

The header image for the BenefitNEWS section, showing a row of smooth, dark stones on a light, reflective surface. The word "benefitNEWS" is written in a white, lowercase, sans-serif font on the right side of the image.

benefitNEWS

Self-Insured Health Plans on the Rise

According to a November 2012 report by the Employee Benefits Institute, the percentage of workers in self-insured plans has been increasing. In 2011, 58.5% of workers with health coverage were in self-insured plans, up from 40.9% in 1998. For the most part, the percentage of workers in self-insured plans increased consistently between 1998 and 2011. According to the report, larger employers are more likely to offer self-insured health plans. In 2011, 68.5% of workers in firms with 50 or more employees were in self-insured plans, whereas only 10.8% of workers in firms with fewer than 50 employees were in self-insured plans. Large employers drove the upward trend in overall self-insurance. The percentage of workers in self-insured plans in firms with 50 or more employees increased from 48.4% in 1998 to 68.5% in 2011. In contrast, the percentage of workers in self-insured plans in firms with fewer than 50 employees was close to 12% in most years of the survey, though it peaked at 18.1% in 1997 and reached a low of 10.8% most recently in 2011. Other notable findings include:

- The higher percentage of workers in self-insured arrangements was driven by employers with 1,000 or more workers. In 1998, 55.4% of workers in firms with 1,000 or more employees were in self-insured plans. By 2011, 86.3% were in self-insured plans (Table). Among workers in firms with 100-999 employees, the percentage in self-insured plans fell from 42.3% in 1997 to 32.6% in 2006. It trended up in some years after 2006, reaching 37.6% in 2010, but then slipped to 35% in 2011.
- As of 2011, there was no evidence of an increase in smaller firms self-insuring their health plans. The percentage of workers in firms with either fewer than 10 workers, 10-24 workers, or 25-99 workers that were also in self-insured plans has been roughly between 10% and 20% during the entire 1996-2011 period and showed no clear trend upward or downward.
- Overall, 58.5% of workers were in self-insured plans in 2011, but the percentage ranged by state, from a low of 30.5% to a high of 73.8%. Hawaii (at 30.5%) was the only state with fewer than 40% of workers with health insurance in self-insured plans. In seven states (Montana, California, Rhode Island, Oregon, Vermont, North Dakota, and South Dakota), between 40% and 50% of workers with health insurance were in self-insured plans. Only two states (Indiana and Minnesota) had more than 70% of workers with health insurance in self-insured plans.
- Massachusetts, the only state to have enacted health reform similar to the Affordable Care Act, has seen an increase in the percentage of workers in self-insured plans among all firm-size cohorts, except among workers in firms with fewer than 50 employees. Since 2006, when the health reform law was passed in Massachusetts, the percentage of workers

in firms with 50 or more employees in self-insured plans increased from 54.4% in 2005/2006 to 67.2% in 2010/2011; the percentage of workers in firms with 100-999 employees in self-insured plans increased from 16.6% to 29.2%; and the percentage of workers in firms with 1,000 or more employees in self-insured plans increased from 74.1% to 86.4%. The percentage of workers in firms with fewer than 50 employees in self-insured plans initially decreased from 15% in 2005/2006 to 11.2% in 2009/2010, before increasing to 15.7% in 2010/2011.

Percentage of private-sector enrollees in self-insured plans, by firm size, 1996-2011.					
	Fewer than 10 employees	10-24 employees	25-99 employees	100-999 employees	1,000 or more employees
1996	12.6%	11.8%	19.4%	39.3%	66.9%
1997	20.9%	14.1%	20.5%	42.3%	62.7%
1998	14.9%	12.7%	19.8%	37.8%	55.4%
1999	13.1%	9.9%	18.2%	39.4%	57.0%
2000	14.0%	10.6%	15.4%	39.3%	69.3%
2001	12.3%	11.3%	16.8%	39.5%	68.6%
2002	11.8%	10.0%	17.9%	38.7%	71.8%
2003	11.8%	11.6%	14.8%	36.1%	75.8%
2004	18.8%	13.2%	16.3%	35.8%	77.7%
2005	11.0%	10.6%	13.0%	35.8%	79.3%
2006	12.8%	11.4%	14.7%	32.6%	78.8%
2008	12.5%	10.7%	13.1%	36.6%	81.6%
2009	13.0%	9.9%	16.0%	32.5%	82.9%
2010	12.6%	11.6%	17.3%	37.6%	83.6%
2011	11.9%	9.5%	13.2%	35.0%	86.3%
Note: Data not available for 2007.					
Source: Fronstin, Employee Benefit Research Institute Notes, November 2012					

[Click here for the full report.](#)



connerstrong.com



877-861-3220



news@connerstrong.com



Change My Preferences

**CONNER
STRONG &
BUCKELEW**

INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS



[Click here to change your email preferences or unsubscribe from all communication.](#)

