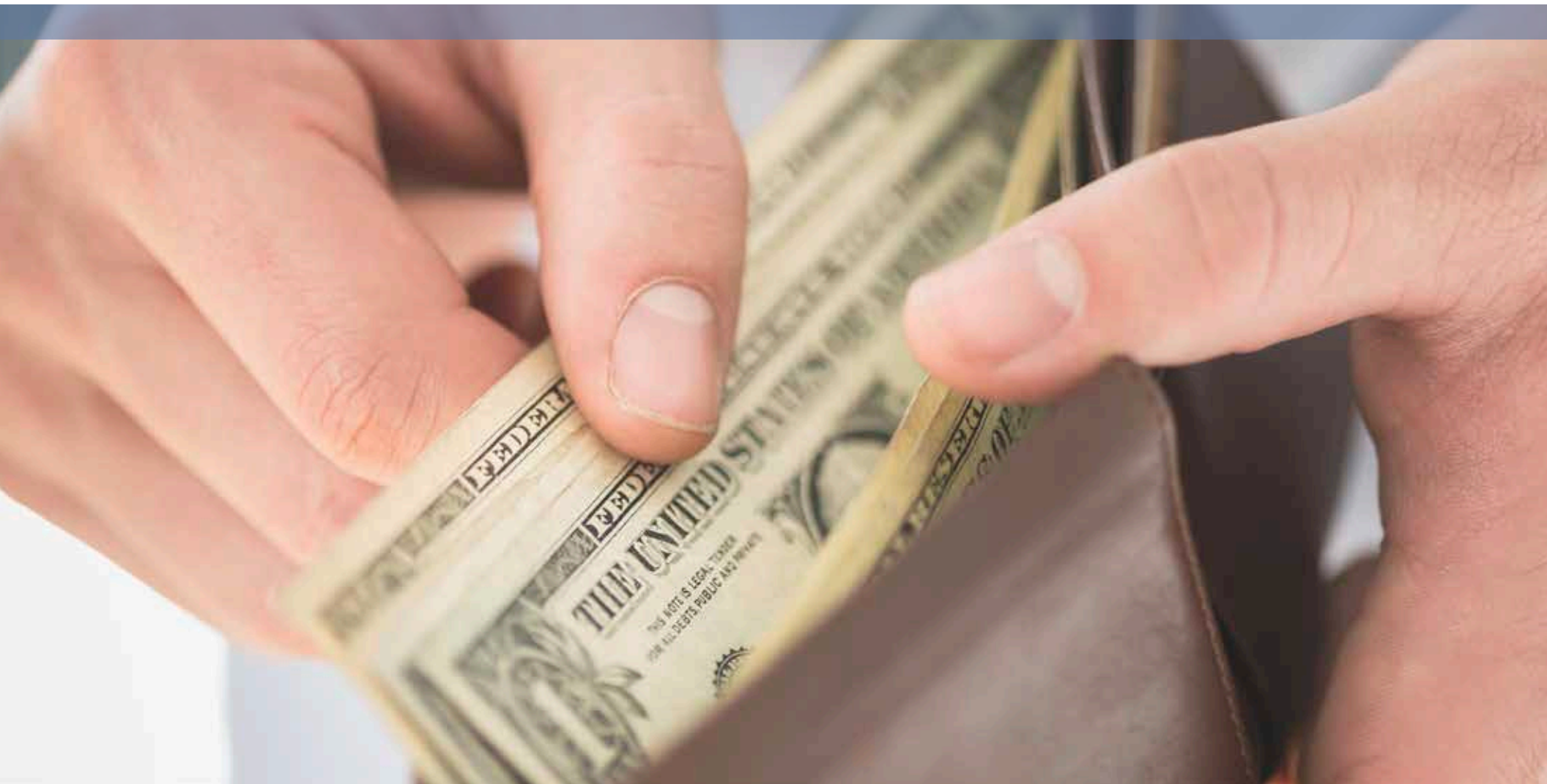


CALIFORNIA HEALTH CARE ALMANAC



California Employer Health Benefits: Workers Pay the Price

JUNE 2016

Introduction

Since 1999, the percentage of employers offering coverage has declined in California, while coverage rates have remained stable. Only 57% of firms reported providing health insurance to employees in 2015, down from 73% in 1999. Twenty-seven percent of California firms reported that they reduced benefits or increased cost sharing, and 41% of firms reported that they were very or somewhat likely to increase employees' premium contribution in the next year. This trend will have major implications for household budgets.

California Employer Health Benefits: Workers Pay the Price presents data compiled from the 2015 California Health Benefits Survey.

KEY FINDINGS INCLUDE:

- The percentage of firms with many low-wage workers (those earning \$23,000 or less) offering health coverage to employees more than doubled between 2014 and 2015, from 18% to 42%.
- Health insurance premiums for family coverage grew by 4.5%, a slower growth rate than recent years. Family coverage premiums have seen a cumulative 216% increase since 2002, compared to a 37% increase in overall prices.
- The average monthly health insurance premium, including the employer contribution, was \$573 for single coverage and \$1,554 for family coverage in California, and was significantly higher than the national average.
- Four in 10 workers in small firms faced an annual deductible of at least \$1,000 for single coverage, compared to 1 in 10 workers in larger firms.

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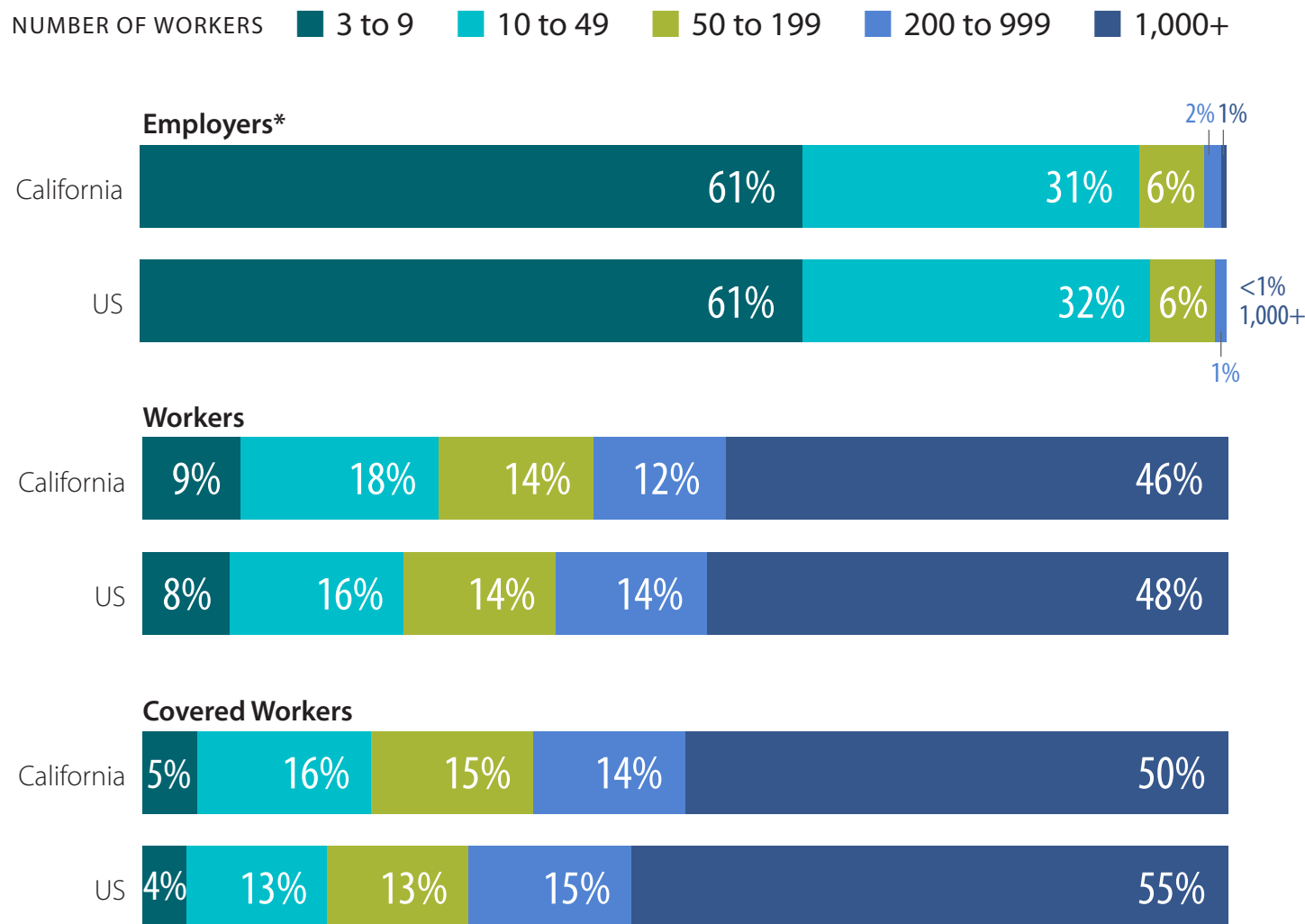
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Employers, Workers, and Covered Workers, by Firm Size

California vs. United States, 2015



*Estimates are statistically different between California and US.

Note: Segments may not add to 100% due to rounding.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; author analysis of Survey of Employer-Sponsored Health Benefits public use file: 2015, Kaiser/HRET.

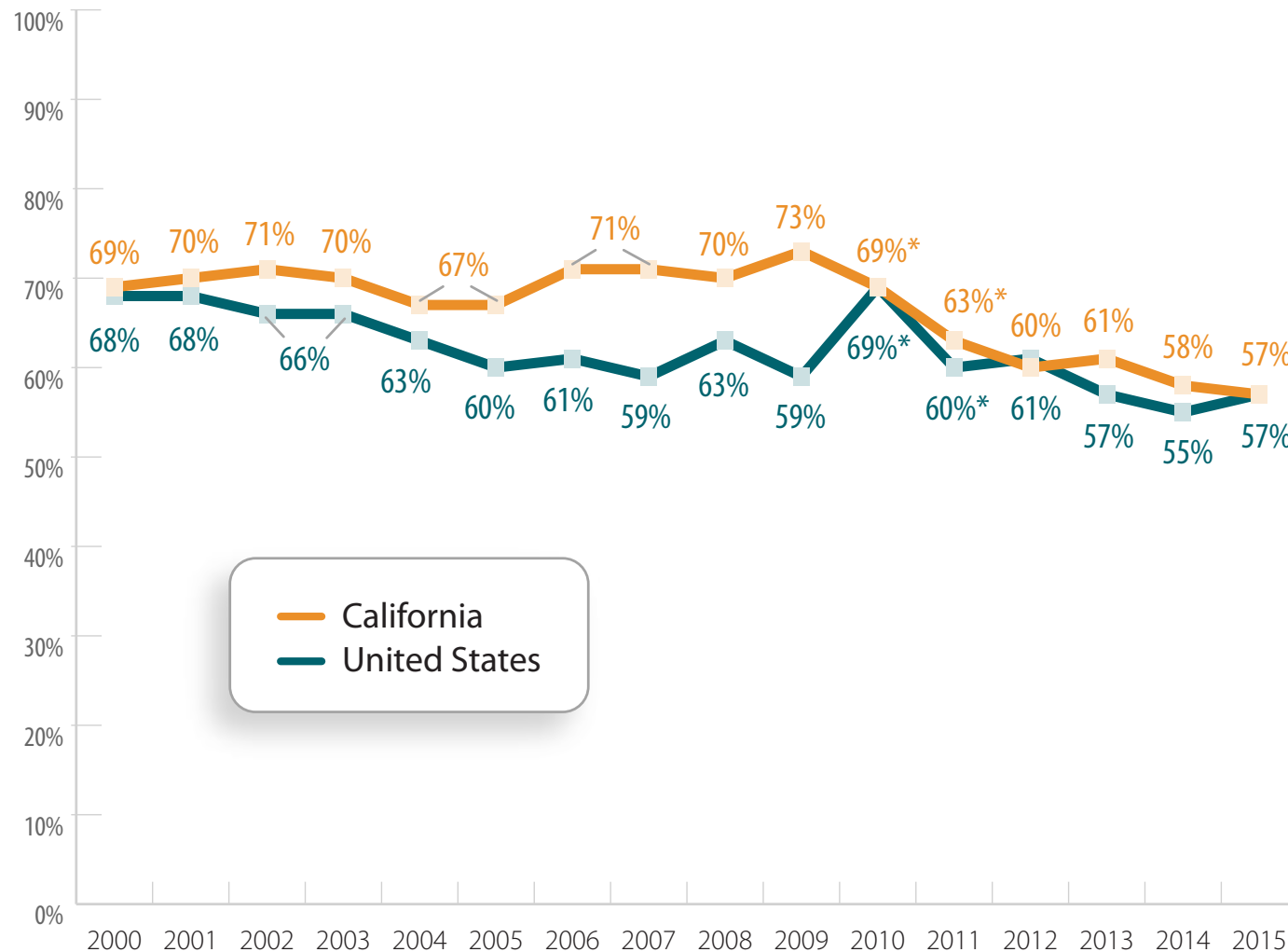
California Employer Health Benefits

Overview

In 2015, large California firms — those with more than 1,000 workers — accounted for less than 1% of all employers but 46% of all workers, and 50% of workers with health coverage.

Employers Offering Coverage

California vs. United States, 2000 to 2015



*Estimates are statistically different from the previous year shown.

Sources: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; California Employer Health Benefits Survey: 2005-2006, CHCF/HSC; California Employer Health Benefits Survey: 2004, CHCF/HRET; California Employer Health Benefits Survey: 2000-2003, Kaiser/HRET; Survey of Employer-Sponsored Health Benefits: 2000-2015, Kaiser/HRET.

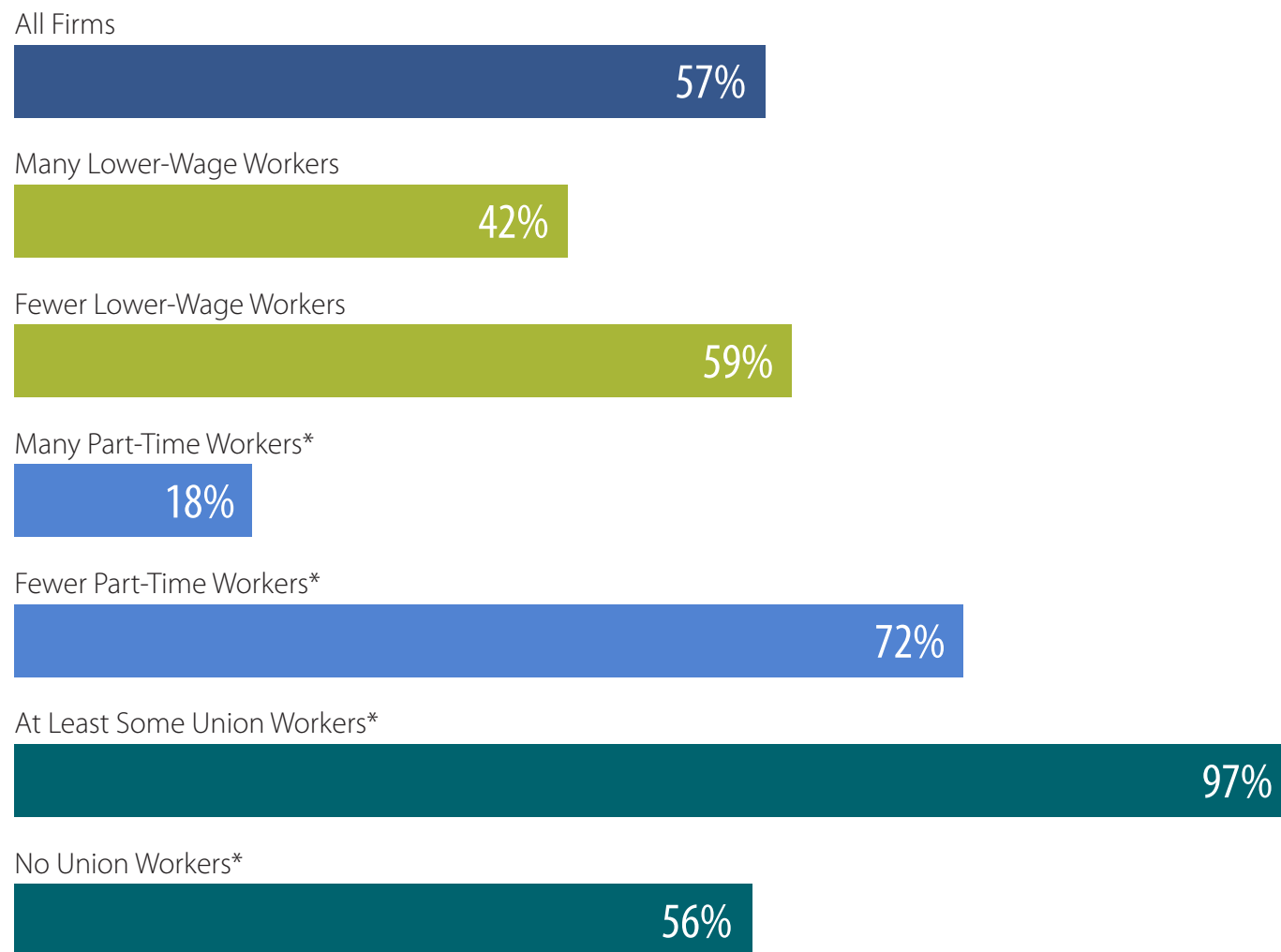
California Employer Health Benefits

Coverage Availability

The percentage of California employers offering health insurance to employees has been declining since 2009. The recent decline in California's offer rate is a departure from the decade prior to 2010, when the offer rate stayed steady at around 70%. The decline is due in part to changes in offer rates by small firms.

Employers Offering Coverage, by Firm Characteristics

California, 2015



*Estimate is statistically different from all other firms.

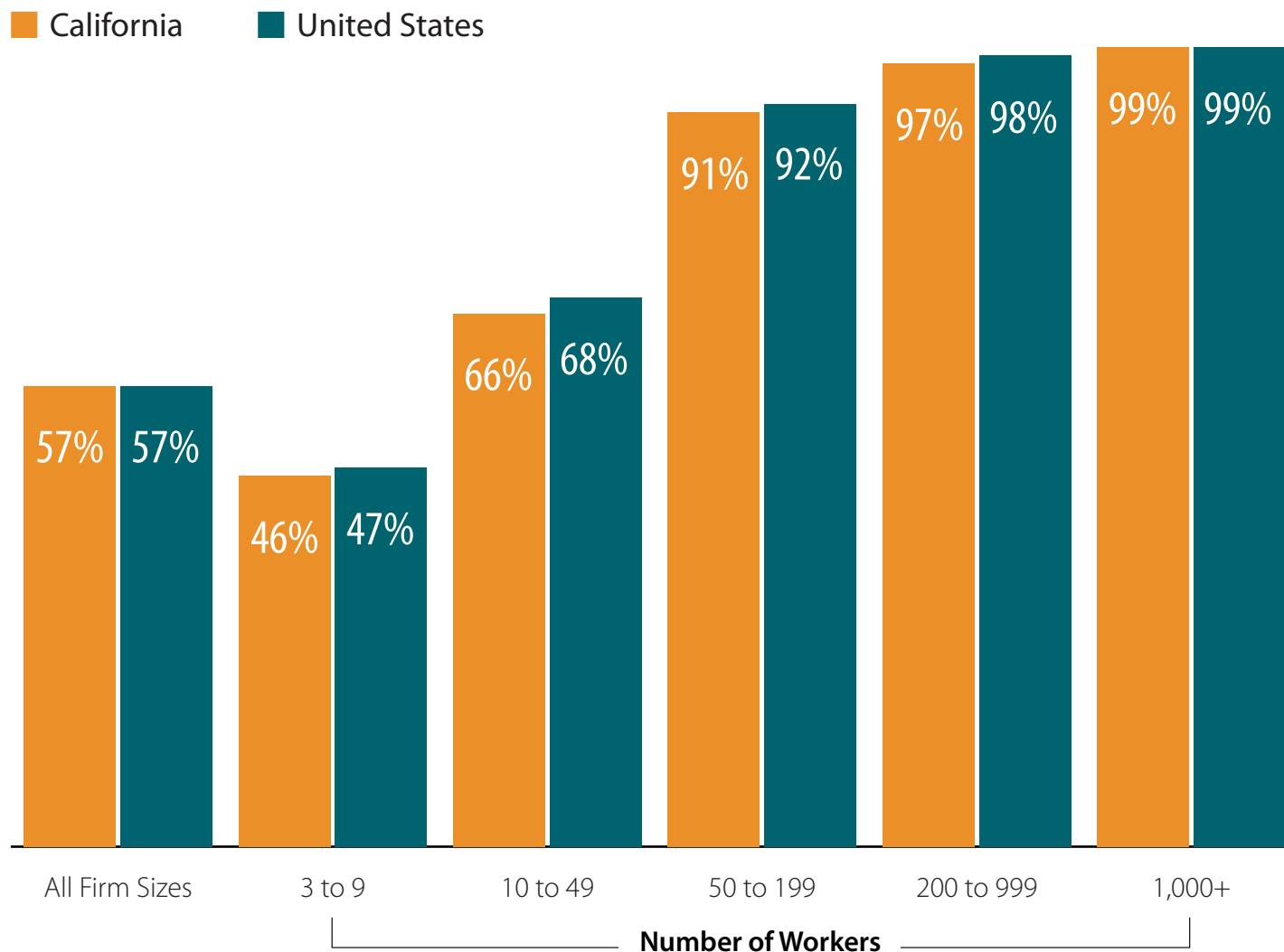
Notes: Firms with *many lower-wage workers* are defined as firms with 35% or more of workers earning \$23,000 or less per year. Firms with *fewer lower-wage workers* are those with less than 35% of workers earning that amount. *Many part-time workers* is defined as 35% or more of the workforce working part-time. *Fewer part-time workers* is the inverse.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Whether a company offers coverage varies widely by firm characteristics. Firms that employ 35% or more part-time workers were less likely to offer health insurance than those with less than 35% part-time workers. The proportion of firms with many workers earning \$23,000 or less that offered coverage increased from 18% in 2014 (not shown) to 42% in 2015.

Employers Offering Coverage, by Firm Size

California vs. United States, 2015



California Employer Health Benefits

Coverage Availability

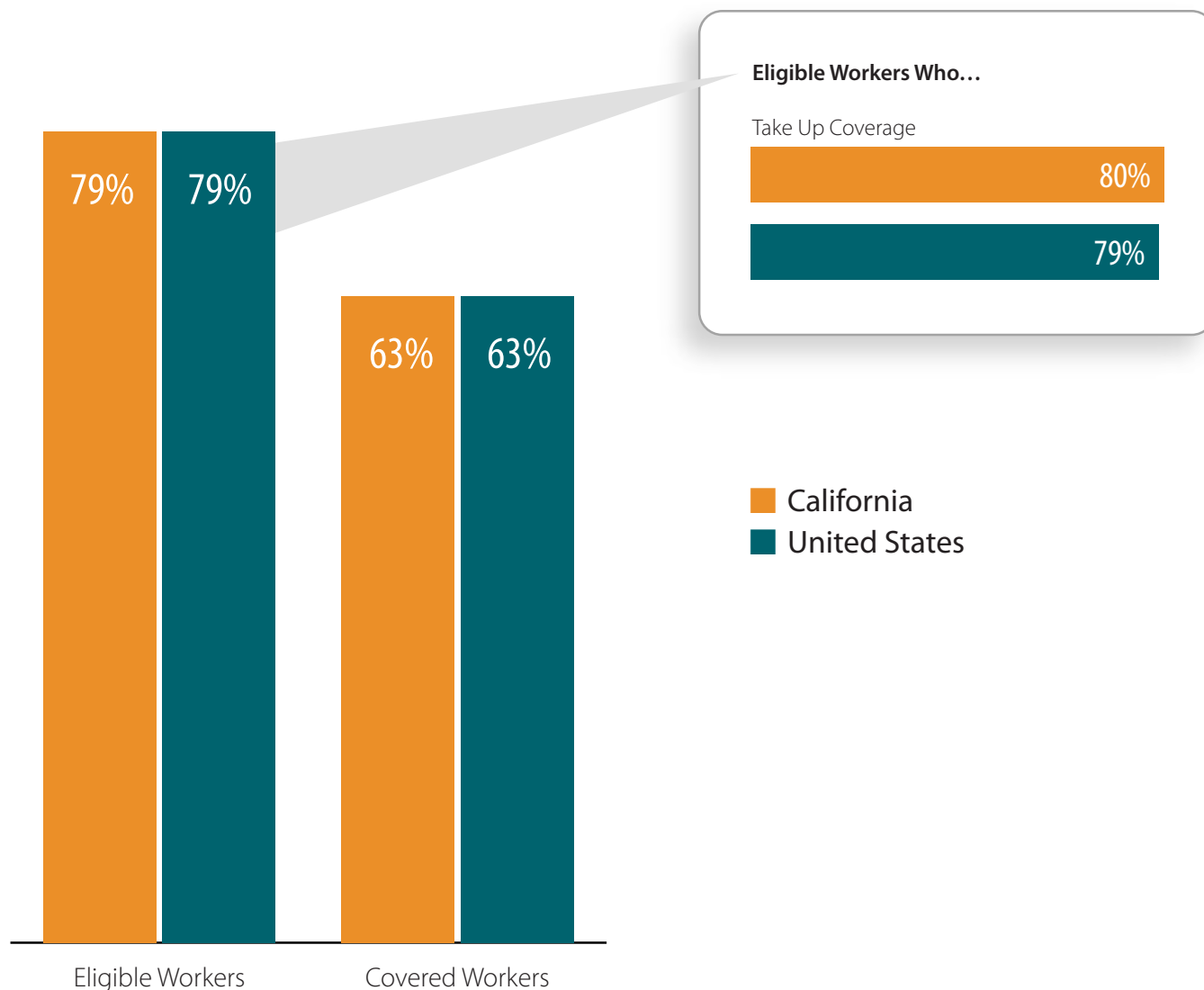
California's smallest firms (three to nine workers) were less likely to offer health coverage than larger firms. Slightly less than half (46%) of very small firms offered coverage in 2015, while the vast majority of larger firms did so. Offer rates for California were comparable to nationwide rates.

Note: Tests found no statistically different estimates between California and US.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; author analysis of Survey of Employer-Sponsored Health Benefits public use file: 2015, Kaiser/HRET.

Employee Eligibility, Take-Up Rates, and Coverage

California vs. United States, 2015



Note: Tests found no statistically different estimates between California and US.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Survey of Employer-Sponsored Health Benefits: 2015, Kaiser/HRET.

California Employer Health Benefits

Coverage Availability

Not all employees are eligible for health insurance offered by their firm, and not all who are eligible elect to participate. Seventy-nine percent of workers at California firms offering coverage were eligible for health benefits. Of those eligible, 80% enrolled. Sixty-three percent of all workers received health coverage from their firm.

Worker Coverage Rates Among Firms Offering Health Benefits

by Firm Size, 2007 to 2015, Selected Years

All Firms



Small Firms (3 to 199 workers)



Large Firms (200+ workers)



Note: Tests found no statistically different estimates from previous year shown within firm size.

Source: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC.

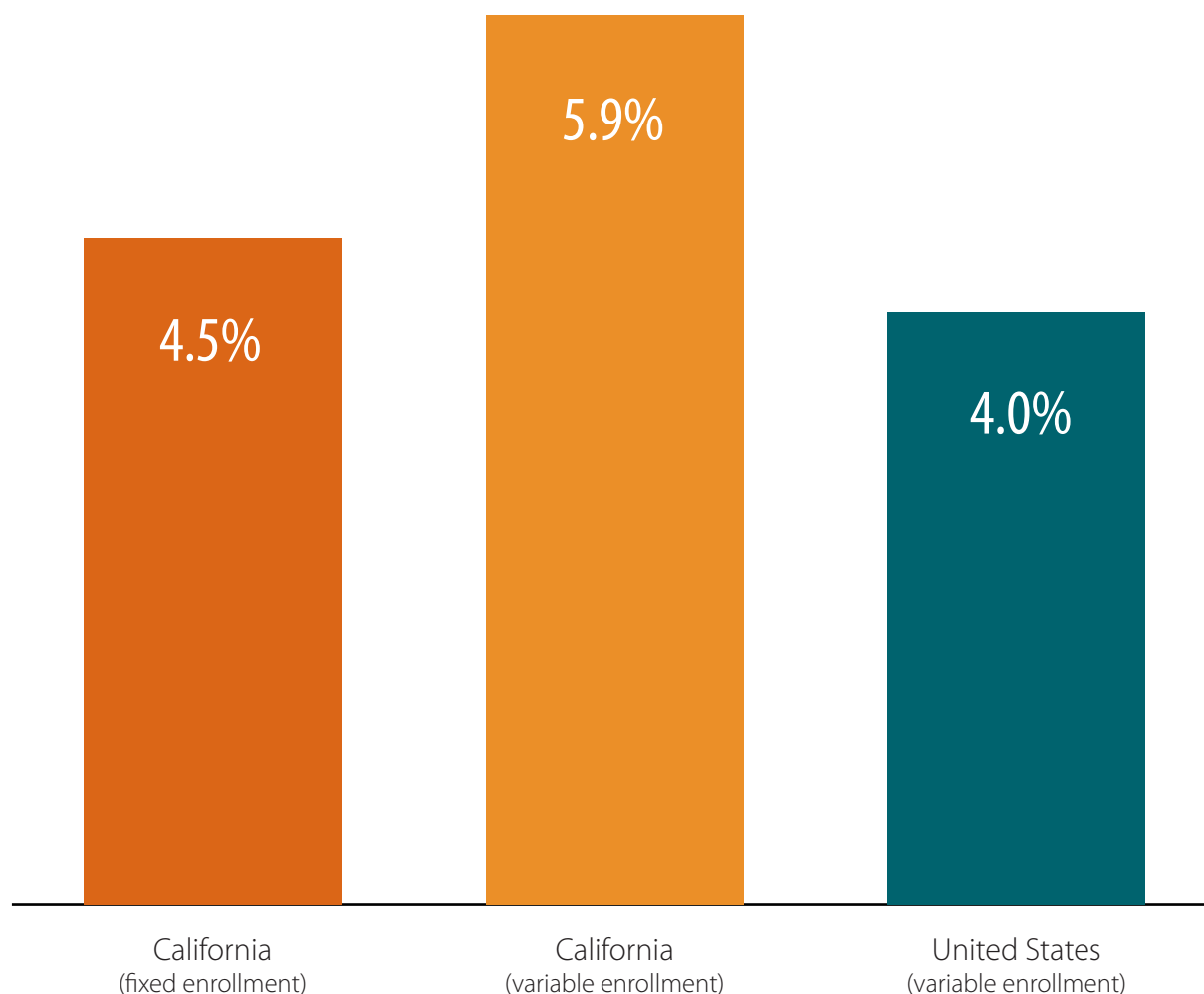
California Employer Health Benefits

Coverage Availability

Insurance coverage rates among California employers offering health benefits have been fairly stable since 2007. Year-to-year changes are not statistically significant.

Average Increases in Premiums, Family Coverage

Fixed vs. Variable Enrollment, California vs. United States, 2015



California Employer Health Benefits

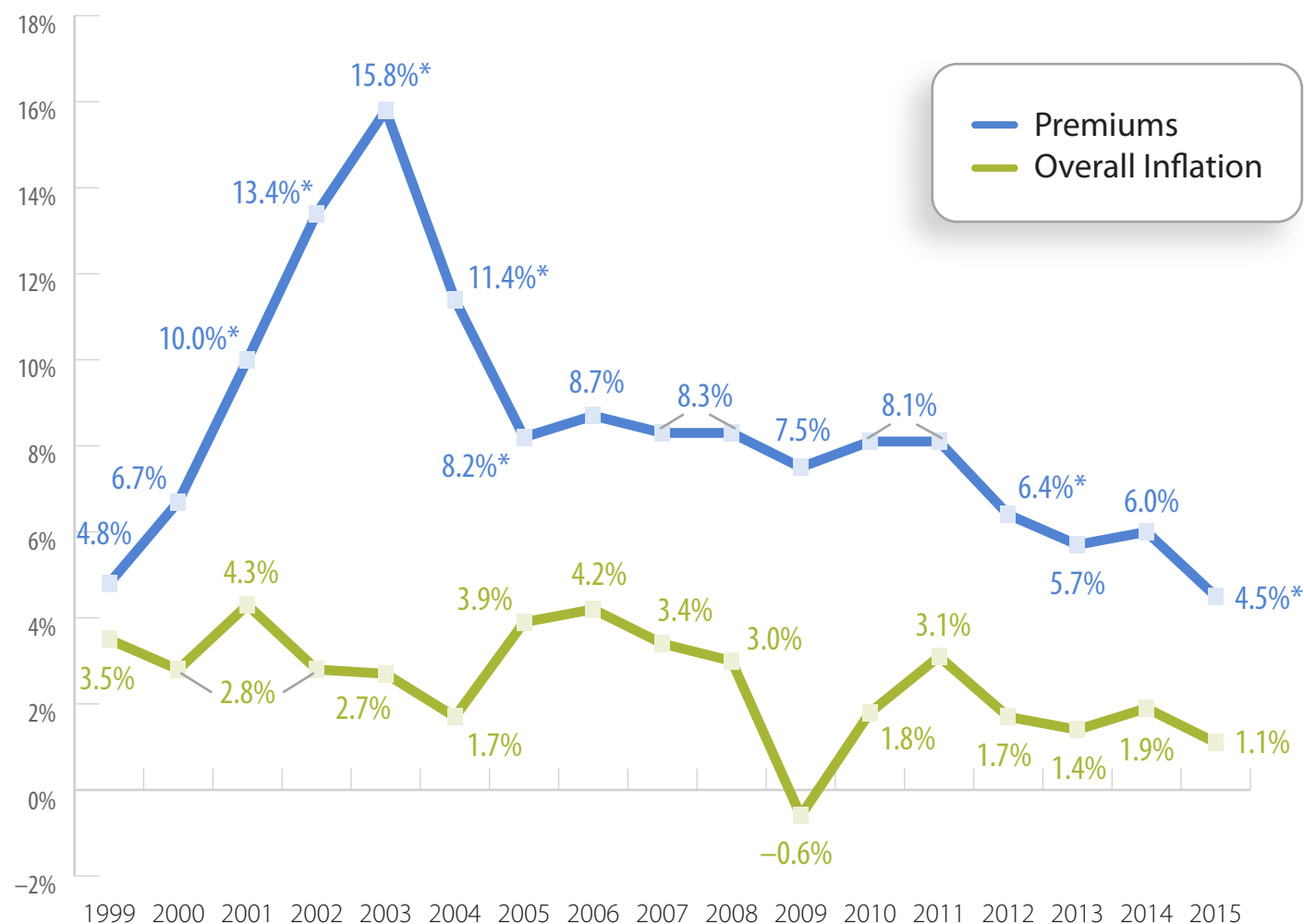
Cost of Health Insurance

Among California firms that offered the same health plan or plans in 2014 and 2015 (fixed enrollment), the average premium increase for family coverage was 4.5%. For those firms that changed plans or had workers who switched plans (variable enrollment), the average family premium increase was 5.9%.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Survey of Employer-Sponsored Health Benefits: 2015, Kaiser/HRET.

Annual Premium Growth Compared to Inflation

Family Coverage, 1999 to 2015



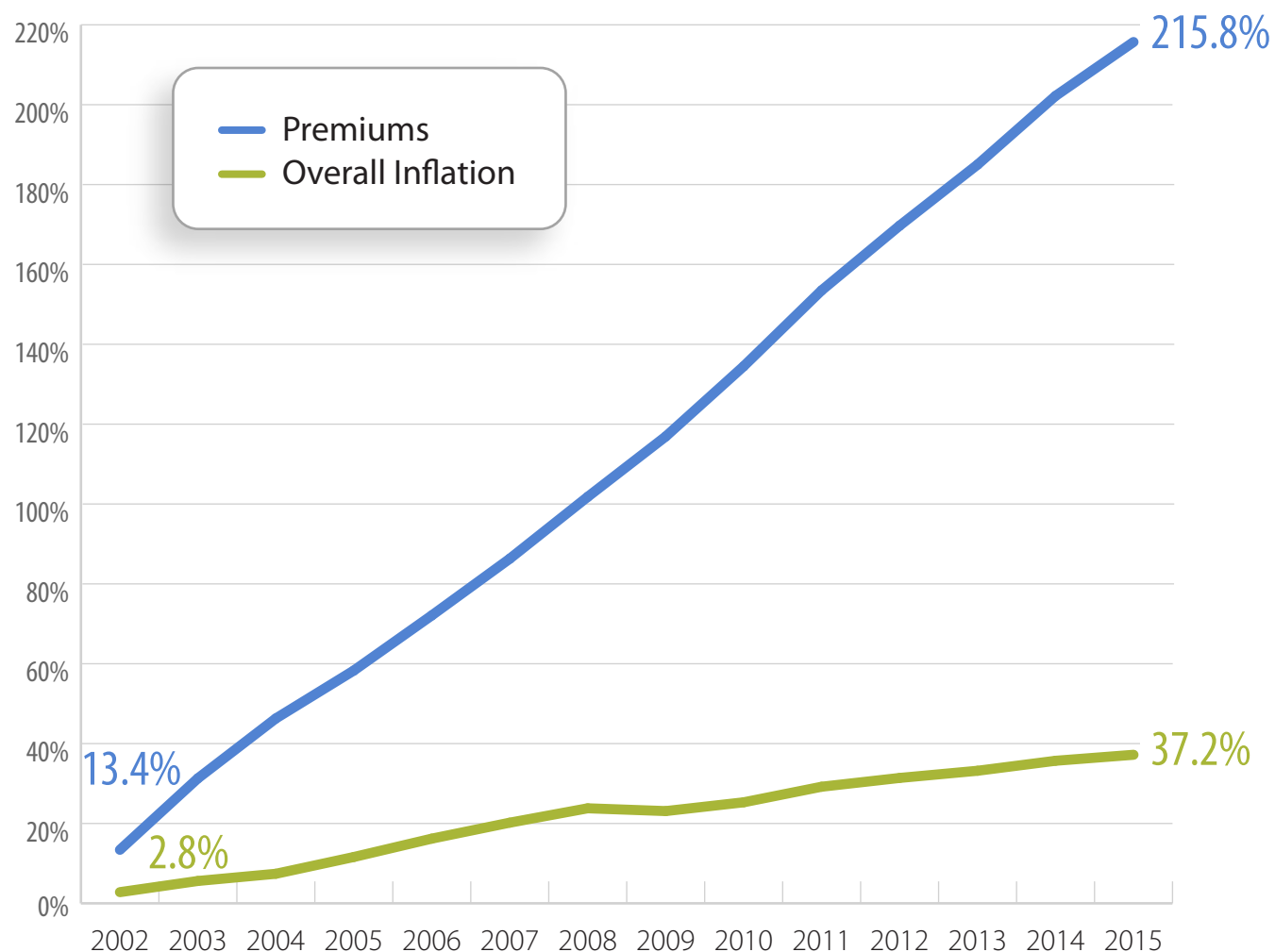
*Estimates are statistically different from the previous year shown.

Sources: California Employer Health Benefits Survey: 1999-2003, Kaiser/HRET; California Employer Health Benefits Survey: 2004, CHCF/HRET; California Employer Health Benefits Survey: 2005-2006, CHCF/HSC; California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; California Average of Annual Inflation (April to April): 1999-2015, California Division of Labor Statistics and Research.

Health insurance premiums for family coverage in California grew by 4.5% in 2015, a slower rate of growth than in recent years. Premiums continued to rise faster than the California rate of inflation.

Cumulative Premium Growth Compared to Inflation

Family Coverage, California, 2002 to 2015



California Employer Health Benefits

Cost of Health Insurance

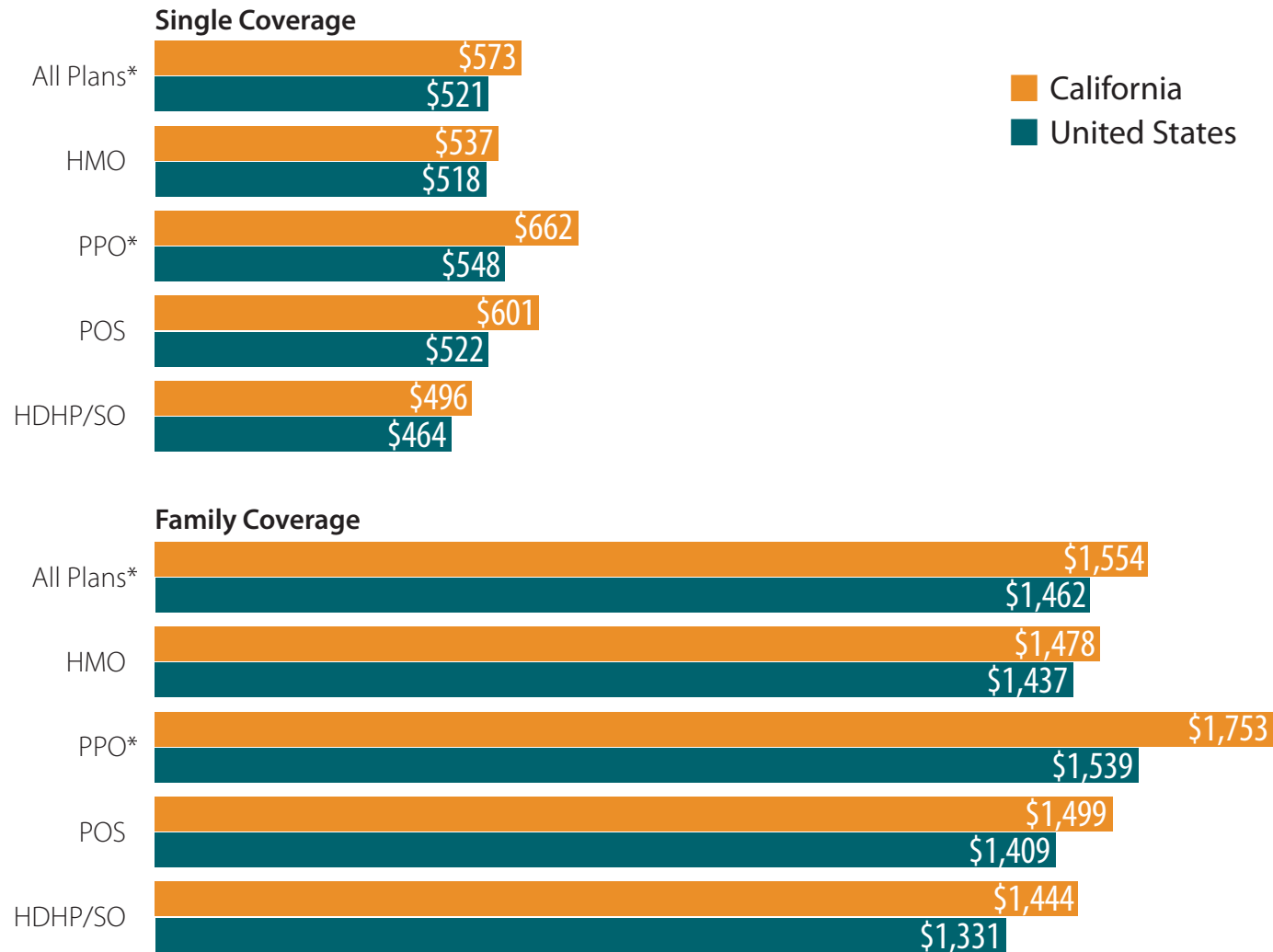
Since 2002, health insurance premiums in California have increased by 216%, nearly six times the increase in the state's overall inflation rate.

Sources: California Employer Health Benefits Survey: 2002-2003, Kaiser/HRET; California Employer Health Benefits Survey: 2004, CHCF/HRET; California Employer Health Benefits Survey: 2005-2006, CHCF/HSC; California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; California Average of Annual Inflation (April to April): 2002-2015, California Division of Labor Statistics and Research.

Average Monthly Premiums, by Plan Type

California vs. United States, 2015

Average monthly premiums for single and family coverage were significantly greater in California than nationally. Differences in plan design may account for some of the differences.



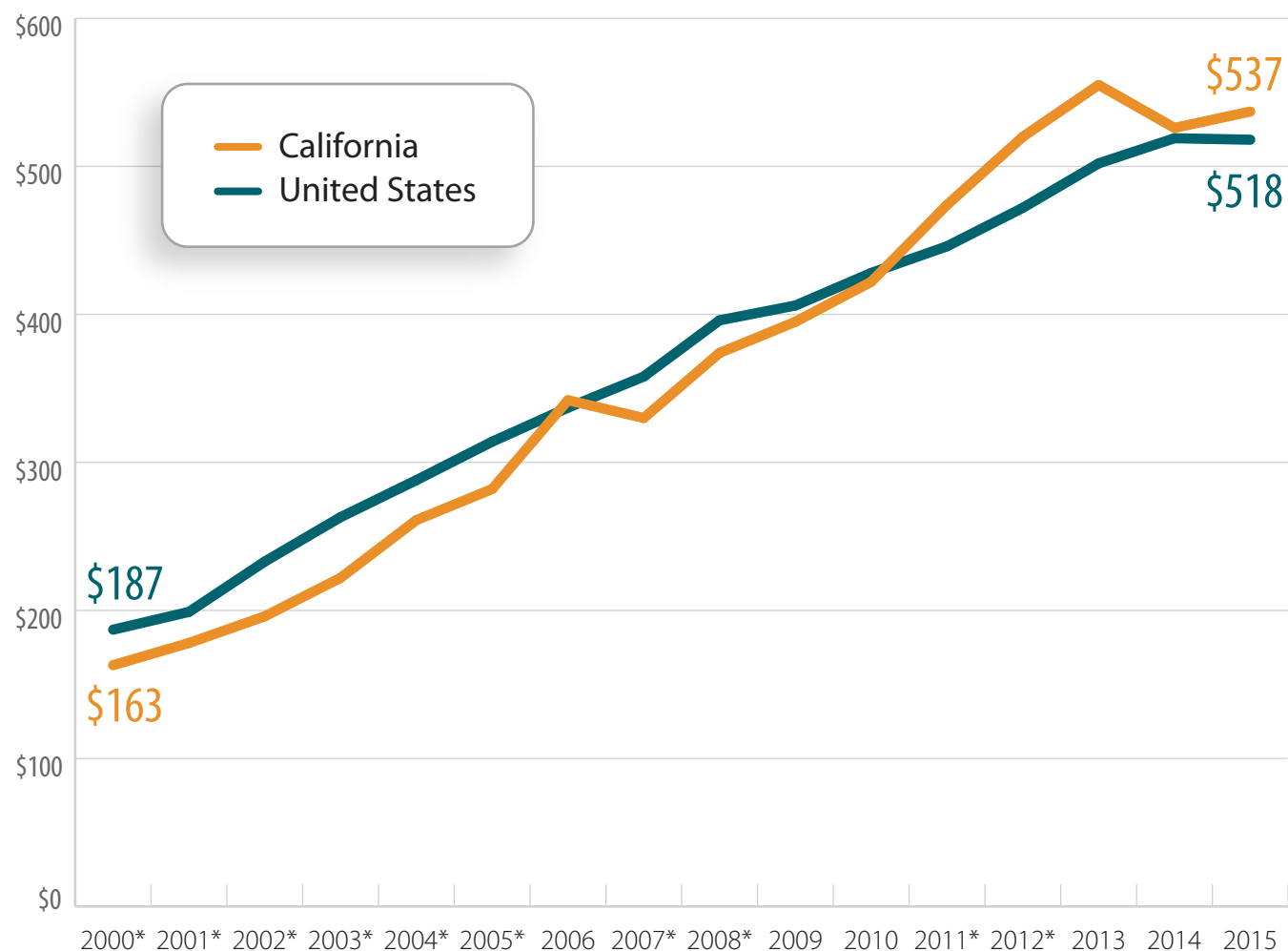
*Estimates are statistically different between California and US.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Employer Health Benefits Survey: 2015, Kaiser/HRET.

Average Monthly HMO Premiums, Single Coverage

California vs. United States, 2000 to 2015



*Estimates are statistically different between California and US.

Notes: Annual rate of change for HMO single premiums should not be calculated by comparing dollar values from one year with the previous year, due to both the survey's sampling design and the way in which plan information is collected. Rates of change in family premiums are collected directly as a question in the survey (no change data for single premiums are collected).

Sources: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; California Employer Health Benefits Survey: 2005-2006, CHCF/HSC; California Employer Health Benefits Survey: 2004, CHCF/HRET; California Employer Health Benefits Survey: 2000-2003, Kaiser/HRET; Employer Health Benefits Survey: 2000-2015, Kaiser/HRET.

From 2000 to 2010, California's average monthly HMO premium for single coverage stayed below that of the US, but in 2011 it surpassed the national rate. In 2015, California's monthly HMO premium was similar to the national figure.

Annual Worker and Employer Premium Contributions

California vs. United States, 2015

California Employer Health Benefits

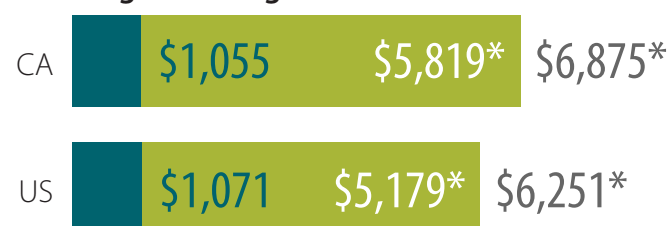
Cost of Health Insurance

California workers contributed an average of \$1,055 annually for single coverage (15% of total premium) and \$5,145 for family coverage (28% of total premium) in 2015.

Contribution by:

■ Worker ■ Employer

Single Coverage



Family Coverage



*Estimates are statistically different between California and US within coverage type.

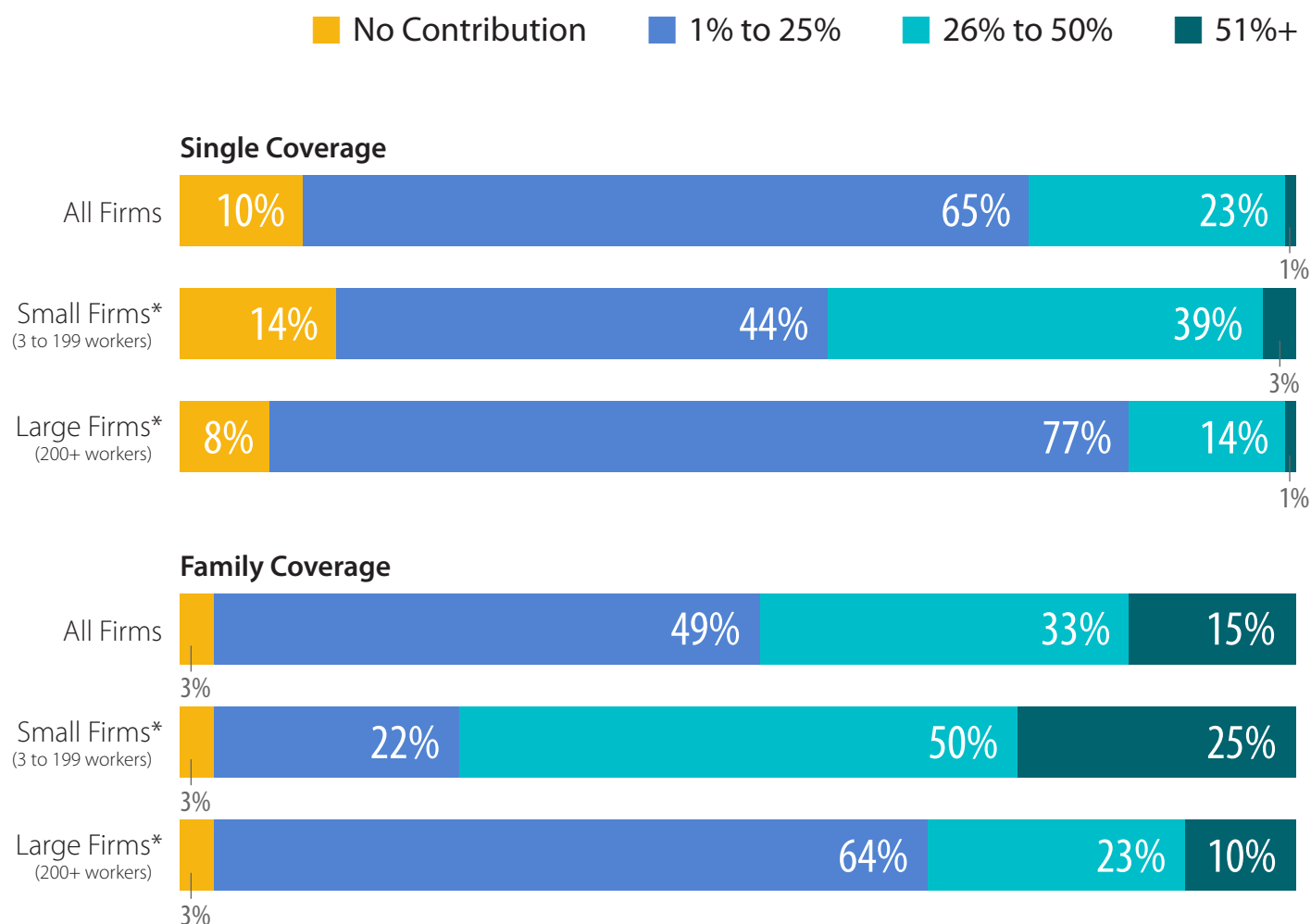
Note: Segments may not add to totals due to rounding.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Employer Health Benefits Survey: 2015, Kaiser/HRET.

Worker Share of Premium, by Firm Size

California, 2015

Workers' share of premium differs significantly by size of firm. For family coverage, 25% of workers in small firms pay more than half of the premium compared to only 10% of workers in large firms.



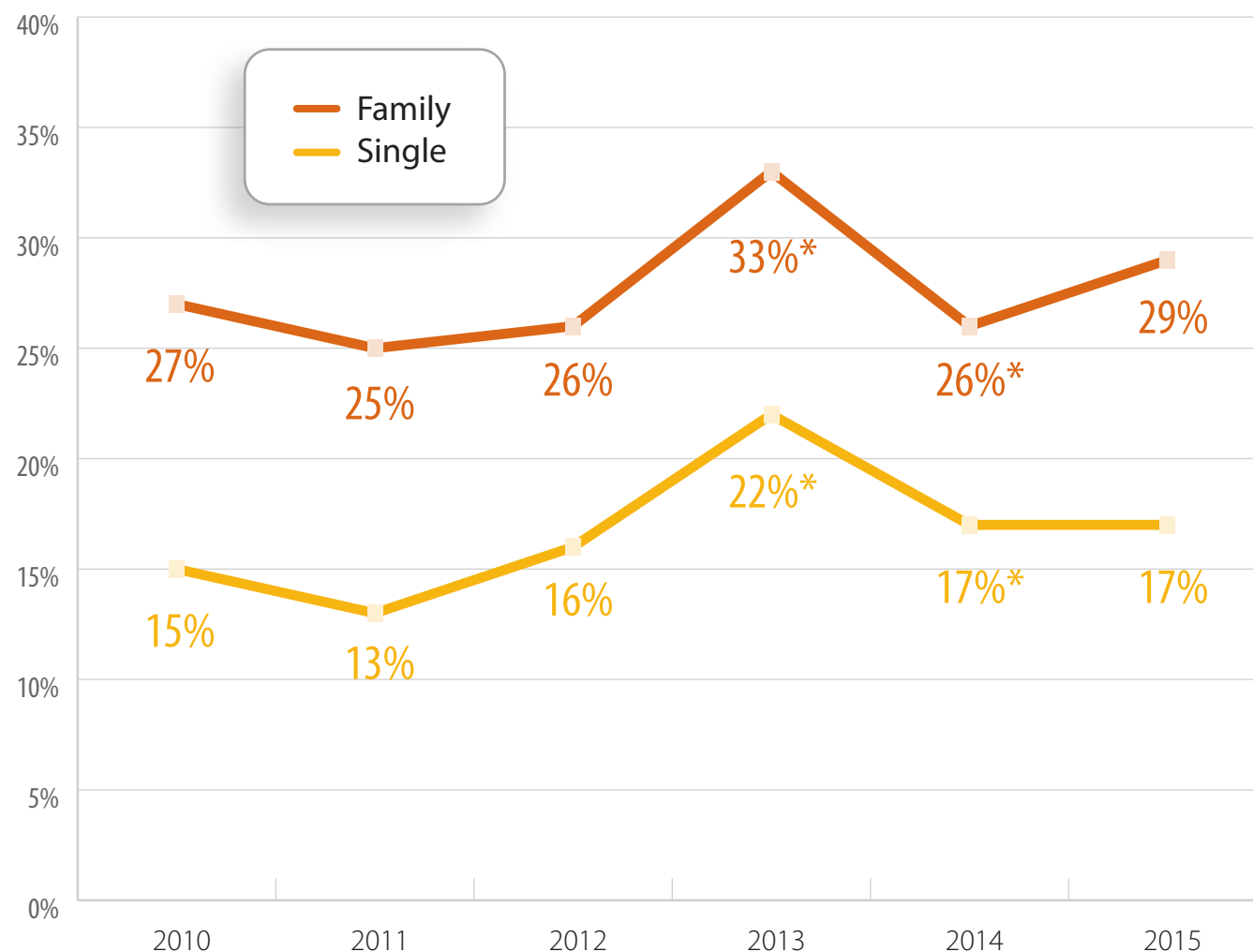
*Difference is statistically different between small and large firms.

Note: Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Worker Share of Premium, Single and Family Coverage

California, 2010 to 2015



California workers paid an average of 17% of the total premium for single coverage and 29% for family coverage in 2015. The corresponding annual premium contributions were \$1,055 and \$5,145 for single and family, respectively.

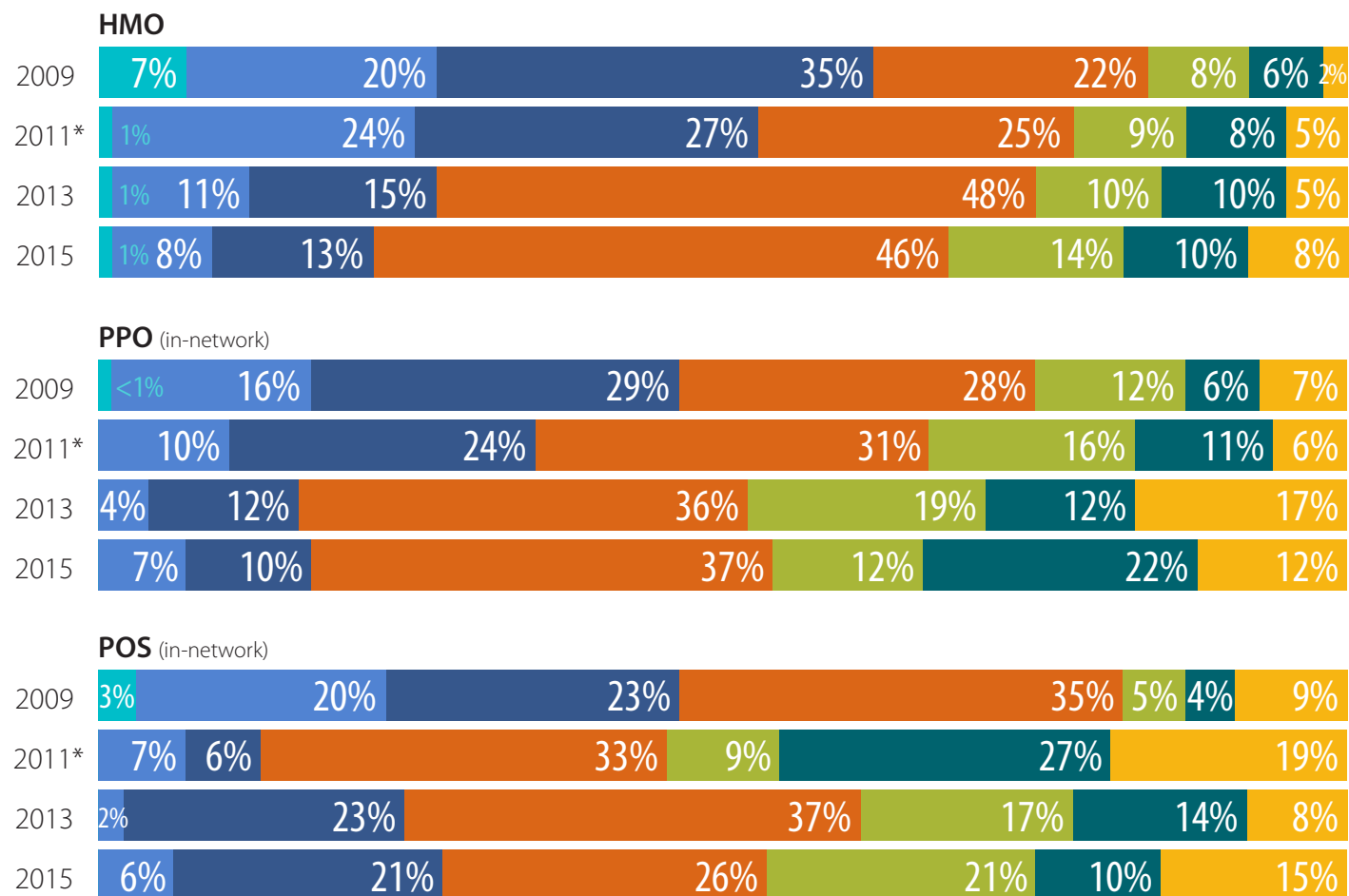
*Estimates are significantly different from previous year shown.

Source: California Employer Health Benefits Survey: 2010-2015, CHCF/NORC.

Workers with Office Visit Copayments, by Plan Type

California, 2009 to 2015, Selected Years

PER VISIT COPAY \$5 \$10 \$15 \$20 \$25 \$30 Other



*Distribution is statistically different from previous year shown.

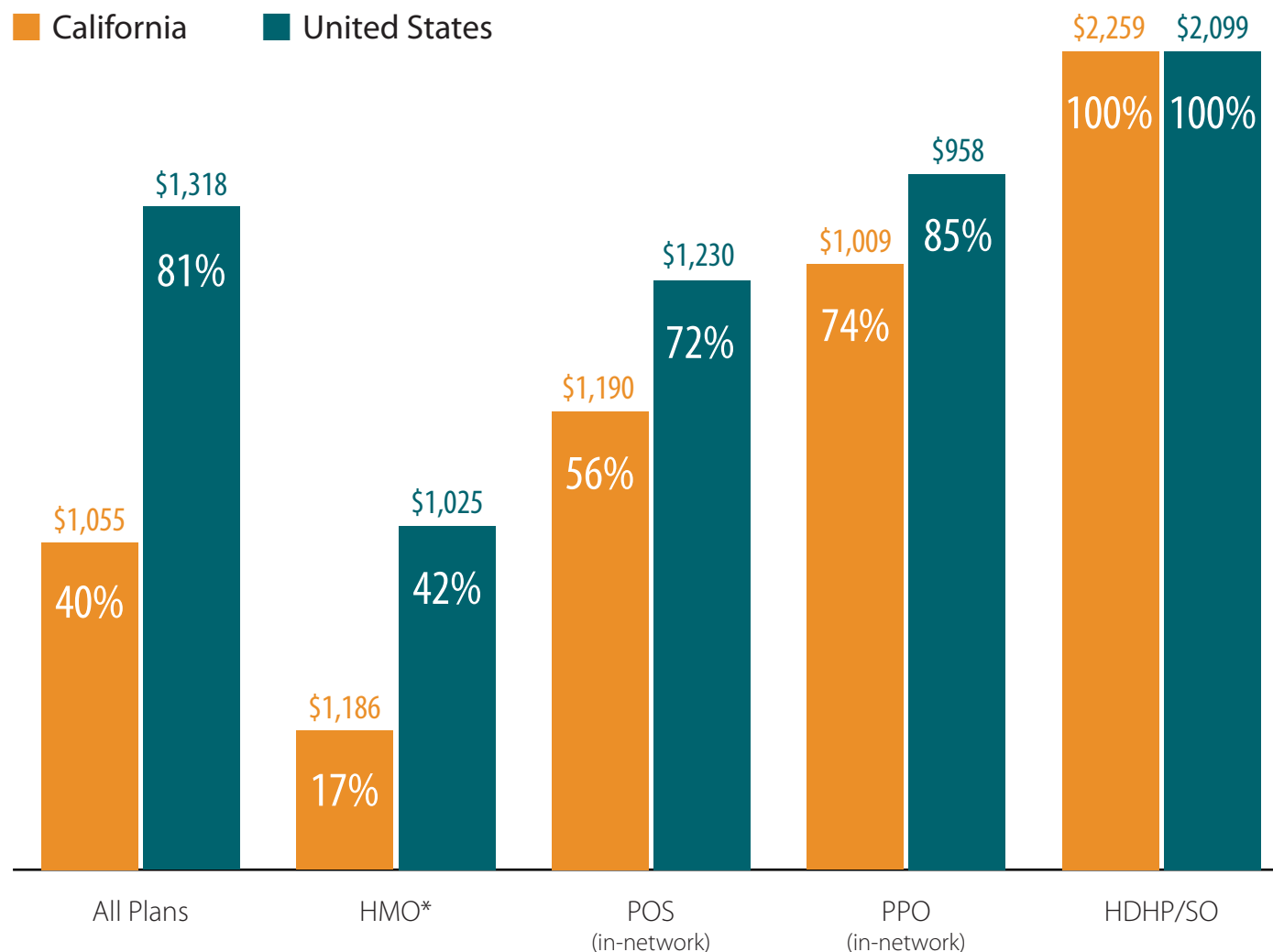
Notes: POS means point-of-service plan. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2009-2015, CHCF/NORC.

The distribution of copayments for office visits shifted from 2009 to 2015, with a smaller proportion having copayments of \$10 or less.

Workers with Annual Deductible, Single Coverage

by Plan Type, California vs. United States, 2015



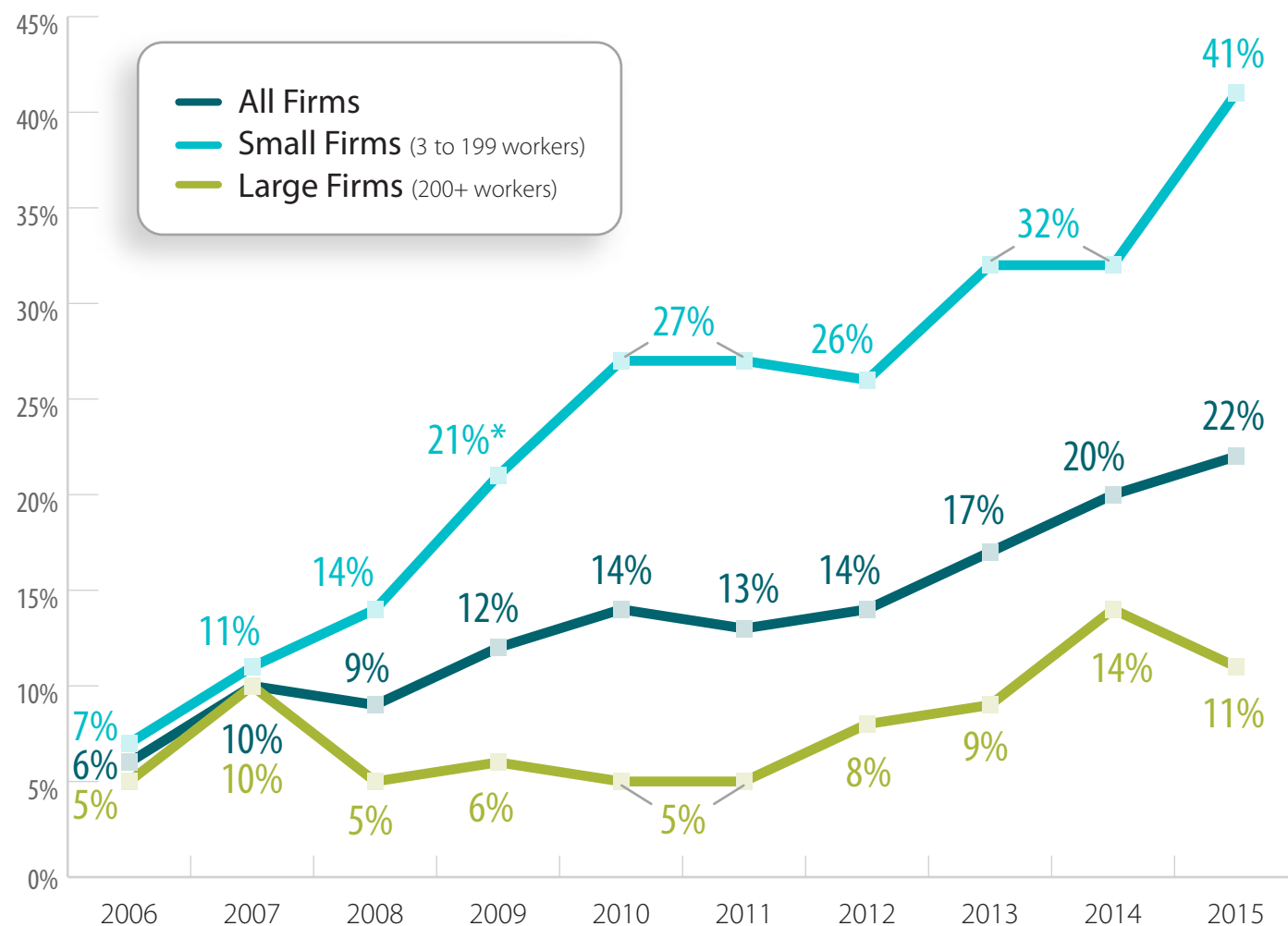
*Percentages are significantly different between California and US.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage. Dollar figures represent average annual deductibles.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Employer Health Benefits Survey: 2015, Kaiser/HRET.

Covered workers in California were less likely to have a deductible than covered workers nationally, primarily due to higher HMO enrollment in California.

Workers with a Large Deductible (\$1,000+), Single Coverage by Firm Size, California, 2006 to 2015



*Estimate is statistically different from previous year shown by firm size.

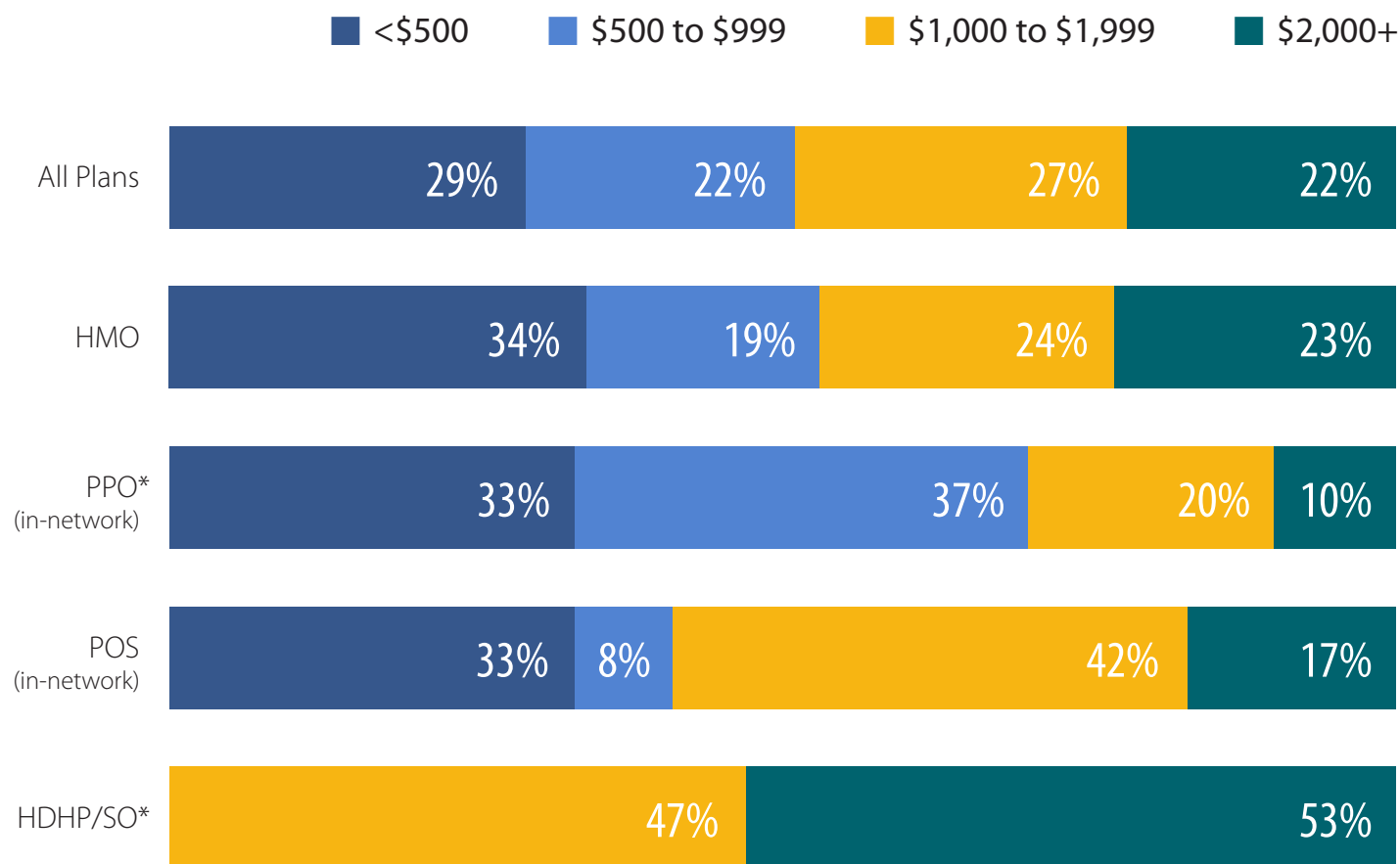
Sources: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; California Employer Health Benefits Survey: 2006, CHCF/HSC.

California Employer Health Benefits Benefits and Cost Sharing

Large deductible plans were more common among small firms. Four in 10 workers in firms with 3 to 199 workers had an annual deductible of \$1,000 or more for single coverage in 2015, compared to 1 in 10 workers in larger firms. The move to larger deductibles in smaller firms increased from 27% in 2010 to 41% in 2015.

Deductibles for Single Coverage

by Plan Type, California, 2015



*Distribution is statistically different from All Plans.

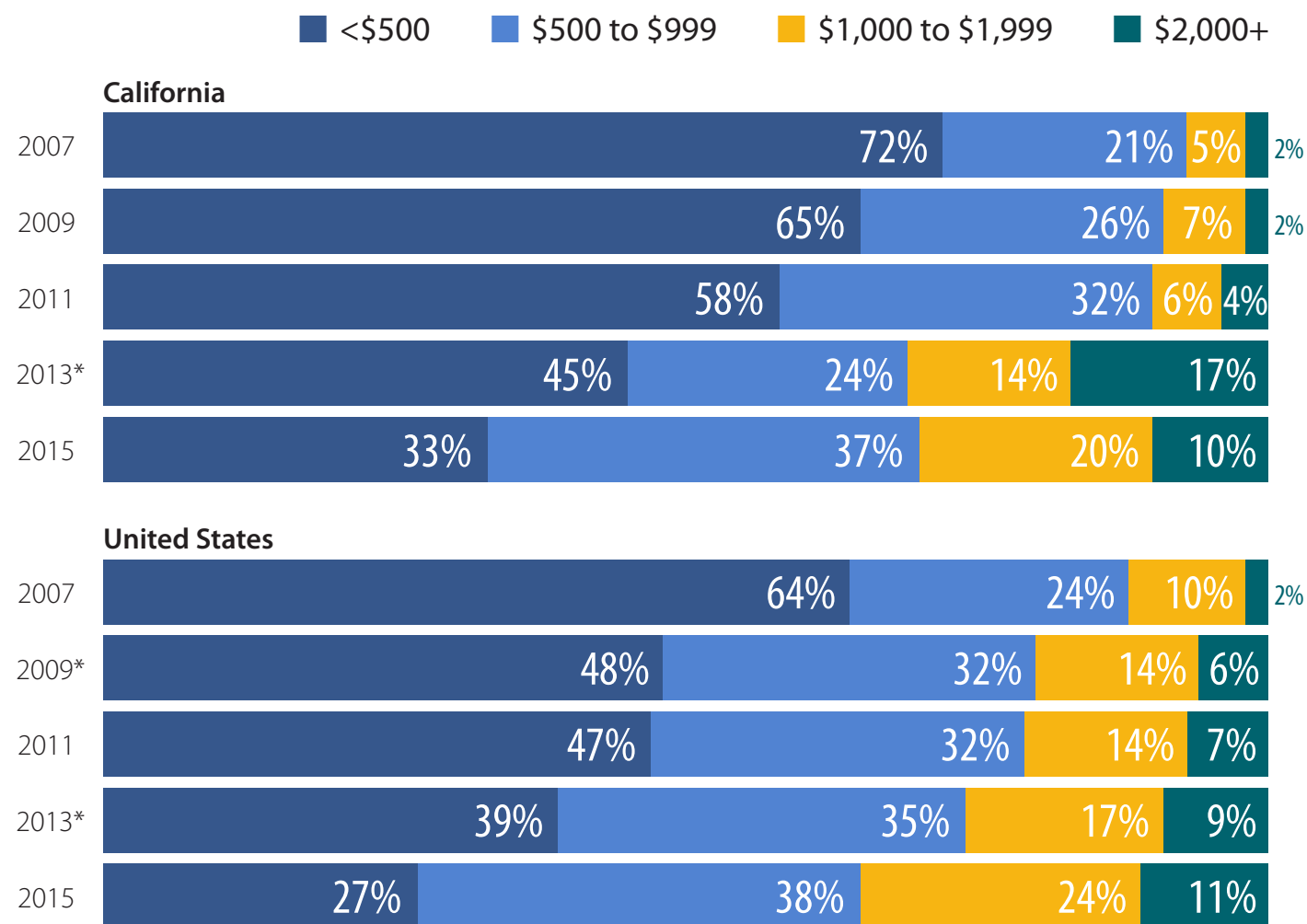
Notes: Data based on workers with a deductible. POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

In California, among workers with a deductible for single coverage, almost half (49%) had a deductible of \$1,000 or more.

Deductibles for Single PPO Coverage

California vs. United States, 2007 to 2015, Selected Years



*Distribution is statistically different from previous year shown.

Note: Includes in-network use only.

Sources: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; Employer Health Benefits Survey, 2007-2015, Kaiser/HRET.

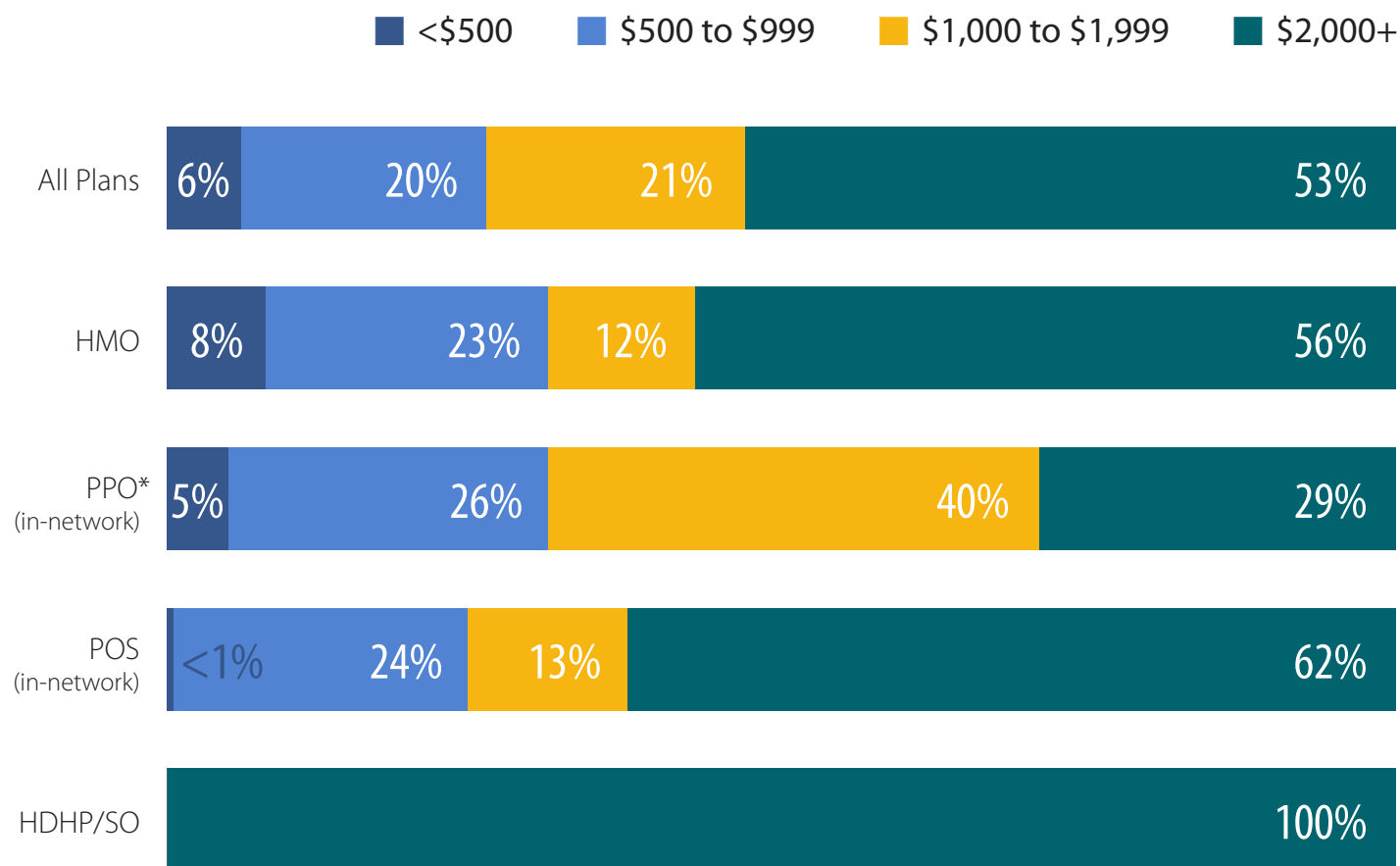
California Employer Health Benefits

Benefits and Cost Sharing

Since 2007, California workers have been faced with increasing deductibles for PPO coverage. In 2015, 30% of workers in PPO plans with a deductible had deductibles of \$1,000 or more, compared to 7% in 2007.

Deductibles for Family Coverage

by Plan Type, California, 2015



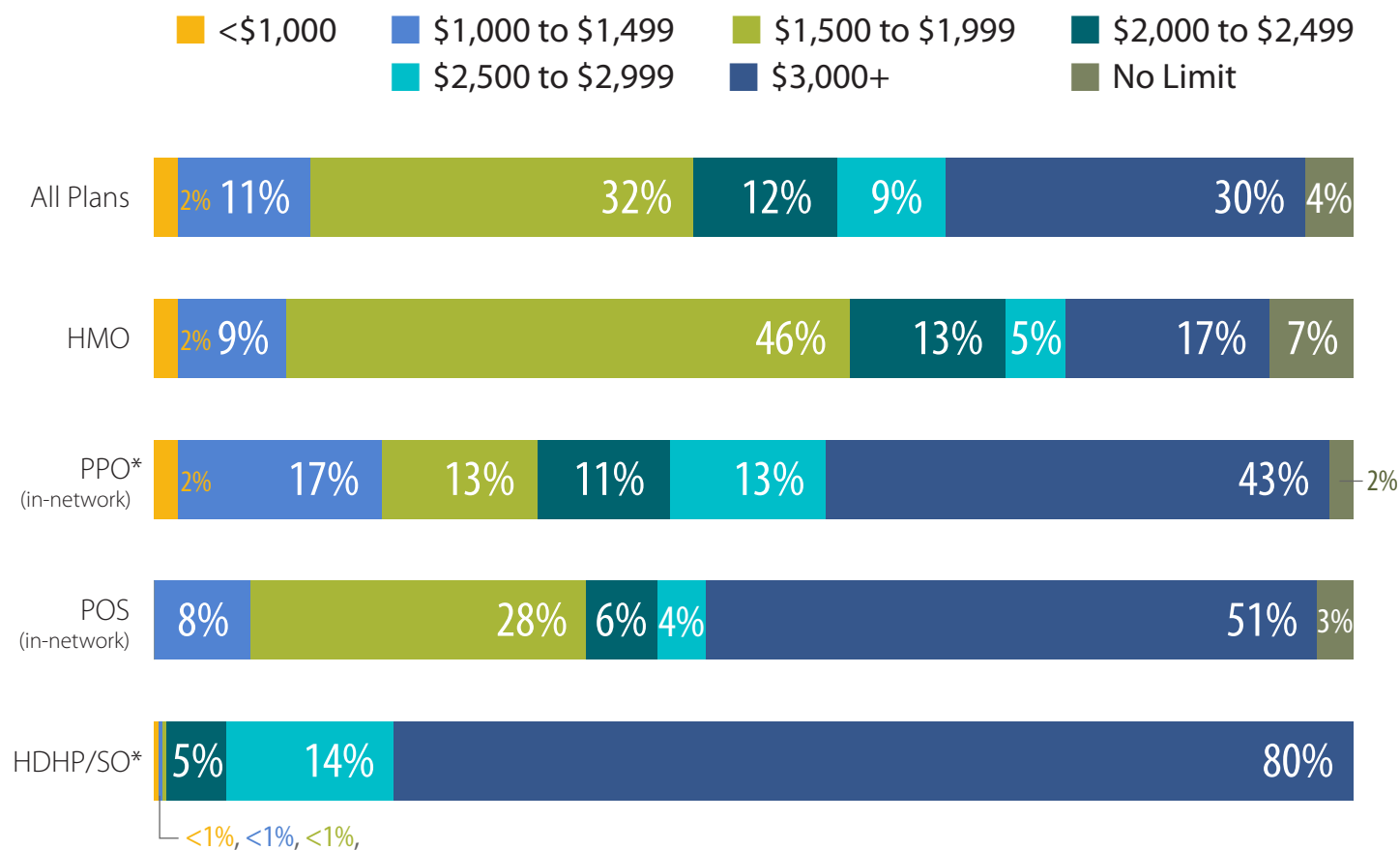
Among California workers with an aggregate family deductible in 2015, 53% faced a deductible of \$2,000 or more.

*Distribution is statistically different from All Plans.

Notes: Data based on workers with a deductible. POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$2,000 for family coverage. No test was done comparing HDHP/SO with All Plans. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Annual Out-of-Pocket Limits, Single Coverage by Plan Type, California, 2015



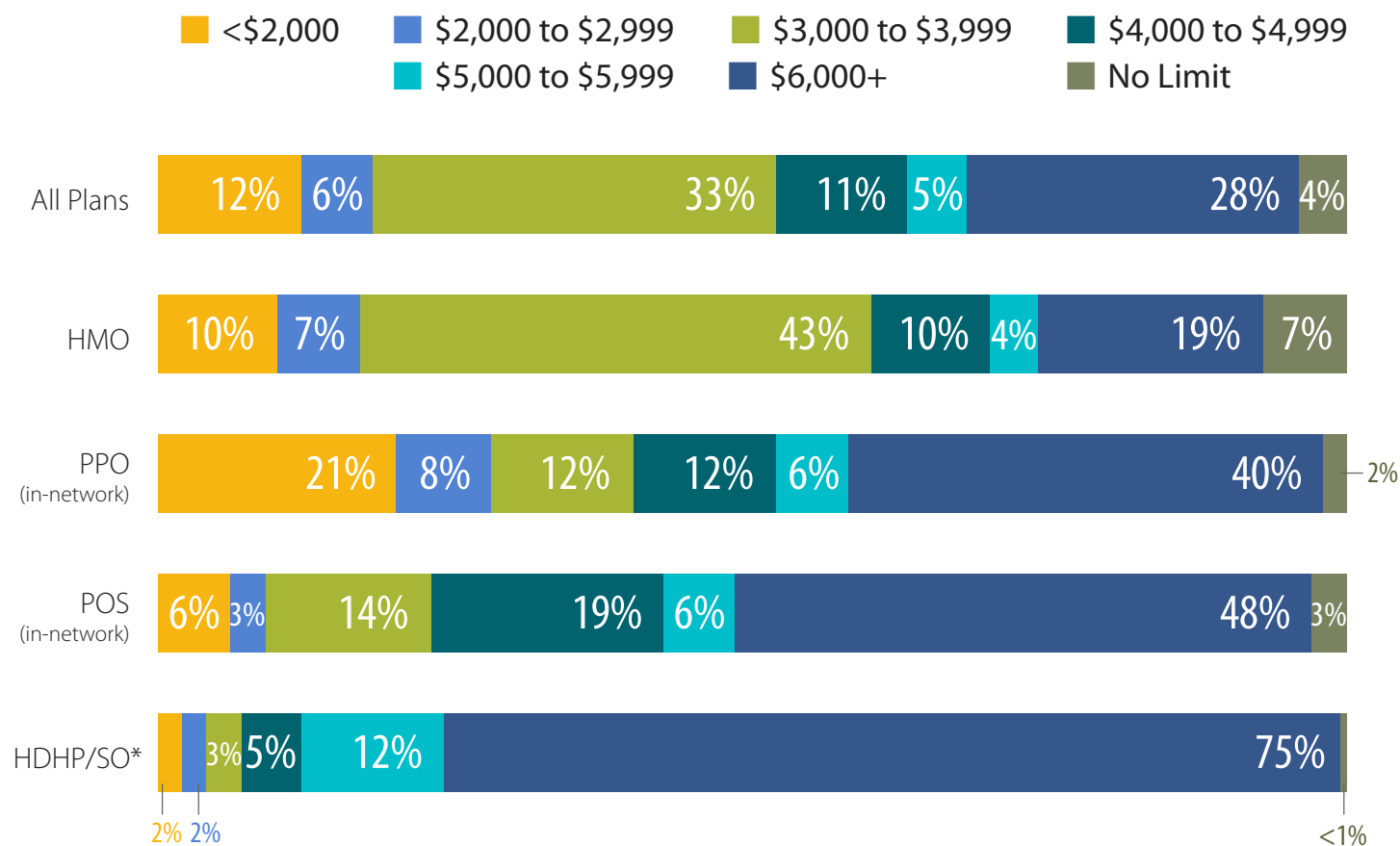
*Distribution is statistically different from All Plans.

Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage. Since HMOs typically provide very comprehensive coverage, not having a limit on out-of-pocket expenditures does not expose enrollees to the same financial risk as it could in other plan types. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Out-of-pocket limits, set up by plans to help curb costs for consumers, can vary greatly. While the large majority (96%) of covered workers with single coverage had an out-of-pocket limit, for 30% of workers, that limit was \$3,000 or more, and 4% of workers had no limit.

Annual Out-of-Pocket Limits, Family Coverage by Plan Type, California, 2015



*Distribution is statistically different from All Plans.

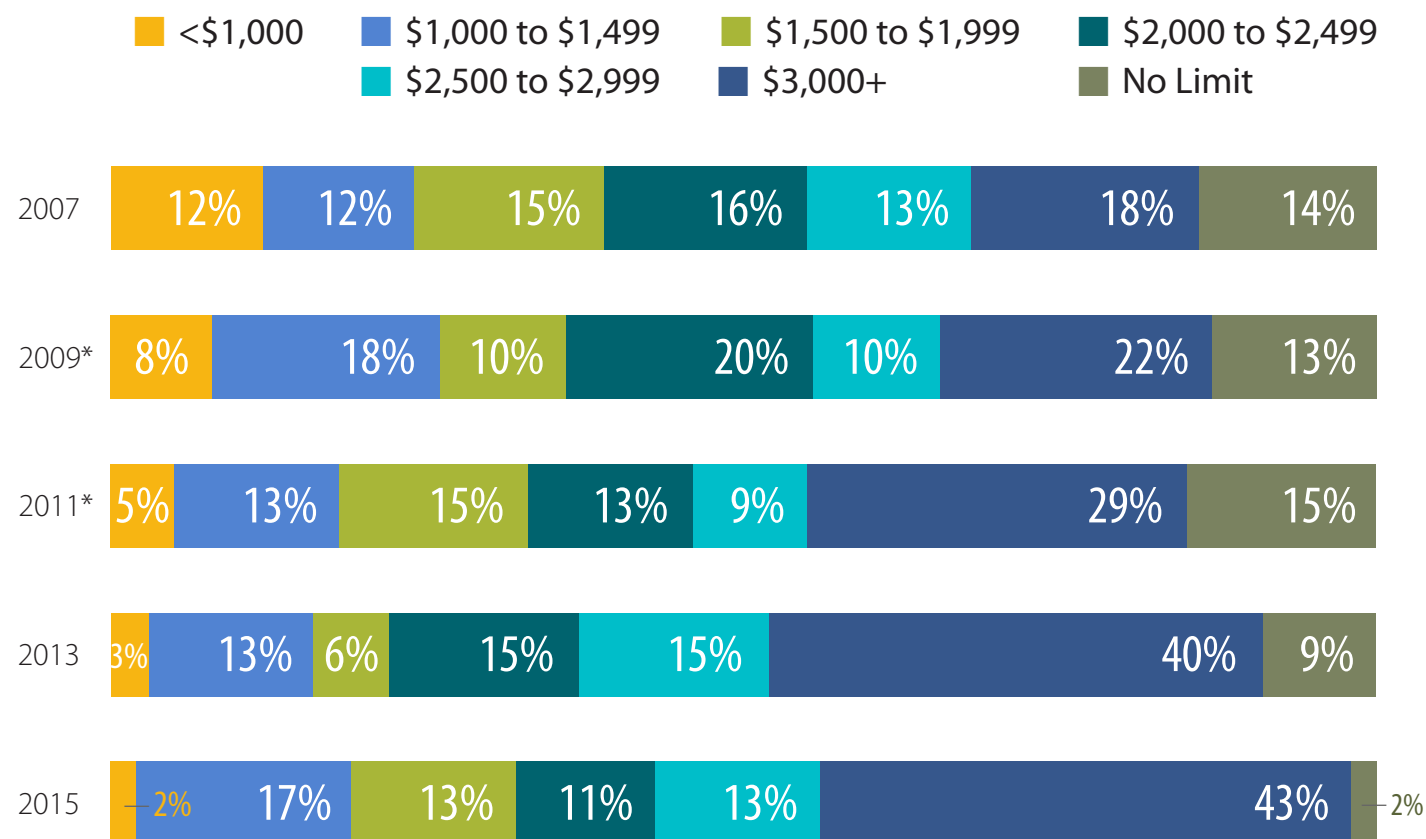
Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$2,000 for family coverage. Since HMOs typically provide very comprehensive coverage, not having a limit on out-of-pocket expenditures does not expose enrollees to the same financial risk as it could in other plan types. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

The percentage of workers with family coverage and a deductible of less than \$2,000 dropped from 24% in 2014 (not shown) to 12% in 2015. Four percent had no limit, down from 11% in 2014.

Annual Out-of-Pocket Limits, Single PPO Coverage

California, 2007 to 2015, Selected Years



California Employer Health Benefits Benefits and Cost Sharing

The proportion of California workers in PPOs with an out-of-pocket limit of \$3,000 or more for single coverage increased from 18% in 2007 to 43% in 2015. In contrast, the proportion with no limit dropped from 14% in 2007 to 2% in 2015.

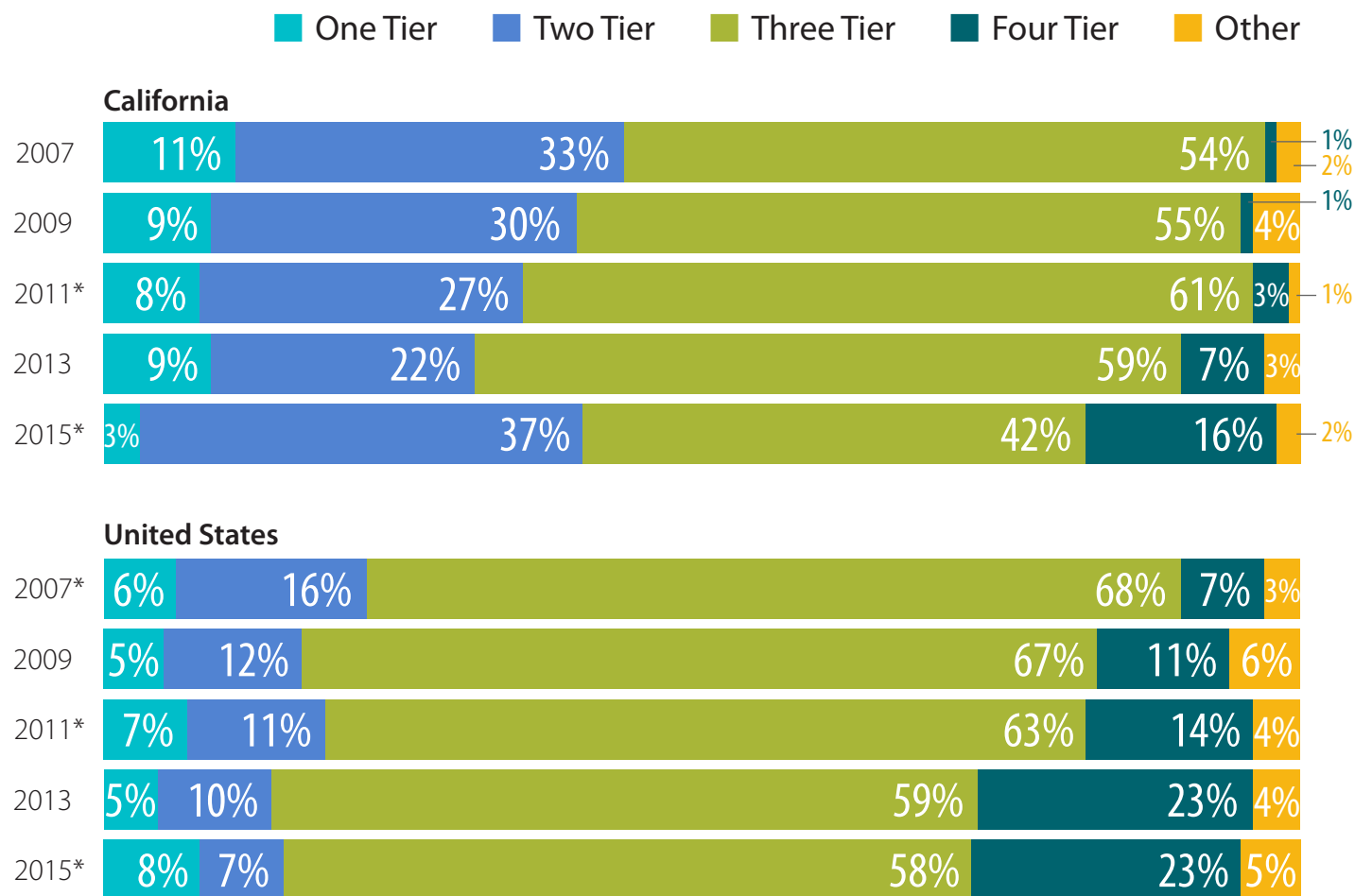
*Distribution is statistically different from previous year shown.

Notes: Includes in-network use only. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC.

Workers' Cost Sharing for Prescription Drugs

California vs. United States, 2007 to 2015, Selected Years



*Distribution is statistically different from previous year shown.

Notes: *One tier* is the same cost share regardless of drug type. *Two tier* is one payment for generic drugs and one for brand name. *Three tier* is one payment for generic drugs, another for preferred drugs, and a third for nonpreferred drugs. *Four tier* is three-tier cost sharing plus a fourth tier for lifestyle or other specified drugs. *Other* includes no cost sharing. *Preferred drugs* are listed in a plan's formulary. *Nonpreferred drugs* are not listed in the formulary. Segments may not add to 100% due to rounding.

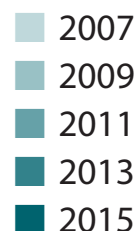
Sources: California Employer Health Benefits Survey: 2007-2015, CHCF/NORC; author analysis of data from the Survey of Employer-Sponsored Health Benefits: 2007-2015, Kaiser/HRET.

In 2015, 58% of covered workers in California had three- or four-tier cost-sharing coverage for prescription drugs. Nationally, 81% of covered workers were subject to these same tiers. Consumers with four-tier cost-sharing coverage are exposed to the greatest financial risk.

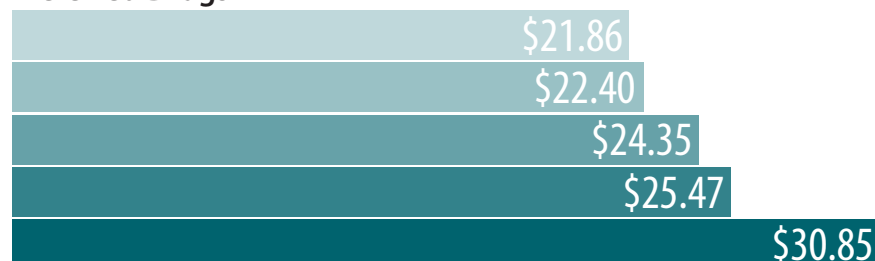
Average Prescription Drug Copayments, by Drug Type

California, 2007 to 2015, Selected Years

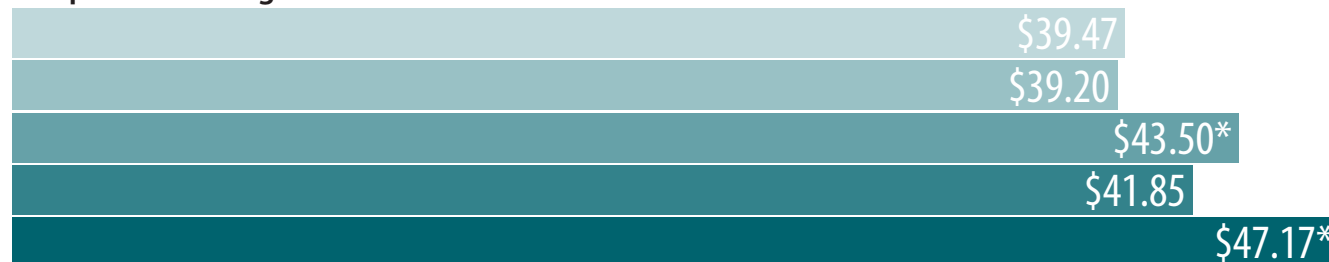
Generic Drugs



Preferred Drugs



Nonpreferred Drugs



*Estimate is statistically different from previous year shown.

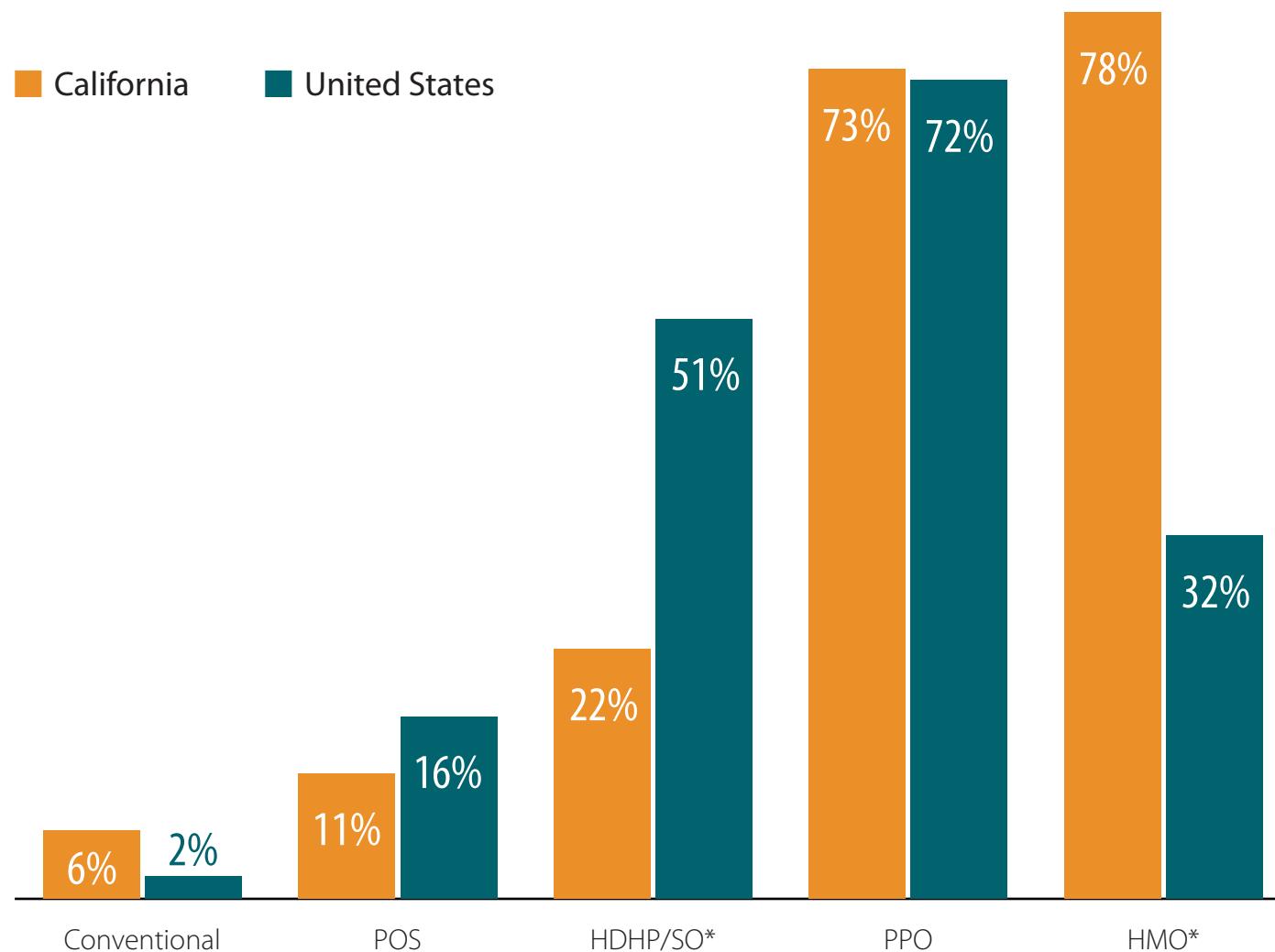
Notes: *Preferred drugs* are listed in a plan's formulary. *Nonpreferred drugs* are not listed in the formulary.

Source: California Employer Health Benefits Survey: 2007, 2009, 2011, 2013 and 2015, CHCF/NORC.

Average copayments for generic drugs are less than half those for preferred drugs, and almost one-fourth what they are for nonpreferred drugs. Copayments for all drugs increased between 2007 and 2015.

Plan Options Available to Covered Workers, by Type

California vs. United States, 2015



*Estimates are statistically different between California and US.

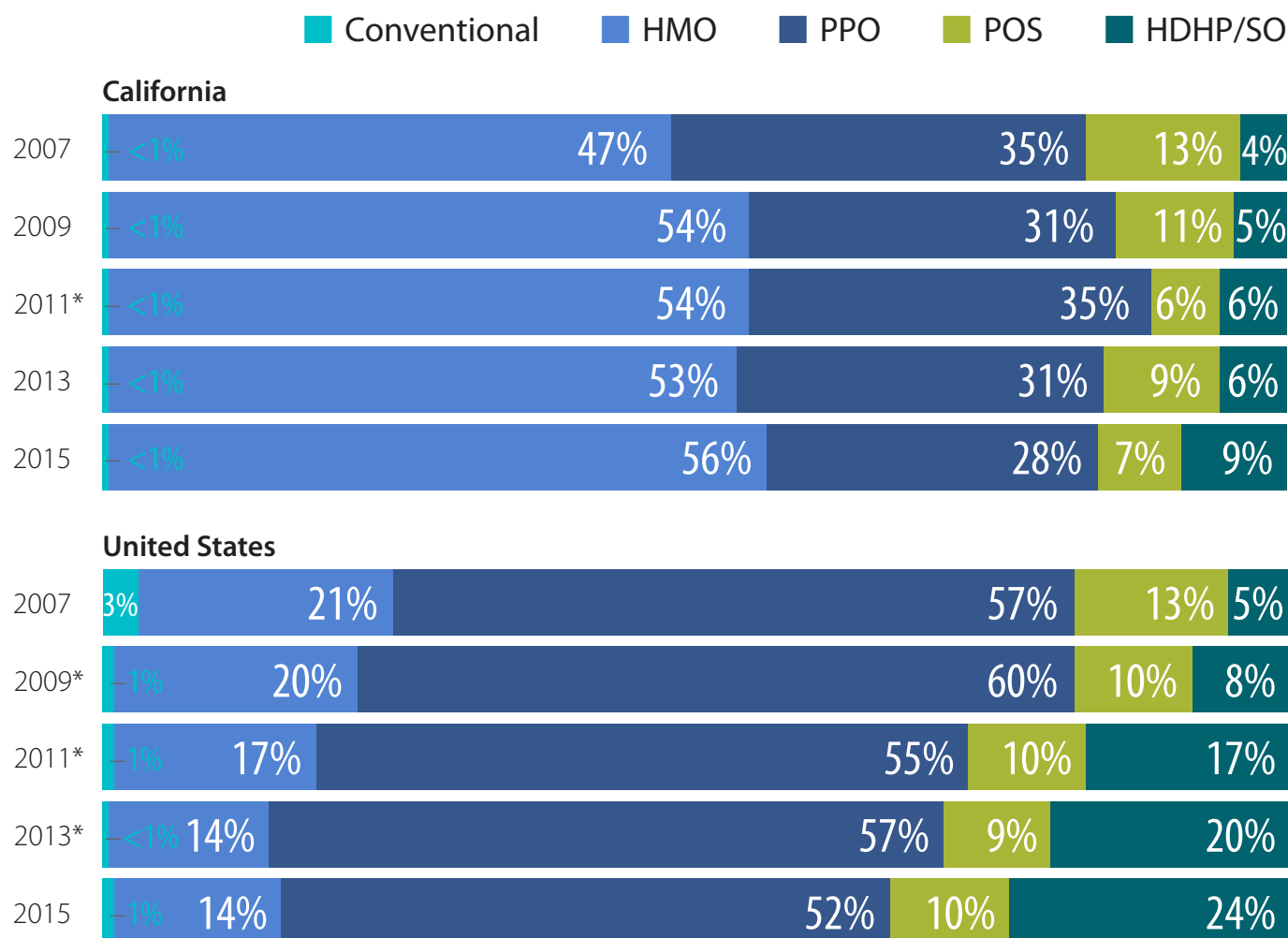
Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage.

Sources: California Employer Health Benefits Survey: 2015, CHCF/NORC; Employer Health Benefits Survey: 2015, Kaiser/HRET.

Nearly 8 in 10 covered workers in California were offered an HMO option, compared to 3 in 10 nationally. California workers were less likely than workers nationally to have a high-deductible / savings option plan.

Enrollment of Covered Workers, by Plan Type

California vs. United States, 2007 to 2015, Selected Years



*Distribution is statistically different from previous year shown.

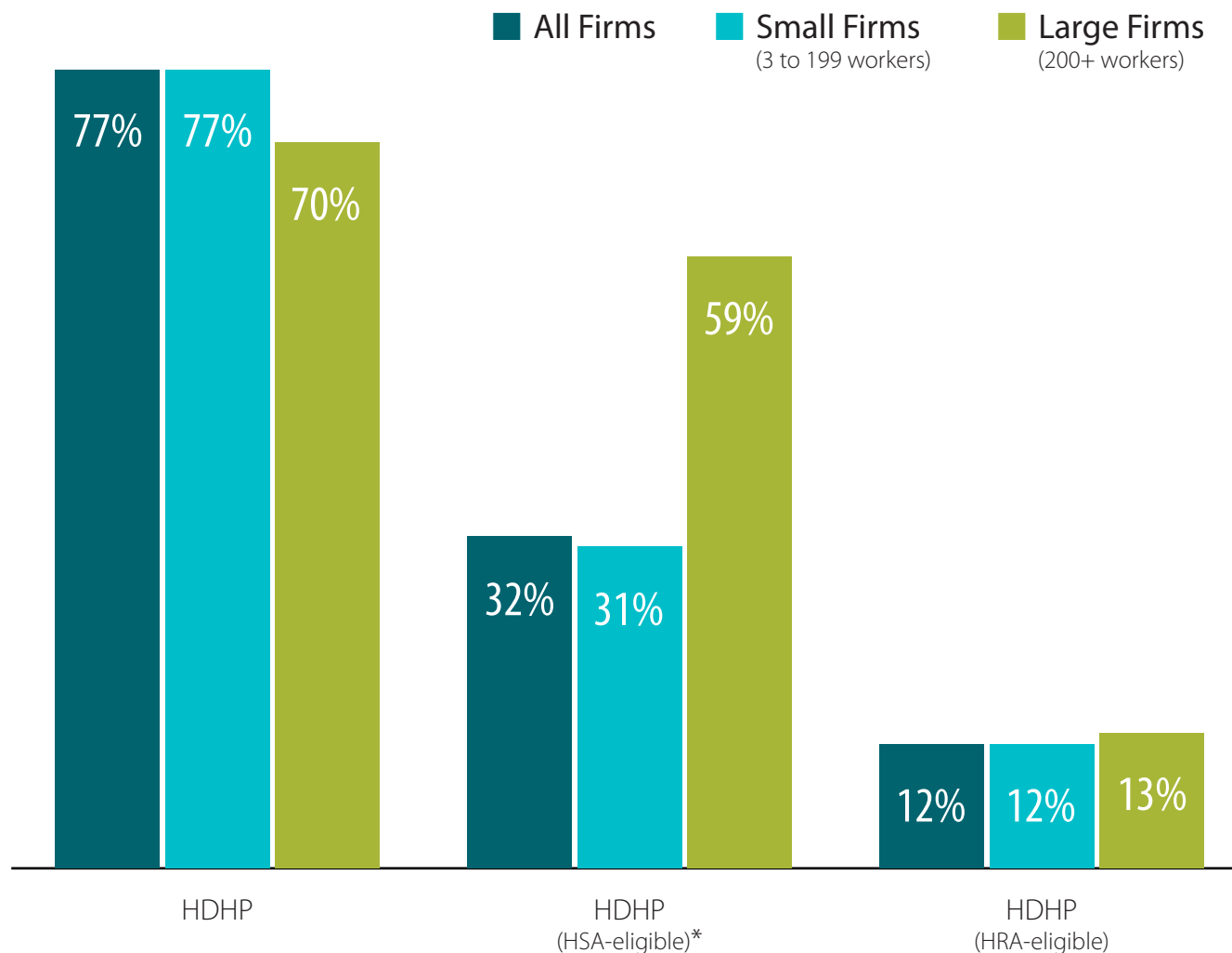
Notes: POS means point-of-service plan. HDHP/SO means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage. Segments may not add to 100% due to rounding.

Sources: California Employer Health Benefits Survey: 2007, 2009, 2011, 2013 & 2015, CHCF/NORC; Employer Health Benefits Survey: 2007, 2009, 2011, 2013 & 2015, Kaiser/HRET.

Covered workers in California were more likely to enroll in HMO plans, while workers nationally were more likely to enroll in PPO plans. The percentage of workers enrolled in high-deductible plans increased fivefold nationally from 2007 to 2015.

Firms Offering a High-Deductible Health Plan, by Firm Size

California, 2015



*Estimates are significantly different between small firms and large firms.

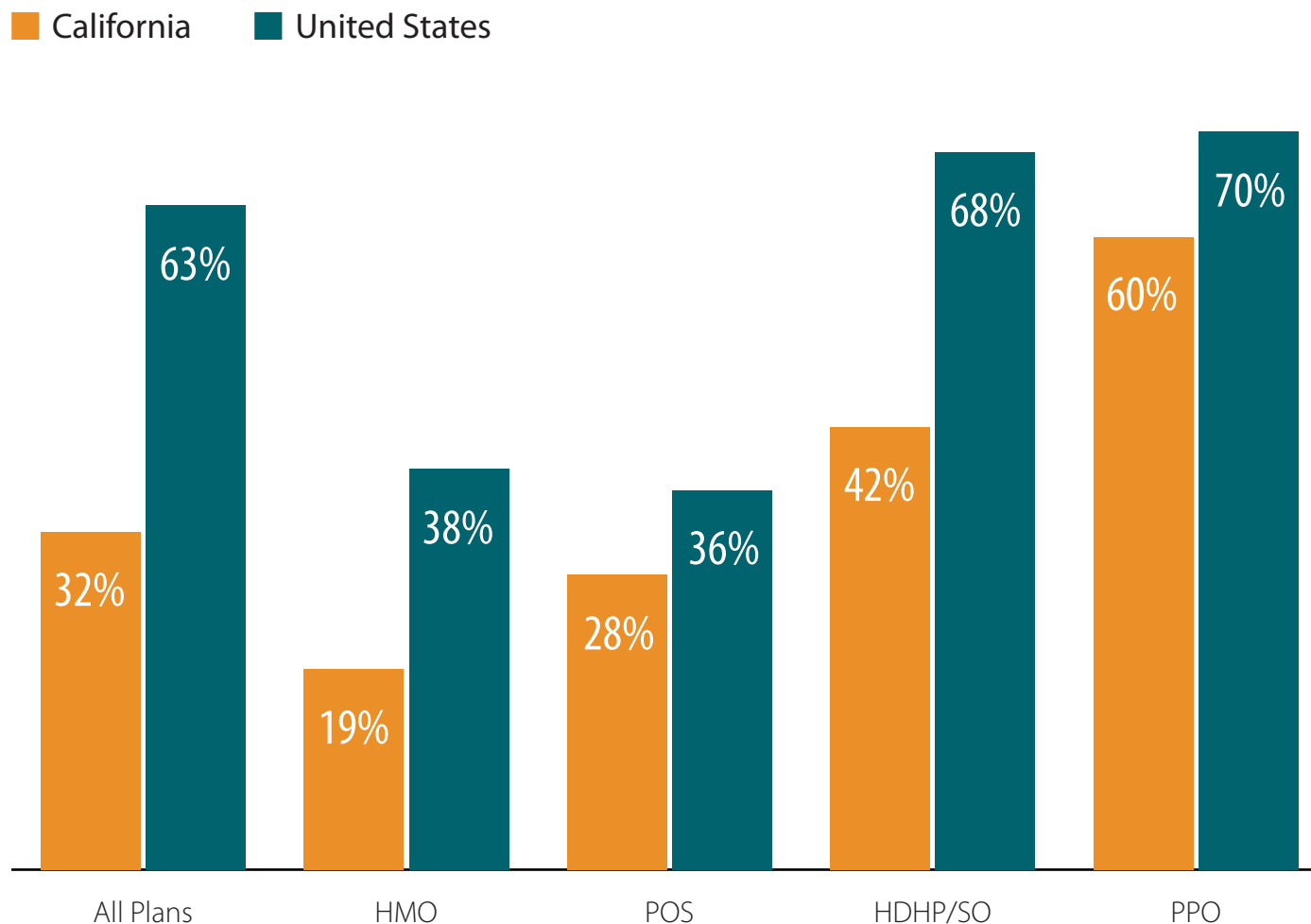
Notes: *HDHPs* (High-deductible health plans) have a deductible of at least \$1,000 for single coverage, and at least \$2,000 for family coverage. *HRAs* (health reimbursement arrangements) are employer-sponsored accounts that provide financial assistance for out-of-pocket health care expenses, and *HSAs* (health savings accounts) allow employers or employees (and their families) to contribute to a tax-advantaged account, which can be used to provide financial assistance for IRS-approved health care expenses.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Compared to other plan types, HDHPs expose workers to higher out-of-pocket costs. More than three-quarters (77%) of all California firms offered this type of plan in 2015. Of these firms, 12% offered an HDHP with a health reimbursement agreement, while 32% offered one with a health savings account.

Employees in Self-Insured Plans, by Plan Type

California vs. United States, 2015



Notes: Estimates are statistically different between California and US for all plan types. *Self-insured plans* are plans for which an employer assumes some or most responsibility for paying health care claims rather than buying coverage from an insurer. *POS* means point-of-service plan. *HDHP/SO* means high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage.

Sources: California Employer Health Benefits Survey, CHCF/NORC: 2015; Employer Health Benefits Survey: 2015, Kaiser/HRET.

Thirty-two percent of employees in California were enrolled in a partly or completely self-insured plan in 2015, compared with 63% nationally. The gap between the state and national figures is likely associated with California's high HMO enrollment, since HMOs are less likely than other plans to be self-insured.

Likelihood of Firms Making Changes in the Next Year

by Type of Change, California, 2015

Very
Somewhat
Not Too
Not at All
Don't Know

Increase the Amount Employees Pay for Premiums



Increase the Amount Employees Pay for Deductibles



Increase the Amount Employees Pay for Coinsurance or Copays



Increase the Amount Employees Pay for Prescription Drugs



Restrict Employee Eligibility for Coverage



Drop Coverage Entirely



Note: Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

California Employer Health Benefits

Employer Views and Practices

Four in 10 California employers reported being very likely or somewhat likely to increase the amount that workers pay for premiums in the next year. Two in 10 employers stated that they are very likely or somewhat likely to increase employees' deductibles and what employees pay for prescriptions. Very few employers reported intentions to drop coverage entirely.

Likelihood of Firms Making Selected Changes in the Next Year

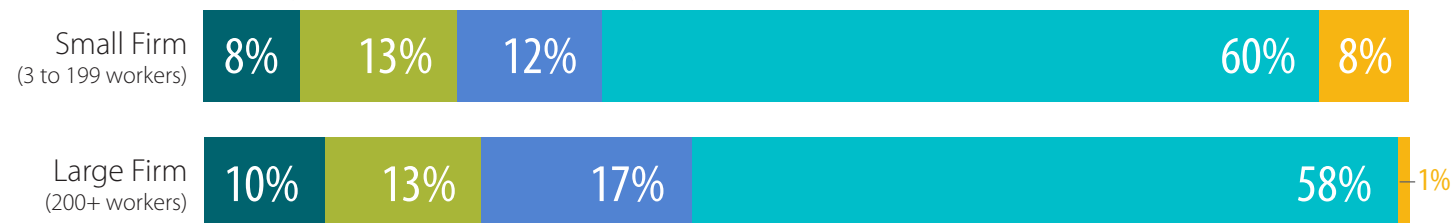
by Firm Size, California, 2015

Very Somewhat Not Too Not at All Don't Know

Employee Premium Contribution Increases



Employee Coinsurance or Copay Increases



Compared to small firms, larger firms in California were more likely to report that they are very likely or somewhat likely to increase the amount employees pay for health insurance premiums in the coming year.

*Estimate is statistically different between small and large firms.

Note: Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Firms That Made Selected Changes in the Past Year

by Firm Size and Region, California, 2015

REDUCED SCOPE OF HEALTH BENEFITS OR INCREASED COST SHARING

FIRM SIZE	
Small Firms (3 to 199 workers)	27%
Large Firms (200+ workers)	23%
• 200 to 999 workers	26%
• 1,000+ workers	18%
REGION	
Los Angeles	32%
San Francisco	12%
Rest of State	25%
All Firms	27%

California Employer Health Benefits

Employer Views and Practices

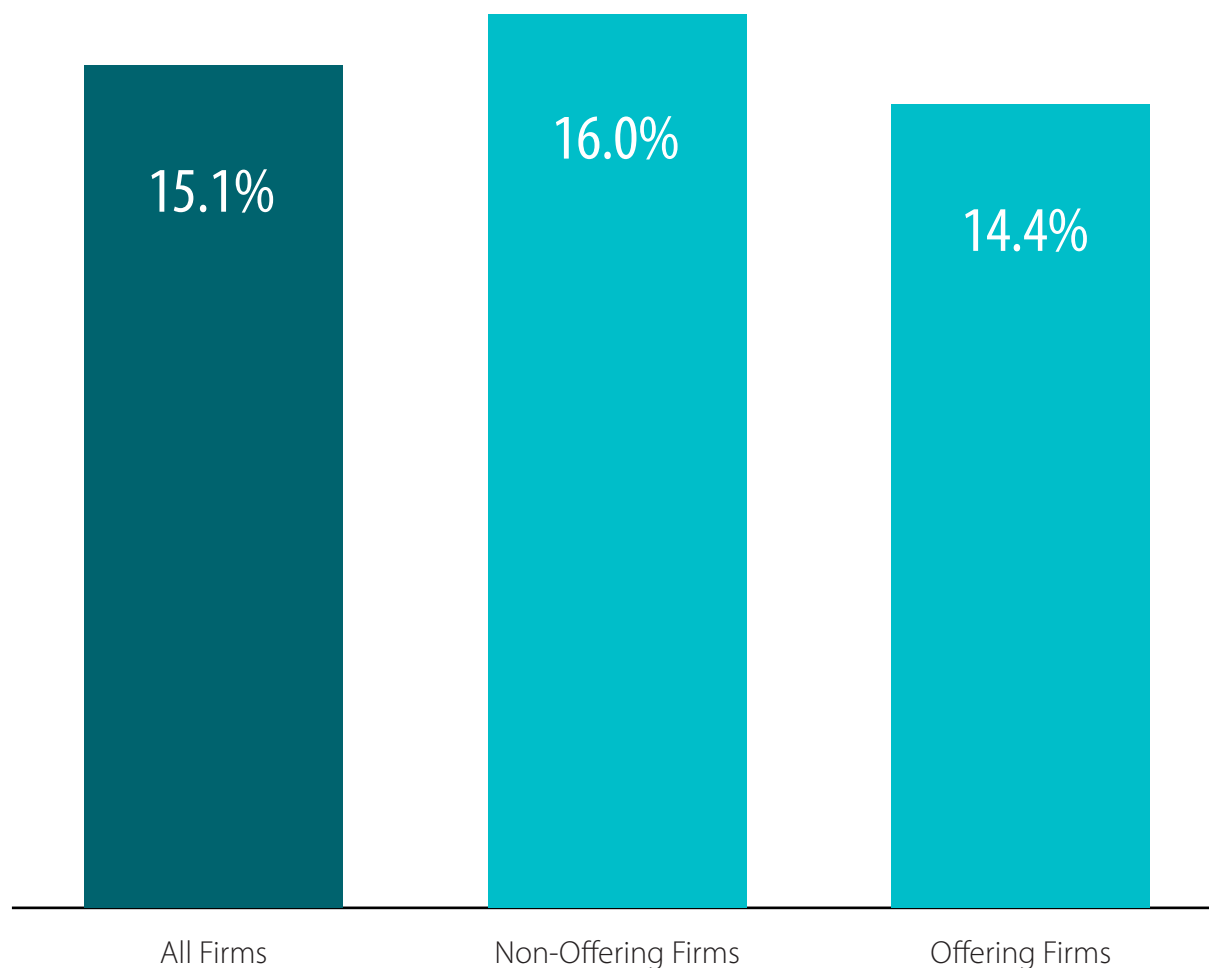
In 2015, 27% of California firms increased cost sharing for workers or reduced the scope of their health benefits in the past year.

Notes: Tests found no statistically differences for any subgroups. *Los Angeles* and *San Francisco* are defined as the metropolitan statistical area (MSA).

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Looked at SHOP Exchanges, Selected Small Firms

Offering and Non-Offering, California, 2015



In 2015, 16% of firms that did not offer health coverage said they looked for a health plan on the exchange.

Notes: Small firms with 75 or fewer employees. The Small Business Health Options Program (SHOP) includes federal- or state-sponsored exchanges (Covered CA in California) in which small employers may offer and contribute to health insurance provided to their employees. Some employers are eligible for tax credits when purchasing coverage on the exchanges.

Source: California Employer Health Benefits Survey: 2015, CHCF/NORC.

Methodology

The California Employer Health Benefits Survey is a joint product of the California Health Care Foundation (CHCF) and the National Opinion Research Center (NORC). The survey was designed and analyzed by researchers at NORC and administered by National Research (NR). The findings are based on a random sample of 748 interviews with employee benefit managers in private firms in California. NR conducted interviews from August to December 2015. As with prior years, the sample of firms was drawn from the Dun & Bradstreet list of private employers with three or more workers. The margin of error for responses among all employers is +/- 3.8%, for responses among employers with 3 to 199 workers it is +/- 5.0%, and among employers with 200 or more workers it is +/- 5.9%. Some exhibits do not sum to 100% due to rounding effects.

The Kaiser Family Foundation sponsored this survey of California employers from 2000 to 2003. A similar employer survey was also conducted in 1999 in California, in conjunction with the Center for Health and Public Policy Studies at the University of California, Berkeley. The Health Research and Educational Trust (HRET) collaborated on these surveys from 1999 to 2004. The Center for Studying Health System Change collaborated on these surveys from 2005 to 2006.

This survey instrument is similar to a national employer survey conducted annually by the Kaiser Family Foundation and HRET. The US results in this study are either from the published reports, or in a few cases, from author calculations from the survey's public use files. A full analysis of the US data set is available on the foundation's website at www.kff.org. Both the California and US surveys asked questions about: health maintenance organizations (HMOs), preferred provider organizations (PPOs), point-of-service (POS) plans, and high-deductible health plans with a savings option (HDHPs/SOs). Conventional (fee-for-service) plans are generally excluded from the plan type analyses because they compose such a small share of the California market.

Many variables with missing information were identified as needing complete information within the database. To control for item

nonresponse bias, missing values within these variables were imputed using a hot-deck approach. Calculation of the weights follows a common approach. First, the basic weight is determined, followed by a survey nonresponse adjustment. Next, the weights are trimmed in order to reduce the influence of weight outliers. Finally, a post-stratification adjustment is applied.

All statistical tests in this chart pack compare either changes over time, a plan-specific estimate with an overall estimate, or subcategories versus all other firms (e.g., firms with 3 to 9 workers vs. all other firms). Tests include t-tests and chi-square tests, and significance was determined at $p < .05$ level. Due to the complex nature of the design, standard errors are calculated in SUDAAN.

An important note about the methodology: Rates of change for total premiums, for worker or employer contributions to premiums, and other variables calculated by comparing dollar values in this report to data reported in past CHCF or KFF publications should be used with caution due to both the survey's sampling design and the way in which plan information is collected. Rates calculated in this fashion not only reflect a change in the dollar values but also a change in enrollment distribution, thus creating a variable enrollment estimate. However, rates of change in premiums are collected directly as a question in the California survey. This rate of change holds enrollment constant between the current year and the previous year, thus creating a fixed enrollment estimate. Because the survey does not collect information on the rate of change in other variables, additional rates are not reported. The national survey conducted by Kaiser/HRET, however, stopped collecting directly rates of change in premiums in its 2008 survey. Therefore, the rate of change in total premiums in the US provided in this report uses a variable enrollment estimate.

Please note that due to a change in the post-stratification methods applied in 2003, the survey data published in this chart book may vary slightly from reports published prior to 2003.

ABOUT THIS SERIES

The California Health Care Almanac is an online clearinghouse for data and analysis examining the state's health care system. It focuses on issues of quality, affordability, insurance coverage and the uninsured, and the financial health of the system with the goal of supporting thoughtful planning and effective decisionmaking. Learn more at www.chcf.org/almanac.

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