

2015 Vermont Health Benefits Survey

Prepared for
**The Vermont Agency
on Administration**

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Executive Summary

The Vermont Agency on Administration contracted with the University of Massachusetts Medical School (UMass) to conduct a survey of Vermont employers regarding the health benefits they provide to employees. Accurate data on the health benefits currently provided is essential to evaluate the effects of any proposed changes to health care financing in the state. This data can also help employers who wish to ensure that the benefits they offer to their employees are competitive with other similar employers.

This report presents data obtained through an online survey of Vermont firms on the health benefits they provide to their employees. The survey asked firms to provide information about the firm, whether it offers health benefits to its employees, what types of benefits it offers, how many employees are enrolled, and what the cost is to the employer and the employee. Key findings are included in this summary, while the report presents more detail.

A total of 7,516 Vermont firms were invited to respond to an online survey; of these, 2,688 completed surveys (36 percent); 2,582 surveys (34 percent) were analyzed in this report. The report presents responses only from firms with 3 or more employees. These 2,582 analyzed surveys represent approximately 12 percent of all Vermont firms and 24 percent of all firms with 3 or more employees.

Overall, 50 percent of responding firms offer health insurance to their employees, as shown in Table ES.1. Virtually all large employers offer health insurance, while only 38 percent of the smallest firms (3–9 employees) do so. In these tables, “Total” refers to all firms with 3 or more employees.

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Firm offers health insurance	38%	54%	69%	91%	100%	50%

Among firms that offer health insurance, employers’ costs vary considerably depending on the type of coverage provided, as shown in Table ES.2. Employers’ premium costs are highest for family coverage and lowest for single coverage. Smaller firms generally pay more for health insurance premiums than large employers.

There is also wide variation in the share of premium contributed by employers. Approximately one-fourth of Vermont firms pay 100 percent of premium, but one-third of firms contribute less than 70 percent of premium. Smaller firms that offer a health insurance benefit are more likely to contribute 100 percent of premium, while larger firms are more likely to contribute 80–99 percent of premium.

Table ES.2 Median Employer Premium Contribution

Median employer monthly premium contribution for full-time employees, by coverage type and firm size, in dollars

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single	\$427	\$411	\$360	\$359	\$398	\$400
Couple	\$752	\$600	\$593	\$619	\$730	\$626
Single + children	\$820	\$748	\$600	\$736	\$1,206	\$710
Family	\$1,098	\$924	\$833	\$800	\$956	\$924

Among employees enrolled in employer-sponsored health insurance, the median employee contribution to premium is \$327 per month for family coverage and \$84 per month for single coverage, as shown in Table ES.3. However, there is wide variation in employee contributions as well. Because one-fourth of firms that offer an health insurance benefit pay 100 percent of premium, many employees pay \$0 in premium. At the high end of the spectrum, 10 percent of employees with single coverage pay \$285 or more per month, and 10 percent of employees with family coverage pay \$948 or more per month. For family coverage, the median deductible is \$2500, but 10 percent of employees with family coverage have a deductible of \$6000 or more, and at least 10 percent of employees with family coverage have no deductible. These ranges are similar for other coverage types. This variation reflects the variation in health benefits offered by employers, as well as the variation in premium prices offered to different employers.

Table ES.3 Median Employee Responsibility

Median employee Annual Deductible, Annual Maximum Out of Pocket, Annual Premium Contribution, and Monthly Premium Contribution, in dollars. Maximum Out of Pocket does not include premium.

	Annual Deductible	Annual Maximum Out of Pocket	Annual Premium Contribution	Monthly Premium Contribution
Single	\$1,550	\$4,000	\$1,008	\$84
Couple	\$2,400	\$5,750	\$2,832	\$236
Single + children	\$2,500	\$6,000	\$2,568	\$214
Family	\$2,500	\$6,000	\$3,924	\$327

I. Introduction

The Vermont Agency on Administration contracted with the University of Massachusetts Medical School (UMass) to conduct a survey of Vermont employers regarding the health benefits they provide to employees. Accurate data on the health benefits currently provided is essential to evaluate the effects of any proposed changes to health care financing in the state. This data can also help employers who wish to ensure that the benefits they offer to their employees are competitive with other similar employers.

This report presents data obtained through an online survey of Vermont firms on the health benefits they provide to their employees. The survey asked firms to provide information about the firm, whether it offers health benefits to its employees, what types of benefits it offers, how many employees are enrolled, and what the cost is to the employer and the employee.

The UMass team developed the survey instrument for this analysis, building on the health benefits questions included in a fringe benefits survey previously conducted by the Vermont Department of Labor (DOL),¹ and adding additional questions. The Office of Survey Research (OSR) within UMass's Center for Health Policy Research programmed and administered the survey, and processed the survey data. The UMass Center for Health Law and Economics (CHLE) analyzed and compiled the survey responses.

CHLE enriches and develops health reform ideas and policies that enhance the coverage, quality, and affordability of care. The Center integrates expertise in health law, policy, and economics to provide robust solutions, recommendations, and program development services needed for a complex healthcare environment.

OSR provides customized survey research services. Its survey research experts work closely with clients to develop, conduct, and deliver targeted surveys with maximum response rates. OSR maintains state-of-the-art facilities in Shrewsbury, Massachusetts, including an in-house call center equipped with leading telephony and web-based survey management systems. With these technologies, the UMass team conducts mixed-mode surveys featuring mail, telephone, and web modalities with integrated data collection.

A Note about the Data

Researchers should use caution in applying the results of this survey to draw inferences about the entire Vermont population or specific sub-populations. Section II provides detailed information about the survey respondents. When using these survey results to make inferences, researchers should consider the sample size and the detailed survey respondent data.

This report does not display values for data cells containing fewer than 5 responses, as this sample size is insufficient to support inferences.

¹ Vermont Department of Labor, 2013 Fringe Benefit Study Survey Instrument, September 9, 2013.
<http://www.vtlni.info/2013fringebenefitstudyinstrument.pdf>

II. Survey Respondents

UMass invited private Vermont non-agricultural firms with three or more employees to respond to an online survey over a one-month period in November and December 2014. UMass sent invitations to respond via email to firms that registered with the Vermont Department of Labor (DOL), and that had a valid email on file with DOL. Each firm received a pre-notification of the survey and four invitations to respond.

A total of 7,516 employers were invited to respond; of these, 2,688 completed surveys (36 percent); 2,582 surveys (34 percent) were analyzed in this report. These 2,582 analyzed surveys represent approximately 12 percent of all Vermont firms and 24 percent of all firms with 3 or more employees. The report presents responses only from firms with 3 or more employees. Thus, throughout this report, “Total” refers to firms with 3 or more employees.

This section provides details about the survey respondents. The remainder of the report describes their responses. In order to use this survey report to make inferences about the population as a whole, researchers may need to make adjustments based on the respondent data provided in this section.

Table 2.1 Survey Response Rate

	Number of Responses	Percent of Total Invited
Firms invited to respond to survey	7,516	
Firms that did not respond or provided incomplete responses	4,828	64%
Firms that responded completely but reported fewer than 3 employees	106	1%
Final sample analyzed in this report	2,582	34%

Table 2.2 Survey Response Rate by Firm Size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Completed surveys	1,419	557	393	189	24	2,582
Firms invited to respond	4,683	1,423	906	430	74	7,516
Response rate	30%	39%	43%	44%	33%	34%
Total number of firms in VT	6,687*	2,084	1,283	638	107	10,800*
Completed surveys as a percent of all firms	21%*	27%	31%	30%	22%	24%*

The total number of firms in Vermont is from the Vermont Quarterly Census of Employment and Wages, Size of Firm, Q1 2014.

** The quarterly census does not break out the number of firms with 3–9 employees. This estimate is based on the number of firms in a data file provided by DOL.*

Small for-profit companies with less than 50 employees submitted the largest number of completed surveys (1,865). The smallest firms with 3–9 employees submitted over half of all completed surveys (1,419). Fifty percent of respondent firms are in one of two industry categories: Retail Trade or Services (personal, business, recreation, education, other).

Most respondents have one company location within Vermont (2,311). Six hundred and forty-six firms are located in Chittenden County, 326 in Washington County, and 286 in Windsor County.

Table 2.3 Business Type

Number of respondents by business type and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
For-Profit	1,171	419	275	115	9	1,989
Not-for-Profit	210	124	117	72	15	538
Low-Profit Limited Liability (L3C)	22	7	0	0	0	29
Total	1,403	550	392	187	24	2,556

Note: Missing values (n = 26) were excluded from the reported total.

Table 2.4 Industry

Number of respondents by industry and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Agriculture, Forestry, Fishing	44	13	3	3	0	63
Construction	168	49	34	13	1	265
Finance, Insurance, Real Estate	59	11	10	8	1	89
Manufacturing, Mining	50	39	43	21	1	154
Retail Trade	202	88	63	21	4	378
Services (personal, business, recreation, education, other)	513	178	130	64	14	899
Transportation, Communications, Utilities, Sanitary Services	40	16	16	6	0	78
Wholesale Trade	32	13	8	6	0	59
Other	308	150	86	47	3	594
Total	1,416	557	393	189	24	2,579

Note: Missing values (n = 3) were excluded from the reported total.

Table 2.5 Years in Business

Number of respondents by years firm has been in business and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Less than 1 year	23	10	4	1	0	38
1 year to less than 3 years	76	27	13	4	0	120
3 years to less than 5 years	79	28	11	1	0	119
5 years to less than 10 years	171	57	23	8	1	260
10 years or more	1,069	435	342	175	23	2,044
Total	1,418	557	393	189	24	2,581

Note: Missing values (n = 1) were excluded from the reported total.
Table 2.6 Vermont Locations

Number of respondents by number of firm locations in Vermont and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
1 location	1,354	505	321	120	11	2,311
2 locations	51	34	36	27	4	152
3-5 locations	13	11	31	26	3	84
6+ locations	1	7	5	16	6	35
Total	1,419	557	393	189	24	2,582

Table 2.7 Locations Outside Vermont

Number of respondents by firm locations outside Vermont and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
0 locations	1,307	491	323	132	15	2,268
1 location	40	27	23	17	2	109
2 locations	19	5	7	4	1	36
3-5 locations	12	10	8	11	0	41
6+ locations	31	19	24	21	5	100
Total	1,409	552	385	185	23	2,554

Note: Missing values (n = 28) were excluded from the reported total.

Table 2.8 Counties

Number of respondents by firm locations in Vermont counties and firm size

	3–9 employees	10–19 employees	20–49 employees	50–49 employees	250+ employees	Total
Addison	80	43	29	18	3	173
Bennington	119	42	34	12	3	210
Caledonia	75	39	23	20	1	158
Chittenden	302	145	123	67	9	646
Essex	24	7	8	5	2	46
Franklin	83	35	21	23	4	166
Grand Isle	16	9	7	2	2	36
Lamoille	75	30	22	14	4	145
Orange	74	12	19	11	2	118
Orleans	62	26	18	15	0	121
Rutland	129	54	46	29	4	262
Washington	161	70	50	38	7	326
Windham	132	51	33	18	2	236
Windsor	150	61	48	21	6	286
Total	1,482	624	481	293	49	2929

Note: Firms may have locations in more than one county.

III. Health Insurance Offer Rates

This section examines the proportion of firms that offer a health insurance benefit to any of their Vermont employees. Overall, 50 percent of respondents offer health insurance to employees, but this percentage varies widely by employer size, industry, and even by county. One hundred percent of firms with more than 250 employees offer health insurance, compared to only 37 percent of firms with 3–9 employees. Sixty-one percent of firms with locations in Chittenden County offer health insurance, partly because more large firms are located in Chittenden. Only 39 percent of firms with locations in the Northeast Kingdom offer insurance. Looking across industries, firms in wholesale trade, finance, insurance, and real estate are most likely to offer health insurance, while firms in construction, agriculture, forestry, and fishing are least likely to offer.

This section shows the number of firms that offer health insurance as a percentage of all firms in a given firm size category.

Table 3.1 Offer Rates by Firm Size

Percent of firms offering health insurance, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Firm offers health insurance	37%	54%	69%	91%	100%	50%

Table 3.2 Offer Rates by County/Region

Percent of firms that offer health insurance by county where firm has a location* and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Addison	36%	53%	79%	94%	100%	55%
Bennington	48%	53%	61%	88%	100%	53%
Chittenden	51%	57%	75%	85%	100%	61%
Franklin and Grand Isle	30%	50%	63%	92%	100%	41%
Lamoille	33%	39%	72%	100%	100%	44%
Northeast Kingdom**	22%	55%	56%	85%	100%	39%
Orange	27%	56%	69%	100%	100%	41%
Rutland	32%	58%	67%	93%	100%	47%
Washington	36%	50%	64%	96%	100%	49%
Windham	31%	50%	75%	89%	100%	43%
Windsor	40%	60%	64%	100%	100%	53%

*A firm may have locations in more than one county.

**Northeast Kingdom includes Essex, Orleans and Caledonia Counties.

Table 3.3 Offer Rates by Industry

Percent of firms that offer health insurance, by industry and firm size*

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Agriculture, Forestry Fishing	23%	38%	.	.	.	29%
Construction	23%	47%	71%	92%	.	37%
Finance, Insurance, Real Estate	63%	82%	100%	100%	.	73%
Manufacturing, Mining	42%	51%	67%	100%	.	60%
Retail Trade	24%	41%	68%	86%	.	40%
Services (personal, business, recreation, education, other)	39%	48%	62%	84%	100%	48%
Transportation, Communications, Utilities, Sanitary Services	35%	75%	81%	83%	.	56%
Wholesale Trade	59%	77%	100%	100%	.	73%
Other	47%	66%	72%	96%	.	59%

Note: "." indicates that a cell contains fewer than five responses.

IV. Part-Time and Seasonal Employees

Some firms offer health insurance to all employees while others may offer insurance only to full-time or full-year employees. A firm may offer health insurance only to employees who work a certain minimum number of hours per week to avoid paying for health insurance for part-time employees. Similarly, a firm may offer health insurance to employees only after they have worked a certain number of days or hours in order to avoid paying for health insurance for seasonal employees.

This section first describes the share of firms that require employees to work a given number of hours per week before they are eligible for health insurance. For firms that do offer insurance to part-time employees, we explore whether the firm makes a smaller contribution to the premium.

This section then describes the share of firms that impose a waiting period before an employee is eligible for health insurance. The final set of tables in this section illustrates the distribution of waiting periods by firm size, where the waiting period is defined in days or where the waiting period is defined in hours.

The denominator for calculating percentages is different for each table in this section. The denominator is noted in each table.

Over half of all firms (55 percent) require employees to work between 30 and 39 hours per week in order to access health insurance benefits, and another 23 percent require employees to work 40 hours. Of firms that offer insurance to part-time employees, 51 percent make a smaller contribution to part-time employees' health insurance premiums.

Sixty percent of firms that offer health insurance require a waiting period before employees can access health benefits. Larger firms are more likely to impose a waiting period than smaller firms. Fifty-five percent of firms that offer health insurance benefits impose a waiting period in days, and 12 percent impose a waiting period in hours of service.

Among firms that impose a waiting period in days, 38 percent have a waiting period of between 61 and 90 days before employees can access health benefits. Among firms that impose a waiting period in hours of service, 43 percent require between 241 and 1,200 hours of service before employees can access health benefits.

Table 4.1 Minimum Hours Requirement

Distribution of working hours requirements, as a percent of firms that offer health insurance to any employees, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
40 hours	28%	25%	18%	14%	.	23%
30–39 hours	50%	53%	63%	61%	63%	55%
20–29 hours	8%	13%	13%	15%	33%	12%
19 or fewer hours or no minimum requirement	14%	9%	7%	10%	4%	11%
Total	100%	100%	100%	100%	100%	100%

Note: "." indicates that a cell contains fewer than five responses.

Table 4.2 Relative Premium Contribution for Part-Time Employees

Firms that make a smaller health insurance premium contribution for part-time employees than for full-time employees, as a percent of firms that offer insurance to part-time employees, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Firm makes smaller contribution	34%	48%	55%	79%	63%	51%

Table 4.3 Waiting Period

Firms requiring a waiting period, as a percent of firms that offer health insurance to any employees, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Requires waiting period in days	45%	60%	64%	65%	63%	55%
Requires waiting period in hours of service	10%	10%	14%	16%	25%	12%
No waiting period	50%	35%	31%	30%	29%	40%

Note: Some firms may have waiting periods both in days and in hours of service.
Table 4.4 Waiting Period in Days

Distribution of waiting period for health insurance to be effective in days, as a percent of firms that require a waiting period in days, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Up to 30 days	23%	24%	25%	28%	.	24%
31 - 60 days	24%	21%	28%	39%	53%	27%
61 - 90 days	39%	45%	38%	29%	.	38%
91 days or more	14%	10%	9%	5%	.	10%
Total	100%	100%	100%	100%	53%	100%

Note: "." indicates that a cell contains fewer than five responses.
Table 4.5 Waiting Period in Hours of Service

Distribution of waiting period for health insurance to be effective in hours of service, as a percent of firms that have a minimum hours of service requirement, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Up to 240 hours	35%	30%	.	26%	.	26%
241 hours to 1,200 hours	31%	43%	54%	52%	.	43%
1,201 hours or more	35%	27%	35%	22%	.	31%
Total	100%	100%	89%	100%	.	100%

Note: "." indicates that a cell contains fewer than five responses.

V. Health Plans Offered

This section focuses on the number and variety of health plans employers offer to their employees. Employers have a number of choices in the types of health benefits they offer. Employers can offer one plan to employees or a choice among several plans. If a firm offers more than three plans, the survey asked them to provide data about the three plans with the highest enrollment. The first table in this section shows the share of firms in each size category that offer one plan, two plans, or three or more plans. Seventy-nine percent of firms with 3–9 employees offer only one plan; 69 percent of all firms offer only one health insurance plan.

A firm may offer a choice only between single and family coverage, or a firm may also offer coverage for two adults or a single adult with one or more children. Firms can also offer different types of health insurance products, such as HMO, PPO, or indemnity insurance. This data is displayed as a percent of firms that offer health insurance to any employees.

Table 5.1 Number of Plans Offered

Distribution of firms that offer one, two, or three (or more) health insurance plans to any employees by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Offers 1 plan	79%	67%	61%	52%	58%	69%
Offers 2 plans	12%	23%	26%	28%	13%	20%
Offers 3+ plans	9%	9%	12%	20%	29%	11%
Total	100%	100%	100%	100%	100%	100%

Table 5.2 Coverage Types Offered

Firms that offer each coverage type, as a percent of firms that offer health insurance to any employees, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single	72%	92%	97%	99%	100%	86%
Couple	36%	53%	74%	86%	92%	56%
Single + children	4%	16%	27%	41%	29%	17%
Family	42%	58%	74%	90%	96%	60%

Note: a firm may offer more than one coverage type.

Table 5.3 Products Offered

Percent of firms that offer each product type, as a percent of firms that offer health insurance to any employees, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Indemnity Plan	3%	2%	1%	5%	13%	3%
HMO (Health Maintenance Organization) Plan	20%	20%	16%	13%	8%	18%
PPO (Preferred Provider Organization) Plan	39%	37%	39%	45%	50%	40%
POS (Point-of-Service) Plan	8%	10%	11%	17%	21%	11%
EPO (Exclusive Provider Organization) Plan	10%	15%	16%	9%	0%	12%
Other	23%	22%	24%	30%	29%	24%

Note: a firm may offer more than one product type.

VI. Enrollment

Employees may have a choice among several coverage types and among several health insurance product types. The first table shows, for each firm size category, the share of employees enrolled in each coverage type. For example, 56 percent of employees in firms with 3–9 employees who are enrolled in a health insurance plan are enrolled in single coverage; 48 percent of all employees who are enrolled in a health insurance plan are enrolled in single coverage. The second table shows, for each firm size category, the share of employees enrolled in each product type. For example, 37 percent of employees of firms with 3–9 employees who are enrolled in a health plan are enrolled in a PPO plan; 44 percent of all employees who are enrolled in a health plan are enrolled in a PPO plan.

For firms that offer more than three plans, the survey requested data on the three plans with the highest number of enrolled employees. The enrollment figures reported here include data only for the three most popular plans.

Table 6.1 Enrollment by Coverage Type

Distribution of employees enrolled in a health insurance plan across coverage types, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single	56%	57%	54%	46%	42%	48%
Couple	18%	17%	20%	22%	22%	21%
Single + children	3%	4%	4%	3%	5%	4%
Family	23%	22%	23%	30%	31%	28%
Total	100%	100%	100%	100%	100%	100%

Table 6.2 Enrollment by Product Type

Distribution of employees enrolled in a health insurance plan across product types, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Indemnity Plan	3%	2%	1%	3%	6%	3%
HMO (Health Maintenance Organization) Plan	19%	18%	14%	9%	6%	11%
PPO (Preferred Provider Organization) Plan	37%	34%	35%	45%	52%	44%
POS (Point of Service) Plan	8%	9%	9%	13%	16%	12%
EPO (Exclusive Provider Organization) Plan	10%	17%	18%	6%	0%	8%
Other	23%	21%	24%	24%	20%	23%
Total	100%	100%	100%	100%	100%	100%

VII. Employer Cost

An employer's contribution to employee health insurance premiums often varies based on the coverage and product in which a given employee is enrolled. This section provides data on employers' dollar contribution to premium and percentage contribution to premium.

The dollar amounts reported here represent the mean and median dollar amounts of all employer plans reported to the survey. Some firms provided data on only one plan, some provided data on two plans, and some provided data on three plans. This section describes employer cost for all the plans reported.

The first two tables show the mean and median contribution to the monthly premium amount, in dollars. For most cells, the mean and median contributions to premium are quite similar, indicating that the data are not skewed.

Table 7.3 shows the distribution of employer percentage contribution to premium, by firm size. For example, employers contributed between 1 percent and 70 percent of the monthly premium cost for single coverage in 21 percent of plans reported by firms with 3–9 employees. Employers contributed of 100 percent of premium for approximately one quarter of all plans reported.

Table 7.4 is similar to the Table 7.3. It shows the distribution of employer percentage contribution to premium by industry. Note that because the majority of survey respondents are very small businesses, these firms highly influence results for all survey respondents. Table 7.4 shows that there is substantial variation across industries in the distribution of employer percentage contribution to premium. For example, while firms in the wholesale trade industry are more likely to offer health insurance benefits to their employees than firms in most other industries (see Table 3.3), these firms are also more likely to contribute a smaller share of the premium cost than firms in other industries.

Table 7.1 Mean Monthly Dollar Contribution

Mean employer monthly premium contribution for full-time employees, by coverage type and firm size, in dollars

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single	\$460	\$424	\$375	\$381	\$436	\$419
Couple	\$729	\$657	\$604	\$641	\$812	\$666
Single + children	\$801	\$729	\$606	\$707	\$1,074	\$715
Family	\$1,029	\$927	\$801	\$854	\$1,115	\$917

Table 7.2 Median Monthly Dollar Contribution

Median employer monthly premium contribution for full-time employees, by coverage type and firm size, in dollars

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single	\$427	\$411	\$360	\$359	\$398	\$400
Couple	\$752	\$600	\$593	\$619	\$730	\$626
Single + children	\$820	\$748	\$600	\$736	\$1,206	\$710
Family	\$1,098	\$924	\$833	\$800	\$956	\$924

Table 7.3 Employer Share of Premium

Distribution of the percentage share of premium contributed by employers, among employers who contribute to employee health insurance premiums, by coverage type and firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Single						
1–70%	21%	28%	31%	25%	24%	26%
71–80%	13%	20%	20%	28%	24%	20%
81–95%	12%	15%	18%	31%	.	19%
96–99%	1%	3%	2%	3%	49%	2%
100%	53%	34%	28%	13%	3%	33%
Total	100%	100%	100%	100%	100%	100%
Couple						
1–70%	27%	36%	46%	33%	19%	35%
71–80%	14%	23%	19%	29%	36%	22%
81–95%	11%	14%	17%	28%	42%	19%
96–99%	1%	1%	1%	2%	3%	1%
100%	48%	26%	17%	8%	.	23%
Total	100%	100%	100%	100%	100%	100%
Single + children						
1–70%	32%	30%	38%	27%	22%	32%
71–80%	20%	16%	19%	33%	22%	23%
81–95%	14%	18%	18%	23%	44%	20%
96–99%	2%	3%	3%	4%	11%	4%
100%	32%	33%	21%	14%	.	23%
Total	100%	100%	100%	100%	100%	100%
Family						
1–70%	27%	35%	44%	34%	20%	35%
71–80%	19%	25%	20%	28%	34%	23%
81–95%	11%	11%	15%	27%	46%	17%
96–99%	0%	2%	1%	2%	.	1%
100%	43%	27%	19%	9%	.	24%
Total	100%	100%	100%	100%	100%	100%

Note: "." indicates that a cell contains fewer than five responses.

Table 7.4 Employer Share of Premium by Industry

Distribution of the percentage share of premium contributed by employers, among employers who contribute to employee health insurance premiums, by coverage type and industry

	Agriculture Forestry Fishing	Construction	Finance Insurance Real Estate	Manufacturing Mining	Retail	Services (personal, business, recreation, education, other)	Transportation Communications Utilities Sanitary	Wholesale Trade	Other
Single									
1-70%	13%	46%	17%	32%	42%	20%	42%	45%	18%
71-80%	19%	14%	15%	37%	21%	19%	24%	10%	17%
81-95%	13%	13%	23%	13%	10%	23%	13%	10%	22%
96-99%	6%	1%	2%	1%	1%	2%	.	.	2%
100%	50%	25%	43%	18%	25%	35%	21%	35%	41%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Couple									
1-70%	20%	53%	20%	44%	52%	35%	45%	57%	22%
71-80%	10%	17%	29%	34%	18%	19%	32%	22%	20%
81-95%	40%	7%	24%	11%	10%	26%	3%	4%	21%
96-99%	.	.	.	.	1%	2%	.	.	2%
100%	30%	24%	27%	11%	18%	18%	19%	17%	34%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Single + children									
1-70%	.	.	.	.	.	33%	.	.	15%
71-80%	.	.	.	.	.	23%	.	.	22%
81-95%	.	.	.	.	.	17%	.	.	31%
96-99%	.	.	.	.	.	7%	.	.	1%
100%	.	.	.	.	.	20%	.	.	31%
Total	.	.	.	.	.	100%	.	.	100%
Family									
1-70%	.	56%	23%	35%	50%	35%	34%	52%	24%
71-80%	.	19%	34%	41%	20%	20%	34%	17%	22%
81-95%	.	7%	19%	11%	9%	24%	3%	7%	20%
96-99%	.	.	.	.	1%	2%	3%	.	2%
100%	.	19%	23%	13%	21%	20%	25%	24%	32%
Total	.	100%	100%	100%	100%	100%	100%	100%	100%

Note: "." indicates that a cell contains fewer than five responses.

VIII. Employee Cost

Most employees enrolled in employer-sponsored health insurance make a contribution to the monthly premium amount. The plan may include a deductible and other cost-sharing requirements, along with a maximum out-of-pocket (MOOP) amount. All of these amounts vary by coverage type.

The first two tables show mean and median annual deductible, annual MOOP, and monthly dollar contribution to premium. These amounts are similar across firm size categories, except that the smallest firms offer plans with a lower deductible and require a smaller employee contribution to premium.

Tables 8.3, 8.4 and 8.5 show the distribution of these amounts for all enrolled employees. Table 8.3 shows, for all employees enrolled in health insurance in all firms, the 90th percentile amount, 75th percentile amount (3rd quartile), 50th percentile amount (median), 25th percentile amount (1st quartile) and 10th percentile amount for the annual deductible, MOOP, annual premium contribution, and monthly premium contribution. Tables 8.4 and 8.5 show these same amounts for firms with fewer than 50 employees and for firms with 50 or more employees.

The median employee contribution to premium was \$327 per month for family coverage and \$84 per month for single coverage, but there is wide variation in employee contributions to premium. Because one-fourth of firms pay 100 percent of premium, many employees pay \$0 in premium. At the high end of the spectrum, 10 percent of employees with single coverage pay \$285 or more per month, and 10 percent of employees with family coverage pay \$948 or more per month.

For family coverage, the median deductible is \$2500, but 10 percent of employees with family coverage have a deductible of \$6000 or more, and at least 10 percent of employees with family coverage have no deductible. These ranges are similar for other coverage types.

Tables 8.4 and 8.5 show that, while median costs are similar for employees of small and large employers, there is a wider spread of costs among small employers. For example, 25% of employees enrolled in family coverage with a small employer (3-49 employees) pay \$0 toward their monthly premium, another 25% pay \$604 or more, and 10% pay \$1020 or more. Among large employers (50 or more employees) the spread of costs is much narrower. Virtually all employees enrolled in family coverage make some contribution to premium. Twenty-five percent of employees enrolled in family coverage with a large employer pay \$241 or less, another 25% pay \$490 or more, and only 10% pay \$677 or more.

Table 8.1 Mean Employee Costs

Mean Employee Deductible, MOOP and Premium Contribution, by coverage type and firm size

	3-9 employees	10-19 employees	20-49 employees	50-249 employees	250+ employees	Total
Single						
Deductible	\$1,639	\$1,586	\$1,683	\$1,637	\$1,651	\$1,638
MOOP	\$3,842	\$3,983	\$4,007	\$2,992	2,889	\$3,724
Monthly premium contribution	\$112	\$122	\$121	\$126	\$126	\$120
Couple						
Deductible	\$2,491	\$2,644	\$2,917	\$3,017	\$3,205	\$2,805
MOOP	\$6,150	\$6,535	\$6,742	\$5,347	\$5,078	\$6,150
Monthly premium contribution	216	337	304	297	255	\$286
Single + children						
Deductible	\$2,494	\$2,517	\$3,222	\$2,850	\$4,042	\$2,888
MOOP	\$6,857	\$6,955	\$7,273	\$5,118	\$6,250	\$6,507
Monthly premium contribution	\$287	\$251	\$229	\$238	\$211	\$245
Family						
Deductible	\$2,802	\$2,734	\$3,129	\$3,142	\$3,226	\$2,973
MOOP	\$6,284	\$7,034	\$6,874	\$5,552	\$5,689	\$6,384
Monthly premium contribution	\$358	\$411	\$460	\$411	\$347	\$407

Table 8.2 Median Employee Costs

Median Employee Deductible, MOOP and Premium Contribution, by coverage type and firm size

	3-9 employees	10-19 employees	20-49 employees	50-249 employees	250+ employees	Total
Single						
Deductible	\$1,550	\$1,550	\$1,550	\$1,250	\$1,500	\$1,550
MOOP	\$4,000	\$4,250	\$4,250	\$2,500	\$3,000	\$4,000
Monthly premium contribution	\$1	\$85	\$93	\$108	\$119	\$84
Couple						
Deductible	\$1,900	\$2,500	\$2,500	\$2,400	\$3,000	\$2,400
MOOP	\$5,050	\$6,250	\$6,000	\$5,000	\$5,000	\$5,750
Monthly premium contribution	\$50	\$256	\$262	\$243	\$237	\$236
Single + children						
Deductible	\$1,900	\$2,450	\$3,019	\$2,450	\$5,000	\$2,500
MOOP	\$6,157	\$6,975	\$8,500	\$5,000	\$5,500	\$6,000
Monthly premium contribution	\$245	\$169	\$211	\$225	\$213	\$214
Family						
Deductible	\$1,950	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500
MOOP	\$5,750	\$7,750	\$6,250	\$5,000	\$6,000	\$6,000
Monthly premium contribution	\$198	\$330	\$364	\$347	\$332	\$327

Table 8.3 Distribution of employee costs: All firms

 90th percentile, 75th percentile, 50th percentile, 25th percentile and 10th percentile employee costs (Annual Deductible, Annual Maximum Out of Pocket, Annual Premium Contribution and Monthly Premium Contribution), by coverage type, in dollars

	Annual Deductible	Annual Maximum Out of Pocket	Annual Premium Contribution	Monthly Premium Contribution
Single				
90%	\$3,500	\$6,250	\$3,420	\$285
75% Q3	\$2,250	\$5,750	\$2,016	\$168
50% Median	\$1,550	\$4,000	\$1,008	\$84
25% Q1	\$300	\$1,250	\$0	\$0
10%	\$150	\$1,000	\$0	\$0
Couple				
90%	\$6,000	\$12,500	\$7,344	\$612
75% Q3	\$4,000	\$10,000	\$4,896	\$408
50% Median	\$2,400	\$5,750	\$2,832	\$236
25% Q1	\$300	\$2,500	\$588	\$49
10%	\$40	\$1,200	\$0	\$0
Single + children				
90%	\$6,500	\$12,500	\$6,264	\$522
75% Q3	\$4,000	\$10,200	\$4,320	\$360
50% Median	\$2,500	\$6,000	\$2,568	\$214
25% Q1	\$500	\$2,500	\$360	\$30
10%	\$150	\$1,250	\$0	\$0
Family				
90%	\$6,000	\$12,500	\$11,376	\$948
75% Q3	\$4,000	\$10,200	\$6,720	\$560
50% Median	\$2,500	\$6,000	\$3,924	\$327
25% Q1	\$650	\$2,500	\$960	\$80
10%	\$0	\$1,200	\$0	\$0

8.4 Distribution of employee costs: Firms with 3–49 employees

90th percentile, 75th percentile, 50th percentile, 25th percentile and 10th percentile employee costs (Annual Deductible, Annual Maximum Out of Pocket, Annual Premium Contribution and Monthly Premium Contribution), by coverage type, in dollars

	Annual Deductible	Annual Maximum Out of Pocket	Annual Premium Contribution	Monthly Premium Contribution
Single				
90%	\$3,500	\$6,250	\$3,600	\$300
75% Q3	\$2,000	\$5,750	\$2,064	\$172
50% Median	\$1,550	\$4,250	\$816	\$68
25% Q1	\$413	\$1,500	\$0	\$0
10%	\$150	\$1,250	\$0	\$0
Couple				
90%	\$5,750	\$12,500	\$7,962	\$664
75% Q3	\$4,000	\$10,200	\$5,112	\$426
50% Median	\$2,400	\$6,000	\$2,718	\$227
25% Q1	\$300	\$2,500	\$0	\$0
10%	\$150	\$1,250	\$0	\$0
Single + children				
90%	\$6,000	\$12,500	\$6,708	\$559
75% Q3	\$3,800	\$11,500	\$4,596	\$383
50% Median	\$2,500	\$6,750	\$2,352	\$196
25% Q1	\$750	\$2,500	\$156	\$13
10%	\$300	\$1,750	\$0	\$0
Family				
90%	\$6,000	\$12,500	\$12,240	\$1,020
75% Q3	\$4,000	\$10,200	\$7,248	\$604
50% Median	\$2,500	\$6,250	\$3,756	\$313
25% Q1	\$750	\$2,500	\$0	\$0
10%	\$150	\$1,250	\$0	\$0

Table 8.5 Distribution of employee costs: Firms with 50 or more employees

90th percentile, 75th percentile, 50th percentile, 25th percentile and 10th percentile employee costs (Annual Deductible, Annual Maximum Out of Pocket, Annual Premium Contribution and Monthly Premium Contribution), by coverage type, in dollars

	Annual Deductible	Annual Maximum Out of Pocket	Annual Premium Contribution	Monthly Premium Contribution
Single				
90%	\$5,000	\$6,250	\$2,820	\$235
75% Q3	\$2,500	\$5,000	\$1,908	\$159
50% Median	\$1,250	\$2,750	\$1,320	\$110
25% Q1	\$300	\$1,250	\$780	\$65
10%	\$0	\$500	\$0	\$0
Couple				
90%	\$8,000	\$10,600	\$6,000	\$500
75% Q3	\$5,000	\$8,000	\$4,260	\$355
50% Median	\$2,400	\$5,000	\$2,916	\$243
25% Q1	\$400	\$2,000	\$2,088	\$174
10%	\$0	\$0	\$756	\$63
Single + children				
90%	\$7,000	\$10,300	\$5,928	\$494
75% Q3	\$5,000	\$8,000	\$3,732	\$311
50% Median	\$2,500	\$5,000	\$2,676	\$223
25% Q1	\$500	\$2,000	\$1,452	\$121
10%	\$0	\$600	\$0	\$0
Family				
90%	\$8,000	\$11,950	\$8,124	\$677
75% Q3	\$5,000	\$8,800	\$5,880	\$490
50% Median	\$2,500	\$5,000	\$4,086	\$341
25% Q1	\$500	\$2,000	\$2,892	\$241
10%	\$0	\$0	\$600	\$50

IX. Additional Health Benefits Offered

A number of employers offer additional health benefits to their employees. This section reports the percent of all responding firms that offer the following benefits:

- Dental coverage, either through a stand-alone plan or through a health insurance plan that includes a dental benefit.
- Vision coverage, either through a stand-alone plan or through a health insurance plan that includes a vision benefit.
- Cafeteria plan. A cafeteria plan provides participants an opportunity to receive certain benefits on a pre-tax basis, under section 125 of the Internal Revenue Code. Participants in a cafeteria plan must be permitted to choose among at least one taxable benefit (such as cash) and one qualified benefit.
- Health Savings Account (HSA). An HSA is a savings account that an individual enrolled in a High Deductible Health Plan can use to pay for qualified medical expenses.
- Health Reimbursement Account (HRA). An HRA is an account in which an employer sets aside a specific amount of pre-tax dollars to reimburse employees' health care expenditures.
- Flexible Spending Account (FSA). An FSA enables employees to set aside pre-tax dollars from paychecks for qualified health care expenses.

Most large firms (50 employees or more) offer dental insurance coverage to their employees, but most small firms do not. Only 12 percent of all firms offer vision benefits; large firms are more likely to offer this benefit than small firms.

A majority of large firms offer a cafeteria plan. A majority of the largest firms (250 employees or more) also offer an HRA and an FSA. Approximately one-third of large firms offer an HSA. Very few small firms offer these additional benefits.

Table 9.1 Dental Benefits

Percent of firms that offer dental coverage, by firm size*

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Offers stand-alone dental	17%	29%	46%	78%	92%	29%
Offers health insurance with dental benefit	4%	6%	12%	15%	8%	7%
Offers no dental benefits	83%	69%	52%	22%	8%	70%

* Note: some firms offer both stand-alone dental and health insurance including a dental benefit.

Table 9.2 Vision Benefits

Percent of firms that offer vision coverage, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Offers stand-alone vision	1%	0%	0%	0%	0%	1%
Offers health insurance with vision benefit	7%	12%	19%	34%	29%	12%
Offers no vision benefits	92%	88%	81%	66%	71%	87%
Total	100%	100%	100%	100%	100%	100%

Table 9.3 Additional Health-Related Benefits

Percent of survey respondents that offer additional benefits and dollar benefit offered, by firm size

	3–9 employees	10–19 employees	20–49 employees	50–249 employees	250+ employees	Total
Cafeteria Plan: % offer	10%	25%	45%	74%	79%	24%
Health Savings Account (HSA): % offer	12%	17%	23%	33%	38%	16%
Health Savings Account (HSA): median contribution*	\$1,500	\$1,500	\$1,200	\$1,010	\$713	\$1,300
Health Reimbursement Arrangement (HRA): % offer	4%	10%	16%	27%	54%	10%
Health Reimbursement Arrangement (HRA): median contribution*	\$2,000	\$2,000	\$1,375	\$2,500	\$1,538	\$2,000
Flexible Spending Account: % offer	4%	8%	16%	41%	75%	10%
Flexible Spending Account: median contribution*	\$450	\$1,250	\$500	\$350	.	\$500

*Note: Virtually all firms that offered the reported benefits made contributions as a flat dollar amount. Firms that contributed as a percent of employee wages were not included in the reported dollar contribution.

Note: "." indicates that a cell contains fewer than five responses.

X. Conclusion

These survey results provide detailed information to help Vermonters monitor health benefits offered in the state and the cost of employer-sponsored health insurance. These results can also be used to evaluate the effects of proposed changes to the health care system.

While policymakers often focus on averages, the survey findings point to considerable variation in health insurance benefits offered, enrollment, and cost. Half of all responding firms offer health insurance, but offer rates, eligibility requirements, plan design, employer cost, and employee cost vary widely by firm size, county, industry, and coverage type. For example, one-fourth of respondents cover 100 percent of their employees' health insurance premium, while a third of respondents contribute less than 70 percent of premium costs.

To provide a complete picture of the Vermont experience, an analysis of the effect of a health policy on employers and consumers should account for this variation.

Employers generally offer coverage for single employees more than other coverage type categories. Once offered, employers differ in how much they contributed towards health insurance premiums for enrolled employees. This variation in employer support mirrors employee health insurance participation. Employees also differ in plan choices and contributions towards their insurance, suggesting that employer-offered health insurance is more appealing to certain subsets of employees than others. Across all firm sizes, employees generally enroll in health insurance plans and specific coverage at comparable rates. Also, larger firms generally offer complimentary health insurance benefits to their employees more than their smaller counterparts.

Appendix: Survey Methodology

Survey Instrument

UMass developed the survey instrument for this analysis using the health benefits questions included in the Vermont Department of Labor (DOL) fringe benefits survey as a model, and adding additional questions. UMass survey experts programmed the survey for online administration and built logic into it to ensure quality responses. This logic includes:

- *Skip patterns*: In situations where a response to one question makes another question not applicable for that respondent, the online survey skips that question and the respondent never sees it. For example, a respondent that does not offer health insurance would not be asked questions about the types of health insurance offered.
- *Numeric limits*: Responses to open-ended numeric questions are limited to acceptable ranges and the respondent is prompted to correct an answer if outside the acceptable range.
- *Logic consistency between questions*: Establishing rules where the response to one question limits another. For example, the number of employees enrolled in health insurance cannot exceed the total number of employees.

Information on Health Insurance Benefits

One major goal of the survey was to collect detailed data on employer and employee costs for health benefits. These costs vary by plan and by coverage type, and many firms offer more than one plan and coverage type. The survey asked questions to collect as much information as possible about the benefits offered; however, asking too many questions would have been unduly burdensome on respondents. Therefore, for firms that offer more than three plans, the survey requested data on the three plans with the highest number of enrolled employees.

Sample

DOL provided UMass with a file containing contact information for private, non-agricultural employers that are registered with DOL, have provided DOL with a valid email address, and have 3 or more employees. This file contained 9,180 unique records. Among these records, 2,072 had duplicate emails. That is, the same email address was submitted for anywhere from 2 to 71 firms, perhaps indicating that an accountant or other professional was filing on behalf of multiple firms. To avoid sending multiple emails to the same individual, UMass randomly sampled one case from each set of duplicated emails. After removing duplicate and invalid email addresses, the final sample size was 7,516 firms. All 7,516 firms were invited to respond to the survey.

Communication Method

The employers in the selected sample received a pre-notification email from the Agency on Administration alerting them to the upcoming survey invitation. One day following the pre-notification, survey invitations were sent via emails, which contained a web link to the survey with a unique respondent ID and password. Non-respondents received up to three reminder email invitations spaced approximately one week apart.



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