

Issues



in Labor Statistics

U.S. Department of Labor
Bureau of Labor Statistics

Employee Medical Care Contributions on the Rise

More employees are paying more for their medical insurance than ever before. In fact, the proportion of those required to pay more has been on the rise for the past decade and a half, that is, over the 1980-95 period. Employees who obtain their medical insurance through their employer often contribute something to the cost of that insurance. By 1995, with the employer picking up the balance, two in three full-time employees with medical insurance contributed to the cost of single coverage and four in five contributed to the cost of family coverage.¹

In 1980, only a quarter of the employees who purchased medical care coverage through their employer were required to contribute for single coverage and just under half had to for family coverage. By 1982, a majority contributed for family coverage, and by 1991 a majority helped fund single coverage. (See chart.)

Workers enrolled in health maintenance organizations (HMO's) were more likely to pay towards the cost of their coverage than were those enrolled in other types of plans (single coverage: 76 percent in HMO's and 64 percent in others; family coverage: 86 percent in HMO's and 75 percent in others). (See table.)

Blue-collar and service workers were less likely to contribute towards either single or family coverage than their white-collar counterparts. In 1995, 56 percent of blue-collar and service workers helped pay for single coverage and 67 percent did so for family coverage. Among white-collar workers, 78 percent contributed towards single coverage and 87 percent did so for family coverage.

How much are they paying?

Average monthly employee contributions were almost \$34 for single coverage and over \$118 for family coverage in 1995. This was an 8-percent increase over 1993 for single coverage and a 10-percent increase for family coverage. The Consumer Price Index showed a similar increase for medical care costs during the same period.

For most employees (about 80 percent) the cost for coverage (single and family) was based on a flat dollar amount. Fifty-six percent of workers paid a flat monthly cost of between \$20 and \$49.99 for single coverage and 26 percent paid between \$100 and \$149.99 for family coverage.

Between 13 and 15 percent of the participants required to contribute toward single and family coverage did so based on the options selected under a "cafeteria plan" or employer-sponsored reimbursement plan.

Workers enrolled in HMO's paid about 10 percent more for single coverage and 20 percent more for family

coverage than did workers enrolled in non-HMO's.

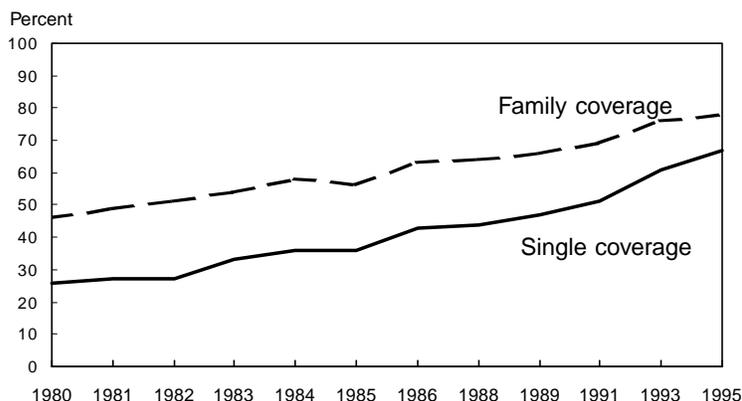
Since 1991, average required contributions for single and family coverage for blue-collar workers has been between 10 and 15 percent lower than the average required contributions of white-collar workers.

In 1983, the average employee contribution was about \$10 a month for single coverage and \$33 a month for family coverage. By 1995, employee contributions were three to four times as high. During this same time period, the Consumer Price Index medical care costs component doubled.

For additional information see Allan P. Blostin and Jordan N. Pfunter, "Employee Medical Care Contributions on the Rise," *Compensation and Working Conditions*, Spring 1998, pp. 45-51.

For more information on the Office of Compensation and Working Conditions' programs, access the BLS Internet site at <http://stats.bls.gov/proghome.htm#ocwc> or e-mail ocwcstaff@bls.gov with your request.

Percent of medical care plan participants required to contribute to plan costs, medium and large private establishments, selected years, 1980-95



¹ Data in this report are from the Bureau of Labor Statistics 1995 Employee Benefits Survey of medium and large private establishments.

Material in this publication is in the public domain and, with appropriate credit, may be reproduced without per-

mission. This information is available to sensory impaired individuals upon request. Voice phone: (202) 606-7828;

TDD phone: (202) 606 5879; TDD message referral phone: 1-800-326-2577.

Medical care benefits: Percent distribution of requirements for employee contributions by type of fee arrangement and occupational category of full-time employees, medium and large private establishments, 1995

Contributory status	All employees			Professional, technical, and related employees			Clerical and sales employees			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number with medical care coverage (in thousands)	25,546	18,501	7,045	7,467	4,941	2,525	6,158	4,145	2,013	11,921	9,415	2,507
Single coverage												
Total with single coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	33	36	24	21	22	18	24	26	21	44	47	32
Employee contributions required	67	64	76	79	78	82	76	74	79	56	53	68
Family coverage												
Total with family coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	22	25	14	11	12	8	15	16	12	33	36	22
Employee contributions required	78	75	86	89	88	92	85	84	88	67	64	78

NOTE: Because of rounding, sums of individual items may not equal totals.