

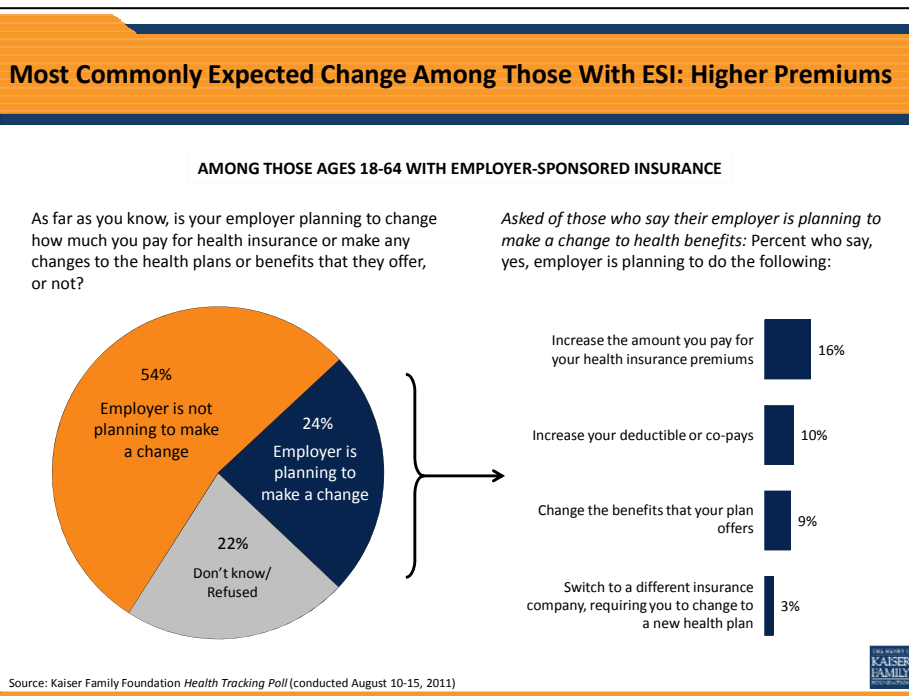
## VIEWS AND EXPERIENCES OF THOSE WITH EMPLOYER-SPONSORED HEALTH COVERAGE

As summer turns into fall's open enrollment season, data from the most recent Kaiser Health Tracking Poll sheds light on the experiences, views, and expectations of those Americans who get their health insurance through an employer. Roughly one in four of those with employer-sponsored insurance (ESI) say they expect to see some sort of change in their arrangements in upcoming months, with higher premiums the most frequently named change. Even as prices go up, however, most of those with ESI say they believe their employers are doing the best they can given the economic climate, though three in ten disagree. The survey also finds that about half of those with ESI say they do not have a good idea of the total cost of their coverage (including their own share and what their employer pays) or are unable to provide an estimate of that amount.

### FALL'S OPEN ENROLLMENT SEASON: ONE IN FOUR EXPECT CHANGES, MANY INVOLVING HIGHER COST

Currently, more than half of non-elderly Americans – by far the largest portion of those with coverage – get their health insurance through an employer.<sup>1</sup> As fall approaches, so too does open enrollment season, the time during which many employers opt to make changes to the coverage they offer their workers.

About one in four Americans with employer sponsored coverage say they believe there are health insurance changes coming down the pike for them this fall, while roughly half think their employer is not planning to make changes to their plan and about one in five (22 percent) don't know enough to say yet. The most commonly expected change: rising out of pocket costs. Overall, 16 percent of those with ESI expect their employer to raise their monthly premium, 10 percent expect their deductibles will go up and a similar proportion say there will be changes to the benefits offered. Three percent say their employer is planning to switch insurers, requiring them to change to a new plan.



In general, those whose health coverage comes through larger employers are twice as likely as those working for smaller employers to say they are expecting to see changes this fall (31 percent of those insured through an employer with more than 100 employees, compared with 14 percent for smaller employers.)

<sup>1</sup> Kaiser Commission on Medicaid and the Uninsured, "The Uninsured: A Primer," <http://www.kff.org/uninsured/7451.cfm>

As to Americans' perceptions about why these changes are occurring, the most commonly chosen reason among those who expect a change in their ESI: the fact that health insurance companies are charging more to provide coverage. Among those who anticipate a change in their ESI, nearly seven in ten (69 percent) think rising rates are a major reason for the expected change. Nearly half (48 percent) name their employers' specific financial challenges as a major reason, and 43 percent say they believe the new health reform law is playing a major role in the changes they will experience in their coverage this fall.

Among those with ESI who say their employer is planning to make changes to their plan, percent who say each of the following is a reason for the changes	Major reason	Minor reason	Not a reason
Health insurance companies are charging more to provide coverage	69%	17%	12%
The financial challenges your company is facing	48	25	26
The health reform law passed last year	43	24	27

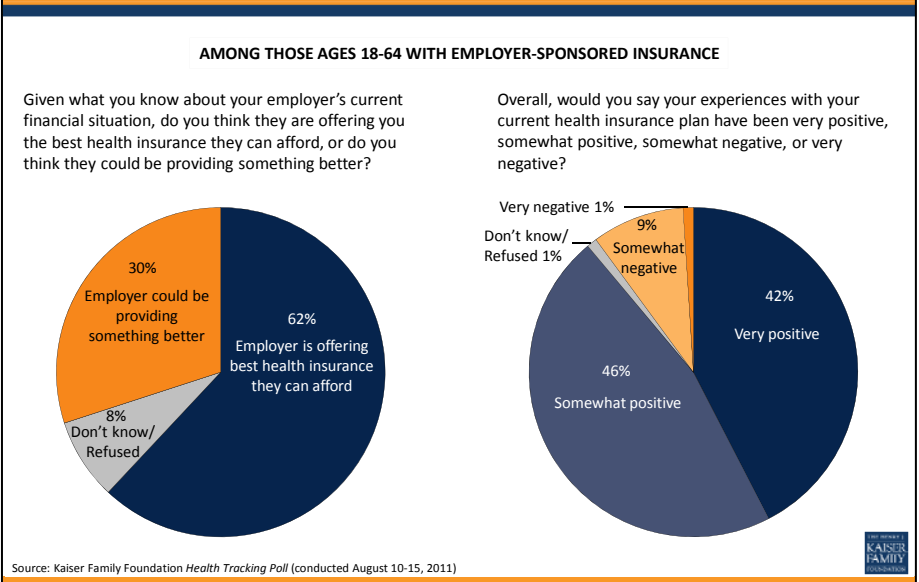
**FAITH THAT EMPLOYERS ARE DOING BEST THEY CAN, BUT SOME WORRY ABOUT LOSING ESI**

Despite the fact that a substantial share expect their costs to increase, the majority of those with ESI (62 percent) believe that their employer is offering the “best health insurance they can afford” given their current financial situation. Three in ten, on the other hand think their employer could be providing better coverage.

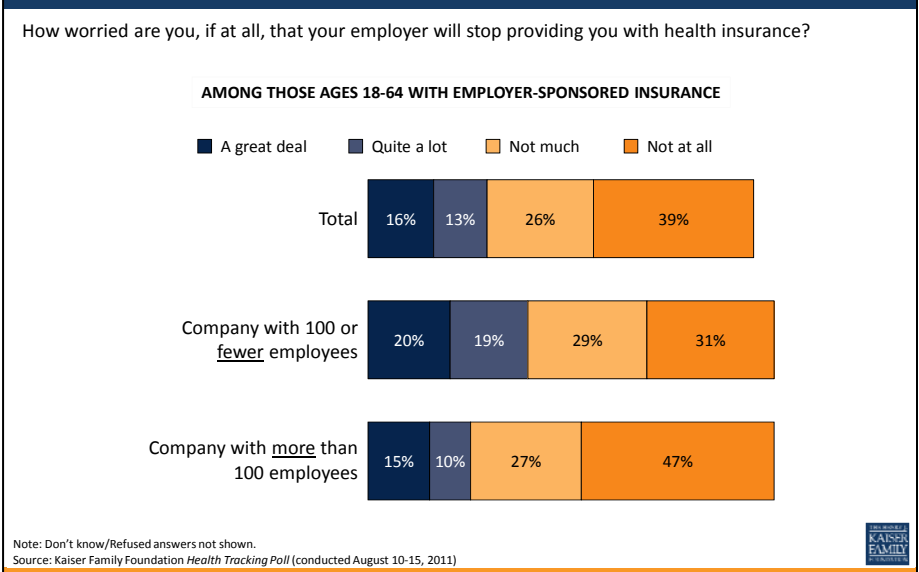
Moreover, nearly nine in ten (88 percent) of those with employer coverage say that their overall experiences with their current plan have been positive, including 42 percent who rate them “very positive.” Just one in ten say their overall experiences with their employer sponsored plan have been negative.

There remains uncertainty, though, among those with employer sponsored coverage as to whether their employer will continue to offer insurance. Overall, three in ten (29 percent) of those with ESI say they are concerned that their employer will drop coverage. Those who receive coverage from a smaller employer (one that employs 100 people or fewer) are more likely to be worried that the employer will stop providing health insurance—four in ten (39 percent) say they are worried, compared to a quarter (25 percent) of those who receive coverage from a larger employer.

**Most With ESI Think Employer Is Providing Best Coverage They Can; Cite Positive Experience With Their Plan**

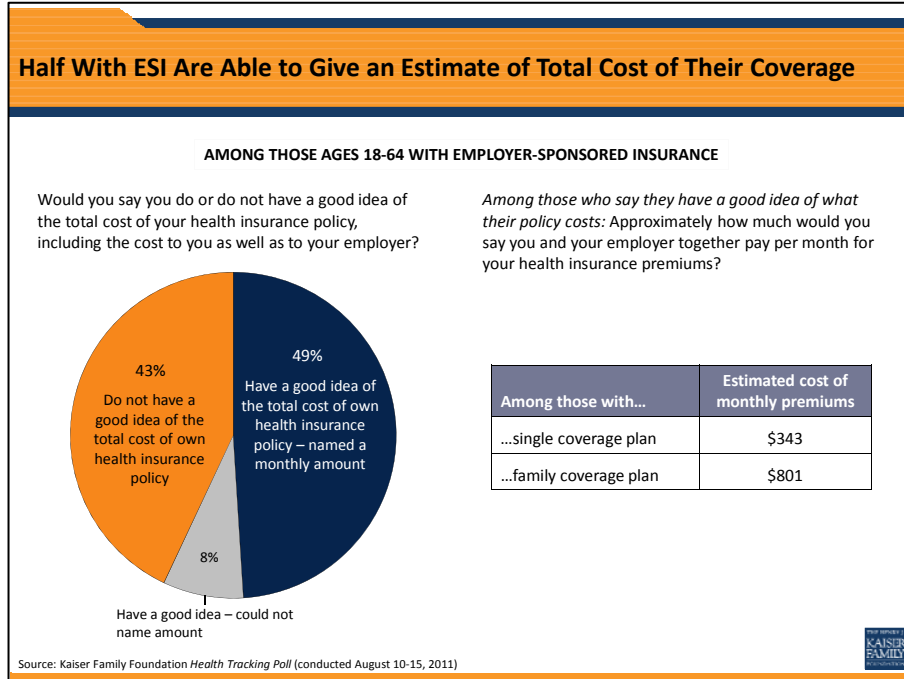


**3 In 10 With ESI Worry Employer Will Stop Coverage; 4 In 10 In Smaller Firms**



## WHAT DO EMPLOYEES UNDERSTAND ABOUT THE COST OF THEIR COVERAGE?

Policy watchers often note that the full cost of health insurance is hidden to many Americans, as they may be well aware of the amount they chip in every month but less aware of the dollar amount their employer is contributing to their coverage.



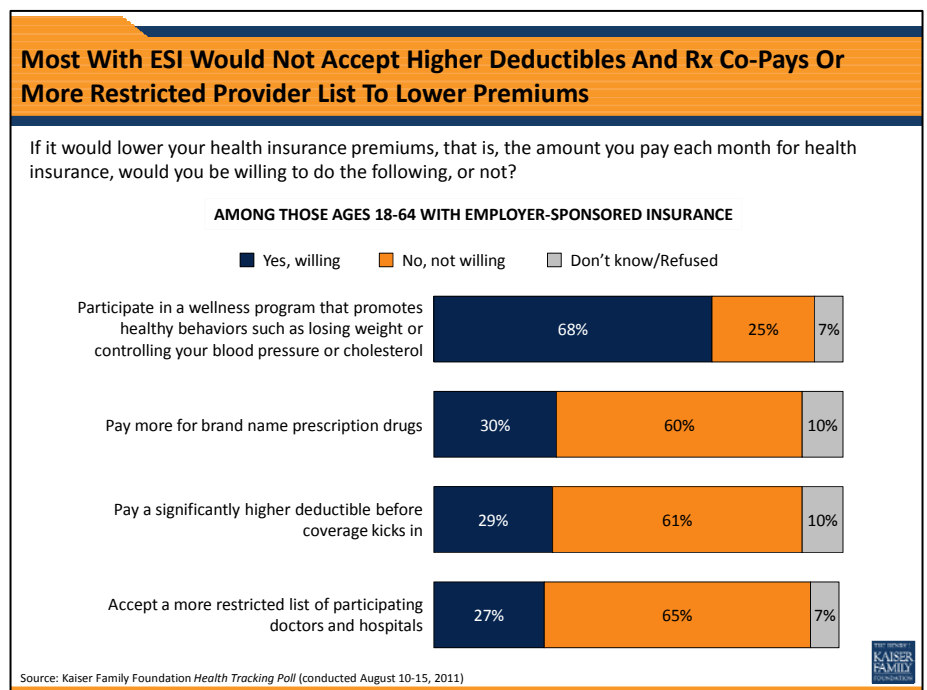
The latest tracking survey suggests that there's some truth in this. Overall, about half of those who self-identify as having ESI either said they do not have a good idea of the total cost of their policy, or were unable to venture a guess as to the total amount of their employer's plus their own contribution.

On the other hand, roughly half of non-seniors with ESI *did* feel they had a good sense of the overall monthly cost of their health insurance coverage, including the cost to their employer, and provided an estimate of this cost. While it is not possible to validate the *actual* costs of these policies, we can do a rough oranges to tangerines comparison of the *average* estimate provided by those with employer based coverage and the average cost estimate provided in a large

and reliable annual survey of employers. The result: among those who give an amount, their estimates appear to be more accurate than some might expect, though they do tend to err on the low side. Among those with individual plans, the average estimate was \$343 per month, which is not far off from the national average of \$421 per month in 2010.<sup>2</sup> Among those with family coverage through an employer, the average guess for the total cost of coverage was \$801, compared with an estimated average cost of \$1,147 for ESI coverage for a family of four in 2010.<sup>3</sup>

## WHAT WOULD EMPLOYEES DO TO LOWER THEIR HEALTH CARE COSTS? MAYBE GO TO THE GYM?

While the survey finds many with employer sponsored coverage expect their health insurance costs to go up this fall, what modifications would they be willing to accept in return for lowered prices? Asked about a list of possible changes to their current insurance that would lower the cost of coverage, those with ESI are only willing to give majority support to one: participating in wellness programs. Two-thirds (68 percent) of those ages 18-64 with employer coverage say they would be willing to participate in a wellness program in order to lower their monthly premiums. But fewer than a third say they'd be



<sup>2</sup> Kaiser Family Foundation/Health Research & Educational Trust *Employer Health Benefits 2010 Annual Survey*, <http://ehbs.kff.org/>

<sup>3</sup> Note that this is not an exact comparison, as survey respondents in family plans may have varying family sizes, and many may have plans that cover only one adult plus one or more children, which would be less expensive than coverage for a family of four with two adults and two children.

willing to accept three other suggestions tested in the survey, including paying more for name brand prescription drugs (30 percent), paying a higher deductible (29 percent), and accepting a more restricted list of participating doctors and hospitals (27 percent).

### HEALTH BENEFITS STILL AN IMPORTANT CONSIDERATION FOR JOB-SEEKERS

In this environment of concern about potential insurance cost increases, health benefits continue to be an important consideration for those looking to find a new job. The vast majority of Americans (not just those who currently have ESI) say that in previous job hunts, whether or not the new position offered health coverage was an important factor in their decision to take the job. Overall, just over one in ten call it the most important factor in their choice, with another five in ten saying it was “very important,” and two in ten calling it “somewhat important.” Just 15 percent say health insurance benefits have not generally been an important factor in their previous job decisions.

When it comes to choosing a job, health benefits are clearly a more important incentive for older Americans than for younger ones, and somewhat more important to women than to men. For example, fully seven in ten (71 percent) of those in the 50-64 age bracket say that health coverage has been a key factor in their previous job choices, compared to less than half of young adults (46 percent of those aged 18- 29). When it comes to the gender gap, 17 percent of women report that health insurance benefits have been the “most important” consideration in their previous job searches, nearly double the share of men (9 percent).

When you've looked for jobs in the past, how important a consideration has it been whether the job comes with health insurance benefits, or not?							
	All	Male	Female	18-29	30-49	50-64	65+
<b>Most + very important (NET)</b>	<b>61%</b>	<b>55%</b>	<b>66%</b>	<b>46%</b>	<b>61%</b>	<b>71%</b>	<b>64%</b>
Most important consideration	13	9	17	10	15	15	12
Very important	48	46	49	36	46	56	52
<b>Somewhat important</b>	<b>21</b>	<b>24</b>	<b>18</b>	<b>25</b>	<b>25</b>	<b>17</b>	<b>14</b>
<b>Not too + not at all important (NET)</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>27</b>	<b>12</b>	<b>9</b>	<b>15</b>
Not too important	8	7	8	15	7	5	6
Not at all important	7	8	6	12	5	4	9

#### Methodology

This analysis is based on the August Kaiser Health Tracking Poll, designed and analyzed by public opinion researchers at the Kaiser Family Foundation and conducted August 10 through August 15, 2011, among a nationally representative random sample of 1,201 adults ages 18 and older. Telephone interviews conducted by landline (700) and cell phone (501, including 203 who had no landline telephone) were carried out in English and Spanish by Princeton Survey Research Associates. The margin of sampling error for results based on the full sample is plus or minus 3 percentage points. Most results presented here are based on those ages 18-64 who say they currently have health insurance through their own employer or through a spouse's or parent's employer (N=546). The margin of sampling error for this group is plus or minus 5 percentage points. For results based on other subgroups, the margin of sampling error may be higher. Note that sampling error is only one of many potential sources of error in this or any other public opinion poll. A brief of other results from the survey and the full question wording and methodology of the poll can be viewed online at <http://www.kff.org/kaiserpolls/8217.cfm>.

This publication (#\*\$\$) is available on the Kaiser Family Foundation's website at [www.kff.org](http://www.kff.org).