BLS Employment-Based Health Benefits Data and the Affordable Care Act

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Goals for today

- Understand BLS data on employment-based health benefits
  - Coverage
  - Cost
  - Provisions

- Identify some key provisions of the Affordable Care Act

- Consider the effect of the ACA on BLS health benefits data
National Compensation Survey

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

- Sample of occupations
NCS - Not just a health survey

- Coverage
  - 20+ benefits
  - Offered/covered

- Cost
  - Employer cost per hour worked - wages and benefits
  - Employee contributions

- Provisions
  - Time-off, insurances, retirement
NCS data presented for a variety of groupings

- About the establishment
  - Industry
  - Number of workers
  - Geography

- About the workers
  - Occupation
  - Full-time/part-time
  - Union/nonunion
How NCS captures health data

Coverage

Cost

Provisions

Identify each plan

Is it offered to a specific occupation?

How many workers are covered?

Eligibility requirement?

What is the employer cost?

Is there a required employee premium? How much?

What services are provided?

Required payments; limits

What is the cost of the plan?

How does the plan work?
COVERAGE
Who is offered health benefits?

Percent with access to health benefits, private industry, 2013

- Private industry: 70%
- Union: 95%
- Nonunion: 67%
- Full-time: 85%
- Part-time: 24%
- 1-99 workers: 57%
- 100 or more workers: 85%
Who is covered by health benefits?

Percent of workers offered and covered by health benefits, private industry, 2013

- **Private industry**: 70% offered, 55% covered
- **Professional**: 88% offered, 74% covered
- **Service**: 41% offered, 27% covered
- **Sales/office**: 71% offered, 56% covered
- **Production**: 76% offered, 62% covered
- **Lowest wages**: 20% offered, 10% covered
- **Highest wages**: 94% offered, 82% covered

- **Percent of workers offered**
- **Percent of workers covered**
COST
ECI - All benefits and health benefits

Employment Cost Index, private industry, 12-month percent change in employer costs per hour worked, total benefits and health benefits
Employer Costs for Employee Compensation, private industry, June 2013

Percent of compensation

- Wages: 71%
- Supplemental pay: 3%
- Paid leave: 7%
- Insurance: 8%
- Retirement and savings: 4%
- Legally required benefits: 8%

BLS
Employer and employee premiums

- Percent of participants required to contribute
- Amount of employee contribution
- Share of premium paid by employer and employee
PROVISIONS
Coverage for selected services

Percent of participants with coverage for selected services, private industry, 2011

- Hospital room and board: 100%
- Physician office visit: 100%
- Inpatient mental health: 100%
- Outpatient mental health: 80%
- Substance abuse rehabilitation: 70%
Out-of-pocket costs

Average individual deductible among plan participants, private industry

Out of network services -- $1000
AFFORDABLE CARE ACT
Affordable Care Act

- Employer mandate
- Fees, penalties
- Subsidies
- Required coverage
- Changes to existing restrictions
ACA lexicon

- Essential health benefits
- “Metal” levels
- Grandfathered plans
- Cadillac plans
- Small Business Health Options Program (SHOP)
Effect of ACA on NCS

- Employer-provided plan(s)
  - Taxes, penalties, subsidies
  - Standardized coverage
- Plan(s) obtained through SHOP
  - Match to worker characteristics in NCS
- No coverage
  - Penalties
DISCUSSION QUESTIONS
Discussion question

- With implementation of the ACA, the concept of employment-based health benefits may be blurred. Should benefits that come from a SHOP (or elsewhere) be considered as coming from the employment relationship?
- Should BLS try to distinguish coverage coming from different arrangements?
Discussion question

- If an employer chooses not to provide health benefits and instead pays a tax or penalty, should BLS consider that tax/penalty an employer cost of health benefits?
  - Should the “Cadillac” tax be included in employer costs of health benefits?
  - How should BLS treat tax credits (or other premium subsidies) available to small employers that provide health benefits?
Discussion question

- What information about changes in employment-based health care benefits would you be interested in seeing from BLS?
- What new data elements are of interest?
- Is there still interest in plan provisions, such as services covered or limits?
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