



Commonwealth
of Massachusetts

Center for Health
Information and Analysis

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Massachusetts Household and Employer Insurance Surveys: Results from 2011

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Center for Health
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Contents

Executive Summary	1
Chapter 1: Results from the Massachusetts Health Insurance Survey	2
Massachusetts Uninsured Estimates in Context	4
Who are the Uninsured?	7
Trends in Health Care Access	7
Type of Health Insurance Coverage	9
Discussion	10
Chapter 2: Results from the Massachusetts Employer Survey	11
Massachusetts Employers Offering Health Insurance	12
Employees Enrolled in Employer Sponsored Insurance	14
Health Plan Premiums and Employer/Employee Contributions	15
Other Employee Out-of-Pocket Costs	18
Discussion	19
Appendix: MHIS Methodology	20
Appendix: MES Methodology	21

Executive Summary

Following the Bay State's landmark health care reform legislation in April 2006, Massachusetts has achieved near universal insurance coverage. National and state surveys show that Massachusetts has the highest health insurance coverage rates in the nation.¹ Health insurance coverage rates have remained very high, at 97 to 98 percent over the 2008 to 2011 period, despite the lingering effects of the recession. This high level of coverage has been maintained in large part due to the ongoing support of the Massachusetts employer community. The proportion of Massachusetts employers that offer health insurance to their employees has increased since the onset of the state's health reform initiative, while the national rate of employers offering coverage has remained flat since 2005. In 2011 more than three quarters of Massachusetts employers offered health insurance to workers, compared to just 60 percent of national employers.

This report comprises two main components: (1) An update of survey data from the Massachusetts Health Insurance Survey (MHIS) and (2) an update of survey data from the Massachusetts Employer Survey (MES). Both the MHIS and the MES updated information pertains to 2011. The MHIS is an annual state-wide survey of the Massachusetts population which provides information on health insurance coverage and access to and use of health care for the non-institutionalized population in Massachusetts. The MES is an annual state survey of private and public employers (not including federal or state agencies) with three or more workers. It provides information on employer health insurance offer rates, employee take up rates, health insurance premiums, employer contribution amounts, and employee cost sharing requirements.

Access to healthcare remains high in Massachusetts, but increasing healthcare costs have had an increasing impact on both consumers and employers over time. In 2011, 97 percent of Massachusetts residents had health insurance coverage and 76 percent of Massachusetts employers offered health insurance coverage to their employees. Non-elderly adults were slightly less likely to have coverage than children or elderly adults, although their coverage rate was still very high in 2011 (96 percent) and has also been relatively stable since 2008. Despite the recession and subsequent economic challenges, access to care and insurance remained high in the Commonwealth. Nearly all residents (91 percent) reported a usual source of care, and similar levels reported at least one doctor visit over the course of the year. However, employers reported that health care premiums in Massachusetts have experienced average annual increases of 6 to 7 percent over the past six years. Employers' contributions to health care premium costs have increased by similar proportions (6 to 7 percent) while the average annual workers' contribution has increased by 3 percent for an individual plan and by 8 percent for a family plan. These rates of increase are significantly higher than other benchmarks, including inflation and the growth of the state economy, further evidence of an unsustainable trend in health care costs in the Commonwealth.

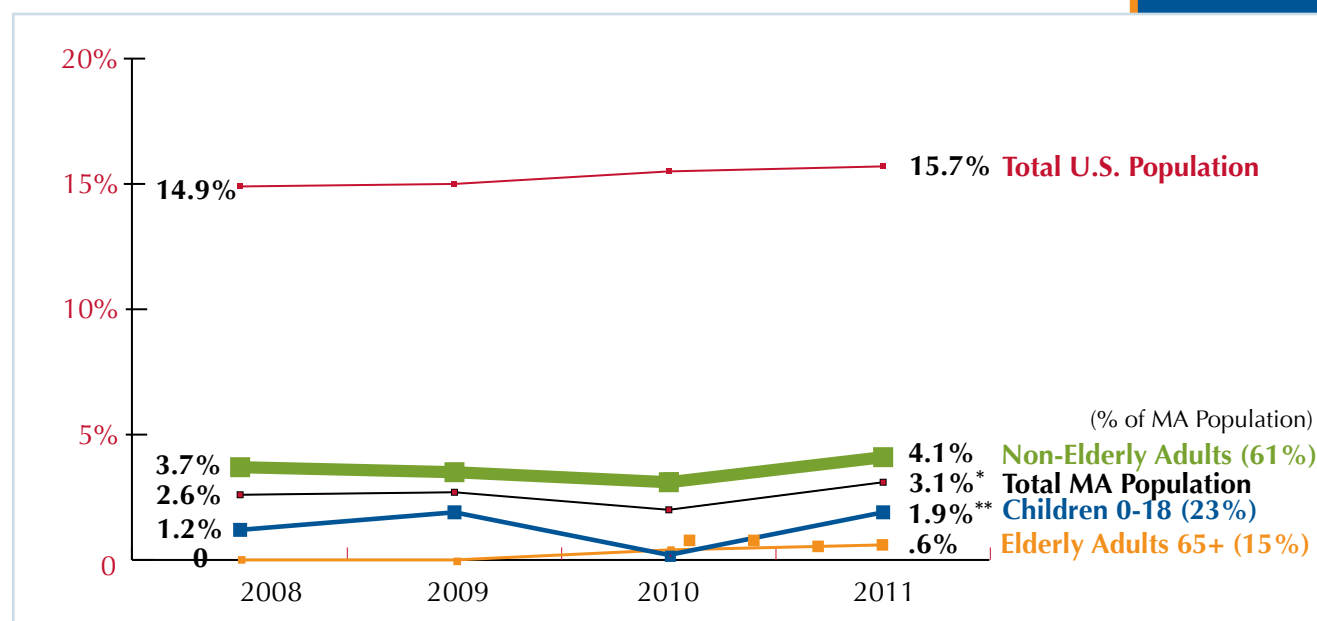
¹ Please see <http://www.mass.gov/chia/docs/r/pubs/11/mhis-policy-brief-5-2011.pdf>

Chapter 1: Results from the Massachusetts Health Insurance Survey

The Commonwealth is now in the sixth year following the passage of Chapter 58, the landmark health care reform legislation of 2006. The state continues to have the highest health insurance coverage rates in the nation. In 2011, 97 percent of Massachusetts residents had health insurance coverage. Massachusetts' coverage rates have remained high; over the four-year time period from 2008 to 2011 there were only small fluctuations year to year despite the lingering effects of the recession. The insurance coverage rate in Massachusetts is far above that of the nation as a whole; national rates have ranged from 83 to 85 percent (see page 4). Although specific estimates of the uninsured vary by survey, all of the available surveys show evidence of a substantial drop in uninsured in Massachusetts associated with the implementation of coverage expansion reforms in Chapter 58 of the Acts of 2006. Additionally, these surveys consistently show that coverage has remained high since 2006, as opposed to the nation as a whole, where a high percentage of the population lacks coverage and coverage rates have been falling.

In 2011, 97 percent of Massachusetts' residents had health insurance coverage. Between 2008 and 2011, the insurance rates among all Massachusetts residents remained at 97 to 98 percent. Although the estimates of coverage rates fluctuated over the years, the variation over this period is not statistically significant.² This suggests that overall coverage levels are changing very little; Massachusetts may be close to maximum coverage levels considering health insurance market characteristics and existing demographics.

Figure 1: Trends in Uninsured Rates by Age Group



Source: Urban Institute tabulations on the Massachusetts HIS, U.S. Census historical tables, 2008-2011.

* (**) Estimate is significantly different from the prior year at the 10% (5%) level, two-tailed test.

Note: In some cases, what appear to be relatively large differences in estimates between years are not statistically significant. This arises because estimates based on small subgroups of the overall population have larger variances, making point estimates less precise.

² The test of the independence of the estimates of the insurance rate for Massachusetts residents of all ages across the four survey years shows p-value is equal to 0.14, which is not statistically significant at the 0.05 level.

Consistent with prior years' results, non-elderly adults were more likely to be uninsured than children or elderly adults in 2011. The uninsurance rate for non-elderly adults was 4.1 percent compared to 1.9 percent for children and 0.6 percent for elderly adults. Hispanic individuals and residents of other non-white race/ethnic groups were more likely to be uninsured than white non-Hispanic residents. An estimated 6 percent of Hispanic residents and 5.1 percent of residents in other, non-white, non-Hispanic groups lacked coverage, more than twice the rate for white residents. Lower family income was also associated with higher uninsurance rates.

Employer-sponsored health insurance remains the most common type of coverage among Massachusetts residents, covering nearly 62 percent of residents in 2011. However, the recent recession has had an impact on employer-based insurance coverage rates, resulting in a decline in private group enrollment during a period when the unemployment rate increased by two percentage points.³ Results from the MHIS show that between 2011 and 2010, the share of residents with employer-sponsored insurance coverage fell while the proportion with public or other coverage increased, continuing a trend from 2009 that is also reflected in national data.⁴ Despite this change, employer offer of health benefits has remained high, with more than three quarters of Massachusetts' employers offering health insurance coverage to their employees. This further supports the conclusion that the macroeconomy is driving changes in employer sponsored insurance share, rather than 'crowd out' from the insurance reforms.

Massachusetts residents continued to report good access to health care in 2011, as in earlier years. Nearly all residents reported having a usual source of care – a place they went to when they were sick or needed advice about their health. Most Massachusetts residents reported a doctor visit including a preventive care visit in the 12 months prior to the 2011 survey. These proportions have remained stable since 2008.

Over one in four Massachusetts residents reported a visit to the emergency room (ER) in the 12 months prior to the 2011 survey. For a small share of residents their most recent ER visit was reported to be for a non-emergent condition, that is, a condition that could have been treated by a regular doctor if one had been available. These proportions have also remained relatively stable since 2008.

More than one in five Massachusetts residents reported difficulty obtaining health care in the 12 months prior to the 2011 survey, with non-elderly adults more likely to report such problems than either children or elderly adults. There was a statistically significant drop in reported difficulties obtaining care for children between 2010 and 2011.

- 90.9% of residents reported a usual source of care; 87.9% reported a doctor visit and 78.4% reported a preventive care visit.
- 25.5% of residents reported a visit to the ER; 8% of residents reported their most recent ER visit was for a non-emergent condition.
- 21.9% of residents reported difficulty obtaining care; 28.3% of adults ages 19 through 64, and 13.2% of elderly adults reported some difficulty.
- Reported difficulties obtaining care for children dropped from 14.6% in 2010 to 11% in 2011.

³ Please see <http://www.mass.gov/chia/docs/r/pubs/12/2011-june-key-indicators.pdf>

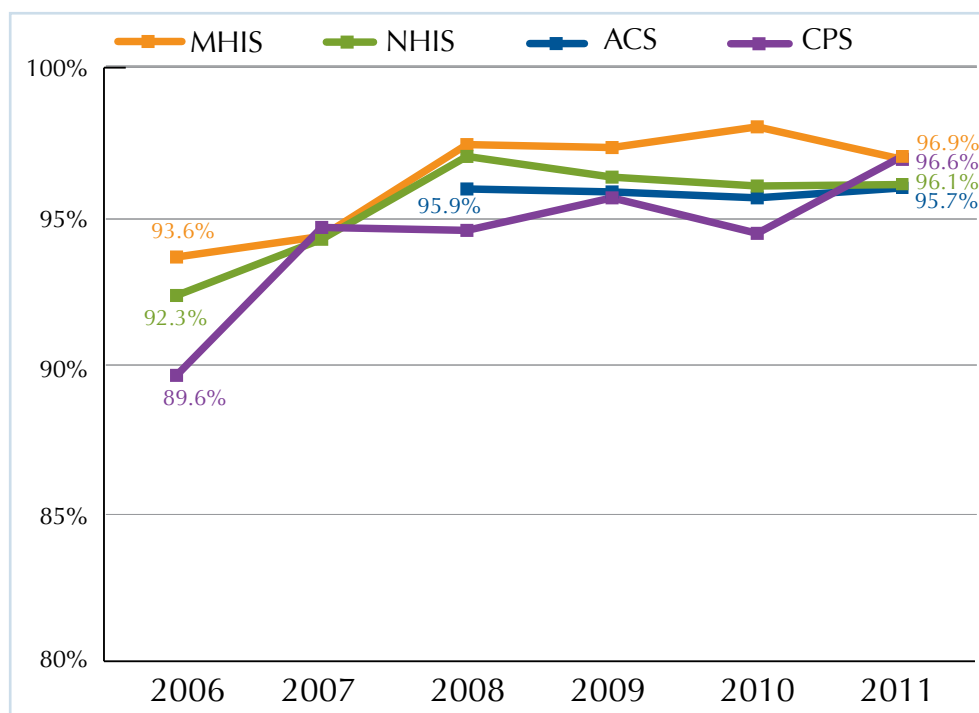
⁴ US Census Bureau, Current Population Survey, 2010 and 2011 Annual Social and Economic Supplements. Available at <http://www.census.gov/hhes/www/hlthins/data/incpovhlth/2010/table10.pdf>

Massachusetts Uninsured Estimates in Context

There are a number of surveys that report health insurance coverage estimates for Massachusetts. All these surveys reflect an increase in health insurance coverage in Massachusetts since 2006, with the increase plateauing from 2008-2009. The MHIS, in contrast to other surveys, was designed with the primary purpose of obtaining valid and reliable state level estimates of insurance coverage.

Differences in estimates of the uninsurance rate across surveys are not unusual as surveys differ on many dimensions including the questions that are asked, populations targeted for sampling, survey design and fielding strategies, data processing, and survey time frames.⁵ In addition, surveys are based on samples of the population, which, by definition, are subject to error. Consequently, different surveys cannot be expected to yield identical estimates of the uninsurance or health insurance coverage rate. As a result, a range of estimates of the health insurance coverage in Massachusetts have been reported from the different surveys across the years, as shown in Figure 2 for the overall population.⁶

Figure 2: Health Insurance Coverage for All Ages in Massachusetts, MHIS and Other Surveys, 2006-2011



Source: 2007-2011 Current Population Survey (CPS), 2009-2011 American Community Survey (ACS), 2007-2011 National Health Interview Survey (NHIS), and 2006-2011 Massachusetts Health Insurance Survey (MHIS)

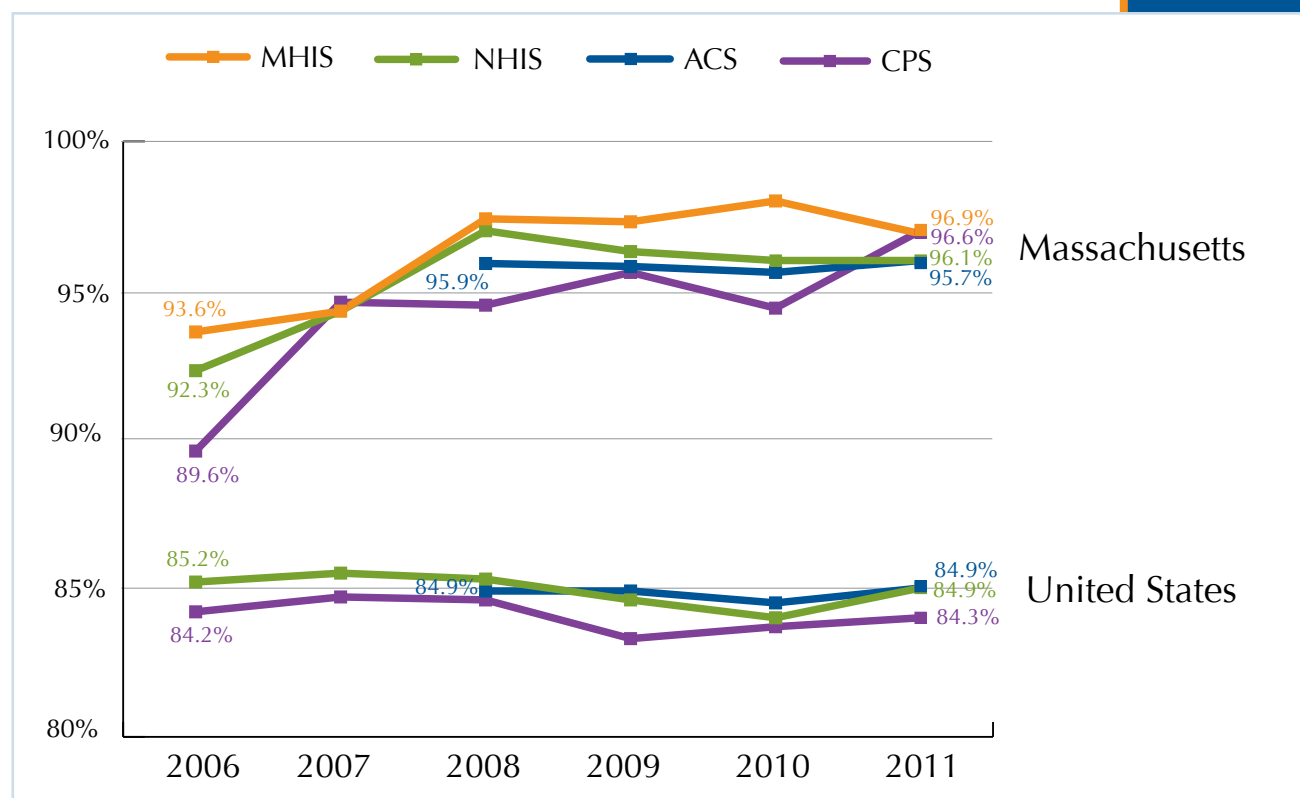
Note: At the time of analysis 2011 survey data was not available.

5 Long, S.K., Zuckerman, S., Triplett, T., Cook, A., Nordahl, K., Siegrist, T., and Wacks, C. (2008) "Estimates of the Uninsurance rate in Massachusetts from Survey Data: Why Are They So Different?" Available at <http://www.mass.gov/chia/docs/r/pubs/08/est-of-uninsur-rate.pdf>

6 Estimates for the ACS are from the American Community Survey – 1 year estimates, American FactFinder, U.S. Census Bureau, 2010. http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_S2701&prodType=table; Estimates for the CPS are from the "Current Population Survey (CPS) Annual Social and Economic (ASEC) Supplement, Table HI05." U.S. Census Bureau, 2011. <http://www.census.gov/hhes/www/cpstable/032011/health/toc.htm>; Estimates for the NHIS are from Cohen, RA, BW Ward, and JS Schiller. "Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, 2010." Division of Health Interview Statistics, National Center for Health Statistics, June 2011. <http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201106.pdf>; Estimates for the MHRS are based on Urban Institute tabulations. Estimates for the BRFSS are from "A Profile of Health Among Massachusetts Adults, 2010: Results from the Behavioral Risk Factor Surveillance System." Massachusetts Department of Public Health, June 2011. <http://www.mass.gov/eohhs/docs/dph/behavioral-risk/report-2010.pdf>

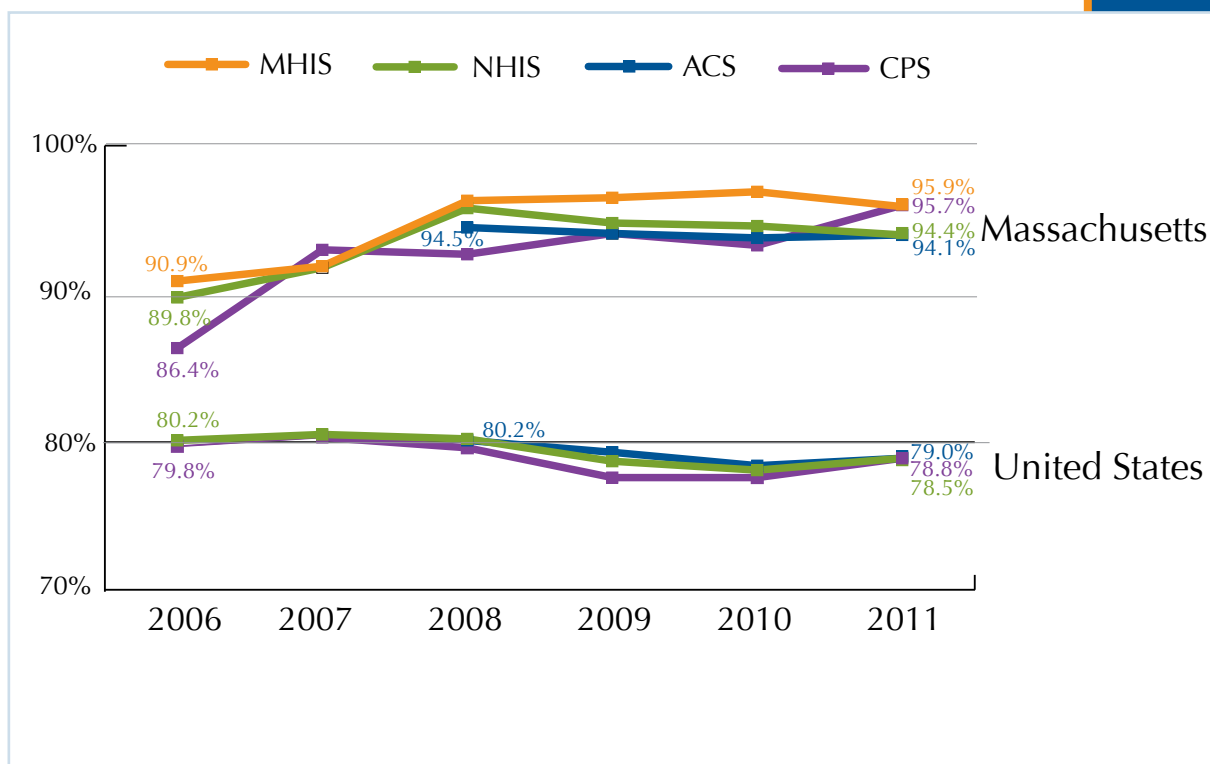
All of the available surveys show evidence of a substantial increase in coverage in Massachusetts since the state's health reform initiative began in 2006. All of the available surveys also show that health insurance coverage in Massachusetts has remained high since 2006. These findings stand in marked contrast to trends in the nation as a whole, where the uninsurance rate has remained at very high levels. Based on the three national surveys – the Current Population Survey (CPS), the American Community Survey (ACS), and the National Health Insurance Survey (NHIS), the insurance coverage rate in the nation as a whole was about 84 percent in 2010, as compared to 94 to 96 percent in Massachusetts (Figure 3). Consistent with the patterns for the overall US population, the uninsurance rate for non-elderly adults in Massachusetts has remained well below that of the nation as a whole since 2006 (Figure 4). Further, the insurance coverage rate for non-elderly adults in the nation as a whole has been trending downward since 2008, while the rate in Massachusetts has remained more stable.

Figure 3: Health Insurance Coverage for All Ages in the United States and Massachusetts from National Survey Data and the MHIS, 2006-2010



Source: 2007-2011 CPS, 2007-2011 NHIS, 2008-2011 ACS, and 2006-2011 MHIS

Figure 4: Health Insurance Coverage for Non-Elderly Adults in the United States and Massachusetts from National Survey Data and the MHIS, 2006-2010



Source: 2007-2011 CPS, 2007-2011 NHIS, 2009-2011 ACS, and 2006-2011 MHIS.

Note: Non-elderly refers to adults age 19 through 64 except for CPS estimates, which include age 18.

Who are the Uninsured?

Between 2008 and 2011, the uninsurance rates among all Massachusetts residents remained at 2 to 3 percent (Figure 1). Although the estimated uninsurance rates from the survey fluctuated over the years, the variations are not statistically significant.⁷ These fluctuations in uninsurance rates may be the result of statistical anomalies rather than a true reflection of changing insurance coverage rates. The small decline in insurance coverage among all residents in 2011 was partly due to increases in reported uninsurance rates among children between 2010 and 2011. However, just as for the overall uninsurance rate in Massachusetts, the slight variations in uninsurance rates for children were not statistically significant, suggesting that the differences across four survey years may be due to random fluctuations.⁸ Non-elderly adults were more likely to be uninsured than were children or the elderly in the state. The uninsurance rate for non-elderly adults was stable from 2008 to 2011.⁹ Among the 3.1 percent of uninsured residents in Massachusetts in 2011, the majority were non-elderly adults (82.3 percent). Children comprised 14.8 percent of the uninsured population, while elderly adults accounted for 2.9 percent.

Residents with family income less than 300 percent of the federal poverty level (FPL) were more likely to be uninsured than were those with higher incomes. Seven percent of Massachusetts residents in families earning the lowest incomes (less than 150 percent of the federal poverty level) were uninsured, while those earning the highest incomes (500 percent of the federal poverty level and higher) were least likely to be uninsured at 0.7 percent. In 2011, Hispanic and non-white, non-Hispanic residents comprised nearly half of the uninsured population in Massachusetts (40.9 percent) but less than a quarter of the insured population (22.7 percent). White, non-Hispanic residents were least likely to be uninsured compared to other racial/ethnic groups in the state with an uninsurance rate of 2.4 percent.

Trends in Health Care Access

More than nine out of ten Massachusetts residents reported having a usual source of care in 2011, with the share slightly lower for non-elderly adults than for children and elderly adults. These findings have been consistent from 2008 to 2011 for different age groups.

Nearly nine out of ten residents visited a doctor during 2011 and almost eight out of ten residents had a preventive care visit during the year. About one in four residents reported an emergency room (ER) visit in 2011. Less than one in ten residents reported having a non-emergent visit as their most recent ER visit in the past twelve months, a proportion that was fairly consistent across the last four years.

⁷ The test of the independence of the estimates of the insurance rate for Massachusetts residents of all ages across the four survey years shows p-value is equal to 0.14, which is not statistically significant at the 0.05 level.

⁸ The test of the independence of the estimates of the insurance rate for children (ages 0-18) across the four survey years shows p-value is equal to 0.12, which is not statistically significant at the 0.05 level.

⁹ The test of the independence of the estimates of the insurance rate for non-elderly adults (ages 0-18) across the four survey years shows p-value is equal to 0.45, which is not statistically significant at the 0.05 level.

Table 1: Trends in Health Care Access

	2008	2009	2010	2011
Residents with an Emergency Room (ER) Visit in Past Twelve Months				
Total Population	26.4	26.0	25.0	25.5
Children	32.1	24.7***	28.0	26.5
Non-Elderly Adults	23.4	25.7*	22.7**	24.6
Elderly Adults	30.3	29.9	29.5	27.4
Residents with Difficulty Obtaining Care in Past Twelve Months				
Total Population	23.5	22.5	22.4	21.9
Children	17.4	14.5	15.1	10.9**
Non-Elderly Adults	27.8	27.3	27.0	28.3
Elderly Adults	14.7	14.8	14.6	13.2

Source: Urban Institute tabulations on the Massachusetts HIS.

* (**) (***) Estimate is significantly different from the prior year at the 10% (5%) (1%) level, two-tailed test.

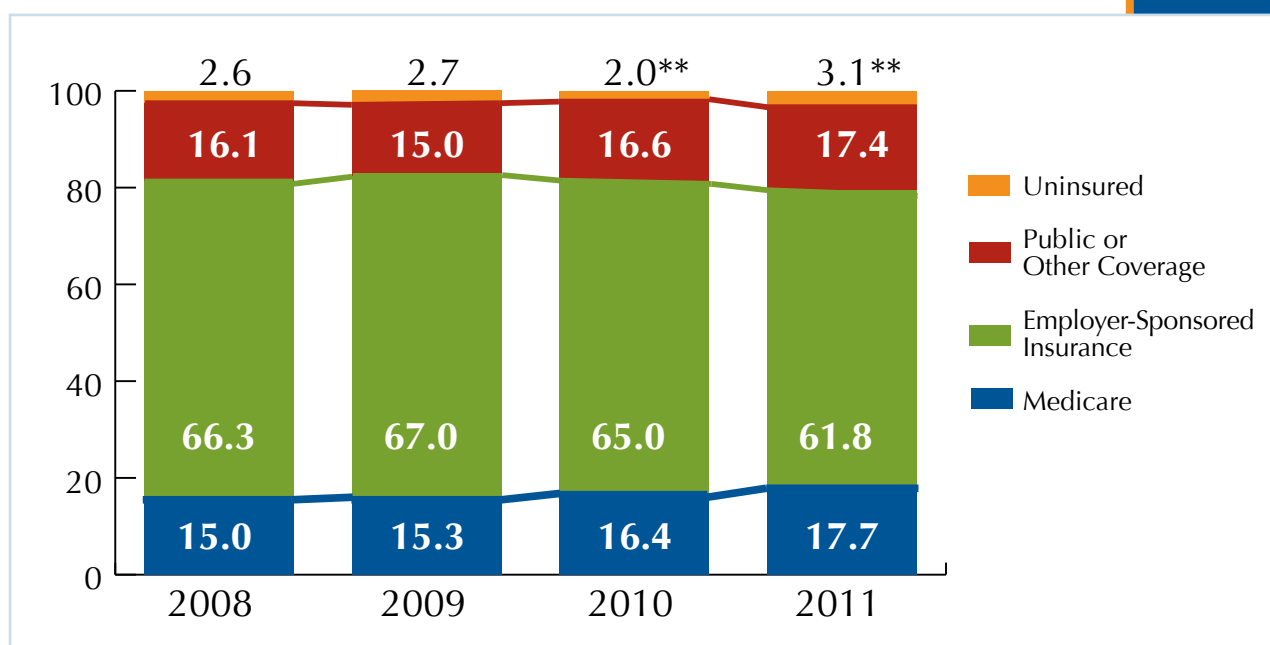
Note: In some cases, what appear to be relatively large differences in estimates between years are not statistically significant. This arises because estimates based on small subgroups of the overall population have larger variances, making point estimates less precise.

The percentage of residents that reported having problems obtaining health care in the past 12 months has declined somewhat in the past four years, although more than two in ten residents still reported such challenges. As in past years, the share is higher for non-elderly adults than for children or elderly adults.

Type of Health Insurance Coverage

While the overall level of insurance coverage has been fairly stable over the 2008 to 2011 period, the data suggest there has been a shift in coverage type over time. Employer-sponsored health insurance rates have fallen, while enrollment in public programs (including Medicare, MassHealth, and Commonwealth Care) and Commonwealth Choice (Massachusetts' insurance exchange marketplace) has risen. Given the recent recession and economic downturn, the worst since the Great Depression, this shift is consistent with a strong safety net system supporting individuals who lose their employer-sponsored coverage.

Figure 5: Trends in Type of Health Insurance Coverage[†] for All Massachusetts Residents



[†]Insurance coverage is based on the hierarchy: Medicare, employer-sponsored insurance, public or other coverage. Public and other coverage are combined because of the survey respondents' difficulties in reporting type of coverage. For lower-income residents, public or other coverage is mostly MassHealth or Commonwealth Care, while for higher-income residents it is non-group coverage and, to a lesser extent, Commonwealth Choice.

Source: Urban Institute tabulations on the Massachusetts HIS.

* (**) (***) The estimate of the distribution of type of insurance coverage is significantly different from that of prior year at the 10% (5%) (1%) level, two-tailed test.

Discussion

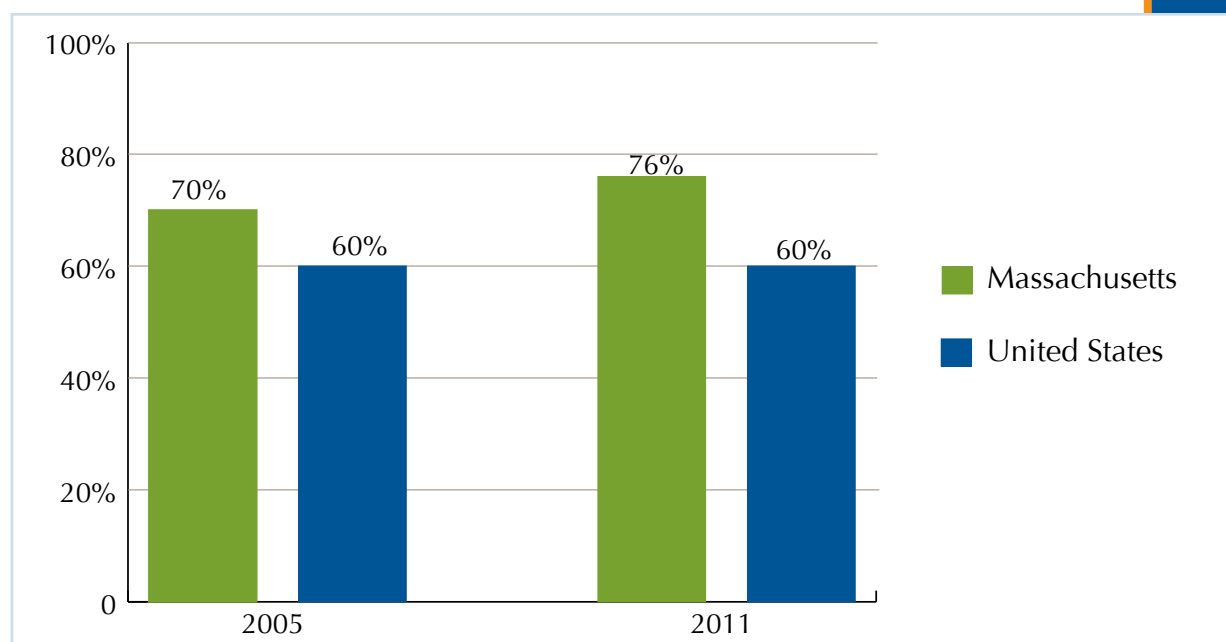
Massachusetts is now in the sixth year of its ambitious health reform initiative, with evidence of sustained gains in insurance coverage from the MHIS and other surveys. The 2011 MHIS shows health insurance coverage in Massachusetts remains at a very high level 97 percent for the overall population. While there have been some small changes in the uninsurance rate from year to year, the coverage trend has been quite stable since 2008. Moreover, employer offer of health insurance coverage remains high, although overall ESI is falling, associated with the recent economic downturn. The findings from the MHIS suggest that increases in public coverage (including MassHealth, Commonwealth Care, and Medicare) have largely offset the loss of employer-sponsored coverage.

With the increase in health insurance coverage, more people in Massachusetts have reported better access to direct health care services, including preventive care visits. Fewer people report having problems obtaining care, and the proportion of residents that visited the Emergency Department for a non-emergent condition remains consistently low. With the 2010 national health reform legislation – the Patient Protection and Affordable Care Act (ACA) – modeled in large part on Massachusetts’ 2006 reforms, the patterns of sustained insurance coverage seen in Massachusetts offer an optimistic prospect for the potential gains to the nation under the ACA.

Chapter 2: Results from the Massachusetts Employer Survey

In the six years since Massachusetts health care reform has been in effect, employers continue to offer health insurance plans to their employees at significantly higher proportions than employers in the nation at large. While 76 percent of Massachusetts employers offered health insurance coverage to their employees in 2011, only 60 percent of employers across the nation did (Figure 6). Increases in health care costs continue to impact employers and employees, health care providers and insurers, families and individuals. Health care premiums in Massachusetts have experienced average annual increases between 6 and 7 percent over the past six years. Employers' share of health care premium costs has increased at a similar rate, while the average annual worker's contribution has had an average annual increase of 8 percent for a family plan and 3 percent for an individual plan since 2005. In addition, out-of-pocket costs have increased, particularly for emergency room visits where copayments have doubled since 2005 from \$50 to \$100 in 2011.

Figure 6: Employers Offering Health Insurance: Massachusetts Compared to the Nation

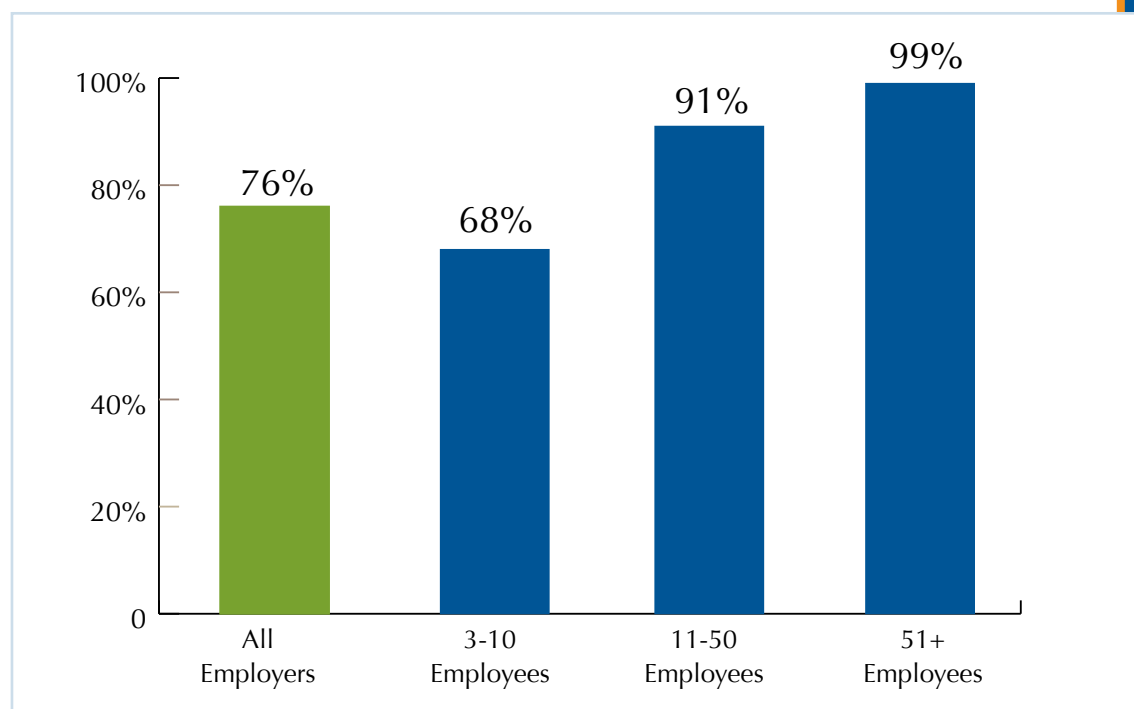


Source: Massachusetts Employer Surveys (MES), Kaiser/HRET Survey of Employer Sponsored Benefits

Massachusetts Employers Offering Health Insurance

The proportion of Massachusetts employers offering health insurance to their employees increased by six percentage points from 2005 to 2011 (Figure 6). The larger the employer, the more likely they were to offer coverage. Nearly all employers with more than fifty employees offered their employees health insurance whereas sixty-eight percent of employers with three to ten employees offered health insurance to their employees in 2011 (Figure 7).

Figure 7: Massachusetts Employer Offer Rates by Employer Size, 2011



Source: 2011 Massachusetts Employer Survey

Employers choosing not to offer health insurance reported that high costs were the predominant factor in their decision. Most of the employers not offering health insurance to their employees stated that premiums were too high, their firm was too small for a group insurance product to be a reasonably priced benefit, or that employees had access to health insurance elsewhere (Table 2). More than three quarters of employers who offered health insurance made it available only to employees that the employer defined as working full-time. The vast majority of employers who offered health insurance to part-time employees required the employee to work twenty hours or more per week in order to be eligible for coverage.

Table 2: Massachusetts Employers' Reasons for Not Offering Health Insurance, 2011

Reason	%
Premiums too high	88%
Firm is too small	89%
Financial status prohibits offering insurance/too expensive	83%
Employees generally covered elsewhere	86%
Employees have access to insurance through Commonwealth Health Connector's insurance plans	63%
Most employees are part-time/temporary/contracted employees	60%
Can attract good employees without offering	59%
Administrative hassle	40%
Turnover too great	37%
Organization too newly established	19%

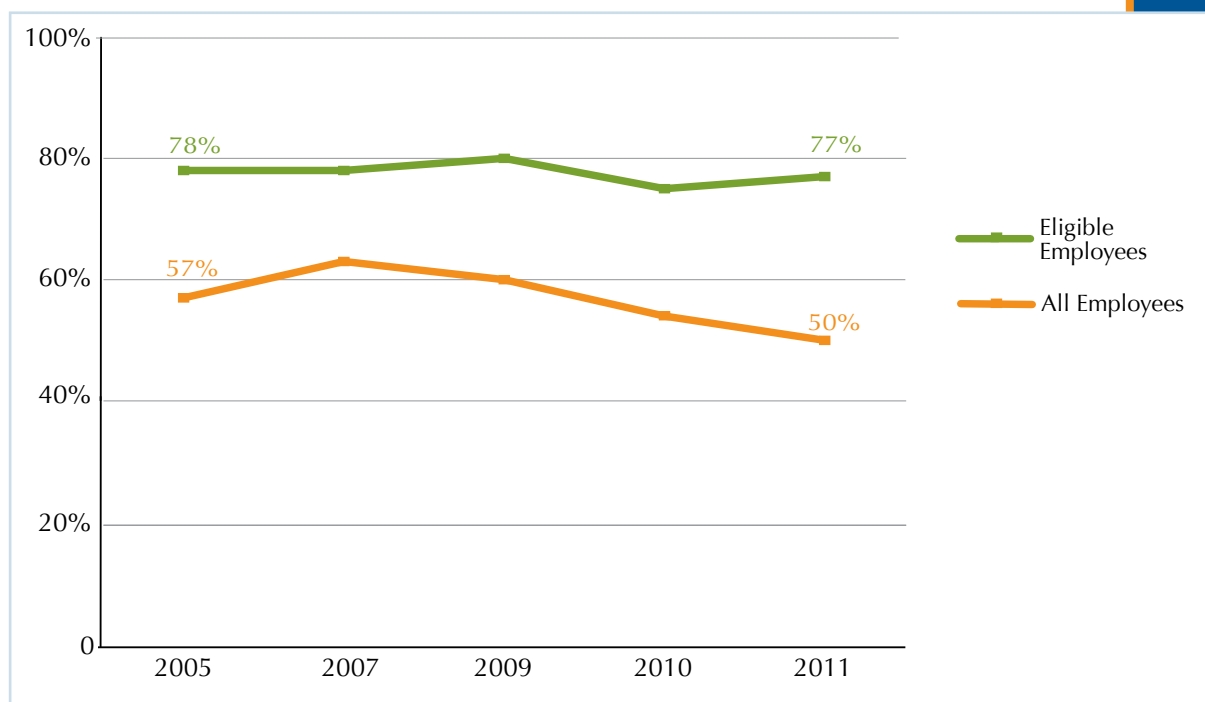
Source: 2011 Massachusetts Employer Survey

Note: Reasons are not mutually exclusive. Estimates based on small subgroups of the population have larger variances making point estimates less precise.

Employees Enrolled in Employer Sponsored Insurance

Employees may not be eligible to enroll in their employer offered coverage if they work part-time hours, are employed as contractors, or are in an employer prescribed waiting period before becoming eligible for the health insurance benefit offered by their employer. Prior to Massachusetts health care reform, 78 percent of the employees who were eligible for their employer sponsored insurance chose to enroll. In 2011 this remained true with 77 percent of eligible employees enrolled in their employer sponsored insurance. However, there was a 7 percentage point decline in the proportion of all workers enrolled in their employer's health insurance between 2005 and 2011 (Figure 8). This could indicate an increase in the proportion of workers who are not eligible for their employer sponsored coverage due to factors such as part-time or contracting status, or new recent hires who are subject to a waiting period before being eligible for coverage.

Figure 8: Massachusetts Employees Covered by their Employer's Health Insurance (2005-2011)

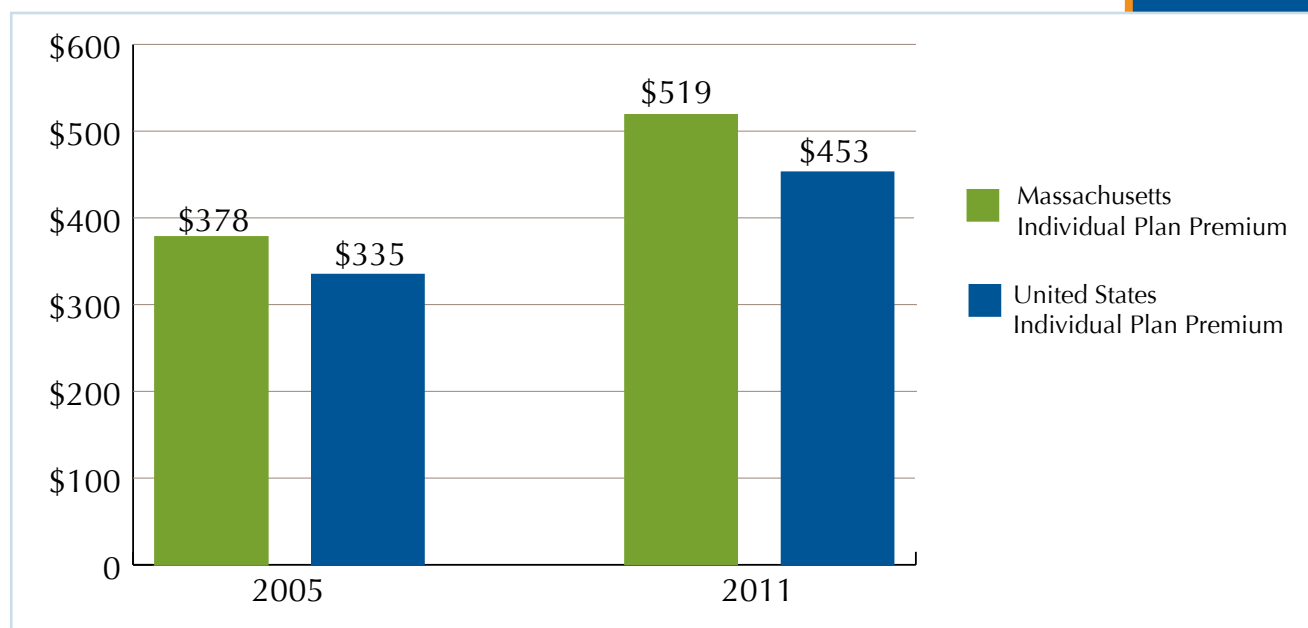


Source: Massachusetts Employer Survey

Health Plan Premiums and Employer/Employee Contributions

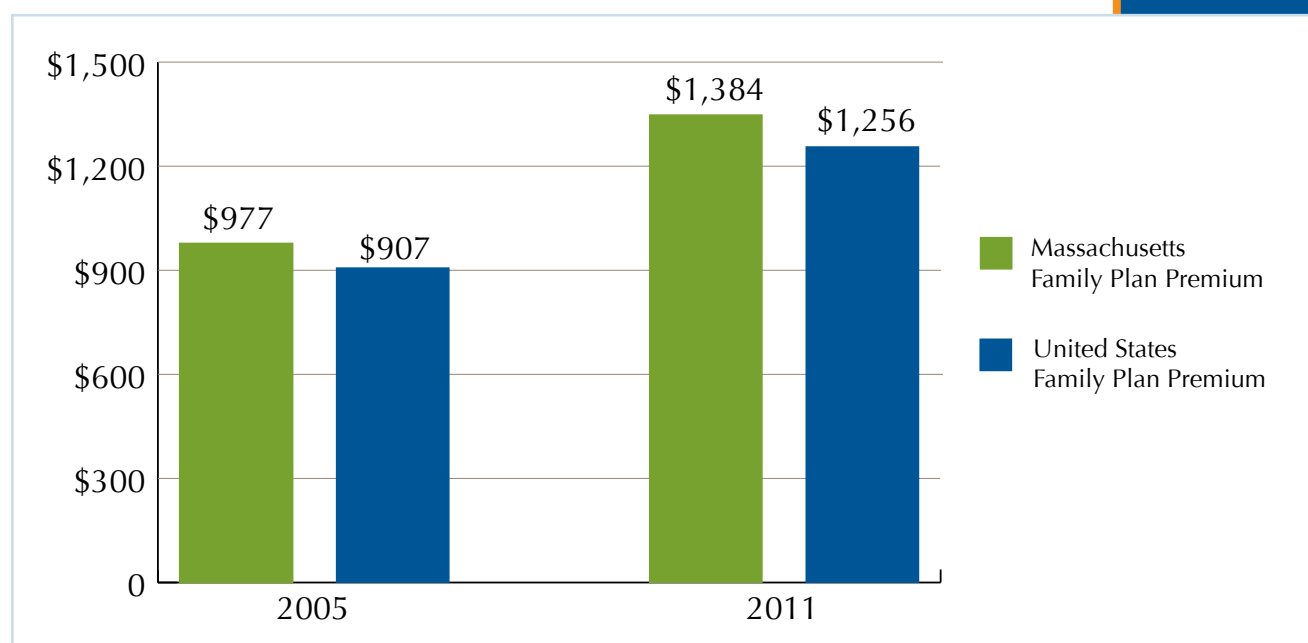
A review of health plan premiums provides some evidence that health care costs in Massachusetts are higher than the nation as a whole, and that this difference may be growing. In 2005, average monthly premiums for an individual health plan were 13 percent higher in Massachusetts than in the United States, but by 2011 they were 15 percent higher in Massachusetts. The average monthly premium for an individual plan in Massachusetts was \$519 compared to \$453 in the United States in 2011 (Figure 9). Likewise, average monthly premiums for a family health plan were 8 percent higher in Massachusetts than in the United States in 2005, and by 2011 they were 10 percent higher. The average monthly premium for a family plan in Massachusetts was \$1,384 compared to \$1,256 in the United States in 2011 (Figure 10). When comparing health care premium costs it is important to keep in mind that health care plans vary in terms of specific benefits covered, and to the dollar amount that benefits are covered by the plan, which impacts premium costs and changes in costs as plan benefits are modified.

Figure 9: Average Monthly Health Insurance Premiums for Individual Plans in Massachusetts and the United States, 2005 and 2011



Source: MA rates from the MES; U.S. rates from the Kaiser/HRET Survey of Employer-Sponsored Health Benefits

Figure 10: Average Monthly Health Insurance Premiums for Family Plans in Massachusetts and the United States, 2005 and 2011

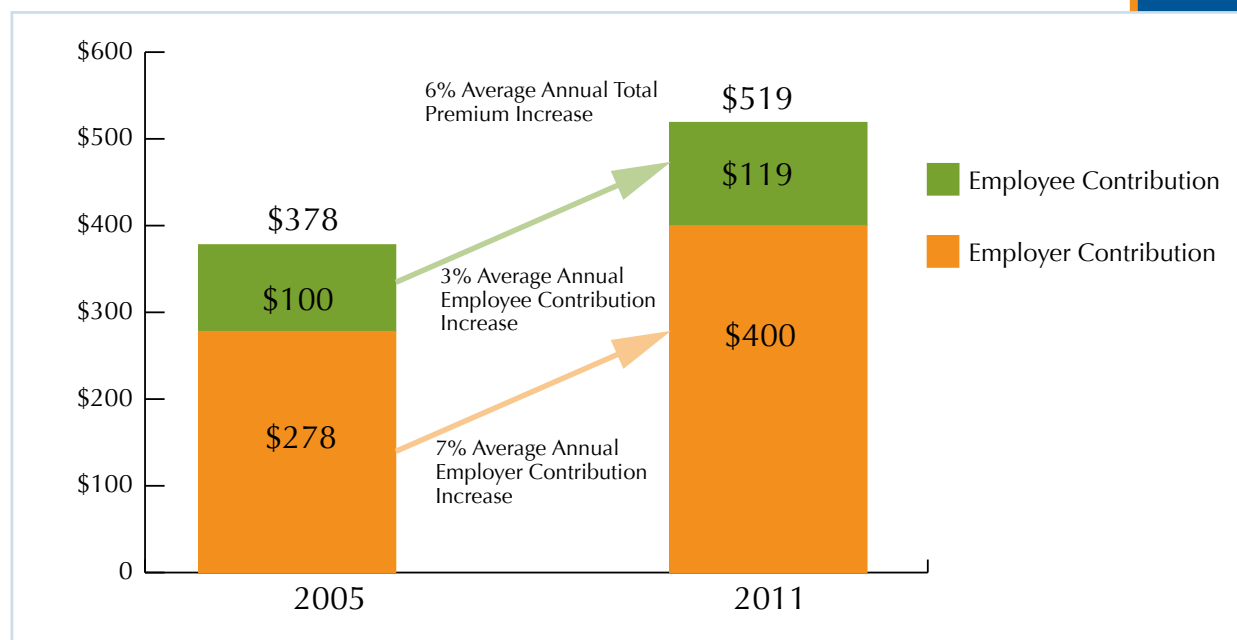


Source: MA rates from the MES; U.S. rates from the Kaiser/HRET Survey of Employer-Sponsored Health Benefits

The average monthly premium for a Massachusetts' individual health insurance plan increased 37 percent over the six-year period between 2005 and 2011, from \$378 to \$519 per month. This is an average annual increase of about 6 percent. This is nearly three times the average annual growth in the Boston area inflation rate, which was 2.2 percent during the same time period. Employers bore the brunt of the increase in premiums for single coverage health plans. The employee's contribution to the health plan premium increased from \$100 in 2005 to \$119 in 2011, an average annual increase of 3 percent. The employer's contribution increased from \$278 in 2005 to \$400 in 2011, average annual increases of 7 percent (Figure 11).

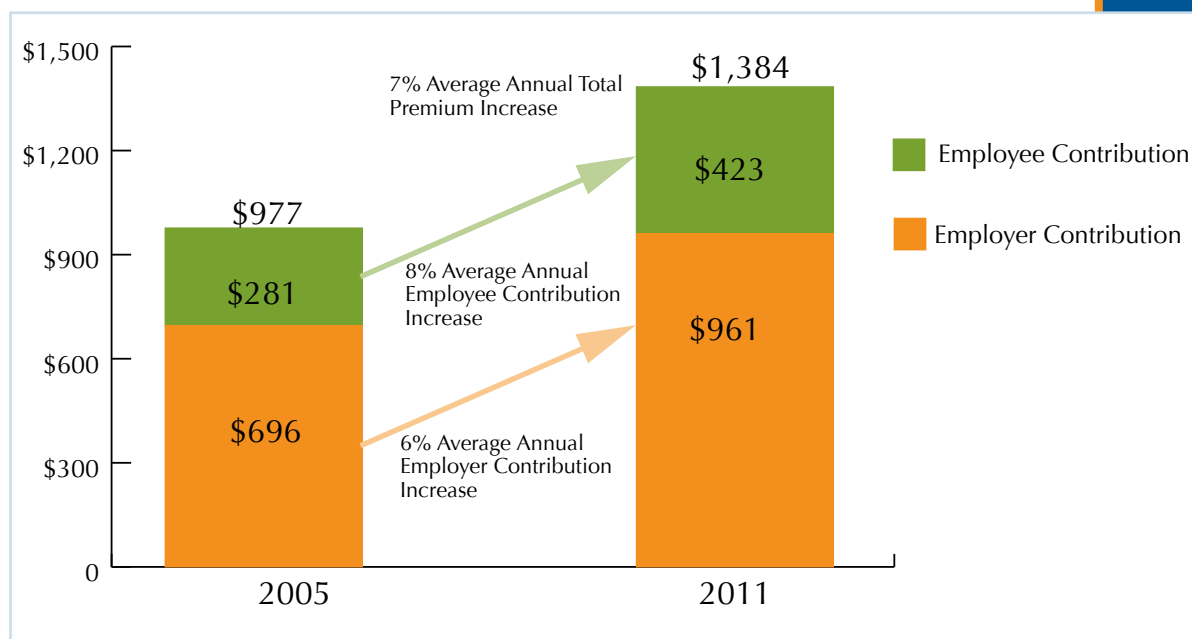
Family health insurance premiums, which cover more than one person, are more costly than individual health plan premiums. The average monthly premium for a Massachusetts' family health insurance plan increased 42 percent between 2005 and 2011, from \$977 to \$1,384 per month. This is an average annual increase of about 7 percent, again, significantly higher than the average annual growth in the Boston area inflation rate (2.2 percent). In the case of the family plan premium, the employer and employee shared in the premium cost increase. Employees' contribution to the family health insurance plan increased from \$281 in 2005 to \$423 in 2011, average annual increase of 6 percent. Employers' contribution increased from \$696 in 2005 to \$916 in 2011, an average annual increase of eight percent (Figure 12).

Figure 11: Average Monthly Health Insurance Premiums and Employee Contributions for Individual Plans in Massachusetts, 2005 and 2011



Source: Massachusetts Employer Surveys

Figure 12: Average Monthly Health Insurance Premiums and Employee Contributions for Family Plans in Massachusetts, 2005 and 2011



Source: Massachusetts Employer Surveys

Other Employee Out-of-Pocket Costs

Employees face many expenses related to health care in addition to the share of the health care premium. These costs can vary by the type of health insurance plan in which one is enrolled. The Massachusetts employer survey collects data on certain out-of-pocket costs that the employee must pay. The median cost for seven services listed below has increased by 20 to 100 percent, except for inpatient hospitalization coinsurance. The median emergency room copayment has doubled from \$50 in 2005 to \$100 in 2011, although most insurers will waive the cost of an emergency room visit if the patient is admitted to the hospital (Table 3). The size of the emergency room copayment increase may be an attempt to encourage patients to visit a less costly setting (such as a clinic or doctor's office) for non-emergent conditions. Nearly all out-of-pocket costs to consumers have increased at a greater pace than the average annual Boston area inflation rate (2.2 percent between 2005 and 2011).

Table 3: Massachusetts Median Copayment/Coinsurance, 2005 and 2011

	2005	2011	Percent Change 2005-2011	Average Annual Percent Change
Physician Office Visit	\$15	\$20	33%	6%
Emergency Room	\$50	\$100	100%	17%
Inpatient Hospitalization Coinsurance	\$250	\$250	0%	0%
Outpatient Mental Health	\$15	\$20	33%	6%
Tier 1 Drugs	\$10	\$15	50%	8%
Tier 2 Drugs	\$25	\$30	20%	3%
Tier 3 Drugs	\$40	\$50	25%	4%

Note: Average Annual Increase in the Consumer Price Index for Boston Area 2005-2011 is 2.2%

Source: Computation based on data from the U.S. Bureau of Labor Statistics.

Discussion

In the six years since Massachusetts health care reform has passed, employers continue to offer health insurance plans to their employees at significantly higher proportions than employers in the nation at large. However, health care cost increases continue to challenge employer and consumer access to affordable health care. Health care premiums grew 37 percent for individual plans and 42 percent for family plans between 2005 and 2011. These increases are significantly greater than that of other economic indicators, including the gross state product and inflation. Employers' share of health care premium costs has increased by 6 to 7 percent annually while the average annual workers' contribution has increased by 3 percent for an individual plan and by 8 percent for a family plan. Employees' out of pocket costs have increased for almost all service categories. Although Massachusetts employers and residents maintain a strong commitment to ensuring access to health insurance coverage, health care cost increases of this magnitude are clearly not sustainable. The Commonwealth will continue its aggressive effort, in partnership with business, consumers, and providers to contain health care costs.

Appendix: MHIS Methodology

The MHIS provides information on health insurance coverage and access to and use of health care for the non-institutionalized population in Massachusetts. A general overview of the MHIS is provided below; more detailed information is available at www.mass.gov/chia.

In order to ensure that the survey covers nearly all residents of Massachusetts (including households without a landline telephone),¹⁰ a dual sample frame was employed, combining a random-digit-dial (RDD) landline telephone sample with an address-based sample. The survey, which is available in English, Spanish, and Portuguese, is conducted via telephone, web, and mail. It takes, on average, about 19 minutes to complete.

In the survey, an adult member of the household responds to questions about health insurance coverage and demographic information for all members of the household. More detailed socioeconomic characteristics and health care information are collected for one randomly selected household member (the target person) and other members of his or her family who are residing in the household.¹¹ The tabulations reported here are based on the household target person.

The 2011 survey was fielded between June and August.¹² Surveys were completed with 4,097 Massachusetts households. The margin of error due to sampling at the 95 percent confidence interval is +/- 1.8 percentage points for estimates based on the full sample. Estimates for subgroups of the total population, as they are based on smaller sample sizes, will have a larger margin of error. The response rate was 45 percent for the RDD sample and 30 percent for the address based sample, for a combined response rate of 34 percent. The address based sample provides more complete coverage of the Massachusetts population by capturing households without landline telephones (which are largely cell-only households) in estimating uninsurance rates in Massachusetts.

10 These households, which include cell phone-only households and non-telephone households, are increasing rapidly in the United States, with 30 percent of households estimated to be cell phone-only in the second half of 2010, as compared to 25 percent in 2009. See Blumberg, SJ and JV Luke. "Wireless Substitution: Early Release of Estimates Based on Data from the National Health Interview Survey, July-December 2010." Division of Health Interview Statistics, National Center for Health Statistics, June 2011. <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201106.pdf>.

11 While most households are single-family households, some households include multiple families and/or families and unrelated individuals.

12 The 2008 and 2011 rounds of the MHIS were fielded in the summer, while the 2009 and 2010 rounds of the MHIS were fielded in the spring.

Appendix: MES Methodology

The MES is conducted by the Center for Survey Research at the University of Massachusetts at Boston, on behalf of the Massachusetts Division of Health Care Finance and Policy. This survey has taken place on a biennial basis since 2001, and annually since 2009.

The 2011 survey sample was drawn from Dun & Bradstreet employer listings for all Massachusetts employers excluding federal and state government employers and worksites with less than three employees. An employer worksite, defined as a particular site or location, is the designated primary sampling unit. The survey sample is stratified into five groups based on employer size.

The MES is conducted by mail with a web-based option. Questionnaires were mailed out in April 2011 to 1,580 worksites. The survey was returned from 749 employers, a 52 percent response rate among eligible employers. The majority of worksites chose to respond by mail (86 percent), but about 14 percent of respondents used the web-based option.

The survey has relied on the same survey questionnaire design with modifications to questions each year. In 2009, a number of questions were modified or added to reflect the growing complexity of insurance market products such as health reimbursement arrangements and health savings accounts, and to gather information regarding some Massachusetts health care reform activities.

Because of a change in sample stratification methodology in 2009, comparisons of estimates for the smallest size firms should be used with caution. Beginning in 2009, the smallest firms included in the sample are firms with three employees. In prior years, firms with two employees were also included. This change was made to make results more comparable with national survey findings.

Additional information on the MES is available at www.mass.gov/chia.



Center for Health Information and Analysis

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