

**2021**  
**Massachusetts**  
**Employer Survey**  
Summary of Results

June 2022



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# Executive Summary

As part of the Center for Health Information and Analysis's (CHIA) Continuing Program of Study on Insurance Coverage, Underinsurance and Uninsurance, the Massachusetts Employer Survey (MES) provides a valuable lens on the employer health insurance market in Massachusetts.

Employer-sponsored insurance (ESI) shapes the health insurance markets in the state and impacts the demand for the state's public insurance programs, including MassHealth. The MES, a biennial survey of Massachusetts employers, tracks and monitors employer health insurance offerings, employee take-up rates, health insurance premiums, employer contribution amounts, plan characteristics, and employer decision making.

Data collection for the biennial MES began in 2020. However, due to the disruptions caused by the COVID-19

pandemic to Massachusetts businesses, data collection was paused in March 2020. Multiple surges of COVID-19 and challenges in data collection due to the changing business landscape resulted in this survey being fielding from May 2021–January 2022.

In the wake of the COVID-19 pandemic, information about changes and trends in the employer health insurance market in the Commonwealth is even more important. The 2021 MES provides key insights on how the pandemic affected workplace health benefits during a period of challenge and recovery for many businesses.

This report highlights key findings from the 2021 MES. It is accompanied by a [databook](#), a [survey methods report](#) with technical details, and the [survey questionnaire](#).

### **Employer Insurance Market: Offer, Eligibility, Take-Up, and Coverage**

- Most Massachusetts firms (74%) offered health insurance to their employees in 2021, and at a higher rate than firms nationally (59%).
- While all large employers with at least 200 employees offered health insurance to their employees, less than three-quarters of small employers with 3 to 199 employees did (73%).
- Among firms that offered coverage, about 76% of their employees were eligible and 70% of eligible employees enrolled, leading to just over half of workers receiving health coverage from their own employer.

### **Plan Offering and Enrollment<sup>1</sup>**

- Nearly two-thirds of firms (64%) offered only one health plan option in 2021. This was true for 67% of small firms and 17% of large firms.
- Most employees were enrolled in PPO and HMO plans (43% and 34%, respectively).
- Seven in 10 firms offered high deductible health plans (HDHPs), and 55% of firms only offer HDHPs.
- Large firms were more likely to offer HDHPs with a

savings option (Health Reimbursement Account (HRA) or Health Savings Account (HSA)) than small firms (65% and 30%, respectively).

- Nearly half of employees (46%) were enrolled in a HDHP, and over one-third (35%) were enrolled in a HDHP with a savings option.

### **Cost-Sharing Among Employers and Employees<sup>2</sup>**

- Average total monthly premium for single coverage was \$715 in Massachusetts, higher than the national average of \$645.
- Massachusetts employees contributed 25%, on average, to the premium for single coverage, compared to their national counterparts at 17%.
- Average total monthly premium for family coverage ranged from \$1,397 when covering only child dependent(s) to \$1,956 for coverage that includes a spouse and children. On average, employees contributed 27-29% to family coverage premiums.
- Among firms offering plans with deductibles, the average annual deductible for single coverage in Massachusetts was \$1,661, similar to the national average of \$1,669.

<sup>1</sup> Enrollment data presented in this report is based on covered employees and does not include dependents, and therefore is not directly comparable to enrollment data from other CHIA reports.

<sup>2</sup> Cost-sharing information in the MES is for the largest enrolled plan at each firm, and therefore is not directly comparable to cost-sharing data from other CHIA reports.

### **Decision Making Among Employers on Health Insurance**

- The most common reason given for firms not offering health insurance was, “Employees are covered under another plan” (57%).
- Among employers who offered insurance, employers most commonly cited “It is the right thing to do” (87%) and “employee retention” (74%) as important reasons for offering health insurance.
- Sixteen percent of employers increased member cost-sharing (copays/coinsurance/deductibles) in health plans to control costs in the past year.

### **The Impact of COVID-19 on Massachusetts Employers, Employees, and Benefits**

- In 2021, 9% of firms furloughed or laid off employees, and 21% of firms had employees who left voluntarily due to concerns about the COVID-19 pandemic.
- Among firms who had employees leave voluntarily, firms were most likely to report that workers with children (38%), part-time workers (31%), older workers (28%), and women (28%) left voluntarily.
- Sixty-two percent of firms offered paid sick leave prior to March 2020, and 11% of firms newly offered this benefit as of March 2020.
- Since January 2020, firms expanded access to telehealth, waived or reduced cost-sharing for COVID-19 treatment, and expanded access to behavioral health services (49%, 18%, and 7%). ■

# Employer Insurance Market: Offer, Eligibility, Take-Up, and Coverage

Most Massachusetts residents receive health insurance through their own or a family member's employer. With the implementation of Massachusetts health care reforms such as Chapter 58 in 2006, as well as federal reforms of the Affordable Care Act, continuous changes have occurred in the state's health insurance marketplace, which have impacted both the offering and take-up of employer-sponsored health insurance. To provide a better understanding of the current market landscape, this section examines offer, take-up, and coverage rates by firm size and employee type. Take-up and coverage rates are for Massachusetts employees at firms who reported offering health insurance to employees in 2021. In this report, small firms refer to employers with three to 199

employees and large firms refer to employers with 200 or more employees. In 2021, while large firms made up only 4% of firms, they employed over 64% of the workforce and provided insurance coverage to nearly 70% of employees in Massachusetts.

## Key Findings:

- Most Massachusetts firms (74%) offered health insurance to their employees in 2021, and at a higher rate than firms nationally (59%).
- While all large employers with at least 200 employees offered health insurance to their employees, less than three-quarters of small employers with 3 to 199 employees did (73%).

- Among firms that offered coverage, about 76% of their employees were eligible and 70% of eligible employees enrolled, leading to just over half of workers receiving health coverage from their own employer.
- Ten percent of firms offered insurance to part-time workers, and small firms were less likely than large firms to offer insurance to part-time workers (9% vs. 45%).

- Among firms who offered health insurance to any part-time workers, only 38% of part-time workers were eligible for insurance and 52% of eligible part-time workers enrolled. ■



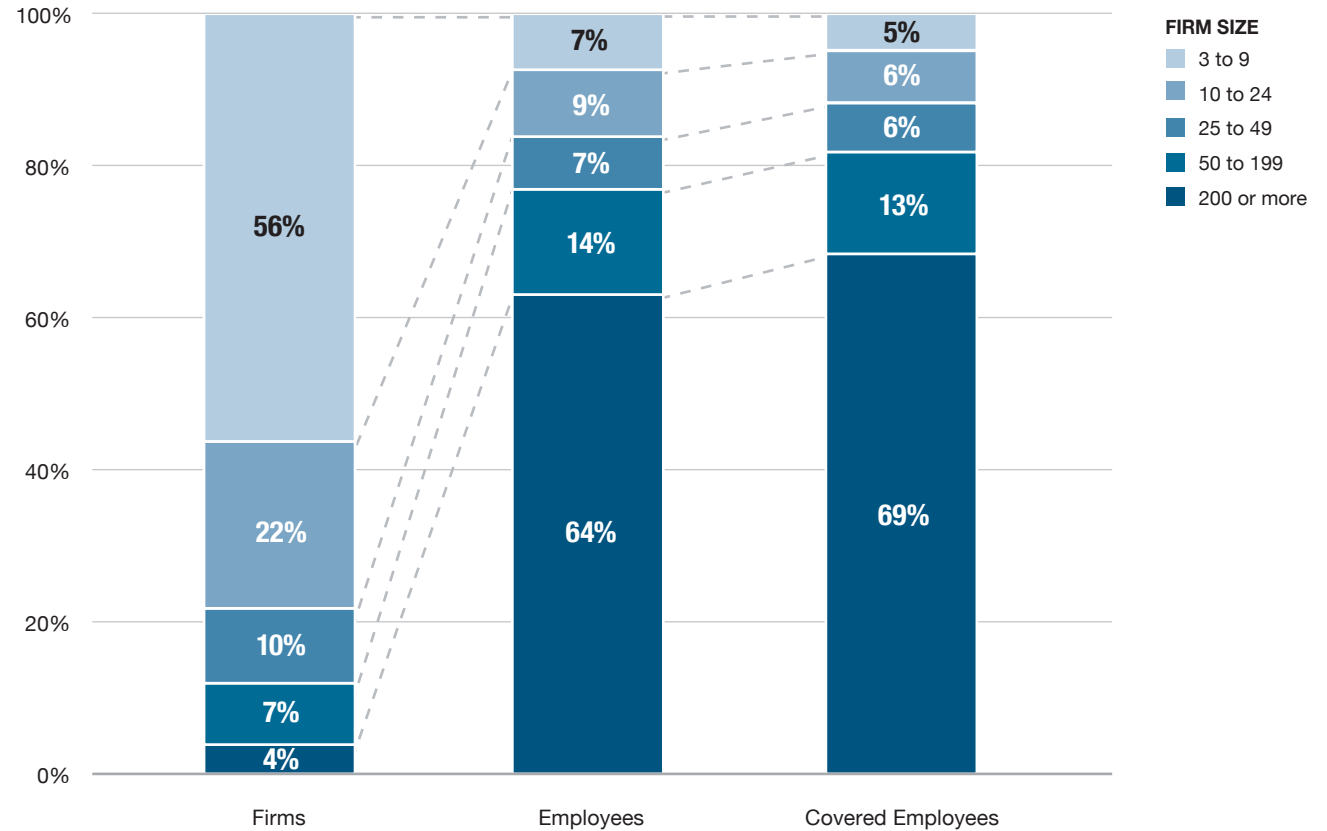
# Employer Insurance Market: Offer Take-Up, & Coverage Rates

## Distribution of Firms, Employees, and Covered Employees 2021

In 2021, over 88% of firms in Massachusetts had fewer than 50 employees. While these small firms made up the largest proportion of employers in the state, the workers in these firms accounted for only 22% of all workers in Massachusetts. Furthermore, workers in firms with fewer than 50 employees accounted for only 18% of all covered employees in the state.

Firms with 50 to 199 employees accounted for 7% of all firms in Massachusetts, 14% of the workers, and 13% of the covered employees in the state.

Firms with 200 or more employees made up 4% of firms but accounted for 64% of all workers and 69% of all covered workers in Massachusetts.



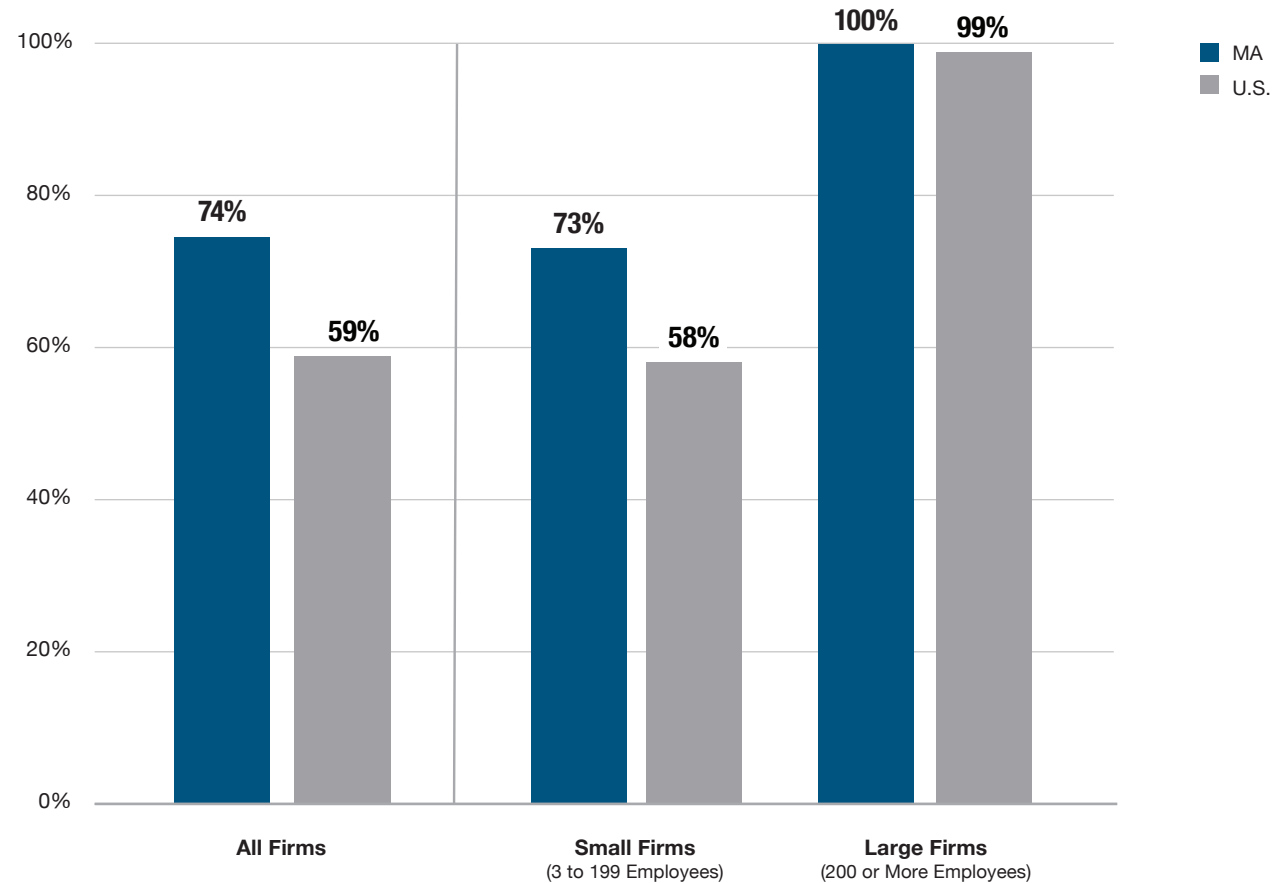
Note: The sampling frame was drawn from Dun's Market Identifiers (DMI) business database available from Marketing Systems Group (MSG). The US Census Bureau's County Business Patterns (2018), Dun and Bradstreet's Database of US firms (2021), and the Bureau of Labor Statistics Quarterly Census of Employment and Wages (2021) were used as benchmarks for post-stratification. Additional details on sampling and weighting methodology are available in the [survey methods report](#). Public employees and firms with fewer than three employees were not included in this data. Percentages may not add to 100% due to rounding.

# Employer Insurance Market: Offer Take-Up, & Coverage Rates

In 2021, 74% of Massachusetts firms offered health insurance. Seventy-three percent of small firms offered insurance compared to approximately 100% of large firms.

Compared to the U.S., Massachusetts's offer rates were notably higher, particularly for small firms.

## Offer Rate: MA vs U.S. 2021



Offer rate is the percentage of firms that offer their eligible employees some form of health insurance.

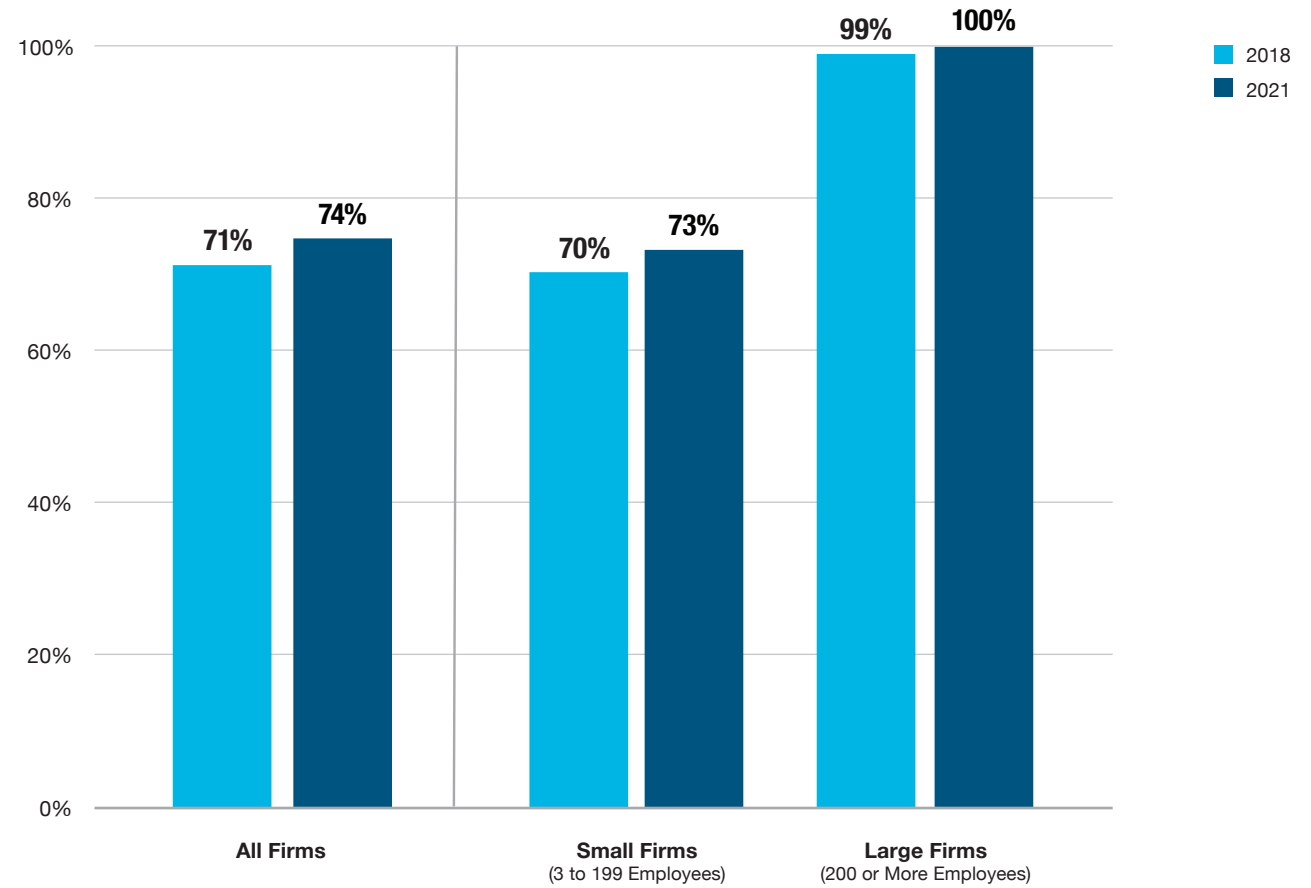
Note: Public employees and firms with less than three employees were not included in this data. U.S. data was drawn from the 2021 Kaiser Employer Health Benefits Survey. Offer rates were weighted by number of firms.

## Employer Insurance Market: Offer Take-Up, & Coverage Rates

In 2021, 74% of firms in Massachusetts offered insurance, compared to 71% in 2018. The offer rate among large firms remained steady at nearly 100%.

## Trend in Massachusetts Employer Offer Rate

2021 vs. 2018



Note: Public employees and firms with less than three employees were not included in this data. Offer rates were weighted by number of firms.

# Employer Insurance Market: Offer Take-Up, & Coverage Rates

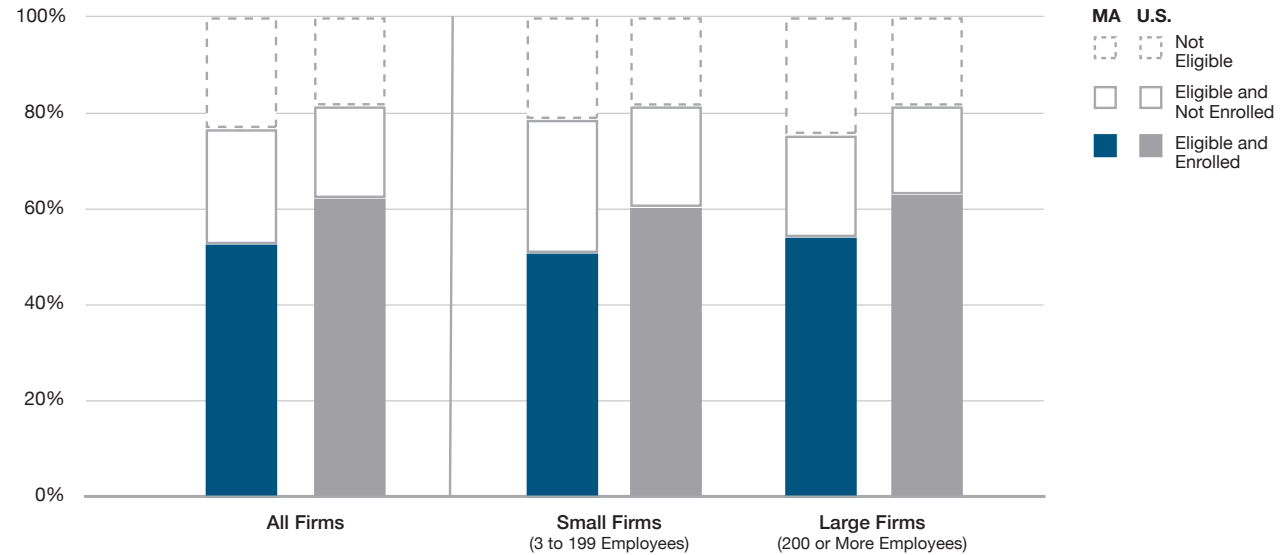
## Eligibility, Take-Up, and Coverage Rates: MA vs U.S. 2021

While the offer rate is determined by decisions made by firms, the take-up rate is decided by the share of eligible employees who enroll in insurance.

In 2021, 76% of Massachusetts employees were eligible for their firms' health insurance, and 70% of eligible employees enrolled in their employer's health plans (take-up rate). A smaller share of eligible Massachusetts employees enrolled in their firm's insurance compared to employees nationally, especially for employees at small firms.

Among Massachusetts firms that offered health insurance, about half of employees (53%) received health coverage from their employer (coverage rate).

Both in Massachusetts and nationally, a smaller share of eligible employees enrolled in health insurance at small firms than large firms.



### 2021 Employee Take-Up and Coverage Rates: MA vs. U.S.

	All Firms		Small Firms		Large Firms	
	MA	U.S.	MA	U.S.	MA	U.S.
Eligibility Rate	76%	81%	78%	81%	75%	81%
Take-Up Rate	70%	77%	64%	75%	72%	78%
Coverage Rate	53%	62%	51%	60%	54%	63%

**Eligibility rate** is the percentage of employees eligible for health benefits offered by their employer. **Take-up rate** is the percentage of **eligible** employees that enrolled in their employer's offered health insurance plans. **Coverage rate** is the percentage of **all** employees covered by their employer's offered health insurance plans.

Note: Public employees and firms with less than three employees were not included in this data. Eligibility rates are average rates for surveyed employers offering health insurance, weighted by all employees. Take-up rates are average rates for surveyed employers offering health insurance, weighted by eligible employees. Coverage rates are average rates for surveyed employers offering health insurance, weighted by all employees. U.S. data was drawn from the 2021 Kaiser Employer Health Benefits Survey.

# Employer Insurance Market: Offer Take-Up, & Coverage Rates

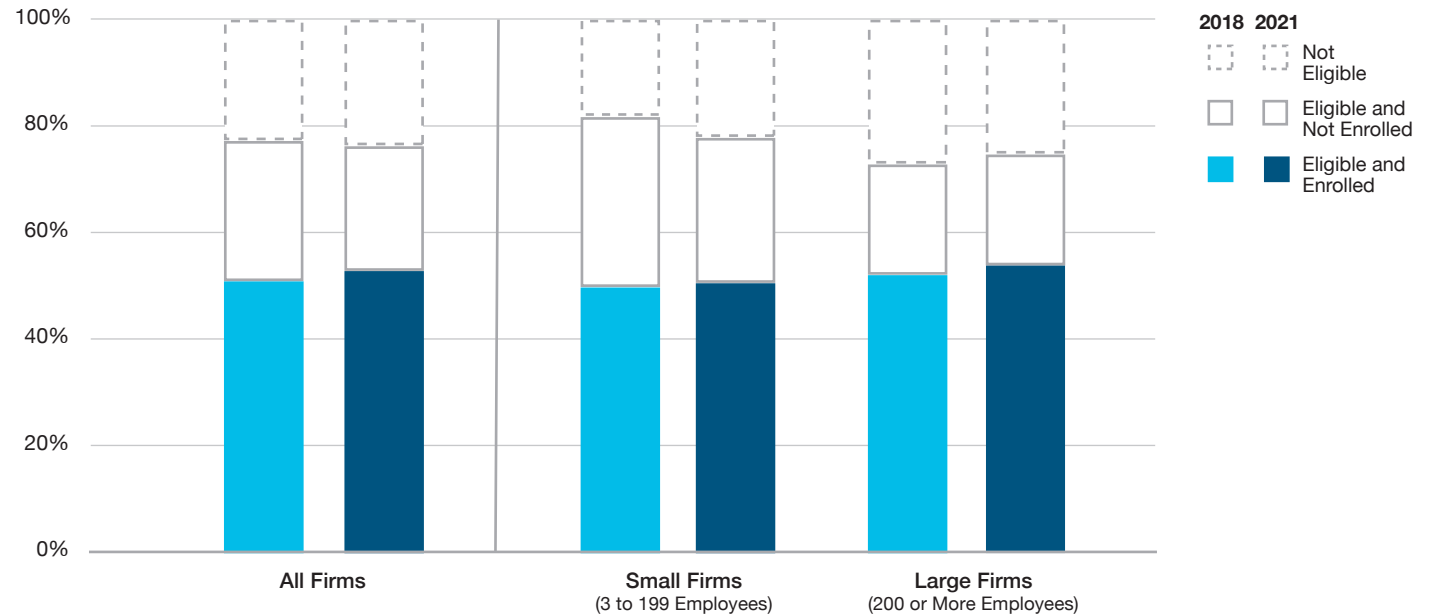
## Trend in Massachusetts Eligibility, Take-Up, and Coverage Rates 2021 vs. 2018

In 2021 and 2018, just over three-fourths (76% and 77%, respectively) of employees were eligible for their employer's health insurance plan.

At small firms, 78% of employees were eligible in 2021, compared to 82% in 2018. At large firms, 75% of employees were eligible in 2021, compared to 73% in 2018.

Seventy percent of eligible employees took up insurance in 2021, compared to 67% in 2018.

Over half of all employees were covered by their employers' insurance plan in 2021 and 2018 (53% and 51%, respectively).



### Massachusetts Employee Take-Up and Coverage Rates: 2018 vs. 2021

	All Firms		Small Firms		Large Firms	
	2018	2021	2018	2021	2018	2021
Eligibility Rate	77%	76%	82%	78%	73%	75%
Take-Up Rate	67%	70%	61%	64%	72%	72%
Coverage Rate	51%	53%	50%	51%	52%	54%

Note: Public employees and firms with less than three employees were not included in this data. Eligibility rates are average rates for surveyed employers offering health insurance, weighted by all employees. Take-up rates are average rates for surveyed employers offering health insurance, weighted by eligible employees. Coverage rates are average rates for surveyed employers offering health insurance, weighted by all employees.

# Employer Insurance Market: Offer Take-Up, & Coverage Rates

## Offer, Eligibility, Take-Up, and Coverage Rates among Part-Time Workers

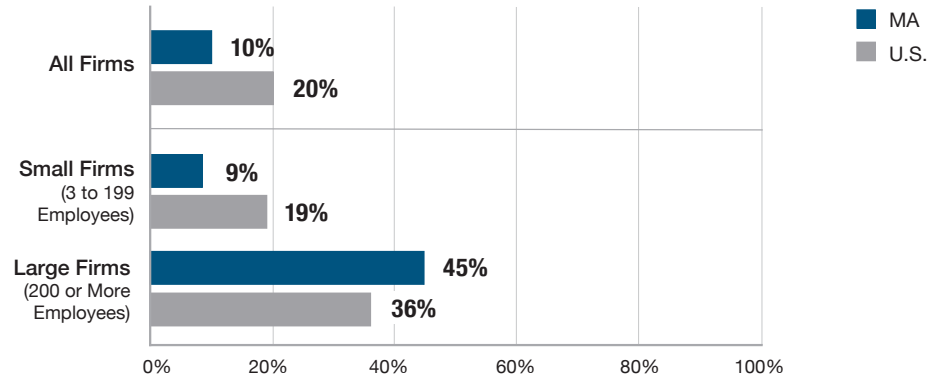
2021

In 2021, about 25% of Massachusetts workers were employed part-time.\* One in 10 Massachusetts firms offered health insurance to their part-time employees compared to 20% of firms nationally. Thirty-eight percent of part-time workers were eligible\*\* for their firms' health insurance, and 52% of those eligible employees enrolled in their firm's health plan. Overall, one in five part-time workers received health coverage from their employers.

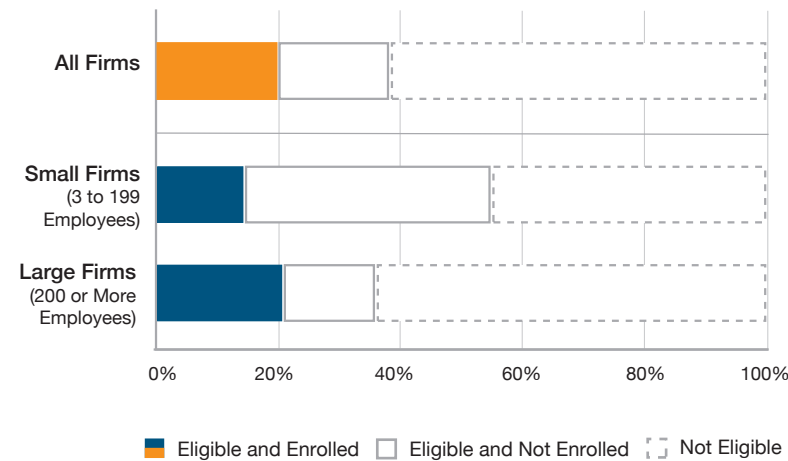
While nearly half of large firms (45%) offered health insurance to part-time workers, only 36% of part-time workers at large firms were eligible for insurance, and 58% enrolled in their employer's health plans. Among large firms, 21% of part-time workers were covered by their firm's health plans.

In contrast, only 9% of small firms offered health insurance to part-time workers and 55% of their part-time workers were eligible for insurance. However, only 26% of these eligible workers enrolled in their employer's health plan, and overall, 15% were covered by their firm's health plans.

Offer Rate to Part-Time Employees among Firms Offering Insurance by Firm Size



Take-Up and Coverage Rates among Firms Part-Time Employees by Firm Size



\*A part-time employee is classified as someone who works on average fewer than 30 hours per week.

\*\*A part-time worker could be ineligible for insurance if they do not work the minimum number of hours required for eligibility by their employer or if they are in a waiting period for health benefit eligibility.

Note: Public employees and firms with less than three employees were not included in this data. Offer rates were weighted by number of firms. Eligibility rates are average rates for surveyed employers offering health insurance, weighted by all employees. Take-up rates are average rates for surveyed employers offering health insurance, weighted by eligible employees. Coverage rates are average rates for surveyed employers offering health insurance, weighted by all employees. The U.S. data was drawn from the 2021 Kaiser Employer Health Benefits Survey.

# Plan Offering and Enrollment

This section provides information on the characteristics of insurance plans that are available to and adopted by employees. The 2021 MES provides new estimates on the number of health plan options offered as well as availability of high-deductible health plan (HDHP)<sup>1</sup> options at Massachusetts firms. Note that all enrollment estimates presented in this report are based on covered employees and do not include dependents; estimates are not directly comparable to enrollment estimates that are based on administrative data and include all covered lives.<sup>2,3,4</sup> More information is available in the field report.

<sup>1</sup> The 2021 IRS deductible thresholds were used to define HDHPs (\$1,400 for single coverage and \$2,800 for family coverage).

<sup>2</sup> The 2021 MES collected enrollment data for all plans at a firm (up to 5 plans) and therefore is not directly comparable to the 2018 MES which collected enrollment information by plan type.

<sup>3</sup> Center for Health Information and Analysis, *Annual Report on the Performance of the Massachusetts Health Care System* (Boston, March 2022), <https://www.chiamass.gov/assets/2022-annual-report/2022-Annual-Report-Rev-2.pdf>.

<sup>4</sup> Center for Health Information and Analysis, *Enrollment Trends* (Boston, March 2022), <https://www.chiamass.gov/enrollment-in-health-insurance/>.

## Key Findings:

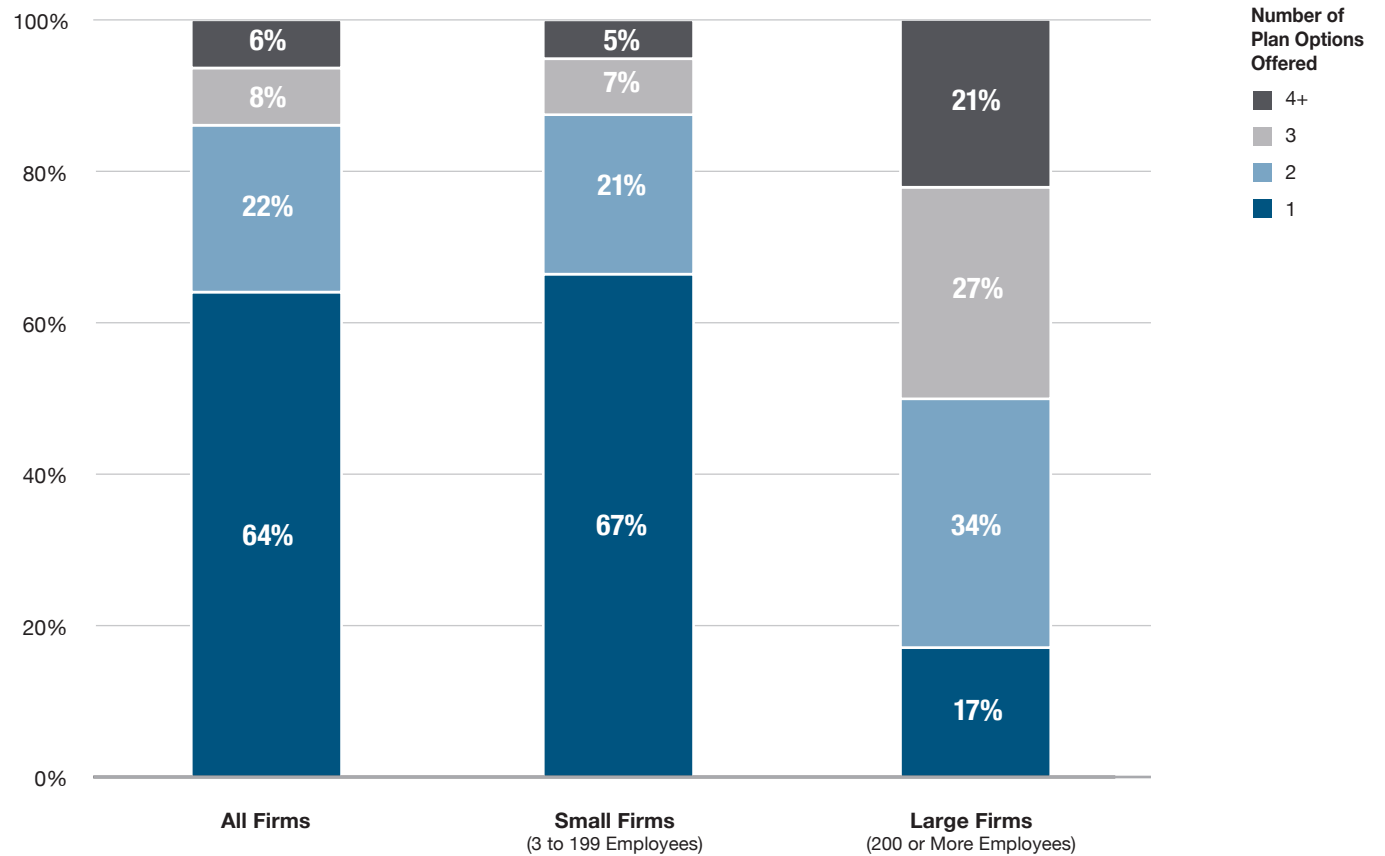
- Most firms in Massachusetts (64%) offered only one health plan option in 2021. This was true for 67% of small firms and 17% of large firms.
- Most employees were enrolled in PPO and HMO plans (43% and 34%, respectively).
- Seven in 10 firms offered high deductible health plans (HDHPs), and 55% of firms only offer HDHPs.
- Large firms were more likely to offer a HDHP with a savings option (Health Reimbursement Account (HRA) or Health Savings Account (HSA)) than small firms (65% and 30%, respectively).
- Nearly half of covered employees (46%) were enrolled in a HDHP, and over one-third (35%) were enrolled in a HDHP plan with a savings option. ■

## Number of Health Plan Options Offered by Employer

2021

In 2021, nearly two-thirds of firms in Massachusetts (64%) offered only one health plan option to their employees.

Large firms were more likely to offer two or more plan options than small firms (83% vs. 33%).



Note: Rates were weighted by number of firms. Public employees and firms with less than three employees were not included in this data. Percentages may not add to 100% due to rounding.

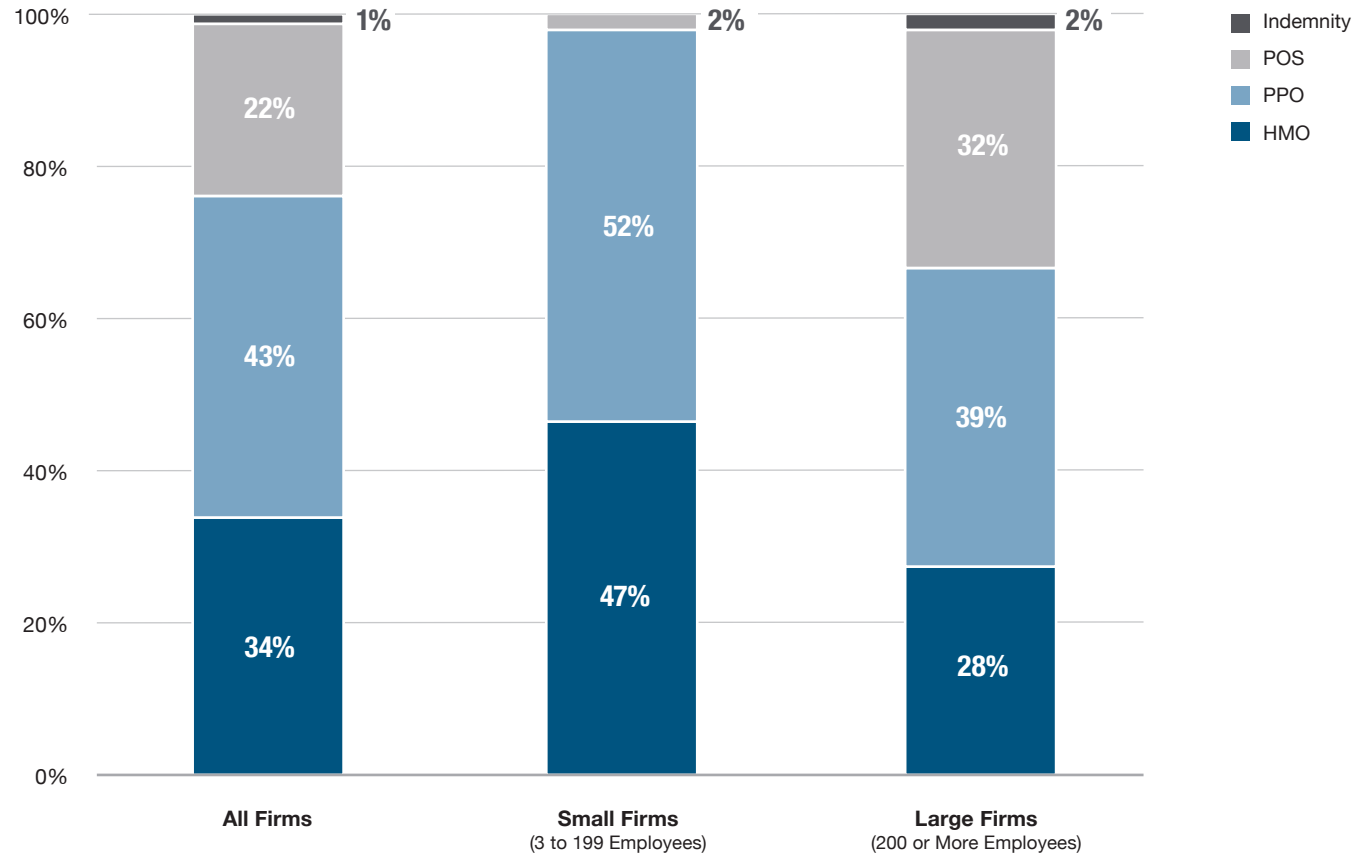


## Enrollment by Health Plan Type 2021

Over two-fifths of employees (43%) were enrolled in a PPO plan, and over one-third (34%) were enrolled in an HMO plan. About one-fifth of employees (22%) were enrolled in a POS plan, and 1% were enrolled in an Indemnity plan.

Enrollment in health plan types differed by firm size. Among small firms, nearly all employees were enrolled in either PPO or HMO plans (52% and 47%, respectively).

Among large firms, the largest share of employees was enrolled in a PPO plan (39%) and about one-third (32%) were enrolled in a POS plan. Another 28% of employees were enrolled in an HMO plan. Indemnity plans were collectively 2% or less for both small and large firms.



Note: The 2021 MES collected enrollment data for all plans at a firm (up to 5 plans) and therefore is not directly comparable to the 2018 MES which collected enrollment information by plan type. Enrollment rates were weighted by covered employees and do not include dependents, and therefore are not directly comparable to enrollment data from other CHIA reports. Percentages may not add to 100% due to rounding. Public employees and firms with less than three employees were not included in this data.

# High Deductible Health Plan (HDHP) Employer Offering

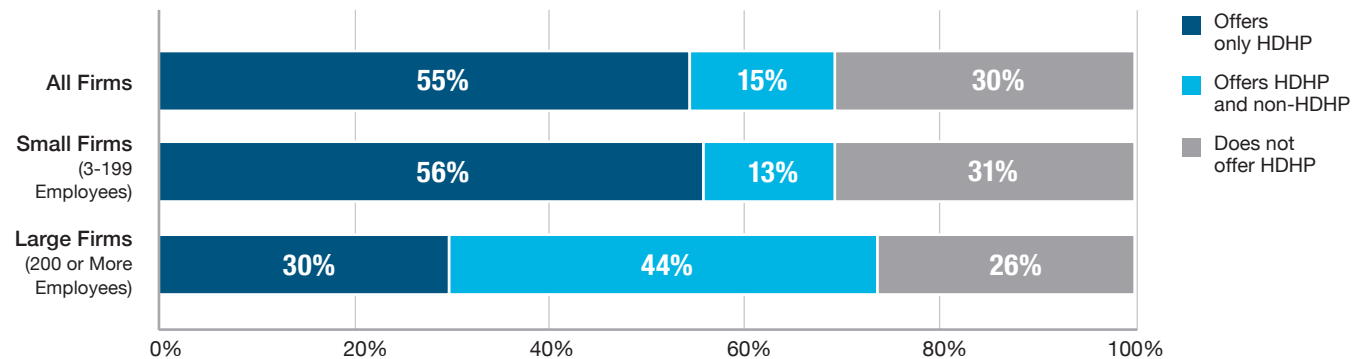
2021

In 2021, 70% of firms offering health insurance offered a high deductible health plan (HDHP). More than half (55%) only offered HDHPs, and a smaller share (15%) offered both HDHPs and non-HDHPs.

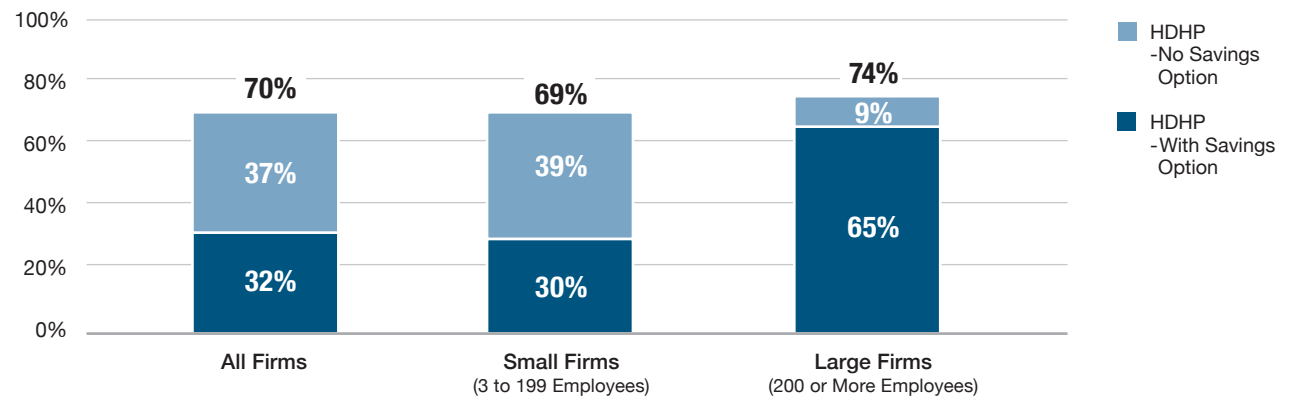
Small firms exclusively offered HDHPs more often than large firms (56% and 30%, respectively). Large firms were much more likely than small firms to offer both a HDHP and a non-HDHP option (44% compared to 13%).

Close to one-third of firms offered HDHPs with an accompanying savings option—Health Reimbursement Account (HRA) or Health Savings Account (HSA). Large firms were more likely to offer a HDHP with a savings option than small firms (65% and 30%, respectively).

Percent of Firms Offering HDHP and non-HDHP Options, among Firms Offering Insurance



Percent of Firms Offering a HDHP by Firm Size, among Firms Offering Insurance

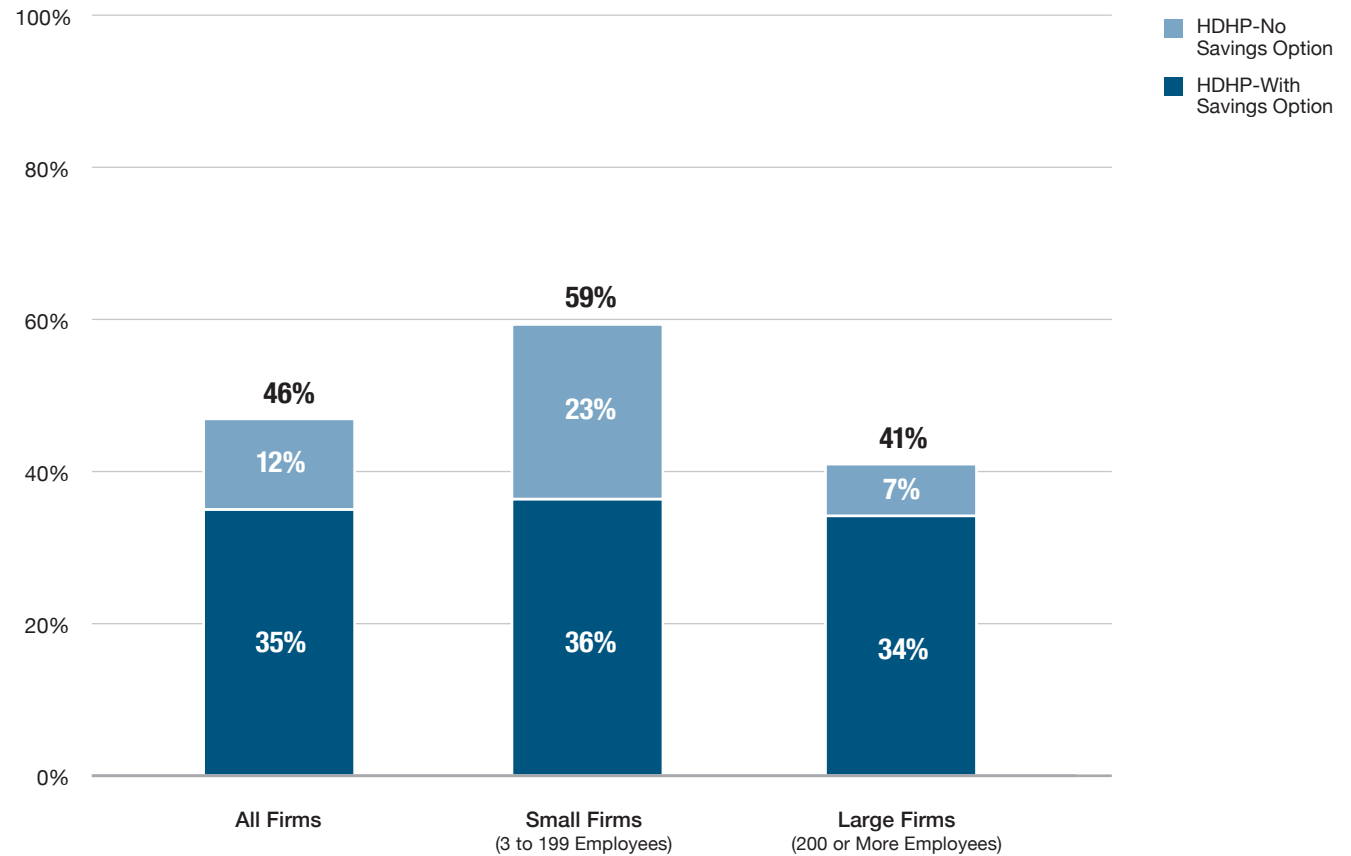


Notes: The 2021 IRS deductible thresholds for HDHPs were \$1,400 for single coverage and \$2,800 for family coverage. Offer rates were weighted by number of firms. Percentages may not add to 100% due to rounding. Public employees and firms with less than three employees were not included in this data.

Nearly half of Massachusetts covered employees (46%) were enrolled in a HDHP. At small firms, more than half of covered employees (59%) were enrolled in a HDHP, compared with less than half (41%) at large firms.

Over one-third of covered employees were enrolled in HDHPs with a savings option. For both small and large firms, most covered employees who enrolled in a HDHP were enrolled in a plan that offered a savings option.

## High Deductible Health Plan (HDHP) Employee Enrollment 2021



Notes: The 2021 IRS deductible thresholds for HDHPs were \$1,400 for single coverage and \$2,800 for family coverage. Enrollment rates were weighted by covered employees and do not include dependents. Public employees and firms with less than three employees were not included in this data.

# Cost-Sharing Among Employers and Employees

In this section, information is reported on average total premium costs, employer and employee contribution towards premium cost, average annual deductibles, out-of-pocket limits, and copayment amounts. New for this report, premium data for family coverage was collected for three distinct categories of coverage: employee and spouse, employee and dependent child(ren), and employee and spouse and dependent child(ren). Cost-sharing information is for the largest enrolled plan at each firm and is therefore not directly comparable to cost-sharing data from other CHIA reports.<sup>1</sup>

## Key Findings:

- Average total monthly premium for single coverage was \$715 in Massachusetts, higher than the national average of \$645.
- Massachusetts employees contributed 25%, on average, to the premium for single coverage, compared to their national counterparts at 17%.
- Average total monthly premium was \$1,397 for employee and dependent child(ren) coverage, \$1,422 for employee and spouse coverage, and \$1,956 for employee and spouse and dependent child(ren) coverage.
- On average, employees contributed 27-29% to family coverage premiums.
- Among firms offering plans with deductibles, the average annual deductible for single coverage was \$1,661, similar to the national average of \$1,669.
- Massachusetts employees faced out-of-pocket limits that were comparable to their national counterparts (\$4,267 and \$4,272, respectively). ■

<sup>1</sup> Center for Health Information and Analysis, *Annual Report on the Performance of the Massachusetts Health Care System* (Boston, March 2022), <https://www.chiamass.gov/assets/2022-annual-report/2022-Annual-Report-Rev-2.pdf>

## Cost-Sharing Among Employers and Employees

In 2021, the average monthly premium for single coverage in Massachusetts was \$715, higher than the national average at \$645.

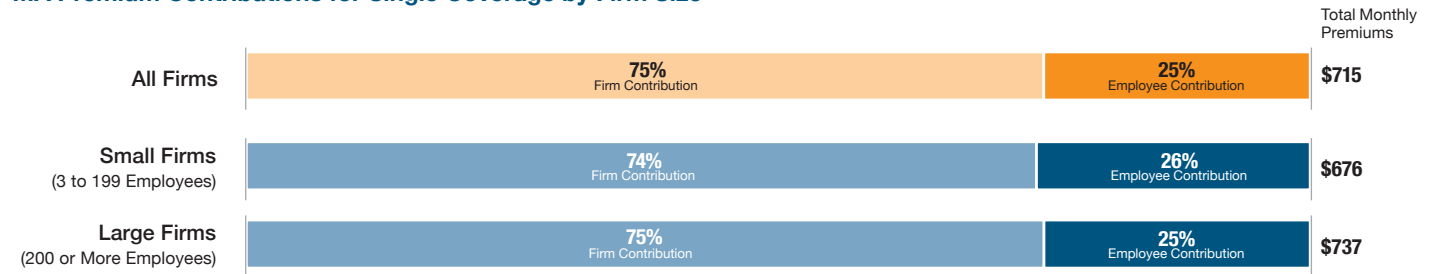
Massachusetts employees contributed 25%, on average, to the premium for single coverage, compared to their national counterparts at 17%.

Both in Massachusetts and nationally, employees contributed a similar share of single coverage premiums at small and large firms (26% vs. 25% at Massachusetts firms and 16% vs. 17% nationally).

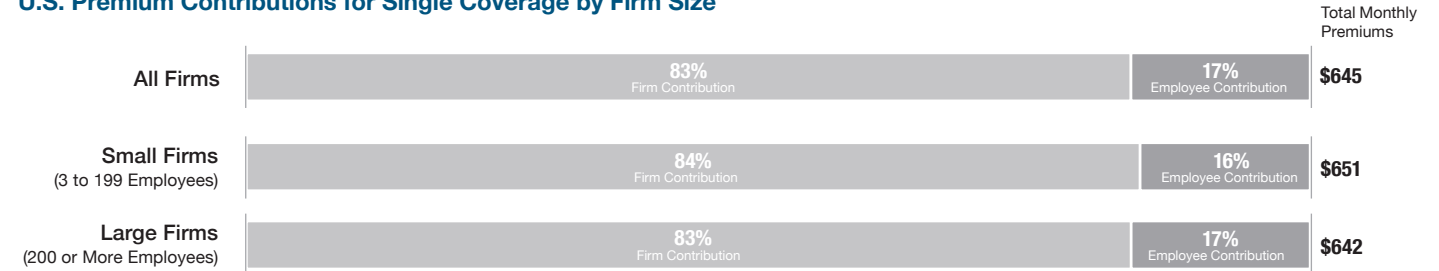
# Health Insurance Premiums for Single Coverage

2021

## MA Premium Contributions for Single Coverage by Firm Size



## U.S. Premium Contributions for Single Coverage by Firm Size



Note: MA average premium costs are based on weighted average of the largest enrolled plan at each firm. Premiums are weighted by covered employees. U.S. data was drawn from the 2021 Kaiser Employer Health Benefits Survey. Public employees and firms with less than three employees were not included in this data.

## Health Insurance Premiums for Family Coverage

2021

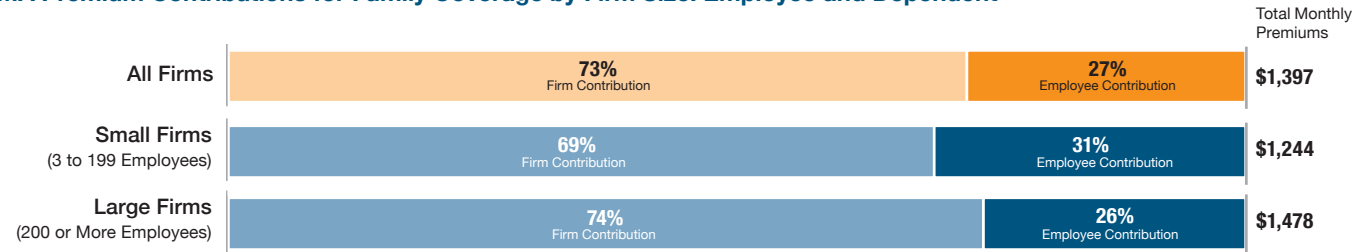
New for this report, premium data for family coverage was collected for three distinct categories of coverage: employee and dependent child(ren), employee and spouse, and employee and spouse and dependent child(ren).

The 2021 average total monthly premium was \$1,397 for employee and dependent child(ren) coverage, \$1,422 for employee and spouse coverage, and \$1,956 for employee and spouse and dependent child(ren) coverage.

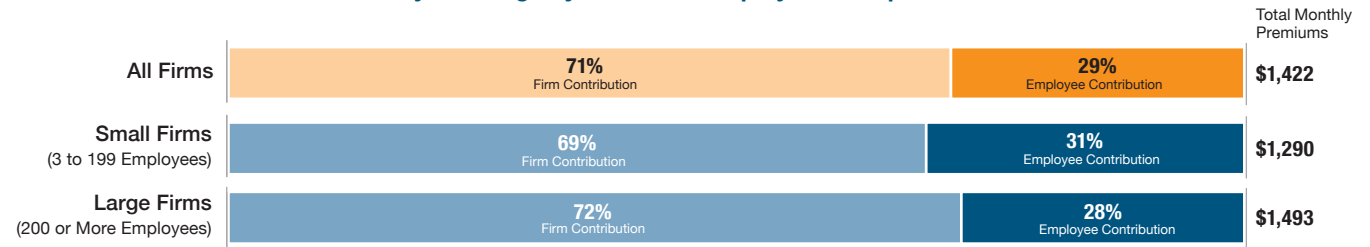
The average employee contribution for each of these coverage options ranged from 27% to 29% for all firms.

Small firms have lower total premiums for family coverage but require employees to contribute a higher share of the premium for family coverage.

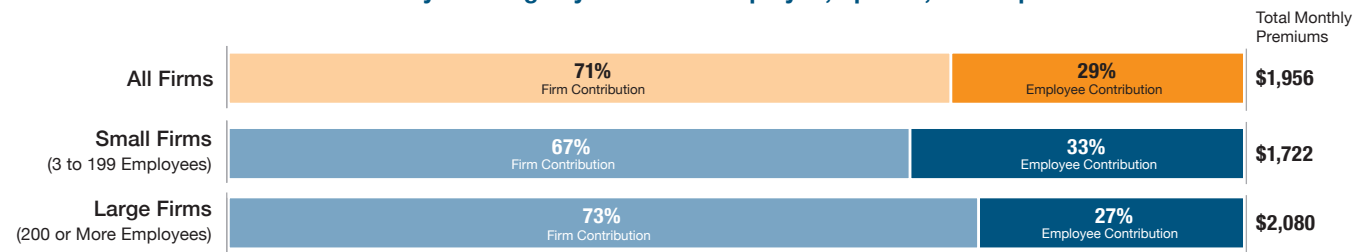
### MA Premium Contributions for Family Coverage by Firm Size: Employee and Dependent



### MA Premium Contributions for Family Coverage by Firm Size: Employee and Spouse



### MA Premium Contributions for Family Coverage by Firm Size: Employee, Spouse, and Dependent



Note: MA average premium costs are based on weighted average of the largest enrolled plan at each firm. Premiums are weighted by covered employees. Public employees and firms with less than three employees were not included in this data.

## Cost-Sharing Among Employers and Employees

In 2021, the average annual deductible for single coverage was \$1,661, comparable to the annual deductible nationally (\$1,669). Average annual deductibles in Massachusetts were nearly 12% higher at small firms relative to large firms (\$1,764 vs. \$1,577). When compared to national data, small firms in MA had average annual deductibles that were nearly 26% lower (\$1,764 vs. \$2,379) while large firms had average deductibles that were nearly 13% higher than their national counterparts (\$1,577 vs. \$1,397).

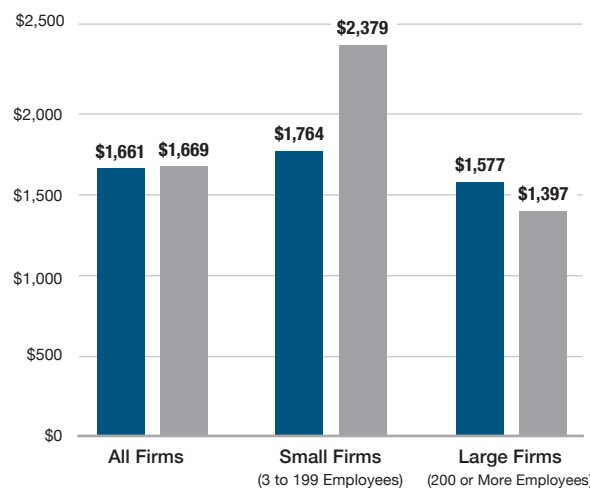
Overall, Massachusetts employees faced comparable out-of-pocket (OOP) limits to their national counterparts. The average OOP limit for single coverage in Massachusetts was \$4,267 compared to \$4,272 nationally.

Copayments for all medical services at small firms were higher than those at large firms, particularly for emergency department (ED) and inpatient visits.

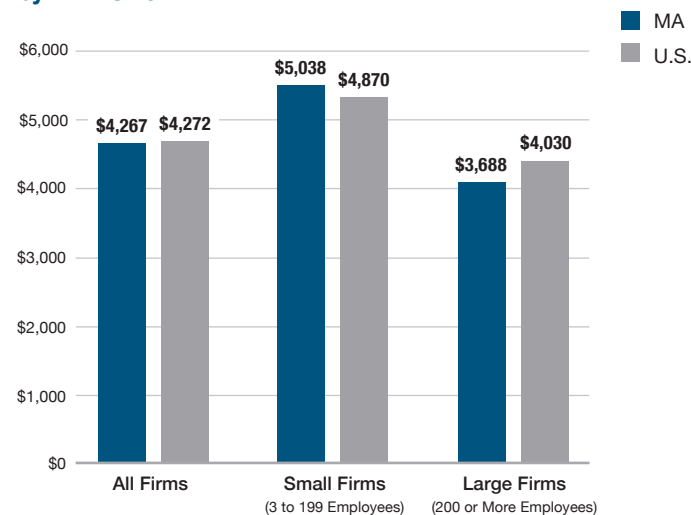
# Annual Deductibles, OOP Limits, and Copayments for Single Coverage: MA vs. U.S.

2021

### Average Annual Deductibles for Single Coverage by Firm Size



### Average Annual OOP Limits for Single Coverage by Firm Size



### Copayments by Firm Size

	All Firms	Small Firms	Large Firms
PCP Office Visit	\$22	\$24	\$20
Mental Health Office Visit	\$26	\$30	\$25
ED Visit	\$167	\$235	\$133
Inpatient Visit	\$400	\$494	\$323
Generic Drug	\$12	\$14	\$11
Preferred Brand Drug	\$34	\$44	\$29
Non-Preferred Brand Drug	\$59	\$80	\$49
Specialty Drug	\$103	\$105	\$102

Note: The cost-sharing amounts shown are based on in-network providers of single coverage health plans. Deductibles are reported for plans that have covered workers enrolled in a single coverage plan that includes a deductible. Average deductibles and out-of-pocket limits are based on a weighted average of covered employees in the largest enrolled plan at a firm. Out-of-pocket (OOP) limit is the most that an enrollee has to pay for covered services in a plan year. After the enrollee spends this amount on deductibles, copayments, and coinsurance, the health plan pays 100% of the costs of covered benefits. Copayments/coinsurance is based on the amount for in-network providers and is of the single most popular plan at the firm. \$0 copays for inpatient visits were excluded from the average. U.S. data was drawn from the 2021 Kaiser Employer Health Survey. Public employees and firms with less than three employees were not included in this data.

# Decision Making Among Employers on Health Insurance

The decisions made by Massachusetts employers about whether to offer health insurance and in selecting carriers and health plans have important implications for the health care marketplace. The MES highlights some of the primary factors influencing employers' decisions. The 2021 MES asked employers about the most important reasons for offering and not offering insurance, reasons for selecting health insurance carriers/plan, and cost control strategies that were enacted within the past year.

## Key Findings:

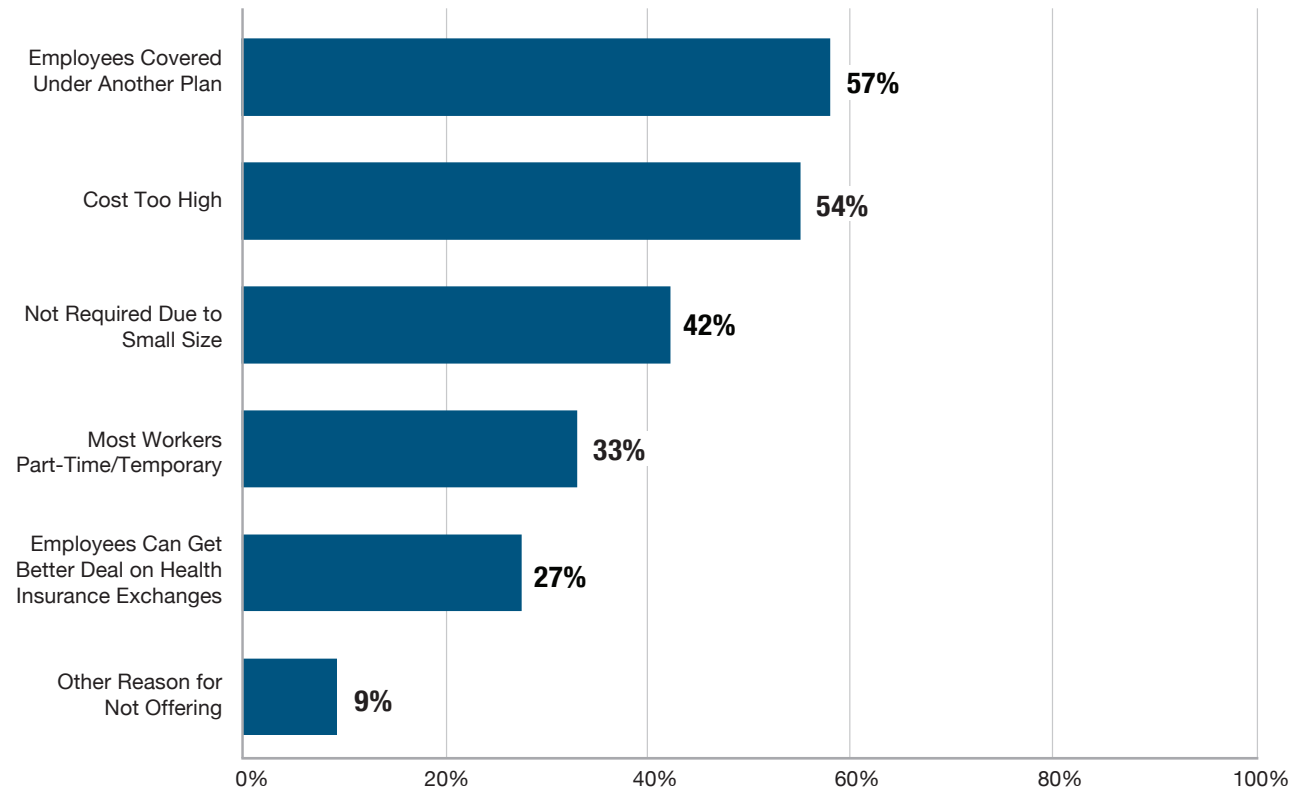
- The most common reason given for firms not offering health insurance was, “Employees are covered under another plan” (57%).
- Among employers who offered insurance, employers most commonly cited “It is the right thing to do” (87%) and “employee retention” (74%) as important reasons for offering health insurance.
- Sixteen percent (16%) of employers increased member cost-sharing (copays/coinsurance/deductibles) in health plans to control costs over the past year. ■



In 2021, 57% of firms not offering insurance cited that this was because employees are covered under another plan. This could include other employer-sponsored coverage through a spouse's plan, insurance from a private or public exchange, or public insurance such as Medicaid/Medicare.

The next most common reason for not offering health insurance was that the cost of insurance coverage is too high (54%).

## Employer Reasons for Not Offering Insurance 2021



Note: Rates were weighted by number of firms. Because survey respondents were allowed to select up to three reasons for the questions, percentages do not add up to 100%. Public employees and firms with less than three employees were not included in this data.

## Decision Making Among Employers on Health Insurance

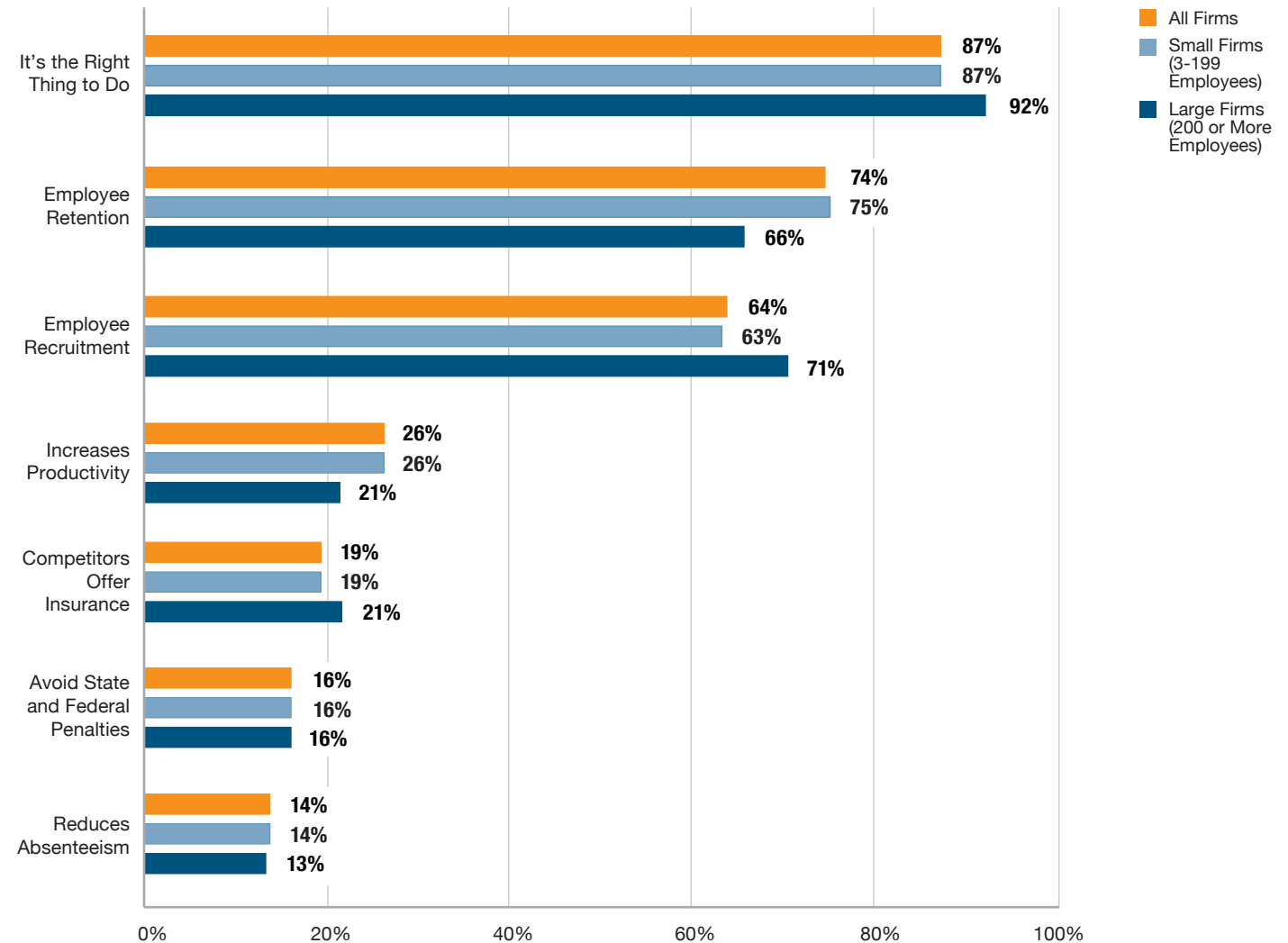
In 2021, among Massachusetts employers who offered insurance, most cited the reasons they offer as “It’s the right thing to do” (87%) and “employee retention” (74%).

Among small firms, employee recruitment was the third most common reason for offering insurance.

For large firms, employee recruitment was a more popular reason for offering insurance to their employees than employee retention.

## Employer Reasons for Offering Insurance

2021



Note: Rates were weighted by number of firms. Because survey respondents were allowed to select up to three reasons for these questions, percentages do not add up to 100%. Public employees and firms with less than three employees were not included in this data.

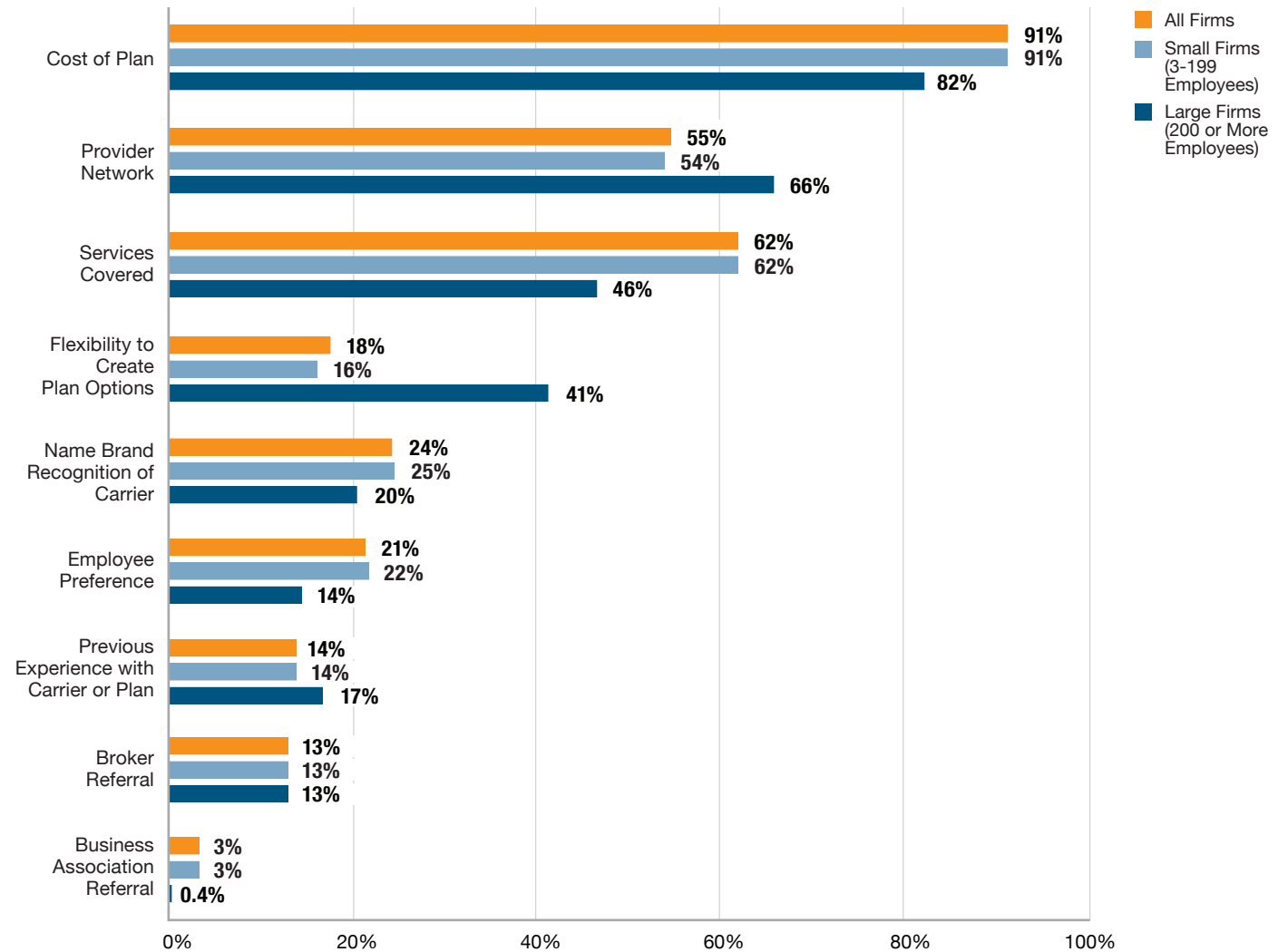
## Decision Making Among Employers on Health Insurance

In 2021, Massachusetts employers reported cost of plan (91%), services covered (62%), and provider network (55%) as the most common reasons for selecting a health insurance carrier or plan.

The flexibility to create plan options was also cited by large employers as a factor in carrier/plan selection.

## Reasons for Selecting a Carrier or Plan

2021



Note: Rates were weighted by number of firms. Because survey respondents were allowed to select up to three reasons for these questions, percentages do not add up to 100%. Public employees and firms with less than three employees were not included in this data.

## Decision Making Among Employers on Health Insurance

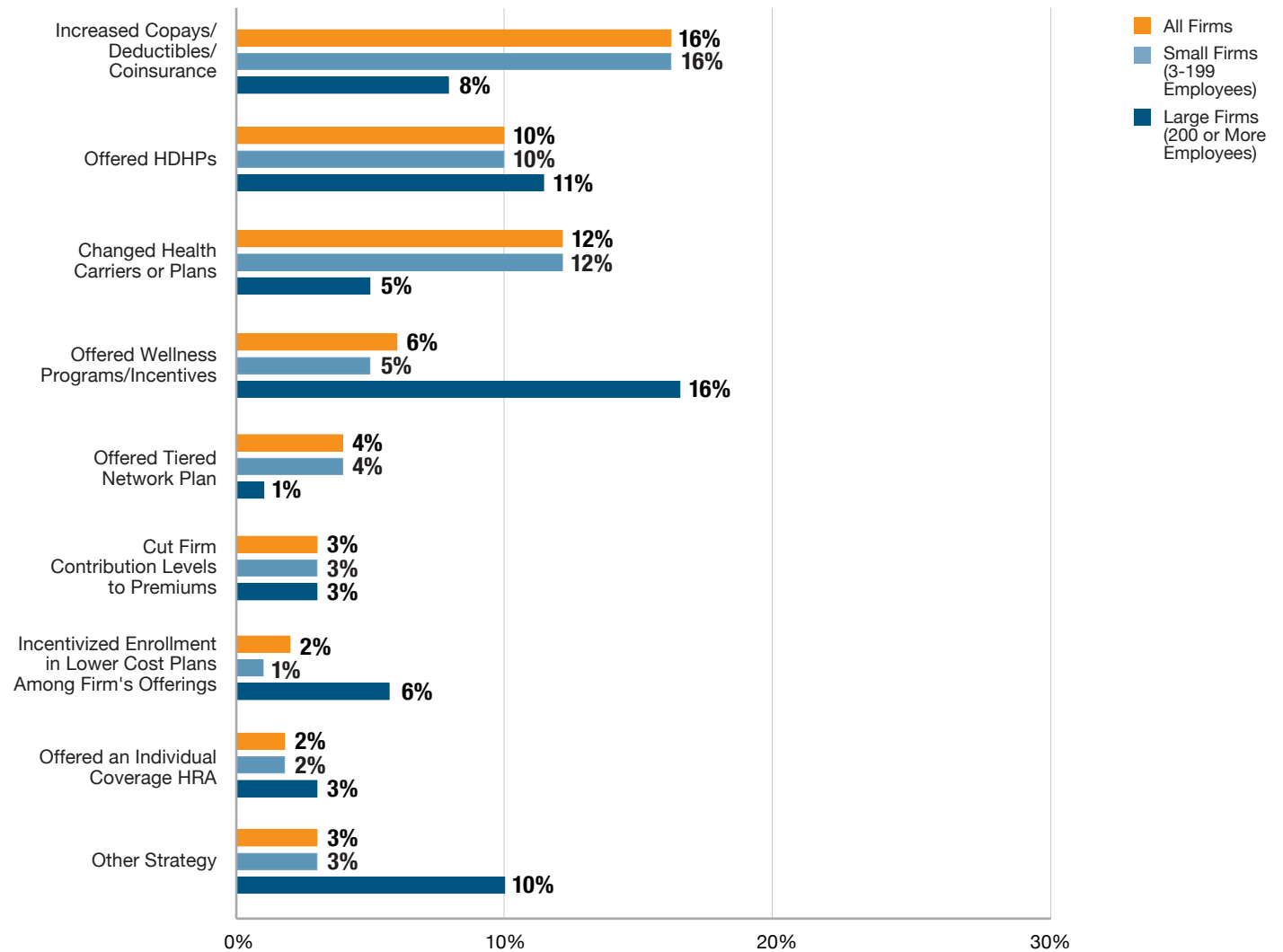
In 2021, 16 percent of all Massachusetts employers increased member cost-sharing (deductibles/copays/coinsurance) to control health care costs. Other strategies to control costs include changing carriers or plans (12%), offering wellness programs or incentives (6%), or offering a HDHP (10%).

Among small firms, the most commonly enacted cost control strategies were increasing member cost-sharing (16%), changing health carriers or plans (12%), and offering HDHPs (10%).

Among large firms, the most commonly enacted cost control strategies were offering wellness programs (16%) and offering HDHPs (11%).

## Cost Control Strategies Enacted by Employers

2021



Notes: The MES asked employers about what cost control strategies they had enacted within the past year. Because survey respondents were allowed to select more than one reason for these questions, percentages do not add up to 100%. Rates were weighted by number of firms. Public employees and firms with less than three employees were not included in this data.

# The Impact of COVID-19 on Massachusetts Employers, Employees, and Benefits

Massachusetts employers and employees have been significantly impacted by the economic disruption caused by the COVID-19 pandemic. Additionally, school, daycare, and other institutional closures created increased caregiving and domestic responsibility for many employees. Considering new threats to the health and safety of their employees, employers felt it necessary to implement new protocols and ways of working. In response to the changing health care environment, some employers implemented changes to their benefits offered. The 2021 MES included new questions to quantify the impacts of the COVID-19 pandemic on employers and employees across the Commonwealth.

## Key Findings:

- Nearly one in 10 firms (9%) furloughed or laid off employees, and 21% of firms had employees who left voluntarily due to concerns about the COVID-19 pandemic.
- Among firms who had employees leave voluntarily, firms were most likely to report that workers with children (38%), those with underlying health conditions (34%), part-time workers (31%), older workers (28%), and women (28%) left voluntarily.
- Sixty-two percent of firms offered paid sick leave prior to March 2020, and 11% of firms newly offered this benefit as of March 2020.
- Since January 2020, firms expanded access to telehealth, waived or reduced cost-sharing for COVID-19 treatment, and expanded access to behavioral health services (49%, 18%, and 7%). ■

# The Impact of COVID-19 on MA Employers, Employees, and Benefits

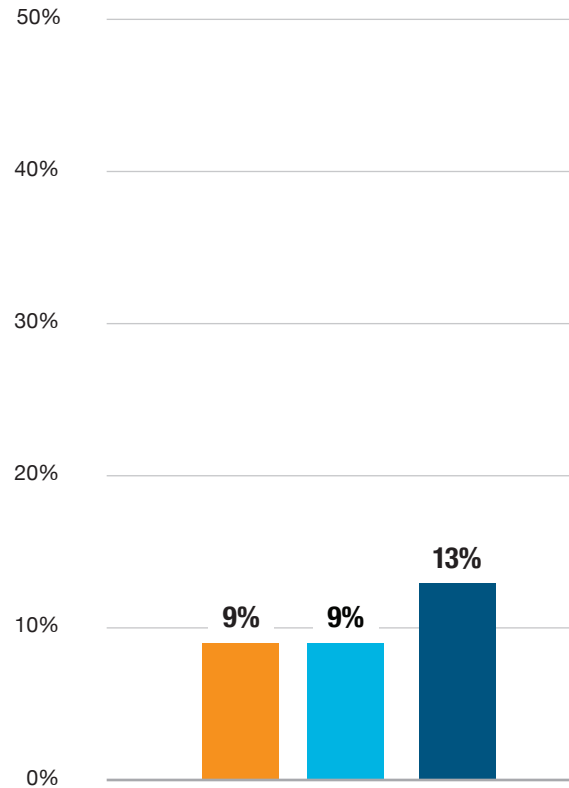
In 2021, 9% of firms furloughed or laid off employees during the COVID-19 pandemic. A slightly higher share of large firms furloughed or laid off employees compared to small firms (13% vs 9%).

Additionally, 21% of all firms had employees who left voluntarily during the COVID-19 pandemic. Among small firms, 20% had employees who left voluntarily, while nearly half (49%) of large firms had employees who left voluntarily during the pandemic.

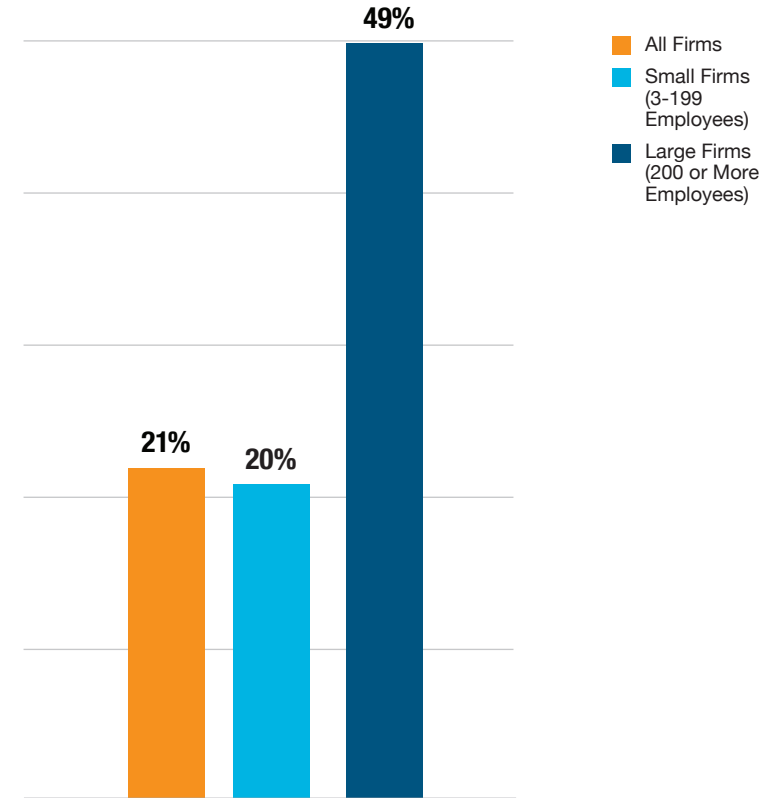
## Firms with Any Employees Who Left During the Pandemic

2021

### Firms Who Furloughed or Laid Off Employees



### Firms With Employees Who Left Voluntarily



Note: Rates were weighted by number of firms. Public employees and firms with less than three employees were not included in this data.

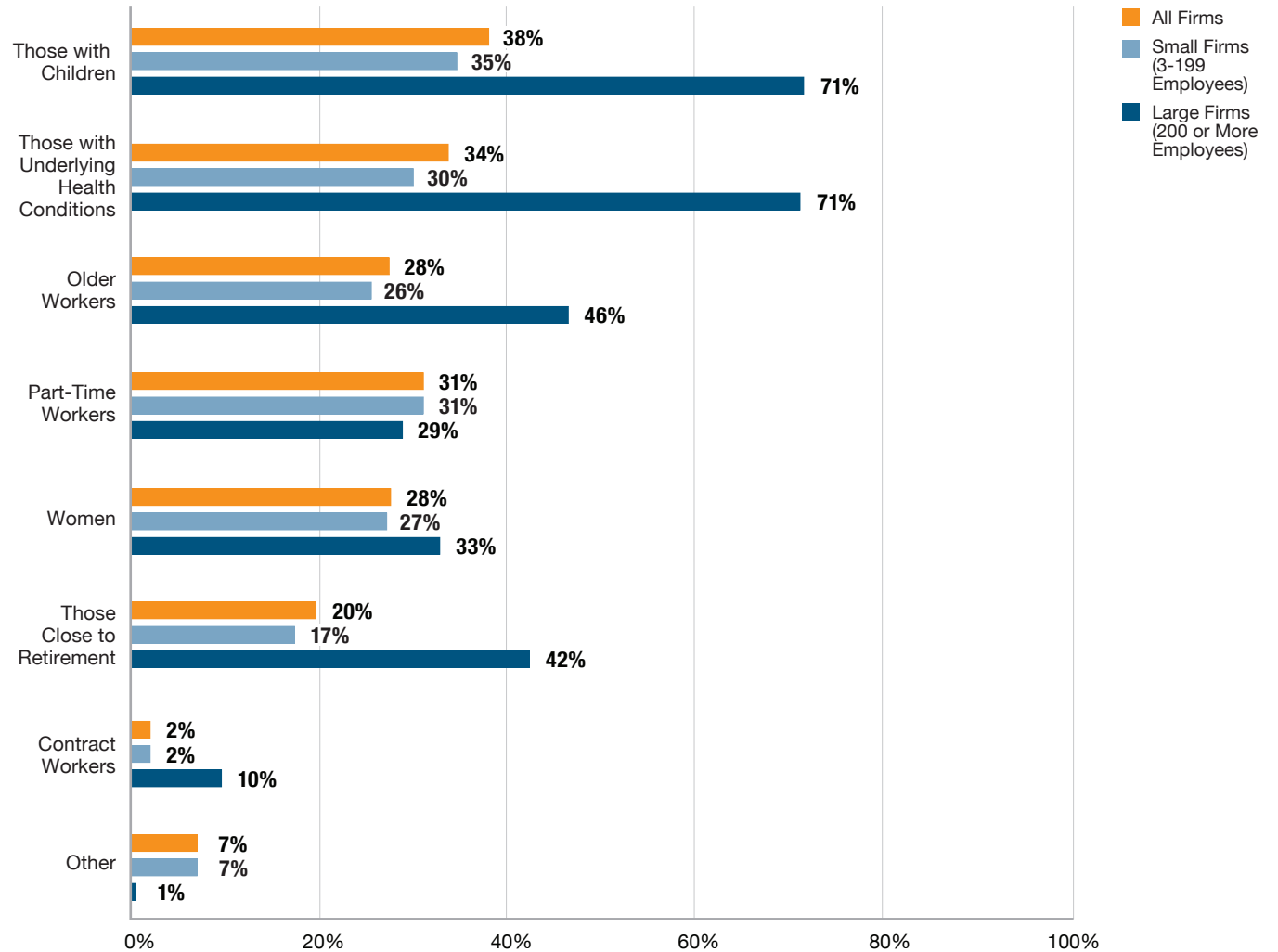
# The Impact of COVID-19 on MA Employers, Employees, and Benefits

## Groups of Employees Who Left Voluntarily During the Pandemic

2021

Among firms who had employees leave voluntarily, firms were most likely to report that workers with children (38%), those with underlying health conditions (34%), part-time workers (31%), older workers (28%), and women (28%) left voluntarily.

Among large firms, 71% reported that those with children or underlying health conditions left voluntarily. For large firms, this was followed by older workers (46%), those close to retirement (42%), women (33%), and part-time workers (29%).



Note: Rates were weighted by number of firms. Because survey respondents were allowed to select more than one response for these questions, percentages do not add up to 100%. Public employees and firms with less than three employees were not included in this data.

# The Impact of COVID-19 on MA Employers, Employees, and Benefits

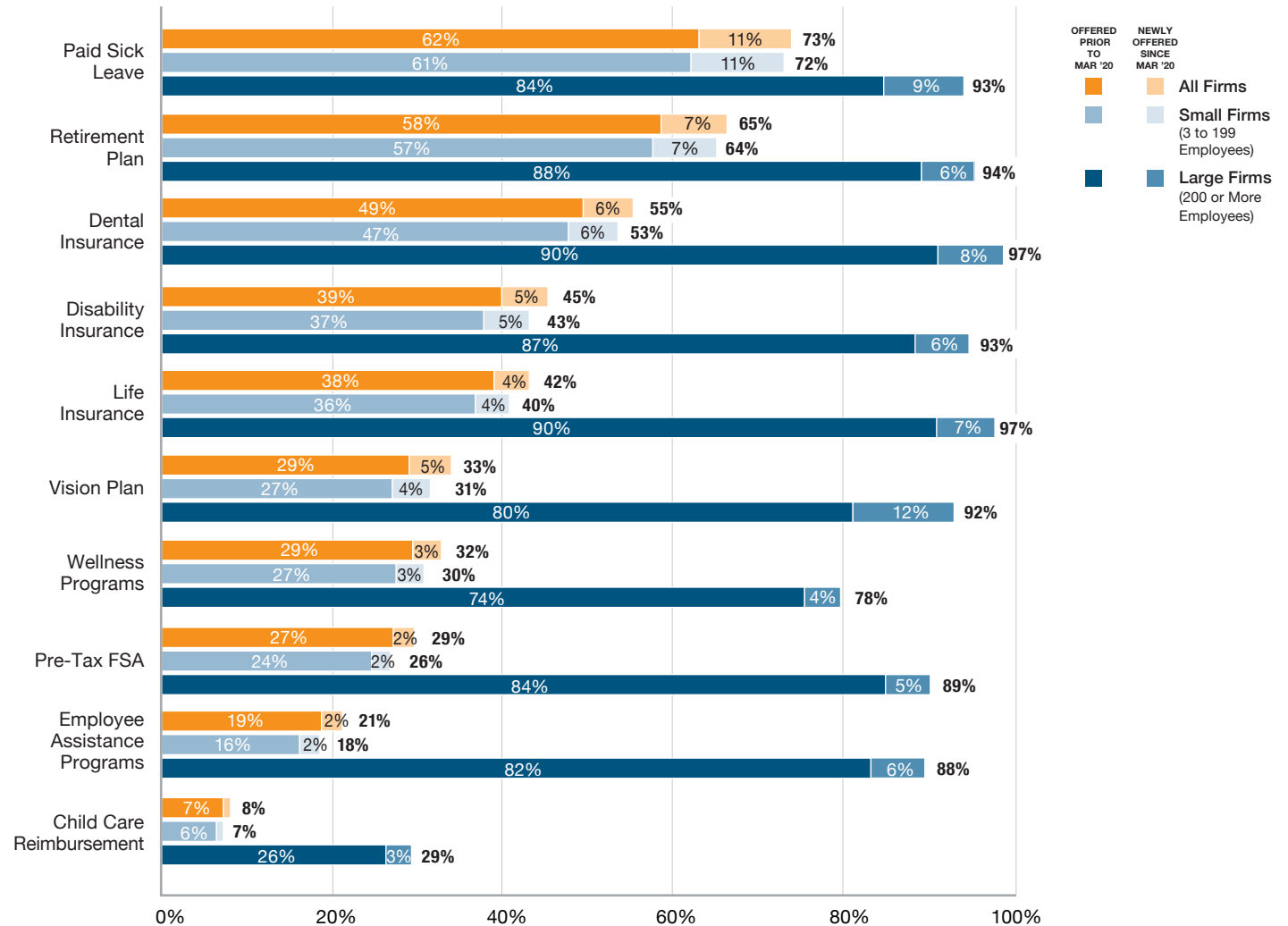
## Firms Newly Offering Benefits Since March 2020

2021

Sixty-two percent of firms offered paid sick leave prior to March 2020, and 11% of firms newly offered this benefit as of March 2020. Seven percent of firms newly offered retirement plans, 6% newly offered dental insurance (6%), and 5% newly offered disability insurance (5%), or a vision plan (5%).

Among large firms, dental insurance (8%) and vision plans (12%) were more likely to be added as new benefits compared to small firms. Large firms were also more than twice as likely as small firms to have added Employee Assistance Programs (6%) or Pre-Tax FSA plans (5%).

Across all types of benefits, large firms were more likely to offer benefits and add new benefits over time.



Note: Rates were weighted by number of firms. Percentages may not add up to 100% because of rounding. Public employees and firms with less than three employees were not included in this data.



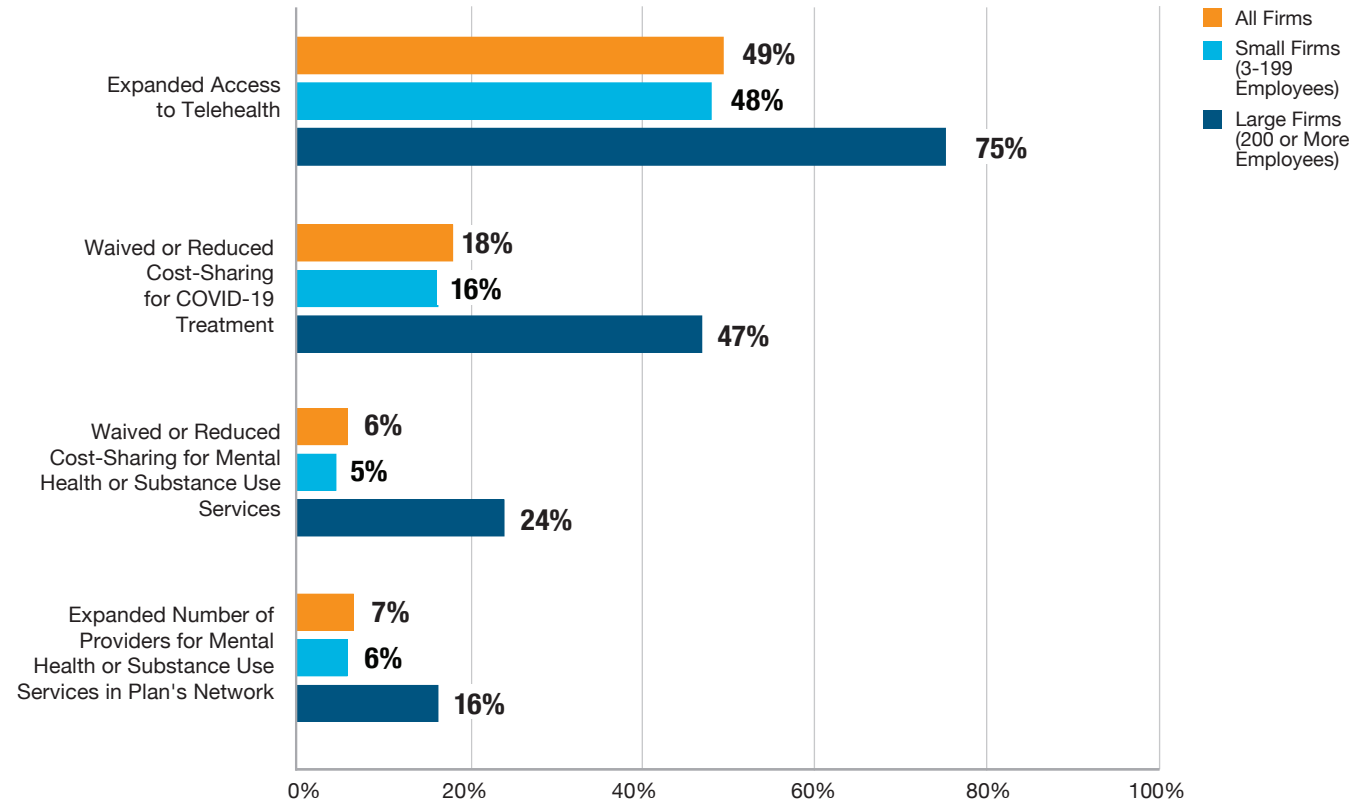
# The Impact of COVID-19 on MA Employers, Employees, and Benefits

Since January 2020, nearly half (49%) of firms expanded access to telehealth and 18% waived or reduced cost-sharing for COVID-19 treatment.

Among large firms, 75% expanded access to telehealth, and nearly half (47%) waived or reduced cost-sharing for COVID-19 treatment. Firms also implemented changes to their mental health or substance use policies, with 6% waiving or reducing cost-sharing for these services, and 7% expanding the number of providers for these services in the plan's network.

## Firms that Implemented Changes in Benefits since January 2020

2021



Note: Rates were weighted by number of firms. Percentages may not add to 100% due to rounding. Public employees and firms with less than 3 employees were not included in this data.

# About the Methodology

The Massachusetts Employer Survey (MES) was conducted on a biennial basis from 2001 through 2009; annually in 2010 and 2011; and resumed on a biennial basis from 2014-2018. Data collection for the latest MES originally was scheduled to be completed in 2020; however, due to the disruptions caused by the COVID-19 pandemic to Massachusetts businesses, data collection was paused in March 2020. Multiple surges of COVID-19 proved that efficient and representative data collection was not possible during the calendar year of 2020. The MES data collection restarted in May 2021.

As data collection progressed, it became clear that the pandemic had created a shift in the workplace environment. Many employees moved from working in an office setting to working from home. This was initially a temporary measure to reduce the spread of COVID-19 but became a standard practice for many firms. This

created new challenges in identifying and then reaching an employee that could provide information about a firm's health benefits. This structural change and the additional effort required to speak with employees pushed the original timeline for data collection into January 2022. This also led to the implementation of a second version of the MES; a much shorter survey tailored to gather information on the offering of health insurance and the eligibility and enrollment of employees in ESI plans.

The 2021 questionnaire was based on previous CHIA survey instruments but included several substantial modifications since 2018. First, a new module of questions was included on the impact of COVID-19 on employers, employees, and benefits offered. Secondly, enrollment and cost-sharing data was collected for all plans offered at a firm (up to 5 plans), compared to in 2018 where data was collected for the plan with the

largest enrollment within each plan type (HMO, PPO, POS, Indemnity). Many other components of the survey have remained over time. Changes to the questionnaire have been documented in field reports from each of the survey years and can be found at <http://www.chiamass.gov/massachusetts-employer-survey/>.

Like the 2018 MES, the 2021 MES uses firms (e.g., CVS as an organization) rather than establishments (e.g., an individual CVS worksite) as the sampling unit. Because of this difference, estimates from MES reports published prior to 2016 are not directly comparable to 2016, 2018, or 2021 estimates. The target population for the survey contained firms, standalone and headquarters only, with establishments located in the state of Massachusetts. This includes firms fully located in the state, as well as firms headquartered outside but with establishments inside the state. The firm size categories for analyses presented in this report were based on the self-reported number of employees in Massachusetts. We excluded federal, state, and other public employers, as well as employers with fewer than three employees in the state.

The sample of employers was drawn from Dun's Market Identifiers (DMI) business database available from Marketing Systems Group (MSG). Sampling was based

on six employee size classes and nine NAICS sector groups (either individual NAICS sectors or combinations of two or more sectors) resulting in 54 sampling strata. The 2021 sample included 2016 and 2018 MES respondents, the so-called panel sample. The purpose of retaining the panel sample is to improve survey completion rate and allow for longitudinal data analysis. The final data (combined version) included 806 total firms, including 593 firms completing the long version, 29 firms that did not complete the entire long version but answered all questions regarding the number of eligible and enrolled employees, and 184 firms only completing the short version. The response rate for the 2021 MES was 15% for the long version and 19% for the combined version.

Weighting adjustments were applied to address differences in sample selection and response rates. Post-stratification by firm size and industry was also implemented.

Sampling, data collection, and weighting were conducted by Market Decisions Research (MDR) in collaboration and under contract with CHIA. Analysis was conducted with support from MDR. Additional information on the survey methodology can be found in the [survey methods report](#). ■

# Glossary of Terms

**Coinsurance:** The proportion of costs the member pays for a covered health care service.

**Copayment:** A fixed amount defined in an insurance policy and paid by a member each time an eligible medical service is accessed.

**Cost-sharing:** The amount of an allowed claim the member is responsible for paying. This includes any deductibles, copayments, and coinsurance payments for the services rendered.

**Deductible:** A fixed dollar amount a member must pay each year before the health plan begins paying benefits for the member. Some services may be exempt from a deductible. This is a separate charge from any copayments or coinsurance.

**Family coverage:** A health plan that covers the employee and family members (e.g., spouse/domestic partner, and/or children).

**Health Connector:** The Commonwealth's state-based health insurance marketplace where individuals, families, and small businesses can purchase health plans from insurers.

**Health Maintenance Organizations (HMOs):** Insurance plans that have a closed network of providers, outside of which coverage is not provided, except in emergencies. These plans generally require members to coordinate care through a primary care physician.

**Health Reimbursement Account (HRA):** A savings account funded on a pre-tax basis by an employer, with no contribution from the employee; the funds are not portable from job to job. Employees may use the funds for medical care or services.

**Health Savings Account (HSA):** Medical savings accounts available to employees enrolled in a high deductible health plan. Pre-tax contributions can be made by both employees and employers and can be used to

pay for qualified medical expenses. Unspent funds roll over year to year and job to job.

**High Deductible Health Plans (HDHPs):** As defined by the Internal Revenue Service, health plans with an annual single deductible of at least \$1,400 and a family deductible of at least \$2,800 for in-network or preferred providers in 2021.

**Indemnity Plans:** Insurance plans which have no preferred provider networks and members incur the same cost-sharing regardless of where they seek care. Indemnity plans generally do not require enrollees to select a primary care physician and referrals are not required to see a doctor or specialist. Indemnity plans are also sometimes referred to as “fee-for-service” plans.

**Limited or Narrow Network Health Plans:** A health insurance plan that offers members access to a reduced or selective provider network, which is smaller than the payer’s most comprehensive provider network within a defined geographic area and from which the payer may choose to exclude from participation other providers who participate in the payer’s general or regional provider network. This definition, like that contained within Massachusetts Division of Insurance regulation 211 CMR 152.00, does not require a plan to offer a specific level of cost (premium) savings in order to qualify as a limited network plan.

**Out-of-pocket limit:** The maximum amount that an enrollee has to pay for covered services in a plan year. After the enrollee spends this amount on deductibles, copayments, and coinsurance, the health plan pays 100% of the costs of covered benefits.

**Point of Service (POS):** Insurance plans that generally require members to coordinate care through a primary care physician and offer both in-network and out-of-network coverage options.

**Preferred Provider Organizations (PPOs):** Insurance plans that identify a network of “preferred providers” while allowing members to obtain coverage outside of the network, though at typically higher levels of cost-sharing. PPO plans generally do not require enrollees to select a primary care physician.

**Premium:** The full amount the policy-holder and/or their sponsor (e.g., employer) pays to the health plan to purchase health coverage.

**Private Exchange:** A virtual marketplace where employers choose and at least partially fund the health benefit plans and products they wish to offer to their employees. Private exchanges generally are created by insurers or brokers and are different from the public exchanges run by the states or the federal government.

**Public Exchange:** Public exchanges are similar to private exchanges in that they are online marketplaces where employers and employees can shop for health insurance coverage, though public exchanges are run by state or federal governments. Though public exchanges

are government-led, the health plans offered in public exchanges are run by private health insurance companies.

**Single coverage:** A health plan that covers the employee only. ■



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