

# Cost of job-based health insurance outpaces family income: report

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Workers are paying more for health plans, could be getting less financial protection.

(HealthDay)—Americans who get job-based health insurance are spending a bigger chunk of their paychecks on health care than they were a decade ago, and they may be getting less financial protection for the money, a new report suggests.

Premium increases sharply outpaced wage growth between 2003 and 2013, researchers at the Commonwealth Fund reported Tuesday.

Family [health](#) plan premiums jumped 73 percent, to \$16,029, while median family income increased by just 16 percent, according to the report. The study shows a similar discrepancy for individuals.

Employers also shifted more of the cost of coverage to their workers.

Employees' share of health plan premiums rose from \$606 in 2003 to \$1,170 for single coverage in 2013—a 93 percent increase, the study found.

At the same time, deductibles for single and family coverage more than doubled. And the percentage of workers in [health plans](#) that require deductibles swelled to 81 percent in 2013, from 52 percent in 2003.

"People with middle and lower incomes are very likely feeling very pinched by the increase in insurance and the cost of their care when they go to the doctor or fill a prescription," said report author Sara Collins, the Commonwealth Fund's vice president for [health care](#) coverage and access.

"They simply have less income to spread across all life necessities, which include health insurance and care," she noted.

But a group that represents the 400 largest employers in the United States noted that employers are still paying the majority of employees' health care costs.

"As costs go up, so do theirs [employers]," said Karen Marlo, a vice president at the National Business Group on Health, in Washington, D.C.

The challenge for employers, she said, is assuring not only that employees are getting good coverage, but finding ways to "make it affordable for the company and the employees."

More than 150 million people, or well over half of the under-65 population, have health insurance through their job or a family member's job, the report noted.

By contrast, only about 7 million people are enrolled in health insurance plans sold through the federal and state marketplaces created as a result of the Affordable Care Act.

The Commonwealth Fund, a private New York-based health care foundation, used data from the Medical Expenditure Panel Survey to assess changes in employer-sponsored health insurance.

The study shows that working adults and their families are spending more on health insurance despite a recent slowdown in the growth of [health care costs](#).

The rate of growth in premiums for employee-only coverage rose just 4 percent per year, on average, between 2010 and 2013, the period following passage of the health-reform law. That compared to an average of 5 percent per year between 2003 and 2010.

The slowdown is "promising" but hasn't "translated into relief for workers," Commonwealth Fund President Dr. David Blumenthal said in a news release on the study findings.

What's more, employer surveys suggest that shifting costs to workers will continue in the coming years as a strategy for managing health insurance costs.

The Affordable Care Act provided a bit of financial relief to consumers by requiring most health plans, including many employer-sponsored health plans, to cover preventive services for free. But the law doesn't waive the ongoing out-of-pocket cost of medications or physician visits for people managing chronic conditions, such as high cholesterol, diabetes or high blood pressure.

"That worries me that when they face large cost-sharing, they may just

decide to forgo that care," said Sarah Thomas, director of research at the Deloitte Center for Health Solutions in Washington, D.C.

Thomas co-authored a recent report examining out-of-pocket costs to consumers with all kinds of coverage, including Medicare, Medicaid, marketplace health plans and employer-sponsored [health insurance](#). That report noted that out-of-pocket health expenses are almost twice as much as what people spend on new motor vehicles but about half of much as their grocery budget.

Rising out-of-pocket expenses means consumers must become savvy shoppers, Thomas said. "They need to start looking for good value and the way that they get care."

**More information:** Visit [USA.gov](#) for more on getting health insurance.

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