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Worker Contributions to U.S. Health Premiums Jump 14%, Kaiser Survey Says

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Worker contributions to employer-sponsored [health-insurance](#) premiums rose an average 14 percent this year to about \$4,000 for U.S. families as employers shifted more costs to employees, the Henry J. Kaiser Family Foundation said.

Workers with family coverage are paying an average \$3,997 a year, or \$482 more, and employees with single coverage are contributing an average \$899 annually, up from \$779, according to an annual poll of businesses by Kaiser, a Menlo Park, California-based nonprofit that studies health issues. On average, firms didn't increase the amount they contributed toward their workers' health insurance, the [survey](#) found.

“With the economy struggling, businesses have been shifting more of the costs of health insurance to workers through premiums, deductibles and other cost-sharing,” [Drew Altman](#), Kaiser's chief executive officer, said in a statement. “From a consumer perspective, the cost of health insurance just keeps going up faster than wages.”

Workers' contributions to premiums have jumped 47 percent since 2005, while wages increased 18 percent and inflation rose 12 percent, the survey said. About 157 million people are covered through employer-sponsored health insurance, according to Kaiser.

The consumer price index, the broadest measure of inflation, rose 2.2 percent in the 12 months through April, according to Labor Department figures. Kaiser completed its survey in May.

Total premiums, including employer contributions, increased 3 percent this year for families to an average \$13,770, while single coverage costs rose about 5 percent, to \$5,049, the study found.

Raising Deductibles

Workers paid about 30 percent of the total premiums for family coverage on average, up from 27 percent in 2009, and employees' share of the costs for single coverage rose to 19 percent, up from 17 percent last year, Kaiser said.

“Given that health-care reform has led to, and is going to continue to lead to, increased health premiums, employers are trying to find ways now to mitigate the increased costs,” said [Marcia Wagner](#), principal of the Wagner Law Group, a Boston-based law firm specializing in employee benefits. “Businesses are trying to navigate a reasonable cost sharing between employer and employee.”

Many firms also are raising deductibles or how much workers must pay before their insurance begins to cover most of the costs, according to Kaiser. About 27 percent of employees have a deductible of at least \$1,000 for single coverage, up from 22 percent last year, the survey said.

Health Savings Accounts

The percentage of workers enrolled in plans with deductibles of at least \$1,000 and that offer either a Health Savings Account or a fund set up by an employer to reimburse an employee for health-care expenses, rose to 13 percent this year, up from 8 percent in 2009, said [Gary Claxton](#), an author of the study and Kaiser vice president.

Such plans have “clearly established a foothold in the employer market, tripling their market share from 4 percent in 2006,” said Claxton.

About 2,000 businesses responded to the survey, which Kaiser conducted from January to May with the [Health Research and Educational Trust](#), a nonprofit in Chicago and Washington.

“If premiums and costs continue to be shifted to consumers, households will face difficult choices, like forgoing needed care or reexamining how they can best care for their families,” Maulik Joshi, president of HRET, said in a statement.

The health-reform bill signed by President [Barack Obama](#) in March requires most Americans to have insurance and employers with 50 or more employees to provide coverage to workers or face penalties. Those [rules](#) take effect in 2014, while other provisions of the law phase in earlier.