

Increasing number of workers in self-insured health plans

December 4 2012



There has been a recent increase in the percentage of workers in the private sector who are enrolled in self-insured health plans, in which the employer assumes the financial risk related to health insurance (unlike a fully-insured plan, where the insurance company assumes the risk), according to research published in the November issue of the Employee Benefit Research Institute's *Notes*.

(HealthDay)—There has been a recent increase in the percentage of workers in the private sector who are enrolled in self-insured health plans, in which the employer assumes the financial risk related to health insurance (unlike a fully-insured plan, where the insurance company assumes the risk), according to research published in the November issue of the Employee Benefit Research Institute's *Notes*.

Paul Fronstin, Ph.D., from the Employee Benefit Research Institute in Washington, D.C., used data from the Medical Expenditure Panel Survey to examine recent trends in self-insurance.

According to the report, there has been an increase in the percentage of workers in private-sector self-insured [health plans](#), from 40.9 percent in 1998 to 58.5 percent of workers with [health coverage](#) in 2011, with prevalence varying from 30.5 to 73.8 percent between states. This upward trend was driven by large employers (with 1,000 or more workers). In most years, in firms with fewer than 50 employees, close to 12 percent of workers were in self-insured plans. The third-highest prevalence of self-insurance in the small-group market was seen for Massachusetts (behind Hawaii and Alaska). In Massachusetts (the only state to have enacted health reforms similar to the 2010 [Patient Protection](#) and [Affordable Care](#) Act), among all firm-size cohorts except firms with fewer than 50 employees, there has been an increase in the percentage of workers in self-insured plans.

"Employers generally, and small employers particularly, concerned about the rising cost of providing health coverage may view self-insurance as a better way to control expected cost increases," Fronstin said in a statement. "This new analysis provides a baseline against which to measure future trends."

More information: [More Information](#)

Copyright © 2012 [HealthDay](#). All rights reserved.

Citation: Increasing number of workers in self-insured health plans (2012, December 4) retrieved 30 January 2024 from <https://medicalxpress.com/news/2012-12-workers-self-insured-health.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--