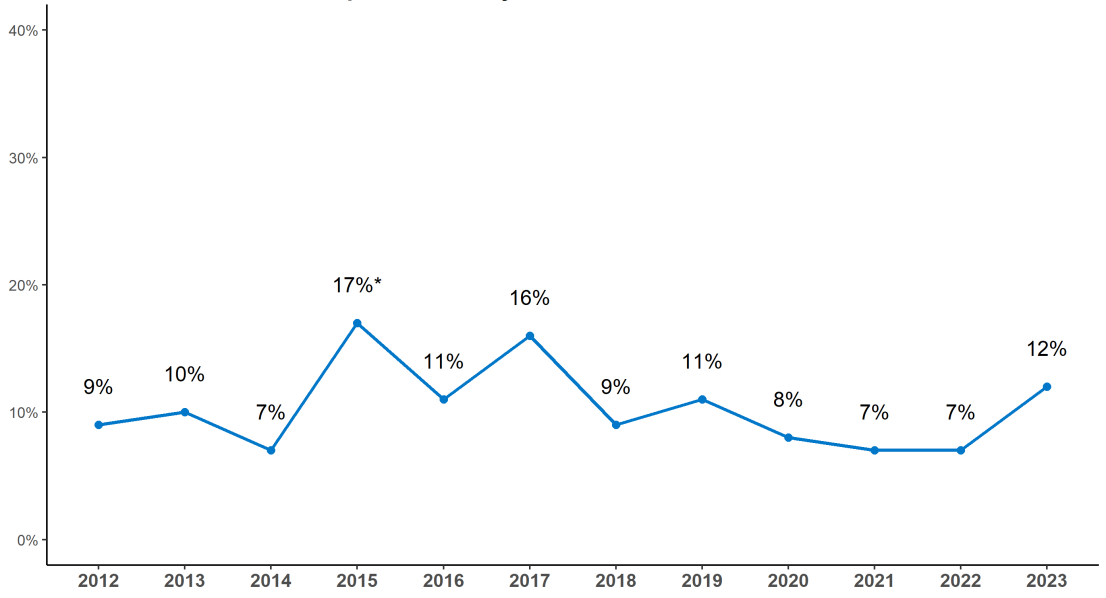
Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Funds may be provided through an ICHRA. An Individual Coverage Health Reimbursement Arrangement (ICHRA) allows employers to reimburse their employees tax-free for premiums, cost-sharing as well as some other health services and equipment
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.20
Among Firms Offering Health Benefits, How Likely is Firm to Offer an ICHRA in the Next Two Years, by Firm Size, 2023



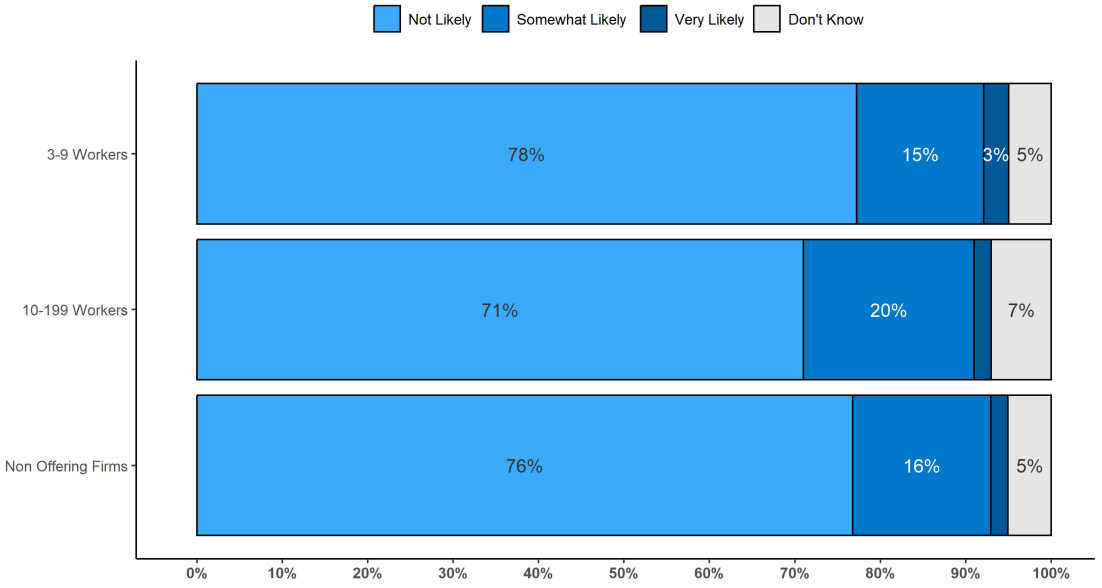
* Estimates are statistically different from each other within category ($p < .05$).
NOTE: An Individual Coverage Health Reimbursement Arrangement (ICHRA) allows employers to reimburse their employees tax-free for premiums, cost-sharing as well as some other health services and equipment
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.21
Among Small Firms Not Offering Health Benefits, Percentage of Firms That Provide Workers Funds to Purchase Non-Group Insurance, by Firm Size, 2012-2023



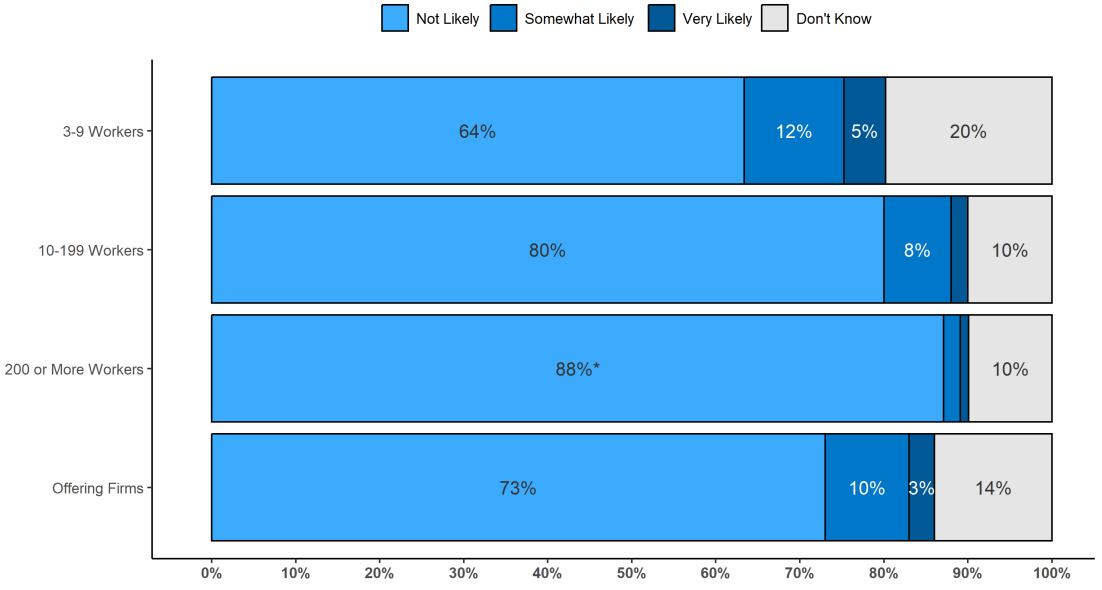
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers. Funds may be provided through an ICHRA. An Individual Coverage Health Reimbursement Arrangement (ICHRA) allows employers to reimburse their employees tax-free for premiums, cost-sharing as well as some other health services and equipment
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2012-2017

Figure 2.22
Among Small Firms Not Offering Health Benefits, How Likely is Firm to Offer an ICHRA in the Next Two Years, by Firm Size, 2023



Tests found no statistical difference from each other within category ($p < .05$).
NOTE: Small Firms have 3-199 workers. An Individual Coverage Health Reimbursement Arrangement (ICHRA) allows employers to reimburse their employees tax-free for premiums, cost-sharing as well as some other health services and equipment
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.23
Among Firms Offering Health Benefits, How Likely is Firm to Offer an ICHRA in the Next Two Years, by Firm Size, 2023



* Estimates are statistically different from each other within category ($p < .05$).
NOTE: An Individual Coverage Health Reimbursement Arrangement (ICHRA) allows employers to reimburse their employees tax-free for premiums, cost-sharing as well as some other health services and equipment
SOURCE: KFF Employer Health Benefits Survey, 2023

FIRMS NOT OFFERING HEALTH BENEFITS

- The survey asks firms that do not offer health benefits several questions, including whether they have offered insurance or shopped for insurance in the recent past, what their most important reasons for not offering coverage are, and their opinion on whether their employees would prefer an increase in wages or health insurance if additional funds were available to increase their compensation. Because such a small percentage of large firms report not offering health benefits, we present responses for small non-offering firms only.
  - The "firm is too small" and the "cost of insurance is too high" are the most common reasons small firms cite for not offering health benefits. Among small firms asked about the most important reason for not offering health benefits, 31% say the "firm is too small," 26% say the cost of insurance is too high, 14% say their "employees are covered under another plan, including coverage on a spouse's plan" and 7% say their "employees are not interested." A few small firms indicate that they do not offer health benefits because they believe employees will get a better deal on the health insurance exchanges (6%) [Figure 2.24].
- Some small non-offering firms have either offered health insurance in the past five years or shopped for health insurance in the past year.
  - Eleven percent of small non-offering firms have offered health benefits in the past five years, similar to the percentage reported last year [Figure 2.25]. Among these small non-offering firms, 47% stopped offering coverage within the past year.
  - Thirteen percent of small non-offering firms have shopped for coverage in the past year, the same as the percentage last year (13%) [Figure 2.25].
- Seventy-two percent of small firms not offering health benefits agreed with the statement that their employees would prefer a two dollar per hour increase in wages rather than health insurance. [Figure 2.26].
- Non-offering firms were asked about the importance of health insurance marketplaces and Medicaid in providing coverage options for their employees.
  - Fifty-nine percent of small non-offering firms indicated that health insurance marketplaces are "very important" or "somewhat important" in providing coverage options for their employees [Figure 2.27].
  - Forty-four percent of small non-offering firms indicated that Medicaid is "very important" or "somewhat important" in providing coverage to one or more of their employees [Figure 2.27].

Figure 2.24

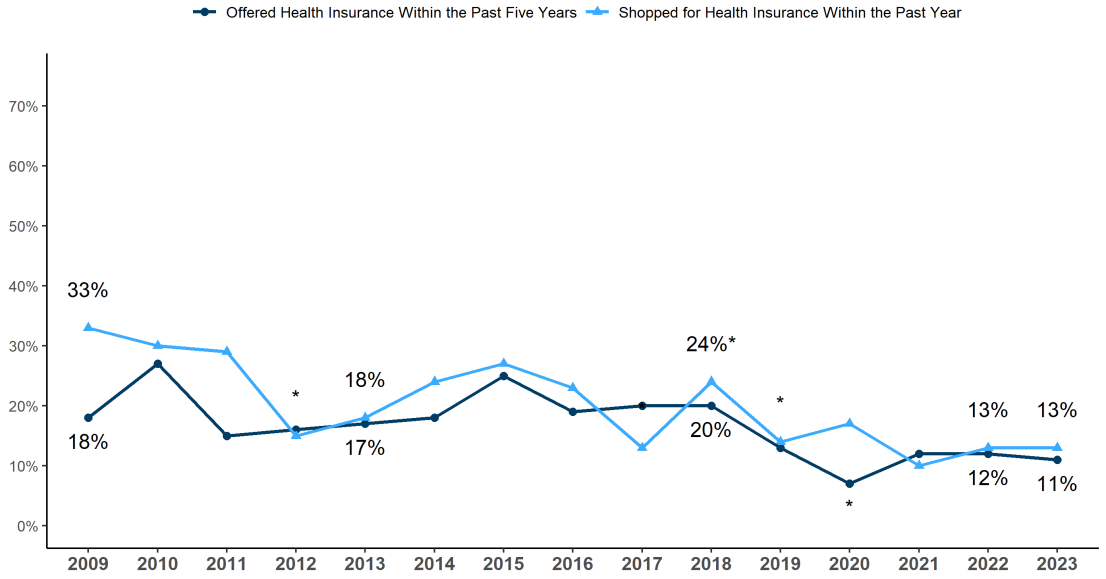
Among Small Firms Not Offering Health Benefits, Most Important Reason for Not Offering, 2023

	3-9 Workers	10-199 Workers	All Small Firms
Cost of Health Insurance Too High	22%	41%	**26%**
Firm Is Too Small	34%	19%	**31%**
Employees Are Covered Under Another Plan, Including Spouse's	16%	10%	**14%**
Employees Will Get a Better Deal On Health Insurance Exchanges	6%	4%	**6%**
Employee Turnover Is Too Great	1%	6%	**2%**
No Interest/Employees Do Not Want It	7%	7%	**7%**
Most Employees Are Part-Time or Temporary Workers	11%	10%	**11%**
Other	2%	1%	**2%**
Don't Know	1%	3%	**1%**

NOTE: Small Firms have 3-199 workers.

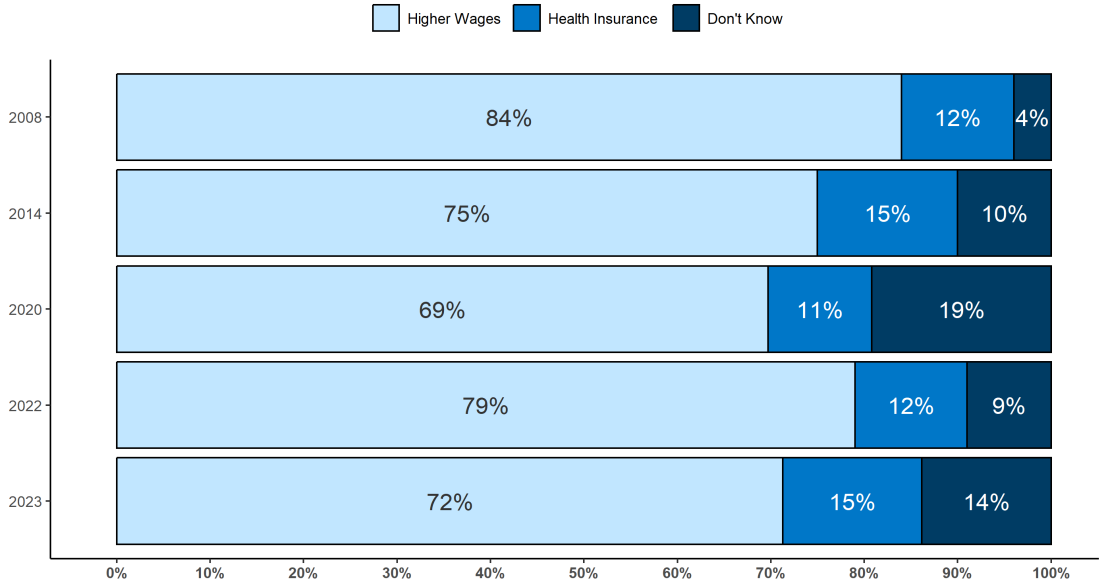
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 2.25
Among Small Firms Not Offering Health Benefits, Percentage of Firms That Report the Following Actions, 2009-2023



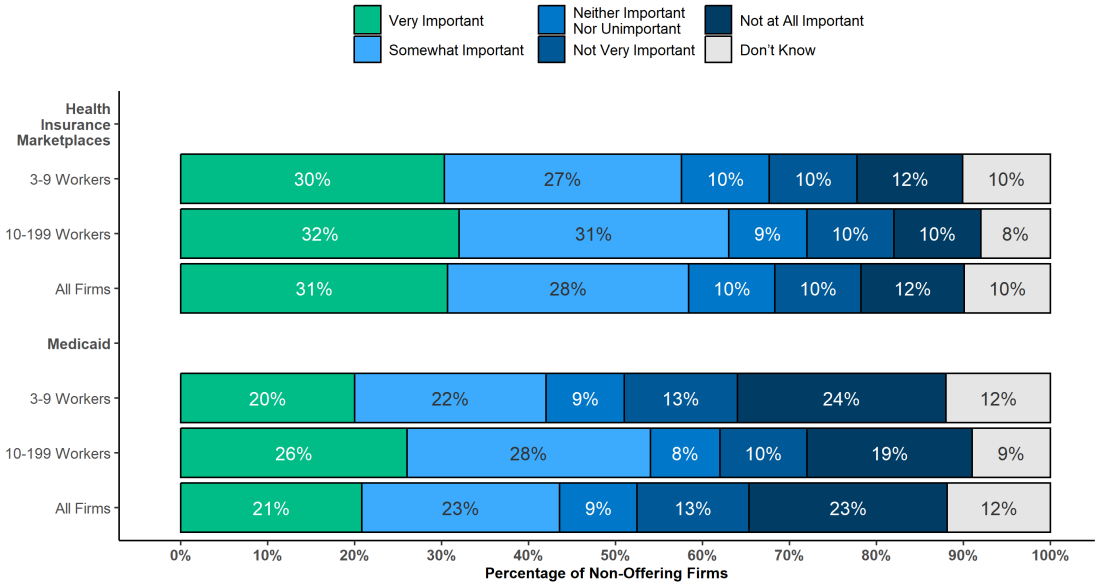
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers. 47% of small non-offering firms who indicated they had offered health insurance in the past five years said they stopped offering health benefits in the past 12 months.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

Figure 2.26
Among Small Firms Not Offering Health Benefits, Firms' View of Employees' Preference for Higher Wages or Health Insurance Benefits, 2008-2023



NOTE: Small Firms have 3-199 workers. The question asks firms whether they believe employees would rather receive an additional $2 per hour in the form of higher wages or health insurance.
SOURCE: KFF Employer Health Benefits Survey, 2020-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008-2014

Figure 2.27
Among Small Firms Not Offering Health Benefits, How Important Are Marketplace and Medicaid Coverage For Employees, 2023



NOTE: Small Firms have 3-199 workers. The health insurance marketplaces are online marketplaces established by the Affordable Care Act where qualified individuals can purchase subsidized coverage
SOURCE: KFF Employer Health Benefits Survey, 2023

Employer Health Benefits

2023 Annual Survey

Employee Coverage, Eligibility, and Participation

SECTION

3

Section 3

Employee Coverage, Eligibility, and Participation

Employers are the principal source of health insurance in the United States, providing health benefits for almost 153 million nonelderly people.[1] Most workers are offered health coverage at work, and most of the workers who are offered coverage take it. Workers may not be covered by their own employer for several reasons: their employer may not offer coverage, they may not be eligible for the benefits offered by their firm, they may elect to receive coverage from another source (such as through their spouse's employer), or they may just refuse the offer of coverage from their firm. In 2023, 59% of workers in firms offering health benefits are covered by their own firm, similar to the percentages last year, five years ago, and ten years ago.

ELIGIBILITY

- Even in firms that offer health benefits, some workers may not be eligible to participate.[2] Many firms, for example, do not offer coverage to part-time or temporary workers. Among workers in firms offering health benefits in 2023, 79% are eligible to enroll in the benefits offered by their firm, similar to the percentages last year, five years ago, and ten years ago for large firms. For small firms, the percentage eligible to enroll in benefits offered by their firm (82%) is different from last year (79%), but similar to the percentages five years ago and ten years ago. [Figures 3.1 and 3.2].
  - Eligibility varies considerably by firm wage level. Workers in firms with a relatively large share of lower-wage workers (where at least 35% of workers earn $31,000 a year or less) have a lower average eligibility rate than workers in firms with a smaller share of lower-wage workers (65% vs. 81%) [Figure 3.6].
  - Workers in firms with a relatively large share of higher-wage workers (where at least 35% earn $72,000 or more annually) have a higher average eligibility rate than workers in firms with a smaller share of higher-wage workers (86% vs. 74%) [Figure 3.6].
  - Eligibility also varies by the age of the workforce. Those in firms with a relatively small share of younger workers (where fewer than 35% of the workers are age 26 or younger) have a higher average eligibility rate than those in firms with a larger share of younger workers (81% vs. 66%). Those in firms with a relatively large share of older workers (where more than 35% of the workers are age 50 or older) have a higher average eligibility rate than those in firms with a smaller share of older workers (85% vs. 74%) [Figure 3.6].
  - Eligibility rates vary considerably for workers in different industries. The average eligibility rate remains particularly low for workers in retail firms (54%) [Figure 3.3].

[1] KFF. Health Insurance Coverage of the Nonelderly [Internet]. San Francisco (CA): KFF; 2021 [cited 2023 July 31]. Available from: https://www.kff.org/other/state-indicator/nonelderly-0-64/ Estimate from the KFF's analysis of the 2021 American Community Survey.
[2] See Section 2 for part-time and temporary worker offer rates.

Figure 3.1

Eligibility, Take-Up, and Coverage Rates for Workers in Firms Offering Health Benefits, by Firm Size, 1999-2023

	Percentage Eligible			Percentage of Eligible That Take Up			Percentage Covered		
	Small Firms	Large Firms	All Firms	Small Firms	Large Firms	All Firms	Small Firms	Large Firms	All Firms
1999	81%	78%	79%	83%	86%	85%	67%	66%	66%
2000	82%	80%	81%	83%	84%	84%	68%	67%	68%
2001	85%	82%	83%	83%	85%	84%	71%	69%	70%
2002	82%*	80%	81%*	82%	86%	85%	67%*	69%	68%
2003	84%	80%	81%	81%	85%	84%	68%	68%	68%
2004	80%	81%	80%	80%	84%	83%	64%	68%	67%
2005	81%	79%	80%	81%	85%	83%	65%	67%	66%
2006	83%	76%	78%	81%	84%	83%	67%	63%	65%
2007	80%	78%	79%	80%	84%	82%	64%	65%	65%
2008	81%	79%	80%	80%	84%	82%	65%	66%	65%
2009	81%	79%	79%	79%	82%	81%	64%	65%	65%
2010	82%	77%	79%	77%	82%	80%	63%	63%	63%
2011	83%	78%	79%	78%	83%	81%	65%	65%	65%
2012	78%*	76%	77%	78%	82%	81%	61%	62%	62%
2013	80%	76%	77%	77%	81%	80%	62%	62%	62%
2014	79%	76%	77%	77%	81%	80%	61%	62%	62%
2015	81%	79%	79%	76%	81%	79%	61%	63%	63%
2016	82%	78%	79%	77%	79%	79%	63%	62%	62%
2017	82%	78%	79%	75%	79%	78%	62%	62%	62%
2018	82%	77%	79%	73%	78%	76%	60%	60%	60%
2019	82%	79%	80%	74%	78%	76%	60%	61%	61%
2020	84%	81%	82%	74%	80%	78%	61%	65%	64%
2021	81%	81%	81%	75%	78%	77%	60%	63%	62%
2022	79%	78%	78%	73%	78%	77%	58%	61%	60%
2023	82%*	78%	79%	71%	76%	75%	58%	60%	59%

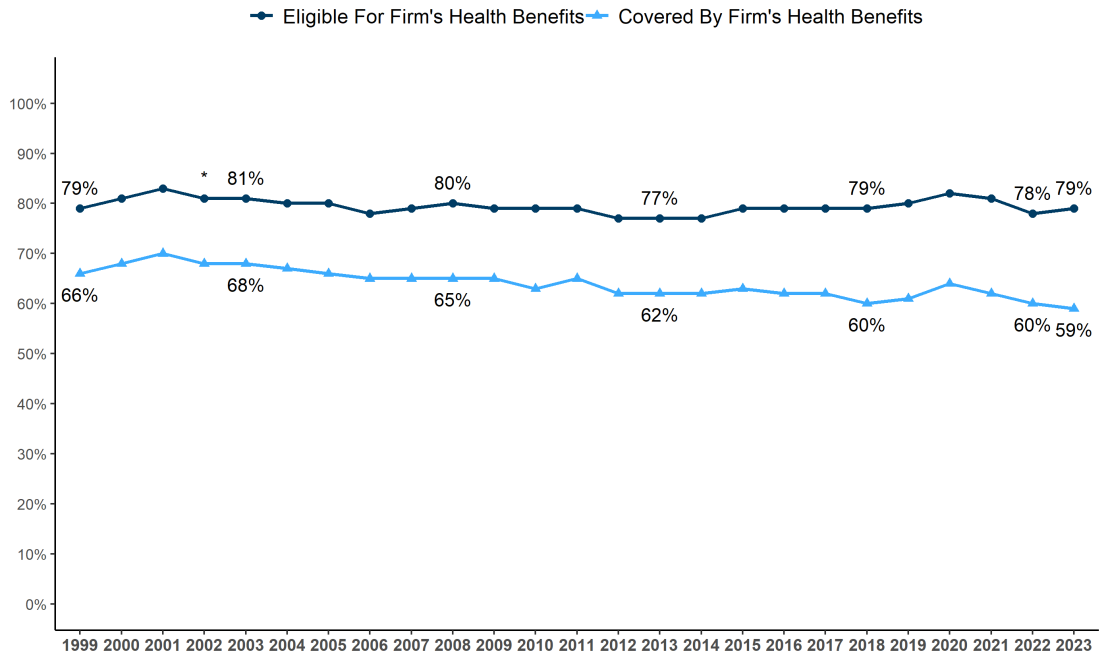
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 3.2

Eligibility and Coverage Rates for Workers in Firms Offering Health Benefits, 1999-2023



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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 3.3

Eligibility, Take-Up, and Coverage Rates in Firms Offering Health Benefits, by Firm Size, Region, and Industry, 2023

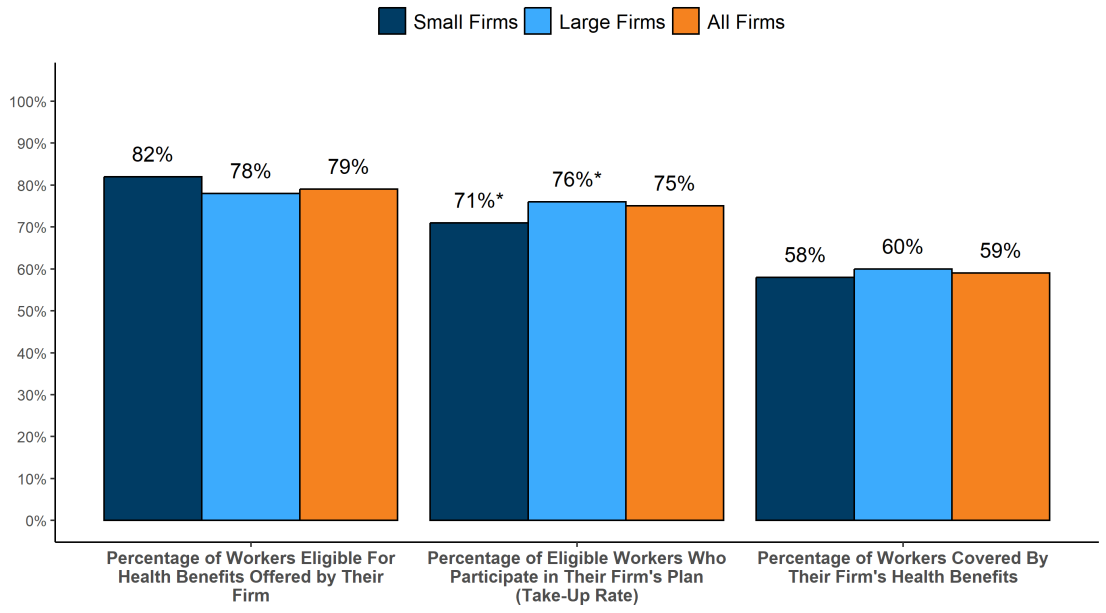
	Percentage of Workers Eligible for Health Benefits Offered by Their Firm	Percentage of Eligible Workers Who Participate in Their Firm's Plan (Take-Up Rate)	Percentage of Workers Covered by Their Firm's Health Benefits
FIRM SIZE			
3-24 Workers	85%*	71%*	60%
25-49 Workers	83	72	59
50-199 Workers	80	70*	56
200-999 Workers	82	74	61
1,000-4,999 Workers	83*	77	64*
5,000 or More Workers	75*	77	58
All Small Firms (3-199 Workers)	**82%**	**71%***	**58%**
All Large Firms (200 or More Workers)	**78%**	**76%***	**60%**
REGION			
Northeast	77%	75%	57%
Midwest	79	72	56
South	82	75	62
West	76	78*	59
INDUSTRY			
Agriculture/Mining/Construction	79%	71%	56%
Manufacturing	93*	79*	74*
Transportation/Communications/Utilities	89*	86*	77*
Wholesale	87*	77	67*
Retail	54*	65*	36*
Finance	92*	81*	75*
Service	76	70*	53*
State/Local Government	88*	90*	79*
Health Care	81	73	59
ALL FIRMS	**79%**	**75%**	**59%**

* Estimate for eligibility, take-up, or coverage rate is statistically different from all other firms not in the indicated size, region, or industry category ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.4

Eligibility, Take-Up, and Coverage Rates in Firms Offering Health Benefits, by Firm Size, 2023

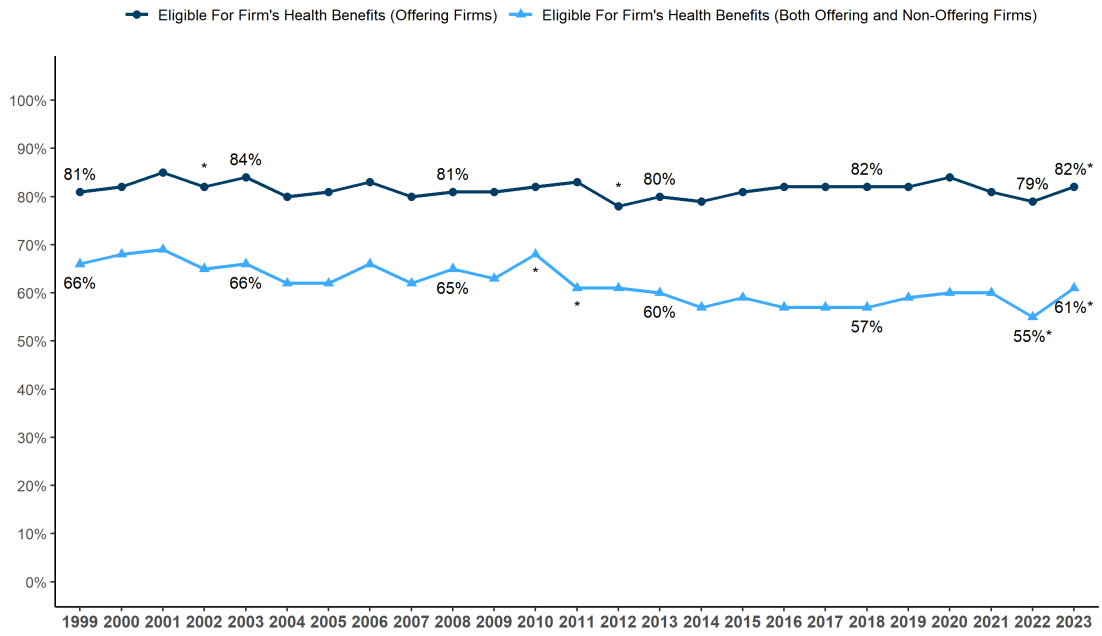


* Estimate for eligibility, take-up, or coverage rate is statistically different between large and small firms ($p < .05$).

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

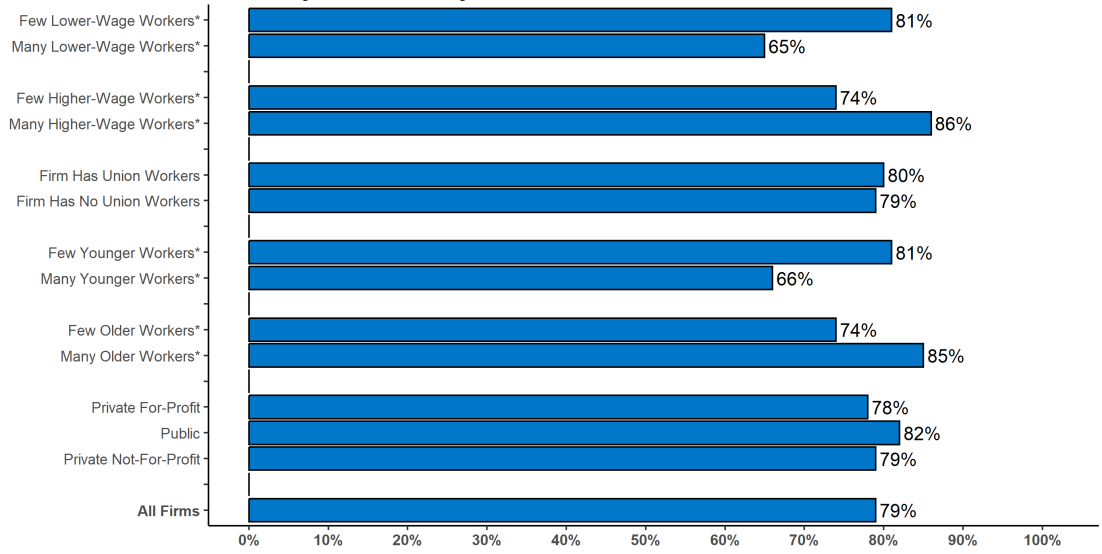
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.5
Among Workers at Small Firms, Eligibility for Workers At Their Own Firms, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: By definition, no workers at non-offering firms are eligible for health benefits. Small Firms have 3-199 workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 3.6
Among Workers in Firms Offering Health Benefits, Percentage of Workers Eligible for Health Benefits Offered by Their Firm, by Firm Characteristics, 2023



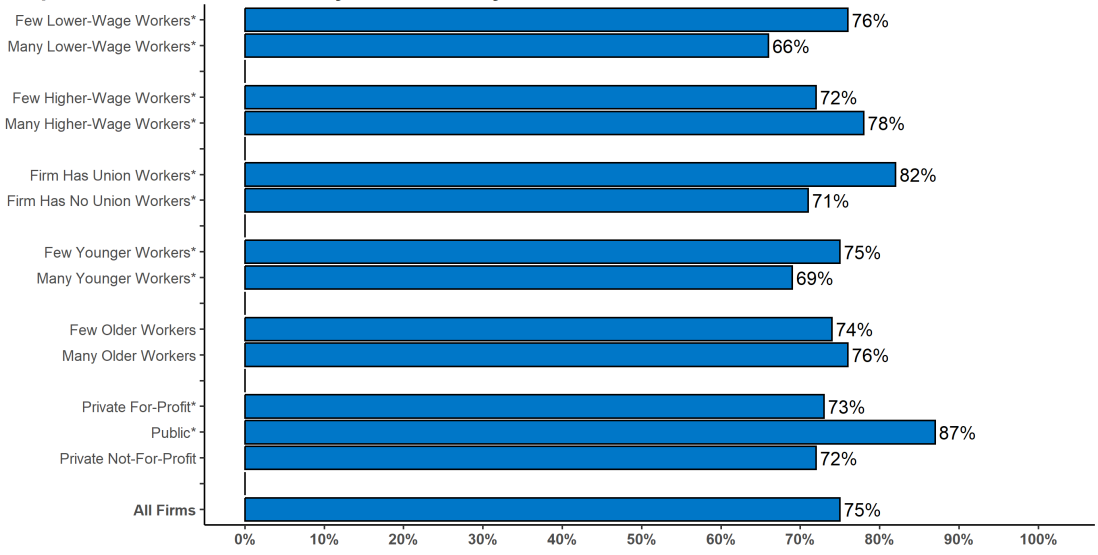
* Estimates are statistically different from each other within category ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

TAKE-UP RATE

- Seventy-five percent of eligible workers take up coverage when it is offered to them, similar to the percentage last year [Figure 3.7].[3]
  - Eligible workers in small firms have a lower average take up rate than those in larger firms (71% vs. 76%) [Figure 3.8].
  - The likelihood of a worker accepting a firm's offer of coverage varies by firm wage level. Eligible workers in firms with a relatively large share of lower-wage workers have a lower average take up rate than eligible workers in firms with a smaller share of lower-wage workers (66% vs. 76%) [Figure 3.7].
  - Eligible workers in firms with a relatively large share of higher-wage workers have a higher average take up rate than those in firms with a smaller share of higher-wage workers (78% vs. 72%) [Figure 3.7].
  - The likelihood of a worker accepting a firm's offer of coverage also varies with the age distribution of the workforce. Eligible workers in firms with a relatively large share of younger workers have a lower average take up rate than those in firms with a smaller share of younger workers (69% vs. 75%) [Figure 3.7].
  - Eligible workers in private, for-profit firms have a lower average take up rate (73%) and eligible workers in public firms have a higher average take up rate (87%) than workers in other firm types [Figure 3.7].
  - Eligible workers in firms with some union workers have a higher average take up rate (82%) than eligible workers in firms with no union workers (71%) [Figure 3.7].
- The average percentages of eligible workers taking up benefits in offering firms also varies across industries, with workers in retail and service firms having the lowest take up rates [Figure 3.3].
- The share of eligible workers taking up benefits in offering firms (75%) is similar to the share in 2018 (76%) but lower than the share in 2013 (80%) [Figure 3.1].

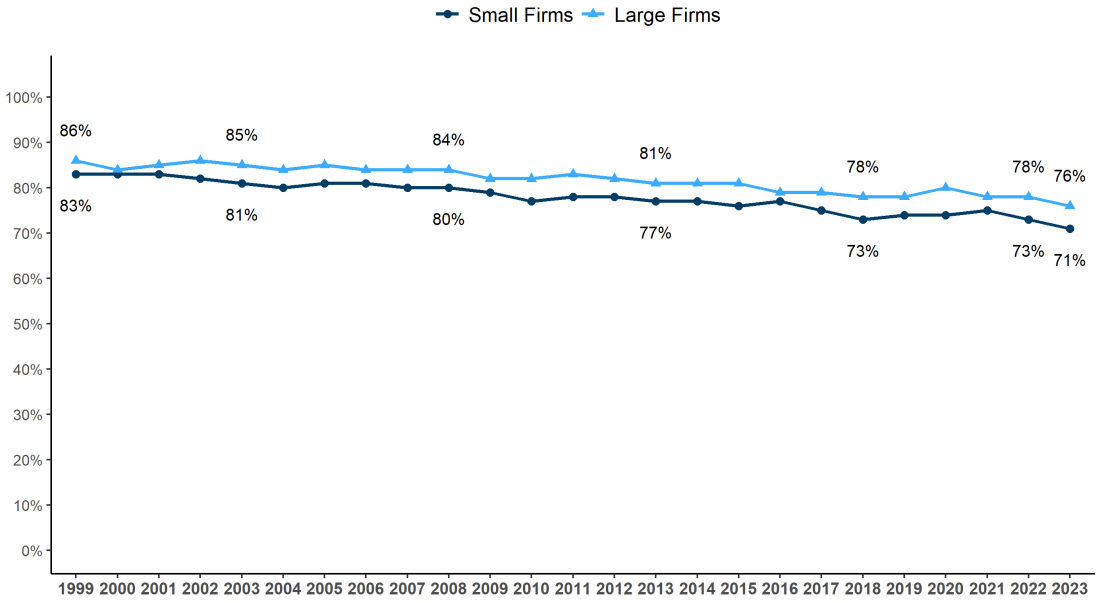
[3] In 2009, we began weighting the percentage of workers that take up coverage by the number of workers eligible for coverage. The historical take-up estimates have also been updated. See the Survey Design and Methods section for more information.

Figure 3.7
Among Workers in Firms Offering Health Benefits, Percentage of Eligible Workers Who Take Up Health Benefits Offered by Their Firm, by Firm Characteristics, 2023



* Estimates are statistically different from each other within category (p < .05).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.8
Among Workers in Firms Offering Health Benefits, Percentage of Eligible Workers Who Take Up Health Benefits Offered by Their Firm, by Firm Size, 1999-2023



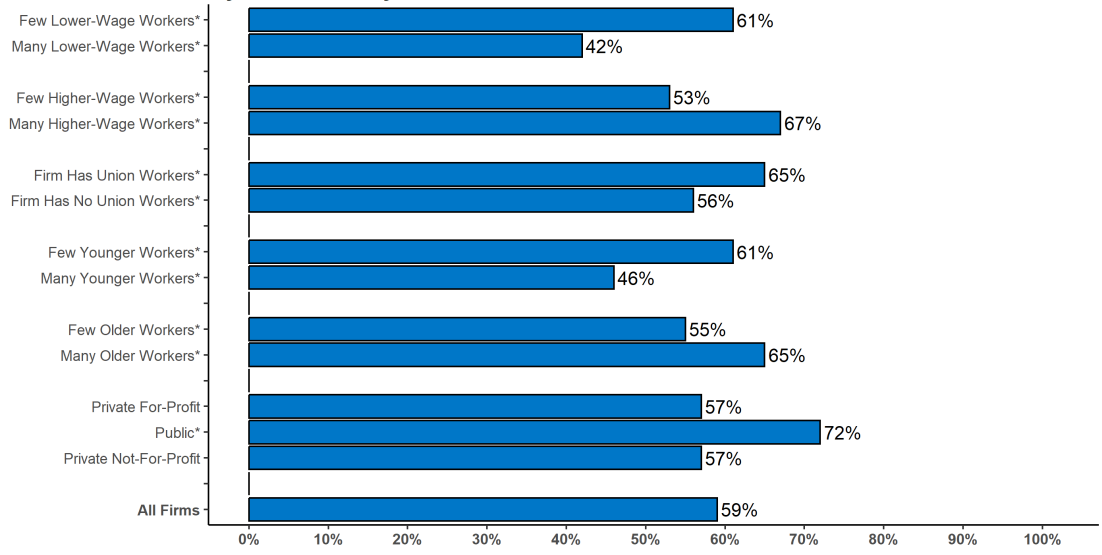
Tests found no statistical difference from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

COVERAGE

- In 2023, the percentage of workers at firms offering health benefits covered by their firm's health plan is 59%, similar to the percentage last year [Figure 3.1] and [Figure 3.2].
  - The coverage rate at firms offering health benefits is similar for small firms and large firms in 2023. These rates are similar to the rates last year for both small firms and large firms [Figure 3.1] and [Figure 3.3].
- There is significant variation by industry in the coverage rate among workers in firms offering health benefits. The average coverage rate is particularly low in the retail industry (36%) [Figure 3.3].
- The coverage rate also varies with firm wage levels. Among workers in firms offering health benefits, those in firms with a relatively large share of lower-wage workers are less likely to be covered by their own firm than workers in firms with a smaller share of lower-wage workers (42% vs. 61%). A similar pattern exists in firms with a relatively large share of higher-wage workers, with workers in these firms being more likely to be covered by their employer's health benefits than those in firms with a smaller share of higher-wage workers (67% vs. 53%) [Figure 3.9].
- The age distribution of workers is also related to variation in coverage rates. Among workers in firms offering health benefits, those in firms with a relatively small share of younger workers are more likely to be covered by their own firm than those in firms with a larger share of younger workers (61% vs. 46%). Similarly, workers in offering firms with a relatively large share of older workers are more likely to be covered by their own firm than those in firms with a smaller share of older workers (65% vs. 55%) [Figure 3.9].
- Among workers in firms offering health benefits, those employed at a firm with some union workers are more likely than workers in firms without union workers to be covered by their own firm [Figure 3.9].
- Among workers in firms offering health benefits, those working in public firms are more likely than workers in other firm types to be covered by their own firm [Figure 3.9].
- Among workers in all firms, including those that offer and those that do not offer health benefits, 53% are covered by health benefits offered by their employer, similar to the percentages last year (54%), five years ago (53%), and ten years ago (56%) [Figure 3.10].

Figure 3.9

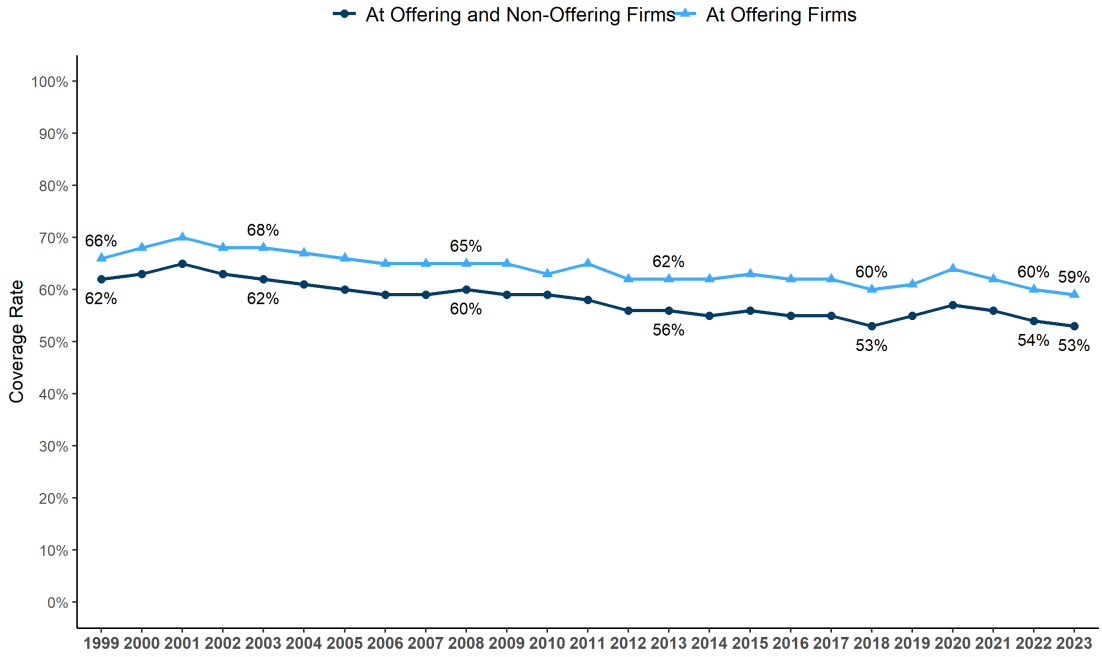
Among Workers in Firms Offering Health Benefits, Percentage of Workers Covered by Health Benefits Offered by Their Firm, by Firm Characteristics, 2023



* Estimates are statistically different from each other within category ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.10

Percentage of Workers Covered by Their Firm's Health Benefits, 1999-2023



Tests found no statistical difference from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 3.11

Percentage of All Workers Covered by Their Firm's Health Benefits, Both in Firms Offering and Not Offering Health Benefits, by Firm Size, 1999-2023

	3-24 Workers	25-199 Workers	200-999 Workers	1,000-4,999 Workers	5,000 or More Workers	All Small Firms	All Large Firms	**All Firms**
1999	50%	59%	69%	68%	64%	55%	66%	**62%**
2000	50%	62%	69%	68%	66%	57%	67%	**63%**
2001	49%	65%	71%	69%	69%	58%	69%	**65%**
2002	45%	61%	69%	70%	68%	54%	69%	**63%**
2003	44%	60%	68%	69%	68%	53%	68%	**62%**
2004	43%	56%	69%	68%	67%	50%	68%	**61%**
2005	41%	58%	65%	69%	66%	50%	66%	**60%**
2006	45%	60%	66%	68%	60%	53%	63%	**59%**
2007	42%	56%	65%	69%	63%	50%	65%	**59%**
2008	43%	59%	67%	69%	64%	52%	66%	**60%**
2009	39%	58%	63%	67%	65%	49%	65%	**59%**
2010	44%	60%	61%	66%	63%	52%	63%	**59%**
2011	38%	55%	63%	66%	64%	48%*	64%	**58%**
2012	36%	57%	61%	66%	61%	47%	62%	**56%**
2013	36%	55%	63%	67%	58%	46%	61%	**56%**
2014	33%	54%	60%	66%	61%	44%	62%	**55%**
2015	35%	52%	61%	66%	63%	45%	63%	**56%**
2016	32%	53%	62%	63%	60%	44%	61%	**55%**
2017	32%	51%	60%	64%	61%	43%	62%	**55%**
2018	30%	50%	62%	62%	59%	41%	60%	**53%**
2019	32%	53%	65%	66%	58%	44%	61%	**55%**
2020	34%	52%	65%	68%	63%	44%	65%	**57%**
2021	35%	53%	63%	65%	62%	45%	63%	**56%**
2022	31%	48%*	61%	63%	60%	40%*	61%	**54%**
2023	34%	50%	60%	64%	58%	43%	59%	**53%**

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.

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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

WAITING PERIODS

- Waiting periods are a specified length of time after beginning employment before a worker is eligible to enroll in health benefits. With some exceptions, the Affordable Care Act (ACA) requires that waiting periods cannot exceed 90 days. For example, employers are permitted to have orientation periods before the waiting period begins which, in effect, means a worker is not eligible for coverage three months after being hired. If a worker is eligible to enroll on the 1st of the month after three months of employment, this survey rounds up and considers the firm's waiting period four months. For these reasons, some employers still have waiting periods exceeding the 90-day maximum.
- Sixty-five percent of covered workers face a waiting period before coverage is available, similar to three years ago, the last time we asked this question [Figure 3.14]. Covered workers in small firms are more likely than those in large firms to have a waiting period (75% vs. 60%) [Figure 3.12].
- The average waiting period among covered workers who face a waiting period is 2 months [Figure 3.12]. A small percentage (7%) of covered workers with a waiting period have a waiting period of more than 3 months.
  - Respondents with waiting periods greater than 4 months generally indicated that employees had training, orientation, or measurement periods in which they were employees but were not eligible for health benefits. Some employers have measurement periods to determine whether variable hour employees will meet the requirements for the firm's health benefits.

Figure 3.12

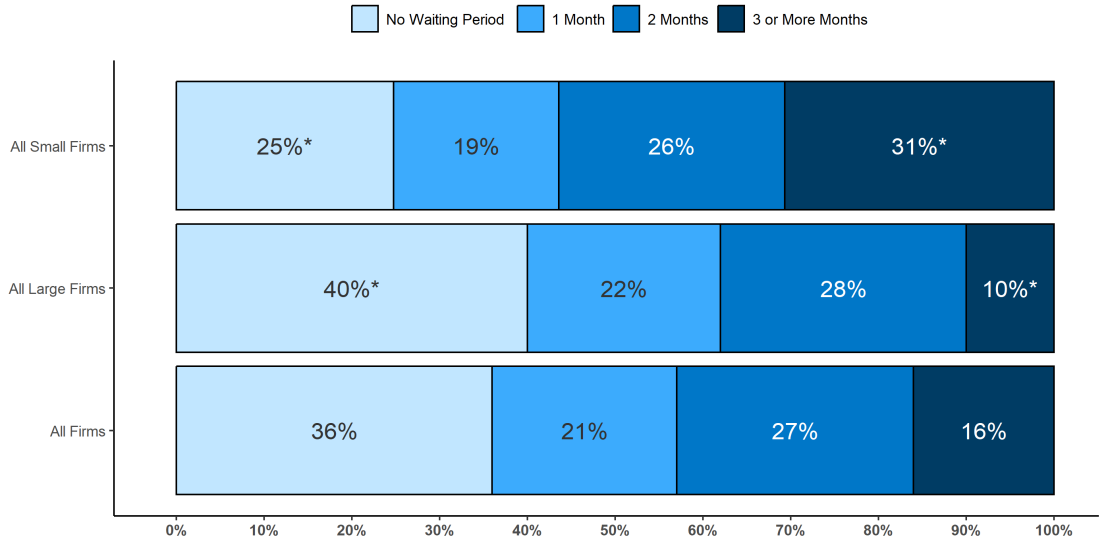
Percentage of Covered Workers in Firms With a Waiting Period for Coverage and Average Waiting Period in Months, by Firm Size, Region, and Industry, 2023

	Percentage of Covered Workers in Firms With a Waiting Period	Among Covered Workers With a Waiting Period, Average Waiting Period (Months)
FIRM SIZE		
All Small Firms (3-199 Workers)	75%*	2.3*
All Large Firms (200 or More Workers)	60%*	1.9*
REGION		
Northeast	63%	2.2
Midwest	64	1.9
South	63	2.1
West	69	2
INDUSTRY		
Agriculture/Mining/Construction	92%*	2.2
Manufacturing	71	2.2
Transportation/Communications/Utilities	30*	2.2
Wholesale	76	2.1
Retail	96*	2.7
Finance	70	1.9
Service	64	1.9*
State/Local Government	37*	1.8*
Health Care	68	2
ALL FIRMS	**65%**	**2.1**

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

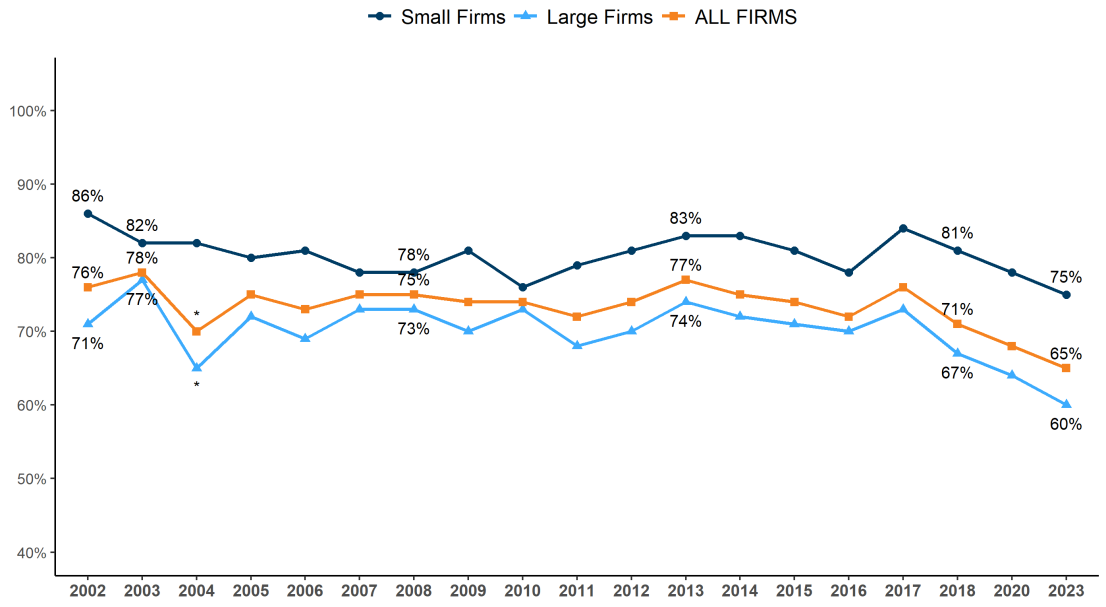
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.13
Distribution of Covered Workers with the Following Waiting Periods for Coverage, by Firm Size, 2023



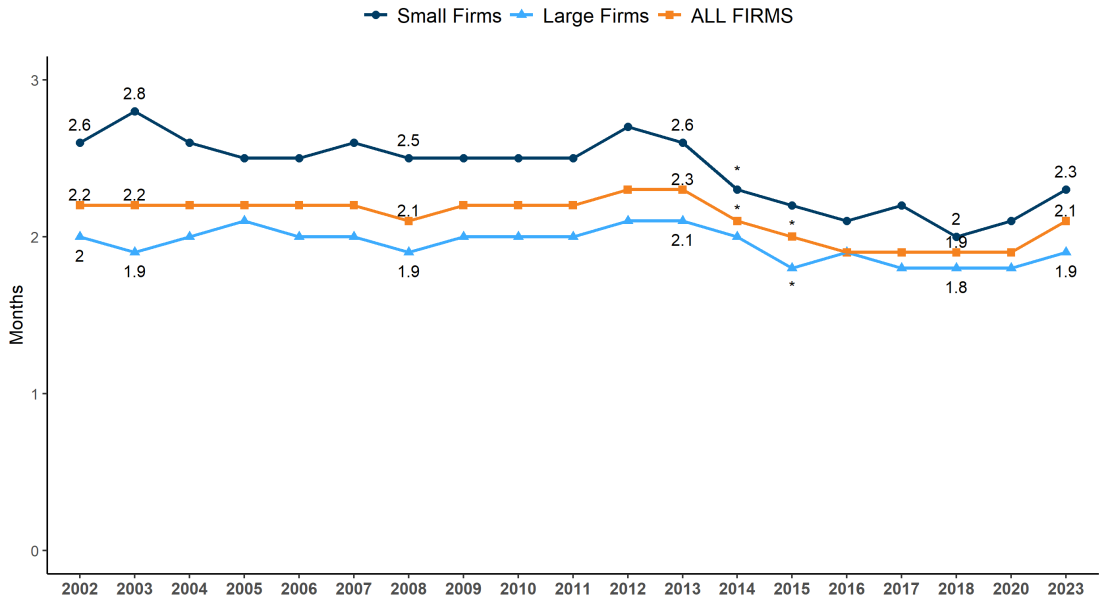
* Estimates are statistically different from each other within category (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. If a worker is eligible to enroll on the 1st of the month after three months of employment, this survey rounds up and considers the firm's waiting period four months. Some firms indicated that employees had training or measurement periods during which they were not eligible for health benefits. For these reasons, some firms still have waiting periods exceeding the 90-day maximum.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 3.14
Percentage of Covered Workers in Firms with a Waiting Period for Coverage, by Firm Size, 2002-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2002-2017

Figure 3.15
Among Covered Workers With A Waiting Period for Health Benefits, Average Waiting Period in Months, by Firm Size, 2002-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2002-2017

Employer Health Benefits

2023 Annual Survey

Types of Plans Offered

SECTION

4

Section 4

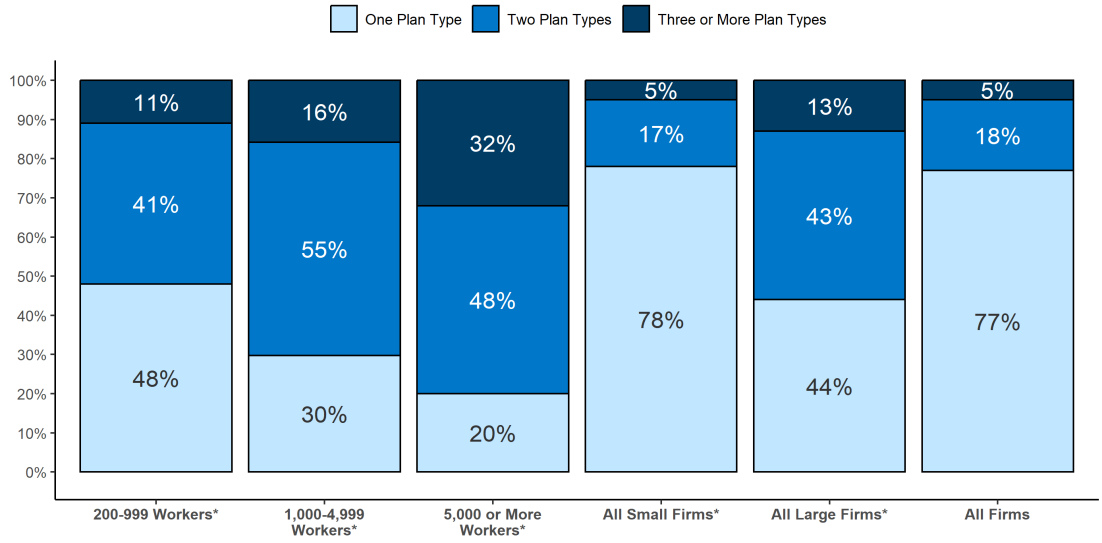
Types of Plans Offered

Most firms that offer health benefits offer only one type of health plan (77%). Large firms (200 or more workers) are more likely than small firms (3-199 workers) to offer more than one plan type.

NUMBER OF PLAN TYPES OFFERED

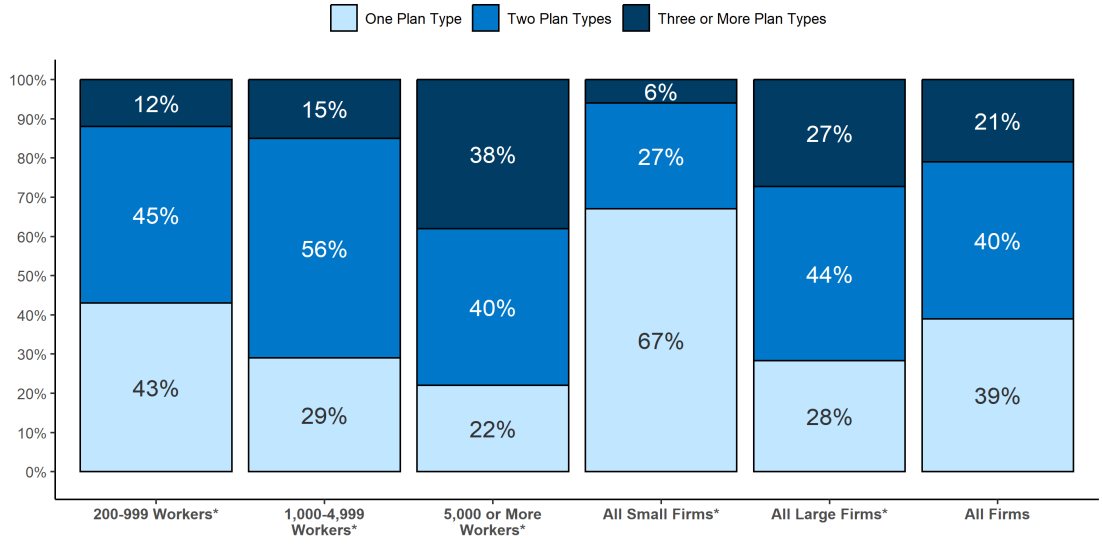
- In 2023, 77% of firms offering health benefits offer only one type of health plan. Large firms are more likely than small firms to offer more than one plan type (56% vs. 22%) [Figure 4.1].
- Sixty-one percent of covered workers are employed in a firm that offers more than one type of health plan. Seventy-two percent of covered workers in large firms are employed by a firm that offers more than one plan type, compared to 33% of covered workers in small firms [Figure 4.2].
- Sixty-six percent of covered workers in firms offering health benefits work in firms that offer one or more PPOs; 63% work in firms that offer one or more HDHP/SOs; 20% work in firms that offer one or more HMOs; 13% work in firms that offer one or more POS plans; and 2% work in firms that offer one or more conventional plans [Figure 4.4].
- Among covered workers in firms offering only one type of health plan, 53% are in firms that only offer PPOs and 26% are in firms that only offer HDHP/SOs [Figure 4.5].

Figure 4.1
Among Firms Offering Health Benefits, Percentage of Firms That Offer One, Two, or Three or More Plan Types, by Firm Size, 2023



* 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, as firms may offer more than one of each plan type. Additionally, firms may offer different types of plans to different workers. The survey asks how many Conventional, HMO, PPO, POS, and HDHP/SO plans are offered. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 4.2
Among Firms Offering Health Benefits, Percentage of Covered Workers in Firms Offering One, Two, or Three or More Plan Types, by Firm Size, 2023



* 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, as firms may offer more than one of each plan type. Additionally, firms may offer different types of plans to different workers. The survey asks how many Conventional, HMO, PPO, POS, and HDHP/SO plans are offered. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 4.3

Among Firms Offering Health Benefits, Percentage of Firms That Offer the Following Plan Types, by Firm Size, 2023

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZE					
3-24 Workers	2%	5%*	21%*	11%*	24%*
25-199 Workers	1	10*	34*	20*	44*
200-999 Workers	2	19*	61*	13	54*
1,000-4,999 Workers	1	17*	74*	12	68*
5,000 or More Workers	3	25*	78*	8	74*
All Small Firms (3-199 Workers)	**1%**	**5%***	**23%***	**12%**	**29%***
All Large Firms (200 or More Workers)	**2%**	**19%***	**64%***	**13%**	**57%***
ALL FIRMS	**1%**	**6%**	**24%**	**12%**	**30%**

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, as firms may offer more than one of each plan type. Additionally, firms may offer different types of plans to different workers. The survey asks how many Conventional, HMO, PPO, POS, and HDHP/SO plans are offered.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 4.4

Among Firms Offering Health Benefits, Percentage of Covered Workers in Firms That Offer the Following Plan Types, by Firm Size, 2023

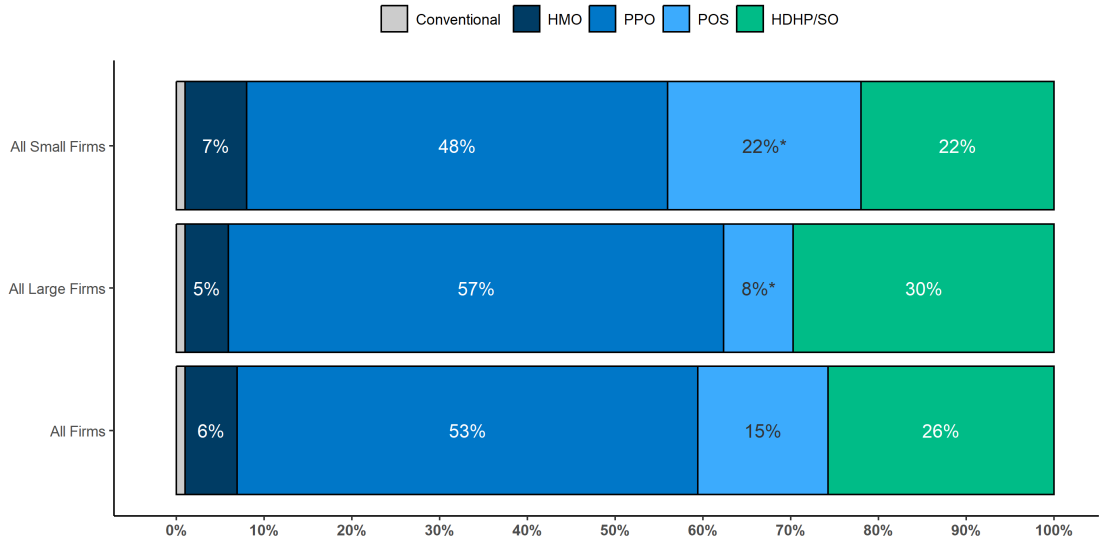
	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZE					
200-999 Workers	1%	18%	67%	11%	60%
1,000-4,999 Workers	1	14	79*	10	69
5,000 or More Workers	4	29*	72	9	78*
All Small Firms (3-199 Workers)	**2%**	**10%***	**50%***	**21%***	**39%***
All Large Firms (200 or More Workers)	**3%**	**23%***	**72%***	**10%***	**72%***
ALL FIRMS	**2%**	**20%**	**66%**	**13%**	**63%**

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, as firms may offer more than one of each plan type. Additionally, firms may offer different types of plans to different workers. The survey asks how many Conventional, HMO, PPO, POS, and HDHP/SO plans are offered.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 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, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. 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, as firms may offer more than one of each plan type. Additionally, firms may offer different types of plans to different workers. The survey asks how many Conventional, HMO, PPO, POS, and HDHP/SO plans are offered.
SOURCE: KFF Employer Health Benefits Survey, 2023

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 workers. 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 a health maintenance organization. The survey defines an HMO as a plan that does not cover non-emergency out-of-network services.

PPO is a preferred provider organization. The survey defines PPOs as plans that have lower cost sharing for in-network provider services, and do not require a primary care gatekeeper to screen for specialist and hospital visits.

POS is a point-of-service plan. The survey defines POS plans as those that have lower cost sharing for in-network provider services, but do require a primary care gatekeeper to screen for specialist and hospital visits.

HDHP/SO is a high-deductible health plan with a savings option such as an HRA or HSA. HDHP/SOs are treated as a distinct plan type even if the plan would otherwise be considered a PPO, HMO, POS plan, or indemnity plan. These plans have a deductible of at least $1,000 for single coverage and $2,000 for family coverage and are offered with an HRA, or are HSA-qualified. See Section 8 for more information on HDHP/SOs.

Conventional/Indemnity The survey defines conventional or indemnity plans as those that have no preferred provider networks and the same cost sharing regardless of physician or hospital.

Employer Health Benefits

2023 Annual Survey

Market Shares of Health Plans

SECTION

5

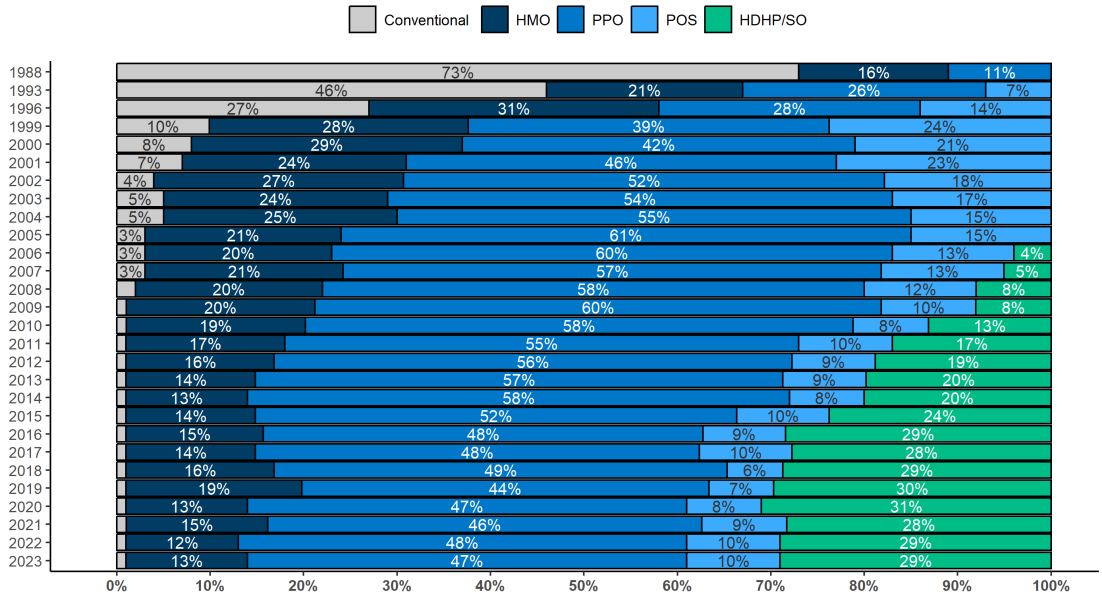
Section 5

Market Shares of Health Plans

PPOs are the most common plan type.

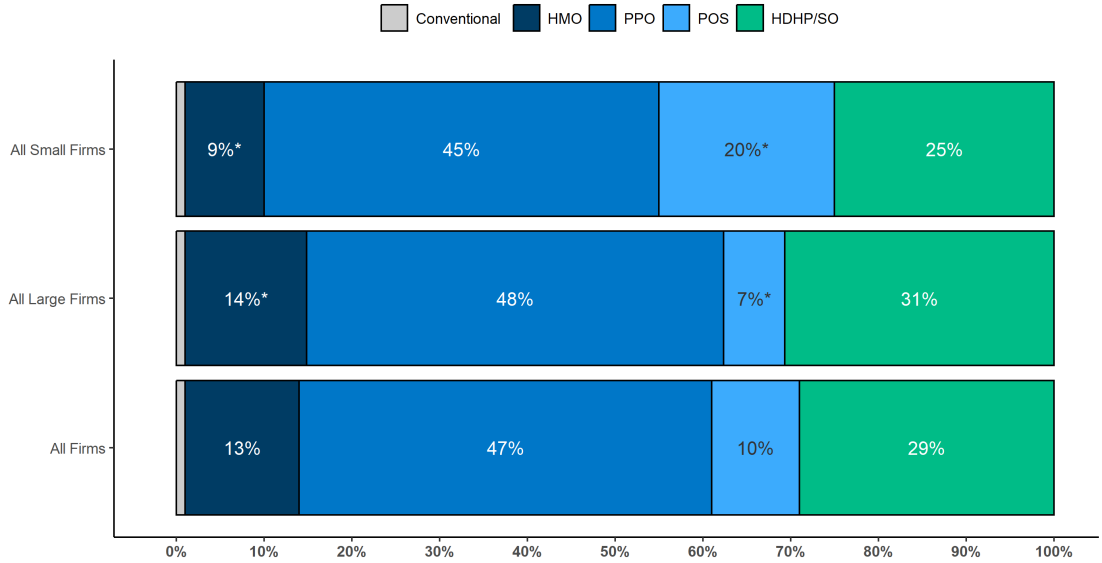
- Forty-seven percent of covered workers are enrolled in PPOs, followed by HDHP/SOs (29%), HMOs (13%), POS plans (10%), and conventional plans (1%) [Figure 5.1]. All of these percentages are similar to the enrollment percentages in 2022.
- The percentage of covered workers enrolled in HDHP/SOs is similar to last year (29%) and five years ago (29%), but higher than the percentage 10 years ago (20%). The percentage of covered workers enrolled in PPOs has decreased 10% over the past decade [Figure 5.1].
- The percentage of covered workers enrolled in HMOs (13%) is similar to the percentages last year (12%) and five years ago (16%) [Figure 5.1].
- A larger share of covered workers are enrolled in HDHP/SOs than in HMOs in both small and large firms [Figure 5.2].
- A similar share of covered workers in large firms and small firms are enrolled in HDHP/SO plans (31% and 25%) [Figure 5.2]. Covered workers in small firms are more likely than covered workers in large firms to be enrolled in POS plans (20% vs. 7%) [Figure 5.2]. Covered workers in small firms are less likely than covered workers in large firms to be enrolled in HMO plans (9% vs. 14%)
- Plan enrollment patterns also differ across regions.
  - HMO enrollment is significantly higher in the West (26%), and significantly lower in the Midwest (4%) [Figure 5.3].
  - Covered workers in the Midwest (40%) are more likely to be enrolled in HDHP/SOs than workers in other regions, while covered workers in the West (20%) are less likely to be enrolled in HDHP/SOs [Figure 5.3].

Figure 5.1
Distribution of Health Plan Enrollment for Covered Workers, by Plan Type, 1988-2023



NOTE: Information was not obtained for POS plans in 1988 or for HDHP/SO plans until 2006. See the Survey Design and Methods section from the 2005 Kaiser/HRET Survey and the 2021 KFF Survey for a discussion of weighting changes.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017; KPMG Survey of Employer-Sponsored Health Benefits, 1993 and 1996; The Health Insurance Association of America (HIAA), 1988.

Figure 5.2
Distribution of Health Plan Enrollment for Covered Workers, by Plan Type and Firm Size, 2023



* Enrollment in plan type is statistically different between All Small Firms and All Large Firms ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. 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 a health reimbursement arrangement (HRA) or health savings account (HSA).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 5.3

Distribution of Health Plan Enrollment for Covered Workers, by Firm Size, Region, and Industry, 2023

	Conventional	HMO	PPO	POS	HDHP/SO
FIRM SIZE					
3-24 Workers	2%*	9%	48%	22%*	18%*
25-49 Workers	<1	12	37*	24*	27
50-199 Workers	1	8*	45	16*	31
200-999 Workers	1	12	49	9	30
1,000-4,999 Workers	<1*	9	52	7	31
5,000 or More Workers	<1*	17	46	6*	31
All Small Firms (3-199 Workers)	**1%***	**9%***	**45%**	**20%***	**25%**
All Large Firms (200 or More Workers)	**<1%***	**14%***	**48%**	**7%***	**31%**
REGION					
Northeast	<1%*	13%	49%	11%	27%
Midwest	1	4*	44	11	40*
South	1	12	51	9	28
West	<1	26*	41	12	20*
INDUSTRY					
Agriculture/Mining/Construction	1%	5%*	45%	18%	30%
Manufacturing	<1	12	44	10	35
Transportation/Communications/Utilities	<1	25	37	5*	32
Wholesale	0*	4*	57	5*	35
Retail	1	15	58*	7	19*
Finance	0*	7*	47	7	39*
Service	1	13	45	13*	29
State/Local Government	<1	19	52	9	20
Health Care	<1	10	52	12	26
ALL FIRMS	**1%**	**13%**	**47%**	**10%**	**29%**

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 a health reimbursement arrangement (HRA) or health savings account (HSA).

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Employer Health Benefits

2023 Annual Survey

Worker and Employer Contributions for Premiums

SECTION

6

Section 6

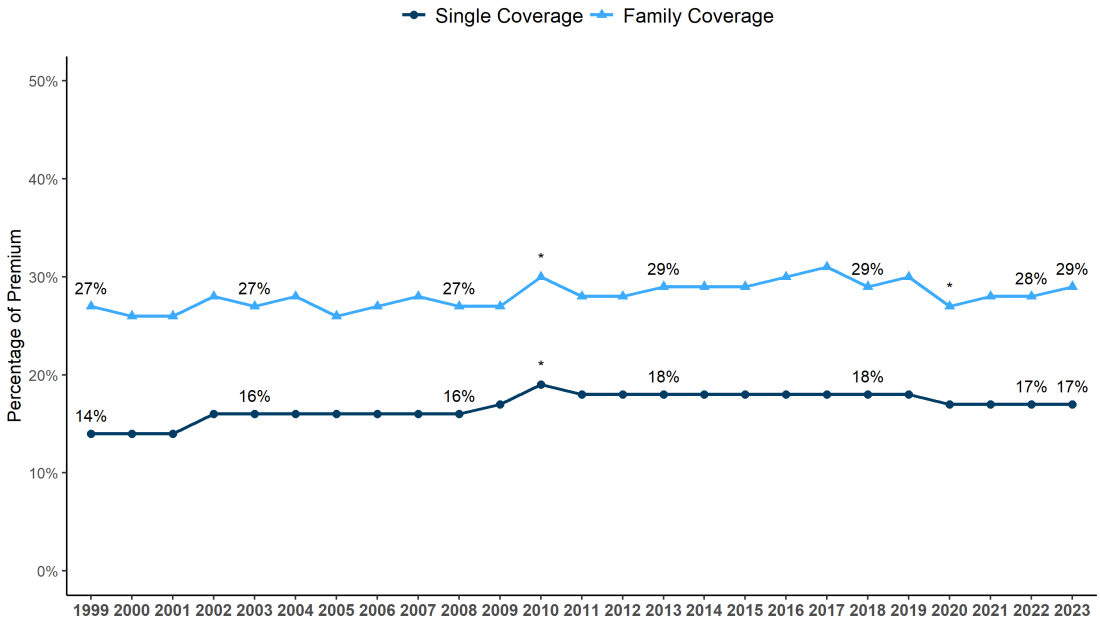
Worker and Employer Contributions for Premiums

The vast majority of covered workers make contributions towards the cost of their coverage.

- In 2023, covered workers contribute, on average, 17% of the premium for single coverage and 29% of the premium for family coverage.
  - The average percentages contributed for single and family coverage have remained stable in recent years [Figure 6.1].[1]
  - Covered workers in small firms contribute, on average, a much higher percentage of the premium for family coverage than covered workers in large firms (38% vs. 25%) [Figure 6.2].
- Covered workers with single coverage have an average contribution of $117 per month ($1,401 annually), and covered workers with family coverage have an average contribution of $548 per month ($6,575 annually) toward their health insurance premiums [Figure 6.3], [Figure 6.4], and [Figure 6.5].
  - The average contributions for workers enrolled in HDHP/SOs is lower than the overall average worker contributions for single coverage ($1,193 vs. $1,401) and for family coverage ($5,302 vs. $6,575) [Figure 6.6].
- Covered workers in small firms contribute, on average, significantly more annually for family coverage than covered workers in large firms ($8,334 vs. $5,889). The average worker contributions amounts for covered workers in small and large firms are similar for single coverage [Figure 6.7].

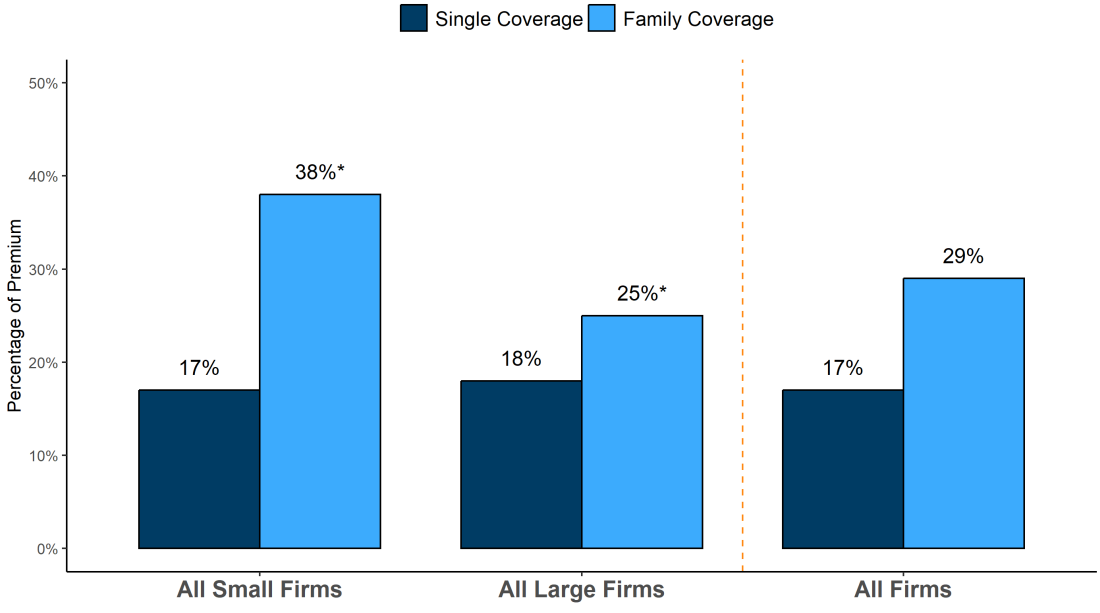
[1] The average percentage contribution is calculated as a weighted average of all a firm's plan types and may not necessarily equal the average worker contribution divided by the average premium.

Figure 6.1
Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, 1999-2023



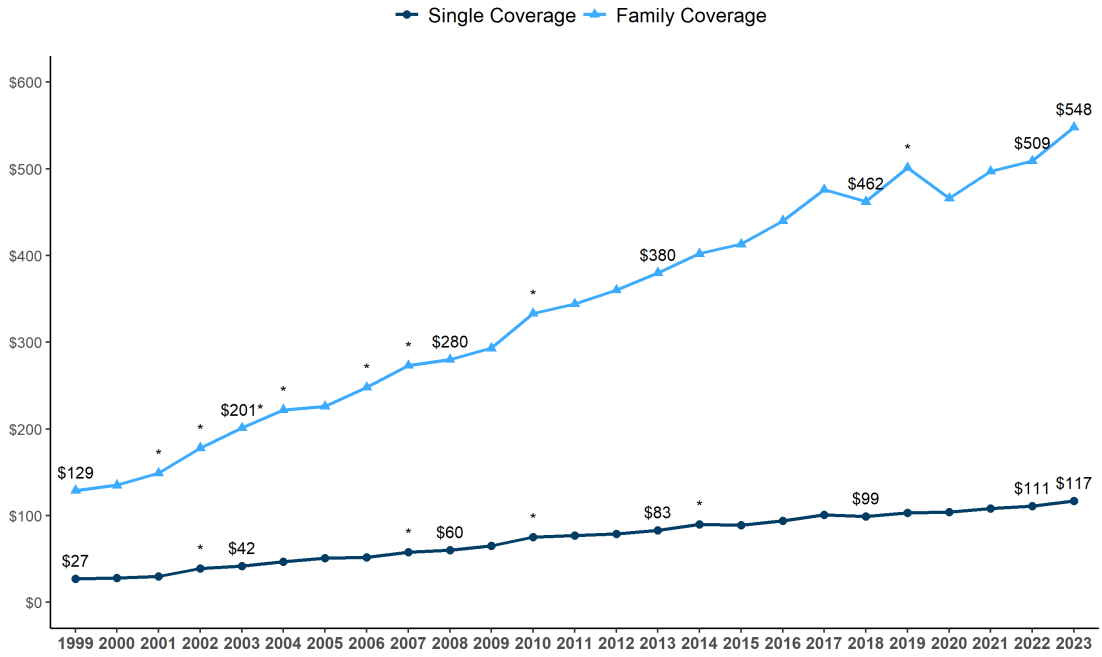
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.2
Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2023



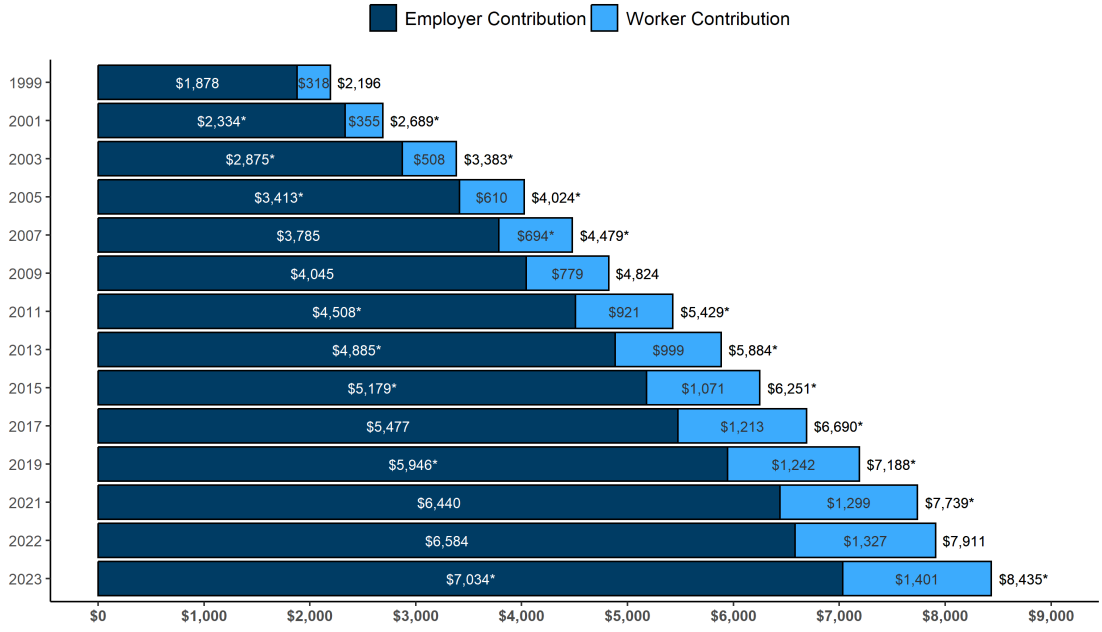
* Estimate is statistically different between All Small Firms and All Large Firms within coverage type ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.3
Average Monthly Worker Premium Contributions for Single and Family Coverage, 1999-2023



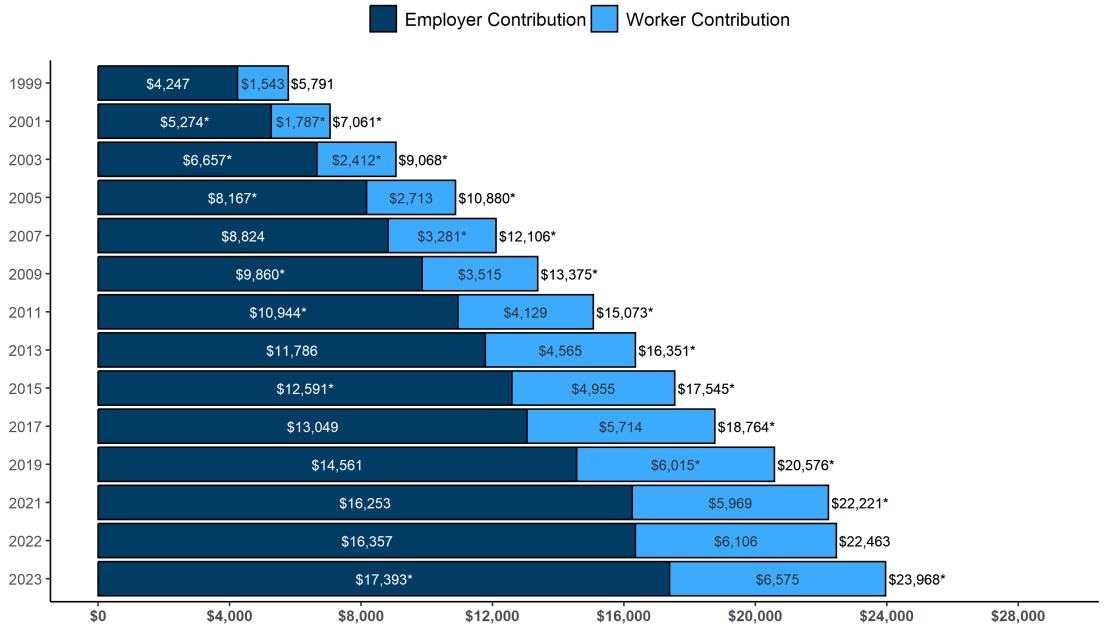
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.4
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Single Coverage, 1999-2023



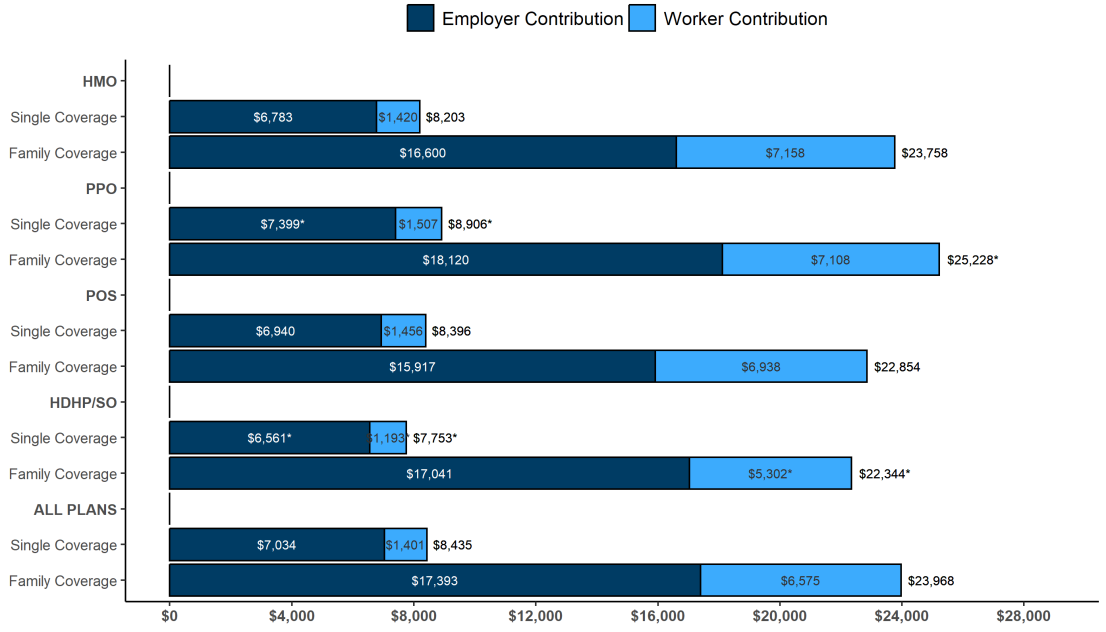
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.5
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Family Coverage, 1999-2023



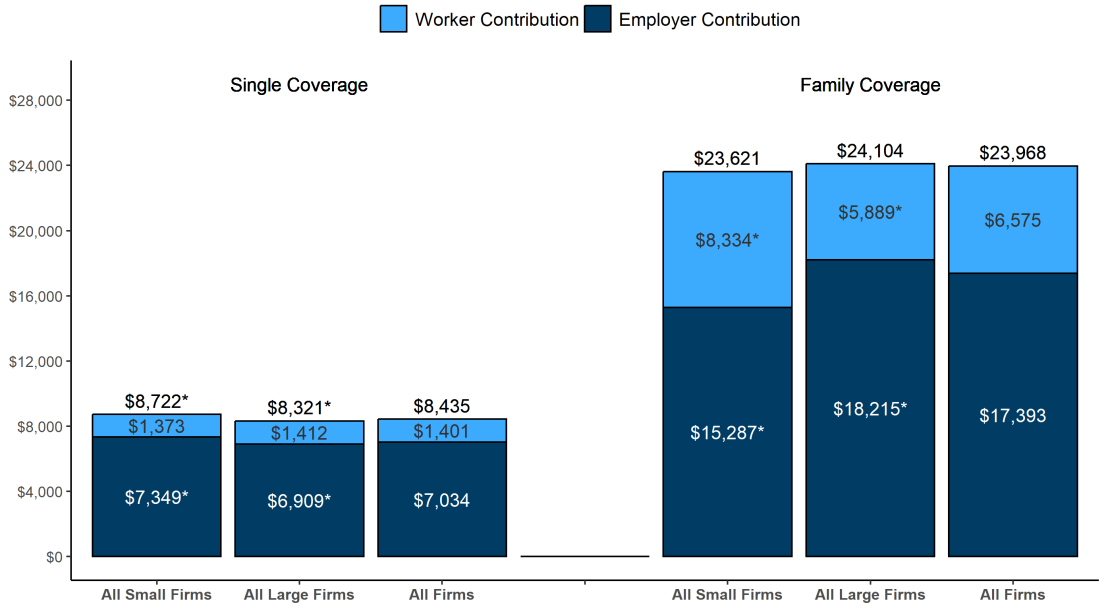
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.6
Average Annual Worker and Employer Premium Contributions and Total Premiums for Single and Family Coverage, by Plan Type, 2023



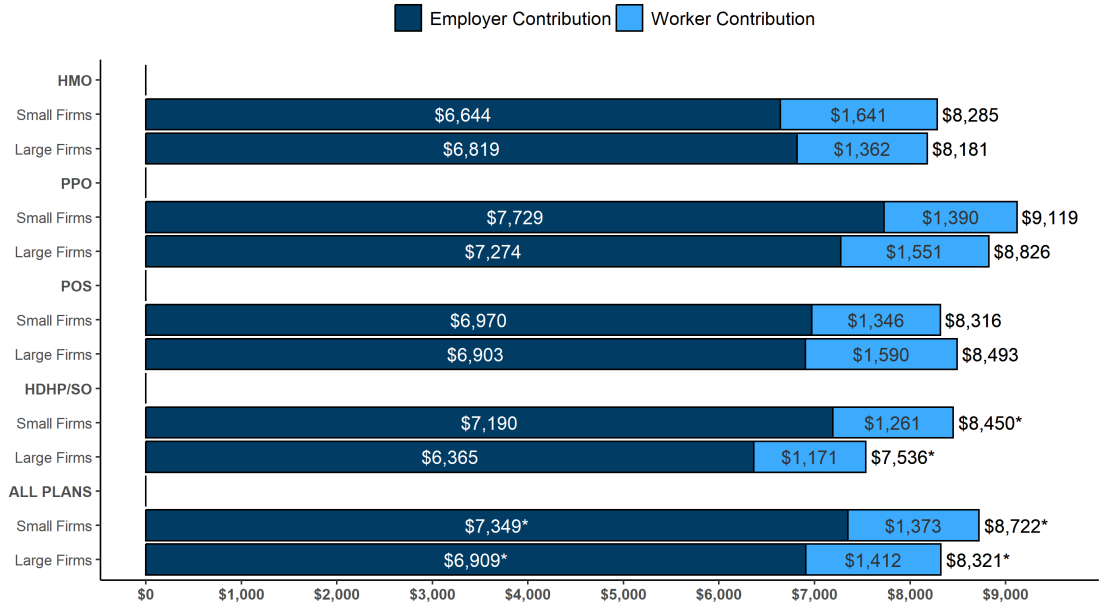
* Estimate is statistically different from All Plans estimate within coverage type ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.7
Average Annual Worker and Employer Premium Contributions and Total Premiums for Single and Family Coverage, by Firm Size, 2023



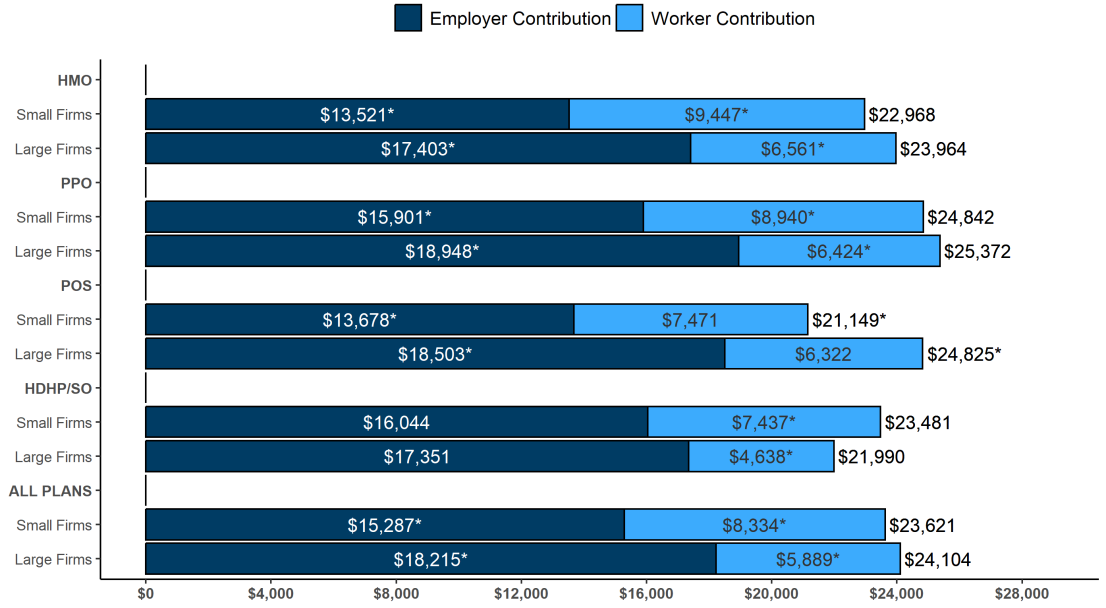
* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.8
Average Annual Worker and Employer Premium Contributions and Total Premiums for Single Coverage, by Plan Type and Firm Size, 2023



* Estimates are statistically different within plan type between All Small Firms and All Large Firms ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.9
Average Annual Employer and Worker Premium Contributions and Total Premiums for Family Coverage, by Plan Type and Firm Size, 2023



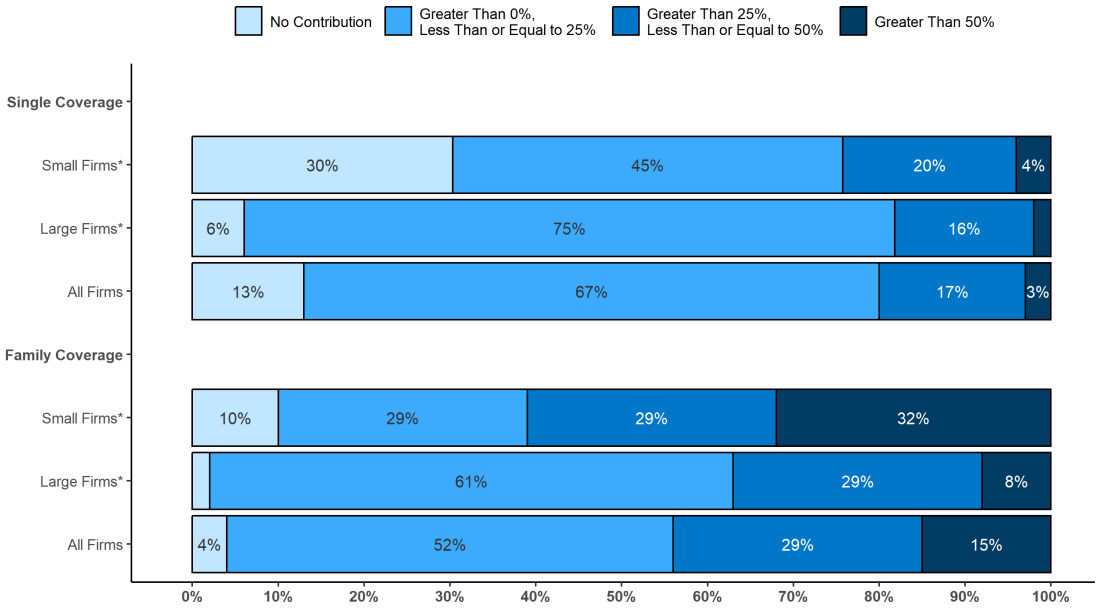
* Estimates are statistically different within plan type between All Small Firms and All Large Firms ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

DISTRIBUTIONS OF WORKER CONTRIBUTIONS TO THE PREMIUM

- About four-fifths of covered workers are in a plan where the employer contributes at least half of the premium for both single and family coverage.
  - Thirteen percent of covered workers are in a plan where the employer pays the entire premium for single coverage, while only 4% of covered workers are in a plan where the employer pays the entire premium for family coverage [Figure 6.10].
- Covered workers in small firms are much more likely than covered workers in large firms to be in a plan where the employer pays the entire premium.
  - Thirty percent of covered workers in small firms have an employer that pays the full premium for single coverage, compared to 6% of covered workers in large firms [Figure 6.10].
  - For family coverage, 10% of covered workers in small firms have an employer that pays the full premium, compared to 2% of covered workers in large firms [Figure 6.10].
- Fifteen percent of covered workers are in a plan where the worker contributes more than half of the premium for family coverage [Figure 6.10].
  - This percentage differs significantly with firm size. Thirty-two percent of covered workers in small firms work in a firm where the worker contribution for family coverage is more than half of the premium, a much higher percentage than the 8% of covered workers in large firms [Figure 6.10].
  - Small shares of covered workers in small firms (4%) and large firms (2%) must pay more than 50% of the premium for single coverage [Figure 6.10].

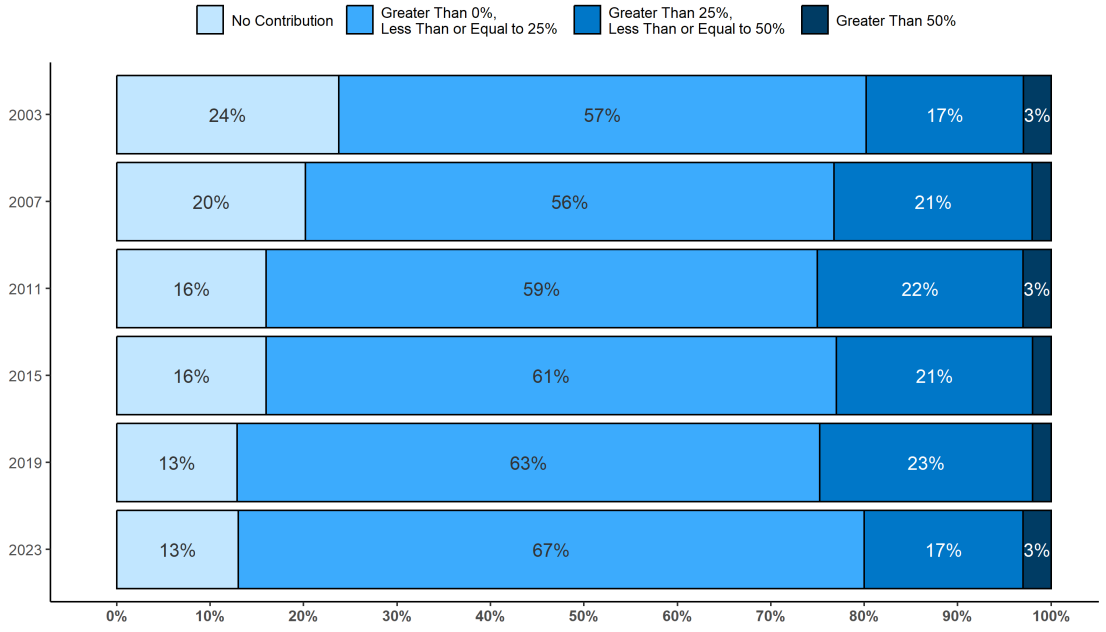
- There is substantial variation between small and large firms in the dollar amounts that covered workers must contribute.
  - Among covered workers in small firms, 35% have a contribution for single coverage of less than $500 a year, while 27% have a contribution of $2,000 or more [Figure 6.13]. For family coverage, 13% have a contribution of less than $1,500, while 32% have a contribution of $10,500 or more [Figure 6.14].
  - Among covered workers in large firms, 13% contribute less than $500 a year for single coverage, while 20% have a contribution of $2,000 or more [Figure 6.13]. For family coverage, only 5% contribute less than $1,500 a year, while 8% have a contribution of $10,500 or more [Figure 6.14].

Figure 6.10
Distribution of Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 2023



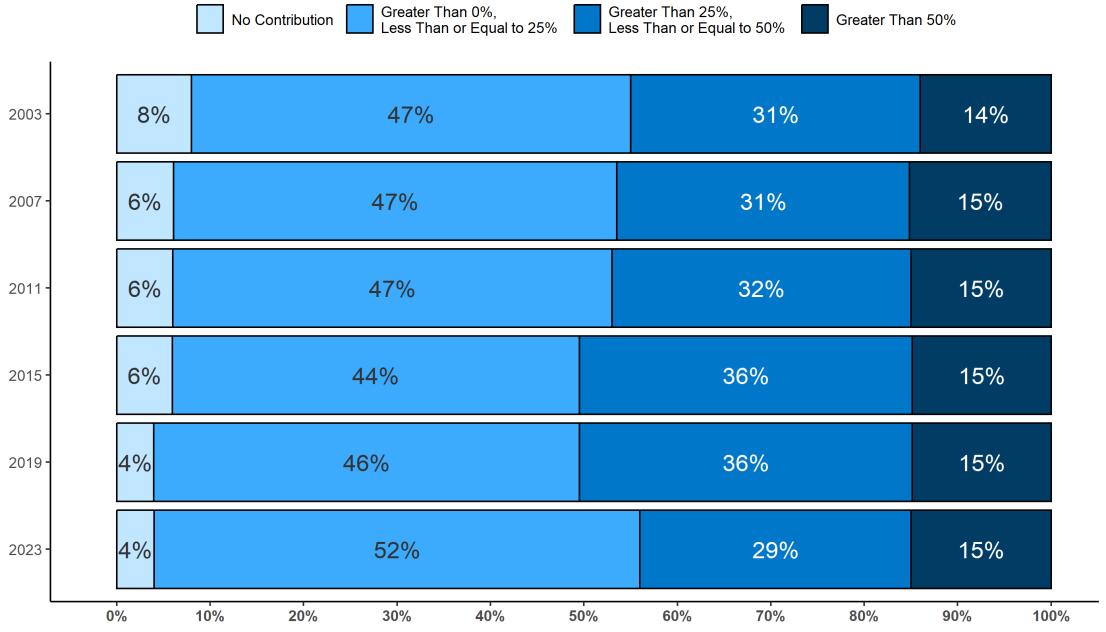
* Distributions are statistically different between All Small Firms and All Large Firms within coverage type ($p < 0.05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.11
Distribution of Percentage of Premium Paid by Covered Workers for Single Coverage, 2003-2023



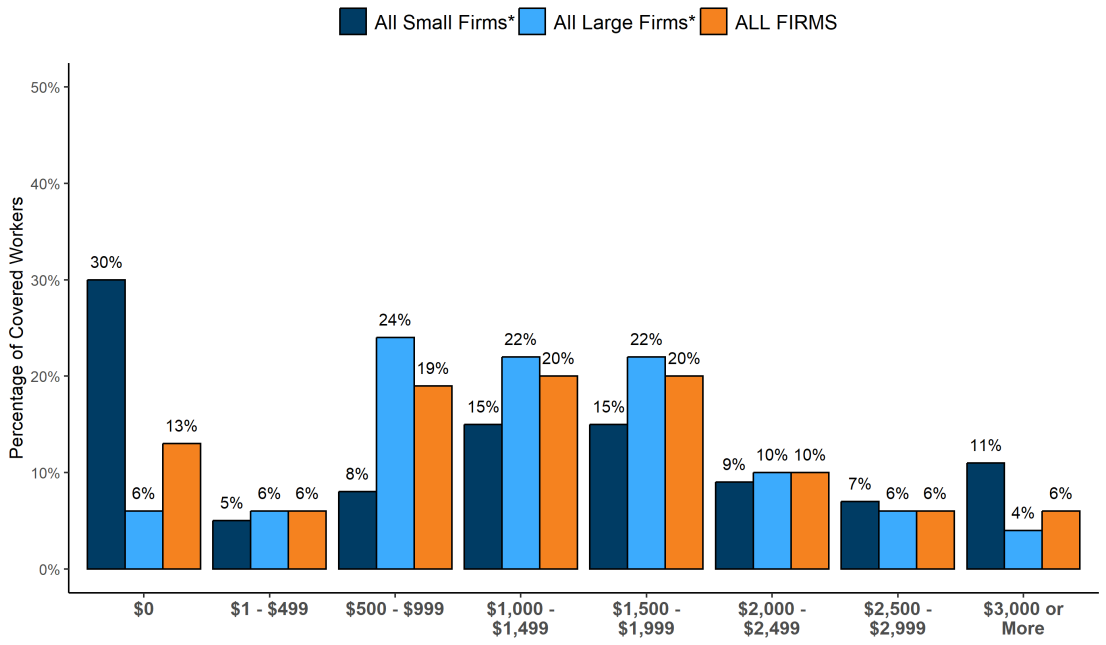
Tests found no statistical difference from distribution for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2003-2017

Figure 6.12
Distribution of Percentage of Premium Paid by Covered Workers for Family Coverage, 2003-2023



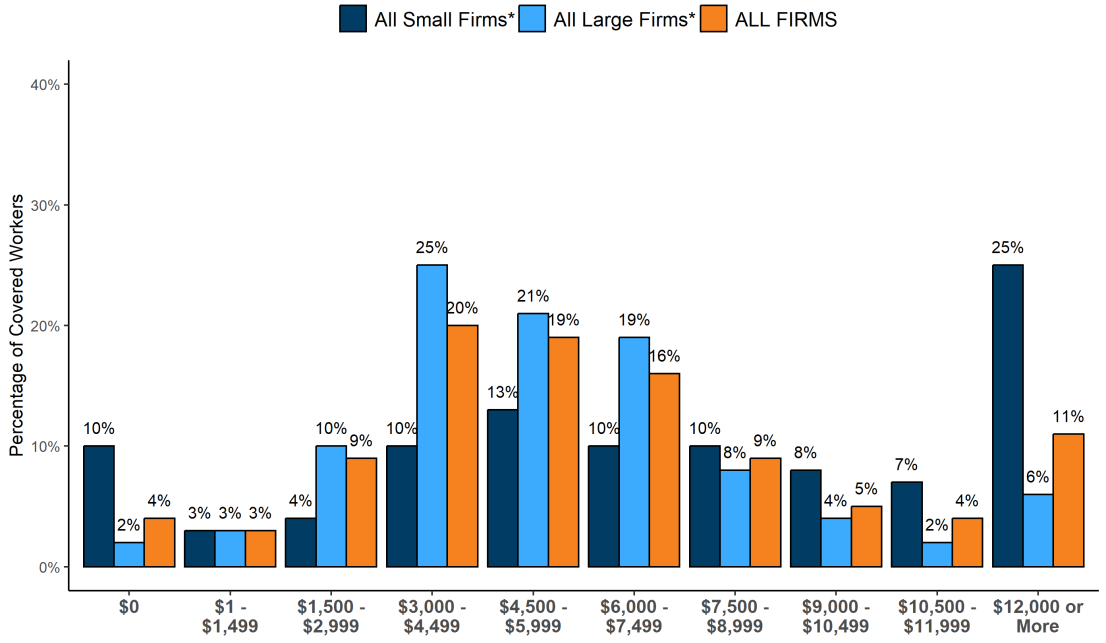
Tests found no statistical difference from distribution for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2003-2017

Figure 6.13
Distribution of Worker Contributions for Single Coverage, by Firm Size, 2023



* Distribution is statistically different from distribution for all other firms not in the indicated size category (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.14
Distribution of Worker Contributions for Family Coverage, by Firm Size, 2023

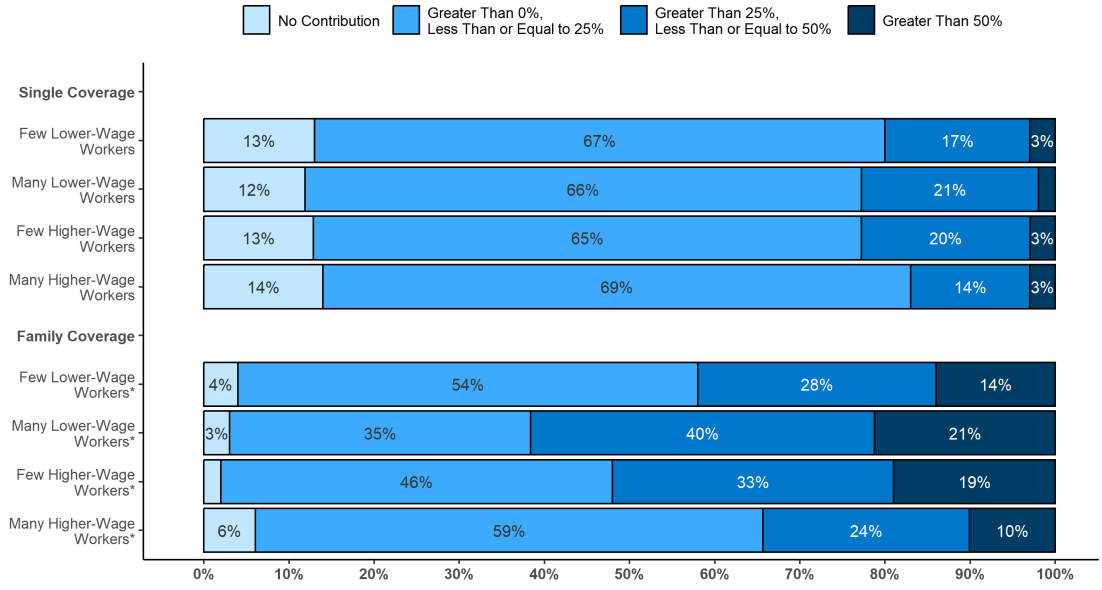


* Distribution is statistically different from distribution for all other firms not in the indicated size category (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

DIFFERENCES BY FIRM CHARACTERISTICS

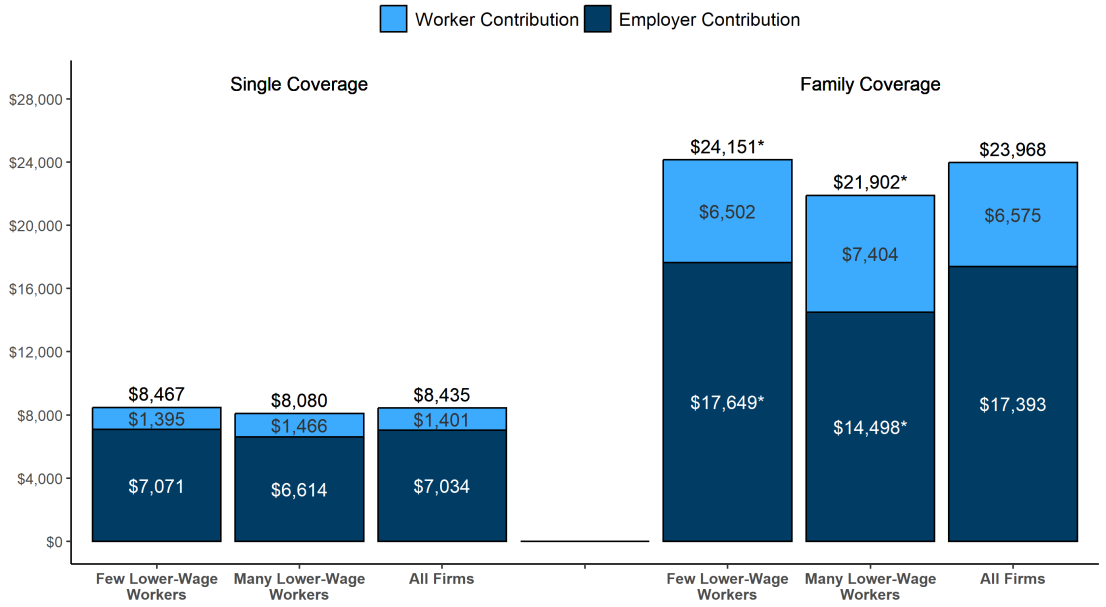
- The percentage of the premium paid by covered workers varies with firm characteristics.
  - Covered workers in private, for-profit firms have a relatively high premium contribution rates for single coverage (19%). Covered workers in public firms have relatively low premium contributions for single coverage (13%) and family (24%) coverage. [Figure 6.17].
- Covered workers in firms with a relatively large share of lower-wage workers (where at least 35% earn $31,000 or less annually) have a higher average percent contribution than those in firms with a smaller share of lower-wage workers for family coverage (35% vs. 28%) [Figure 6.16].
  - Covered workers in firms with a relatively large share of higher-wage workers (where at least 35% earn $72,000 or more annually) have a lower average contribution than those in firms with a smaller share of higher-wage workers for family coverage (25% vs. 32%) [Figure 6.16].
  - Among covered workers in large firms (200 or more workers), those in self-funded firms have a lower average contribution rate for family coverage (24%) than those in fully-insured firms (29%) [Figure 6.17].
  - Covered workers in firms that have at least some union workers have lower average contribution rates than those in firms without any union workers for single coverage (15% vs. 19%) and for family coverage (21% vs. 34%) [Figure 6.17].

Figure 6.15
Distribution of the Percentage of Total Premium Paid by Covered Workers for Single and Family Coverage, by Firm Wage Level, 2023



*Distributions for higher-wage and lower-wage firms are statistically different within family coverage ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.16
Average Annual Worker and Employer Contributions to Premiums and Total Premiums for Single and Family Coverage, By Firm Wage Level, 2023



* Estimate is statistically different between firm wage level categories ($p < .05$).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.17

Average Annual Premium Contributions Paid by Covered Workers for Single and Family Coverage, by Firm Characteristics, 2023

	Single Coverage		Family Coverage	
	Worker Contribution	Percent Contribution	Worker Contribution	Percent Contribution
LOWER WAGE LEVEL				
Few Lower-Wage Workers	$1,395	17%	$6,502	28%*
Many Lower-Wage Workers	$1,466	18%	$7,404	35%*
HIGHER WAGE LEVEL				
Few Higher-Wage Workers	$1,448	18%	$7,241*	32%*
Many Higher-Wage Workers	$1,345	16%	$5,795*	25%*
UNIONS				
Firm Has Union Workers	$1,228*	15%*	$4,907*	21%*
Firm Has No Union Workers	$1,504*	19%*	$7,583*	34%*
YOUNGER WORKERS				
Few Younger Workers	$1,375	17%	$6,405	28%
Many Younger Workers	$1,628	21%	$8,054	37%
OLDER WORKERS				
Few Older Workers	$1,396	18%	$6,684	30%
Many Older Workers	$1,406	17%	$6,456	27%
FUNDING ARRANGEMENT				
Fully Insured	$1,377	17%	$7,908*	35%*
Self-Funded	$1,414	18%	$5,855*	25%*
FIRM OWNERSHIP				
Private For-Profit	$1,493*	19%*	$6,703	30%
Public	$1,075*	13%*	$5,469*	24%*
Private Not-For-Profit	$1,410	16%	$7,029	30%
ALL FIRMS	**$1,401**	**17%**	**$6,575**	**29%**

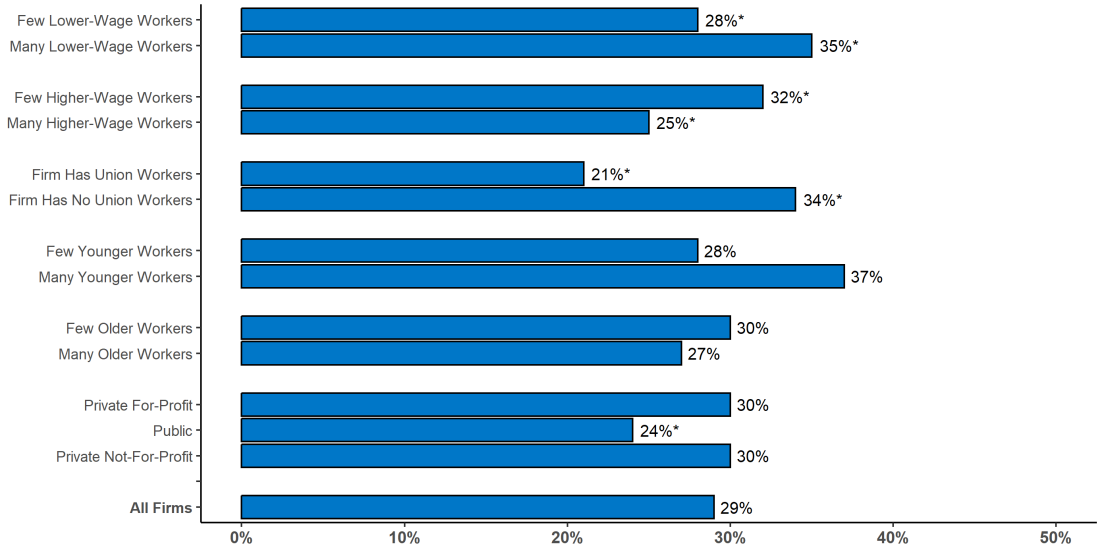
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.18

Average Percentage of Family Premium Paid by Covered Workers, by Firm Characteristics, 2023



* Estimates are statistically different from each other within category (p < .05).
NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.19

Average Percentage of Premium Paid by Covered Workers, by Firm Characteristics and Size, 2023

	Single Coverage			Family Coverage		
	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms
LOWER WAGE LEVEL						
Few Lower-Wage Workers	17%*	18%	17%	37%	25%*	28%*
Many Lower-Wage Workers	23%*	17%	18%	45%	32%*	35%*
HIGHER WAGE LEVEL						
Few Higher-Wage Workers	19%*	18%	18%	43%*	27%*	32%*
Many Higher-Wage Workers	14%*	17%	16%	30%*	23%*	25%*
UNIONS						
Firm Has Union Workers	12%*	15%*	15%*	22%*	20%*	21%*
Firm Has No Union Workers	17%*	20%*	19%*	39%*	30%*	34%*
YOUNGER WORKERS						
Few Younger Workers	17%	17%	17%	37%*	24%	28%
Many Younger Workers	21%	21%	21%	53%*	33%	37%
OLDER WORKERS						
Few Older Workers	19%*	18%	18%	41%*	26%	30%
Many Older Workers	15%*	17%	17%	34%*	25%	27%
FUNDING ARRANGEMENT						
Fully Insured	17%	17%	17%	38%	29%*	35%*
Self-Funded	15%	18%	18%	36%	24%*	25%*
FIRM OWNERSHIP						
Private For-Profit	19%*	19%*	19%*	38%	26%	30%
Public	11%*	13%*	13%*	34%	23%	24%*
Private Not-For-Profit	14%*	17%	16%	39%	25%	30%
ALL FIRMS	**17%**	**18%**	**17%**	**38%**	**25%**	**29%**

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.

* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2023

DIFFERENCES BY REGION AND INDUSTRY

- The average worker contribution for single coverage is relatively low in the West (14%) [Figure 6.20].
- The average worker contribution for family coverage is relatively low in the Northeast (25%) and the Midwest (26%) and relatively high in the South (34%) [Figure 6.20].
- Average worker contributions vary across industries for single and family coverage [Figure 6.21].

Figure 6.20

Average Premium Paid by Covered Workers for Single and Family Coverage, by Plan Type and Region, 2023

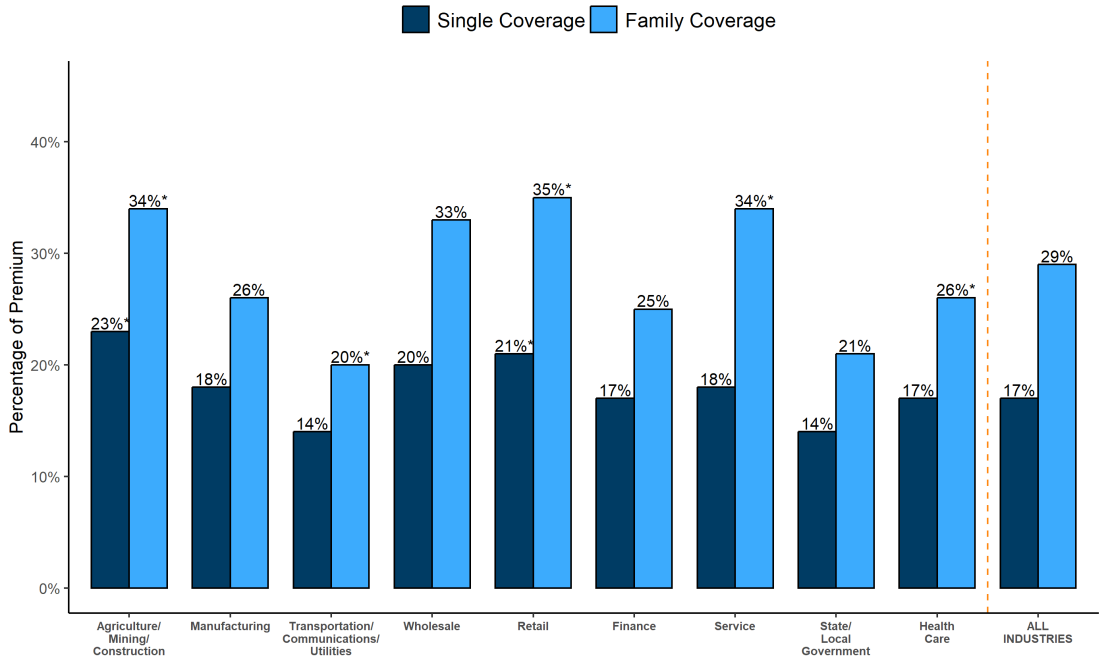
	Single Coverage		Family Coverage	
	Percent Contribution	Worker Contribution	Percent Contribution	Worker Contribution
HMO				
Northeast	18%	$1,590	23%	$5,988
Midwest	NSD	NSD	NSD	NSD
South	22	1,682	37	8,633
West	14	1,104	31	6,930
ALL REGIONS	**18%**	**$1,420**	**31%**	**$7,158**
PPO				
Northeast	19%	$1,630	25%	$6,356
Midwest	18	1,602	28	7,051
South	19	1,520	34*	7,789
West	14*	1,164*	28	6,545
ALL REGIONS	**18%**	**$1,507**	**30%**	**$7,108**
POS				
Northeast	16%	$1,634	26%	$6,810
Midwest	19	1,523	29	6,372
South	19	1,442	43*	8,415*
West	17	1,219	31	5,748
ALL REGIONS	**18%**	**$1,456**	**33%**	**$6,938**
HDHP/SO				
Northeast	19%*	$1,510*	25%	$5,801
Midwest	15	1,063*	22*	4,481*
South	17	1,248	28	5,834
West	12*	925*	24	5,444
ALL REGIONS	**16%**	**$1,193**	**25%**	**$5,302**
ALL PLANS				
Northeast	18%	$1,594*	25%*	$6,213
Midwest	17	1,375	26*	5,874*
South	19	1,458	34*	7,416*
West	14*	1,108*	28	6,331
ALL REGIONS	**17%**	**$1,401**	**29%**	**$6,575**

NOTE: NSD: Not Sufficient Data

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 6.21
Average Percentage of Premium Paid by Covered Workers, by Industry, 2023

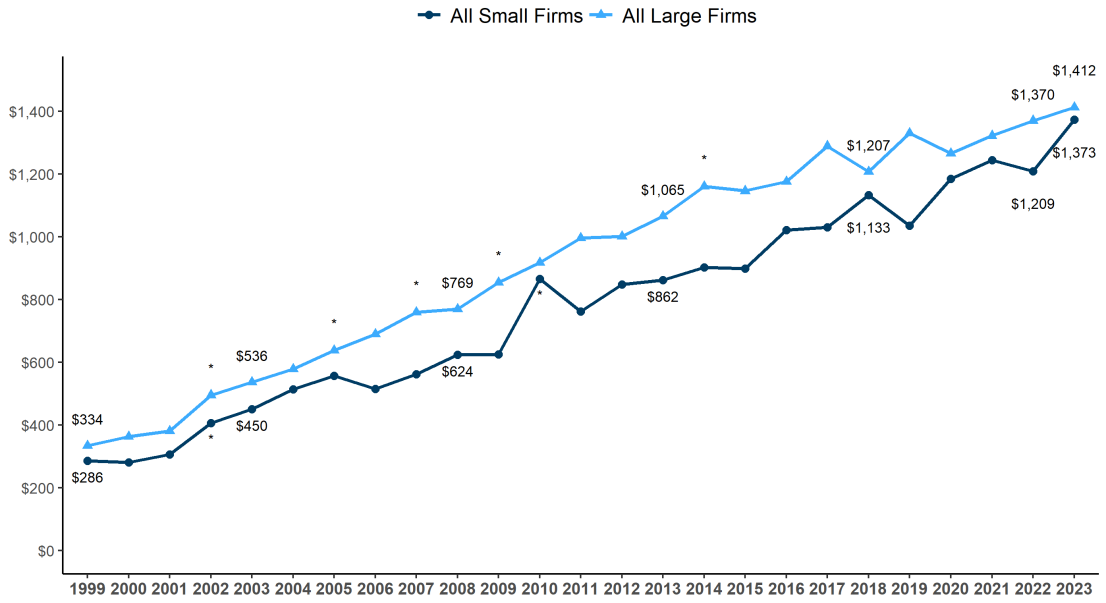


* Estimate is statistically different within coverage type from estimate for all other firms not in the indicated industry category ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2023

CHANGES OVER TIME

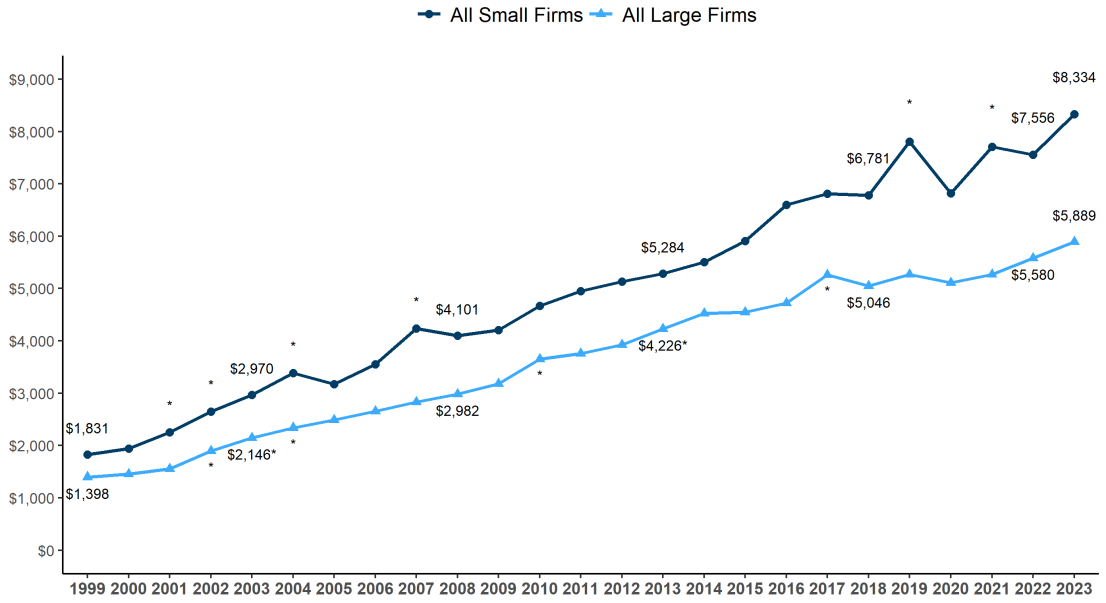
- The average worker contributions in 2023 for single coverage ($1,401) and for family coverage ($6,575) are similar to the average contribution levels last year [Figures 6.22 and 6.23].
- Over the last five years, the average worker contributions for single coverage has increased 18% and the average worker contribution for family coverage increased 19% [Figures 6.4 and 6.5].
- Over the last 10 years, the average worker contributions for single coverage has increased 40% and the average worker contribution for family coverage increased 44% [Figures 6.4 and 6.5].

Figure 6.22
Average Annual Worker Contributions for Covered Workers with Single Coverage, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

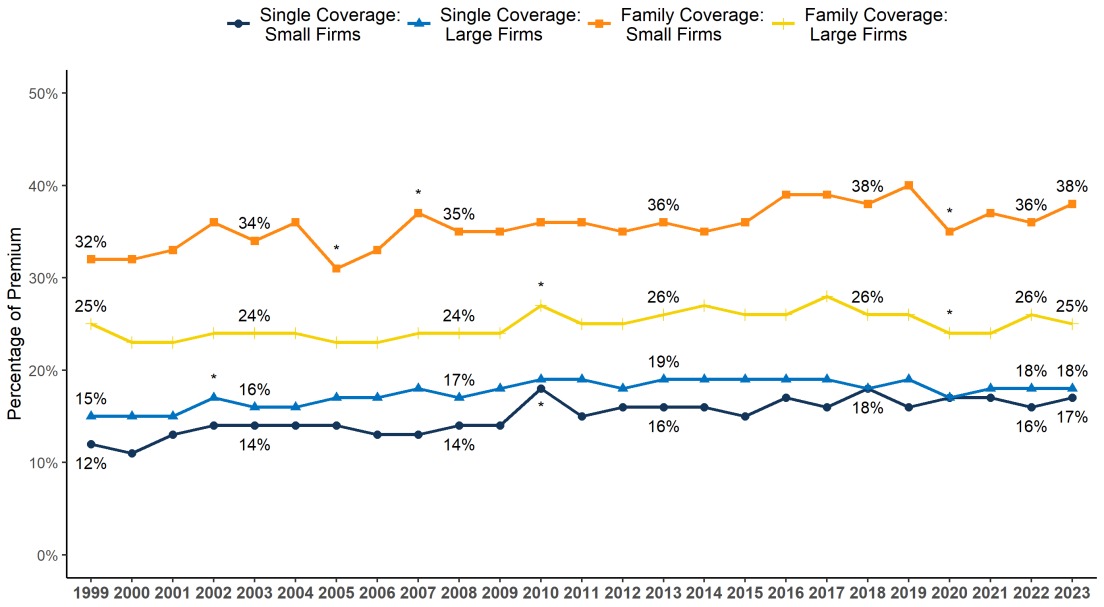
Figure 6.23
Average Annual Worker Contributions for Covered Workers with Family Coverage, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.24

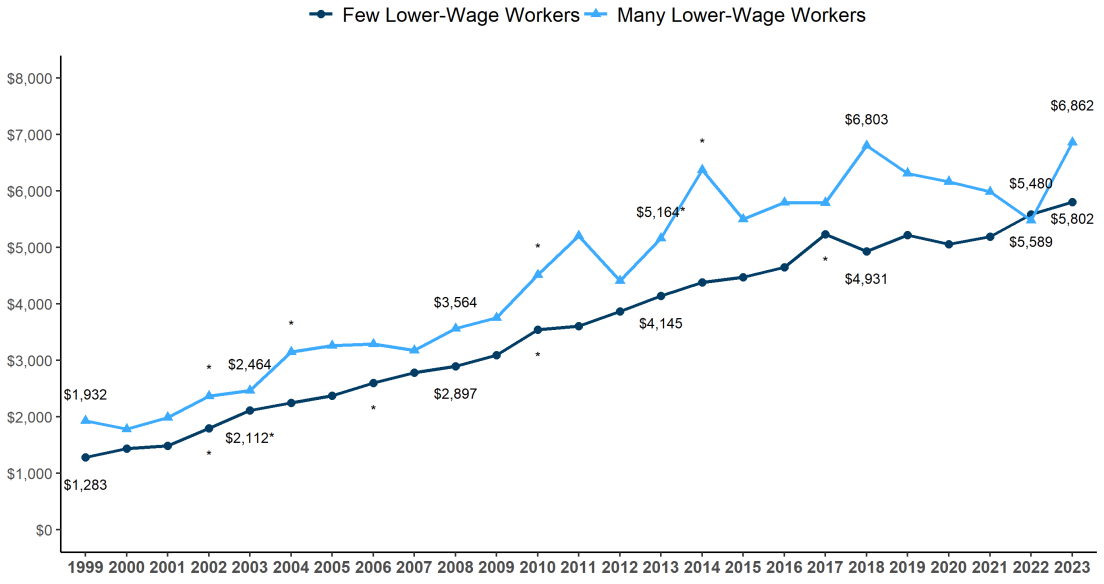
Average Percentage of Premium Paid by Covered Workers for Single and Family Coverage, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 6.25

Among Large Firms, Average Annual Worker Contributions for Covered Workers with Family Coverage, by Firm Wage Level, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Employer Health Benefits

2023 Annual Survey

Employee Cost Sharing

SECTION

7

Section 7

Employee Cost Sharing

In addition to any required premium contributions, most covered workers must pay a share of the cost for the medical services they use. The most common forms of cost-sharing are deductibles (an amount that must be paid before most services are covered by the plan), copayments (fixed dollar amounts), and coinsurance (a percentage of the charge for services). Some plans combine cost-sharing forms, such as requiring coinsurance for a service up to a maximum amount, or assessing either coinsurance or a copayment for a service, whichever is higher. The type and level of cost-sharing may vary with the type of plan in which the worker is enrolled. Cost sharing may also vary by the type of service, with separate classifications for office visits, hospitalizations, or prescription drugs.

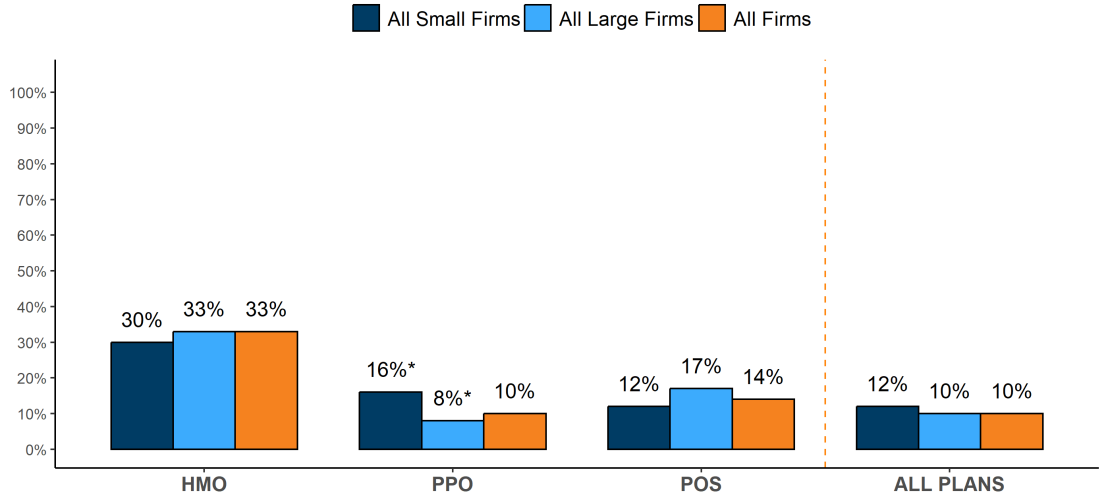
The cost-sharing amounts reported here are for covered workers using in-network services. Plan enrollees receiving services from providers that do not participate in plan networks often face higher cost-sharing and may be responsible for charges that exceed the plan's allowable amounts. The framework of this survey does not allow us to capture all of the complex cost-sharing requirements in modern plans, including ancillary services (such as durable medical equipment or physical therapy) or cost-sharing arrangements that vary across different settings (such as tiered networks). Therefore, we do not collect information on all plan provisions and limits that affect enrollee out-of-pocket liability.

GENERAL ANNUAL DEDUCTIBLES FOR WORKERS IN PLANS WITH DEDUCTIBLES

- We consider a general annual deductible to be an amount that must be paid by enrollees before most services are covered by their health plan. Non-grandfathered health plans are required to cover some services, such as preventive care, without cost-sharing. Some plans require enrollees to meet a specific deductible for certain services, like prescription drugs or hospital admissions, in lieu of or in addition to a general annual deductible. As discussed below, some plans with a general annual deductible for most services exclude specified classes of care from the deductible, such as prescriptions or physician office visits.
  - Ninety percent of covered workers in 2023 are enrolled in a plan with a general annual deductible for single coverage, similar to the percentage last year (88%) but higher than the percentages five years ago (85%) or ten years ago (78%) [Figure 7.2].
  - The percent of covered workers enrolled in a plan with a general annual deductible for single coverage is similar for small firms (3-199 workers) (88%) and large firms (200 or more workers) (90%) [Figure 7.2].
  - The likelihood of a plan having a general annual deductible varies by plan type. Thirty-three percent of covered workers in HMOs do not have a general annual deductible for single coverage, compared to 14% of workers in POS plans and 10% of workers in PPOs [Figure 7.1].
- For workers with single coverage in a plan with a general annual deductible, the average annual deductible is $1,735, similar to the average deductible last year ($1,763) [Figure 7.3] and [Figure 7.8].

- For covered workers in plans with a general annual deductible, the average deductibles for single coverage are $1,200 in HMOs, $1,281 in PPOs, $1,783 in POS plans, and $2,611 in HDHP/SOs [Figure 7.6].
- In all plan types, the average deductibles for single coverage are higher for covered workers at small firms than at large firms. For covered workers in PPOs, the most common plan type, the average deductible for single coverage at small firms is considerably higher than at large firms ($2,024 vs. $1,023) [Figure 7.6]. Overall, for covered workers in plans with a general annual deductible, the average deductible for single coverage at small firms ($2,434) is higher than the average deductible at large firms ($1,478) [Figure 7.3].
- The average general annual deductible for single coverage for workers in plans with a deductible has increased 10% over the past five years and 53% over the past ten years [Figure 7.8].

Figure 7.1
Percentage of Covered Workers with No General Annual Deductible for Single Coverage, by Plan Type and Firm Size, 2023



* Estimate is statistically different between All Small Firms and All Large Firms estimate within plan type ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers. HDHP/SOs are not shown because all covered workers in these plans face a minimum deductible. HDHP/SOs are included in the All Plans estimate. In HDHP/HRA plans, as defined by the survey, the minimum deductible is $1,000 for single coverage and $2,000 for family coverage. For HSA-qualified HDHPs, the legal minimum deductible for 2023 is $1,500 for single coverage and $3,000 for family coverage. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. A similar percentage of covered workers do not face a general annual deductible for single and family coverage within each plan type.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.2

Percentage of Covered Workers in a Plan That Includes a General Annual Deductible for Single Coverage, by Plan Type and Firm Size, 2006-2023

	HMO			PPO			POS			ALL PLANS		
	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms
2006	17%	10%	12%	69%	69%	69%	35%	28%	32%	56%	54%	55%
2007	14%	20%*	18%	72%	71%	71%	53%*	41%	48%*	60%	59%	59%*
2008	25%	18%	20%	73%	66%	68%	59%	41%	50%	65%	56%	59%
2009	27%	12%	16%	74%	74%	74%	63%	58%	62%	67%	61%	63%
2010	34%	25%*	28%*	80%	76%	77%	64%	70%	66%	73%	68%*	70%*
2011	38%	27%	29%	76%	83%	81%	68%	71%	69%	75%	74%	74%
2012	33%	29%	30%	76%	77%	77%	58%	63%	60%	72%	73%	72%
2013	44%	40%	41%	78%	82%	81%	78%*	49%	66%	77%	78%	78%*
2014	59%	28%	37%	83%	85%	85%	69%	72%*	70%	82%	80%	80%
2015	46%	40%	42%	85%	84%	85%	80%	61%	72%	82%	81%	81%
2016	44%	47%	46%	85%	84%	84%	81%	66%	76%	82%	83%	83%
2017	41%	37%	38%	78%	88%	86%	71%	58%	65%	77%	83%	81%
2018	56%	53%	54%*	86%	89%	88%	86%	63%	76%	85%*	85%	85%*
2019	58%	43%	48%	87%	84%	85%	75%	76%	76%	83%	81%	82%
2020	48%	49%	49%	78%	84%	82%	73%	79%	76%	79%	84%	83%
2021	72%*	52%	57%	80%	87%	85%	86%	83%	85%	85%	85%	85%
2022	64%	58%	59%	87%	88%	88%	83%	84%	83%	87%	88%	88%
2023	70%	67%	67%	84%	92%	90%	88%	83%	86%	88%	90%	90%

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers. By definition, all HDHP/SOs have a deductible.

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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 7.3

Percentage of Covered Workers in a Plan That Includes a General Annual Deductible and Average Deductible for Single Coverage, by Firm Size and Region, 2023

	Percentage of Covered Workers in a Plan With a General Annual Deductible	Among Covered Workers With a General Annual Deductible for Single Coverage, Average Deductible
FIRM SIZE		
3-49 Workers	87%	$2,412*
50-199 Workers	88	2,460*
200-999 Workers	87	1,951*
1,000-4,999 Workers	89	1,531*
5,000 or More Workers	92*	1,282*
All Small Firms (3-199 Workers)	**88%**	**$2,434***
All Large Firms (200 or More Workers)	**90%**	**$1,478***
REGION		
Northeast	87%	$1,512*
Midwest	96*	1,937*
South	92	1,832
West	80*	1,476*
ALL FIRMS	**90%**	**$1,735**

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.4

Percentage of Covered Workers in a Plan That Includes a General Annual Deductible and Average Deductibles for Single Coverage, by Firm Characteristics, 2023

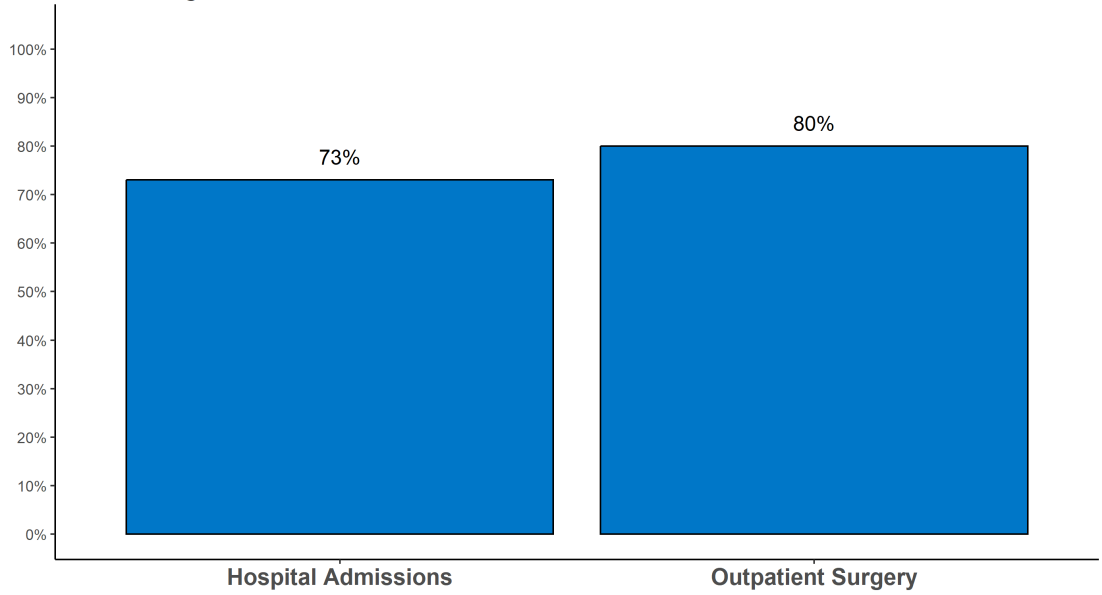
	Percentage of Covered Workers in a Plan With a General Annual Deductible	Among Covered Workers With a General Annual Deductible for Single Coverage, Average Deductible
LOWER WAGE LEVEL		
Few Lower-Wage Workers	90%	$1,683*
Many Lower-Wage Workers	83%	$2,364*
HIGHER WAGE LEVEL		
Few Higher-Wage Workers	91%	$1,896*
Many Higher-Wage Workers	88%	$1,545*
UNIONS		
Firm Has Union Workers	88%	$1,233*
Firm Has No Union Workers	91%	$2,038*
YOUNGER WORKERS		
Few Younger Workers	90%	$1,738
Many Younger Workers	86%	$1,708
OLDER WORKERS		
Few Older Workers	91%	$1,783
Many Older Workers	88%	$1,680
FIRM OWNERSHIP		
Private For-Profit	93%*	$1,873*
Public	80%*	$1,167*
Private Not-For-Profit	88%	$1,768
ALL FIRMS	**90%**	**$1,735**

NOTE: Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.

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

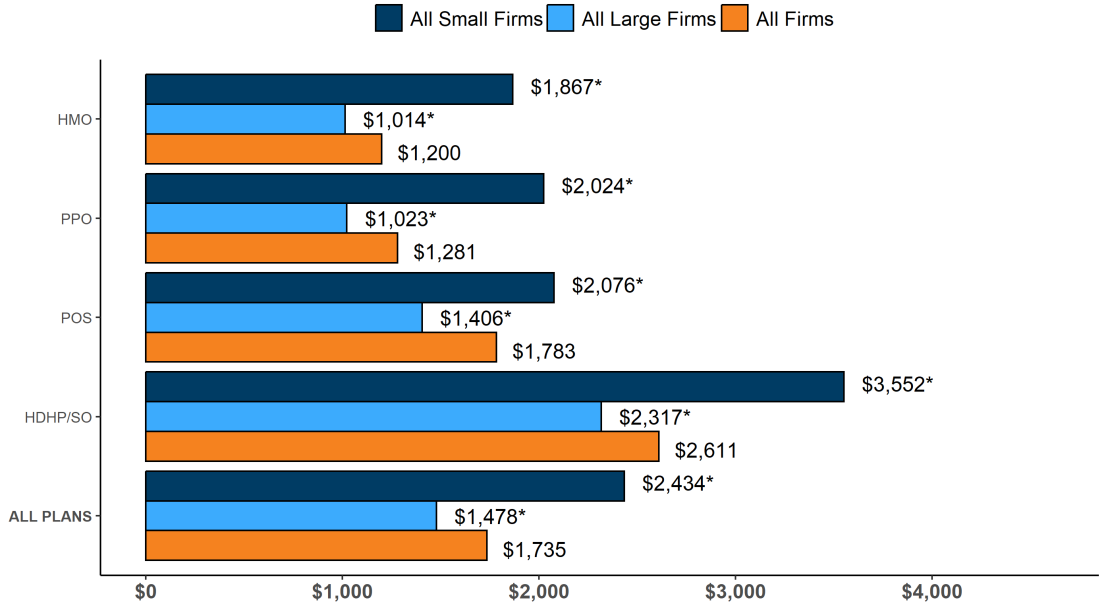
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.5
Among Covered Workers with No General Annual Deductible, Percentage Who Face Other Types of Cost Sharing, 2023



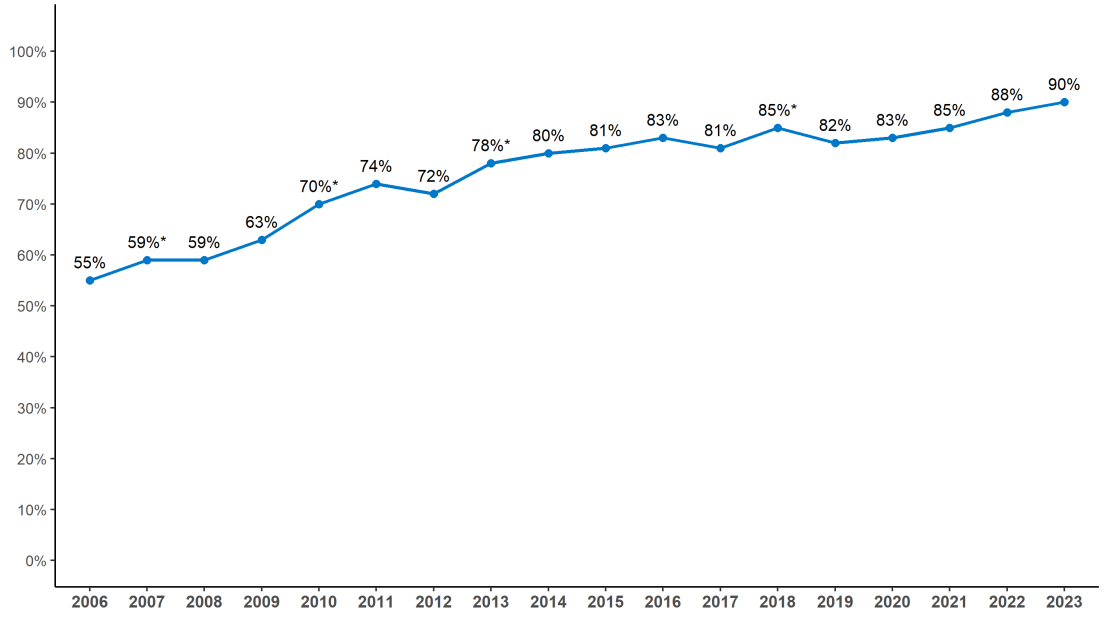
NOTE: Other cost sharing include a separate annual deductible, copayment, coinsurance or charge per day. Percentages are similar between single and family coverage.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.6
Among Covered Workers with a General Annual Deductible for Single Coverage, Average Deductible, by Plan Type and Firm Size, 2023



* Estimate is statistically different between All Small Firms and All Large Firms estimate within plan type ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.7
Percentage of Covered Workers with a General Annual Deductible for Single Coverage, 2006-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 7.8
Among Covered Workers With a General Annual Deductible, Average Single and Family Coverage Deductible, by Plan Type, 2006-2023

	Family Coverage Deductible With Aggregate Structure				Family Coverage Deductible With Separate Per-Person Structure				Single Coverage				
	HMO	PPO	POS	HDHP/SO	HMO	PPO	POS	HDHP/SO	HMO	PPO	POS	HDHP/SO	All Plans
2006	$751	$1,034	$1,227	$3,511	NSD	$710	$992	NSD	$352	$473	$553	$1,715	$584
2007	$759	$1,040	$1,359	$3,596	NSD	$492*	$592	NSD	$401	$461	$621	$1,729	$616
2008	$1,053	$1,344*	$1,860	$3,559	NSD	$514	$778	$2,334*	$503	$560*	$752	$1,812	$735*
2009	$1,524*	$1,488	$2,191	$3,626	$686	$633	$1,050	$2,091	$699*	$634*	$1,061	$1,838	$826*
2010	$1,321	$1,518	$2,253	$3,780	$500	$596	$1,164	$2,053	$601	$675	$1,048	$1,903	$917*
2011	$1,487	$1,521	$1,769	$3,666	$885	$646	$912	$2,149	$911	$675	$928	$1,908	$991
2012	$1,329	$1,770	$2,163	$3,924	$754	$632	$1,092	$2,821*	$691	$733	$1,014	$2,086	$1,097*
2013	$1,743	$1,854	$2,821	$4,079	$609	$782*	$1,080	$2,033*	$729	$799	$1,314	$2,003	$1,135
2014	$2,328	$1,947	$2,470	$4,522*	$870	$821	$1,153	$2,126	$1,032*	$843	$1,215	$2,215*	$1,217
2015	$2,758	$2,012	$2,467	$4,332	$852	$944	$1,153	$1,965	$1,025	$958	$1,230	$2,099	$1,318
2016	$2,245	$2,147	$3,769*	$4,343	$632	$1,052	$1,180	$2,411	$917	$1,028	$1,737*	$2,199	$1,478*
2017	$2,732	$2,503*	$2,697	$4,527	$1,045	$914	$1,128	$2,645	$1,175	$1,046	$1,301	$2,304	$1,505
2018	$2,317	$3,000*	$3,497	$4,676	$691	$1,005	$1,864*	$2,560	$870	$1,204*	$1,598	$2,349	$1,573
2019	$2,905	$2,883	$4,347	$4,779	$881	$1,091	$1,932	$3,078	$1,200	$1,206	$1,857	$2,486	$1,655
2020	$3,035	$2,716	$3,902	$4,552	NSD	$1,115	NSD	$2,523	$1,201	$1,204	$1,714	$2,303	$1,644
2021	$3,400	$3,000	$4,130	$4,705	$1,190	$1,126	$1,334	$2,748	$1,271	$1,245	$1,852	$2,424	$1,669
2022	$3,124	$2,908	$3,773	$4,766	$1,600	$1,506*	$2,468*	$3,325	$1,451	$1,322	$1,907	$2,539	$1,763
2023	$2,949	$2,979	$3,855	$4,909	$1,835	$1,435	$3,337	$3,637	$1,200	$1,281	$1,783	$2,611	$1,735

NOTE: Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate deductible amount in which all family members' out-of-pocket expenses count toward the deductible, and plans that have a separate amount for each family member, typically with a limit on the number of family members required to reach that amount.
NSD: Not Sufficient Data

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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

GENERAL ANNUAL DEDUCTIBLES AMONG ALL COVERED WORKERS

- As discussed above, the share of covered workers in plans with a general annual deductible has increased significantly over time, from 78% in 2013 to 90% in 2023 [Figure 7.7]. The average deductible amount for covered workers in plans with a deductible has also increased over this period, from $1,135 in 2013 to $1,735 in 2023 [Figure 7.10]. Neither trend by itself, however, captures the full impact that changes in deductibles have had on covered workers. We can look at the average impact of both trends together by assigning a zero deductible value to covered workers in plans with no deductible and looking at how the resulting averages change over time. These average deductible amounts are lower in any given year than the originals, but the changes over time reflect both workers facing higher monetary deductible amounts and a greater number of workers facing these deductibles.
  - Using this approach, the average general annual deductible for single coverage for all covered workers (with or without a deductible) in 2023 is $1,568, similar to the amount last year ($1,562) [Figure 7.10].
  - The 2023 value is 16% higher than the average general annual deductible in 2018 ($1,350) and 78% higher than in 2013 ($883) [Figure 7.10].
- Another way to examine the impact of deductibles on covered workers is to look at the percent of all covered workers who are in a plan with a deductible that exceeds a certain amount. Sixty-three percent of covered workers are in plans with a general annual deductible of $1,000 or more for single coverage, similar to the percentage last year [Figure 7.13].
  - Over the past five years, the percent of covered workers with a general annual deductible of $1,000 or more for single coverage has stayed relatively similar, from 58% to 63% [Figure 7.13].
  - Workers at small firms are considerably more likely to have a general annual deductible of $1,000 or more for single coverage than workers at large firms (74% vs. 58%) [Figure 7.12].
- In 2023, 31% of covered workers are enrolled in a plan with a deductible of $2,000 or more, similar to the percentage last year (32%) [Figure 7.14]. This percentage is much higher for covered workers at small firms than at large firms (47% vs. 25%) [Figure 7.12].

Figure 7.9

Prevalence and Value of General Annual Deductibles for Single Coverage, by Firm Size, 2006-2023

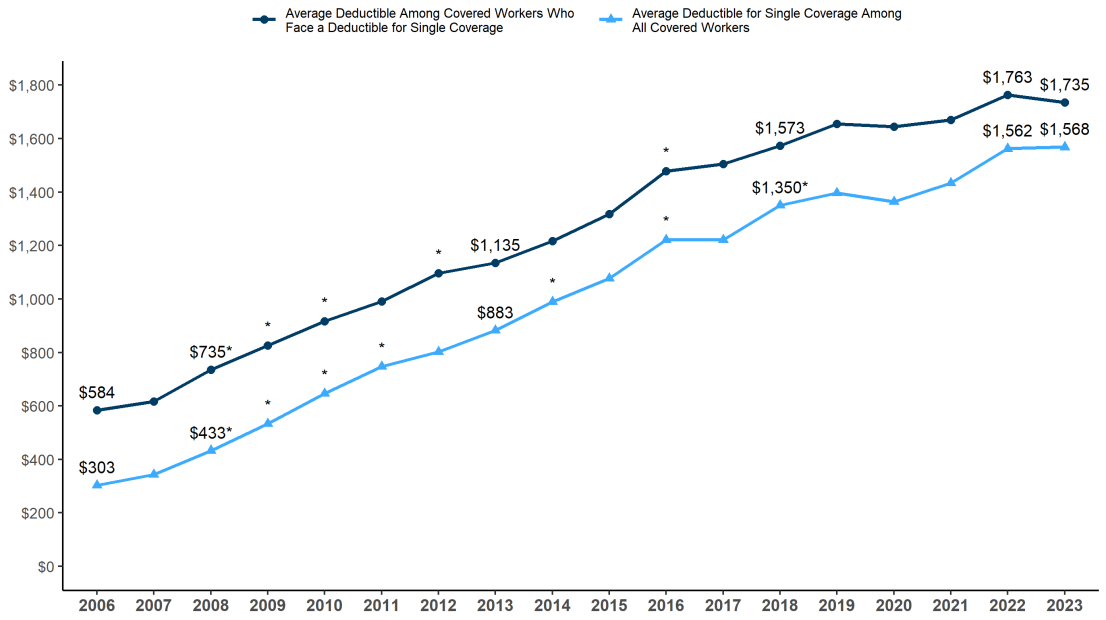
	Average General Annual Deductible Among Covered Workers Who Face A Deductible For Single Coverage			Percentage Of Covered Workers With A General Annual Deductible For Single Coverage			Average General Annual Deductible For Single Coverage Among All Covered Workers		
	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms	All Small Firms	All Large Firms	All Firms
2006	$775	$496	$584	56%	54%	55%	$431	$234	$303
2007	$852	$519	$616	60%	59%	59%*	$494	$269	$343
2008	$1,124*	$553	$735*	65%	56%	59%	$727*	$284	$433*
2009	$1,254	$640*	$826*	67%	61%	63%	$851	$376*	$533*
2010	$1,391	$686	$917*	73%	68%*	70%*	$1,001	$456*	$646*
2011	$1,537	$757	$991	75%	74%	74%	$1,177	$546*	$747*
2012	$1,596	$875*	$1,097*	72%	73%	72%	$1,163	$629*	$802
2013	$1,715	$884	$1,135	77%	78%	78%*	$1,330	$670	$883
2014	$1,797	$971	$1,217	82%	80%	80%	$1,493	$765*	$989*
2015	$1,836	$1,105*	$1,318	82%	81%	81%	$1,507	$890*	$1,077
2016	$2,069	$1,238	$1,478*	82%	83%	83%	$1,669	$1,026	$1,221*
2017	$2,120	$1,276	$1,505	77%	83%	81%	$1,631	$1,049	$1,221
2018	$2,132	$1,355	$1,573	85%*	85%	85%*	$1,818	$1,159	$1,350*
2019	$2,271	$1,412	$1,655	83%	81%	82%	$1,896	$1,184	$1,396
2020	$2,295	$1,418	$1,644	79%	84%	83%	$1,819	$1,187	$1,364
2021	$2,379	$1,397	$1,669	85%	85%	85%	$2,009	$1,201	$1,434
2022	$2,543	$1,493	$1,763	87%	88%	88%	$2,218	$1,320	$1,562
2023	$2,434	$1,478	$1,735	88%	90%	90%	$2,138	$1,341	$1,568

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers. Average general annual deductibles are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.

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

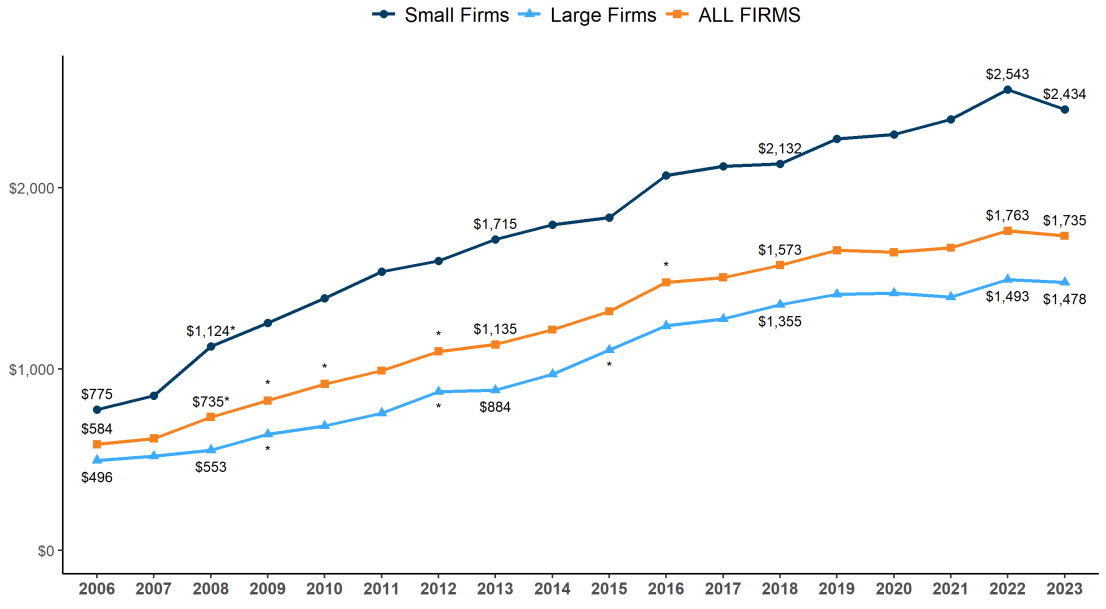
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 7.10
Average General Annual Deductibles for Single Coverage, 2006-2023



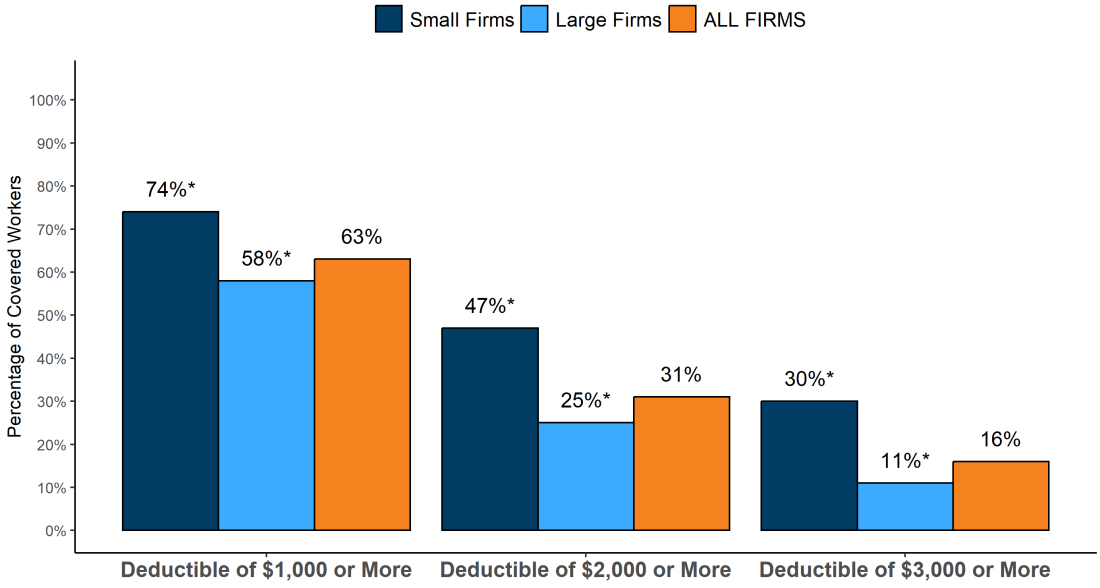
* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Average general annual deductibles are among all covered workers. Workers in plans without a general annual deductible for in-network services are assigned a value of zero.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 7.11
Among Covered Workers Who Face a Deductible for Single Coverage, Average General Annual Deductible for Single Coverage, by Firm Size, 2006-2023



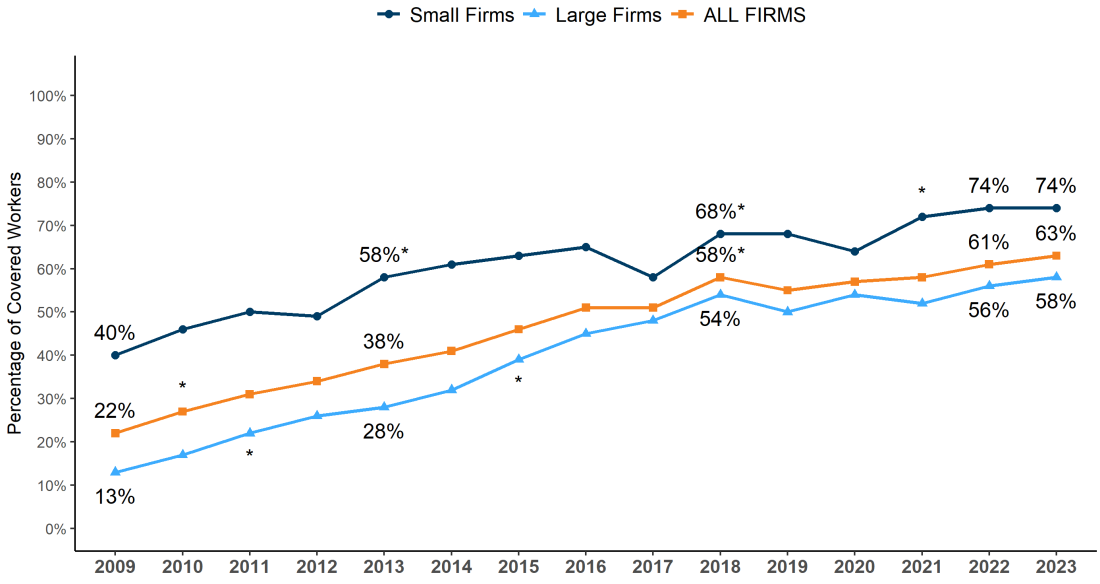
* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 7.12
Percentage of Covered Workers Enrolled in a Plan with a High General Annual Deductible for Single Coverage, by Firm Size, 2023



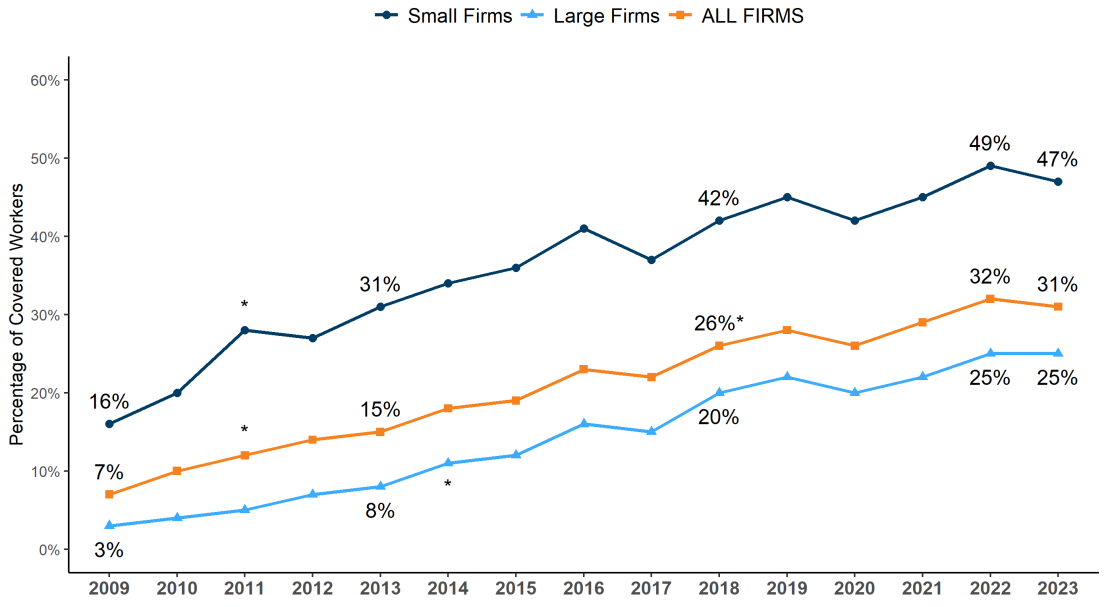
* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.13
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $1,000 or More for Single Coverage, by Firm Size, 2009-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

Figure 7.14
Percentage of Covered Workers Enrolled in a Plan with a General Annual Deductible of $2,000 or More for Single Coverage, by Firm Size, 2009-2023

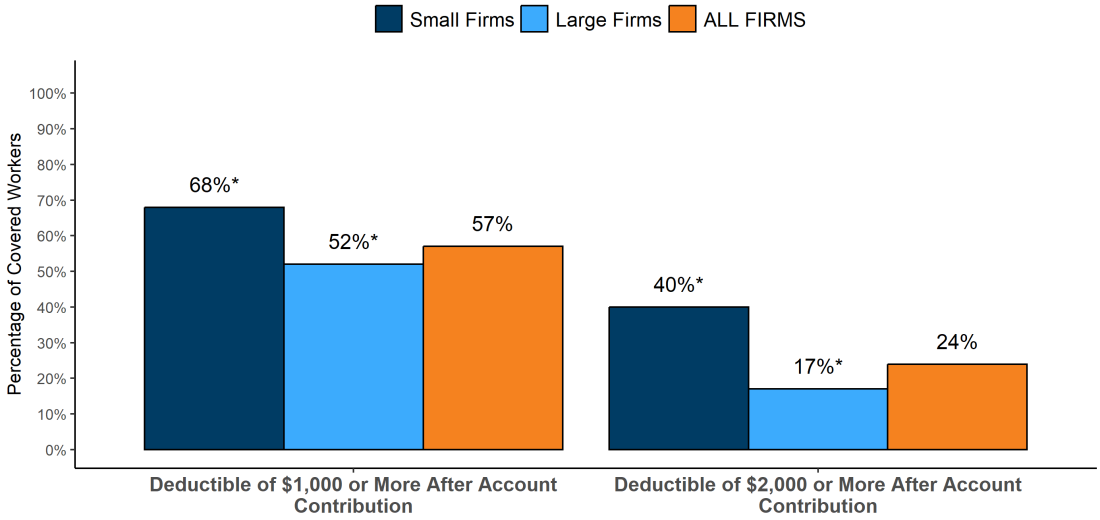


* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

GENERAL ANNUAL DEDUCTIBLES AND ACCOUNT CONTRIBUTIONS

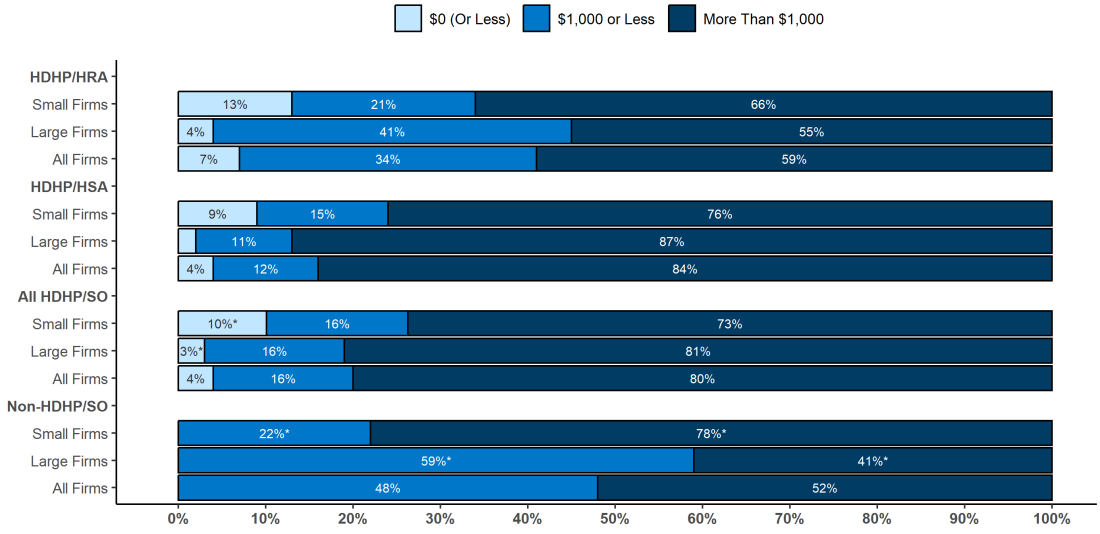
- One of the reasons for the growth in general annual deductibles is the growth in enrollment in HDHP/SOs, which have higher deductibles than other plans. While having a higher deductible in other plan types generally increases enrollee out-of-pocket liability, the shift in enrollment to HDHP/SOs does not necessarily do so, because many HDHP/SO enrollees receive an account contribution from their employers, reducing the higher cost-sharing in these plans.
  - Seven percent of covered workers in an HDHP with an HRA and 4% of covered workers in an HSA-qualified HDHP receive an account contribution from their employer for single coverage that is at least equal to their deductible. Another 34% of covered workers in an HDHP with an HRA and 12% of covered workers in an HSA-qualified HDHP receive account contributions that, if applied to their deductible, would reduce the deductible to $1,000 or less [Figure 7.16].
- If we subtract employer account contributions from the general annual deductibles, the percent of covered workers with a deductible of $1,000 or more would be reduced from 63% to 57% [Figure 7.13] and [Figure 7.15].

Figure 7.15
Percentage of Covered Workers Enrolled in a Plan with a High General Annual Deductible for Single Coverage, Reduced by Any HRA/HSA Contributions, by Firm Size, 2023



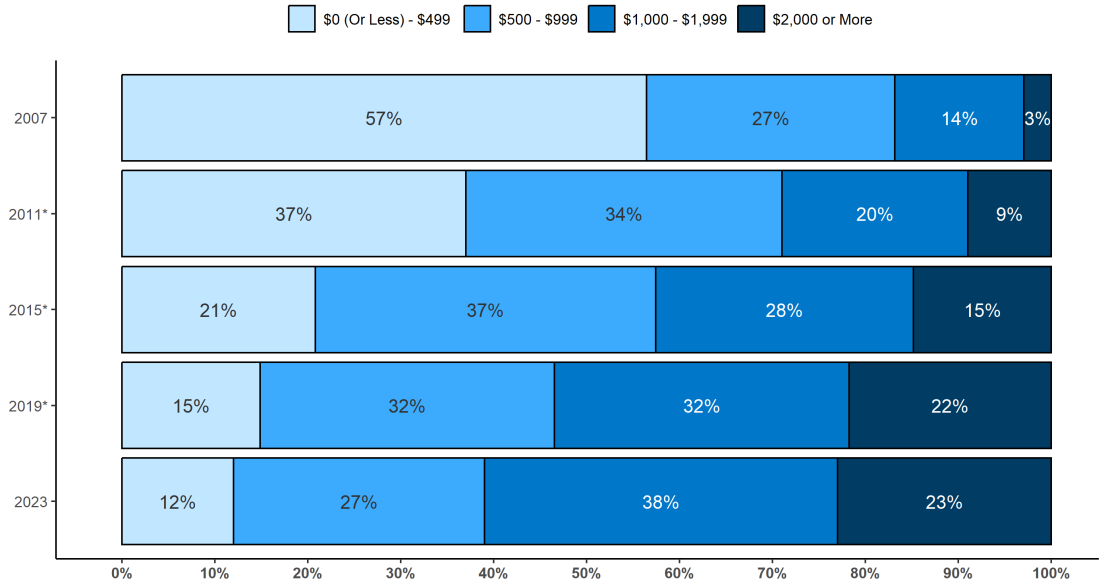
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual health plan deductibles for PPOs, POS plans, and HDHP/SOs are for in-network services. The net liability for covered workers enrolled in a plan with an HSA or HRA is calculated by subtracting the account contribution from the single coverage deductible. HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. General annual deductibles are for in-network providers. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

Figure 7.16
Among Covered Workers with a General Annual Deductible, Average General Annual Deductibles for Single Coverage, Reduced by Any HRA/HSA Contributions, by Plan Type and Firm Size, 2023



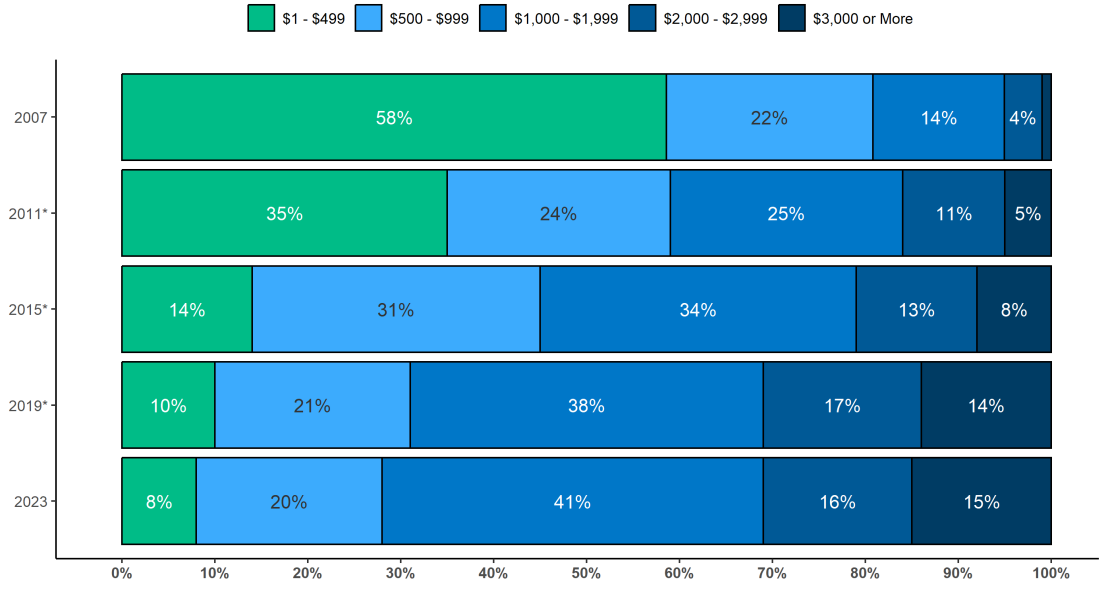
* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: The net liability for covered workers enrolled in a plan with an HSA or HRA is calculated by subtracting the account contribution from the single coverage deductible. HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. General annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.17
Among Covered Workers with a General Annual Deductible, Distribution of General Annual Deductibles for Single Coverage, Reduced by Any HRA/HSA Contributions, 2007-2023



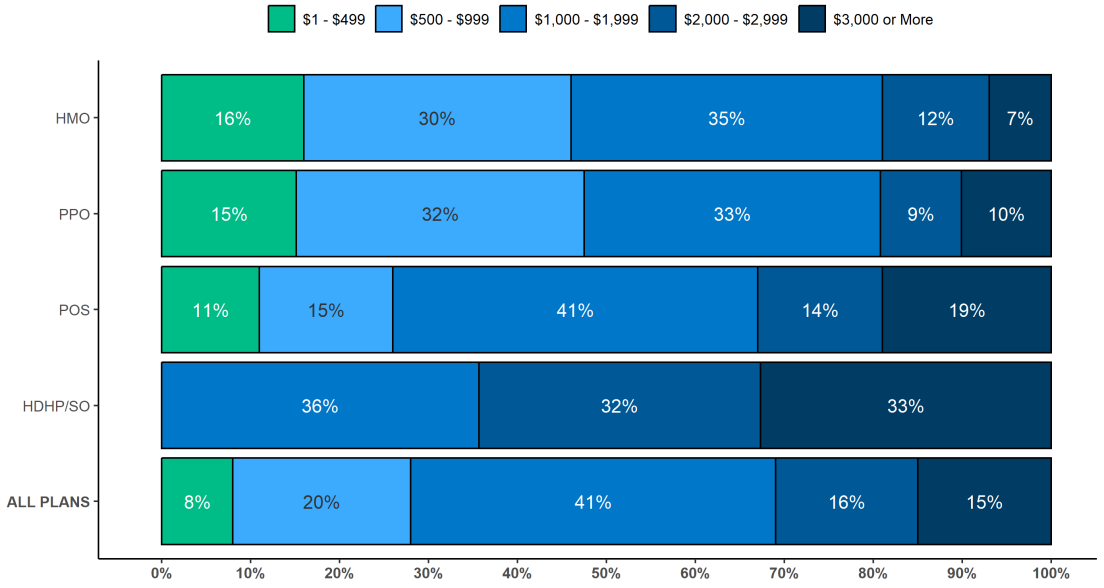
* Distribution is statistically different from distribution for the previous year shown (p < .05).
NOTE: Account contributions include an employer's contribution to an HSA or HRA. These estimates include workers enrolled in HDHP/SOs and other plan types. Average general annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 7.18
Among Covered Workers with a General Annual Deductible, Distribution of General Annual Deductible for Single Coverage, 2007-2023



* Distribution is statistically different from distribution for the previous year shown (p < .05).
NOTE: Average general annual deductibles are for in-network providers. In 2023, 90% of covered workers are enrolled in a plan with a general annual deductible.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 7.19
Among Covered Workers with a General Annual Deductible, Distribution of General Annual Deductibles for Single Coverage, by Plan Type, 2023



NOTE: Average general annual deductibles are for in-network providers. In 2023, 90% of covered workers are enrolled in a plan with a general annual deductible.
SOURCE: KFF Employer Health Benefits Survey, 2023

GENERAL ANNUAL DEDUCTIBLES FOR WORKERS ENROLLED IN FAMILY COVERGE

General annual deductibles for family coverage are structured in two primary ways: (1) an aggregate family deductible, where the out-of-pocket expenses of all family members count against a specified family deductible amount, and the deductible is considered met when the combined family expenses exceed the deductible amount, or (2) a separate per-person family deductible, where each family member is subject to a specified deductible amount before the plan covers expenses for that member. However, many plans with a per-person deductible consider the deductible for all family members met once a certain number of family members (typically two or three) meet their specified deductible amount.[1]

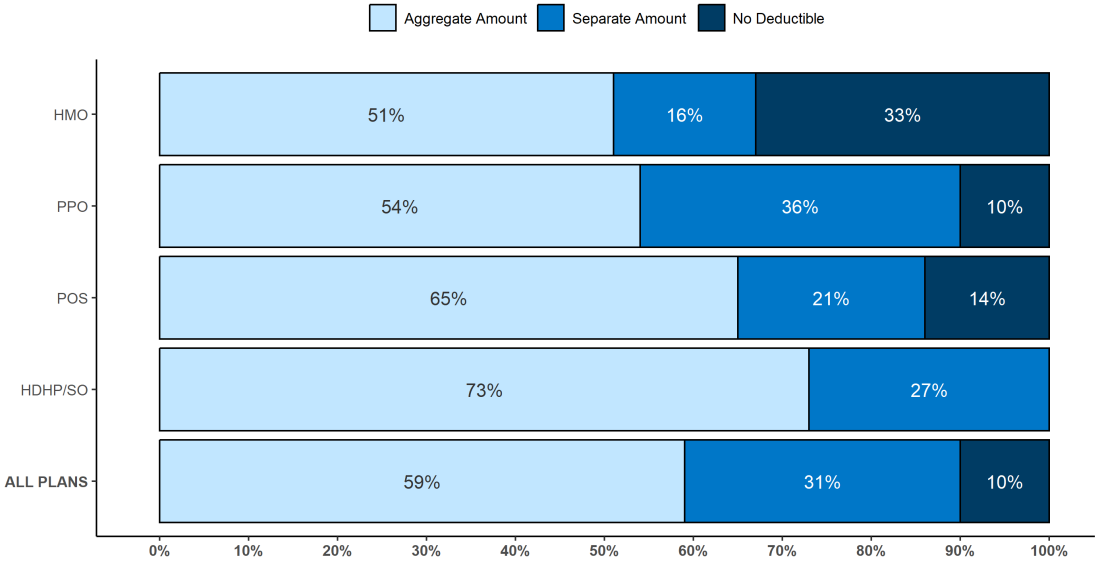
- Thirty-three percent of covered workers in HMOs are in plans without a general annual deductible for family coverage. The percent of workers in plans without family deductibles is lower for workers in PPOs (10%) and POS plans (14%). As defined, all covered workers in HDHP/SOs have a general annual deductible for family coverage [Figure 7.20].
- Among covered workers enrolled in family coverage, the percent of covered workers in a plan with an aggregate general annual deductible is 51% for workers in HMOs, 54% for workers in PPOs, 65% for workers in POS plans, and 73% for workers in HDHP/SOs [Figure 7.20].

[1] Some workers with separate per-person deductibles or out-of-pocket maximums for family coverage do not have a specific number of family members that are required to meet the deductible amount and instead have another type of limit, such as a per-person amount with a total dollar amount limit. These responses are included in the averages and distributions for separate family deductibles and out-of-pocket maximums.

  - The average deductible amounts for covered workers in plans with an aggregate annual deductible for family coverage are $2,949 for HMOs, $2,979 for PPOs, $3,855 for POS plans, and $4,909 for HDHP/SOs [Figure 7.21]. The average deductible amounts for aggregate family deductibles are similar to last year for each plan type.

- For covered workers in plans with an aggregate deductible for family coverage, the average annual family deductibles at small firms are higher than at large firms for covered workers in PPOs, POS plans, and HDHP/SOs [Figure 7.21].
- Among workers enrolled in family coverage, the percent of workers in plans with a separate per-person annual deductible for family coverage is 16% for workers in HMOs, 36% for workers in PPOs, 21% for workers in POS plans, and 27% for workers in HDHP/SOs [Figure 7.20].
  - The average deductible amounts for covered workers in plans with separate per-person annual deductibles for family coverage are $1,435 for PPOs, and $3,637 for HDHP/SOs [Figure 7.21].
- Thirty-eight percent of covered workers in plans with a separate per-person annual deductible for family coverage have a limit for the number of family members required to meet the separate deductible amounts [Figure 7.24]. Among those covered workers, the most frequent number of family members who are required to meet the separate per-person deductible is two [Figure 7.25].

Figure 7.20
Distribution of Type of General Annual Deductible for Covered Workers with Family Coverage, by Plan Type, 2023



NOTE: HDHP/SOs are defined as having a minimum deductible of $2,000 for aggregate family coverage and either an HRA or HSA. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.21

Among Covered Workers With a General Annual Deductible, Average Deductibles for Family Coverage, by Deductible Type, Plan Type, and Firm Size, 2023

	Aggregate Amount	Separate Per-Person Amount
HMO		
All Small Firms	$3,859	NSD
All Large Firms	$2,688	$1,586
ALL FIRM SIZES	**$2,949**	**$1,835**
PPO		
All Small Firms	$3,922*	$2,203*
All Large Firms	$2,524*	$1,303*
ALL FIRM SIZES	**$2,979**	**$1,435**
POS		
All Small Firms	$4,702*	NSD
All Large Firms	$2,434*	NSD
ALL FIRM SIZES	**$3,855**	**$3,337**
HDHP/SO		
All Small Firms	$6,708*	$4,468
All Large Firms	$4,319*	$3,414
ALL FIRM SIZES	**$4,909**	**$3,637**

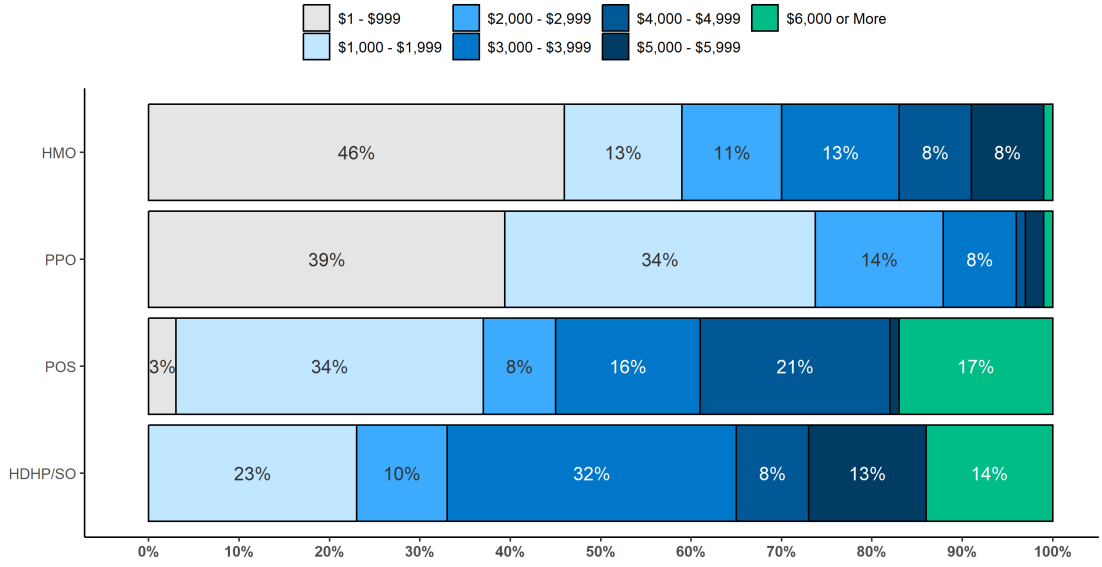
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
NSD: Not Sufficient Data

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

SOURCE: KFF Employer Health Benefits Survey, 2023

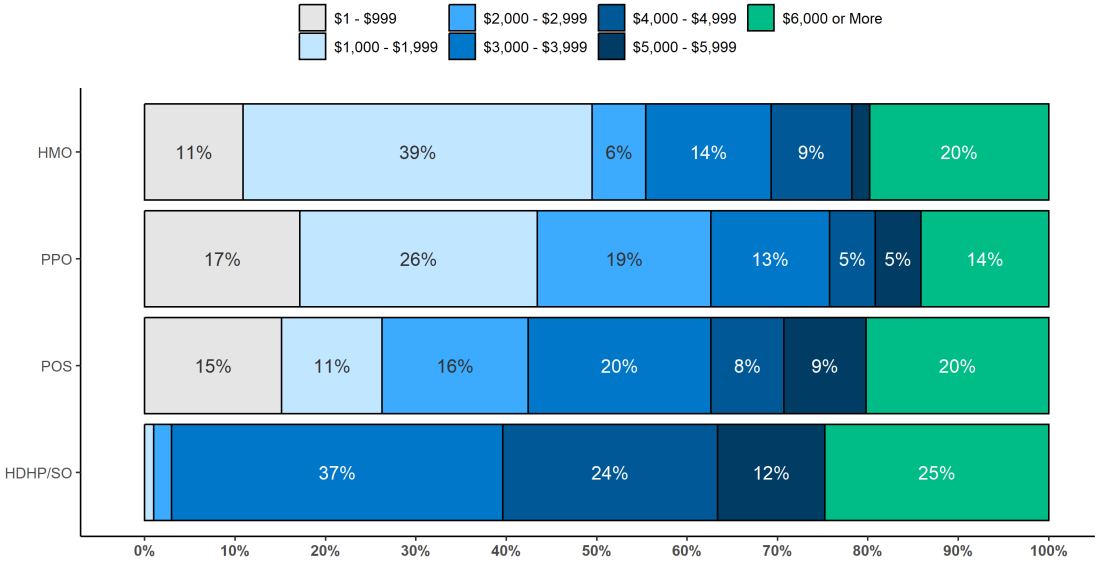
Figure 7.22

Among Covered Workers with a Separate Per-Person General Annual Deductible for Family Coverage, Distribution of Deductibles, by Plan Type, 2023



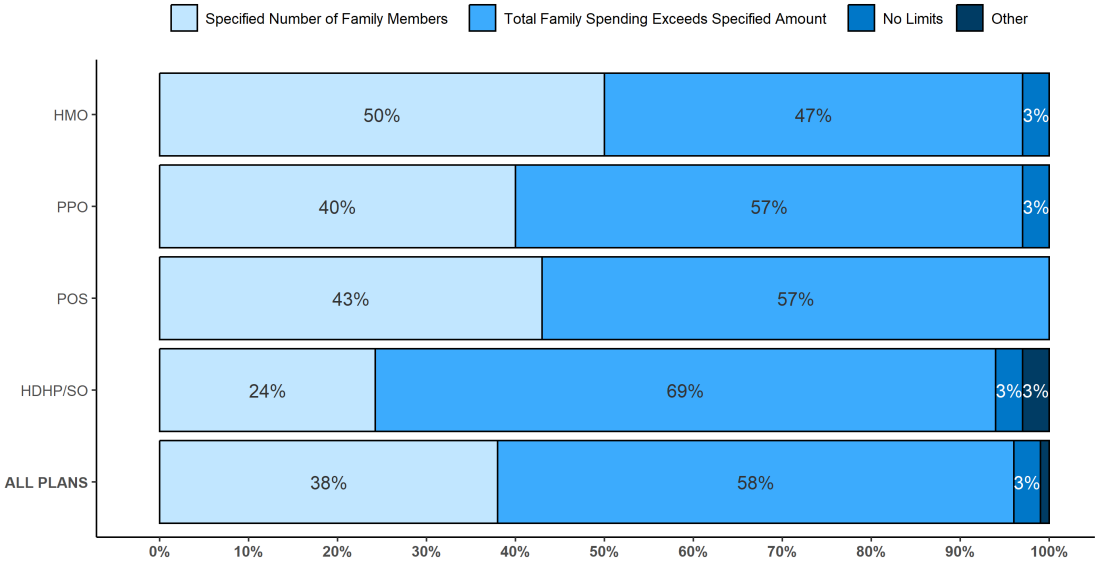
NOTE: Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.23
Among Covered Workers with an Aggregate General Annual Deductible for Family Coverage, Distribution of Deductibles, by Plan Type, 2023



NOTE: By definition, 100% of covered workers in an HDHP/SO with an aggregate deductible have a family deductible of $2,000 or more. Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
SOURCE: KFF Employer Health Benefits Survey, 2023

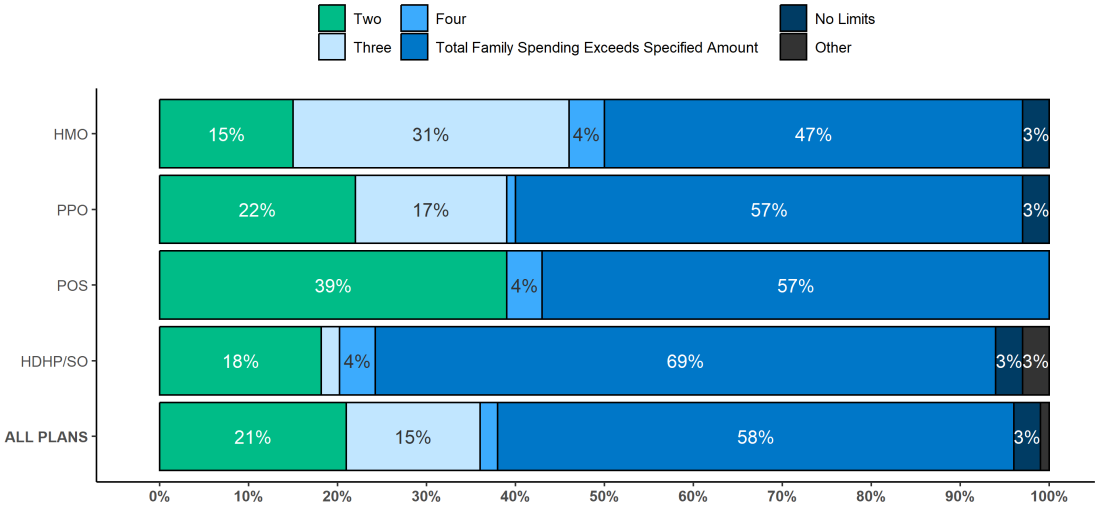
Figure 7.24
Among Covered Workers With a Separate Per-Person General Annual Deductible for Family Coverage, Structure of Deductible Limits, by Plan Type, 2023



NOTE: Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.25

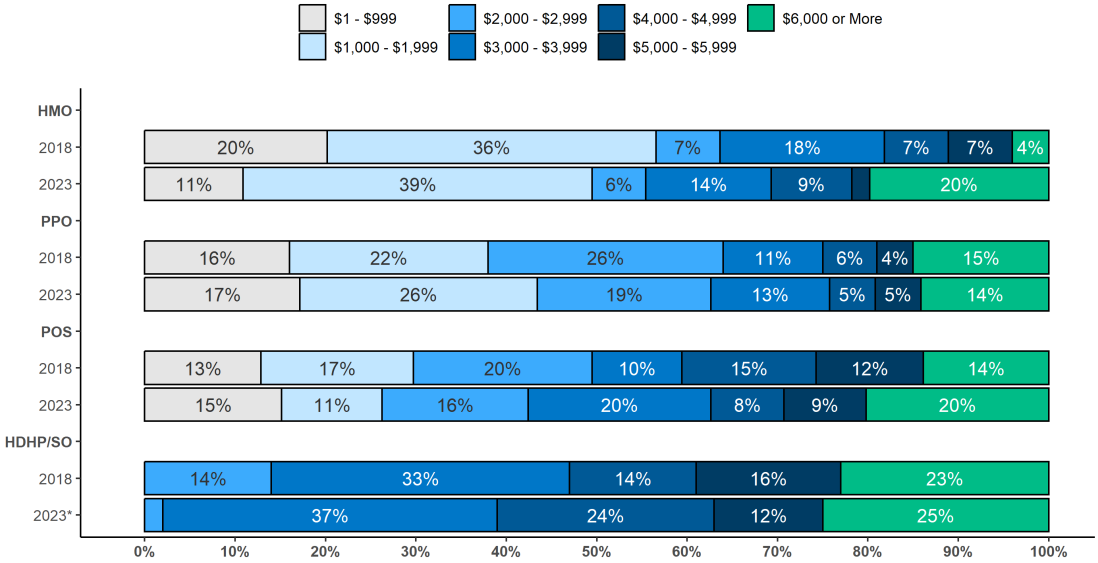
Among Covered Workers With a Separate Per-Person General Annual Deductible for Family Coverage and a Per-Person Limit, Distribution of Maximum Number of Family Members Required to Meet the Deductible, by Plan Type, 2023



NOTE: Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount. Firms with a separate family deductible were asked if they had a combined limit or if the limit was met when a specified number of family members reached their per-person limit. 'Other' category may include per-person limits with a total family dollar limit.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.26

Among Covered Workers With an Aggregate General Annual Deductible for Family Coverage, Distribution of Aggregate Deductibles, by Plan Type, 2018 and 2023

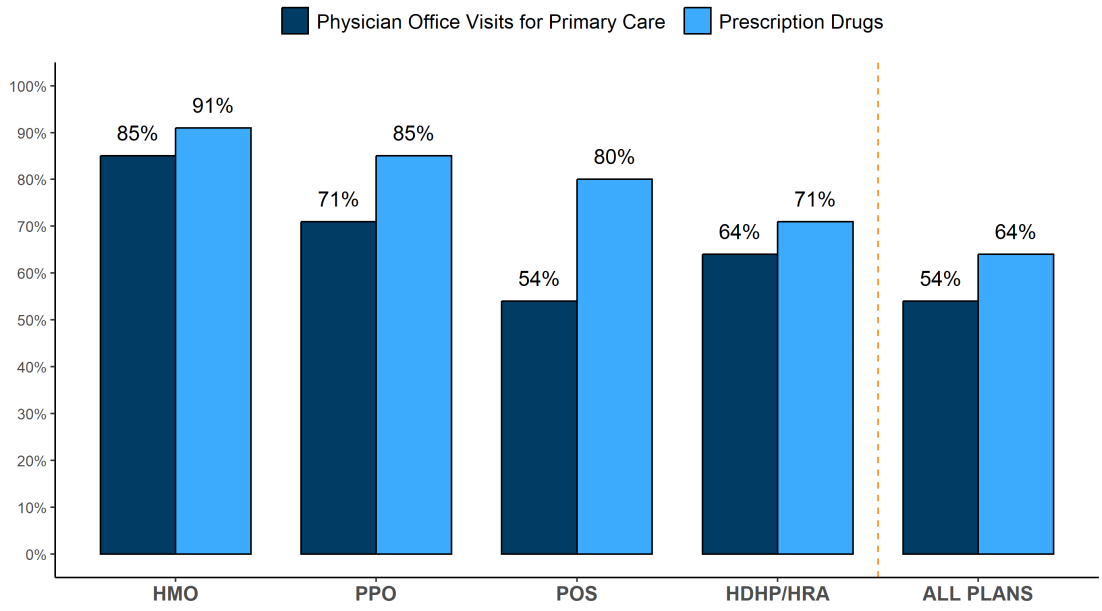


* Distribution is statistically different from distribution for the previous year shown ($p < .05$).
NOTE: By definition, 100% of covered workers in an HDHP/SO with an aggregate deductible have a family deductible of $2,000 or more. Average general annual deductibles are for in-network providers. The survey distinguishes between plans that have an aggregate family deductible and plans that have a separate per-person deductible, typically with a limit on the number of family members required to reach that amount.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023;

COVERAGE OF SERVICES AND PRODUCTS BEFORE MEETING THE GENERAL ANNUAL DEDUCTIBLES

- The majority of covered workers with a general annual deductible are enrolled in plans where the deductible does not have to be met before certain services, such as physician office visits or prescription drugs, are covered. Covered workers in HSA qualified HDHP/SOs are not included in these estimates, because HSA-qualified plans generally only pay for preventive services before the deductible is met.
  - The majority of covered workers (85% in HMOs, 71% in PPOs, 54% in POS plans, and 64% in HDHP/HRAs) who are enrolled in plans with general annual deductibles are in plans where the deductible does not have to be met before physician office visits for primary care are covered [Figure 7.27].
  - Similarly, among workers with a general annual deductible, large shares of covered workers in HMOs (91%), PPOs (85%), POS plans (80%), and HDHP/HRAs (71%) do not have to meet the general annual deductible before prescription drugs are covered [Figure 7.27].

Figure 7.27
Among Covered Workers with a General Annual Deductible, Percentage with Coverage for the Following Services Without Having to First Meet the Deductible, by Plan Type, 2023



NOTE: These questions are asked of firms with a deductible. HSA-Qualified HDHPs are required by law to apply the deductible to most services.
SOURCE: KFF Employer Health Benefits Survey, 2023

HOSPITAL ADMISSIONS AND OUTPATIENT SURGERY

- Whether or not a worker has a general annual deductible, most workers face additional types of cost-sharing (such as a copayment, coinsurance, or a per diem charge) when admitted to a hospital or having outpatient surgery. The distribution of workers with cost-sharing for hospital admissions or outpatient surgery does not equal 100%, as workers may face a complex combination of types of cost-sharing. For this reason, the average copayment and coinsurance rates include workers who may

have a combination of these cost-sharing methods. Coinsurance, in particular, may include minimums or maximums which impact an enrollee's liability. We report the distribution of cost-sharing for covered workers enrolled in a plan which covers hospital admissions and outpatient surgery, respectively. A small share of respondents indicate that they have an "other" cost-sharing arrangement.

- In addition to any general annual deductible that may apply, 63% of covered workers have coinsurance and 10% have a copayment that applies to inpatient hospital admissions. A lower percent of covered workers have per day (per diem) payments (7%), a separate hospital deductible (2%), or both a copayment and coinsurance (8%), while 17% have no additional cost-sharing for hospital admissions after any general annual deductible has been met [Figure 7.28]. Covered workers with both a copay and coinsurance may be required to pay both, or whichever is greater.
  - On average, covered workers in HMO plans are more likely than workers in other plan types to have a copayment for hospital admissions, while workers in HDHP/SOs are less likely [Figure 7.28].
  - Covered workers in POS plans are less likely, on average, than workers in other plan types to have a coinsurance requirement for hospital admissions [Figure 7.28].
  - The average coinsurance rate for a hospital admission is 20%, the average copayment is $404 per hospital admission, and the average per diem charge is $430 [Figure 7.31]. Seventy-four percent of workers enrolled in a plan with a per diem for hospital admissions have a limit on the number of days for which a worker must pay the cost-sharing amount [Figure 7.32].
- The cost-sharing provisions for outpatient surgery are similar to those for hospital admissions, as most workers have coinsurance or copayments. In 2023, 15% of covered workers have a copayment and 61% have a coinsurance rate for outpatient surgery. In addition, 7% have both a copayment and a coinsurance rate, while 16% have no additional cost-sharing after any general annual deductible has been met [Figures 7.29 and 7.30].
  - For covered workers with cost-sharing for outpatient surgery, the average coinsurance rate is 21% and the average copayment is $208 [Figure 7.31].

Figure 7.28

Distribution of Covered Workers' Cost Sharing for Hospital Admissions, by Plan Type, 2023

Plan Type	Separate Annual Deductible for Hospital Admissions	Copayment	Coinsurance	Both Copayment and Coinsurance	Charge Per Day	None After Any General Annual Deductible Is Met
HMO	2%	21%*	45%	4%*	15%*	24%
PPO	2	10	68	10	6	10*
POS	7	14	40*	18*	12	26
HDHP/SO	<1*	3*	69	1*	4*	25*
ALL PLANS	**2%**	**10%**	**63%**	**8%**	**7%**	**17%**

NOTE: Based on the cost-sharing in addition to any general annual plan deductible. The distribution may not equal 100% because workers may face a combination of types of cost sharing. Less than one percent of covered workers have an 'Other' type of cost sharing. For HDHP/SOs plans, information on separate deductibles was collected only for HDHP/HRAs because regulations for HSA-qualified plans make it unlikely they would have a services specfic deductible. 'Both Copayment and Coinsurance' includes the requirements to pay the higher amount of a copayment or coinsurance under the plan.

* Estimate is statistically different from All Plans estimate ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.29

Distribution of Covered Workers' Cost Sharing for Outpatient Surgery, by Plan Type, 2023

Plan Type	Separate Annual Deductible for Outpatient Surgery	Copayment	Coinsurance	Both Copayment and Coinsurance	None After Any General Annual Deductible Is Met
HMO	1%	43%*	37%*	4%	16%
PPO	1	12	67	10	11*
POS	2	25*	39*	16*	20
HDHP/SO	<1*	4*	70*	1*	24*
ALL PLANS	**1%**	**15%**	**61%**	**7%**	**16%**

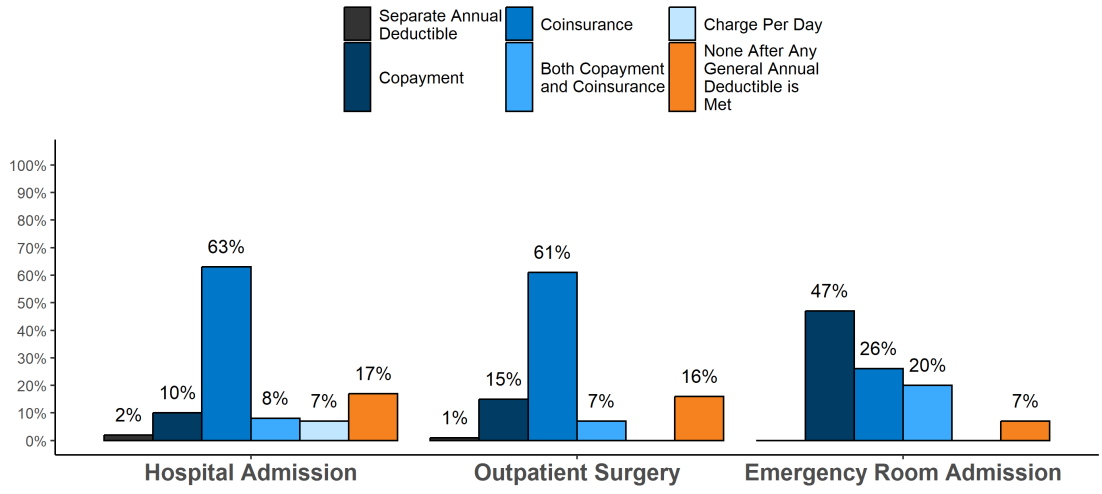
NOTE: Based on the cost-sharing in addition to any general annual plan deductible. The distribution may not equal 100% because workers may face a combination of types of cost sharing. Less than one percent of covered workers have an 'Other' type of cost sharing. For HDHP/SOs plans, information on separate deductibles was collected only for HDHP/HRAs because regulations for HSA-qualified plans make it unlikely they would have a services specfic deductible. 'Both Copayment and Coinsurance' includes the requirements to pay the higher amount of a copayment or coinsurance under the plan. Less than one percent of covered workers are enrolled in a plan that does not cover outpatient surgery. These workers are excluded from the distribution.

* Estimate is statistically different from All Plans estimate (p < .05).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.30

Percentage of Covered Workers with the Following Types of Cost Sharing for Hospital Admissions, Outpatient Surgery, and Emergency Room Visits, in Addition to Any General Annual Deductible, 2023



NOTE: Based on the cost-sharing in addition to any general annual plan deductible. The distribution may not equal 100% because workers may face a combination of types of cost sharing. Less than one percent of covered workers have an 'Other' type of cost sharing. Respondents were not asked about separate annual deductibles tor emergency room visits. For HDHP/SOs plans, information on separate deductibles was collected only for HDHP/HRAs because regulations for HSA-qualified plans make it unlikely they would have a services specfic deductible. 'Both Copayment and Coinsurance' includes the requirements to pay the higher amount of a copayment or coinsurance under the plan.

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.31

Among Covered Workers With Separate Cost Sharing for Hospital Admissions, Outpatient Surgery, or Emergency Room Admissions, Average Cost Sharing, by Type, 2023

	Charge Per Day	Coinsurance	Copayment
Outpatient Surgery	N/A	21%	$208
Hospital Admission	$430	20%	$404
Emergency Room Visit	N/A	21%	$217

NOTE: Estimates represent cost sharing in addition to any general annual deductible. The average amounts include workers who may have a combination of types of cost sharing. Cost sharing amounts are for in-network providers.

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.32

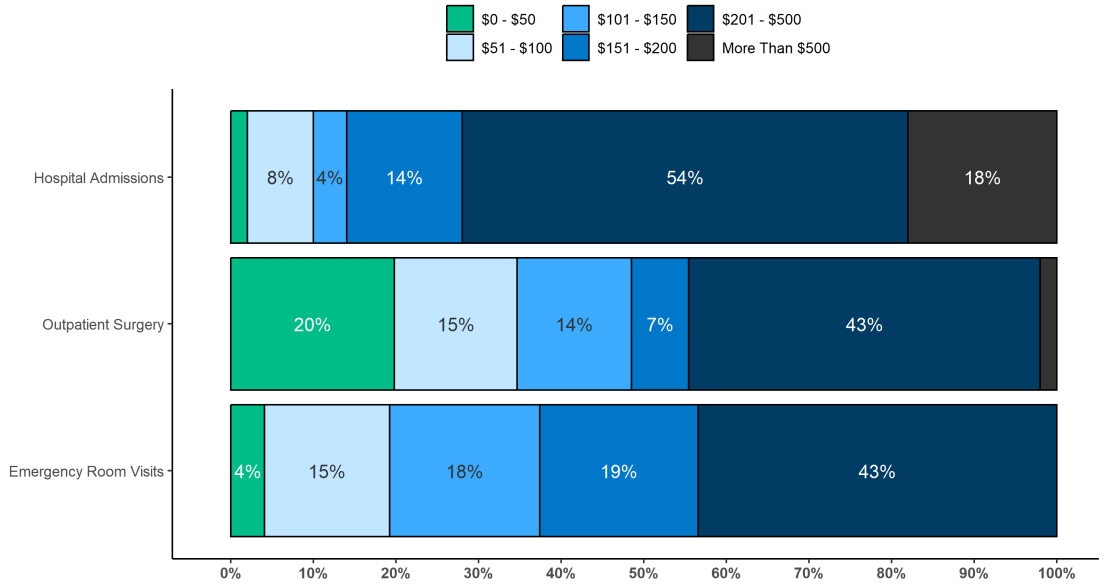
Among Covered Workers With a Charge Per Day for Hospital Admissions, Average Cost Sharing Features, 2023

	Among Covered Workers With a Charge Per Day for Hospital Admissions
Average Charge Per Day	$430
Percentage of Covered Workers With a Limit On the Number of Days a Worker Must Pay Per-Day Amount	74%

NOTE: Estimates represent cost sharing in addition to any general annual deductible. Average amounts include workers who may have a combination of types of cost sharing. Amounts are for in-network services.

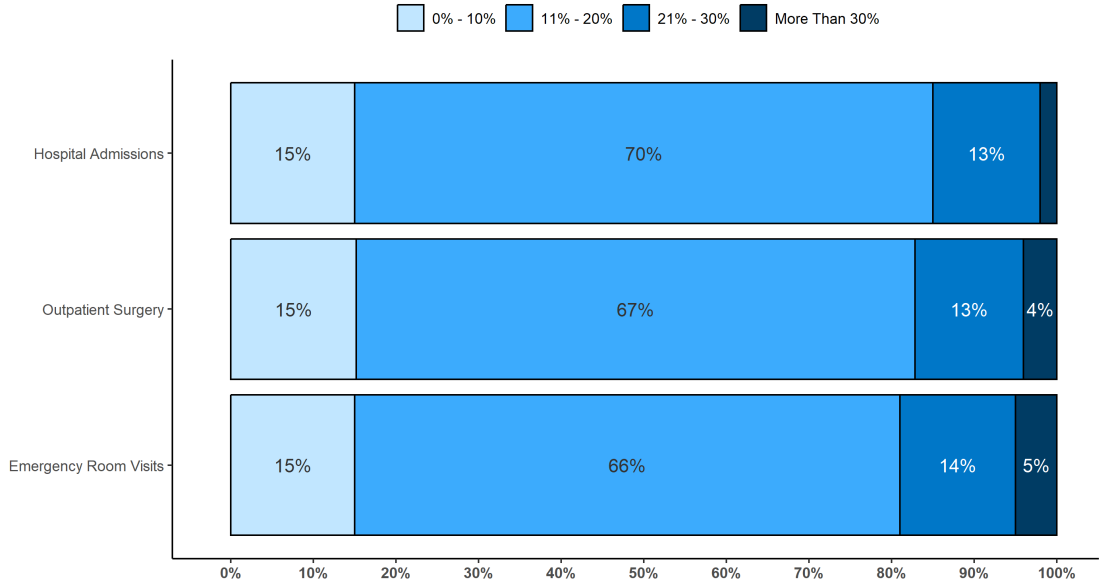
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.33
Among Covered Workers with a Copayment for Hospital Admissions, Outpatient Surgery or Emergency Room Visits, Distribution of Copayments, 2023



NOTE: Estimates represent cost sharing in addition to any general annual deductible. Distribution includes workers who may have a combination of types of cost sharing. Cost sharing amounts are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.34
Among Covered Workers with Coinsurance for Hospital Admissions, Outpatient Surgery, or Emergency Room Visits, Distribution of Coinsurance Rates, 2023



NOTE: Estimates represent cost sharing in addition to any general annual deductible. Distribution includes workers who may have a combination of types of cost sharing. Cost sharing amounts are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

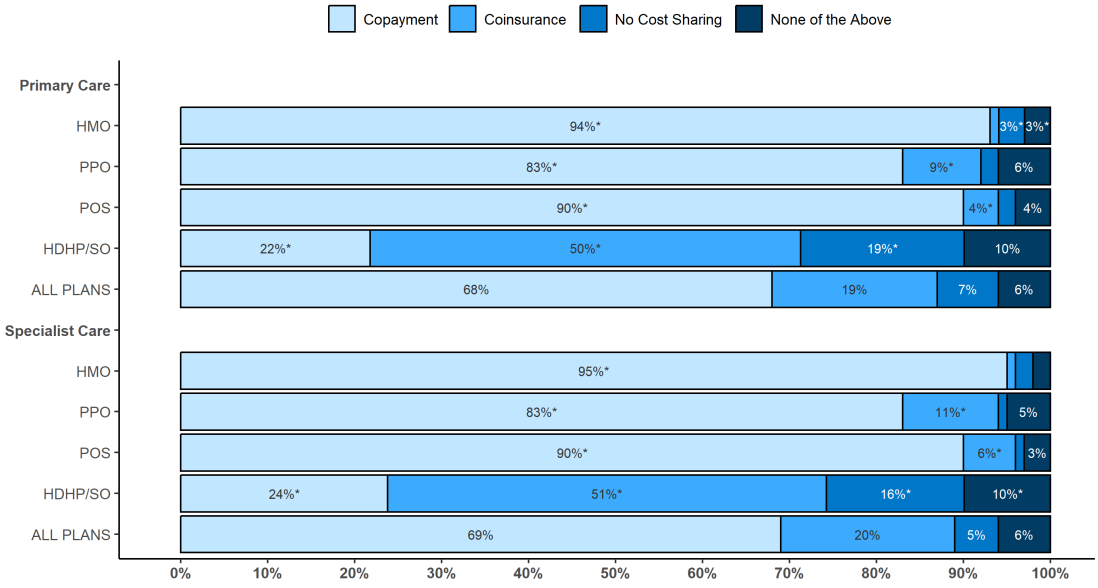
COST-SHARING FOR PHYSICIAN OFFICE VISITS

- The majority of covered workers are enrolled in health plans that require cost-sharing for an in-network physician office visit, in addition to any general annual deductible.[2]
  - The most common form of cost-sharing for an in-network physician office visit is a copayment. Sixty-eight percent of covered workers have a copayment for a primary care physician office visit and 19% have coinsurance. For office visits with a specialty physician, 69% of covered workers have a copayment and 20% have coinsurance [Figure 7.35].
  - The share of covered workers with coinsurance for office visits with a specialty physician in 2023 is lower than the percentage five years ago (20% vs. 27%).
  - The form of cost-sharing for physician office visits varies by firm size. Covered workers at small firms are less likely to have coinsurance than workers at large firms for in-network primary care office visits (9% vs. 23%), and for in-network office visits with specialists (10% vs. 24%) [Figure 7.37].
  - Covered workers in HMOs, PPOs, and POS plans are much more likely to have copayments for both primary care and specialty care physician office visits than workers in HDHP/SOs. For primary care physician office visits, 22% of covered workers in HDHP/SOs have a copayment, 50% have coinsurance, and 19% have no cost-sharing after the general annual plan deductible is met [Figure 7.35].
  - Among covered workers with a copayment for in-network physician office visits, the average copayment for primary care physician office visits is $26, similar to the average copayment last year ($27) [Figure 7.36].
  - Among covered workers with a copayment for in-network physician office visits, the average copayment for specialty physician office visits is $44, the same as the amount last year ($44) [Figure 7.36].
  - For covered workers with a copayment for physician office visits, average copayment amounts are higher for workers at small firms than those at large firms for both primary care physician office visits ($28 vs. $25) and specialty physician office visits ($51 vs. $41).
  - Among covered workers with coinsurance for in-network physician office visits, the average coinsurance rates are 19% for a visit with a primary care physician and 20% for a visit with a specialist, similar to the rates last year [Figure 7.36].

[2] Starting in 2010, the survey asked about the prevalence and cost of physician office visits separately for primary care and specialty care. Prior to the 2010 survey, if the respondent indicated the plan had a copayment for office visits, we assumed the plan had a copayment for both primary and specialty care visits. The survey did not allow for a respondent to report that a plan had a copayment for primary care visits and coinsurance for visits with a specialist physician. The changes made in 2010 allow for variations in the type of cost-sharing for primary care and specialty care visits. The survey includes cost-sharing for in-network services only.

Figure 7.35

Percentage of Covered Workers with the Following Types of Cost Sharing for Physician Office Visits, by Plan Type, 2023



* Estimate is statistically different from All Plans estimate (p < .05).
NOTE: Figure represents cost sharing in addition to any general annual deductible. The survey includes questions on cost sharing for in-network services only.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.36

Among Covered Workers With Copayments And/Or Coinsurance for Physician Office Visits, Average Copayments and Coinsurance, by Plan Type, 2023

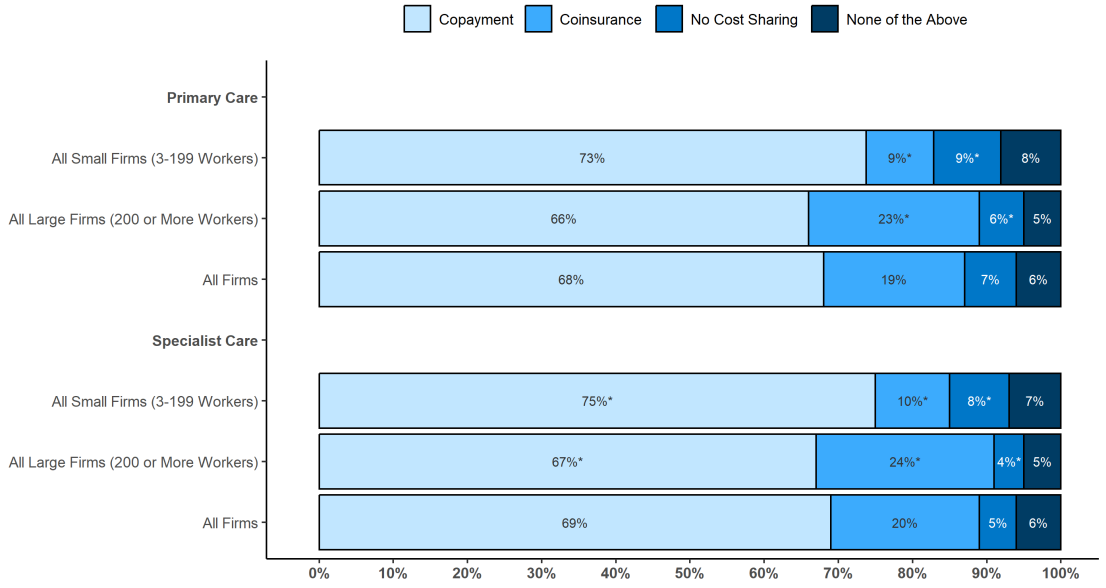
	HMO	PPO	POS	HDHP/SO	All Plans
Primary Care Office Visit					
Average Copayment ($)	$25	$26	$29	$29*	**$26**
Average Coinsurance (%)	NSD	20%	NSD	19%	**19%**
Specialty Care Office Visit					
Average Copayment ($)	$40*	$44	$48	$52*	**$44**
Average Coinsurance (%)	NSD	22%	NSD	19%	**20%**

NOTE: Cost-sharing averages are for in-network visits.
NSD: Not Sufficient Data

* Estimate is statistically different from All Plans estimate (p < .05).

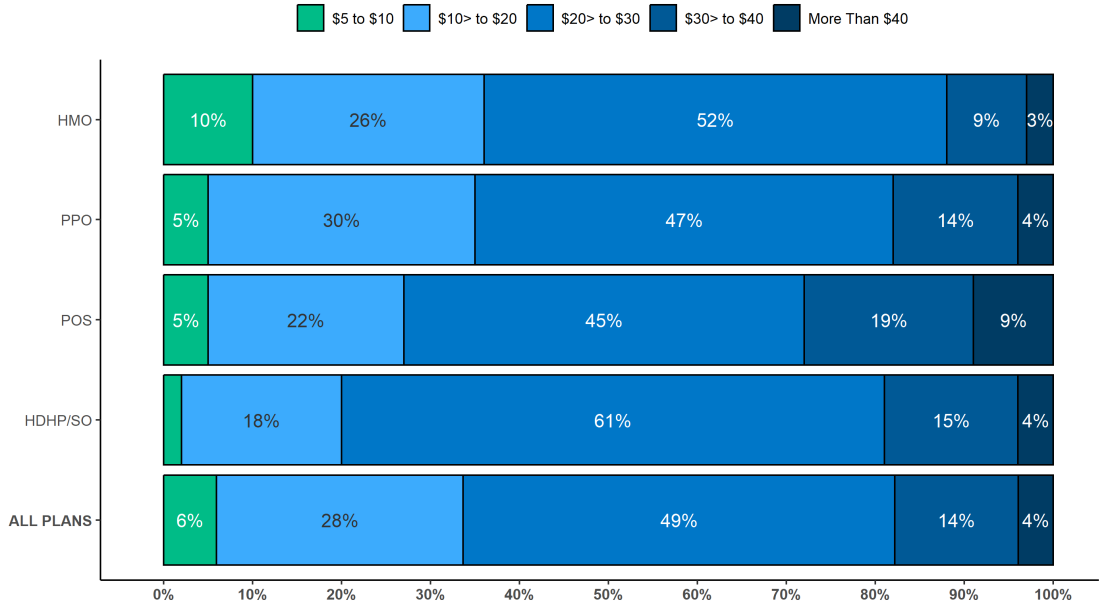
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.37
Percentage of Covered Workers with the Following Types of Cost Sharing for Physician Office Visits, by Firm Size, 2023



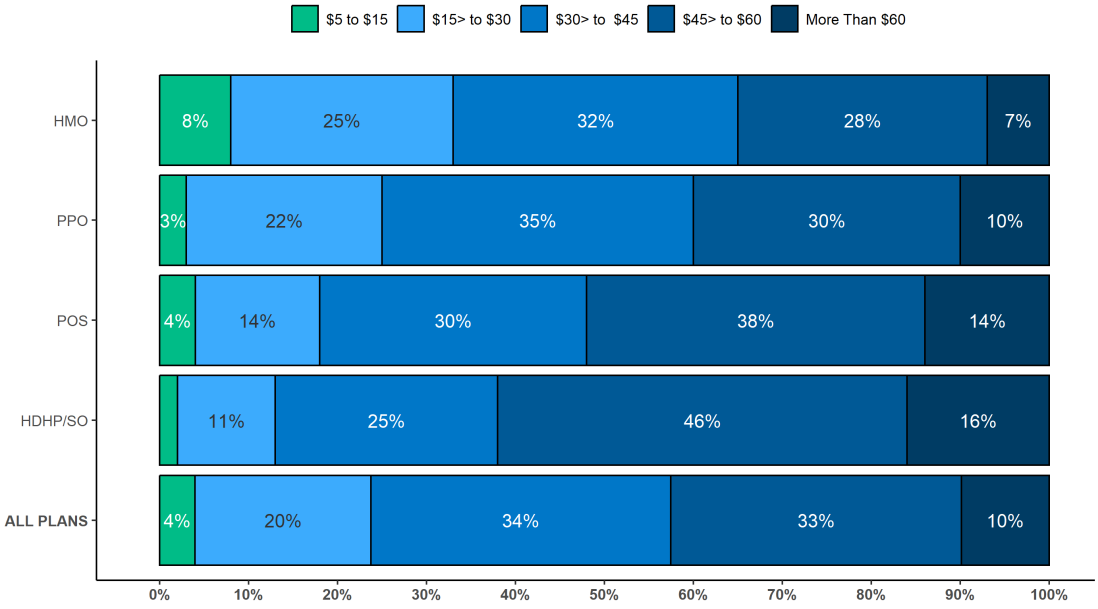
* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Figure represents cost sharing in addition to any general annual deductible. The survey includes questions on cost sharing for in-network services only.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.38
Among Covered Workers with a Copayment for a Primary Care Physician Office Visit, Distribution of Copayments, by Plan Type, 2023



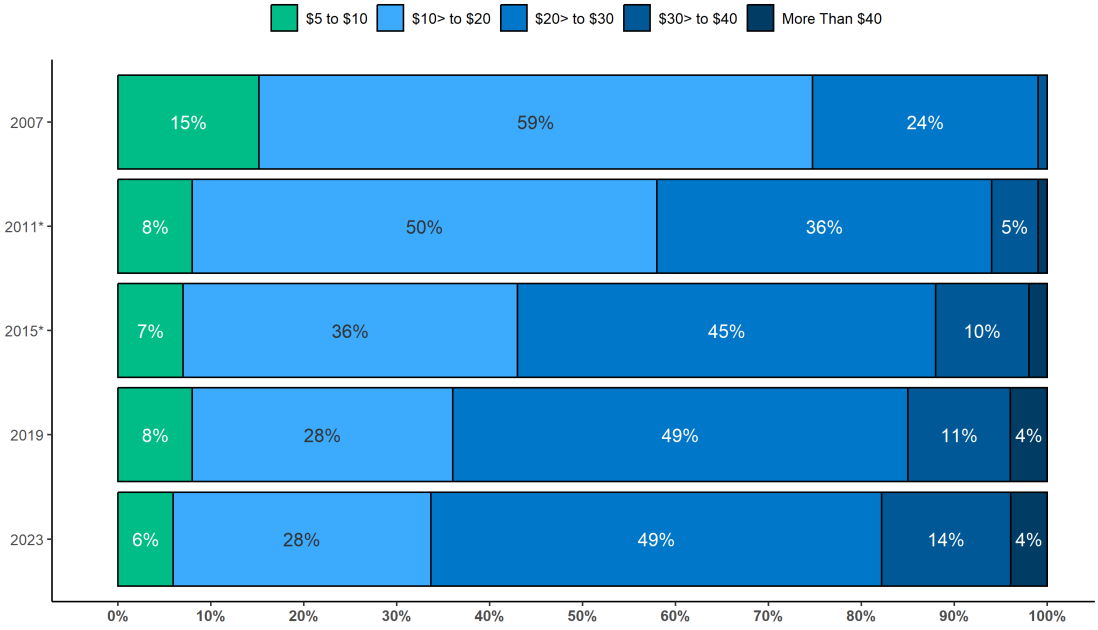
NOTE: Copayments are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.39
Among Covered Workers with a Copayment for a Specialist Physician Office Visit, Distribution of Copayments, by Plan Type, 2023



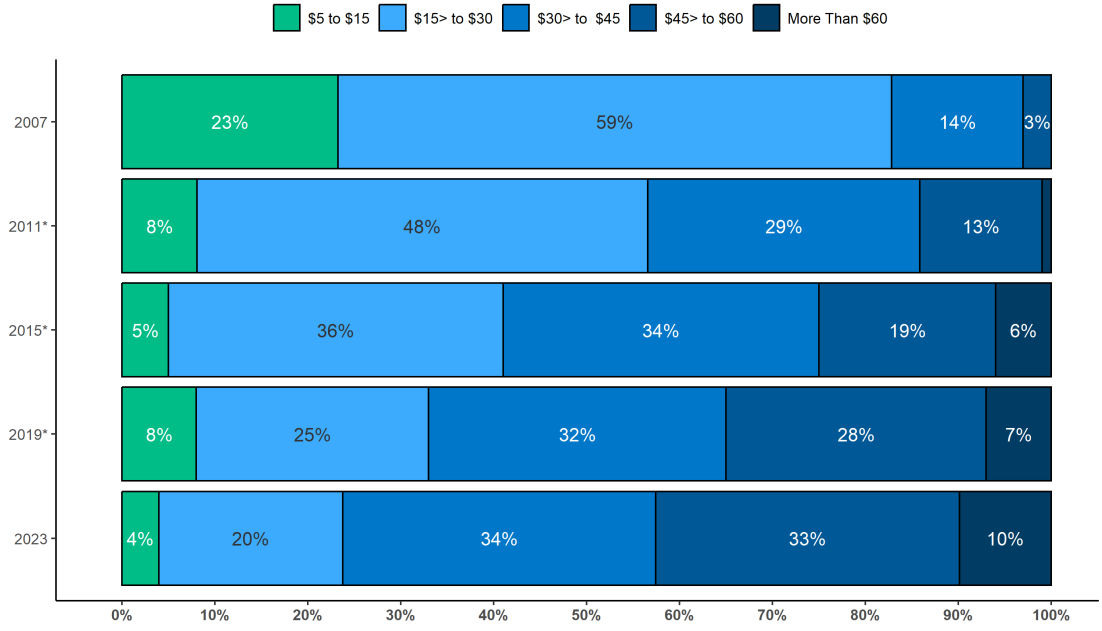
NOTE: Copayments are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.40
Among Covered Workers with a Copayment for a Primary Care Physician Office Visit, Distribution of Copayments, 2006-2023



* Distribution is statistically different from distribution for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 7.41
Among Covered Workers with a Copayment for a Specialist Physician Office Visit, Distribution of Copayments, 2007-2023



* Distribution is statistically different from distribution for the previous year shown (p < .05).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 7.42
Among Covered Workers With a Copayment And/Or Coinsurance for Physician Office Visits, Average Copayment and Coinsurance, 2006-2023

	Primary Care		Specialist Care	
	Copayment	Coinsurance	Copayment	Coinsurance
2006	$18		$23	
2007	$19	17%	$24	
2008	$19	17%	$26*	
2009	$20*	18%	$28*	
2010	$22*	18%	$31*	18%
2011	$22	18%	$32	18%
2012	$23	18%	$33	19%
2013	$23	18%	$35	19%
2014	$24	18%	$36	19%
2015	$24	18%	$37	19%
2016	$24	18%	$38	19%
2017	$25	19%	$38	19%
2018	$25	18%	$40	18%
2019	$25	18%	$40	19%
2020	$26	18%	$42	19%
2021	$25	19%	$42	20%
2022	$27	19%	$44	20%
2023	$26	19%	$44	20%

NOTE: Cost-sharing averages are for in-network visits.

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

SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

COST-SHARING FOR EMERGENCY ROOM VISITS

- In 2023, 93% of covered workers are in a plan with cost-sharing for emergency room visits, in addition to any general annual deductible that may apply.
  - Among covered workers in an HDHP/SO, 20% are in a plan with no cost-sharing for emergency room visits, other than the general annual deductible. This percentage is higher than the shares of covered workers in HMOs (3%), PPOs (2%) or POS plans (4%) that are in plans without cost-sharing for emergency room visits, other than any applicable general annual deductible [Figure 7.43].
  - Covered workers at small firms are more likely than those at large firms to be in a plan with no cost-sharing for emergency room visits other than any applicable general annual deductible (14% vs. 4%).

- In 2023, 47% have a copay for an emergency room visit, 26% have a coinsurance requirement and 20% have both a copay and coinsurance. These covered workers may be required to pay both, or whichever is greater. [Figure 7.43].
  - The average copayment amount in 2023 for covered workers with a copayment for emergency room visits is $217. The average copayment is higher at small firms than at large firms ($259 vs. $200).
  - The average coinsurance in 2023 for covered workers with a coinsurance requirement for emergency room visits is 21% [Figure 7.31]. The average coinsurance percentage is higher at small firms than at large firms (24% vs. 20%). Average copayment and coinsurance rates include workers who may have a combination of these of cost-sharing.
- Sixty percent of covered workers with cost-sharing for emergency room visits, in addition to any applicable general annual deductible, are enrolled in a plan that waives cost-sharing if the enrollee is admitted from the emergency room to a hospital [Figure 7.44].
- Seventy-three percent of covered workers with cost-sharing for emergency room visits, in addition to any applicable general annual deductible, are in a plan that has lower cost-sharing for a visit to an urgent care center than for a visit to an emergency room [Figure 7.44].

Figure 7.43

Distribution of Covered Workers' Cost Sharing for Emergency Room Visits, by Plan Type, 2023

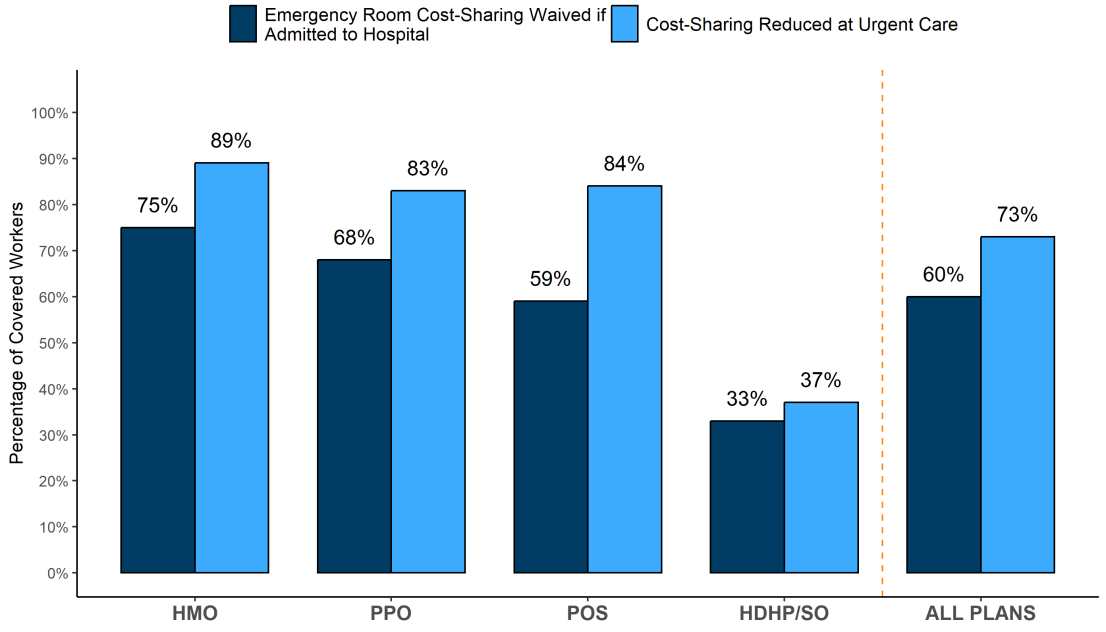
Plan Type	Copayment	Coinsurance	Both Copayment and Coinsurance	None After Any General Annual Deductible Is Met
HMO	81%*	8%*	9%*	3%*
PPO	52	19*	27*	2*
POS	54	10*	31*	4
HDHP/SO	20*	53*	7*	20*
ALL PLANS	**47%**	**26%**	**20%**	**7%**

NOTE: Based on the cost-sharing in addition to any general annual plan deductible. Less than one percent of covered workers have an 'Other' type of cost sharing. For HDHP/SOs plans, information on separate deductibles was collected only for HDHP/HRAs because regulations for HSA-qualified plans make it unlikely they would have a services specfic deductible. 'Both Copayment and Coinsurance' includes the requirements to pay the higher amount of a copayment or coinsurance under the plan. Less than one percent of covered workers are enrolled in a plan that does not cover emergency room visits. These workers are excluded from the distribution.

* Estimate is statistically different from All Plans estimate ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.44
Among Covered Workers with Cost-Sharing for Emergency Room Visits, Characteristics of Emergency Room Cost-Sharing 2023



SOURCE: KFF Employer Health Benefits Survey, 2023

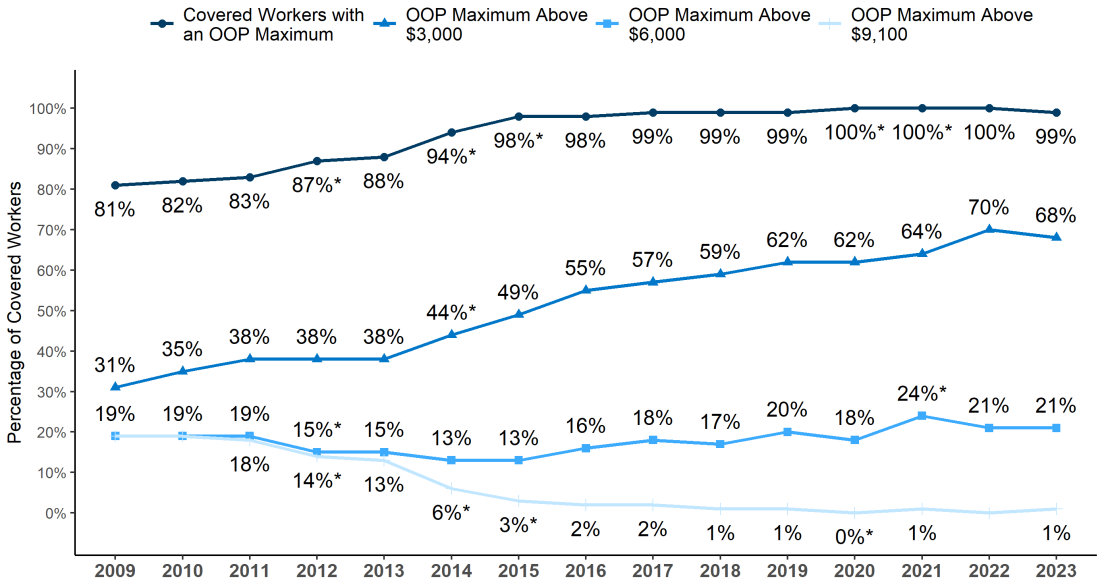
OUT-OF-POCKET MAXIMUMS

- Virtually all covered workers are in a plan that either partially or totally limits the cost-sharing that enrollees must pay in a year. This limit is generally referred to as an out-of-pocket maximum. The Affordable Care Act (ACA) requires that non-grandfathered health plans have an annual out-of-pocket maximum of no more than $9,100 for single coverage and $18,200 for family coverage in 2023. Out-of-pocket limits in HSA qualified HDHP/SOs are required to be somewhat lower.[3] Many plans have complex out-of-pocket structures, which makes it difficult to accurately collect information on this element of plan design.
- In 2023, approximately 99% of covered workers are in a plan that has an out-of-pocket maximum for single coverage [Figure 7.45].
- For covered workers in plans with an out-of-pocket maximum for single coverage, there is wide variation in spending limits [Figure 7.46].
  - Thirteen percent of covered workers in plans with an out-of-pocket maximum have an out-of-pocket maximum of less than $2,000 for single coverage, while 21% of these workers have an out-of-pocket maximum above $6,000 [Figure 7.46].

[3]For those enrolled in an HDHP/HSA, the out-of-pocket maximum may be no more than $7,500 for an individual plan and $15,000 for a family plan in 2023. See https://www.irs.gov/irb/2019-22_IRB#REV-PROC-2019-25

Figure 7.45

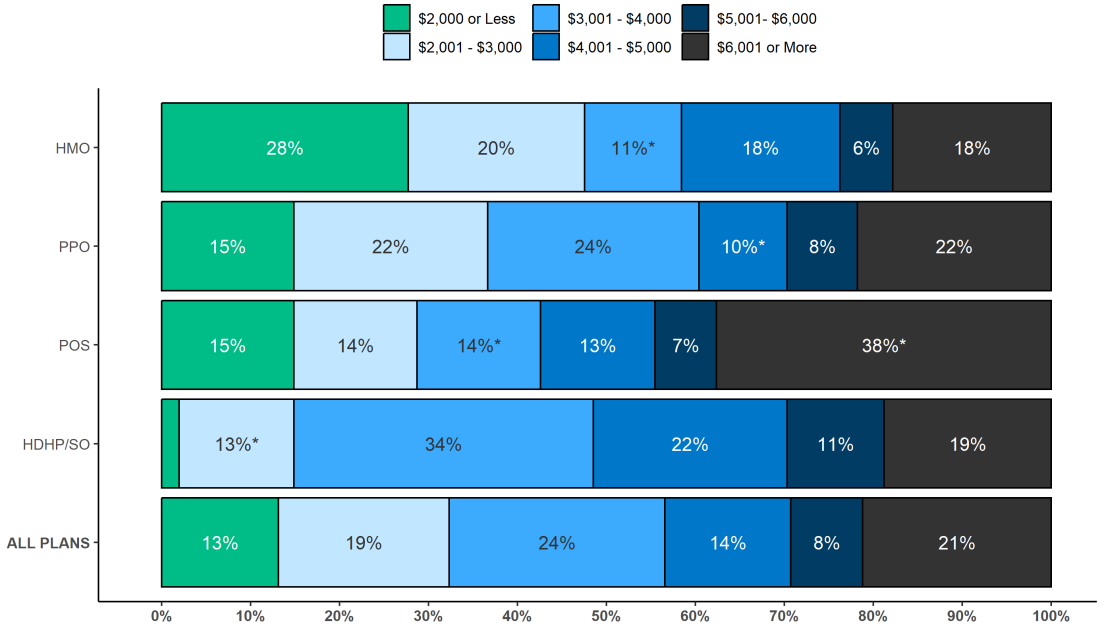
Percentage of Covered Workers in a Plan with an Out-of-Pocket Maximum Above Certain Thresholds for Single Coverage, 2009-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: OOP is 'out-of-pocket'. OOP maximums are for in-network services. Covered workers without an OOP maximum are considered to be exposed to at least the specified threshold. Some of these workers may be enrolled in plans whose cost-sharing structure has other limits.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

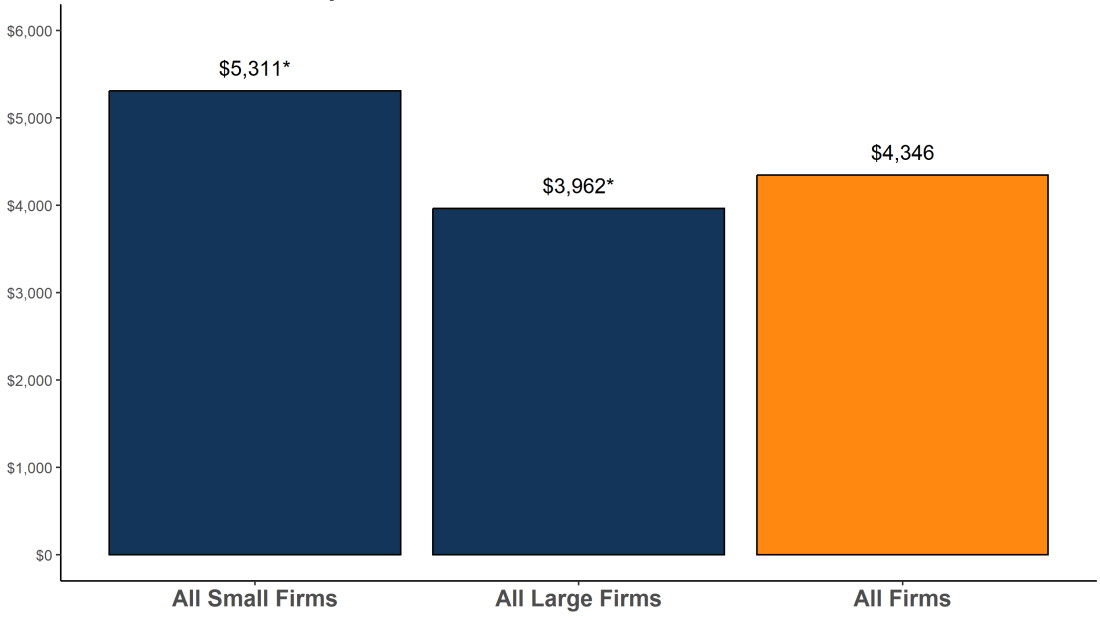
Figure 7.46

Among Covered Workers with an Out-of-Pocket Maximum for Single Coverage, Distribution of Out-of-Pocket Maximums, by Plan Type, 2023



* Estimate is statistically different from All Plans estimate within plan type (p < .05).
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 7.47
Among Covered Workers with an Out-of-Pocket Maximum for Single Coverage, Average Out-of-Pocket Maximums, by Firm Size, 2023



* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Employer Health Benefits

2023 Annual Survey

High-Deductible Health Plans with Savings Option

SECTION

8

Section 8

High-Deductible Health Plans with Savings Option

To help cover out-of-pocket expenses not covered by a health plan, some firms offer high-deductible plans paired with an account that allows enrollees to use tax-preferred funds to pay plan cost sharing and other out-of-pocket medical expenses. The two most common types of accounts are health reimbursement arrangements (HRAs) and health savings accounts (HSAs). HRAs and HSAs are both financial accounts that workers or their family members can use to pay for health care services. These savings arrangements are often (or, in the case of HSAs, always) paired with health plans with high deductibles. This survey treats high-deductible plans paired with a savings option as a distinct plan type - High-Deductible Health Plan with Savings Option (HDHP/SO) - even if the plan would otherwise be considered a PPO, HMO, POS plan, or conventional health plan. Specifically for the survey, HDHP/SOs are defined as (1) health plans with a deductible of at least $1,000 for single coverage and $2,000 for family coverage[1], offered with an HRA (referred to as HDHP/HRAs), or (2) high-deductible health plans that meet the federal legal requirements to permit an enrollee to establish and contribute to an HSA (referred to as HSA-qualified HDHPs).[2]

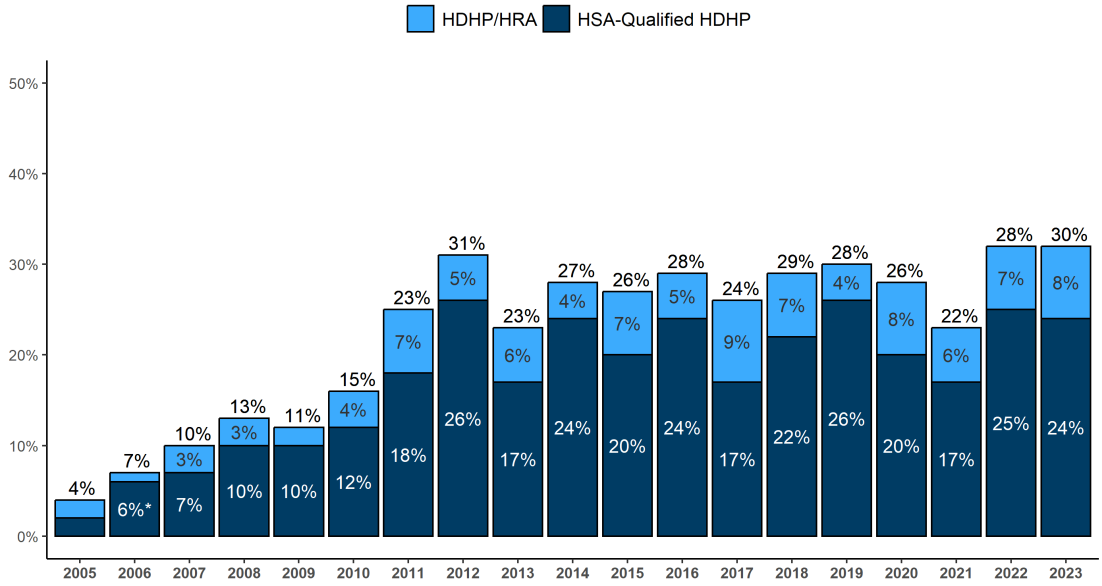
PERCENTAGE OF FIRMS OFFERING HDHP/HRAS AND HSA-QUALIFIED HDHPS

- Thirty percent of firms offering health benefits offer an HDHP/HRA, an HSA-qualified HDHP, or both. Among firms offering health benefits, 8% offer an HDHP/HRA and 24% offer an HSA-qualified HDHP [Figure 8.1]. The percentage of firms offering an HDHP/SO is similar to last year.
  - Large firms (200 or more workers) are more much likely to offer an HDHP/SO than small firms (3-199 workers) (57% vs. 29%) [Figure 8.3].

[1] There is no legal requirement for the minimum deductible in a plan offered with an HRA. The survey defines a high-deductible HRA plan as a plan with a deductible of at least $1,000 for single coverage and $2,000 for family coverage. Federal law requires a deductible of at least $1,400 for single coverage and $2,800 for family coverage for HSA-qualified HDHPs in 2023 (or $1,400 and $2,800, respectively, for plans in their 2022 plan year). Not all firms' plan years correspond with the calendar year, so some firms may report a plan with limits from the prior year. See definitions at the end of this Section for more information on HDHP/HRAs and HSA-qualified HDHPs.

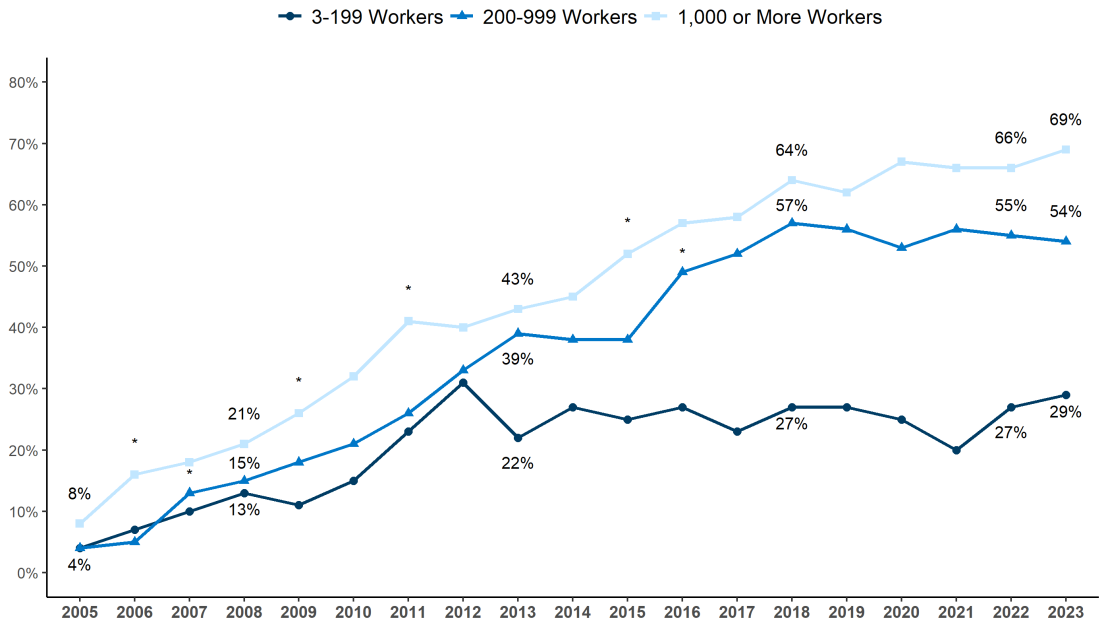
[2] The definitions of HDHP/SOs do not include other consumer-driven plan options, such as arrangements that combine an HRA with a lower-deductible health plan or arrangements in which an insurer (rather than the employer as in the case of HRAs or the enrollee as in the case of HSAs) establishes an account for each enrollee. Other arrangements may be included in future surveys as the market evolves.

Figure 8.1
Among Firms Offering Health Benefits, Percentage That Offer an HDHP/HRA and/or an HSA-Qualified HDHP, 2005-2023



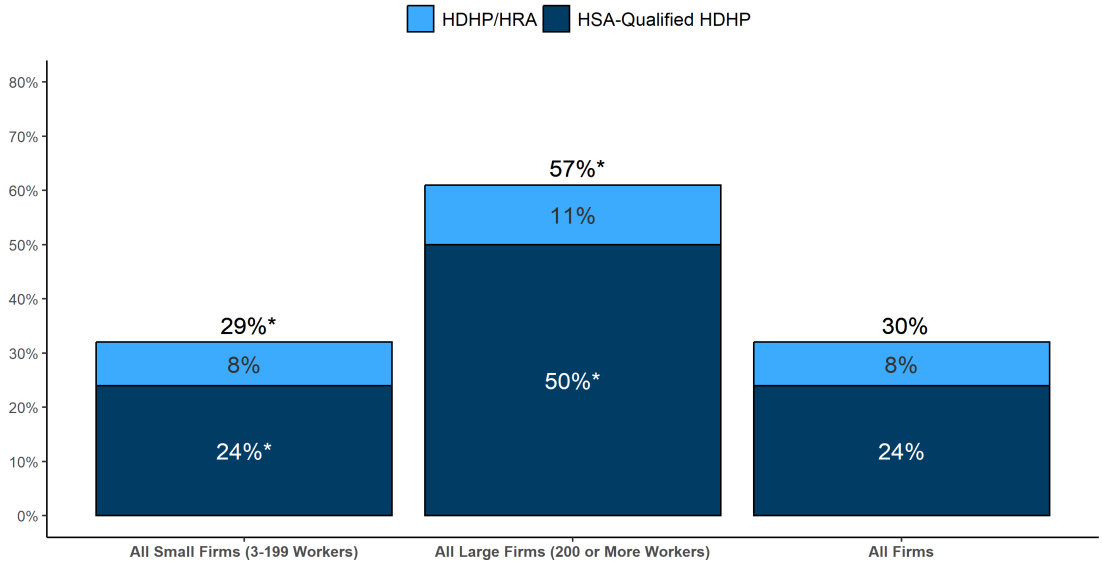
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Among all firms that offer health benefits, 2.8% offer both an HDHP/HRA and an HSA-Qualified HDHP. Adding the percentage of firms offering HDHP/HRA and HSA-Qualified HDHPs may not sum to the percentage of firms offering HDHP/SOs because some firms offer both.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005-2017

Figure 8.2
Among Firms Offering Health Benefits, Percentage That Offer an HDHP/SO, by Firm Size, 2005-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005-2017

Figure 8.3
Among Firms Offering Health Benefits, Percentage That Offer an HDHP/HRA and/or an HSA-Qualified HDHP, by Firm Size, 2023

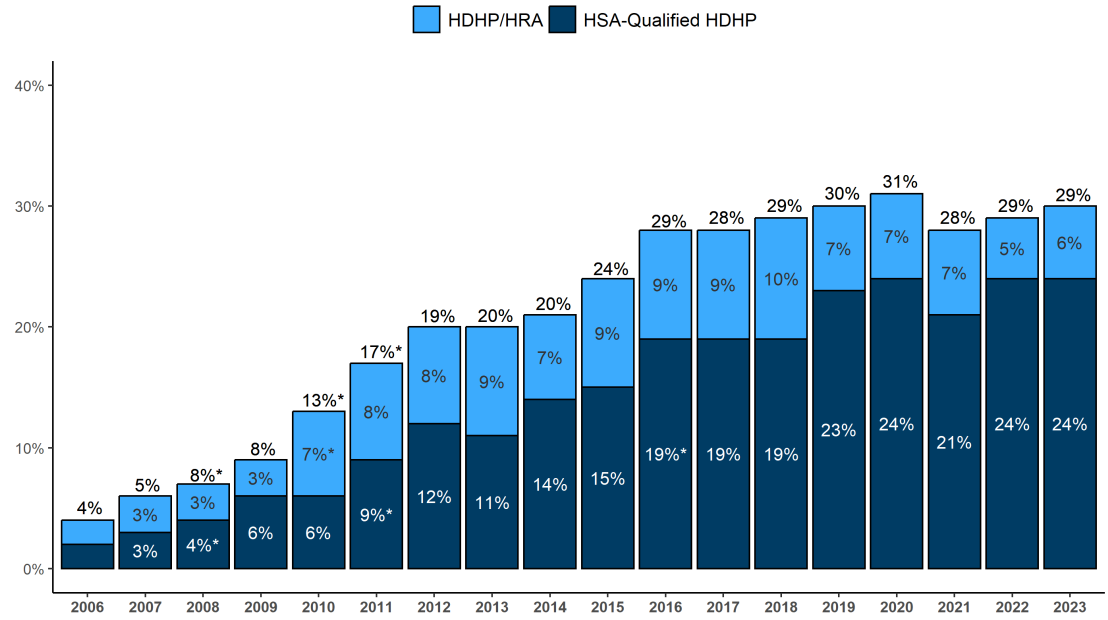


* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: Among all firms that offer health benefits, 2.8% offer both an HDHP/HRA and an HSA-Qualified HDHP. Adding the percentage of firms offering HDHP/HRA and HSA-Qualified HDHPs may not sum to the percentage of firms offering HDHP/SOs because some firms offer both. Values may not sum to totals due to rounding.
SOURCE: KFF Employer Health Benefits Survey, 2023

ENROLLMENT IN HDHP/HRAS AND HSA-QUALIFIED HDHPS

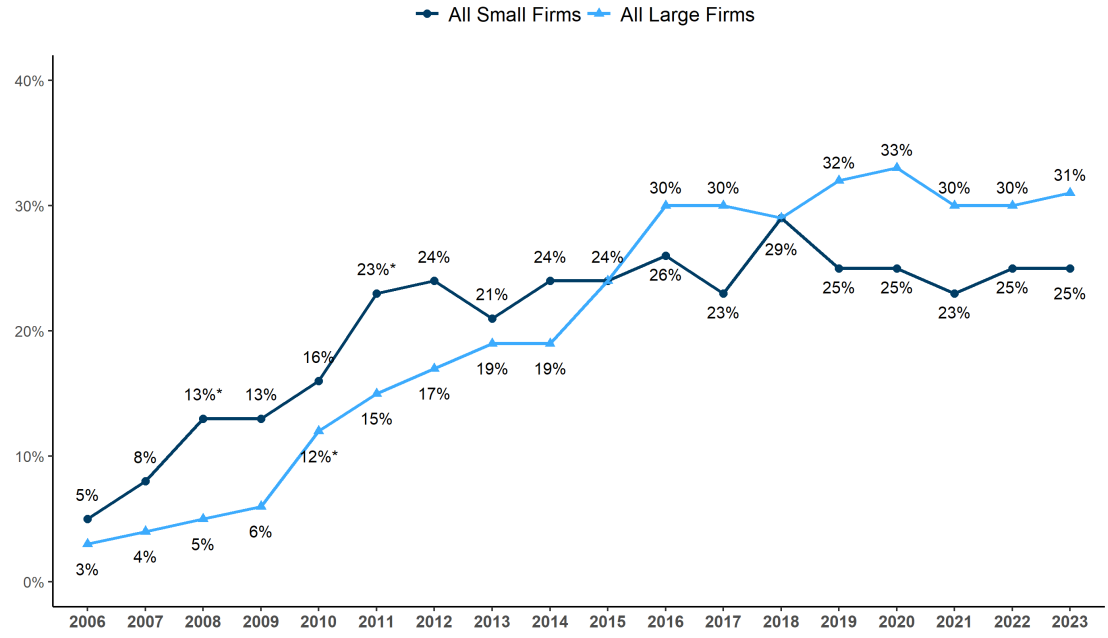
- Twenty-nine percent of covered workers are enrolled in an HDHP/SO in 2023, similar to the percentage last year (29%) [Figure 8.4].
- Enrollment in HDHP/SOs has increased over the past decade, from 20% of covered workers in 2013 to 29% in 2023 [Figure 8.4].
  - Six percent of covered workers are enrolled in HDHP/HRAs and 24% of covered workers are enrolled in HSA-qualified HDHPs in 2023. These percentages are similar to last year [Figure 8.4].
  - The percentage of covered workers enrolled in HDHP/SOs is similar in small firms and in large firms [Figure 8.5].

Figure 8.4
Percentage of Covered Workers Enrolled in an HDHP/HRA or HSA-Qualified HDHP, 2006-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Covered workers enrolled in an HDHP/SO are enrolled in either an HDHP/HRA or a HSA-Qualified HDHP. Values may not sum to totals due to rounding.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 8.5
Percentage of Covered Workers Enrolled in an HDHP/SO, by Firm Size, 2006-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

PREMIUMS AND WORKER CONTRIBUTIONS

- In 2023, average annual premiums for covered workers in HDHP/HRAs are $8,217 for single coverage and $22,404 for family coverage. The premium for family coverage is significantly less than the average family premium for covered workers in plans that are not HDHP/SOs [Figure 8.6].
- The average annual premiums for workers in HSA-qualified HDHPs are $7,662 for single coverage and $22,378 for family coverage [Figure 8.7]. These amounts are significantly less than the average single and family premium for covered workers in plans that are not HDHP/SOs.
- The average annual worker premium contribution for workers enrolled in HDHP/HRAs is $1,421 for single coverage and $5,857 for family coverage [Figure 8.6]. The average contribution for family coverage for workers in HDHP/HRAs is similar to the average premium contribution made by workers in plans that are not HDHP/SOs [Figure 8.7].
- The average annual worker premium contributions for workers in HSA-qualified HDHPs are $1,136 for single coverage and $5,173 for family coverage. The average contribution for single and family coverage for workers in HSA-qualified HDHPs is significantly less than in plans that are not HDHP/SOs [Figure 8.7].

Figure 8.6

HDHP/HRA and HSA-Qualified HDHP Features for Covered Workers, 2023

	HDHP/HRA		HSA-Qualified HDHP	
Annual Plan Averages For:	Single Coverage	Family Coverage	Single Coverage	Family Coverage
Premium	$8,217	$22,404	$7,662	$22,378
Worker Contribution to Premium	$1,421	$5,857	$1,136	$5,173
General Annual Deductible	$2,944	$6,080	$2,518	$4,674
Out-Of-Pocket Maximum	$5,456	Not Available	$4,415	Not Available
Firm Contribution to the HRA or HSA	$1,618	$2,906	$657	$1,203

NOTE: Firms were not asked about out-of-pocket maximums for family coverage in 2023. Deductibles for family coverage are for covered workers with an aggregate amount. 42% of covered workers enrolled in an HDHP/HRA and 23% of covered workers in an HSA-Qualified HDHP are in a plan with a separate per-person amount. When those firms that do not contribute to the HSA (38% for single coverage and 41% for family coverage) are excluded, the average firm HSA contribution for covered workers is $791 for single coverage and $1,469 for family coverage. one percent percent of covered workers are enrolled in a plan where the firm matches employee HSA contributions. For HDHP/HRAs, we refer to the amount the employer commits to make available to an HRA as a contribution. HRAs are notional accounts, and employers are not required to transfer funds until an employee incurs expenses. Thus, employers may not expend the entire amount they commit to make available. Covered workers enrolled in a plan where the firm matches any employee HSA contribution are not included in the average contribution (one percent for single coverage and one percent for family coverage).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.7

Average Annual Premiums and Contributions to Savings Accounts for Covered Workers in HDHP/HRAs or HSA-Qualified HDHPs, Compared to Non-HDHP/SOs, 2023

	Single Coverage			Family Coverage		
	HDHP/HRA	HSA-Qualified HDHP	Non-HDHP/SO Plans	HDHP/HRA	HSA-Qualified HDHP	Non-HDHP/SO Plans
Annual Premium	$8,217	$7,662*	$8,710	$22,404*	$22,378*	$24,633
Worker Contribution to Premium	$1,421	$1,136*	$1,485	$5,857	$5,173*	$7,092
Firm Contribution to Premium	$6,797	$6,526*	$7,226	$16,547	$17,205	$17,541
Annual Firm Contribution to HRA or HSA	$1,618	$657	Not Applicable	$2,906	$1,203	Not Applicable
Total Annual Firm Contribution (Firm Share of Premium Plus Firm Contribution to HRA or HSA)	$8,415*	$7,175	$7,226	$19,453*	$18,398	$17,541
Total Annual Cost (Total Premium Plus Firm Contribution to HRA or HSA)	**$9,835***	**$8,313***	**$8,710**	**$25,310**	**$23,580**	**$24,633**

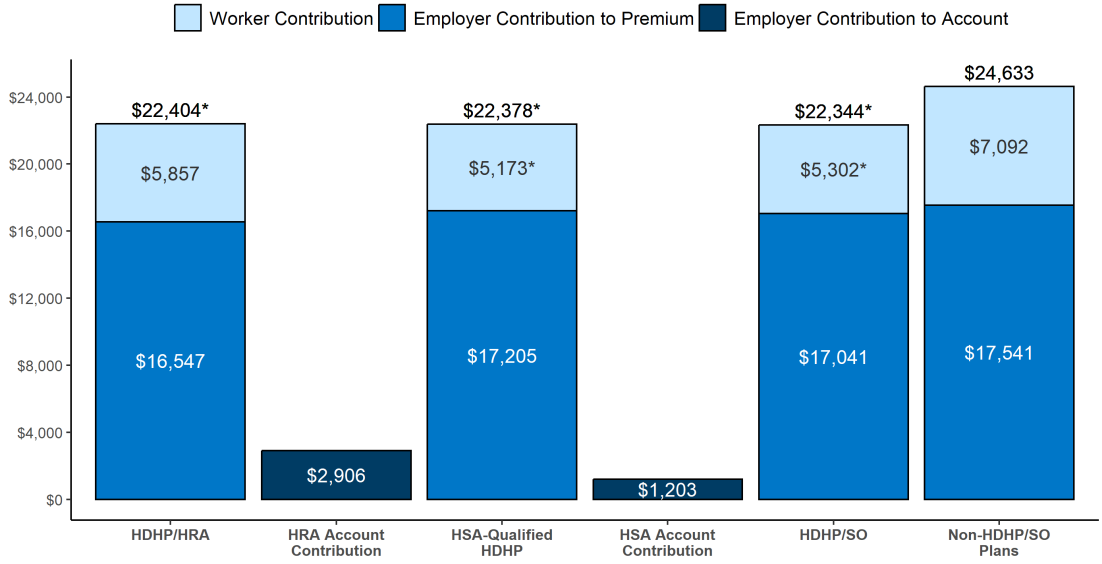
NOTE: Values shown in the table may not equal the sum of their component parts. The averages presented in the table are aggregated at the firm level and then averaged, which is methodologically more appropriate than adding the averages. See the note in Figure 8.6 for additional information on HSA and HRA contributions.

* Estimate is statistically different from estimate from Non-HDHP/SO plans ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.8

Average Annual Premiums and Contributions for Covered Workers in HDHP/SOs and Non-HDHP/SOs, for Family Coverage, 2023

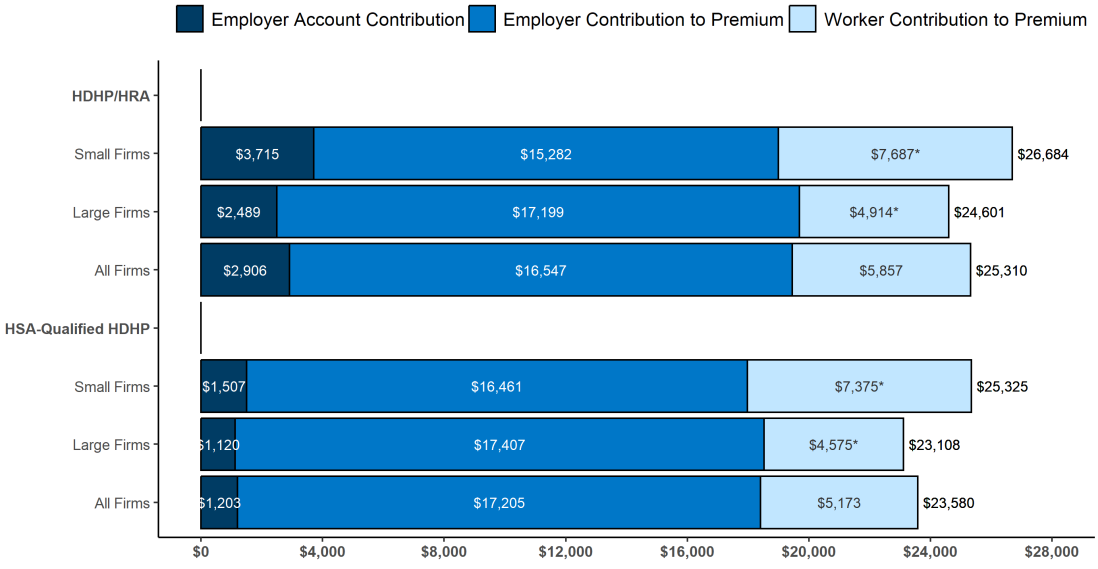


* Estimate is statistically different from estimate from Non-HDHP/SO plans ($p < .05$).

NOTE: Values shown in the table may not equal the sum of their component parts. The averages presented in the table are aggregated at the firm level and then averaged, which is methodologically more appropriate than adding the averages. See the note in Figure 8.6 for additional information on HSA and HRA contributions.

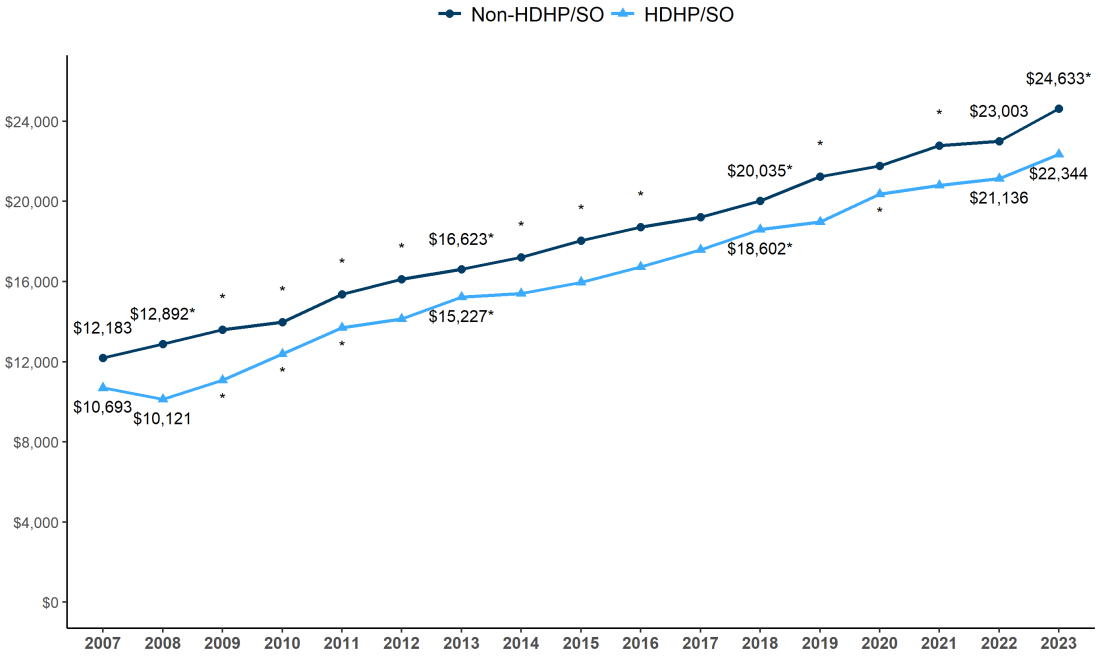
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.9
Total Annual Costs (Premiums and Account Contributions) for Covered Workers in HDHP/SOs, for Family Coverage, by Firm Size, 2023



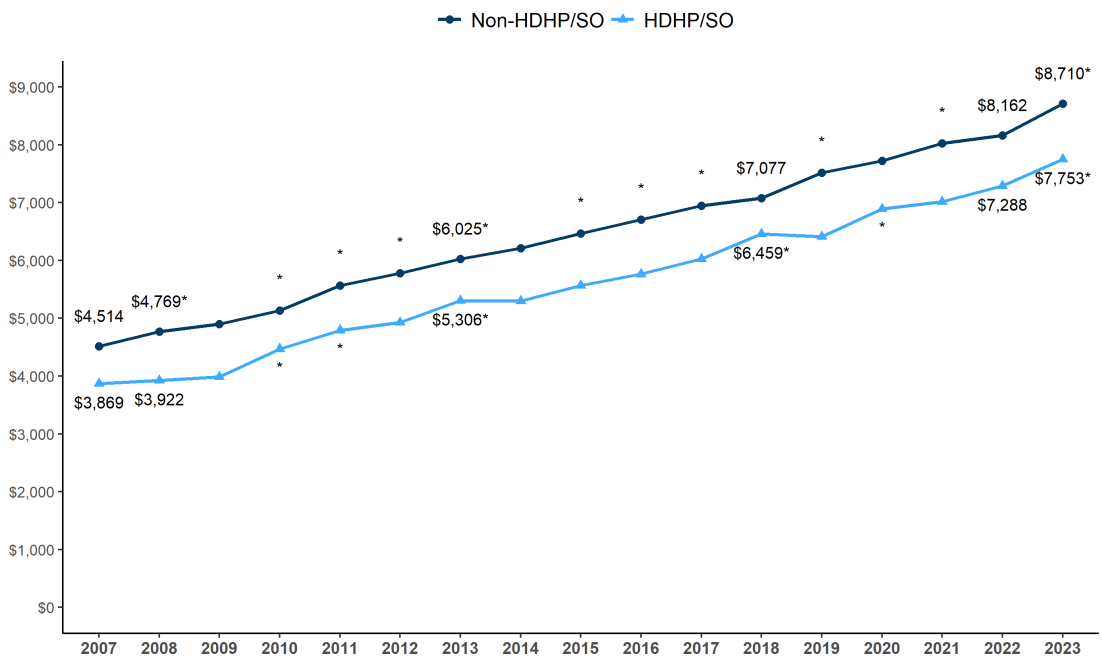
* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Values shown in the table may not equal the sum of their component parts. The averages presented in the table are aggregated at the firm level and then averaged, which is methodologically more appropriate than adding the averages. See the note in Figure 8.6 for additional information on HSA and HRA contributions.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.10
Average Annual Premiums for Covered Workers with Family Coverage, by Plan Type, 2007-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 8.11
Average Annual Premiums for Covered Workers with Single Coverage, by Plan Type, 2007-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

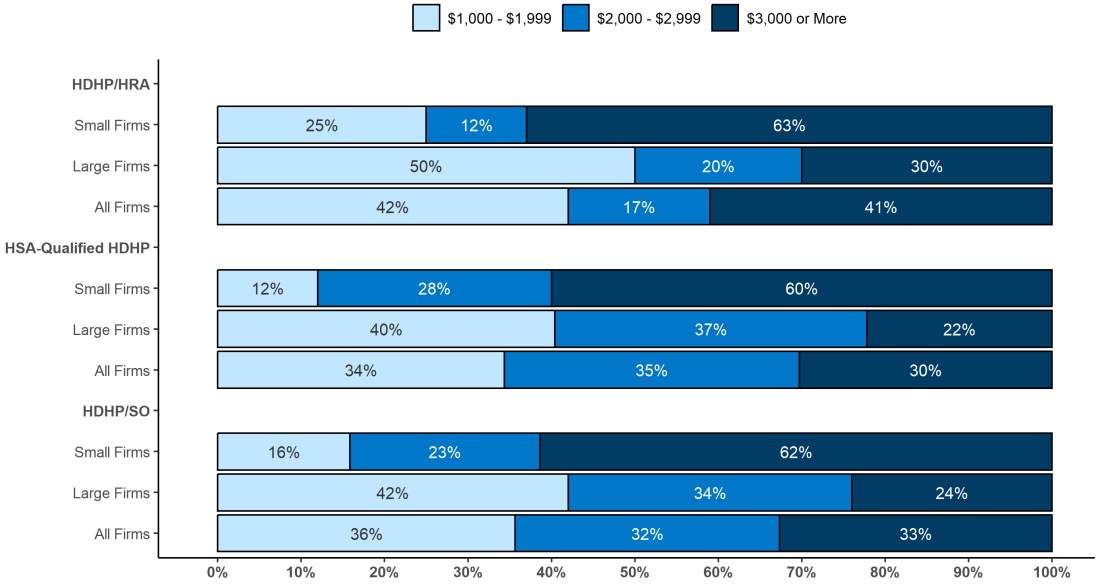
OUT-OF-POCKET MAXIMUMS AND PLAN DEDUCTIBLES

- HSA-qualified HDHPs are legally required to have an annual out-of-pocket maximum of no more than $7,500 for single coverage and $15,000 for family coverage in 2023. Non-grandfathered HDHP/HRA plans are required to have out-of-pocket maximums of no more than $9,100 for single coverage and $18,200 for family coverage. Virtually all HDHP/HRA plans have an out-of-pocket maximum for single coverage in 2023.
  - The average annual out-of-pocket maximum for single coverage is $5,456 for HDHP/HRAs and $4,415 for HSA-qualified HDHPs [Figure 8.6].
- As expected, workers enrolled in HDHP/SOs have higher deductibles than workers enrolled in HMOs, PPOs, or POS plans [Figure 8.14].
  - The average general annual deductible for single coverage is $2,944 for HDHP/HRAs and $2,518 for HSA-qualified HDHPs [Figure 8.6]. There is wide variation around these averages: 36% of covered workers enrolled in an HDHP/SO are in a plan with a deductible between $1,000 and $1,999 for single coverage while 33% have a deductible of $3,000 or more [Figure 8.12].
- The survey asks firms whether the family deductible amount is (1) an aggregate amount (i.e., the out-of-pocket expenses of all family members are counted until the deductible is satisfied), or (2) a per-person amount that applies to each family member (typically with a limit on the number of family members that would be required to meet the deductible amount) (see Section 7 for more information).
  - The average aggregate deductibles for workers with family coverage are $6,080 for HDHP/HRAs and $4,674 for HSA-qualified HDHPs [Figure 8.6]. As with single coverage, there is wide variation around these averages for family coverage: 2% of covered workers enrolled in HDHP/SOs with an aggregate

family deductible have a deductible between $2,000 and $2,999 while 25% have a deductible of $6,000 dollars or more [Figure 8.15].

Figure 8.12

Distribution of Covered Workers in HDHP/SOs with the Following General Annual Deductibles for Single Coverage, by Firm Size, 2023



NOTE: For HSA-qualified HDHPs, the legal minimum deductible for 2023 is $1,500 for single coverage and $3,000 for family coverage. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.13

General Annual Deductible for Workers in HDHP/SOs After Any Employer Account Contributions for Single Coverage, by Firm Size, 2023

	HDHP/HRA	HSA-Qualified HDHP	HDHP/SO
General Annual Deductible			
All Small Firms	$3,782*	$3,416*	$3,552*
All Large Firms	2,511*	2,274*	2,317*
All Firms	**$2,944**	**$2,518**	**$2,611**
General Annual Deductible After Any HRA or HSA Contributions			
All Small Firms	$1,829	$2,519*	$2,377*
All Large Firms	1,152	1,714*	1,623*
All Firms	**$1,382**	**$1,886**	**$1,802**

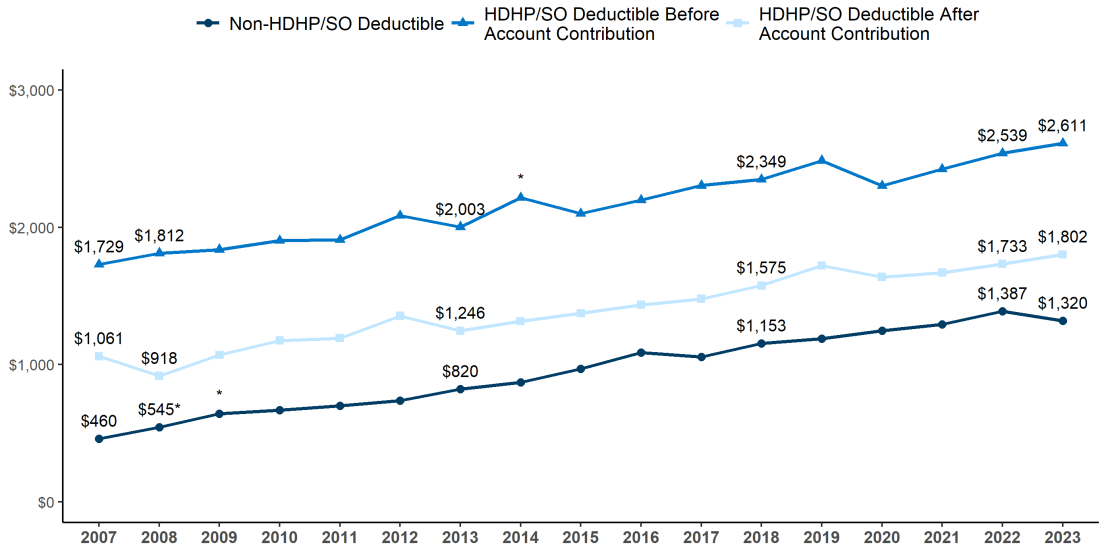
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. The net liability for covered workers enrolled in a plan with an HSA or HRA is calculated by subtracting the account contribution from the single coverage deductible. HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. General annual deductibles are for in-network providers.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.14

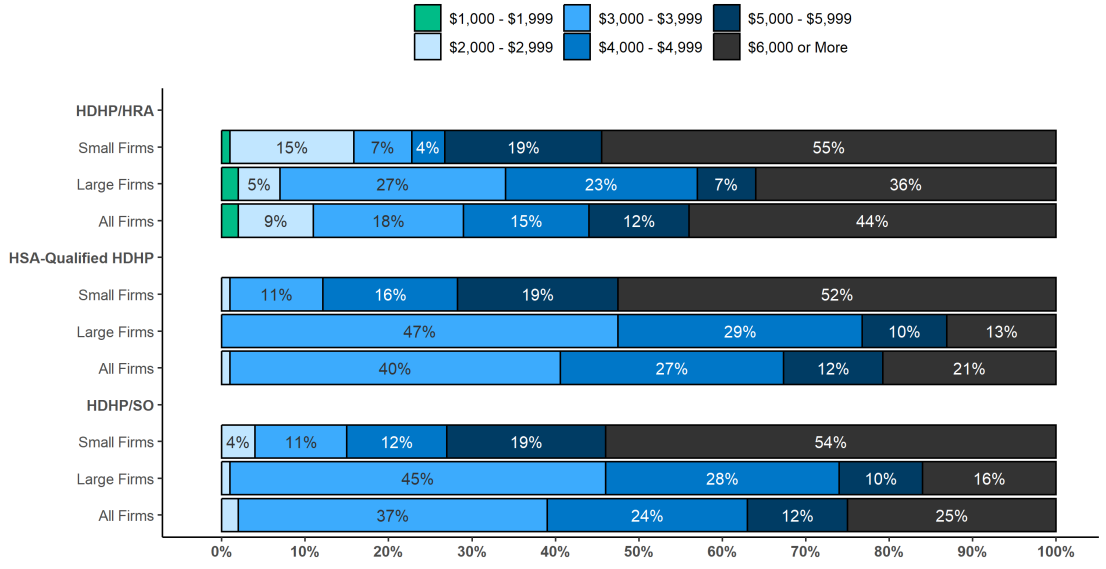
Among Covered Workers with a General Annual Deductible, Average Deductibles for Workers in Non-HDHP/SOs Compared to HDHP/SOs Before and After Any Employer Account Contributions, for Single Coverage, 2007-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: The net liability for covered workers enrolled in a plan with an HSA or HRA is calculated by subtracting the account contribution from the single coverage deductible. General annual deductibles are for in-network providers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2007-2017

Figure 8.15

Distribution of Covered Workers in HDHP/SOs with the Following Aggregate Family Deductibles, 2023



NOTE: Deductibles for family coverage are for covered workers with an aggregate amount. 42% of covered workers enrolled in an HDHP/HRA and 23% of covered workers in an HSA-Qualified HDHP are in a plan with a separate per-person amount. For HSA-qualified HDHPs, the legal minimum deductible for 2023 is $1,500 for single coverage and $3,000 for family coverage. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

EMPLOYER ACCOUNT CONTRIBUTIONS

- Employers contribute to HDHP/SOs in two ways: through their contributions toward the premium for the health plan, and through their contributions (if any, in the case of HSAs) to the savings account option (the HRAs or HSAs themselves).
  - Covered workers in HDHP/HRAs receive premium contributions from their employers of $6,797 on average for single coverage and $16,547 for family coverage [Figure 8.7]. These amounts are similar to the contribution amounts last year.
  - The average annual employer contribution to premiums for workers in HSA-qualified HDHPs is $6,526 for single coverage and $17,205 for family coverage. The contribution for single coverage is higher than the amount last year ($6,526 vs. $6,092). The average employer contribution for single coverage for workers in HSA-qualified HDHPs is lower than for workers in plans that are not HDHP/SOs [Figure 8.7].
- Covered workers enrolled in HDHP/HRAs on average receive an annual employer contribution to their HRA of $1,618 for single coverage and $2,906 for family coverage [Figure 8.7].
  - HRAs are generally structured in such a way that employers may not actually spend the whole amount that they make available to their employees' HRAs.[3] Amounts committed to an employee's HRA that are not used by the employee generally roll over and can be used in future years, but any balance may revert back to the employer if the employee leaves his or her job. Thus, the employer contribution amounts to HRAs that we capture in the survey may exceed the amount that employers will actually spend.
- Covered workers enrolled in HSA-qualified HDHPs receive an average annual employer HSA contribution of $657 for single coverage and $1,203 for family coverage [Figure 8.7].
  - In many cases, employers that sponsor HSA-qualified HDHP/SOs do not make contributions to HSAs established by their employees. Thirty-eight percent of employers offering single coverage and 41% offering family coverage through HSA-qualified HDHPs do not make contributions toward the HSAs that their workers establish. Among covered workers enrolled in an HSA-qualified HDHP, 17% enrolled in single coverage and 18% enrolled in family coverage do not receive an account contribution from their employer [Figure 8.16] and [Figure 8.17].
  - The average HSA contributions reported above include the portion of covered workers whose employer contribution to the HSA is zero. When those firms that do not contribute to the HSA are excluded from the calculation, the average employer contribution for covered workers is $791 for single coverage and $1,471 for family coverage.
  - The percentages of covered workers enrolled in a plan where the employer makes no HSA contribution, (17% for single coverage and 18% for family coverage), are similar to the percentages in recent years [Figure 8.16] and [Figure 8.17].
- The amount that employers contribute to savings accounts varies considerably.
  - Twenty-five percent of covered workers in an HDHP/HRA receive an annual HRA contribution of less than $800 for single coverage, while 31% receive an annual HRA contribution of $1,600 or more [Figure 8.16].

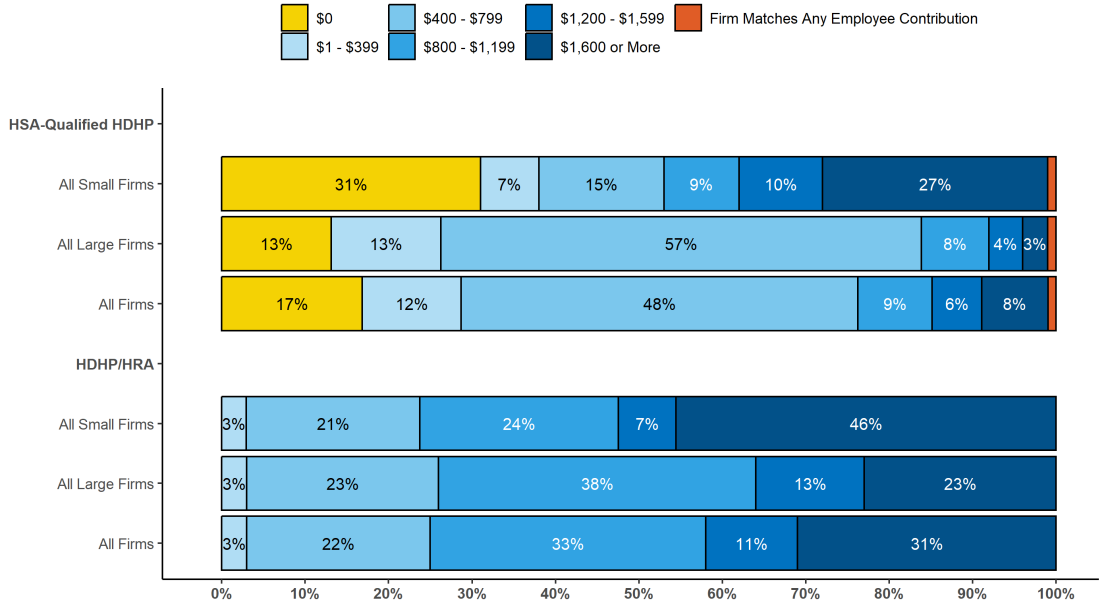
[3]The survey asks "Up to what dollar amount does your firm promise to contribute each year to an employee's HRA or health reimbursement arrangement for single coverage?" We refer to the amount that the employer commits to make available to an HRA as a contribution for ease of discussion. As discussed, HRAs are notional accounts, and employers are not required to actually transfer funds until an employee incurs expenses. Thus, employers may not expend the entire amount that they commit to make available to their employees through an HRA. Some employers may make their HRA contribution contingent on other factors, such as completing wellness programs.

- Twenty-nine percent of covered workers in an HSA-qualified HDHP receive an annual HSA contribution of less than $400 for single coverage, including 17% who receive no HSA contribution from their employer [Figure 8.16]. In contrast, 14% of covered workers in an HSA-qualified HDHP receive an annual HSA contribution of $1,200 or more. One percent of covered workers have an employer that matches any HSA contribution for single coverage.

- Employer contributions to savings account options (i.e., the HRAs and HSAs themselves) for their workers can be added to their health plan premium contributions to calculate total employer contributions toward HDHP/SOs. We note that HRAs are a promise by an employer to pay up to a specified amount and that many employees will not receive the full amount of their HRA in a year, so adding the employer premium contribution amount and the HRA contribution represents an upper bound for employer liability that overstates the amount that is actually expended. Since employer contributions to employee HSAs immediately transfer the full amount to the employee, adding employer premium and HSA contributions is an instructive way to look at their total liability under these plans.

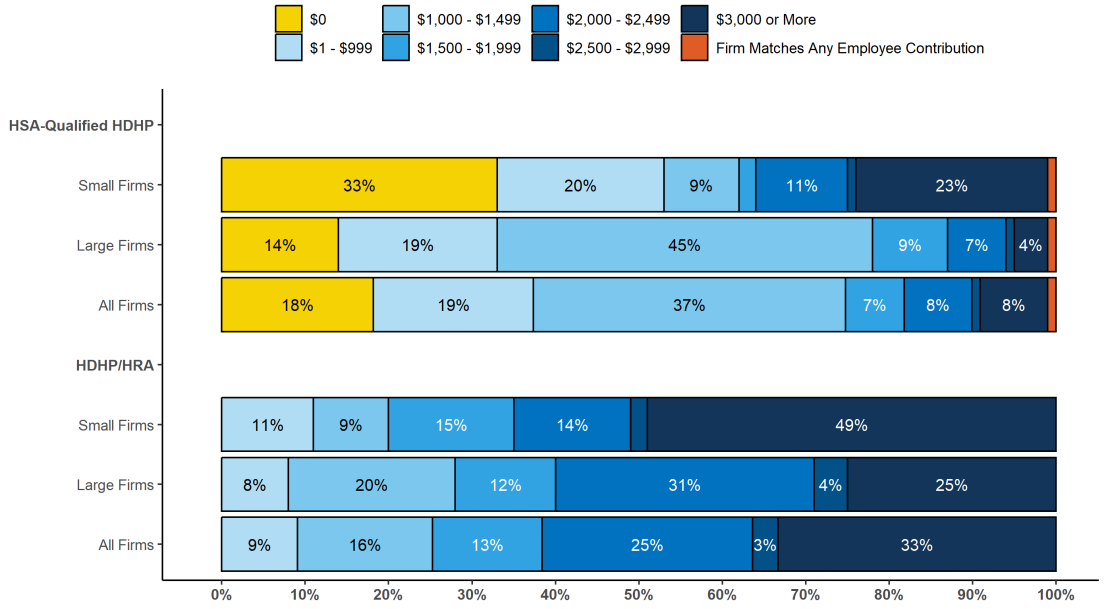
  - For HDHP/HRAs, the average annual total employer contribution for covered workers is $8,415 for single coverage and $19,453 for family coverage. The average total employer contributions for covered workers for single coverage and family coverage in HDHP/HRAs are higher than the average employer contributions toward single and family coverage in plans that are not HDHP/SOs [Figure 8.7].
  - For HSA-qualified HDHPs, the average total annual employer contribution for covered workers is $7,175 for single coverage and $18,398 for workers with family coverage. These amounts are similar to the average employer contributions for single and family coverage in health plans that are not HDHP/SOs [Figure 8.7].

Figure 8.16
Distribution of Covered Workers with the Following Annual Employer Contributions to Their HRA or HSA, for Single Coverage, 2023



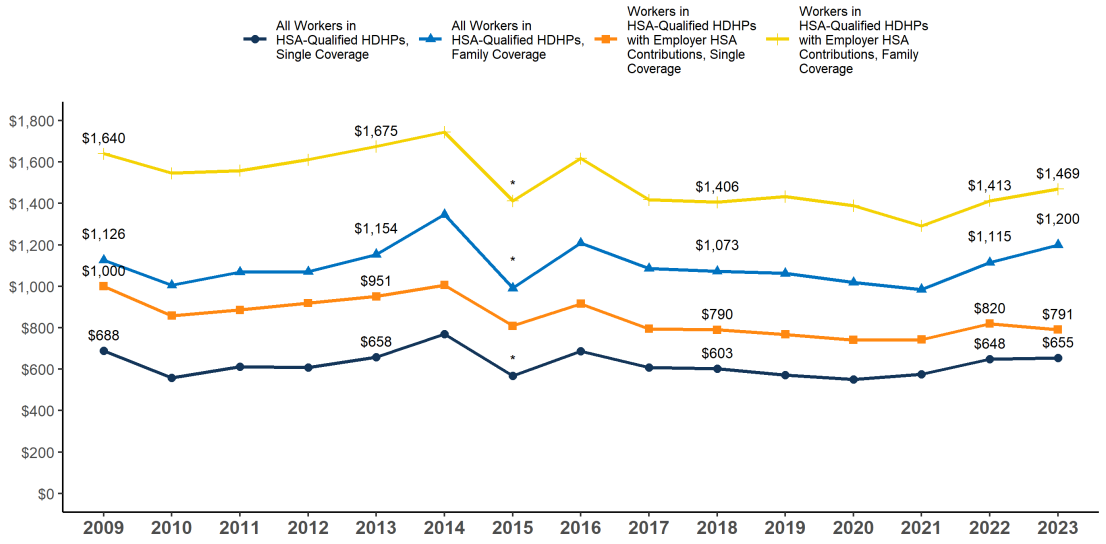
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.17
Distribution of Covered Workers with the Following Annual Employer Contributions to Their HRA or HSA, for Family Coverage, 2023



NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 8.18
Average Annual Employer Contributions to HSA Accounts for Covered Workers Enrolled in an HSA-Qualified HDHP, 2009-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. In 2023, 17% of workers in an HSA-Qualified single coverage plan and 18% of workers in an HSA-Qualified family coverage plan were enrolled in a plan without an employer contribution to the HSA account. Covered workers enrolled in a plan where the firm matches any employee HSA contribution are not included in the average contribution (one percent for single coverage and one percent for family coverage).
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009-2017

Figure 8.19

Among Covered Workers in HDHP/HRAs and HSA-Qualified HDHPs, Average Annual Employer HSA and HRA Contributions, 2023

	Average Employer Account Contribution
HSA: Single Coverage	
All Small Firms	$959*
All Large Firms	575*
ALL FIRMS	**$657**
HSA: Family Coverage	
All Small Firms	$1,507
All Large Firms	1,120
ALL FIRMS	**$1,203**
HRA: Single Coverage	
All Small Firms	$2,060
All Large Firms	1,390
ALL FIRMS	**$1,618**
HRA: Family Coverage	
All Small Firms	$3,715
All Large Firms	2,489
ALL FIRMS	**$2,906**

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. See the note in Figure 8.6 for additional information on HSA and HRA contributions.

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

SOURCE: KFF Employer Health Benefits Survey, 2023

COST SHARING FOR OFFICE VISITS

- The cost-sharing pattern for primary care office visits varies for workers enrolled in HDHP/SOs. Sixty-six percent of covered workers in HDHP/HRAs have a copayment for primary care physician office visits, compared to 9% enrolled in HSA-qualified HDHPs [Figure 8.20]. Workers in other plan types are much more likely to face copayments than coinsurance for physician office visits (see Section 7 for more information).

Figure 8.20

Distribution of Covered Workers in HDHP/HRAs and HSA-Qualified HDHPs With the Following Types of Cost Sharing in Addition to the General Annual Deductible, 2023

	HDHP/HRA	HSA-Qualified HDHP	HDHP/SO	Non-HDHP/SO
Separate Cost Sharing for Primary Care Physician Office Visits				
Copayment	66%	9%*	22%	81%*
Coinsurance	16%	60%*	50%	11%*
None	15%	20%	19%	3%*
Other	4%	11%*	10%	5%
Separate Cost Sharing for Specialty Care Physician Office Visits				
Copayment	72%	9%*	24%	81%*
Coinsurance	15%	62%*	51%	12%*
None	8%	18%*	16%	2%*
Other	4%	11%*	10%	4%*

NOTE: The survey asks firms about the characteristics of either their largest HRA or HSA-Qualified HDHP. The HDHP/SO category is the aggregate of both the HRA and HSA plans. For more information, see the Methods Section.

* Estimates are statistically different between HDHP/HRAs and HSA-Qualified HDHPs or HDHP/SO plans and Non-HDHP/SO plans ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Health Reimbursement Arrangements (HRAs) are medical care reimbursement plans established by employers that can be used by employees to pay for health care. HRAs are funded solely by employers. Employers may commit to make a specified amount of money available in the HRA for premiums and medical expenses incurred by employees or their dependents. HRAs are accounting devices, and employers are not required to expend funds until an employee incurs expenses that would be covered by the HRA. Unspent funds in the HRA usually can be carried over to the next year (sometimes with a limit). Employees cannot take their HRA balances with them if they leave their job, although an employer can choose to make the remaining balance available to former employees to pay for health care. HRAs often are offered along with a high-deductible health plan (HDHP). In such cases, the employee pays for health care first from his or her HRA and then out-of-pocket until the health plan deductible is met. Sometimes certain preventive services or other services such as prescription drugs are paid for by the plan before the employee meets the deductible.

Health Savings Accounts (HSAs) are savings accounts created by individuals to pay for health care. An individual may establish an HSA if he or she is covered by a "qualified health plan" - a plan with a high deductible (at least $1,400 for single coverage and $2,800 for family coverage in 2023 or $1,400 and $2,800, respectively, in 2022) that also meets other requirements. Employers can encourage their employees to create HSAs by offering an HDHP that meets the federal requirements. Employers in some cases also may assist their employees by identifying HSA options, facilitating applications, or negotiating favorable fees from HSA vendors. Both employers and employees can contribute to an HSA, up to the statutory cap of $3,850 for single coverage and $7,750 for family coverage in 2023. Employee contributions to the HSA are made on a pre-income tax basis, and some employers arrange for their employees to fund their HSAs through payroll deductions. Employers are not required to contribute to HSAs established by their employees but if they elect to do so, their contributions are not taxable to the employee. Interest and other earnings on amounts in an HSA are not taxable. Withdrawals from the HSA by the account owner to pay for qualified health care expenses are not taxed. The savings account is owned by the individual who creates the account, so employees retain their HSA balances if they leave their job. See https://www.federalregister.gov/d/2019-08017/p-850 For those enrolled in an HDHP/HSA, see https://www.irs.gov/pub/irs-pdf/p969.pdf

Employer Health Benefits

2023 Annual Survey

Prescription Drug Benefits

SECTION

9

Section 9

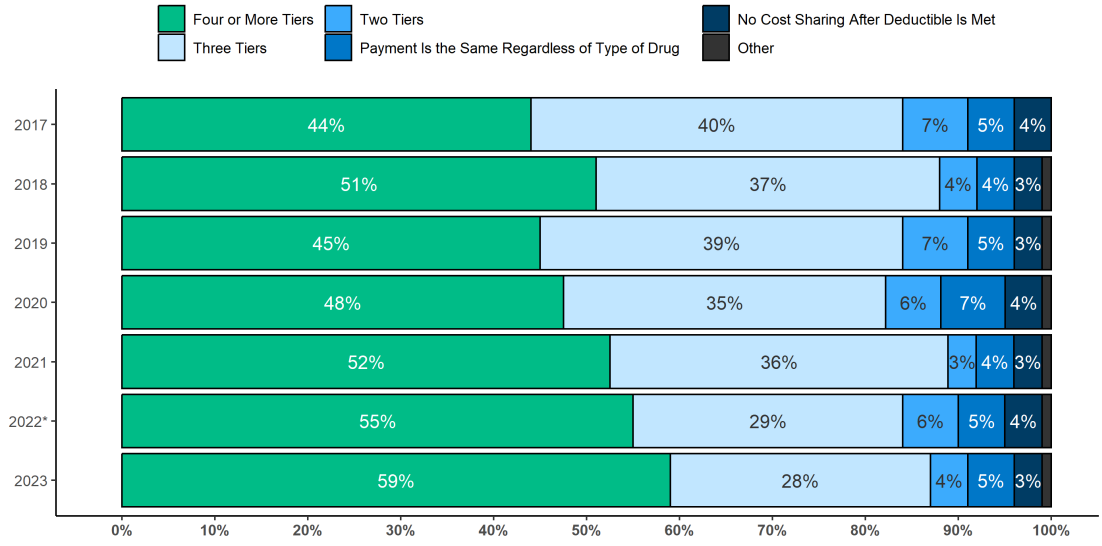
Prescription Drug Benefits

Nearly all (99%) covered workers are at a firm that provides prescription drug coverage to enrollees in its largest health plan. Employer plans have incorporated more complex benefit designs for prescription drugs over time, as employers and insurers expand the use of formularies with multiple cost-sharing tiers, as well as other management approaches. To reduce the burden on respondents, we ask offering firms about the attributes of prescription drug coverage only for their largest health plan. This survey asks employers about the cost-sharing in up to four tiers, and a tier exclusively for specialty drugs. Some plans may have more than one tier for specialty drugs or other variations. There also may be other areas of variation in how plans structure their formularies.

DISTRIBUTION OF COST SHARING

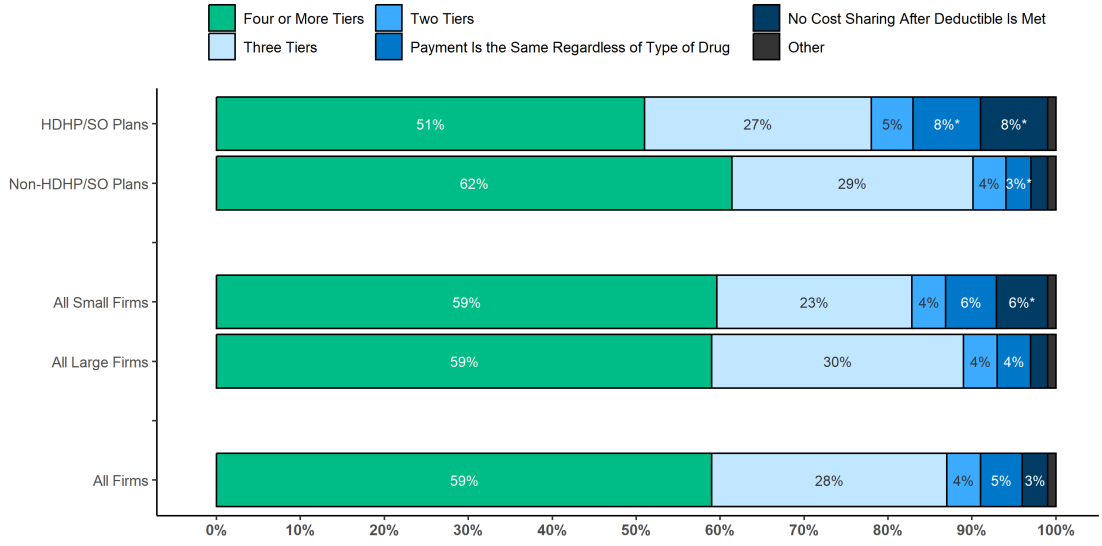
- The large majority of covered workers (91%) are in a plan with tiered cost sharing for prescription drugs [Figure 9.1]. Cost-sharing tiers generally refer to a health plan placing a drug on a formulary or preferred drug list that classifies drugs into categories that are subject to different cost sharing or management. Commonly, there are different tiers for generic, preferred and non-preferred drugs. In recent years, plans have created additional tiers that may be used for specialty drugs or more expensive drugs such as biologics. Some plans may have multiple tiers for different categories. For example, a plan may have preferred and non-preferred specialty tiers. The survey obtains information about the cost-sharing structure for up to five tiers.
- Eighty-seven percent of covered workers are in a plan with three, four, or even more tiers of cost sharing for prescription drugs [Figure 9.1]. These totals include tiers that cover only specialty drugs, even though the cost-sharing information for those tiers is reported separately.
  - HDHP/SO plans have a different cost-sharing pattern for prescription drugs than other plan types. Compared to covered workers in other plan types, those in HDHP/SOs are more likely to be in a plan where payment is the same regardless of the type of drug (8% vs. 3%), and more likely to be in a plan that has no cost sharing for prescriptions once the plan deductible is met (8% vs. 2%) [Figure 9.2].
  - Small firms are more likely to have no cost sharing after the deductible is met compared to large firms (6% vs. 2%) [Figure 9.2].

Figure 9.1
Distribution of Covered Workers Facing Different Cost-Sharing Formulas for Prescription Drug Benefits, 2017-2023



* Distribution is statistically different from distribution for the previous year shown ($p < .05$).
NOTE: Number of tiers include any tiers specifically for specialty drugs. Excluding tiers specifically for specialty drugs, 27% of covered workers with prescription drug coverage are enrolled in a plan with four or more tiers, 56% have three tiers, 6% have two tiers, 5% have the same cost sharing regardless of the drug, and 5% have no cost sharing after the deductible is met. For more information on the definition of specialty drugs and how this survey defines drug formulary tiers, see Section 9.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017

Figure 9.2
Distribution of Covered Workers Facing Different Cost-Sharing Formulas for Prescription Drug Benefits, by Plan Type and Plan Size, 2023

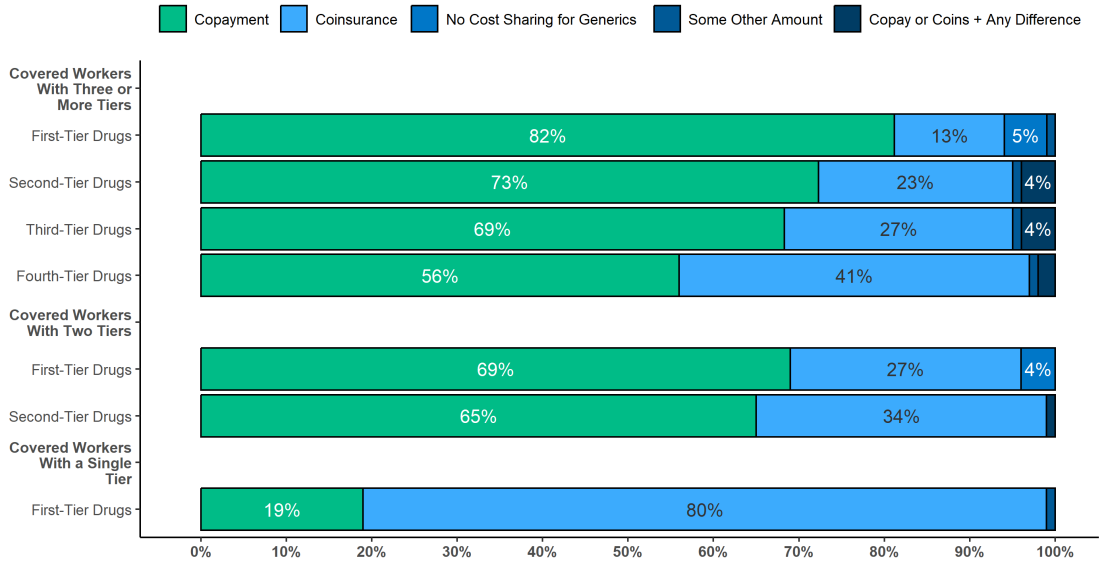


* Distribution is statistically different between HDHP/SO Plan and Non-HDHP/SO distributions or between Large and Small Firms ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Number of tiers include any tiers specifically for specialty drugs. Excluding tiers specifically for specialty drugs, 27% of covered workers with prescription drug coverage are enrolled in a plan with four or more tiers, 56% have three tiers, 6% have two tiers, 5% have the same cost sharing regardless of the drug, and 5% have no cost sharing after the deductible is met. For more information on the definition of specialty drugs and how this survey defines drug formulary tiers, see Section 9.
SOURCE: KFF Employer Health Benefits Survey, 2023

TIERS NOT EXCLUSIVELY FOR SPECIALTY DRUGS

- Even when formulary tiers covering only specialty drugs are not counted, a large share (84%) of covered workers are in a plan with three or more tiers of cost sharing for prescription drugs. The cost-sharing statistics presented in this section do not include information about tiers that cover only specialty drugs. In cases in which a plan covers specialty drugs on a tier with other drugs, they will be included in these averages. Cost-sharing statistics for tiers covering only specialty drugs are presented further down in this section.
- For covered workers in a plan with three or more tiers of cost sharing for prescription drugs, copayments are the most common form of cost sharing in the first three tiers and coinsurance is the second-most common [Figure 9.3].
  - Among covered workers in plans with three or more tiers of cost sharing for prescription drugs, the average copayment is $11 for first-tier drugs, $36 second-tier drugs, $66 for third-tier drugs, and $125 for fourth-tier drugs [Figure 9.6].
  - Among covered workers in plans with three or more tiers of cost sharing for prescription drugs, the average coinsurance rate is 20% for first-tier drugs, 26% second-tier drugs, 38% third-tier drugs, and 28% for fourth-tier drugs [Figure 9.6].
- Six percent of covered workers are in a plan with two tiers for prescription drug cost sharing (excluding tiers covering only specialty drugs).
  - For these workers, copayments are more common than coinsurance in both tiers [Figure 9.3]. The average copayment is $15 for the first tier and $36 for the second tier. [Figure 9.6].
- Five percent of covered workers are in a plan with the same cost sharing for prescriptions regardless of the type of drug (excluding tiers covering only specialty drugs).
  - Among these workers, 19% have copayments and 80% have a coinsurance rate [Figure 9.3].

Figure 9.3
Among Covered Workers with Prescription Drug Coverage, Distribution with the Following Types of Cost Sharing for Prescription Drugs, 2023



NOTE: Number of tiers refers to the number of tiers excluding those specifically for specialty drugs. 'Copayment or Coinsurance Plus Any Difference' category includes workers who pay a copayment or coinsurance plus the difference between the cost of the prescription and the cost of a comparable generic drug. Coins is an abbreviation of Coinsurance.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.4

Among Covered Workers With Three or More Tiers of Prescription Drug Cost Sharing, Distribution With the Following Types of Cost Sharing, by Firm Size, 2023

	Copayment	Coinsurance	No Cost Sharing for Generics	Some Other Amount
First-Tier Drugs, Often Called Generics				
All Small Firms	88%*	7%*	5%	0%
All Large Firms	80*	16*	4	<1
ALL FIRMS	**82%**	**13%**	**5%**	**<1%**
Second-Tier Drugs, Often Called Preferred Drugs			**Copayment or Coinsurance Plus Any Difference**	
All Small Firms	88%*	10%*	1%	1%
All Large Firms	67*	28*	4	<1
ALL FIRMS	**73%**	**23%**	**4%**	**<1%**
Third-Tier Drugs, Often Called Non-Preferred Drugs				
All Small Firms	85%*	14%*	1%	<1%
All Large Firms	63*	32*	5	<1
ALL FIRMS	**69%**	**27%**	**4%**	**<1%**
Fourth-Tier Drugs				
All Small Firms	70%*	29%*	1%	<1%
All Large Firms	47*	49*	3	1
ALL FIRMS	**56%**	**41%**	**2%**	**1%**

NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Number of tiers refers to the number of tiers excluding those specifically for specialty drugs. 'Copayment or Coinsurance Plus Any Difference' category includes workers who pay a copayment or coinsurance plus the difference between the cost of the prescription and the cost of a comparable generic drug.

* Estimates are statistically different between Small Firm and Large Firm estimates within category ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.5

Among Covered Workers With Three or More Tiers of Prescription Drug Cost Sharing, Distribution With the Following Types of Cost Sharing, by Plan Type, 2023

	Copayment	Coinsurance	No Cost Sharing for Generics	Some Other Amount
First-Tier Drugs, Often Called Generics				
HDHP/SO Plans	67%*	28%*	4%	<1%
Non-HDHP/SO Plans	87*	8*	5	0
ALL PLANS	**82%**	**13%**	**5%**	**<1%**
Second-Tier Drugs, Often Called Preferred Drugs			**Copayment or Coinsurance Plus Any Difference**	
HDHP/SO Plans	57%*	40%*	3%	<1%
Non-HDHP/SO Plans	78*	18*	4	<1
ALL PLANS	**73%**	**23%**	**4%**	**<1%**
Third-Tier Drugs, Often Called Non-Preferred Drugs				
HDHP/SO Plans	59%	38%*	3%	<1%
Non-HDHP/SO Plans	73	23*	4	<1
ALL PLANS	**69%**	**27%**	**4%**	**<1%**
Fourth-Tier Drugs				
HDHP/SO Plans	47%	48%	2%	3%
Non-HDHP/SO Plans	58	40	2	<1
ALL PLANS	**56%**	**41%**	**2%**	**1%**

NOTE: Number of tiers refers to the number of tiers excluding those specifically for specialty drugs. 'Copayment or Coinsurance Plus Any Difference' category includes workers who pay a copayment or coinsurance plus the difference between the cost of the prescription and the cost of a comparable generic drug.

* Estimates are statistically different between plan type estimates within category ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.6

Among Covered Workers With Prescription Drug Coverage, Average Copayments and Coinsurance, 2023

	Average Copayment	Average Coinsurance
Plans With Three or More Tiers		
First Tier	$11	20%
Second Tier	$36	26%
Third Tier	$66	38%
Fourth Tier	$125	28%
Plans With Two Tiers		
First Tier	$15	NSD
Second Tier	$36	30%
Plans With the Same Cost Sharing For All Covered Drugs		
First Tier	$17	22%

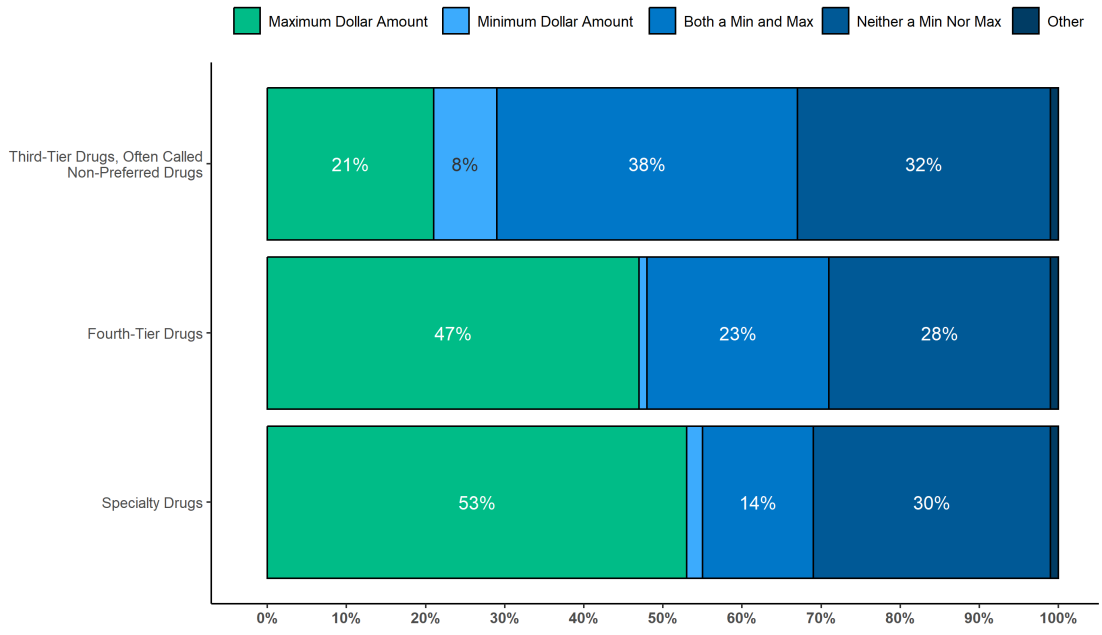
NOTE: Number of tiers refers to the number of tiers excluding those specifically for specialty drugs.
NSD: Not Sufficient Data

SOURCE: KFF Employer Health Benefits Survey, 2023

COINSURANCE MAXIMUMS

- Coinsurance rates for prescription drugs often include maximum and/or minimum dollar amounts. Depending on the plan design, coinsurance maximums can significantly limit the amount an enrollee must spend out-of-pocket for higher-cost drugs. Even in plans without explicit coinsurance maximum amounts, the overall plan out-of-pocket maximum limits enrollee cost sharing on covered services, including prescription drugs.
- These coinsurance minimum and maximum amounts vary across tiers and plan designs.
  - For example, among covered workers in a plan with coinsurance for the third cost-sharing tier, 21% have only a maximum dollar amount attached to the coinsurance rate, 8% have only a minimum dollar amount, 38% have both a minimum and maximum dollar amount, and 32% have neither. For those in a plan with coinsurance for the fourth cost-sharing tier, 47% have only a maximum dollar amount attached to the coinsurance rate, 1% have only a minimum dollar amount, 23% have both a minimum and maximum dollar amount, and 28% have neither [Figure 9.7].

Figure 9.7
Distribution of Coinsurance Structures for Covered Workers Facing a Coinsurance for Prescription Drugs, 2023



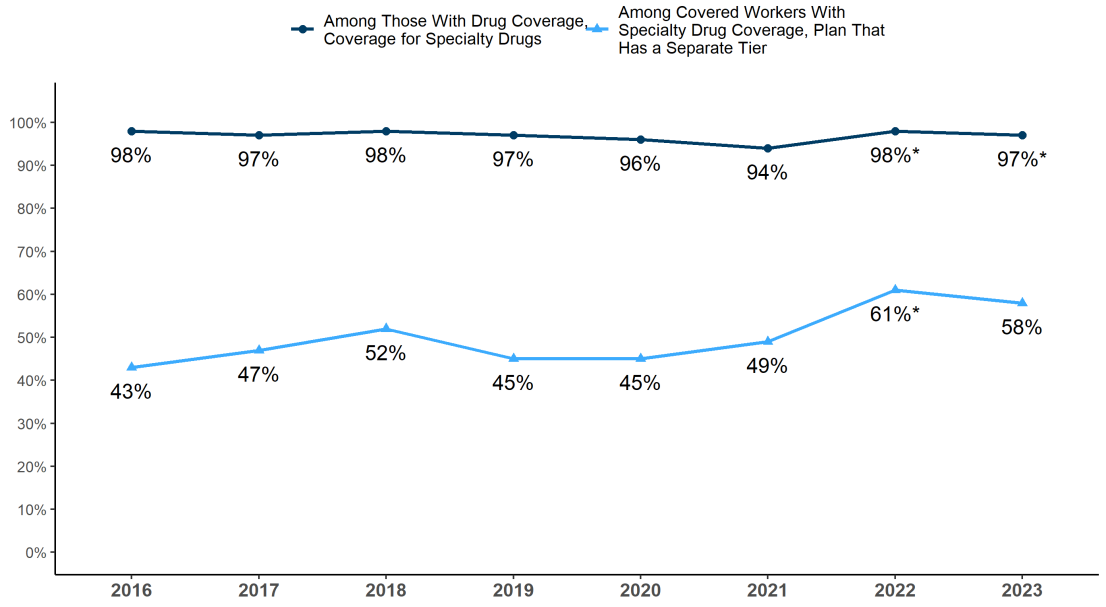
SOURCE: KFF Employer Health Benefits Survey, 2023

SEPARATE TIERS FOR SPECIALTY DRUGS

- Specialty drugs, such as biologics that may be used to treat chronic conditions or some cancer drugs, can be quite expensive and often require special handling and administration. In 2016, we revised our survey questions to obtain more information about formulary tiers that are exclusively for specialty drugs. We are reporting results only among large firms because small firm respondents had large shares of "don't know" responses to some of these questions.

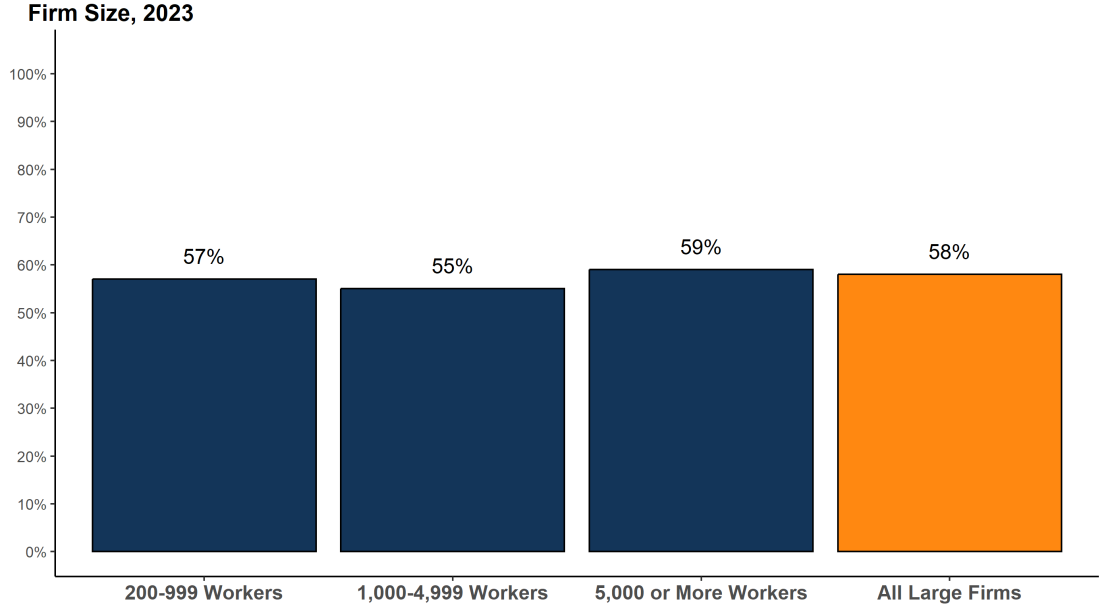
- Ninety-seven percent of covered workers at large firms have coverage for specialty drugs, lower than the percentage in 2022 [Figure 9.8]. Among these workers, 58% are in a plan with at least one cost-sharing tier just for specialty drugs [Figure 9.9].
- Among covered workers at large firms in a plan with at least one separate tier for specialty drugs, 42% have a copayment for specialty drugs and 50% have coinsurance [Figure 9.10]. The average copayment is $110 and the average coinsurance rate is 26% [Figure 9.11]. Sixty-five percent of those with coinsurance have a maximum dollar limit on the amount of coinsurance they must pay.

Figure 9.8
Among Large Firms with Prescription Drug Coverage, Percentage of Workers With Coverage for Specialty Drugs, 2023



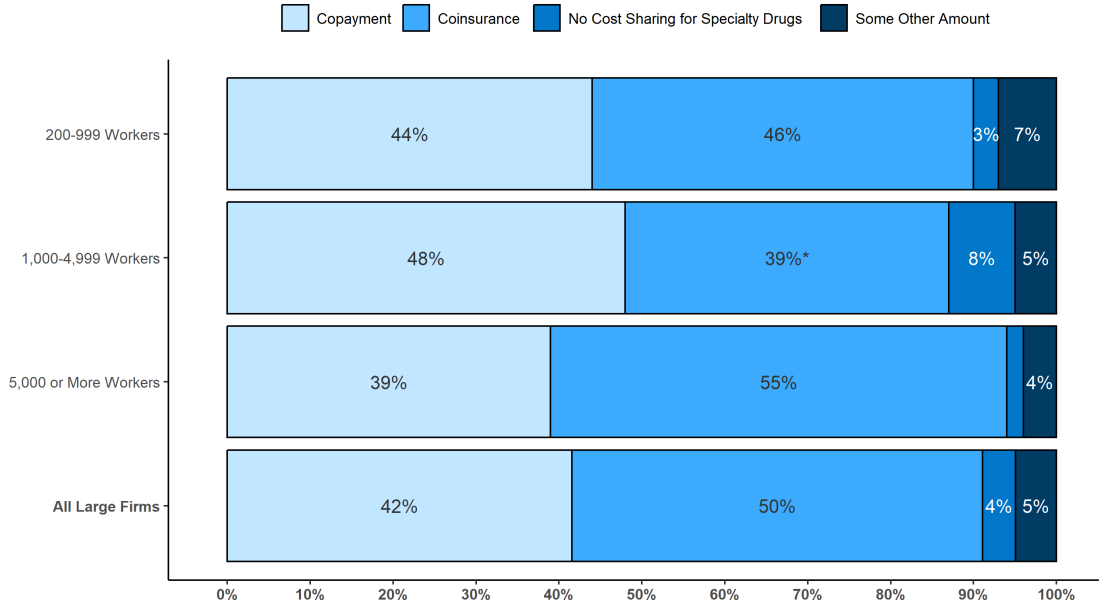
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. Ninety-eight percent of firms offering health benefits offer prescription drug coverage.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.9
Among Large Firms Whose Prescription Drug Coverage Includes Specialty Drugs, Percentage of Covered Workers Enrolled in a Plan That Has a Separate Tier for Specialty Drugs, by Firm Size, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.10
Among Covered Workers at Large Firms Enrolled in a Plan with a Separate Tier for Specialty Drugs, Distribution of the Following Types of Cost Sharing, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.11

Among Covered Workers at Large Firms Enrolled in a Plan With a Separate Tier for Specialty Drugs, Average Copayments and Coinsurance, by Firm Size, 2017 & 2023

	2017		2023	
	Average Copayment ($)	Average Coinsurance (%)	Average Copayment ($)	Average Coinsurance (%)
FIRM SIZE				
200-999 Workers	$90	24%	$119	26%
1,000-4,999 Workers	89	27	110	24
5,000 or More Workers	111*	28	107	26
All Large Firms (200 or More Workers)	**$101**	**27%**	**$110**	**26%**

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

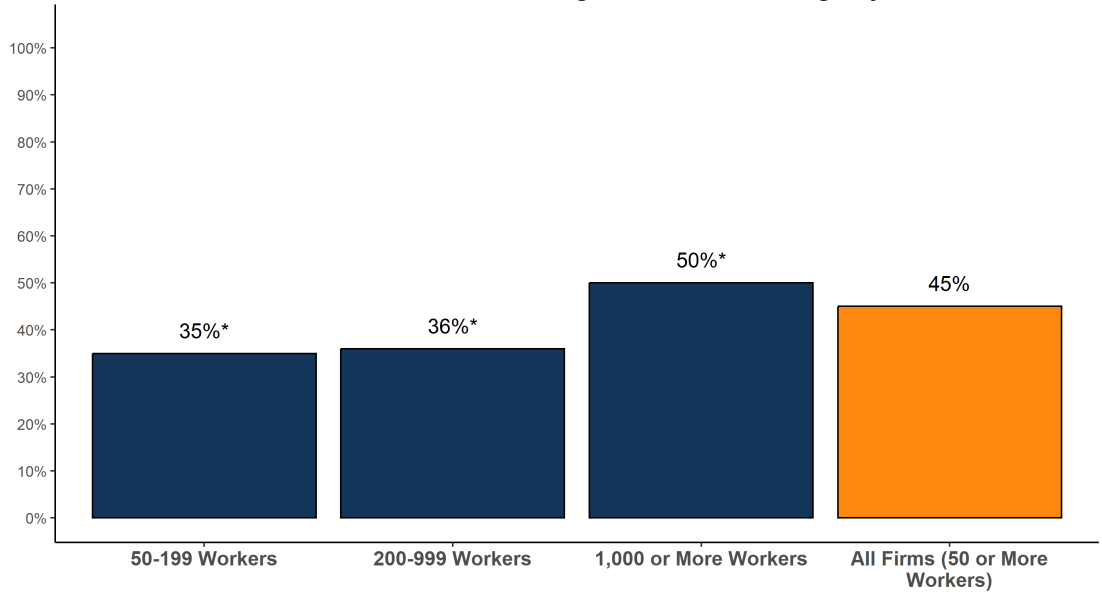
SOURCE: KFF Employer Health Benefits Survey, 2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017

REDUCED COST SHARING FOR MAINTENANCE DRUGS

- Some plan reduce or eliminate cost sharing for drugs that treat chronic illness, such as insulin products for diabetics, in order to encourage enrollees to take them as prescribed. Forty-seven percent of covered workers in large firms are enrolled in a plan that reduces or waives cost sharing for prescription drugs needed to maintain health for one or more chronic illnesses in 2023 [Figure 9.12].

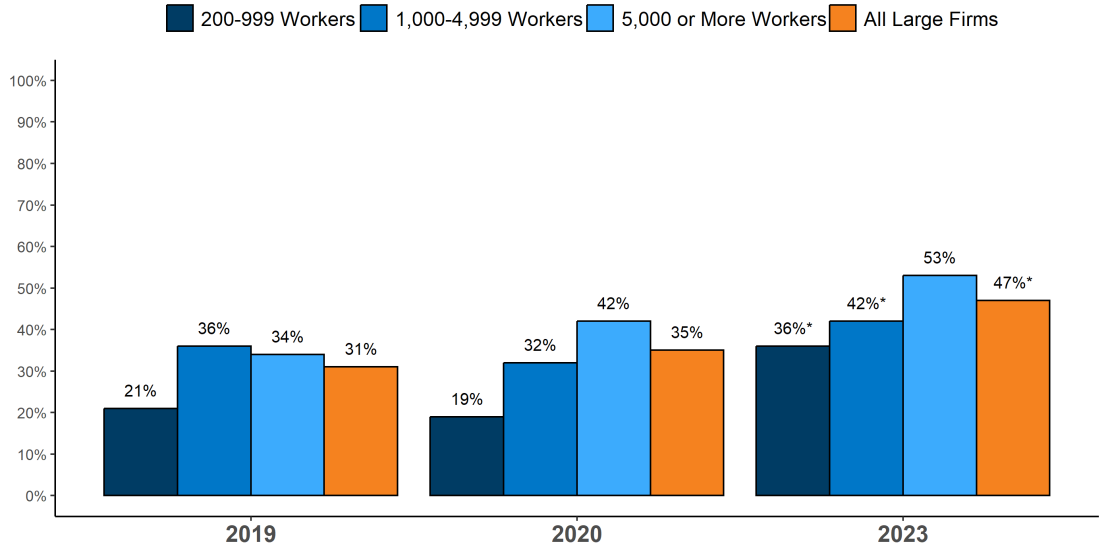
Figure 9.12

Among Firms Whose Prescription Drug Coverage Includes Specialty Drugs, Percentage of Covered Workers with Reduced or No Cost-Sharing for Maintenance Drugs, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Firms have 50 or more workers. Cost-sharing includes deductibles, copays and coinsurance. An example of a maintenance drug for chronic conditions is insulin for diabetes.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 9.13
Among Large Firms Whose Prescription Drug Coverage Includes Specialty Drugs, Percentage of Covered Workers with Reduced or No Cost-Sharing for Maintenance Drugs, Within Firm Size, 2019-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. Cost-sharing includes deductibles, copays and coinsurance. An example of a maintenance drug for chronic conditions is insulin for diabetes.
SOURCE: KFF Employer Health Benefits Survey, 2019-2023;

Generic drugs

- Drugs that are no longer covered by patent protection and thus may be produced and/or distributed by multiple drug companies.

Preferred drugs

- Drugs included on a formulary or preferred drug list; for example, a brand-name drug without a generic substitute.

Non-preferred drugs

- Drugs not included on a formulary or preferred drug list; for example, a brand-name drug with a generic substitute.

Fourth-tier drugs

- New types of cost-sharing arrangements that typically build additional layers of higher copayments or coinsurance for specifically identified types of drugs, such as lifestyle drugs or biologics.

Specialty drugs

- Specialty drugs such as biological drugs are high cost drugs that may be used to treat chronic conditions such as blood disorder, arthritis or cancer. Often times they require special handling and may be administered through injection or infusion.

Employer Health Benefits

2023 Annual Survey

Plan Funding

SECTION

10

Section 10

Plan Funding

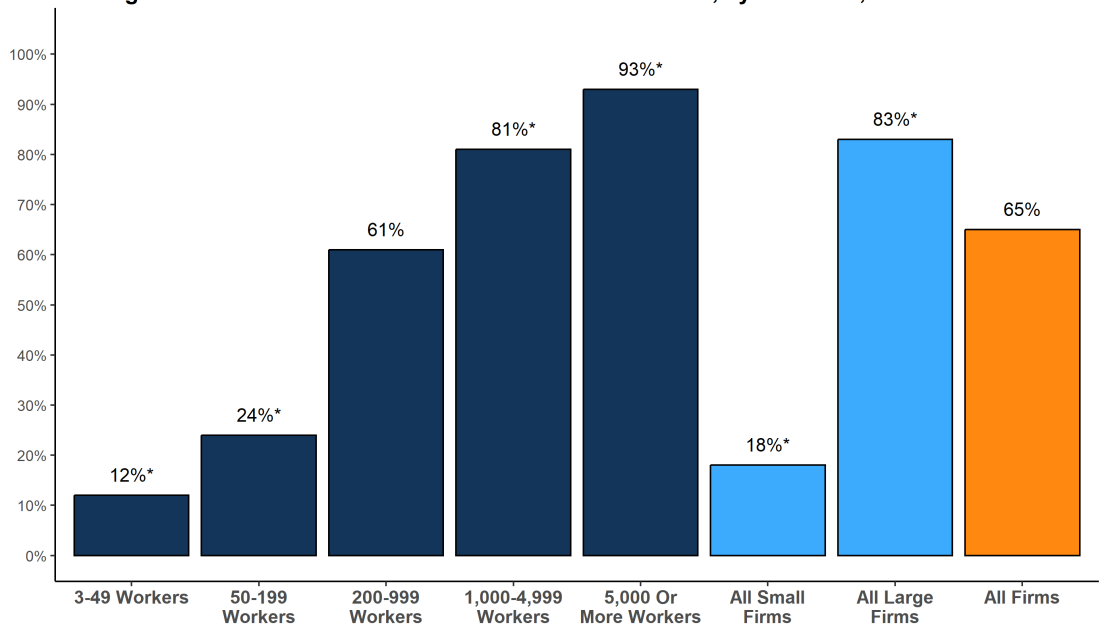
Many firms, particularly larger firms, choose to pay for some or all of the health services of their workers directly from their own funds rather than by purchasing health insurance for them. This is called self-funding. Both public and private employers can use self-funding to provide health benefits. Federal law (the Employee Retirement Income Security Act of 1974, or ERISA) exempts self-funded plans established by private employers (but not public employers) from most state insurance laws, including reserve requirements, mandated benefits, premium taxes, and many consumer protection regulations. Sixty-five percent of covered workers are in a self-funded health plan in 2023. Self-funding is common among larger firms because they can spread the risk of costly claims over a large number of workers and dependents. Some employers which sponsor self-funded plans purchase stoploss coverage to limit their liabilities.

In recent years, a complex funding option, often called level-funding, has become more widely available to small employers. Level-funded arrangements are nominally self-funded options that package together a self-funded plan with extensive stoploss coverage that significantly reduces the risk retained by the employer. Thirty-eight percent of covered workers in small firms (3-199 workers) are in a level-funded plan in 2023.

SELF-FUNDED PLANS

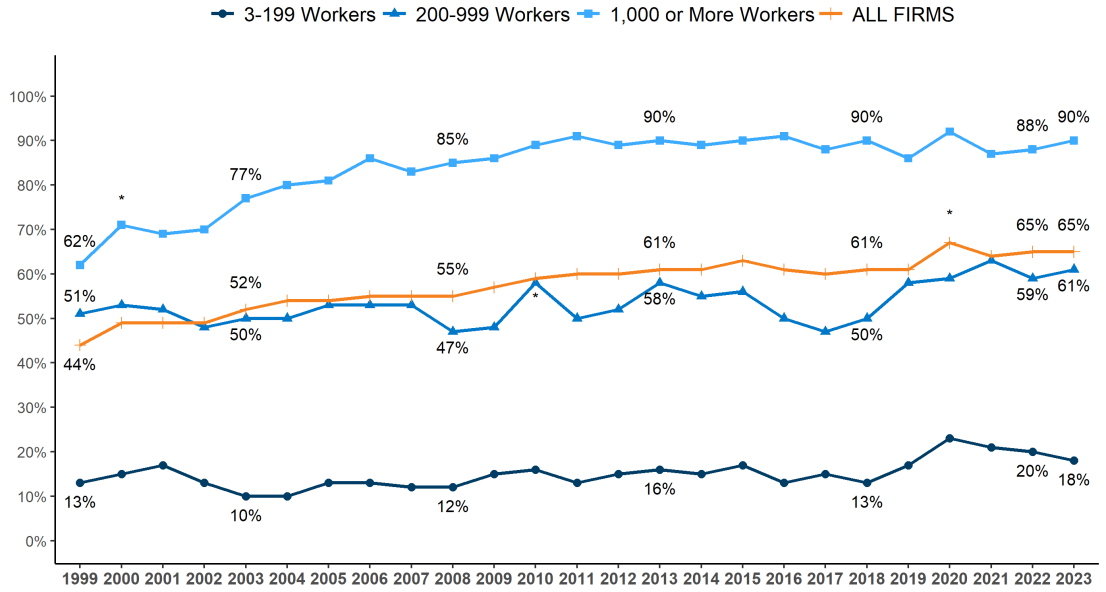
- Sixty-five percent of covered workers are in a plan that is self-funded, the same percentage (65%) as last year [Figure 10.2].
  - The percentage of covered workers enrolled in self-funded plans is similar to the percentages five years ago (61%) and ten years ago (61%) [Figure 10.2].
  - As expected, covered workers in large firms are significantly more likely to be in a self-funded plan than covered workers in small firms (83% vs. 18%) [Figure 10.1] and [Figure 10.3].

Figure 10.1
Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.2
Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Firm Size, 1999-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. Overall, 65% of covered workers are in a self-funded plan in 2023. Due to a change in the survey questionnaire, funding status was not asked of firms with conventional plans in 2006; therefore, conventional plan funding status is not included in the averages in this figure for 2006.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017

Figure 10.3

Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Firm Size, Region, and Industry, 2023

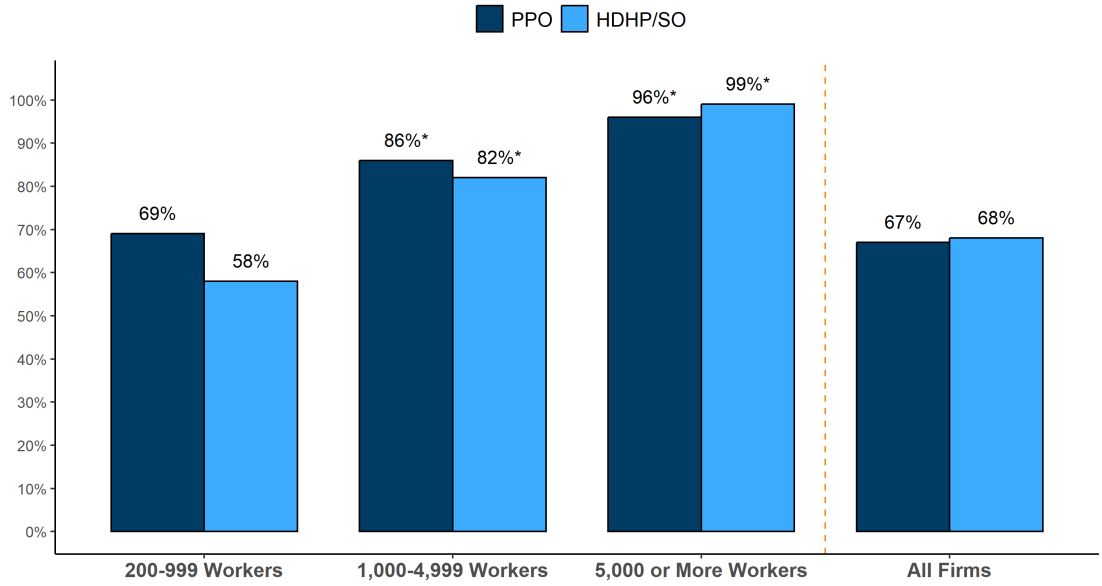
	Covered Workers in a Self-Funded Plan
FIRM SIZE	
200-999 Workers	61%
1,000-4,999 Workers	81*
5,000 or More Workers	93*
All Small Firms (3-199 Workers)	**18%***
All Large Firms (200 or More Workers)	**83%***
REGION	
Northeast	66%
Midwest	71*
South	66
West	52*
INDUSTRY	
Agriculture/Mining/Construction	47%*
Manufacturing	62
Transportation/Communications/Utilities	86*
Wholesale	53
Retail	77*
Finance	68
Service	50*
State/Local Government	74
Health Care	80*
ALL FIRMS	**65%**

NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.

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

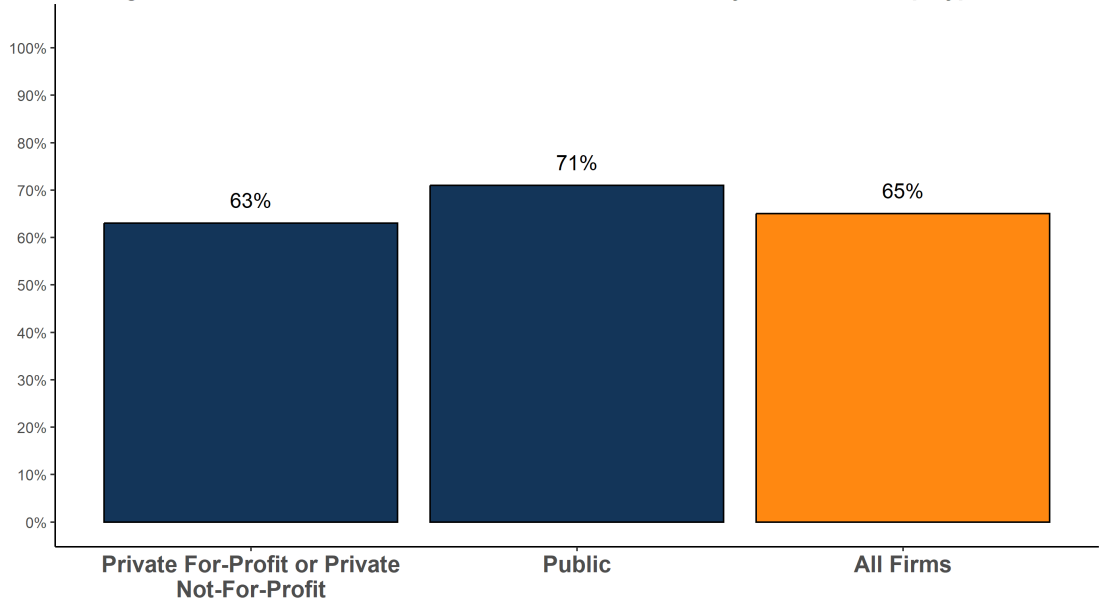
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.4
Percentage of Covered Workers Enrolled in a Self-Funded Plan, by Plan Type and Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category within plan type ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.5
Percentage of Covered Workers Enrolled in a Self-Funded Plan by Firm Ownership Type, 2023



Tests found no statistical difference between firm ownership type ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. Private firms include both private for-profit and private not-for-profit. Sixty-five percent of covered workers in private for-profits and 60% of workers enrolled at private not-for-profits are self-funded
SOURCE: KFF Employer Health Benefits Survey, 2023

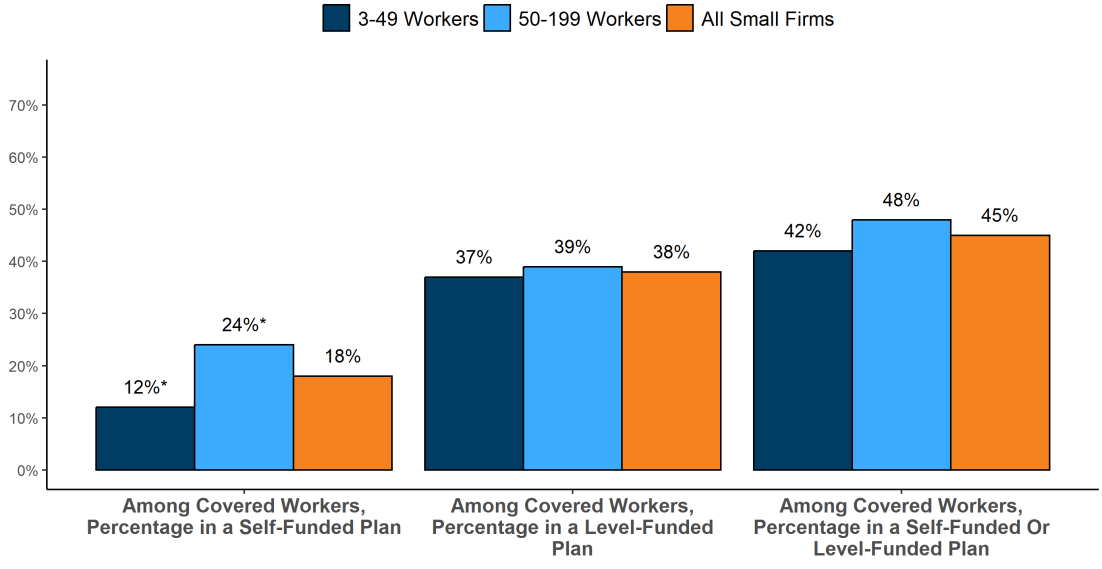
LEVEL-FUNDED PLANS

In the past few years, insurers have begun offering health plans that provide a nominally self-funded option for small or mid-sized employers that incorporates stoploss insurance with relatively low attachment points. Often, the insurer calculates an expected monthly expense for the employer, which includes a share of the estimated annual cost for benefits, premiums for the stoploss protection, and an administrative fee. The employer pays this "level premium" amount, with the potential for some reconciliation between the employer and the insurer at the end of the year, although small employers are often protected from any meaningful additional liability. These policies are sold as self-funded plans, so they generally are not subject to state requirements for insured plans and, for those sold to employers with fewer than 50 employees, are not subject to the rating and benefit standards in the ACA for small firms.

Due to the complexity of the funding (and regulatory status) of these plans, and because employers often pay a monthly amount that resembles a premium, respondents may be confused as to whether or not their health plan is self-funded or insured. There also may be confusion because different plan administrators (generally insurers) use different labels to refer to these arrangements. Last year we modified our survey question to provide additional examples of how these plans may be labelled, but this has not meaningfully affected the share of respondents reporting offering these arrangements. We asked employers with fewer than 200 workers whether they have a level-funded plan.

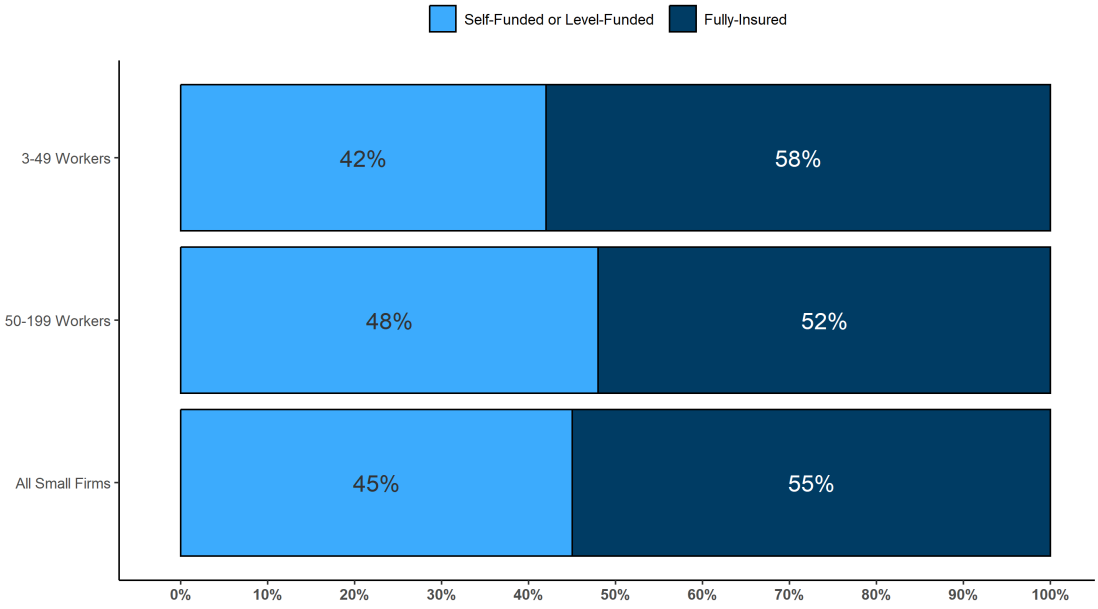
- Thirty-four percent of small firms that report offering health benefits offer a level-funded plan in 2023, similar to the percentage (38%) last year.
- Thirty-eight percent of covered workers in small firms are enrolled in a level-funded plan in 2023, similar to the percentage last year [Figure 10.6] and [Figure 10.8]. Forty-five percent of covered workers in small firms are enrolled in either a level-funded plan or a self-insured plan, the same as the percentage last year [Figure 10.7] and [Figure 10.8].

Figure 10.6
Among Covered Workers at Small Firms, Percentage Enrolled in a Level-Funded or Self-Funded Plan, by Firm Size, 2023



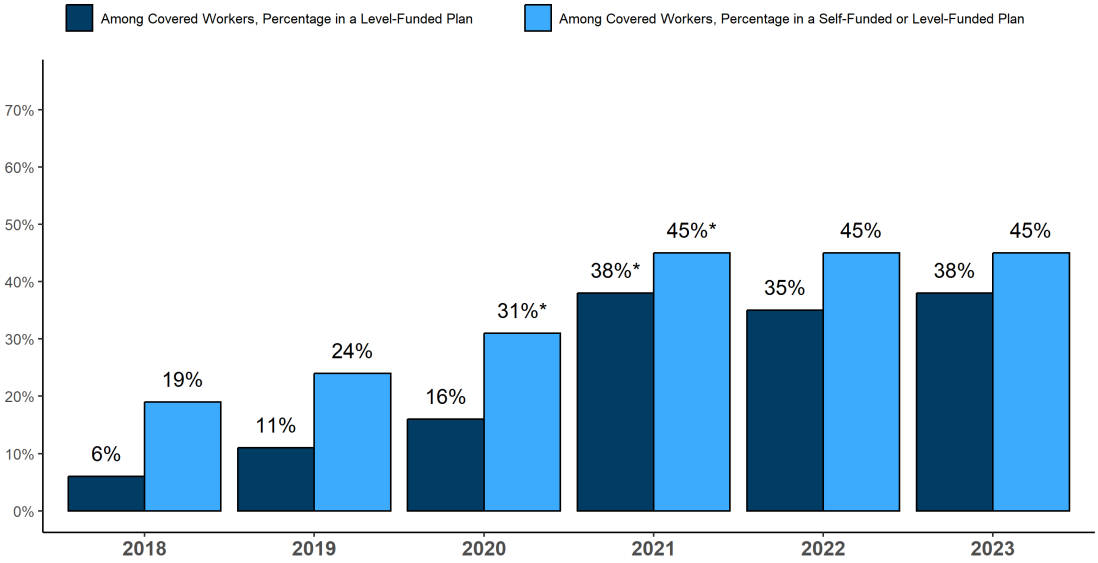
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans. Small Firms have 3-199 workers. This figure shows the percentage of covered workers; In 2023, 34% of small firms reported that they had a level-funded plan. This includes respondents who indicated both that their plan was level-funded and fully insured.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.7
Among Covered Workers at Small Firms, Percentage Enrolled in a Level-Funded or Self-Insured Plan, by Firm Size, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans. Small Firms have 3-199 workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.8
Among Covered Workers at Small Firms, Percentage Enrolled in a Level-Funded or Self-Funded Plan, by Firm Size, 2018-2023



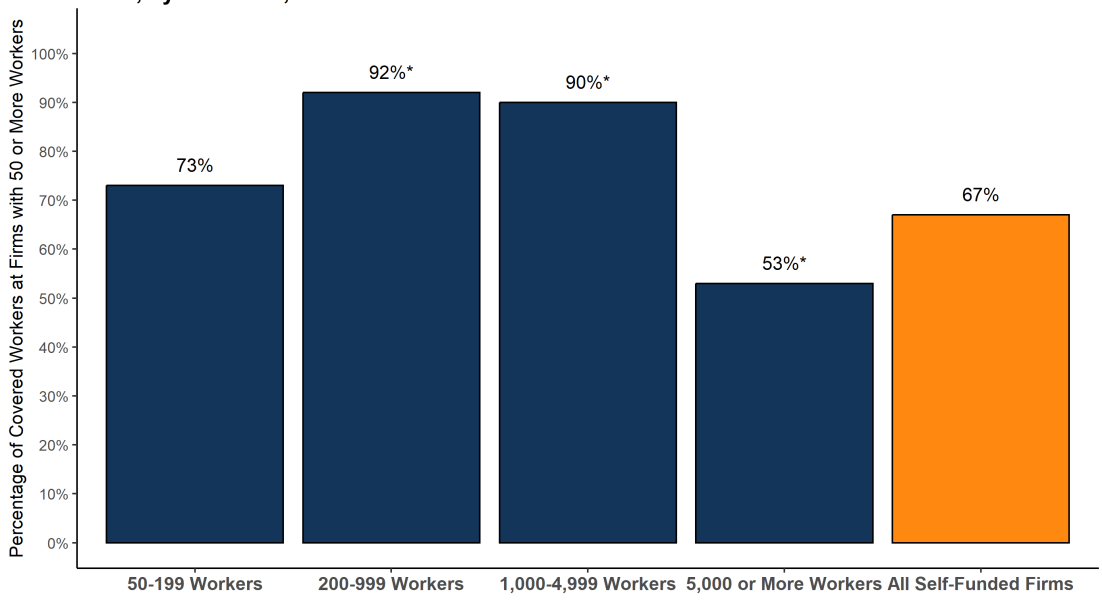
* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans. Small Firms have 3-199 workers. This figure shows the percentage of covered workers; In 2023, 34% of small firms reported that they had a level-funded plan. This includes respondents who indicated both that their plan was level-funded and fully insured.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023;

STOPLOSS COVERAGE

Employers purchase insurance, often referred to as "stoploss" coverage, to limit the amount that they may have to pay for claims in a self-funded plan. There are different types of stoploss; for example a stoploss policy may cover any amount that the plan sponsor must pay over a specified amount for each worker or enrollee (referred to as specific stoploss coverage) or it may limit the total amount the plan sponsor must pay for all claims in the plan over the plan year (referred to as aggregate stoploss coverage). Stoploss coverage also may be focused on particular types of claims (e.g., transplants). A firm may have more than one type of stoploss coverage.

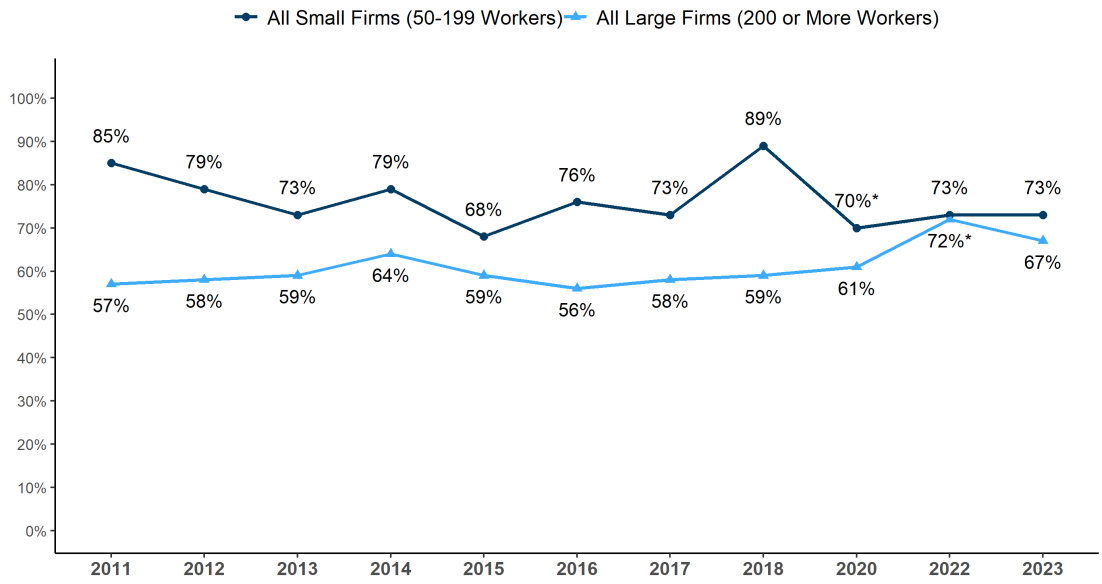
- At large firms (200 or more workers), 67% of covered workers in self-funded health plans are in plans that have stoploss insurance, similar to the percentage last year (72%) [Figure 10.10]. For firms with 50 or more workers, firms with 200-999 workers (92%) and firms with 1,000-4,999 (90%) workers had the highest percentage of employees covered by stoploss insurance, and firms with 5,000 or more workers had the lowest percentage of employees covered with stoploss insurance (53%) [Figure 10.9].

Figure 10.9
Among Covered Workers Enrolled in a Self-Funded Plan, Percentage Covered by Stoploss Insurance, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. See end of Section 10 for definitions of self-funded, fully-insured, and level-funded premium plans.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 10.10
Among Covered Workers Enrolled in a Self-Funded Plan, Percentage Covered by Stoploss Insurance (At Firms with 50 or More Workers), by Firm Size, 2011-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage. We did not ask about stoploss coverage in 2019 or for small firms in 2021.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2011-2017

Self-Funded Plan An insurance arrangement in which the employer assumes direct financial responsibility for the costs of enrollees' medical claims. Employers sponsoring self-funded plans typically contract with a third-party administrator or insurer to provide administrative services for the self-funded plan. In some cases, the employer may buy stoploss coverage from an insurer to protect the employer against very large claims.

Fully-Insured Plan An insurance arrangement in which the employer contracts with a health plan that assumes financial responsibility for the costs of enrollees' medical claims.

Level-Funded Plan An insurance arrangement in which the employer makes a set payment each month to an insurer or third party administrator which funds a reserve account for claims, administrative costs, and premiums for stop-loss coverage. When claims are lower than expected, surplus claims payments may be refunded at the end of the contract.

Stoploss Coverage Stoploss coverage limits the amount that a plan sponsor has to pay in claims. Stoploss coverage may limit the amount of claims that must be paid for each employee or may limit the total amount the plan sponsor must pay for all claims over the plan year.

Attachment Point Attachment points refer to the amount at which the insurer begins to pay its obligations for stoploss coverage, either because plan, individual or claim spending exceed a designated value.

Employer Health Benefits

2023 Annual Survey

Retiree Health Benefits

SECTION

11

Section 11

Retiree Health Benefits

Retiree health benefits are an important consideration for older workers making decisions about retirement, and can be a crucial source of coverage for people retiring before Medicare eligibility. For retirees with Medicare coverage, retiree health benefits can provide an important supplement to Medicare, helping them pay for cost sharing and benefits not otherwise covered by Medicare.

Fifty-two percent of large employers offering retiree health benefits to Medicare-age retirees offer coverage to at least some Medicare-age retirees through a contract with a Medicare Advantage plan. Among these firms, 65% offer retiree health benefits only through Medicare Advantage plans while 35% offer a choice of other types of plans for retiree for retiree health benefits.

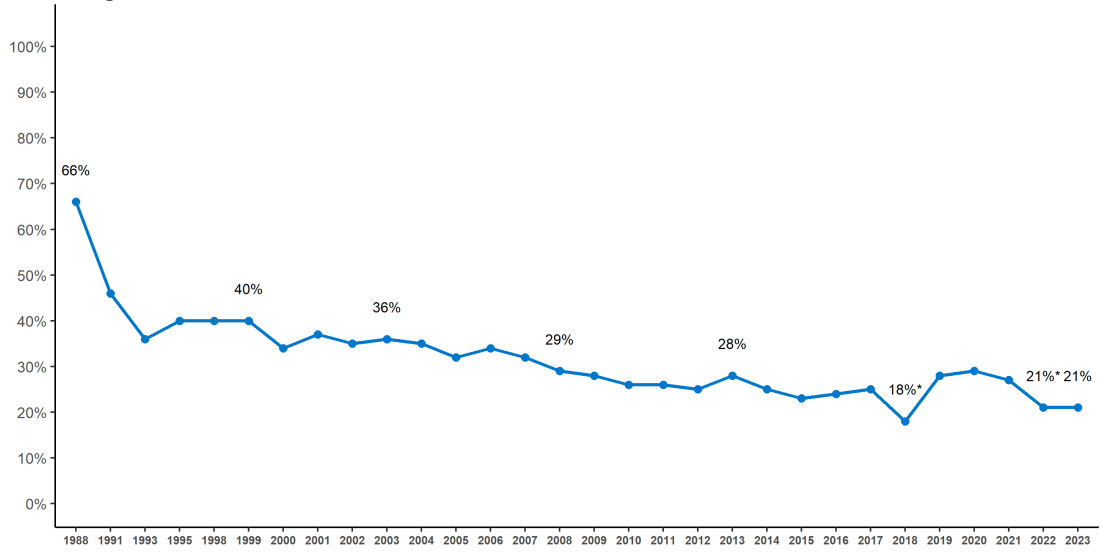
This year's survey finds that 21% of large firms offering health benefits offer retiree health benefits in 2023, the same percentage as in 2022 (21%) but a significant decrease as compared to 2021 (27%) and 2020 (29%).

This survey asks retiree health benefits questions only of large firms (200 or more workers).

EMPLOYER RETIREE BENEFITS

- In 2023, 21% of large firms that offer health benefits offer retiree health benefits for at least some current workers or retirees, the same percentage as last year [Figure 11.1]. In 2019, we modified the question about retiree health benefits to instruct firms to respond "yes" if they were providing coverage for retirees but weren't offering current employees these benefits, or if they were planning to give current employees retiree health coverage in the future. For this reason, estimates of retiree health benefits from 2019 and after are not comparable to prior survey estimates.
  - The percentage of large firms offering retiree health benefits in 2023 is lower than the percentages in 2021 (27%) and 2020 (29%) [Figure 11.1].
- Retiree health benefits offer rates vary considerably by firm characteristics.
  - Among large firms offering health benefits, the likelihood that a firm will offer retiree health benefits increases with firm size [Figure 11.2].
  - The share of large firms offering retiree health benefits varies considerably by industry [Figure 11.2].
  - Among large firms offering health benefits, public employers are more likely (63%) and private for-profit employers are less likely (10%) to offer retiree health benefits than other firm types [Figure 11.3].
  - Large firms offering health benefits with at least some union workers are more likely to offer retiree health benefits than large firms without any union workers (36% vs. 16%) [Figure 11.3].
  - Large firms offering health benefits with a relatively large share of older workers (where at least 35% of the workers are age 50 or older) are more likely to offer retiree health benefits than large firms with a smaller share of older workers (25% vs. 18%) [Figure 11.3].
  - Large firms offering health benefits with a relatively large higher income workers (where at least 35% of the workers earn $72,000 or more) are more likely to offer retiree health benefits than large firms with a smaller share of higher income workers (26% vs. 19%) [Figure 11.3].

Figure 11.1
Among Large Firms Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits, 1988-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$). No statistical tests are conducted for years prior to 1999.
NOTE: Large Firms have 200 or more workers. In 2019, this question was reworded. Because of this there was no statistical testing in 2019. See the 2019 Methods section for details.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2017; KPMG Survey of Employer-Sponsored Health Benefits, 1991, 1993, 1995, 1998; The Health Insurance Association of America (HIAA), 1988.

Figure 11.2

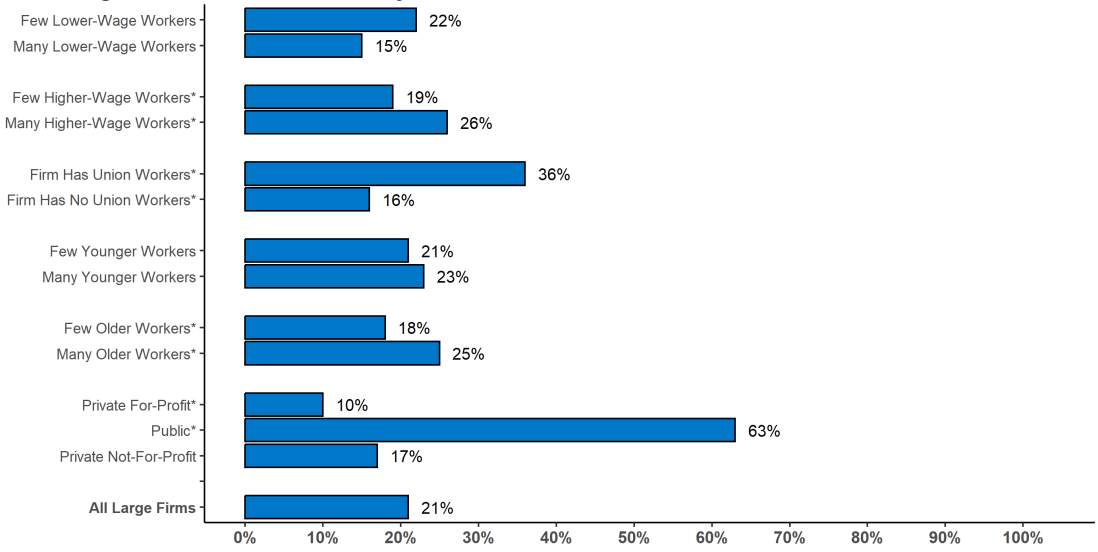
Among Large Firms Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits, by Firm Size, Region, and Industry, 2023

	Large Firms Offering Retiree Health Benefits
FIRM SIZE	
200-999 Workers	18%*
1,000-4,999 Workers	30*
5,000 or More Workers	48*
REGION	
Northeast	20%
Midwest	21
South	21
West	24
INDUSTRY	
Agriculture/Mining/Construction	12%
Manufacturing	5*
Transportation/Communications/Utilities	34
Wholesale	6*
Retail	2*
Finance	31
Service	25
State/Local Government	65*
Health Care	14*
All Large Firms (200 or More Workers)	**21%**

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

SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 11.3
Among Large Firms Offering Health Benefits to Active Workers, Percentage of Firms Offering Retiree Health Benefits, by Firm Characteristics, 2023

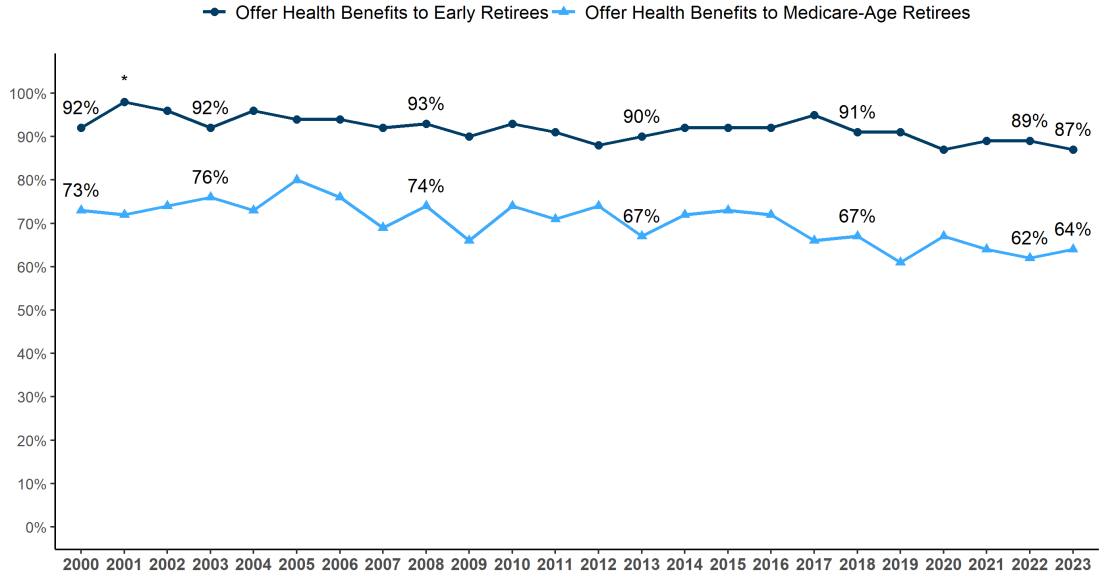


* Estimates are statistically different from each other within category ($p < .05$).
NOTE: Large Firms have 200 or more workers. Firms with many lower-wage workers are those where at least 35% earn the 25th percentile or less of national earnings ($31,000 in 2023). Firms with many higher-wage workers are those where at least 35% earn the 75th percentile or more than of national earnings ($72,000 in 2023). Firms with many older workers are those where at least 35% of workers are age 50 or older. Firms with many younger workers are those where at least 35% of workers are age 26 or younger.
SOURCE: KFF Employer Health Benefits Survey, 2023

COVERAGE FOR EARLY RETIREES AND MEDICARE-AGE RETIREES

- Among large firms offering retiree health benefits to active workers and retirees, 87% offer benefits to early retirees under the age of 65 and 64% offer them to Medicare-age retirees [Figure 11.4].
- Among all large firms offering health benefits to current workers, 14% offer retiree health benefits to Medicare-age retirees.
- Among large firms offering retiree health benefits, 54% offer benefits to both early and Medicare-age retirees.

Figure 11.4
Among Large Firms Offering Health Benefits to Active Workers and Retirees, Percentage of Firms Offering Health Benefits to Early and Medicare-Age Retirees, 2000-2023

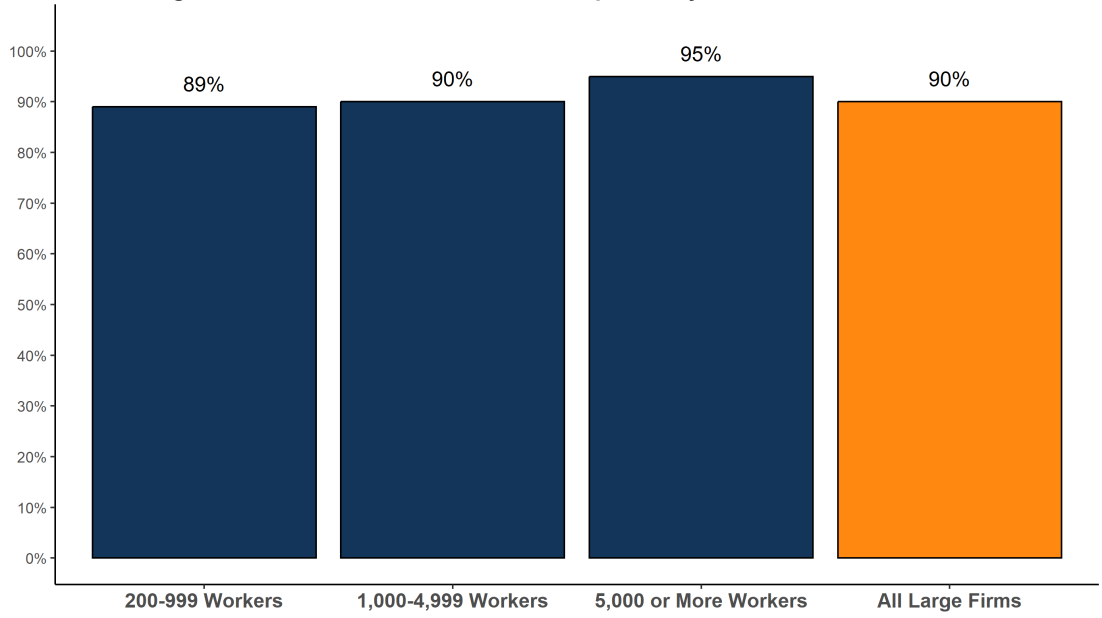


* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Among Large Firms offering health benefits to active workers and offering retiree coverage, 54% offer health benefits to both early and Medicare-age retirees. Large Firms have 200 or more workers. Early retirees are those who retire before the age of 65.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2017

BENEFIT ELIGIBILITY

- Among large firms offering retiree benefits, a large share (90%) report offering health benefits to the spouses of retirees [Figure 11.5].

Figure 11.5
Among Large Firms Offering Health Benefits to Active Workers and Retirees, Percentage of Firms Offering Retiree Health Benefits to Retirees' Spouse, by Firm Size, 2023

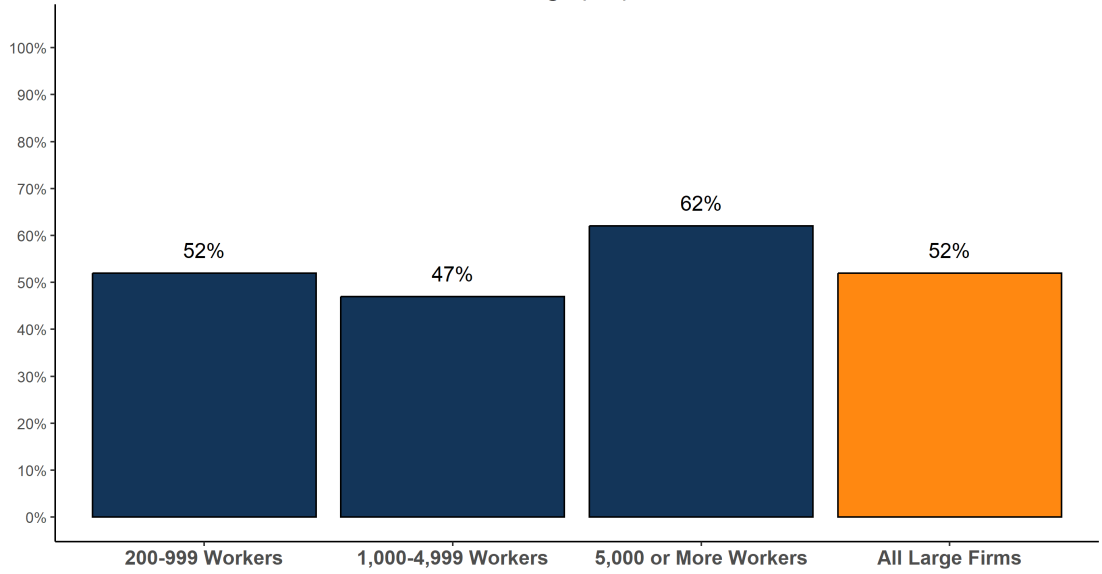


Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

MEDICARE ADVANTAGE

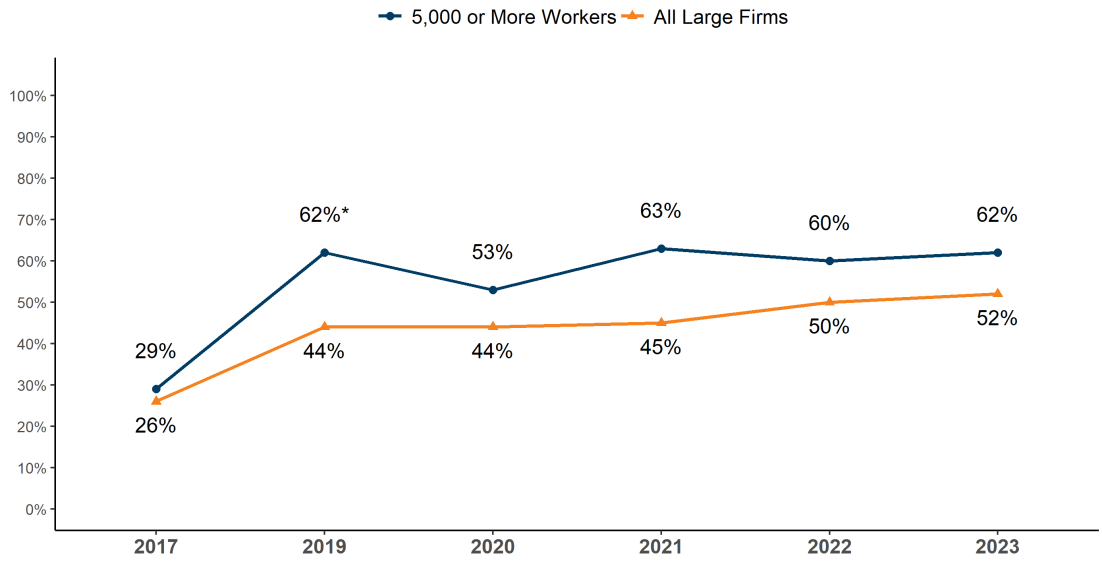
- Fifty-two percent of large employers offering retiree health benefits to Medicare-age retirees offer coverage to at least some Medicare-age retirees through a contract with a Medicare Advantage plan, similar to last year (50%) [Figure 11.7].
  - Among large firms offering retiree health benefits through a Medicare Advantage plan, 65% offer retiree health benefits only through Medicare Advantage plans while 35% offer a choice of other types of plans for retiree for retiree health benefits. Firms with 1,000 or more workers are more likely than smaller large firms to offer retiree health benefit through plans that are not Medicare Advantage plans (59% vs. 25%) [Figure 11.9].
  - Large firms offering retiree health benefits through a Medicare Advantage plan vary in their primary reason for choosing to do so [Figure 11.10].
  - Among large firms offering retiree health benefits that do not offer benefits through a Medicare Advantage plan in 2023, 16% are “Very Likely” or “Somewhat Likely” to do so in the next two years [Figure 11.8].

Figure 11.6
Among Large Firms That Offer Retiree Health Benefits to Medicare-Age Retirees, Percentage of Firms That Contract with a Medicare Advantage (MA) Plan, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: MA refers to Medicare Advantage, an arrangement where private health plans receive capitated payments to provide all Medicare-covered services to enrollees. Sixty-four percent of large firms offering retiree health benefits offer retiree health benefits to Medicare-age retirees. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

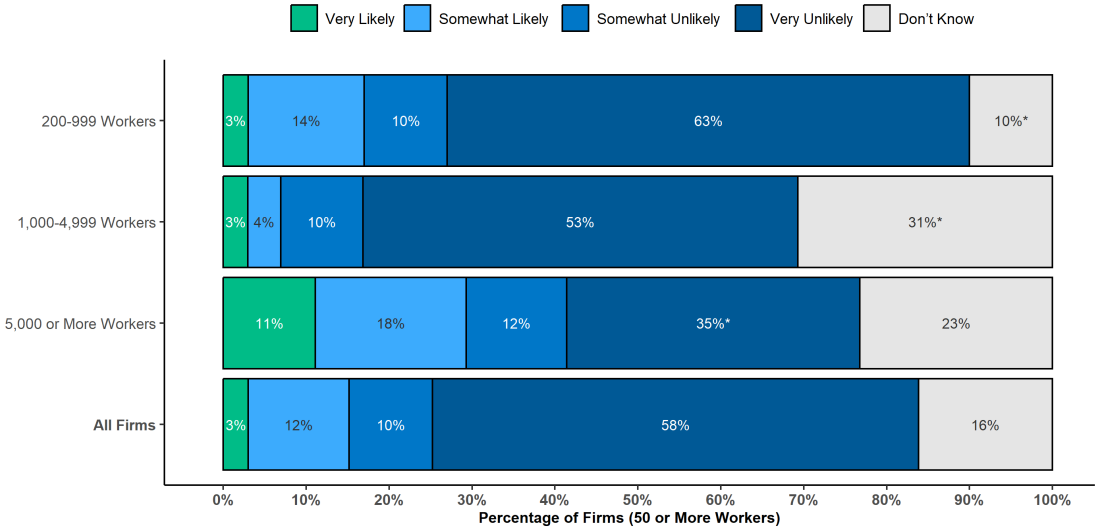
Figure 11.7
Among Large Firms That Offer Retiree Health Benefits to Medicare-Age Retirees, Percentage of Firms That Contract with a Medicare Advantage (MA) Plan, 2017-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. MA refers to Medicare Advantage, an arrangement where private health plans receive capitated payments to provide all Medicare-covered services to enrollees. In 2023 sixty-four percent of large firms offering retiree health benefits offer retiree health benefits to Medicare-age retirees.
SOURCE: KFF Employer Health Benefits Survey, 2019-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017

Figure 11.8

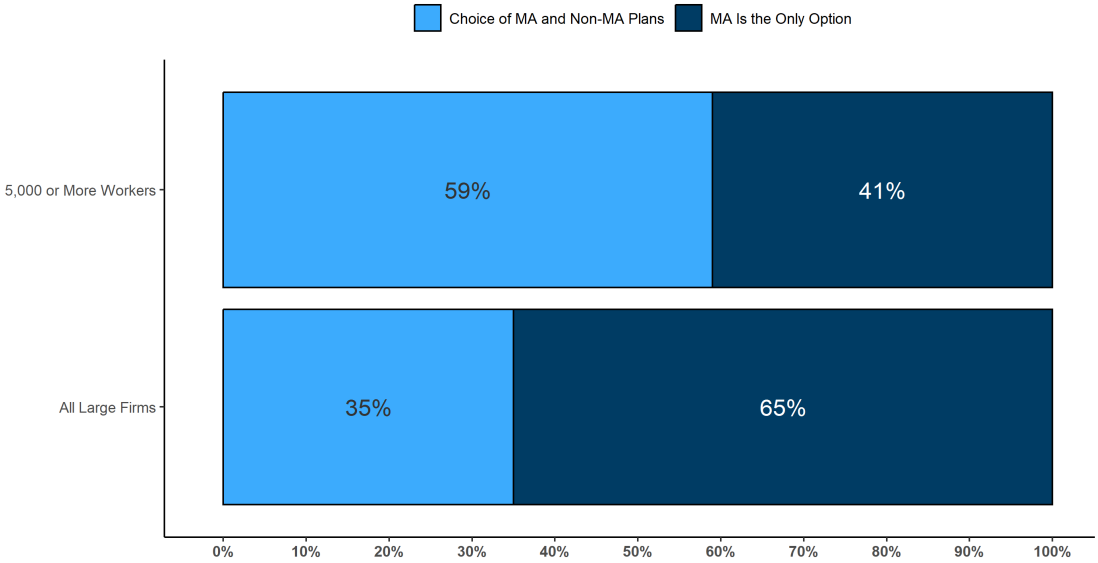
Among Large Firms Offering Retiree Benefits But Not Currently Contracting with a Medicare Advantage (MA) plan, Percentage of Firms Which Plan to Start Offering Medicare-Age Retirees Health Benefits Through a Medicare Advantage Plan in the Next Two Years, 2023



NOTE: Large Firms have 200 or more workers. MA refers to Medicare Advantage, an arrangement where private health plans receive capitated payments to provide all Medicare-covered services to enrollees. Thirty-four percent of large firms offering retiree health benefits contract with a Medicare Advantage (MA) plan.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 11.9

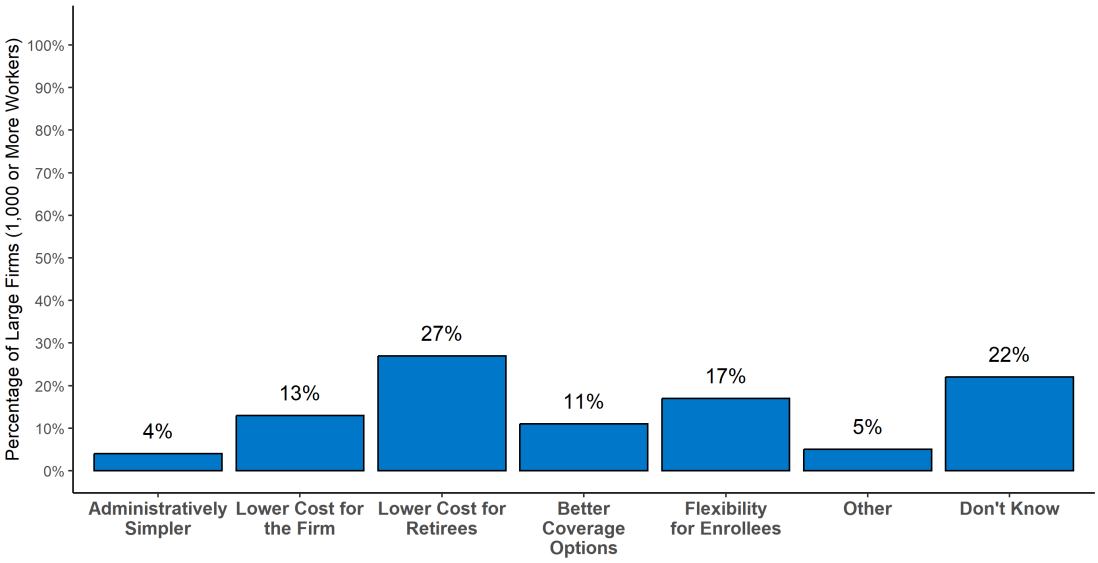
Among Large Firms Offering Retiree Benefits Through A Contract with a Medicare Advantage Plan, Percentage of Firms Which Offer Workers a Choice, 2023



NOTE: MA refers to Medicare Advantage, an arrangement where private health plans receive capitated payments to provide all Medicare-covered services to enrollees. Thirty-four percent of large firms offering retiree health benefits contract with a Medicare Advantage (MA) plan. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 11.10

Among Large Firms (1,000 or More Workers) Offering Retiree Benefits Through a Contract with a Medicare Advantage (MA) plan, Primary Reasons Firm Elected to Offer Through MA, 2023



NOTE: MA refers to Medicare Advantage, an arrangement where private health plans receive capitated payments to provide all Medicare-covered services to enrollees. Thirty-four percent of large firms offering retiree health benefits contract with a Medicare Advantage (MA) plan.
SOURCE: KFF Employer Health Benefits Survey, 2023

Employer Health Benefits

2023 Annual Survey

Health Screening and Health Promotion and Wellness Programs and Disease Management

SECTION

12

Section 12

Health Screening and Health Promotion and Wellness Programs and Disease Management

Most firms offer some form of wellness program to help workers and their family members identify health issues and manage chronic conditions. Some employers believe that improving the health of workers and their family members can improve well-being and productivity, as well as reduce health care spending.

In addition to offering wellness programs, most large firms now offer health screening programs. These include health risk assessments, which are questionnaires asking workers about lifestyle, stress, or physical health, and biometric screenings, which we define as in-person health examinations conducted by a medical professional. Firms and insurers may use the health information collected during screenings to target wellness offerings or other health services to workers with certain conditions or behaviors. Some firms have incentive programs that reward or penalize workers for different activities, including participating in wellness programs or completing health screenings.

Among large firms offering health benefits in 2023, 54% offer workers the opportunity to complete a health risk assessment, 42% offer workers the opportunity to complete a biometric screening, and 80% offer workers one or more wellness programs, such as programs to help them stop smoking or lose weight, or lifestyle and behavioral coaching. Substantial shares of these firms provide incentives for workers to participate in or complete the programs.

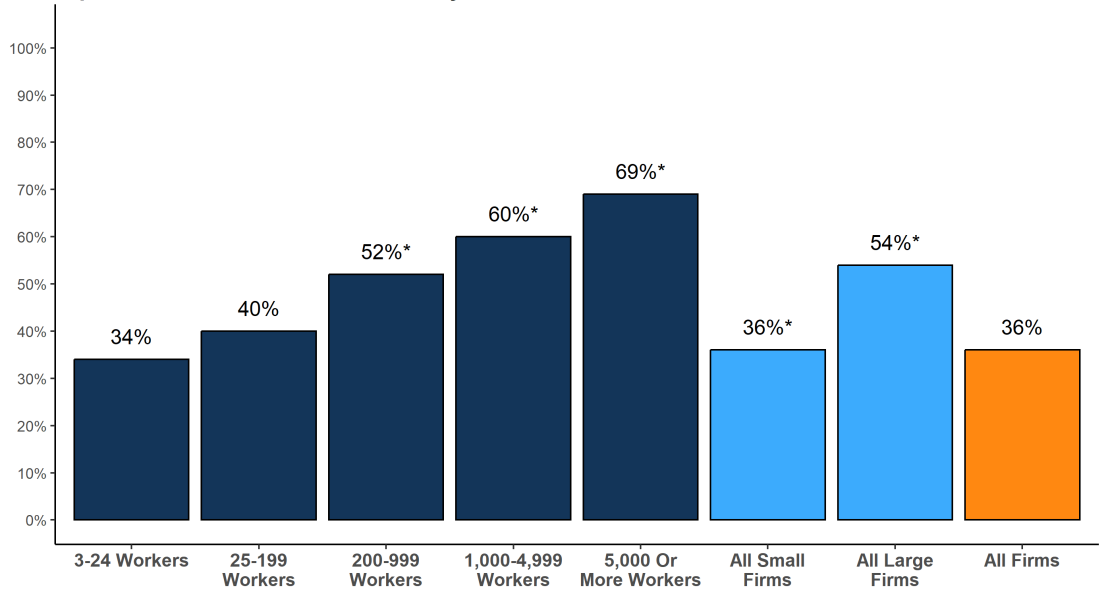
Only firms offering health benefits were asked about their wellness and health promotion programs.

HEALTH RISK ASSESSMENTS

Many firms give their workers the option to complete a health risk assessment to identify potential health issues. Health risk assessments generally include questions about medical history, health status, and lifestyle. At small firms, health risk assessments are often administered by an insurer.

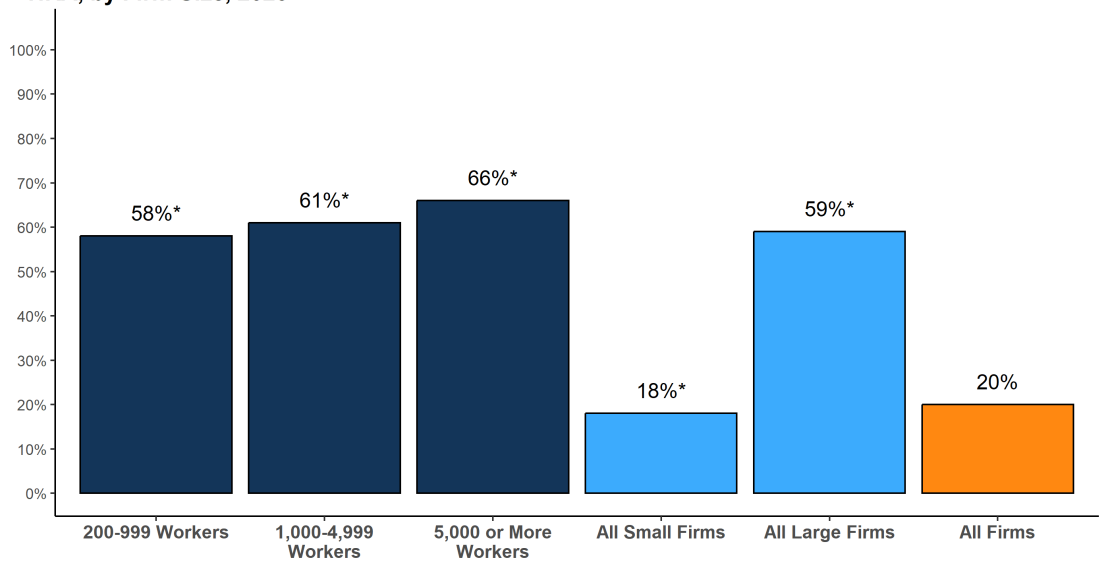
- Among firms offering health benefits, 36% of small firms and 54% of large firms provide workers with the option to complete a health risk assessment, similar to the percentages last year. The percentage of large firms giving workers this opportunity remains lower than the pre-pandemic level for large firms in 2019 (54% vs. 65%) [Figure 12.1].
  - Among large firms giving workers the opportunity to complete a health risk assessment, firms with 5,000 or more workers are more likely to do so (69%) and firms with 200 to 999 workers are less likely to do so (52%) [Figure 12.1].
- Some firms offer incentives to encourage workers to complete a health risk assessment.
  - Among large firms that offer a health risk assessment, 59% use incentives or penalties to encourage workers to complete the assessment, higher than the percentage (50%) last year [Figure 12.2].

Figure 12.1
Among Firms Offering Health Benefits, Percentage of Firms That Provide an Opportunity to Complete a Health Risk Assessment, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.2
Among Firms Offering Health Benefits and Providing an Opportunity to Complete a Health Risk Assessment (HRA), Percentage of Firms That Offer Workers Incentives to Complete the HRA, by Firm Size, 2023



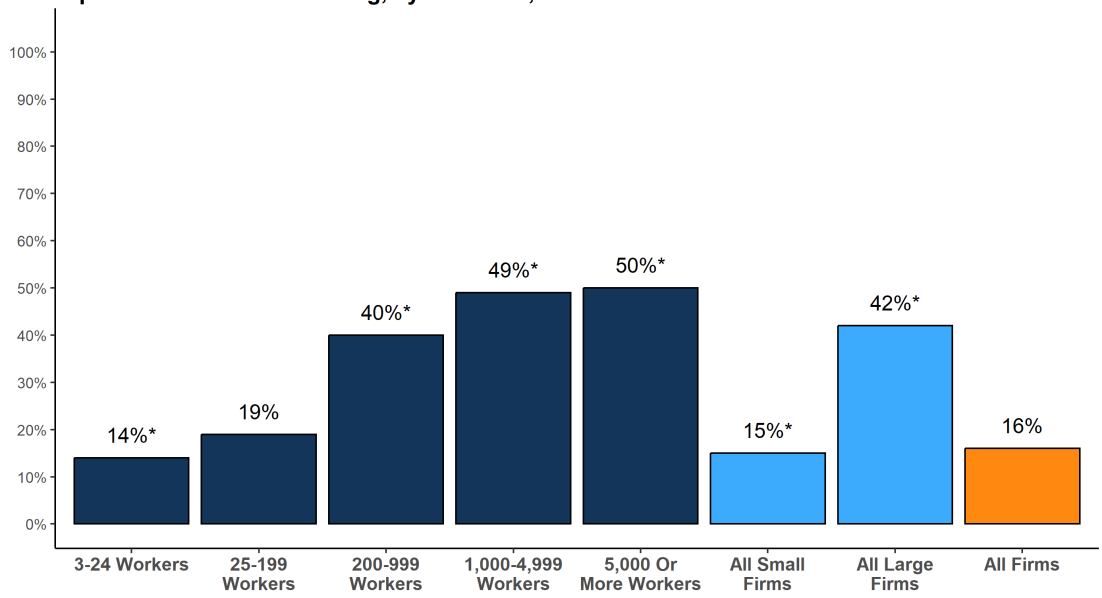
* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

BIOMETRIC SCREENING

Biometric screening is a health examination that measures a person's risk factors (such as cholesterol, body mass index (BMI), or blood pressure) for certain medical issues. A biometric screening involves assessing whether the person meets specified health targets ("biometric outcomes") related to certain risk factors, such as meeting a target BMI or cholesterol level. As defined by this survey, goals related to smoking are not included in the biometric screening questions.

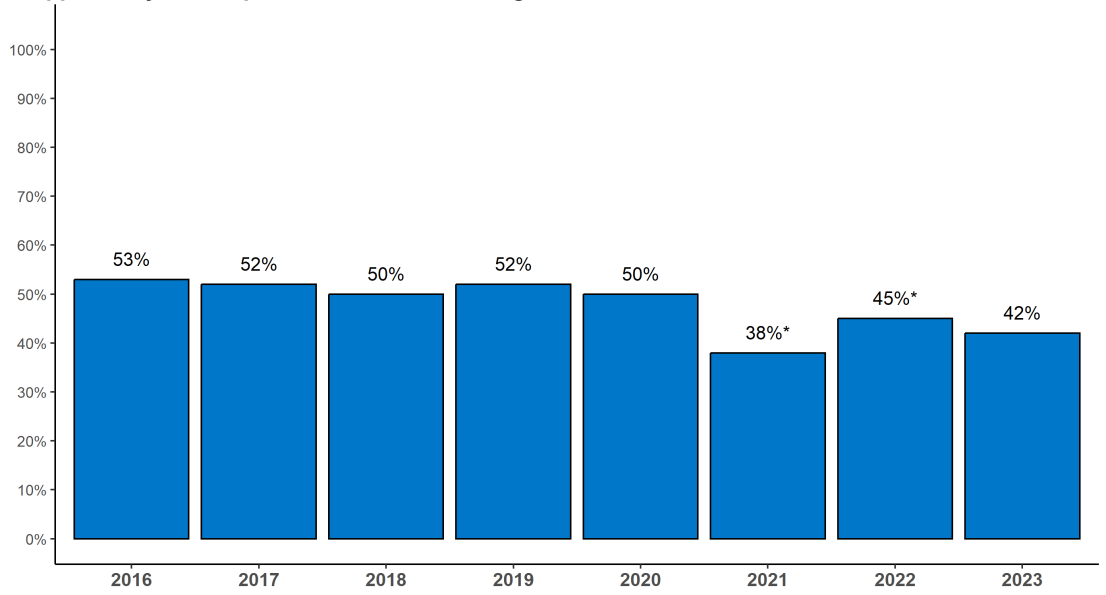
- Among firms offering health benefits, 15% of small firms and 42% of large firms provide workers the opportunity to complete a biometric screening [Figure 12.3]. These percentages are similar to those last year, but the percentage of large employers with a biometric screening program remains lower than the pre-pandemic level in 2019 (52%) [Figure 12.4].
- Some firms with biometric screening programs offer incentives to encourage workers to complete the screening.
  - Among large firms with a biometric screening program, 67% use incentives or penalties to encourage workers to complete the assessment, which is a larger share, but not significantly different, from last year (57%) [Figure 12.5]. For more information on weighting see the methods.
- In addition to incentives for completing a biometric screening, some firms offer workers incentives to meet biometric outcomes, such as maintaining a certain cholesterol level or body weight.
  - Among large firms with a biometric screening program, 20% have incentives or penalties tied to whether workers meet specified biometric outcomes, similar to the percentage (18%) last year [Figure 12.5].

Figure 12.3
Among Firms Offering Health Benefits, Percentage of Firms That Provide an Opportunity to Complete a Biometric Screening, by Firm Size, 2023



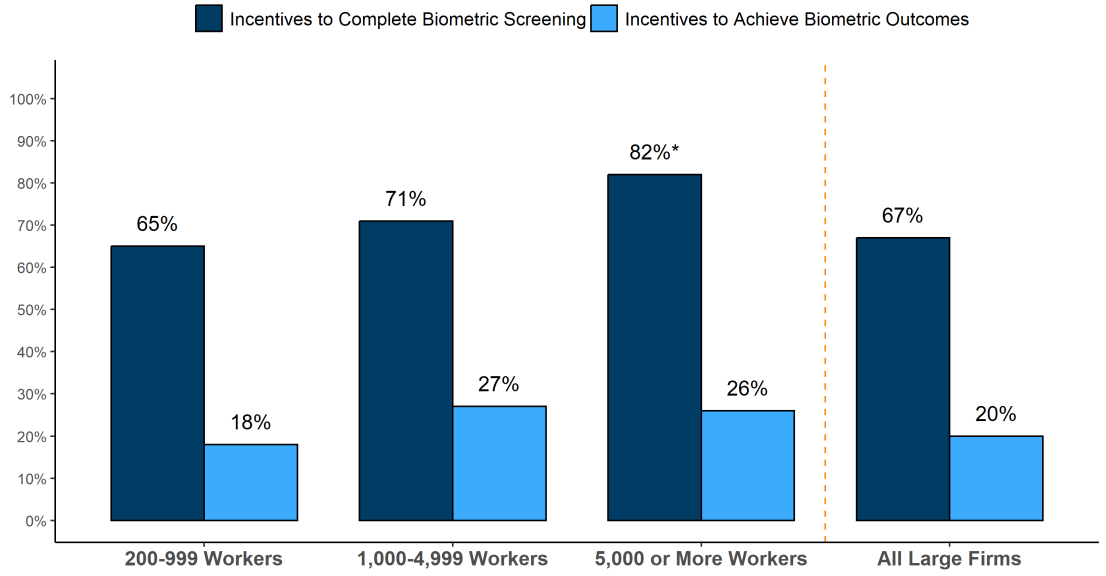
* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.4
Among Large Firms Offering Health Benefits, Percentage of Firms That Provide an Opportunity to Complete Biometric Screening, 2012-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Large Firms have 200 or more workers. Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016-2017

Figure 12.5
Among Large Firms Offering Health Benefits and Providing an Opportunity to Complete a Biometric Screening, Percentage of Firms with Incentives to Complete the Screening or Achieve Biometric Outcomes, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.6

Among Large Firms Offering Health Benefits, Percentage of Firms That Provide an Opportunity to Complete a Biometric Screening or a Health Risk Assessment, by Region and Industry, 2023

	Health Risk Assessment	Biometric Screening
REGION		
Northeast	62%	47%
Midwest	53	39
South	53	42
West	48	40
INDUSTRY		
Agriculture/Mining/Construction	43%	15%*
Manufacturing	60	44
Transportation/Communications/Utilities	71*	68*
Wholesale	59	51
Retail	34*	30
Finance	48	53
Service	56	40
State/Local Government	62	57*
Health Care	50	36
All Large Firms (200 or More Workers)	**54%**	**42%**

NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed. Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking.

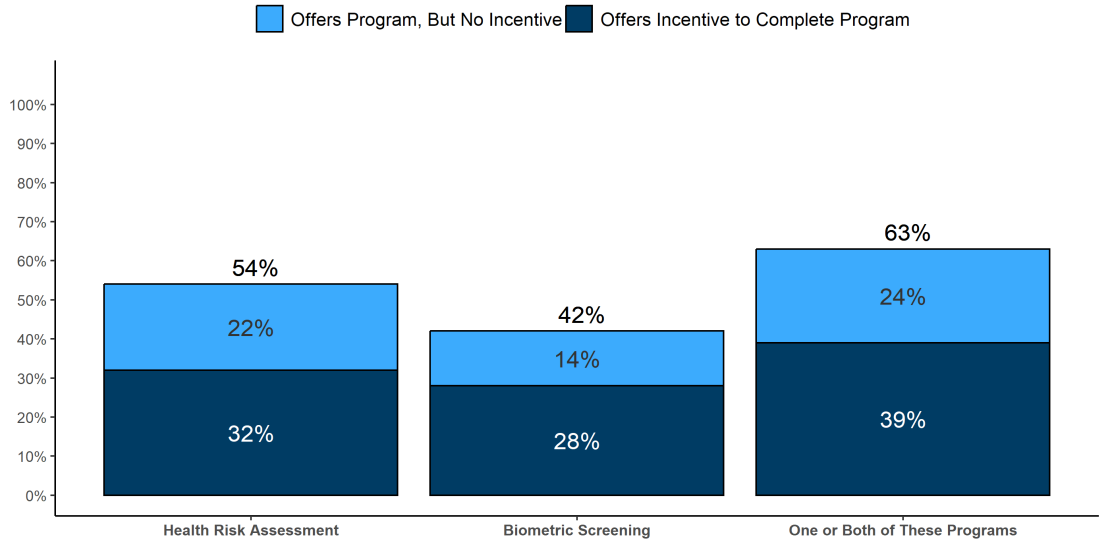
* Estimate is statistically different from estimate for all firms not in the indicated region or industry category ($p < .05$).

SOURCE: KFF Employer Health Benefits Survey, 2023

HEALTH SCREENING PROGRAMS

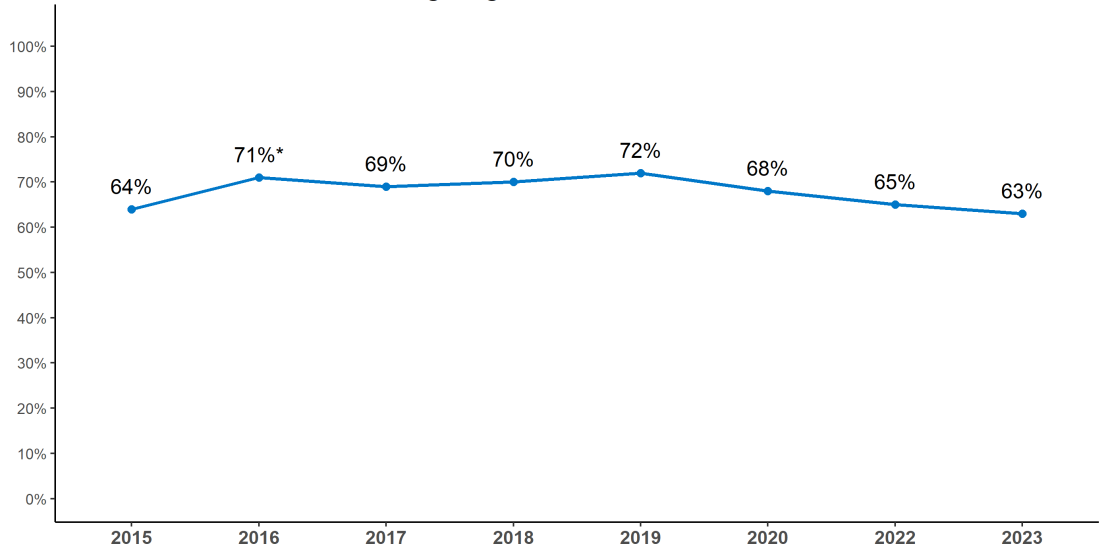
Among firms offering health benefits, 63% of large firms offer workers a health risk assessment, biometric screening, or both, similar to the percentage last year (65%) [Figure 12.7] and [Figure 12.8].

Figure 12.7
Among Large Firms Offering Health Benefits, Percentage With Health Screening Programs, 2023



NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed. Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.8
Among Large Firms Offering Health Benefits, Percentage With Either a Health Risk Assessment or a Biometric Screening Program, 2015-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: A health risk assessment or appraisal includes questions on medical history, health status, and lifestyle and is designed to identify the health risks of the person being assessed. Biometric screening is a health examination that measures a person's risk factors for certain medical issues. Biometric outcomes could include meeting a target body mass index (BMI) or cholesterol level, but not goals related to smoking. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015-2017

WELLNESS AND HEALTH PROMOTION PROGRAMS

Large shares of employers offer wellness and health promotion programs to help workers engage in healthy lifestyles and reduce health risks. These may include exercise programs, health education classes, health coaching, and stress-management counseling. These programs may be offered directly by the firm, or by an insurer or third-party contractor.

- Among firms offering health benefits, 42% of small firms and 69% of large firms offer programs to help workers stop smoking or using tobacco, 39% of small firms and 61% of large firms offer programs to help workers lose weight, and 46% of small firms and 68% of large firms offer some other lifestyle or behavioral coaching program. Overall, 62% of small firms and 80% of large firms offering health benefits offer at least one of these three programs [Figure 12.9] and [Figure 12.10].
- Forty-six percent of large firms offering one of these wellness or health promotion programs offer an incentive for workers to participate in or complete the program [Figure 12.12].

Figure 12.9

Among Firms Offering Health Benefits, Percentage of Firms Offering Specific Wellness Programs to Their Workers, by Firm Size and Region, 2023

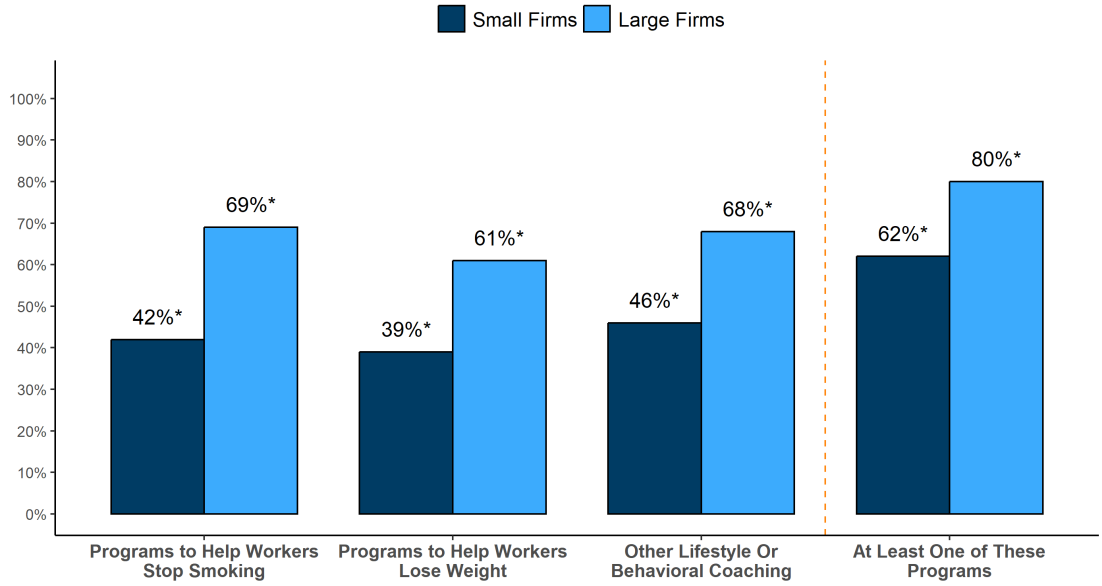
	Programs to Help Workers Stop Smoking	Programs to Help Workers Lose Weight	Other Lifestyle or Behavioral Coaching	At Least One of These Programs
FIRM SIZE				
3-49 Workers	41%*	38%*	46%*	62%
50-199 Workers	51	46	52	62
200-999 Workers	67*	59*	65*	78*
1,000-4,999 Workers	76*	68*	79*	87*
5,000 or More Workers	83*	79*	84*	90*
All Small Firms (3-199 Workers)	**42%***	**39%***	**46%***	**62%***
All Large Firms (200 or More Workers)	**69%***	**61%***	**68%***	**80%***
REGION				
Northeast	42%	44%	53%	67%
Midwest	35	34	46	53
South	48	35	47	65
West	44	46	43	64
ALL FIRMS	**43%**	**39%**	**47%**	**63%**

NOTE: 'Other Lifestyle or Behavioral Coaching' can include health education classes, stress management, or substance use counseling.

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

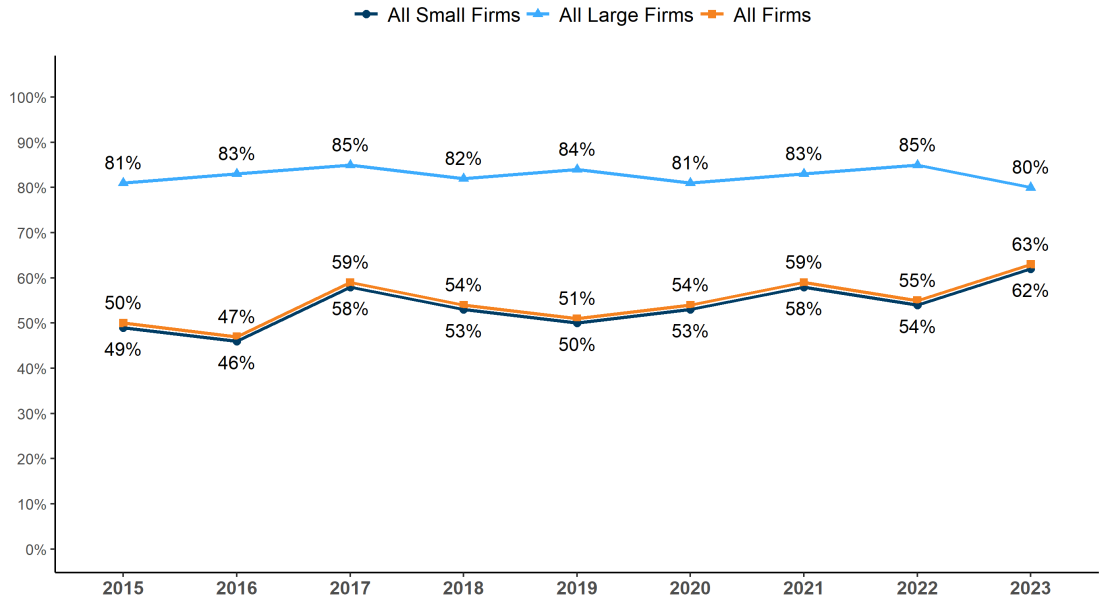
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.10
Among Firms Offering Health Benefits, Percentage of Firms Offering Specific Wellness Programs to Their Workers, by Firm Size, 2023



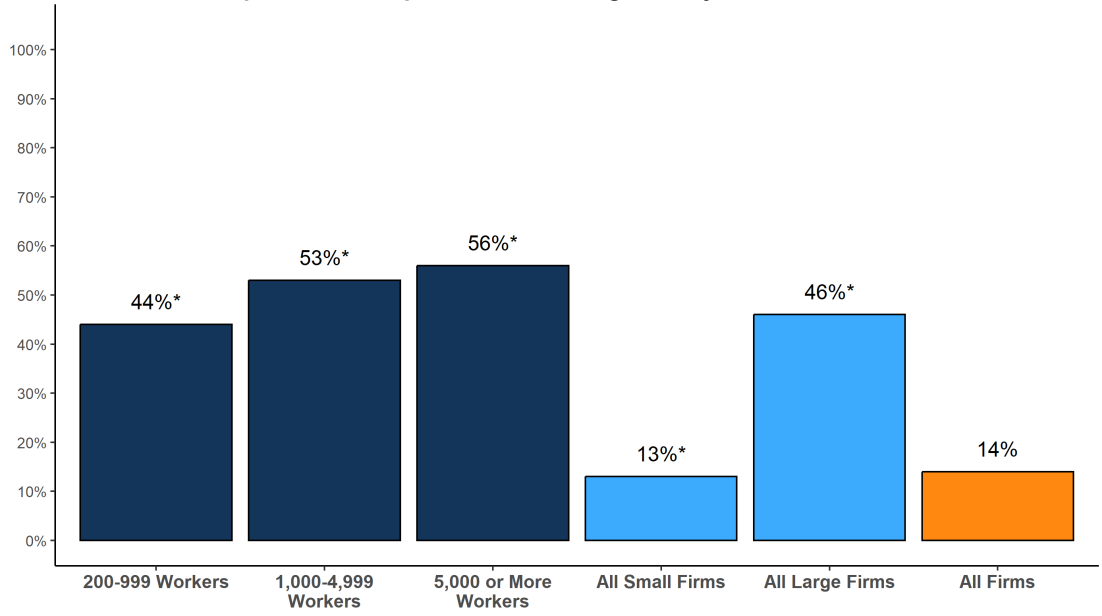
* Estimate is statistically different between All Small Firms and All Large Firms estimate ($p < .05$).
NOTE: 'Other Lifestyle or Behavioral Coaching' can include health education classes, stress management, or substance use counseling. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.11
Among Firms Offering Health Benefits, Percentage of Firms Offering Wellness Programs, by Firm Size, 2015-2023



Tests found no statistical difference from estimate for the previous year shown ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015-2017

Figure 12.12
Among Firms Offering Specific Wellness Programs, Percentage of Firms That Offer Incentives to Participate In or Complete Wellness Programs, by Firm Size, 2023



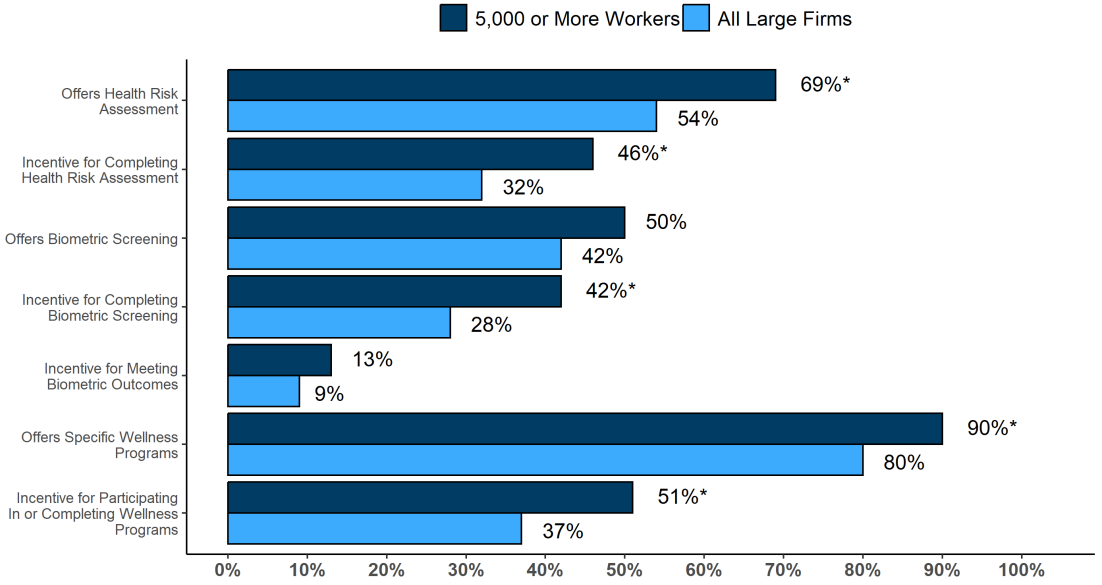
* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

EFFECTIVENESS OF INCENTIVES

- Among large firms with incentives to encourage participation in a health promotion or wellness program, 29% consider the incentives to be "very effective" in achieving employee participation in these programs, and another 63% consider them to be "somewhat effective" [Figure 12.14].

Figure 12.13

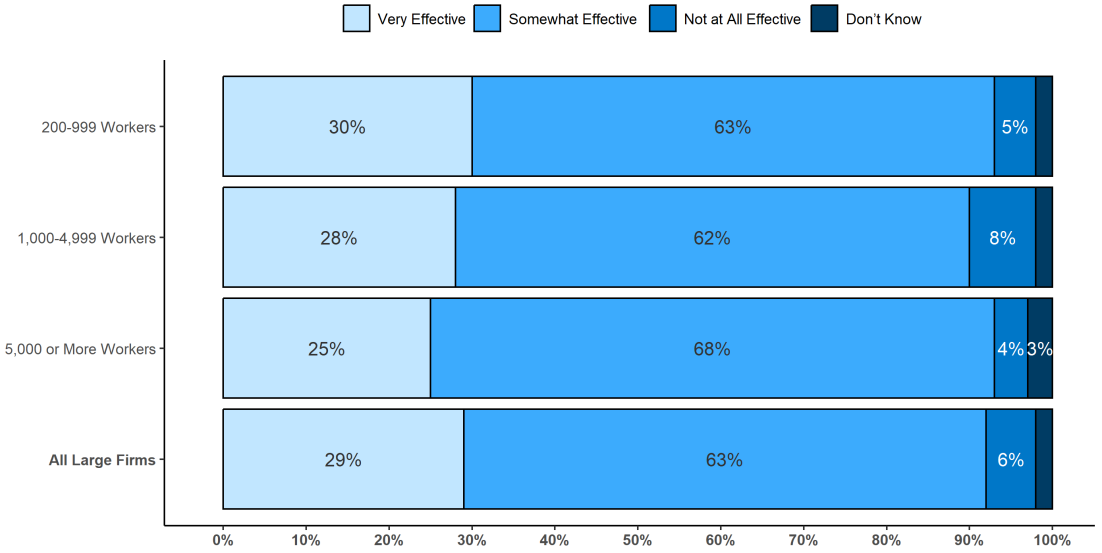
Among Large Firms Offering Health Benefits, Percentage of Firms Offering Various Wellness and Health Promotion Activities and Incentives, by Firm Size, 2023



* Estimates are statistically different between firm size estimates within category ($p < .05$).
NOTE: 'Specific Wellness Programs' include 'Programs to Help Workers Stop Smoking', 'Programs to Help Workers Lose Weight', or 'Other Lifestyle or Behavioral Coaching'. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

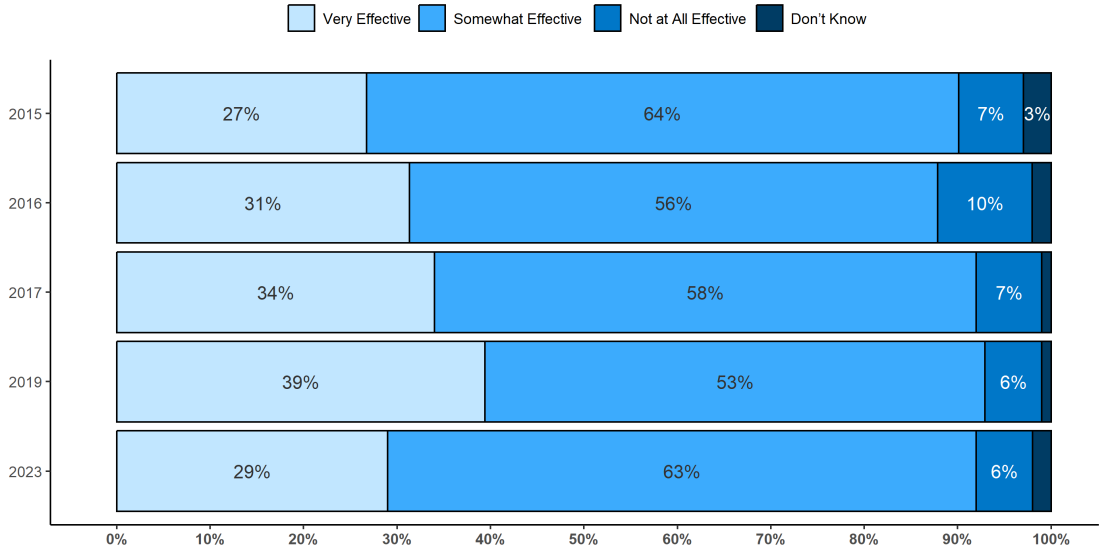
Figure 12.14

Among Large Firms Offering Health Benefits and an Incentive to Participate In or Complete Wellness or Health Screening Programs, Firms' Opinion on How Effective Incentives are for Employee Participation, by Firm Size, 2023



Tests found no statistical difference from All Firms distribution ($p < .05$).
NOTE: Includes incentives for health risk assessments, biometric screenings, and wellness programs. Fifty percent of large offering firms offer an incentive to complete any of their health promotion or health screening programs.Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.15
Among Large Firms Offering Health Benefits and an Incentive to Participate In or Complete Wellness or Health Screening Programs, Firms' Opinion on How Effective Incentives are for Employee Participation, 2015-2023



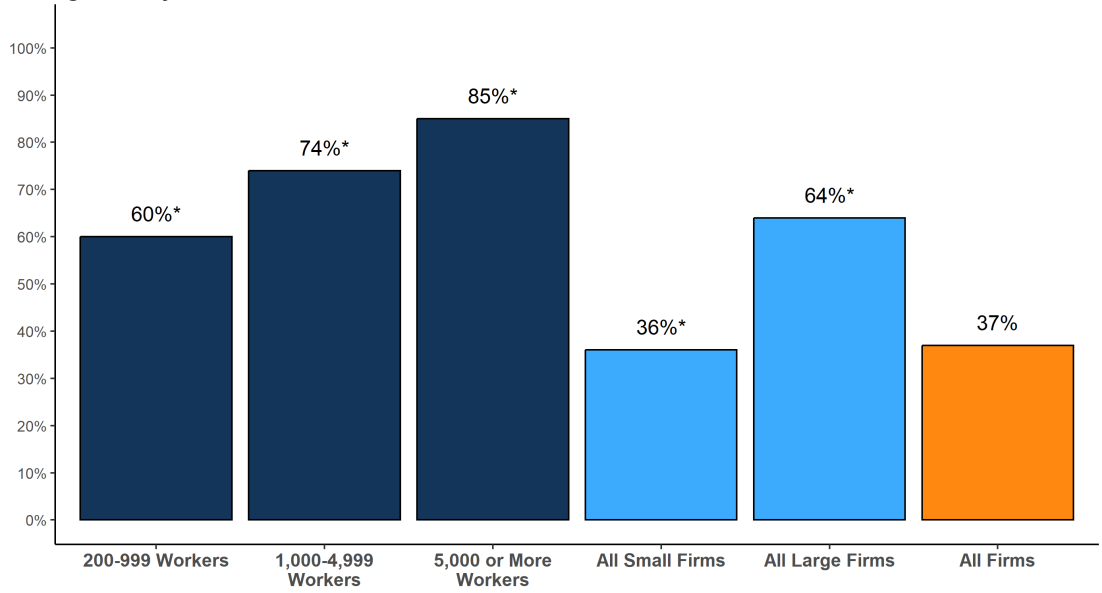
Tests found no statistical difference from distribution for the previous year shown ($p < .05$).
NOTE: Includes incentives for health risk assessments, biometric screenings, and wellness programs. Fifty percent of large offering firms offer an incentive to complete any of their health promotion or health screening programs.Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2019-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015-2017

DISEASE MANAGEMENT

Disease management programs aim to improve health and reduce costs for enrollees with certain chronic illnesses by educating them about their disease and suggesting treatment options. These programs can help enrollees with common health conditions, such as diabetes, asthma, hypertension, and high cholesterol.

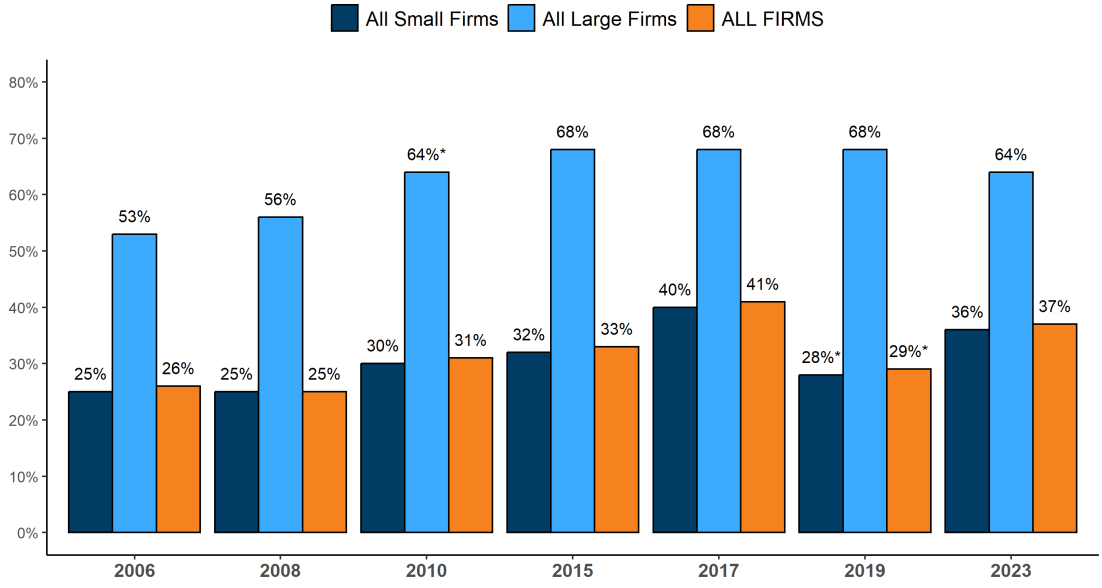
- Among firms that offer health benefits, 36% of small firms and 64% of large firms offer disease management programs [Figure 12.16].
  - The likelihood that firms offering health benefits offer disease management programs increases with firm size [Figure 12.16].
- Among large firms with a disease management program, 16% offer incentives or penalties for workers to participate in or complete the programs. Firms with 5,000 or more workers (26%) are more likely than other large firms to have incentives or penalties for their disease management programs [Figure 12.18].

Figure 12.16
Among Firms Offering Health Benefits, Percentage of Firms That Offer Disease Management Programs, by Firm Size, 2023



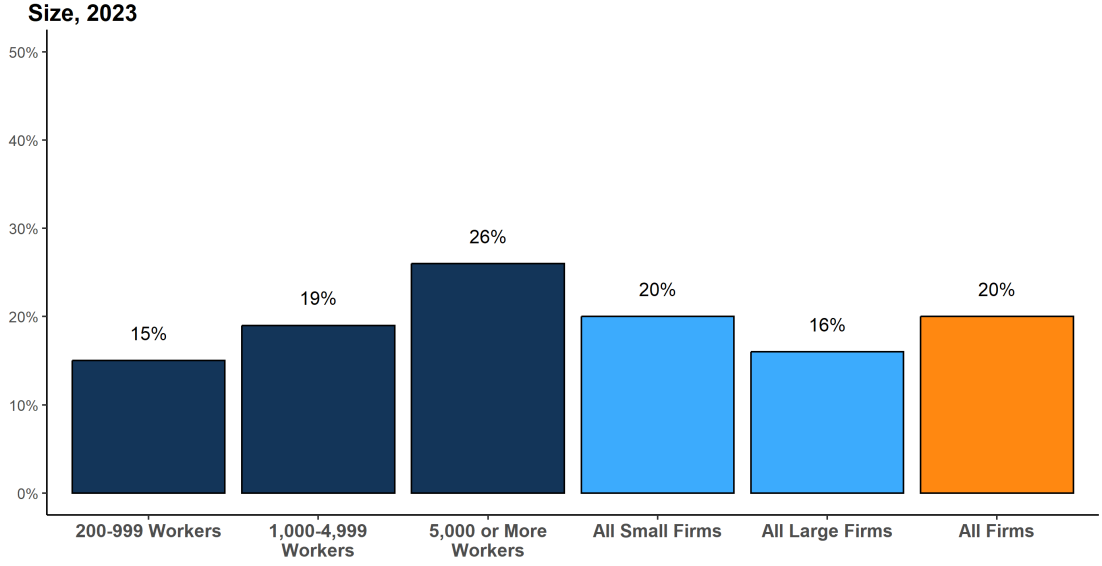
* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: Disease management programs help enrollees with chronic conditions like diabetes, asthma, hypertension, and high cholesterol improve their health and prevent further complications.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.17
Among Firms Offering Health Benefits, Percentage of Firms That Offer Disease Management Programs, by Firm Size, 2006-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: Disease management programs help enrollees with chronic conditions like diabetes, asthma, hypertension, and high cholesterol improve their health and prevent further complications. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006-2017

Figure 12.18
Among Firms Offering Disease Management Programs, Percentage of Firms That Use Incentives or Penalties to Encourage Workers to Participate in Disease Management Programs, by Firm Size, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Disease management programs help enrollees with chronic conditions like diabetes, asthma, hypertension, and high cholesterol improve their health and prevent further complications. Among firms that offer health benefits, 36% of small firms and 64% of large firms offer disease management programs
SOURCE: KFF Employer Health Benefits Survey, 2023

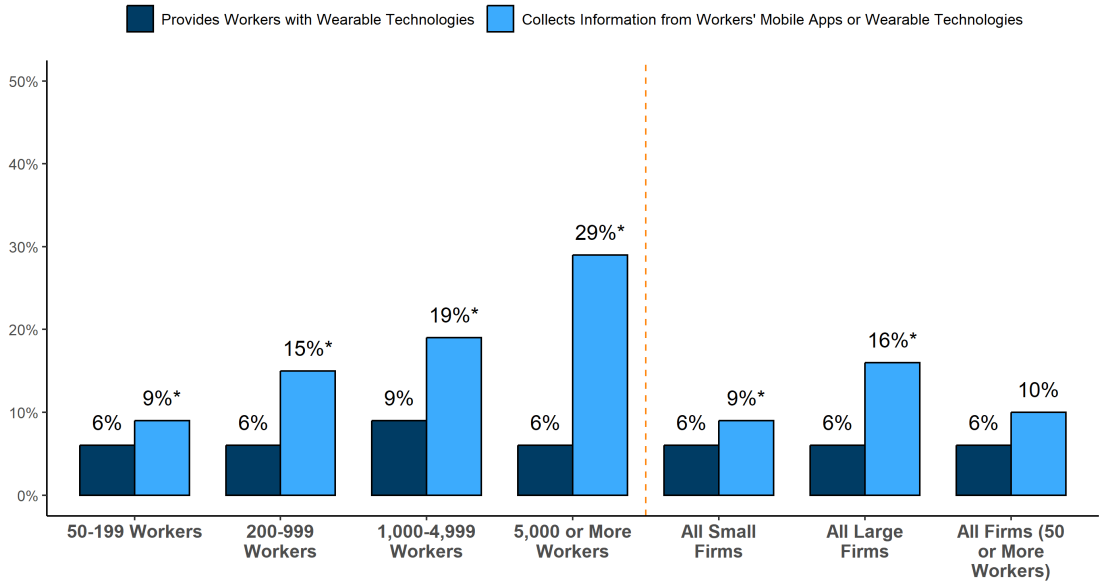
WEARABLE TECHNOLOGY

Some employers and health plans incorporate information collected from mobile phone applications of wearable devices, such as Fitbits or Apple Watches into their health promotion programs.

- Among firms with 50 or more employees offering health benefits, 10% collect information from workers' mobile apps or wearable devices, such as a Fitbit or Apple Watch, as part of their wellness or health promotion program, similar to the percentage in 2019 (11%) [Figure 12.19] and [Figure 12.20].
  - Firms with 1,000 to 4,999 and firms with 5,000 or more employees are more likely than other firms to collect information from workers' mobile apps or wearable devices [Figure 12.19].
- Six percent of employers offering health benefits provide their employees with wearable technologies, such as a Fitbit or Apple Watch, as part of a health improvement program [Figure 12.19].

Figure 12.19

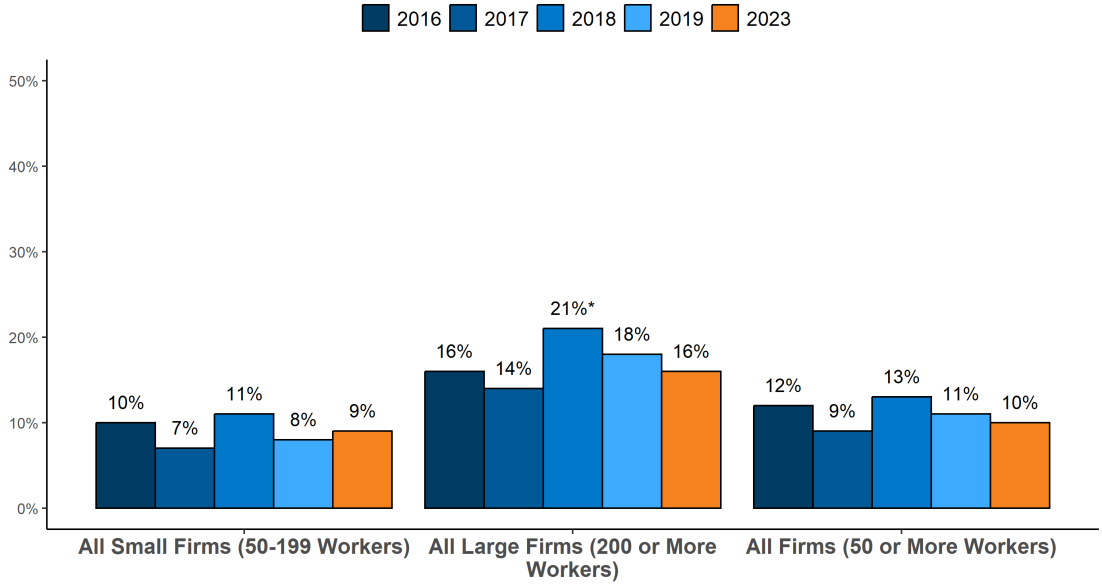
Among Firms Offering Health Benefits, Percentage of Firms That Provide Employees with Wearable Technologies As Part of Their Health Improvement Program, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: Thirteen percent of small firms and 20% of large firms either provide or collect information from wearable technologies. Wearable technologies could include Fitbits or Apple Watches.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 12.20

Among Firms Offering Health Benefits, Percentage of Firms That Collect Information From Workers' Mobile Apps or Wearable Technologies, by Firm Size, 2016-2023



* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: We ask employers if they collect information regardless of whether the device is provided by the firm. Wearable technologies could include Fitbits or Apple Watches.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2016-2017

Employer Health Benefits

2023 Annual Survey

Employer Practices, Telehealth, Provider Networks, Coverage Limits and Coverage for Abortion

SECTION

13

Section 13

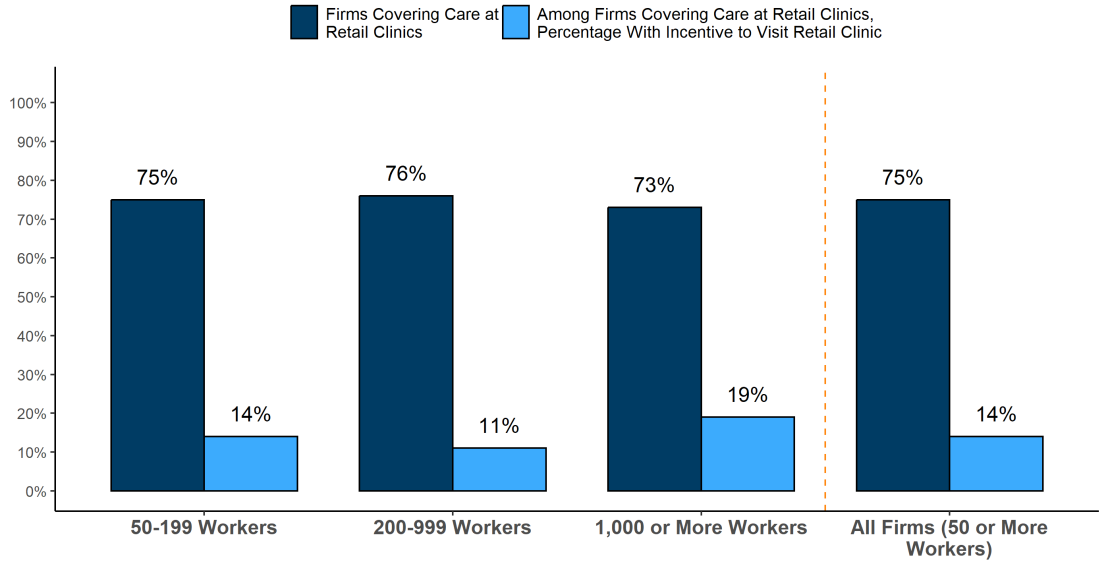
Employer Practices, Telehealth, Provider Networks, Coverage Limits and Coverage for Abortion

Employers frequently review and modify their health plans to incorporate new options or adapt to new circumstances.

HEALTH CLINICS

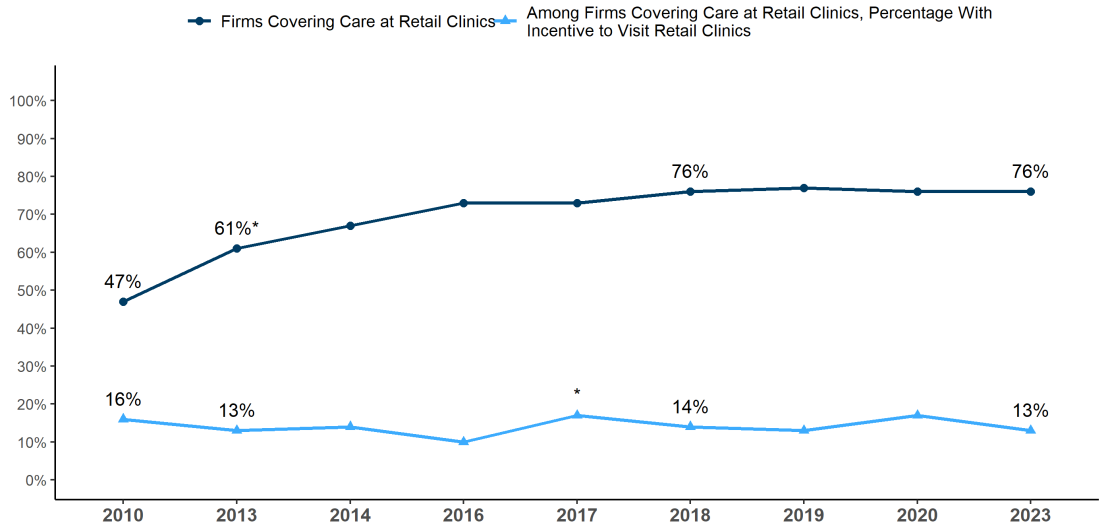
- Many employers cover health services provided through retail health clinics. These clinics can be found in supermarkets, pharmacies or other retail locations and provide preventive services, such as vaccines and flu shots. Some also treat minor illnesses.
  - Among firms with 50 or more employees that offer health benefits, 75% say their largest health plan covers services provided through these clinics [Figure 13.1]. This percentage is similar across firm sizes.
  - Among firms with 50 or more employees whose largest plan covers health services received in retail clinics, 14% provide a financial incentive, such as lower cost sharing, for workers to use a retail health clinic instead of visiting a traditional physician's office [Figure 13.1].
- Some employers provide health services to their employees through clinics that they establish or sponsor at or near their place of work. On-site and near-site clinics may treat work-related injuries, and may also provide other health services.
  - Among firms with 50 or more employees that offer health benefits, 16% have an on-site or a near-site health clinic for their employees at one or more of their workplace locations. Firms with 1,000 to 4,999 workers and firms with 5,000 or more workers are more likely than smaller firms to have one of these clinics [Figure 13.3].
  - Among firms reporting that they have an on-site or near-site clinic at one of their workplace locations, 34% say they have an on-site clinic, 57% say that they have a near-site clinic, and 10% say that they have both types of clinics. Generally, smaller firms are more likely to say that they have near-site clinics and larger firms are more likely to say that they have on-site clinics.

Figure 13.1
Among Firms Offering Health Benefits, Percentage of Firms Which Cover Care at Retail Clinics, by Firm Size, 2023



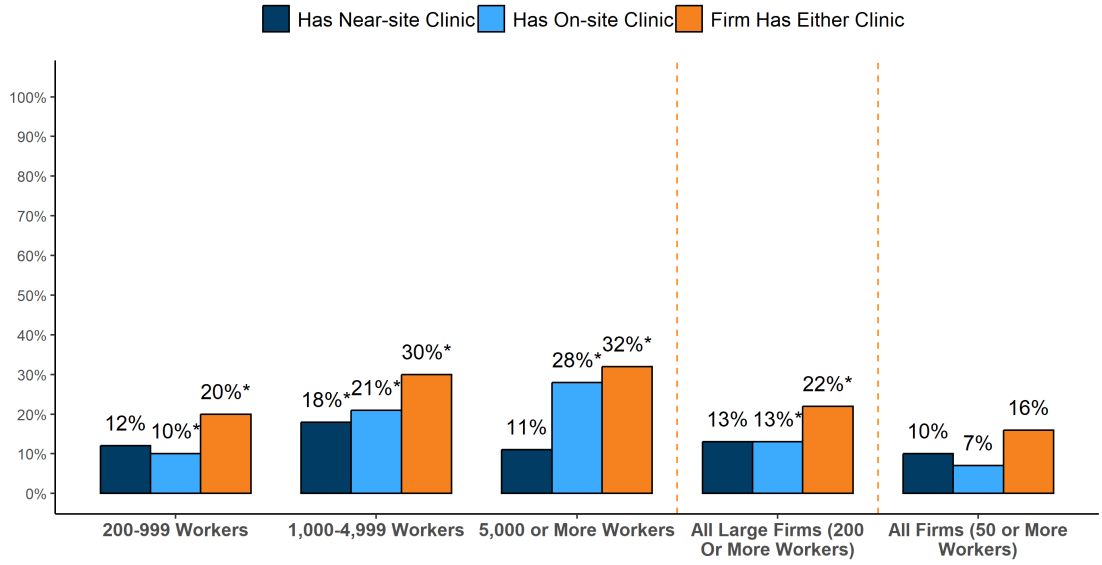
Tests found no statistical difference from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: A retail clinic is a health care clinic located in a retail store, supermarket, or pharmacy that treats minor illnesses and provides preventive health care services such as flu shots. Financial incentives include lower cost sharing for care received at retail clinics instead of traditional physician offices. Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.2
Among Large Firms Offering Health Benefits, Percentage of Firms Which Cover Care at Retail Clinics and That Have a Financial Incentive for Workers to Visit Retail Clinics Instead of a Physician's Office, 2010-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: A retail clinic is a health care clinic located in a retail store, supermarket, or pharmacy that treats minor illnesses and provides preventive health care services such as flu shots. Financial incentives include lower cost sharing for care received at retail clinics instead of traditional physician offices. Large Firms have 200 or more workers. Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2010-2017

Figure 13.3
Among Firms Offering Health Benefits, Percentage of Firms with an On-Site Health Clinic, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: An on-site health clinic is a workplace clinic staffed by health professionals where employees can receive health care for either work-related or non-work related illnesses. Near-site clinics are health care facilities conveniently located to a work-site, that contract to deliver services to employees. Multiple employers can contract with the same near-site clinic.
SOURCE: KFF Employer Health Benefits Survey, 2023

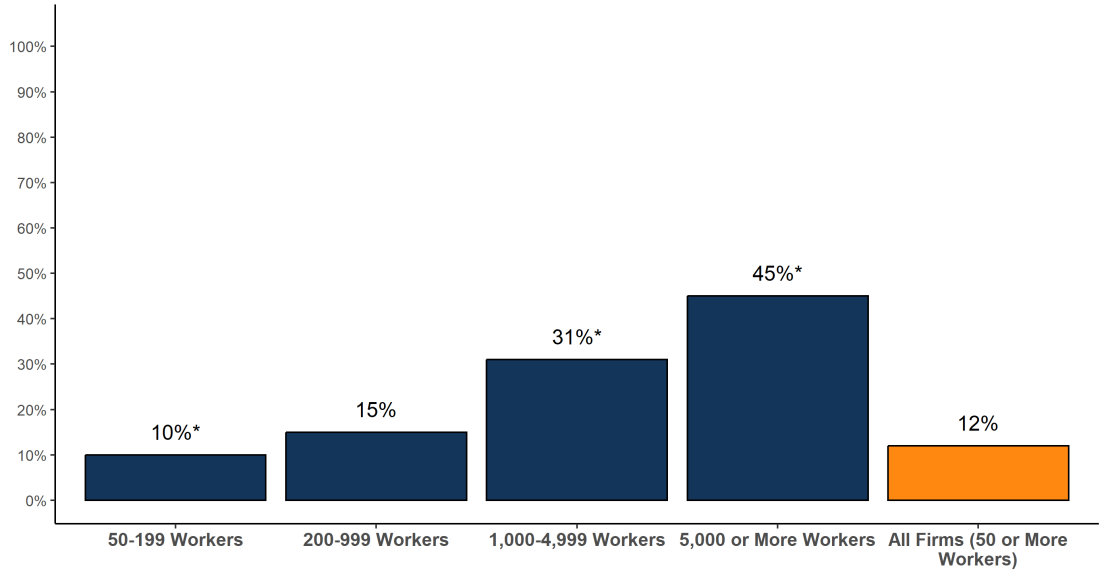
CENTERS OF EXCELLENCE

"Centers of Excellence" are facilities or providers which health plans and employers single out as providers of exceptionally high-value specialty care for specific conditions. Plans and employers may encourage or require enrollees to use these designated providers to receive coverage for certain types of care. Centers of excellence may provide care that is particularly complex or specialized, such as organ transplants, or care that employers and health plans believe may be subject to abuse or poor care delivery, such as care for musculoskeletal injuries.

- Among firms with 50 or more employees that offer health benefits, 12% said that they offered a center of excellence program in 2023 [Figure 13.4].
  - Larger firms are much more likely to say that they have a center of excellence program than smaller employers, with 31% of firms with 1,000 to 4,999 workers and 45% of firms with 5,000 or more workers saying that they offer this kind of program [Figure 13.4].
  - Among firms with a center of excellence program, 21% have introduced a new center of excellence program within the last two years [Figure 13.5].
- Employers with 200 or more employees with a center of excellence program were asked about the types of services included in these programs.
  - Among these employers, 42% have a center of excellence program for back or spine surgery, 28% for substance use disorders, 30% for mental health conditions, 31% for bariatric surgery, and 45% for joint replacement [Figure 13.6].

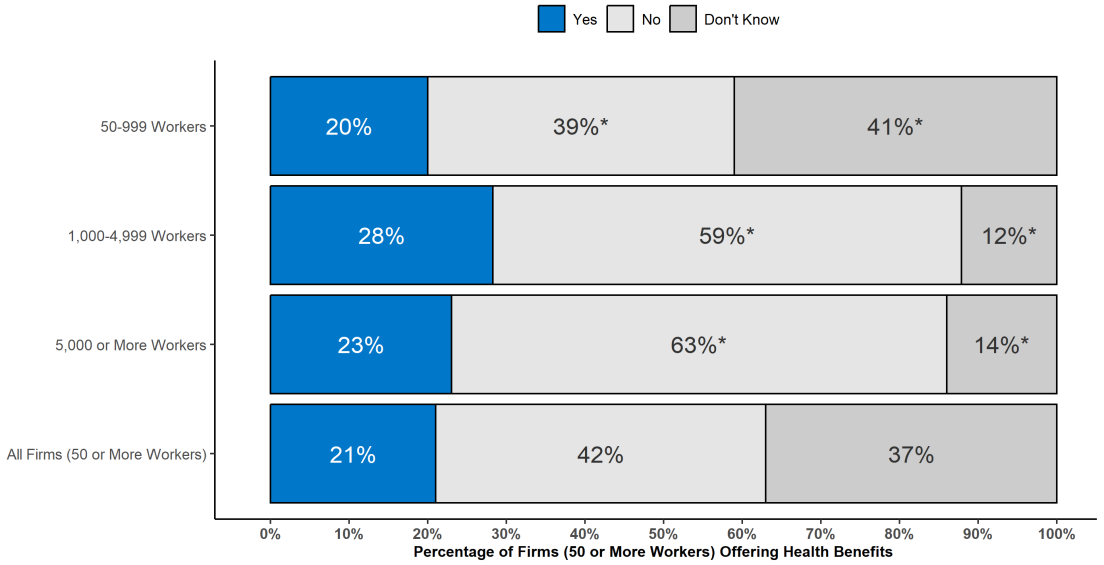
- Firms with 5,000 or more employees are less likely than other large firms with center of excellence programs to have a program for substance use or mental health conditions and more likely to have a program for bariatric surgery.
- It should be noted that a significant share of large employer respondents answered "don't know" to the questions about the types of services covered by their center of excellence programs [Figure 13.6].

Figure 13.4
Among Firms Offering Health Benefits, Percentage of Firms with a Center of Excellence for Some Conditions or Procedures, 2023



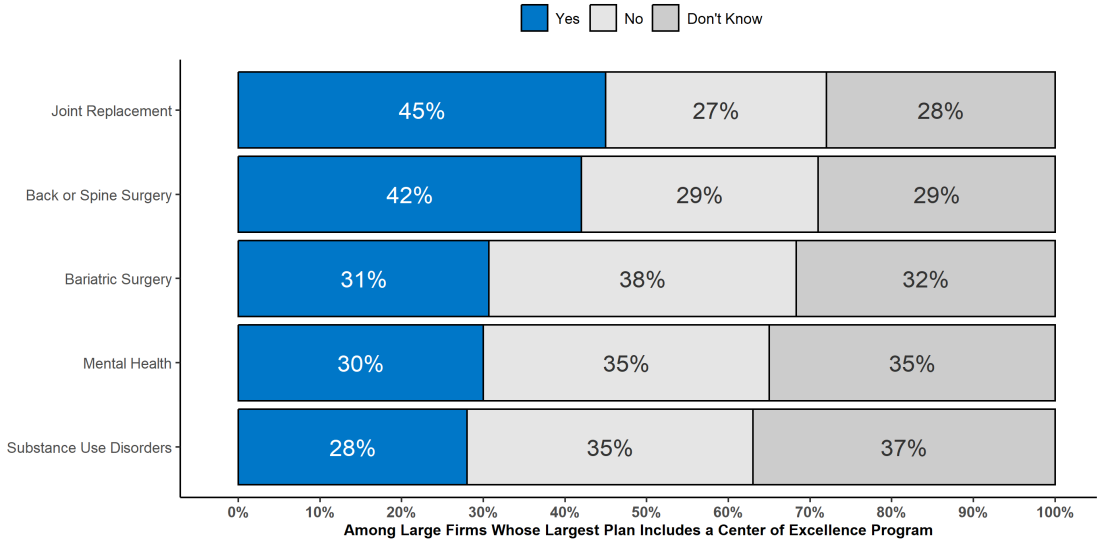
* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Plans with Center of Excellence have significantly lower cost-sharing for services if the enrollees seeks treatment at a designated hospital even though other hospitals may also be part of the plan's network.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.5
Among Firms Whose Largest Plan Includes a Center of Excellence Program, Percentage Who Have Added the Program in the Last Two Years, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Among firms with 50 or more employees that offer health benefits,12% offered a center of excellence program. Plans with Center of Excellence have significantly lower cost-sharing for services if the enrollees seeks treatment at a designated hospital even though other hospitals may also be part of the plan's network.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.6
Percentage of Large Firms Offering Center of Excellence Programs for Various Services, 2023



NOTE: Among firms with 200 or more employees that offer health benefits, 19% said that they offered a center of excellence program. Firms with multiple plans were asked about their plan with the largest enrollment. Large Firms have 200 or more workers. Plans with Center of Excellence have significantly lower cost-sharing for services if the enrollees seeks treatment at a designated hospital even though other hospitals may also be part of the plan's network.
SOURCE: KFF Employer Health Benefits Survey, 2023

TELEMEDICINE

Coverage for telemedicine benefits, which had been growing steadily before the COVID-19 pandemic, skyrocketed during the initial lockdown period. Both state and federal policymakers took steps to reduce regulatory barriers to telemedicine services, while employers and insurers also took steps to make it easier for patients to use them. We asked employers about their telemedicine benefit offerings, as well as whether they view these benefits as an important source of access to health care in the future.

We define telemedicine as the delivery of health care services through telecommunications from a provider to a patient who is at a remote location, including video chat and remote monitoring. This generally does not include the mere exchange of information via email, exclusively web-based resources, or online information that a plan may make available, unless a health professional provides information specific to the enrollee's condition.

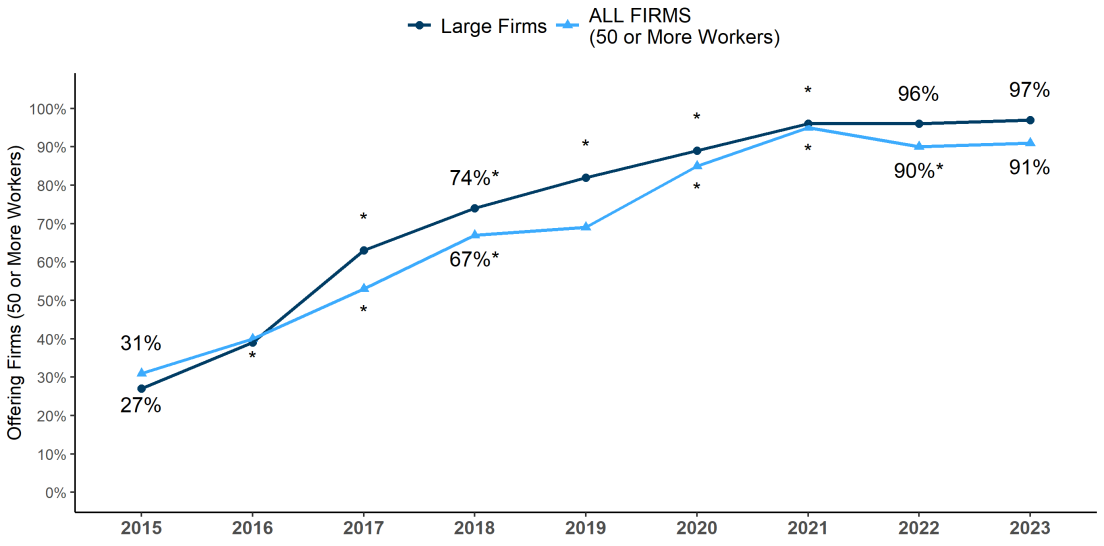
- Among firms with 50 or more workers offering health benefits, 91% cover the provision of some health care services through telemedicine in their largest health plan, similar to the previous year (90%) [Figure 13.7]. Large firms are more likely than small firms (50-199 workers) to cover telemedicine services (97% vs. 89%) [Figure 13.7].
- Among firms with 50 or more employees offering telemedicine services, 20% use a specialized telemedicine service provider, such as Teledoc, Doctor on Demand, or MDLIVE, 59% offer these services through their health plan, 19% through both a specialized telemedicine provider and their health plan, and 2% through some other arrangement [Figure 13.8].
  - Small firms are more likely than larger firms to provide telemedicine services only through their health plan (63% vs. 47%) [Figure 13.8].
  - Large firms are more likely than small firms to provide telemedicine services through a specialized telemedicine provider (26% vs. 17%) or through both their health plan and a specialized telemedicine provider (24% vs. 17%) [Figure 13.8].
- Among firms with 50 or more employees offering health benefits, 2% of smaller firms (50-199 workers) and 5%of larger firms (200 or more workers) had contracted with a new telemedicine service provider within the last 12 months [Figure 13.9].

With the effects of the pandemic waning, medical services are generally available on an in-person basis and many employees have partially or fully returned to their workplaces. With this context, we asked employers how important they felt telemedicine would be in providing care to employees going forward, both overall and for several specific types of services. Among firms with 50 or more enrollees offering health benefits:

- **Overall** - Twenty-eight percent say that telemedicine will be "very important" in providing access to enrollees in the future, and another 32% say that it will be "important" to providing access to these services [Figure 13.12].
- **Behavioral Health Services** - Forty-one percent say that telemedicine will be "very important" in providing access to behavioral health services in the future, and another 30% say that it will be "important." Larger firms (1,000 or more workers) are more likely than smaller firms to say that telemedicine will be "very important" to providing access to these services. (57% vs. 40%).
  - **Primary Care** - Twenty-seven percent say that telemedicine will be "very important" in providing access to primary care in the future, and another 34% say that it will be "important."
  - **Specialty Care** - Sixteen percent say that telemedicine will be "very important" in providing access to specialty care in the future, and another 30% say that it will be "important."
  - **Enrollees in Remote Areas** - Forty-three percent say that telemedicine will be "very important" in providing future access to care for enrollees in remote areas, and another 26% say that it will be "important."

Figure 13.7

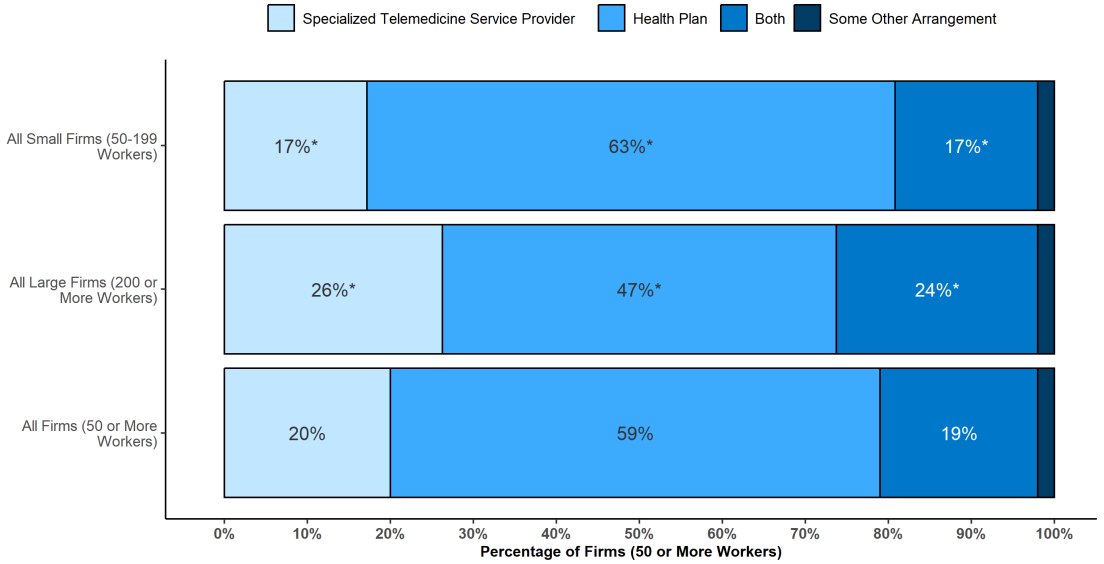
Among Firms Offering Health Benefits, Percentage of Firms Whose Plan with the Largest Enrollment Covers Telemedicine, by Firm Size, 2015-2023



* Estimate is statistically different from estimate for the previous year shown ($p < .05$).
NOTE: Telemedicine is health care services provided to a patient from a provider who is at a different location, including video chat and remote monitoring. We do not include email, exclusively web-based non-interactive resources, or online information a plan may make available unless a health professional provides information specific to the enrollee's condition. Large Firms have 200 or more workers. Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2015-2017

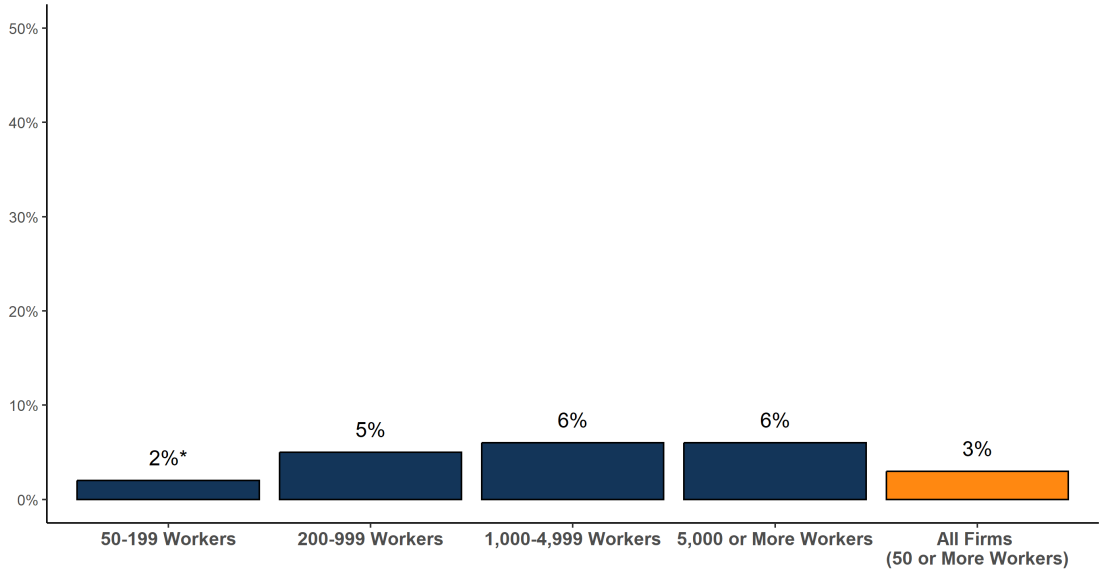
Figure 13.8

Among Firms Offering Telemedicine Health Benefits, Structure of the Firm's Telemedicine Coverage, by Firm Size, 2023



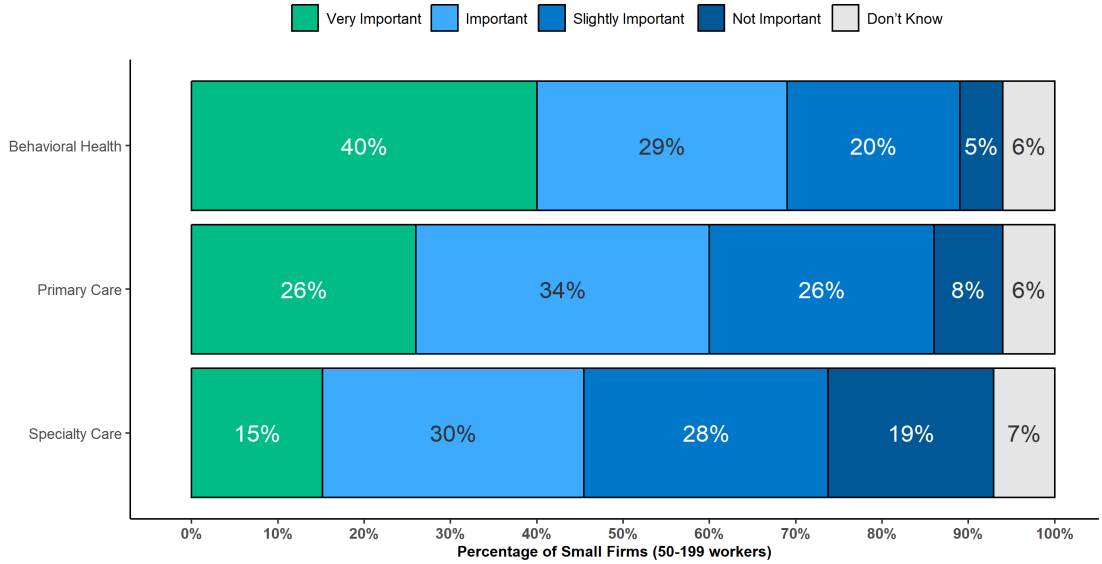
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: A specialized telemedicine service provider, may include organizations such as Teledoc, Doctor on Demand, or MDLIVE. Among firms offering health benefits, the plan with the largest enrollment at 89% of small firms (50-199 workers) and 97% of large firms (200 or more workers) covers telemedicine.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.9
Among Firms Offering Telemedicine Health Benefits, Percentage of Firms Which Have Contracted With a New Telemedicine Service Provider in The Last 12 Months, 2023



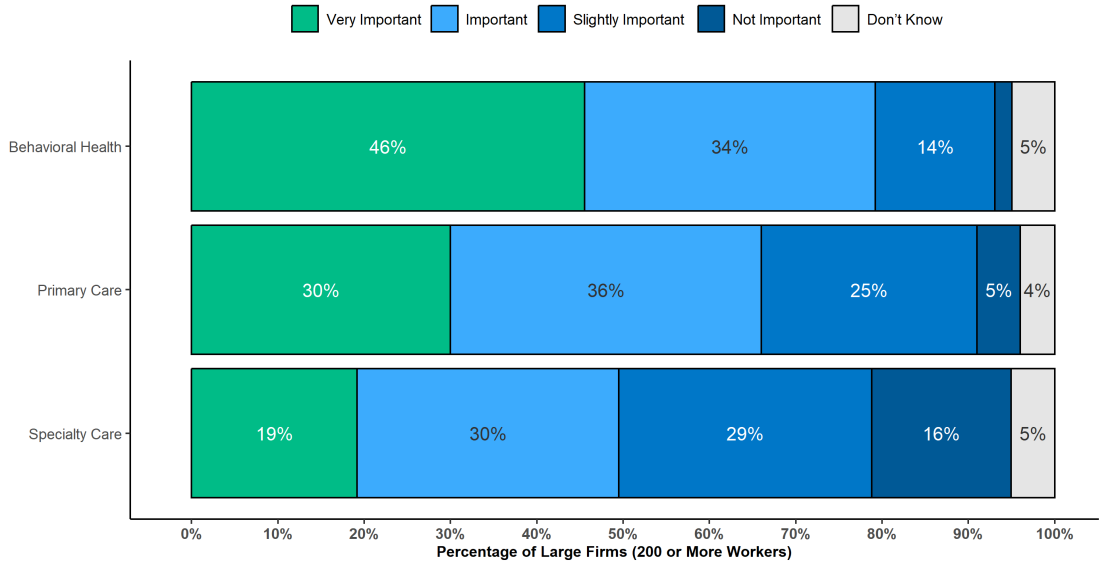
* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: A specialized telemedicine service provider may include organizations such as Teledoc, Doctor on Demand, or MDLIVE. Among firms offering health benefits, the plan with the largest enrollment at 89% of small firms (50-199 workers) and 97% of large firms (200 or more workers) covers telemedicine.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.10
Among Small Firms Offering Health Benefits, How Important Will Telemedicine Be in Providing Access to Various Groups Going Forward, 2023



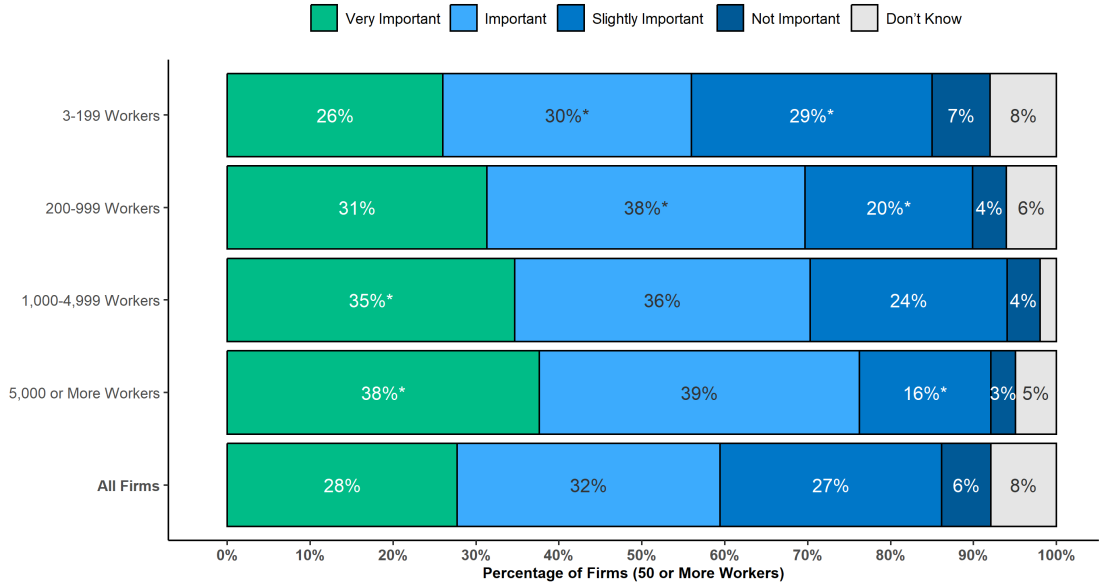
NOTE: A specialized telemedicine service provider may include organizations such as Teledoc, Doctor on Demand, or MDLIVE. Among firms offering health benefits, the plan with the largest enrollment at 89% of small firms (50-199 workers) and 97% of large firms (200 or more workers) covers telemedicine. Small firms have 50-199 workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.11
Among Large Firms Offering Health Benefits, How Important Will Telemedicine Be in Providing Access to Various Groups Going Forward, 2023



NOTE: A specialized telemedicine service provider may include organizations such as Teledoc, Doctor on Demand, or MDLIVE. Among firms offering health benefits, the plan with the largest enrollment at 89% of small firms (50-199 workers) and 97% of large firms (200 or more workers) covers telemedicine.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.12
Among Firms Offering Health Benefits, How Important The Firm Believes Telehealth Will Be In Delivering Care Going Forward, 2023



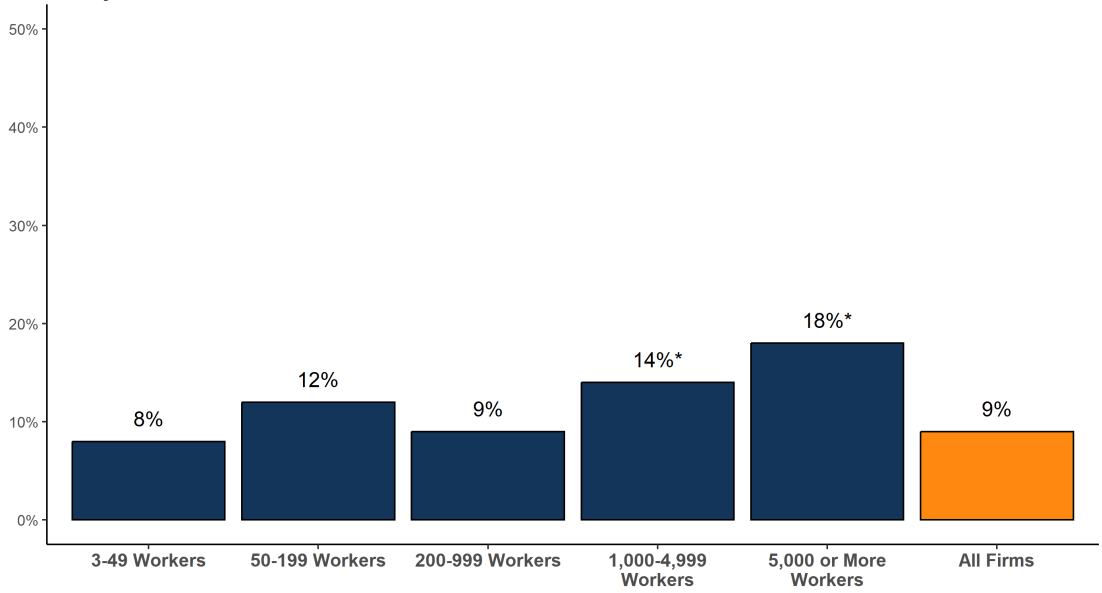
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms offering health benefits were asked 'With many services returning to in-person, how important do you believe telehealth will be in delivering care to your enrollees going forward?'
SOURCE: KFF Employer Health Benefits Survey, 2023

PROVIDER NETWORKS

Firms and health plans structure their networks of providers to ensure access to care, and to encourage enrollees to use providers who are lower cost, or who provide better care.

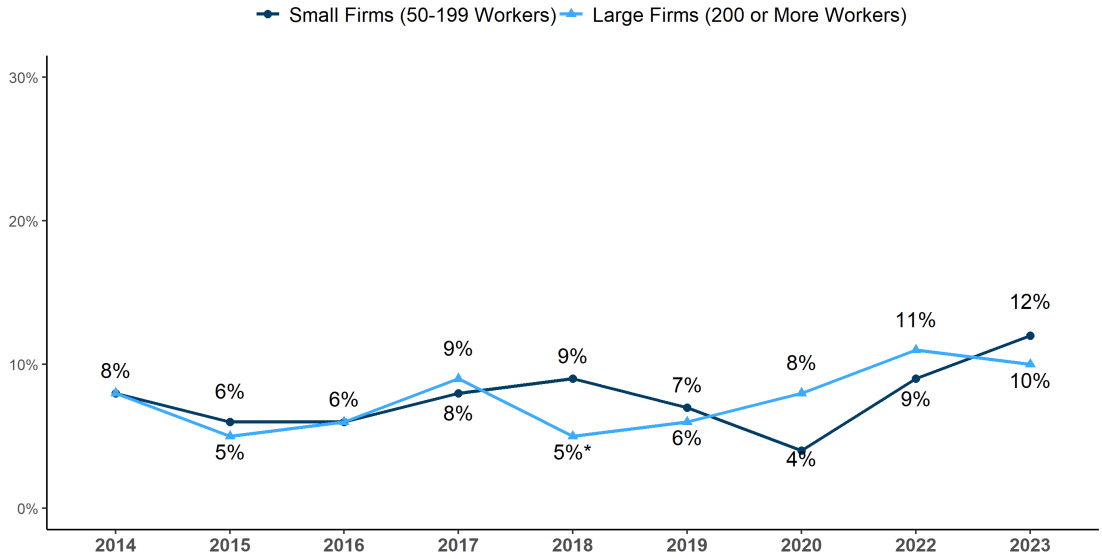
- Some employers offer a health plan with a relatively small, or narrow, network of providers to their employees. Narrow network plans limit the number of providers that can participate in order to reduce costs, and are generally more restrictive than standard HMO networks.
  - Nine percent of firms offering health benefits report that they offer at least one plan that they considered to be a narrow network plan, the same as the percentage reported last year (9%) [Figure 13.13].
  - Firms with 1,000 to 4,999 workers and firms with 5,000 or more workers offering health benefits are more likely than firms of other sizes to offer at least one plan with a narrow network [Figure 13.13].
- Firms offering health benefits were asked whether they believed that the provider network for their health plan with the largest enrollment provided timely access to certain services.
  - Over nine in ten (91%) firms offering health benefits believe that there are a sufficient number primary care providers in the plan's networks to provide timely access to services for workers and their family members [Figure 13.15].
  - By contrast, only 67% of firms offering health benefits believe that there is a sufficient number of mental health providers in the plan's network to provide timely access to services for workers and their family members [Figure 13.15]. Large firms are less likely than small firms to say that there were a sufficient number of these providers to provide timely access to behavioral health services [Figure 13.16].
  - Similar to the percentage for mental health providers, 59% of firms offering health benefits believe that there is a sufficient number of substance use providers in the plan network to provide timely access to substance use services for workers and their family members [Figure 13.15]. Thirty-one percent of small firms and 23% of large firms offering health benefits did not know the answer to this question [Figure 13.16].
- Among larger firms offering health benefits, 30% of firms with 1,000 to 4,999 workers and 44% of firms with 5,000 or more workers took steps within the past 12 months to increase the number of mental health providers in their plan networks [Figure 13.17]
- Firms offering health benefits are generally satisfied with the accuracy of plan provider directories, with 31% reporting they are "very satisfied" and an additional 58% saying they are "satisfied" with their accuracy [Figure 13.18].

Figure 13.13
Among Firms Offering Health Benefits, Percentage of Firms That Offer a Narrow Network Plan, by Firm Size, 2023



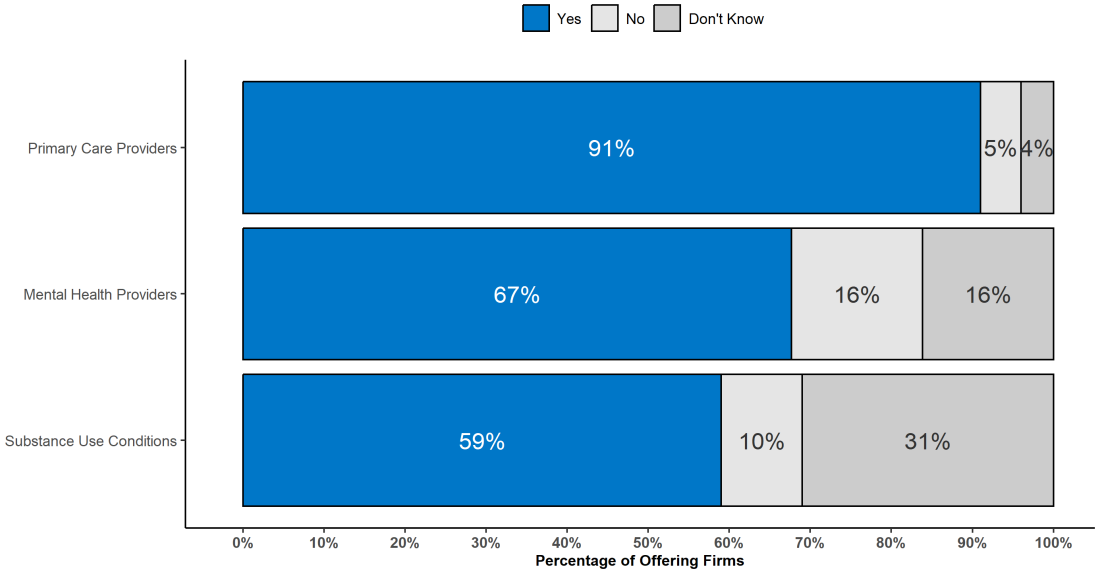
* Estimate is statistically different from estimate for all other firms not in the indicated size category (p < .05).
NOTE: Narrow network plans limit the number of providers that can participate in order to reduce costs and generally are more restrictive than standard HMO networks.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.14
Among Firms Offering Health Benefits, Percentage of Firms That Offer a Narrow Network Plan, by Firm Size, 2014-2023



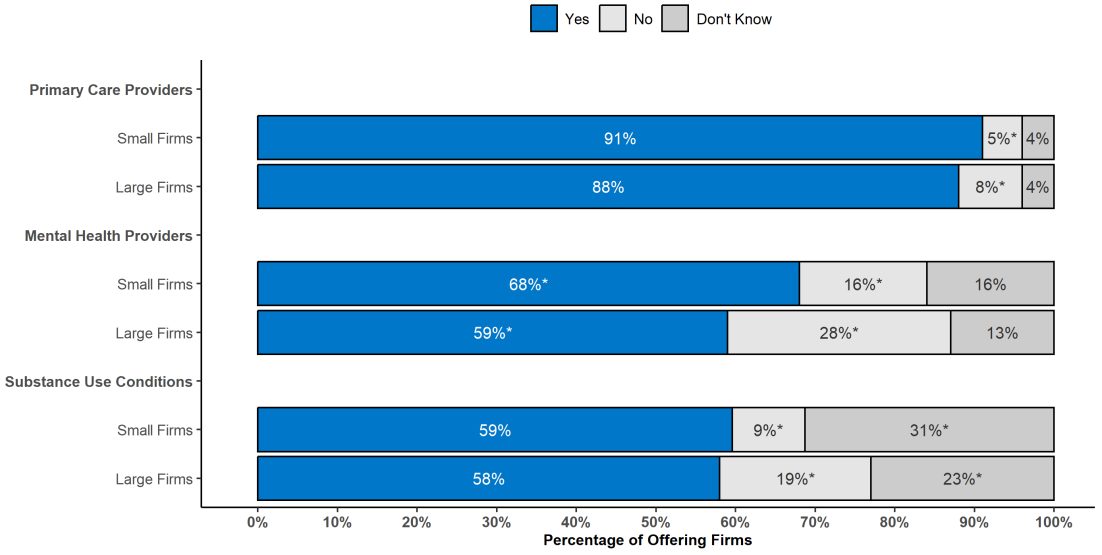
* Estimate is statistically different from estimate for the previous year shown (p < .05).
NOTE: This question was asked of offering firms with 50 or more workers in 2014, but has since been asked of all offering firms regardless of firm size. In 2023, 9% of all offering firms offer a plan that could be considered a narrow network plan.Narrow network plans limit the number of providers that can participate in order to reduce costs and generally are more restrictive than standard HMO networks.
SOURCE: KFF Employer Health Benefits Survey, 2018-2023; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2014-2017

Figure 13.15
Among Firms Offering Health Benefits, Percentage of Firms Which Believe That There Are a Sufficient Number of Providers in Their Plan's Networks To Provide Timely Access to Services, 2023



NOTE: Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

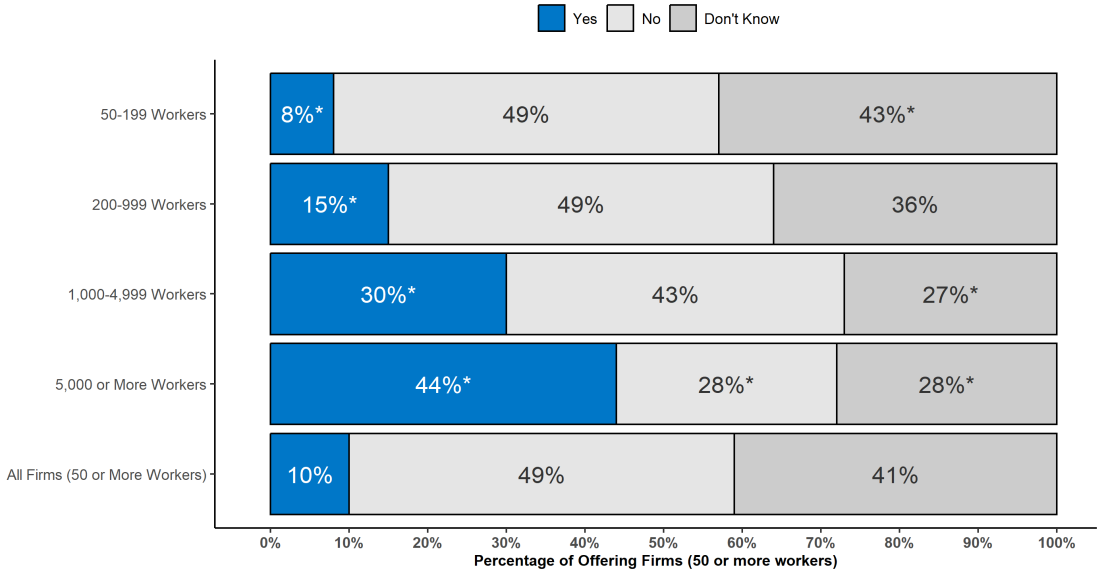
Figure 13.16
Among Firms Offering Health Benefits, Percentage of Firms Which Believe That There Are a Sufficient Number of Providers in Their Plan's Networks To Provide Timely Access to Services, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Small Firms have 3-199 workers and Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.17

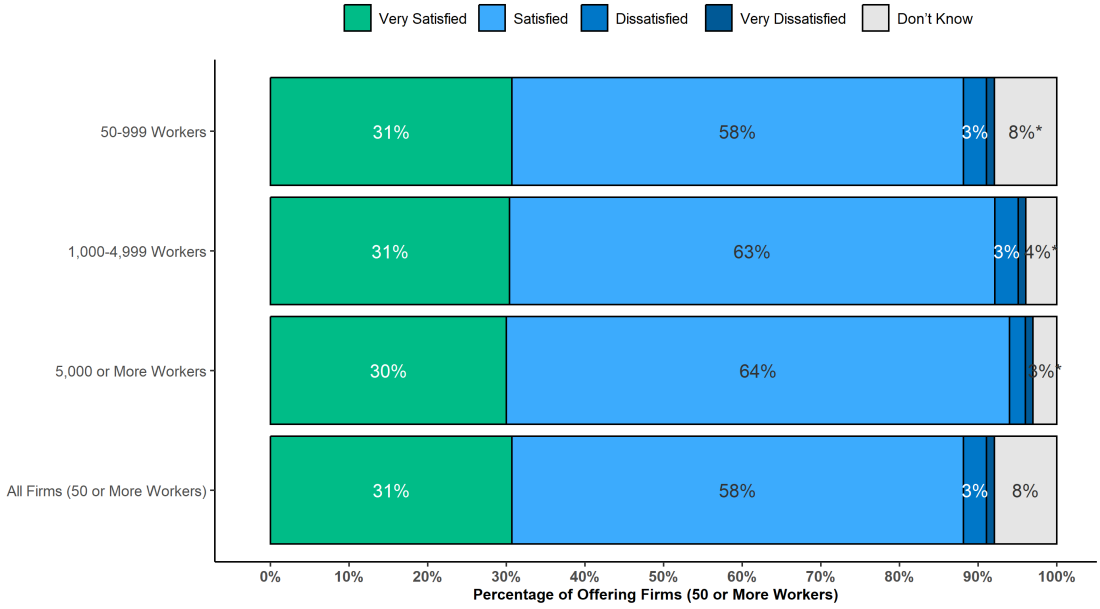
Among Firms Offering Health Benefits, Percentage of Firms That Have Taken Any of the Steps to Increase the Number of Mental Health Providers in Your Plan's Network in the Last Twelve Months, by Firm Size, 2023



* Estimate is statistically different from estimate for all other firms not in the indicated size category ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.18

Among Firms Offering Health Benefits, How Satisfied Are Firms With The Accuracy of Their Plans' Provider Directory, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

PLAN MANAGEMENT AND COVERAGE LIMITS

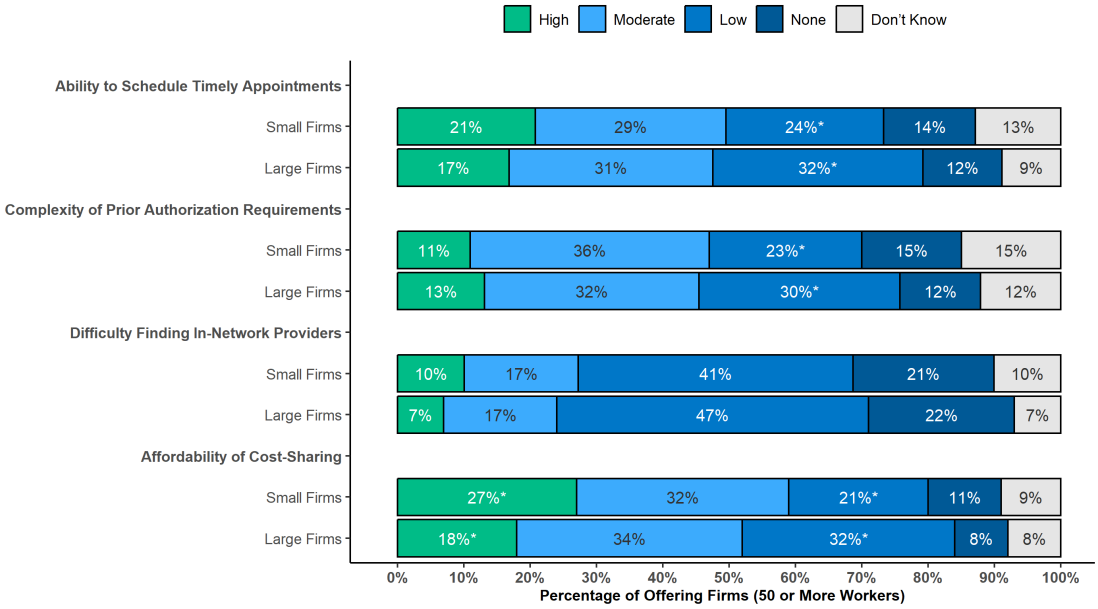
Employers use health benefits to attract and keep workers, making them an important part of the overall compensation that employers provide. Employers therefore have strong interest in assuring that their health benefit plans perform well and are viewed favorably by their workers. At the same time, health benefits are expensive. Therefore, employers manage plan costs within the broader context of the overall compensation they offer to their employees.

- Employers with 50 or more employees offering health benefits were asked about their views regarding the level of concern their employees had over certain aspects of their health benefit plans:
  - **Appointments** - Twenty percent of these employers believe that their employees have a 'high' level of concern about their ability to schedule timely appointments for care, and another 29% believe that their employees have a 'moderate' level of concern [Figure 13.20].
  - **Prior Authorization** - Twelve percent of these employers believe that their employees have a 'high' level of concern about the complexity of prior authorization requirements in their health plan, and another 35% believe that their employees have a 'moderate' level of concern [Figure 13.20].
  - **Finding In-Network Providers** - Nine percent of these employers believe that their employees have a 'high' level of concern about the difficulty of finding in-network providers, and another 17% believe that their employees have a 'moderate' level of concern [Figure 13.20].
  - **Affordability of Cost Sharing** - Twenty-five percent of these employers believe that their employees have a 'high' level of concern about the affordability of cost sharing, and another 33% believe that their employees have a 'moderate' level of concern [Figure 13.20].
- Employers offering health benefits were asked whether they anticipated making certain changes to their health benefits over the next two years:
  - **High-Cost Providers** - Nine percent of these employers plan to remove high-cost providers from their networks [Figure 13.22].
  - **Increase Cost-Sharing** - Seventeen percent of these employers plan to increase cost sharing, such as copayments and deductibles. Large firms are more likely than smaller firms to anticipate making this change (26% vs. 17%) [Figure 13.21].
  - **Increase Worker's Premium Contributions** - Twenty-three percent of these employers plan to increase worker's premium contributions. Large firms are more likely than smaller firms to anticipate making this change (46% vs. 22%) [Figure 13.21].
  - **Reduce Covered Services** - Four percent of these employers plan to reduce the number of covered services [Figure 13.22].
  - **Move to an HSA-Qualified Plan** - Twelve percent of these employers plan to offer an HSA-qualified health plan [Figure 13.22].
  - **Increase Utilization Management** - Six percent of these employers plan to increase utilization management, such as prior authorization of services. Large firms are more likely than smaller firms to anticipate making this change (11% vs. 5%) [Figure 13.21].
- One way that employers manage health plan costs is by limiting the number of services that enrollees can receive for certain types of care. The Affordable Care Act (ACA) generally prohibits health plans from imposing annual or lifetime dollar limits on benefits but does not prohibit plans from limiting the number of visits or services provided. The Mental Health Parity and Addiction Equity Act (MHPAEA) prohibits treatment limits that are more restrictive on mental health and substance use disorder benefits than on medical/surgical benefits. Large employers (200 or more workers) offering health benefits were asked if their largest health plan had limits on the number of visits they covered for certain types of care. Among these employers:

- Fifty-one percent have limits on the number of covered visits for physical rehabilitation or physical therapy. Employers with 1,000 or more employees are more likely than firms with 200 to 999 employees to have this type of limit (59% vs. 49%) [Figure 13.23].
- Twenty-one percent have limits on the number of covered visits for mental health services. Employers with 5,000 or more employees are less likely than smaller firms to have this type of limit [Figure 13.23].
- Fifty-four percent have limits on the number of covered visits for chiropractic care. Employers with 1,000 or more employees are more likely than firms with 200 to 999 employees to have this type of limit (64% vs. 51%) [Figure 13.23]

- Prior authorization is a tool used by health plans to review the appropriateness of certain services or prescriptions before they are covered. It may be used as an additional layer of scrutiny for services that plans believe are often recommended inappropriately, or to encourage less expensive alternatives. Prior authorization practices have recently come under public scrutiny over concerns of delayed care and complexity for plan enrollees.
  - Employers with 50 or more employees offering health benefits were asked if they had increased the number of services subject to prior authorization in their health plan with the largest enrollment in the last two years. Among these employers, 12% said they had increased the services subject to prior authorization over the period. A large share of both small and large employer respondents did not know the answer to this question [Figure 13.24].

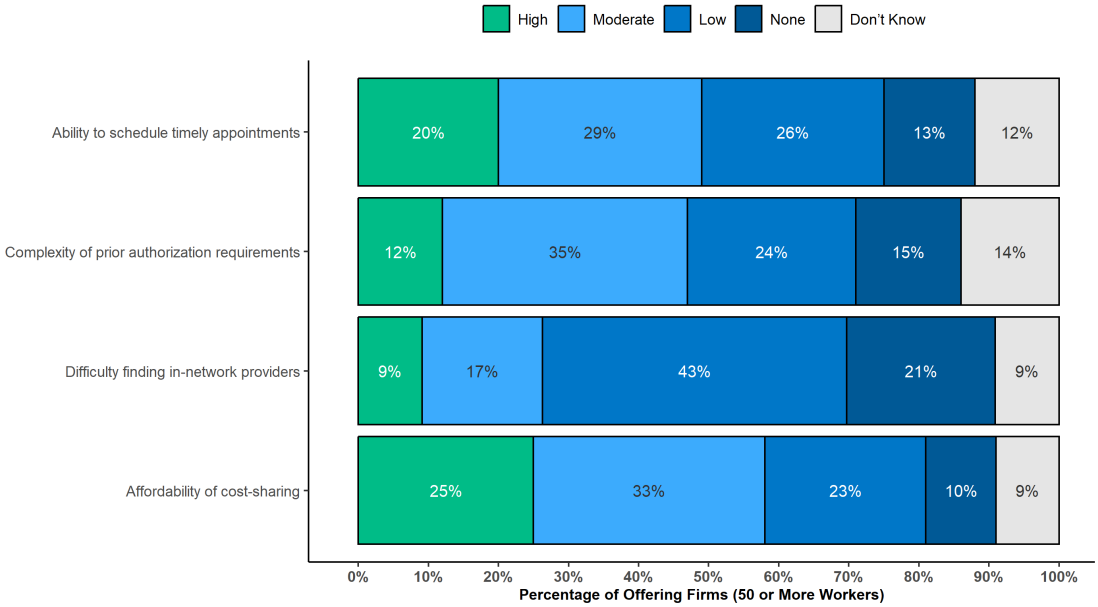
Figure 13.19
Among Firms Offering Health Benefits, How Much Concern Do Employers Have With Various Elements of the Firm's Plans, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Small Firms have 50-199 workers and Large Firms have 200 or more workers. Cost-sharing may include copays, coinsurances and deductibles.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.20

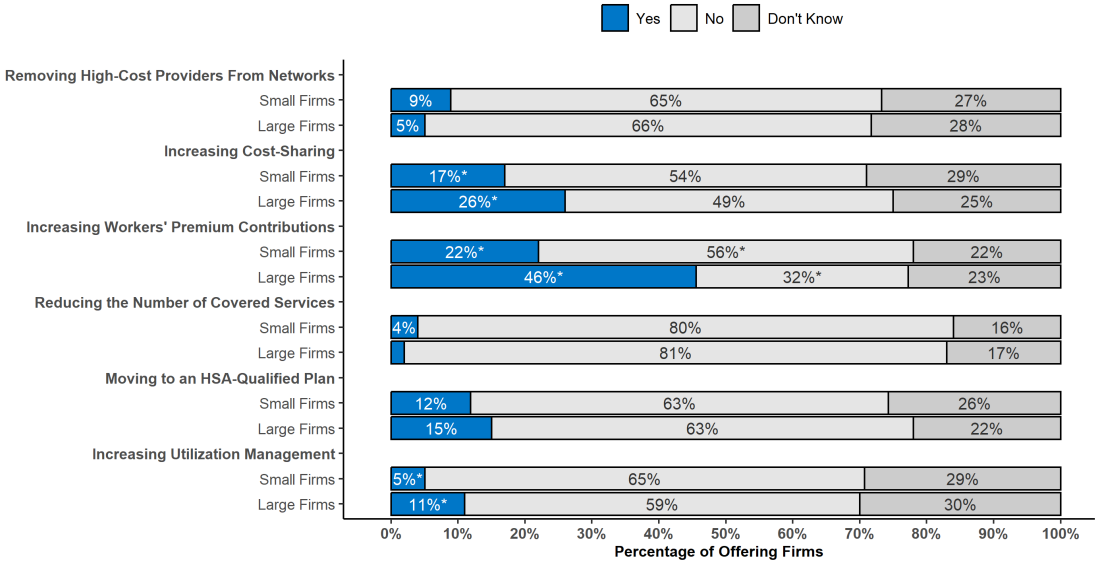
Among Firms Offering Health Benefits, How Much Concern Do Employers Have With Various Elements of the Firm's Plans, 2023



NOTE: Firms have 50 or more workers. Cost-sharing may include copays, coinsurances and deductibles.
SOURCE: KFF Employer Health Benefits Survey, 2023

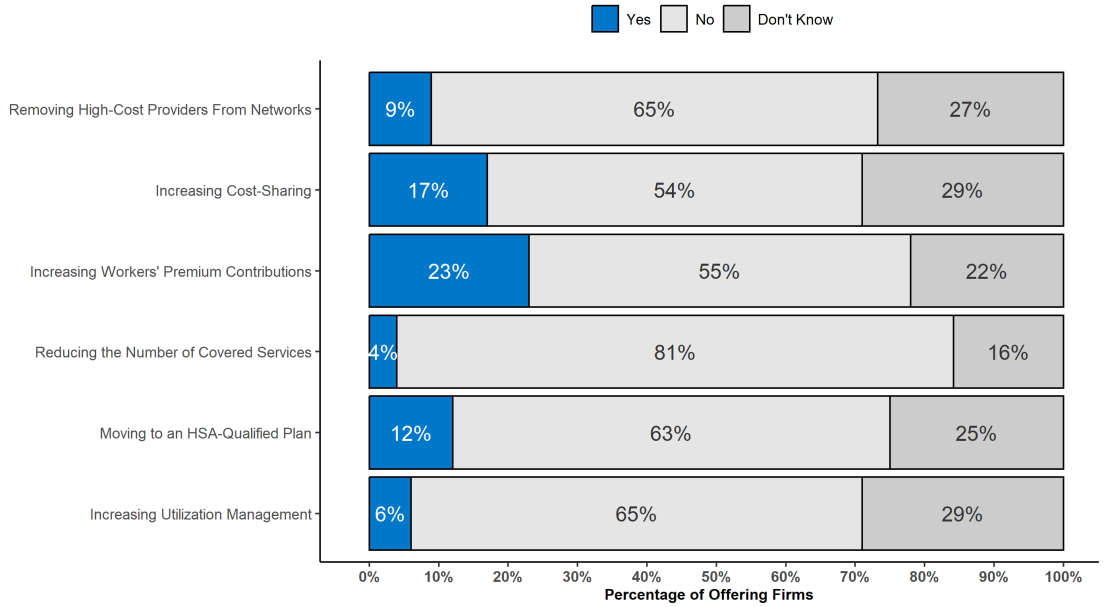
Figure 13.21

Among Firms Offering Health Benefits, Percentage of Firms Which Anticipate Taking The Following Actions Over The Next Two Years, By Firm Size, 2023



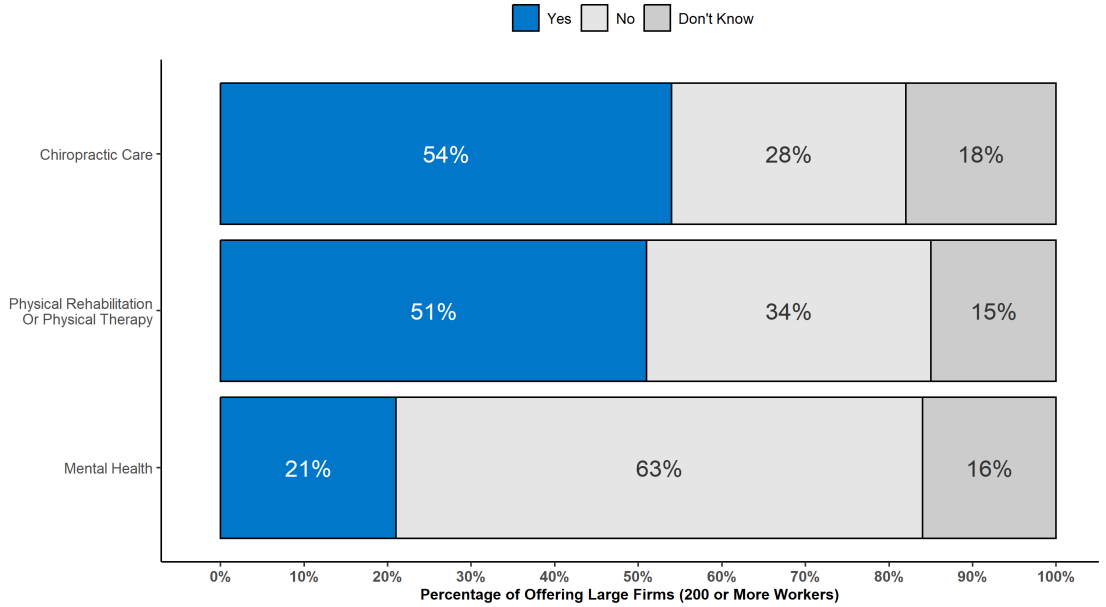
* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Cost-sharing may include copays, coinsurances and deductibles. Increased utilization management may include additional prior authorization requirements. Firms with 100% of their enrollment in an HSA-qualfiied plan are not included in the average of those moving to an HSA-qualified plan.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.22
Among Firms Offering Health Benefits, Percentage of Firms Which Anticipate Taking The Following Actions Over The Next Two Years, 2023



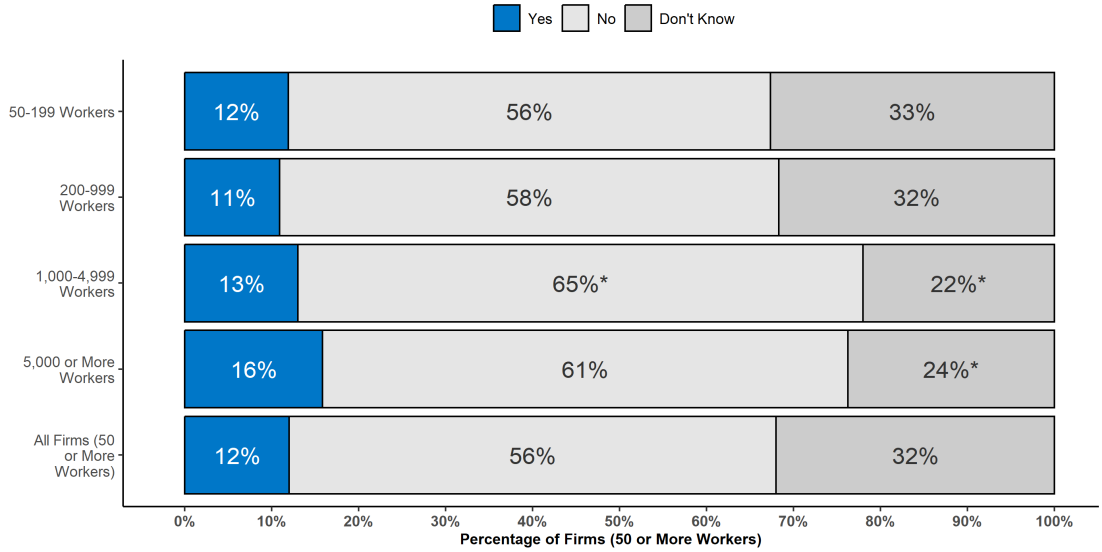
NOTE: Cost-sharing may include copays, coinsurances and deductibles. Increased utilization management may include additional prior authorization
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.23
Among Large Firms Offering Health Benefits, Percentage of Firms Whose Largest Plan Has Limits on the Number of Covered Services, 2023



NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.24
Among Firms Offering Health Benefits, Percentage of Firms Which Believe That There Has Been an Increase in the Number of Services Which Require Prior Authorization Over The Last Two Years, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Prior authorization requires health plans to review and approve certain health care services or medications before they are covered under the plan.
SOURCE: KFF Employer Health Benefits Survey, 2023

ABORTION SERVICES

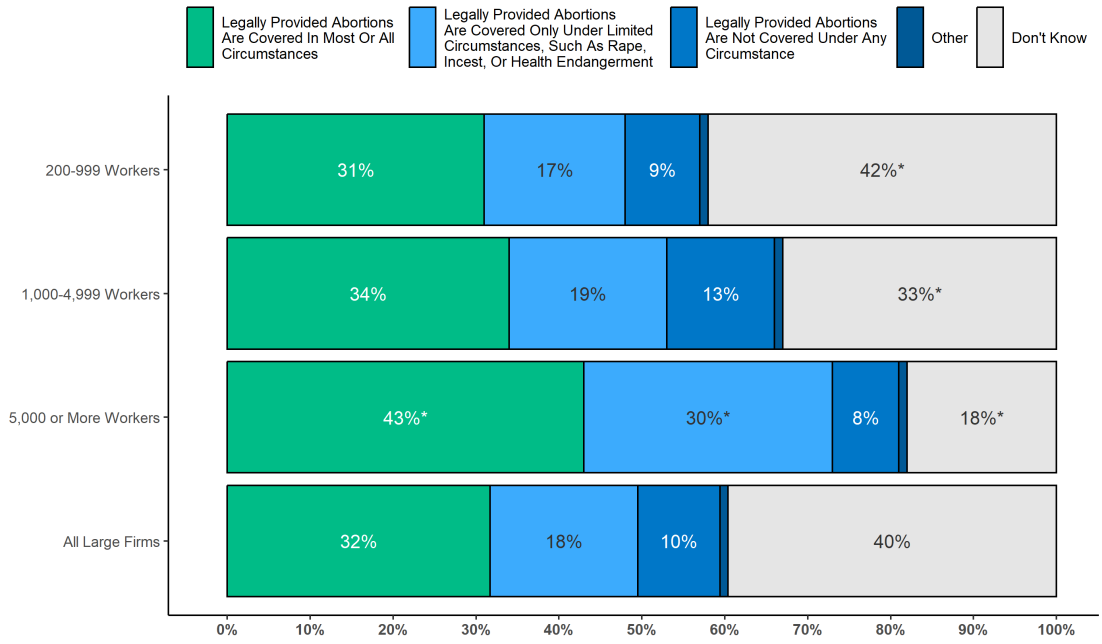
In June 2022, the United States Supreme Court ruled in Dobbs v. Jackson that states could limit the coverage and delivery of abortion services. This ruling and subsequent state activity to limit access to abortion services has increased public interest in coverage for abortion services in employer plans.

- Large employers (200 or more workers) offering health benefits were asked which of several statements best described coverage of abortion in their largest health plan.
  - Thirty-two percent of these firms said that legally provided abortions are covered in most or all circumstances (sometimes referred to as elective or voluntary abortion). Firms with 5,000 or more workers were more likely than smaller firms to give this reply [Figure 13.25].
  - Eighteen percent of these firms said that legally provided abortions are covered only under limited circumstances, such as rape, incest, or danger to the health or life of the pregnant enrollee. Firms with 5,000 or more workers were more likely than smaller firms to give this reply [Figure 13.25].
  - Ten percent of these firms said that legally provided abortions are not covered under any circumstance [Figure 13.25].
  - Forty percent of these responding firms answered "don't know" to this question. Respondents with 200 to 999 workers were more likely than other respondents to answer "don't know" to this question and respondents with 1,000 to 4,999 workers and 5,000 or more workers were less likely to do so [Figure 13.25].
- Large employers offering health benefits also were asked if they or their health plan had taken certain actions related to coverage of abortion following the Supreme Court decision.

- Among firms that responded that they did not cover legally provided abortion services or covered them only in limited circumstances, 3% of these firms had reduced or eliminated coverage for abortion services in circumstances where they could be legally provided. Firms with 1,000 to 4,999 workers were more likely than larger or smaller firms to make this change [Figure 13.26].
- Among firms that responded that legally provided abortion services were generally covered, 12% of these firms had added or significantly expanded coverage for abortion services in circumstances where they could be legally provided [Figure 13.27].

- Among large firms offering health benefits, 7% provide, or plan to provide, financial assistance for travel expenses for enrollees who travel out of state to obtain abortion care if they do not have access near their home. Firms with 5,000 or more workers are more likely than smaller firms to say they provide or plan to provide travel benefits for enrollees who travel out of state to obtain an abortion (19% vs. 7%) [Figure 13.28].

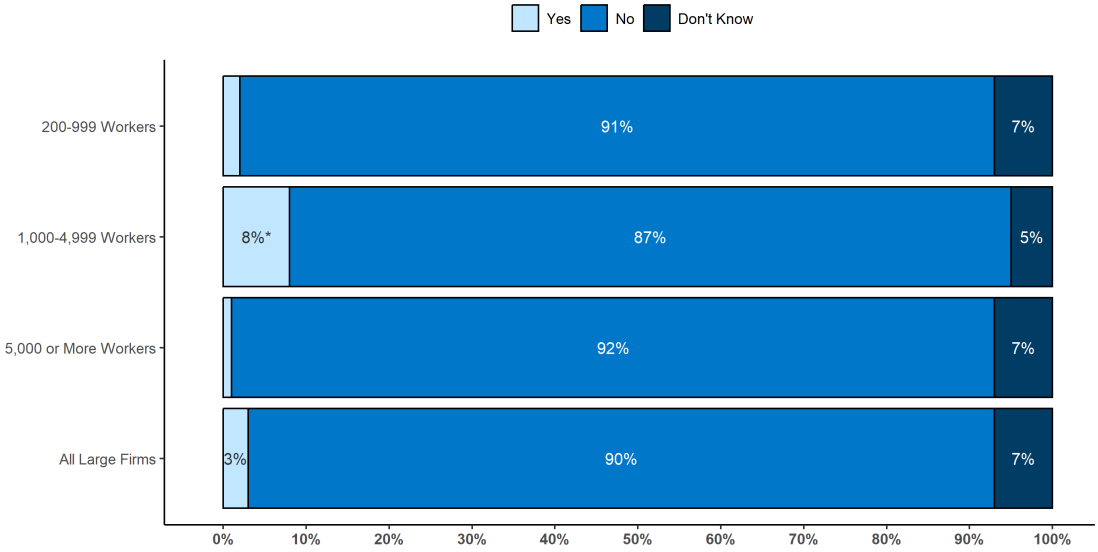
Figure 13.25
Among Large Firms, Abortion Coverage Through Largest Plan, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large Firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.26

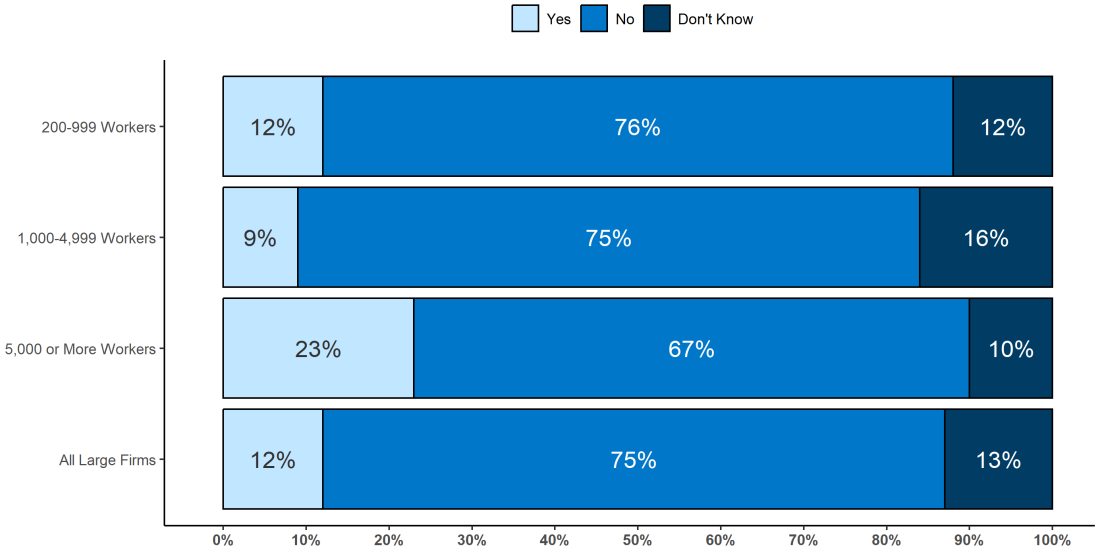
Among Large Firms That Cover Abortion Only Under Limited Circumstances or Not At All, Percentage of Firms Which Have Reduced or Eliminated Coverage Since Dobbs vs. Jackson, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: In June 2022, the Supreme Court ruled in Dobbs vs. Jackson that states could limit the coverage and delivery of abortion services. Large firms have 200 or more workers. Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

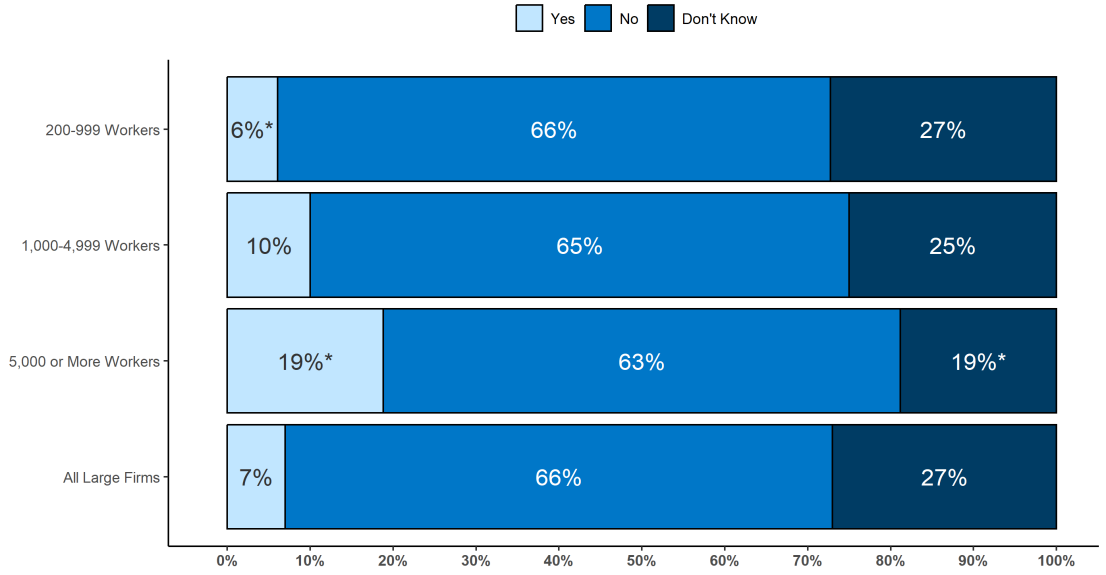
Figure 13.27

Among Large Firms That Cover Abortion Services, Percentage of Firms Which Have Added or Significantly Expanded Coverage for Abortion Services Since Dobbs vs. Jackson, by Firm Size, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Large firms have 200 or more workers. In June 2022, the Supreme Court ruled in Dobbs vs. Jackson that states could limit the coverage and delivery of abortion services. Firms with multiple plans were asked about their plan with the largest enrollment.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.28
Among Large Firms That Offer Health Benefits, Percentage of Firms Which Provide, or Plan to Provide, Financial Assistance for Travel Expenses for Enrollees Who Travel Out of State to Obtain an Abortion, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large firms have 200 or more workers.
SOURCE: KFF Employer Health Benefits Survey, 2023

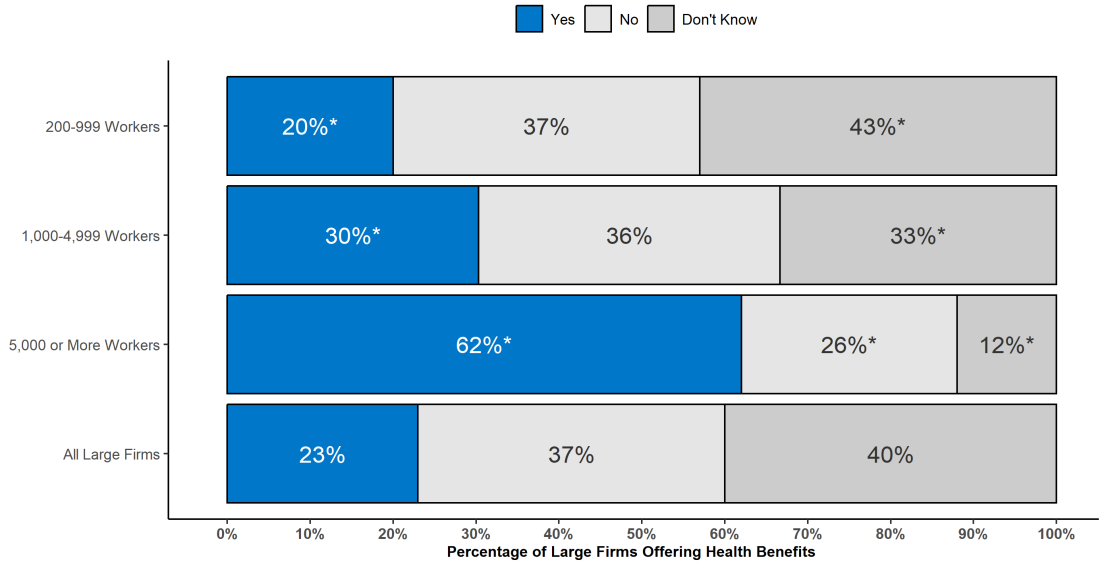
COVERAGE FOR GENDER-AFFIRMING SURGERIES

Gender-affirming surgeries are one component of gender-affirming care, a model of care which includes a spectrum of services aimed at supporting and affirming an individual's gender identity. Gender-affirming surgeries may include, but are not limited to, facial surgery, top surgery, and bottom surgery. Not all transgender or gender nonconforming people elect to have surgery. The purpose of these surgeries is to give individuals a physical appearance and/or functional abilities aligned with their gender identity.

- Among large employers (200 or more workers) offering health benefits, 23% provide coverage for gender-affirming surgery in their largest health plan [Figure 13.29].
  - Firms with 1,000 to 4,999 workers (30%) and firms with 5,000 or more workers (62%) are more likely than firms with 200 to 999 workers (20%) to cover these surgeries [Figure 13.29].
  - Large shares of employers with 200 to 999 workers (43%) and 1,000 to 4,999 workers (33%) answered "don't know" to this question. Among all large firms, 40% answered "don't know" to this question [Figure 13.29].
  - Among firms that offer coverage for gender-affirming surgeries, 29% had added or expanded this benefit within the last two years [Figure 13.30].

Figure 13.29

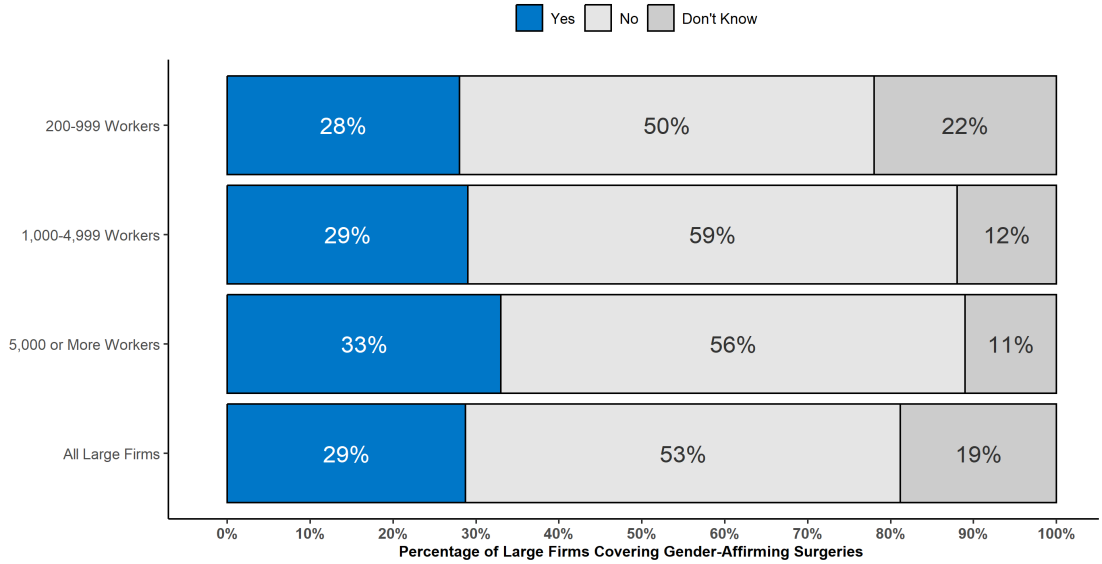
Among Large Firms Offering Benefits, Percentage of Firms Which Cover Gender-Affirming Surgeries, by Firm Size, 2023



* Estimates are statistically different from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large Firms have 200 or more workers. Gender-affirming surgeries are procedures that help people transition to their gender identity and may include, but are not limited to, facial surgery, top surgery or bottom surgery. The goal is to give individuals the physical appearance and functional abilities of the gender they identify as.
SOURCE: KFF Employer Health Benefits Survey, 2023

Figure 13.30

Among Large Firms Covering Gender-Affirming Surgeries, Percentage Which Expanded or Added this Benefit Within the Last Two Years, by Firm Size, 2023



Tests found no statistical difference from estimate for all other firms not in the indicated category within each firm size ($p < .05$).
NOTE: Firms with multiple plans were asked about their plan with the largest enrollment. Large Firms have 200 or more workers. Gender-affirming surgeries are procedures that help people transition to their gender identity and may include, but are not limited to, facial surgery, top surgery or bottom surgery. The goal is to give individuals the physical appearance and functional abilities of the gender they identify as.
SOURCE: KFF Employer Health Benefits Survey, 2023

KFF

Headquarters
185 Berry Street, Suite 2000
San Francisco, CA 94107
650.854.9400

Washington Office &
Barbara Jordan Conference Center
1330 G Street NW
Washington, DC 20005
202.347.5270

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