

CALIFORNIA Health Care Almanac



AUGUST 2021

California Employer Health Benefits: Are Workers Covered?

Executive Summary

Between 2000 and 2020, the percentage of employers offering health benefits declined in California from 69% to 60%. Workers are shouldering more of the cost for their health benefits, paying both a larger share of premiums and higher deductibles and copays. The prevalence of plans with deductibles over \$1,000 increased from 6% in 2006 to 54% in 2020, largely due to enrollment shifts into different plan types.

California Employer Health Benefits: Are Workers Covered? presents data compiled from the 2020 California Employer Health Benefits Survey.

KEY FINDINGS FROM THE 2020 SURVEY:

- Forty-five percent of Californians pay more than 25% of the premium for single coverage, compared to 21% of workers nationally.
- The average monthly health insurance premium in California, including the employer contribution, was \$653 for single coverage and \$1,717 for family coverage.
- Seventy-two percent of workers in small firms (3 to 199 workers) faced an annual deductible of at least \$1,000 for single coverage, compared to 48% of workers in larger firms.
- About one in eight firms (13%) that employ many workers with lower wages (those earning \$25,000 or less) offered health coverage to employees in 2020.
- In the past year, 14% of California firms reported that they increased cost sharing for their workers.
- Twenty-four percent of California firms stated they are “very likely” to increase the amount workers pay for premiums in 2022.

Note: See the current and past editions of California Employer Health Benefits at www.chcf.org/collection/california-employer-health-benefits-almanac.

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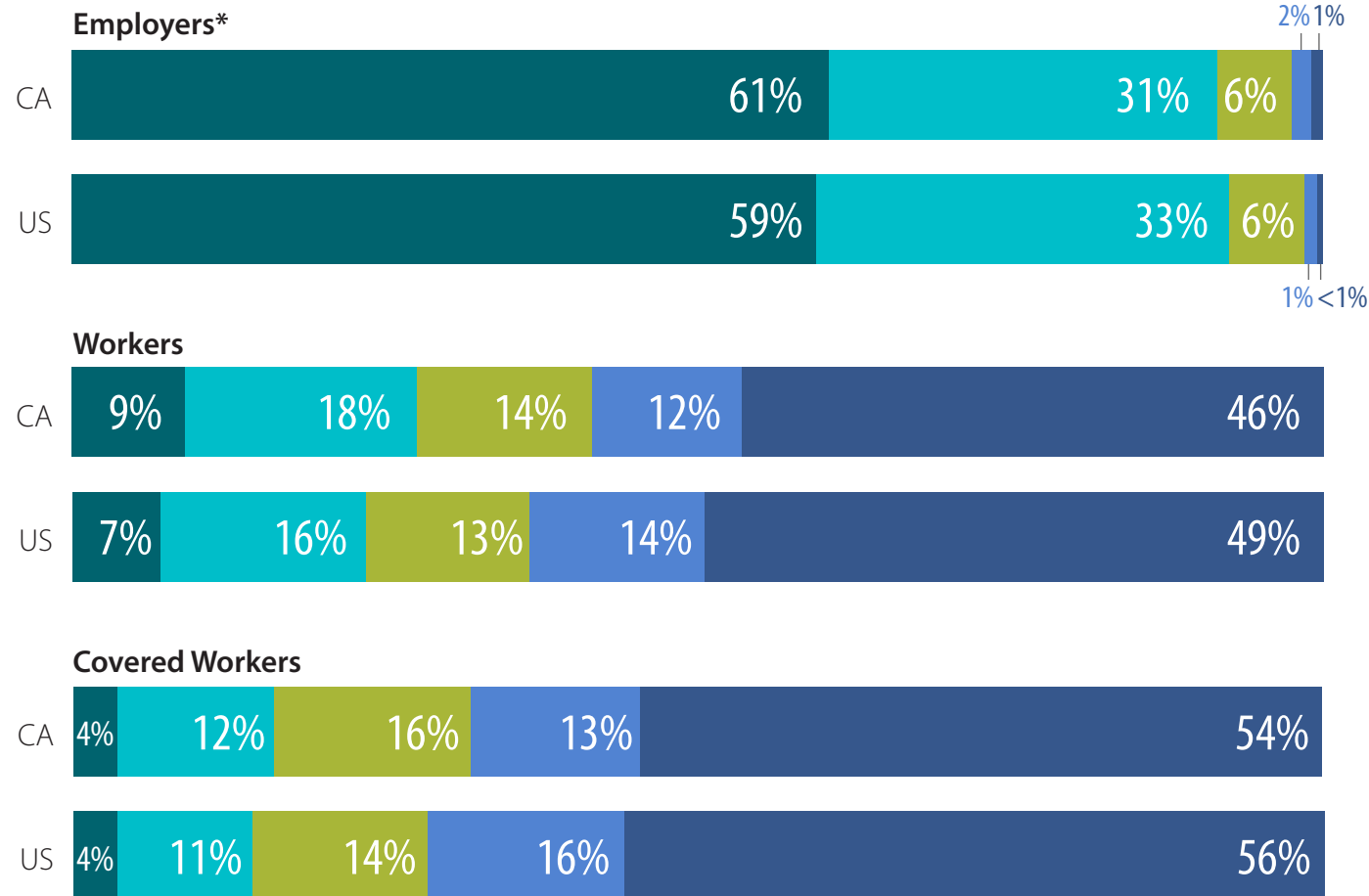
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Employers, Workers, and Covered Workers, by Firm Size

California vs. United States, 2020

NUMBER OF WORKERS

■ 3–9 ■ 10–49 ■ 50–199 ■ 200–999 ■ 1,000+



* Estimates are statistically different between California and US.

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

Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and author analysis of Employer Health Benefits Survey public use file (2020), KFF.

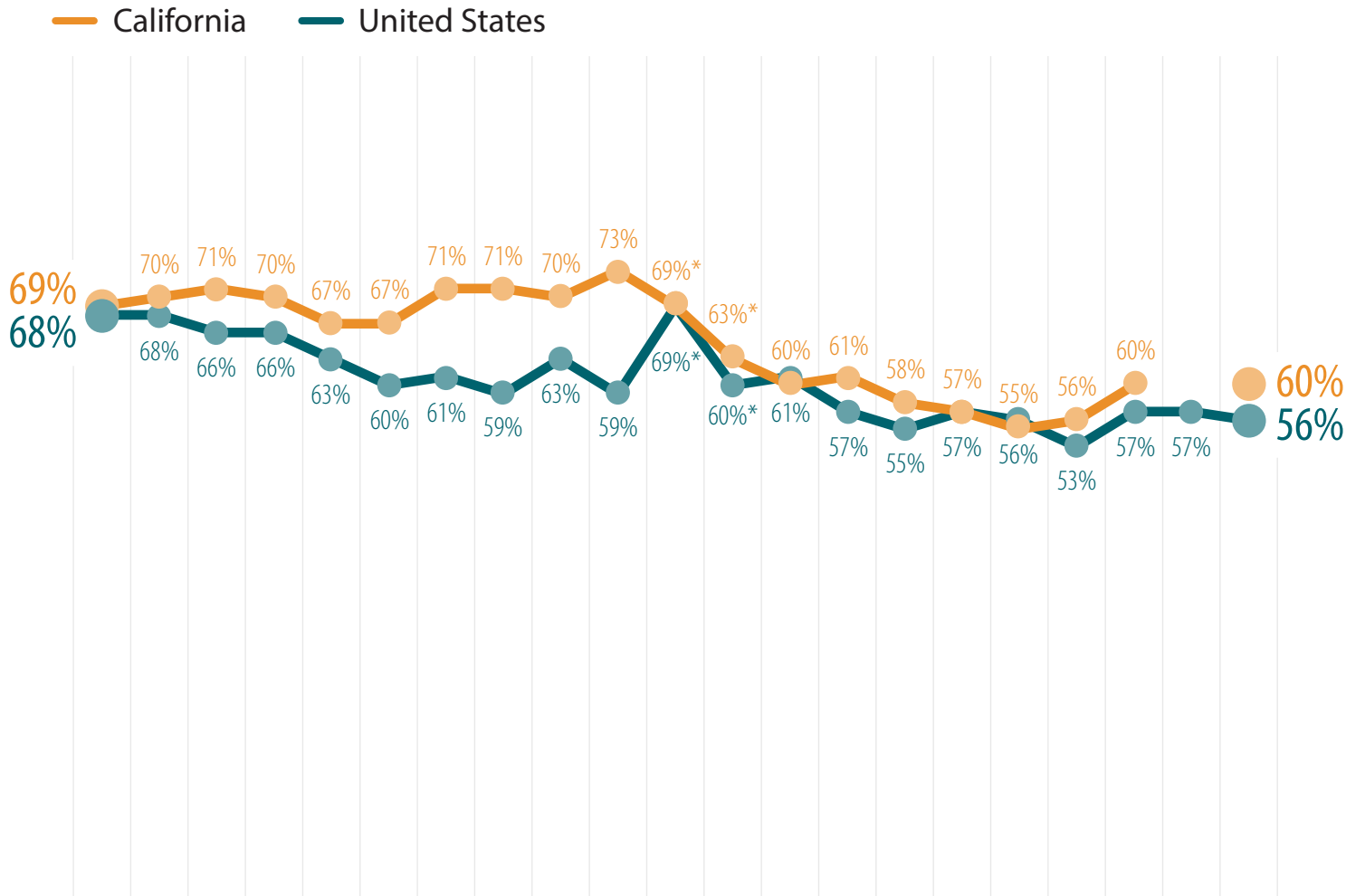
California Employer Health Benefits

Overview

In 2020, California firms with 3 to 49 workers accounted for 92% of all employers, but just 27% of all workers, and 16% of workers with health coverage, similar to national firms.

Employers Offering Health Benefits

California vs. the United States, 2000 to 2020



The percentage of California employers offering health insurance in 2020 (60%) was similar to the overall US rate of 56%. The offer rate among California firms has been fairly stable since 2012.

* Estimates are statistically different from the previous year shown.

Note: The survey was not conducted in California in 2019.

Sources: California Employer Health Benefits Survey (2007–18 and 2020), CHCF/NORC; California Employer Health Benefits Survey (2005–6), CHCF/HSC; California Employer Health Benefits Survey (2004), CHCF/HRET; California Employer Health Benefits Survey (2000–3), Kaiser/HRET; Employer Health Benefits Survey (2018–20), KFF; and Employer Health Benefits Survey (2000–17), Kaiser/HRET.

Employers Offering Health Benefits, by Firm Characteristics

California, 2020

All Firms



Many Workers with Lower Wages*



Fewer Workers with Lower Wages*



Many Part-Time Workers*



Fewer Part-Time Workers*



At Least Some Union Workers



No Union Workers



* Estimate is statistically different from all other firms.

Notes: *Many workers with lower wages* firms are those with 35% or more of workers earning \$25,000 or less per year. *Fewer workers with lower wages* firms 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 (2020), CHCF/NORC.

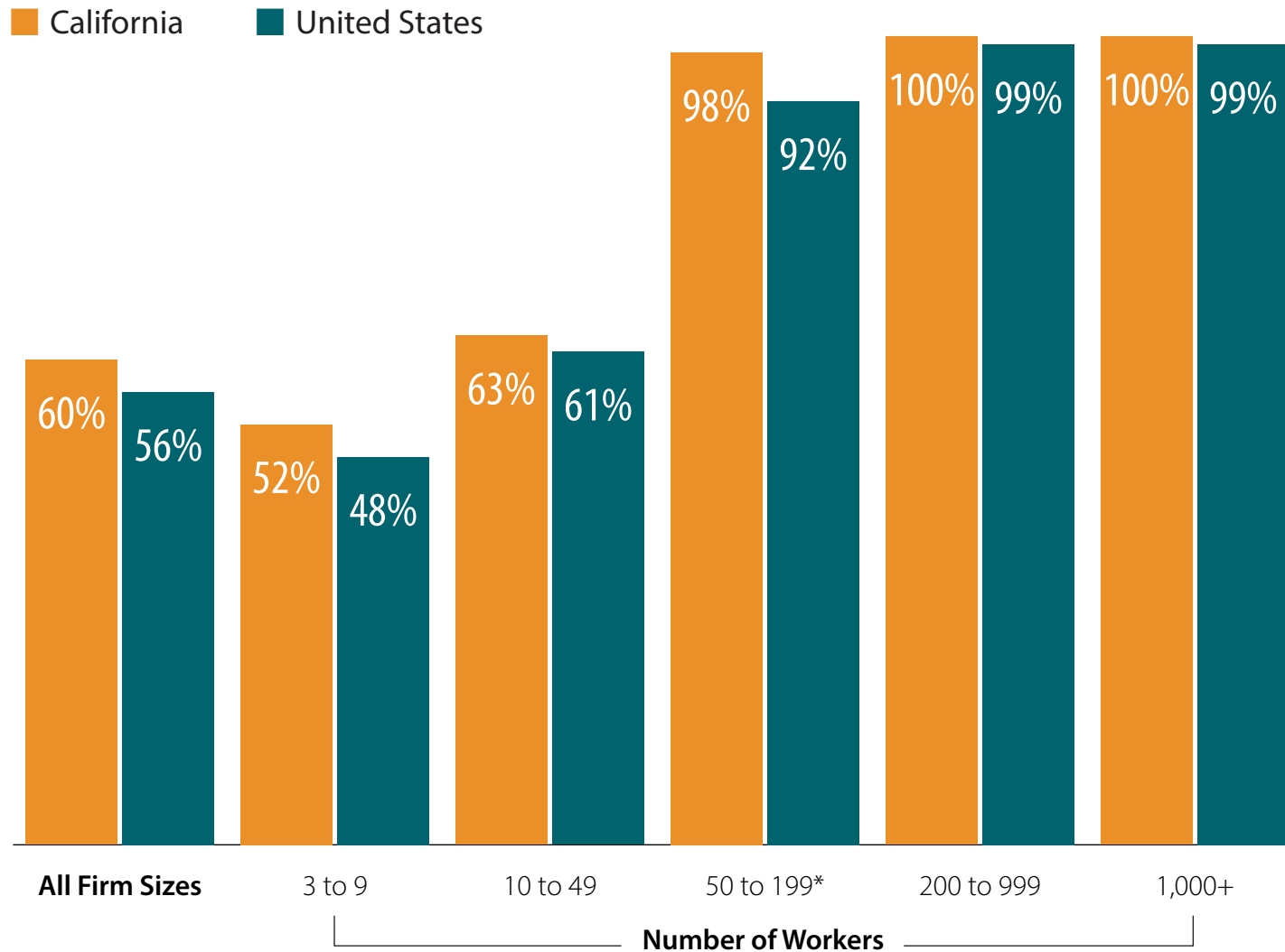
California Employer Health Benefits

Coverage

Whether a firm offers health insurance coverage to its employees varies widely by firm characteristics. Firms that employ many workers with lower wages or part-time workers were much less likely to offer health insurance than those that employ fewer of these workers. Most companies with union workers (92%) offered coverage.

Employers Offering Health Benefits, by Firm Size

California vs. United States, 2020



California Employer Health Benefits

Coverage

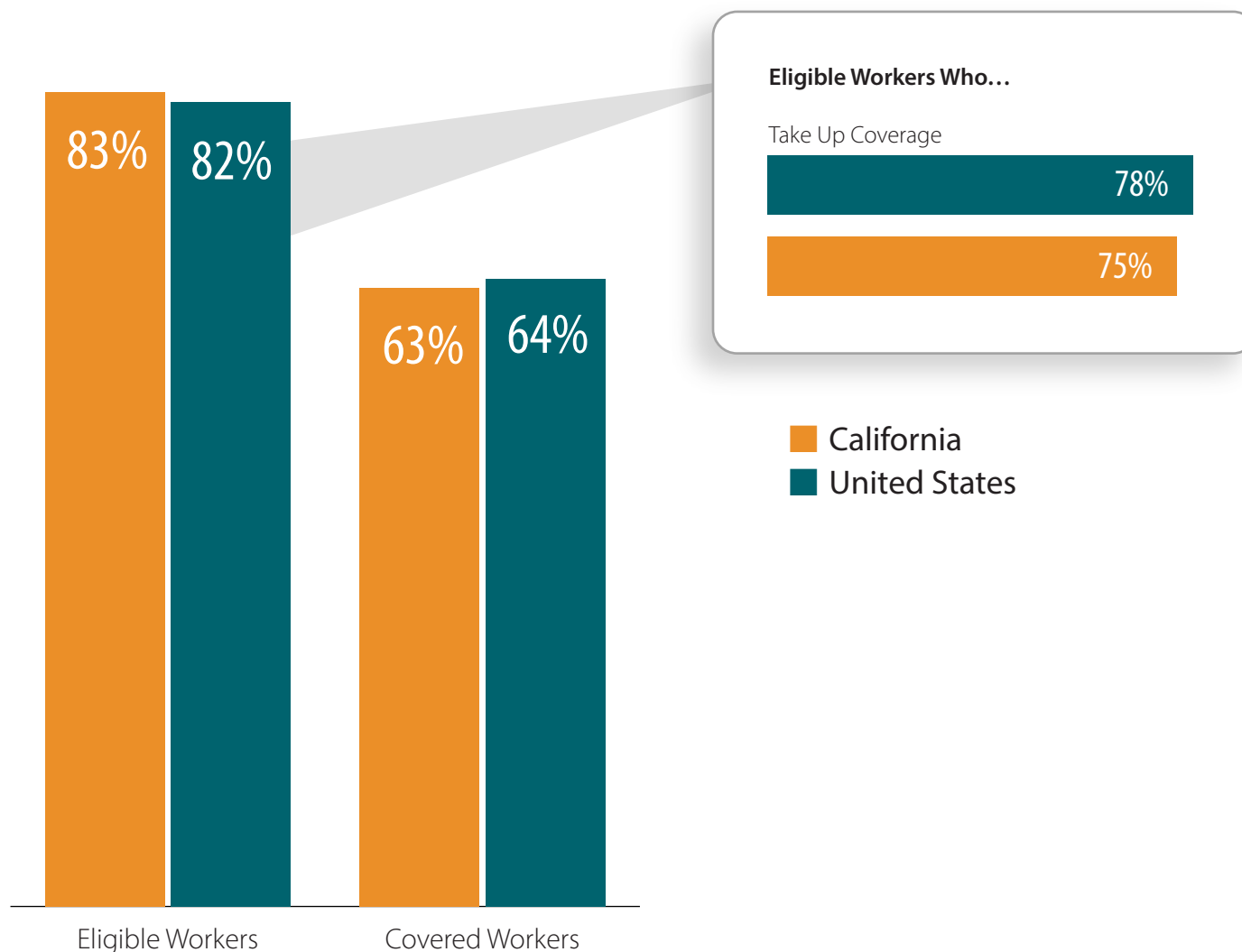
About half (52%) of California's smallest firms (three to nine workers) offered coverage in 2020, while the vast majority of larger firms did so. Offer rates for California employers were similar to national figures.

* Estimates are statistically different between California and US.

Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and author analysis of Employer Health Benefits Survey public use dataset (2020), KFF.

Employee Eligibility, Take-Up Rates, and Coverage

California vs. United States, 2020



California Employer Health Benefits Coverage

Not all employees are eligible for health insurance offered by their firm, and not all who are eligible elect to participate. Eighty-three percent of people working in California firms offering coverage were eligible for health benefits in 2020. Of those eligible, 75% elected to enroll, resulting in a 63% coverage rate.

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

Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

Worker Coverage Rates Among Firms Offering Health Benefits by Firm Size, California, 2012 to 2020, Selected Years

All Firms



Small Firms (3 to 199 workers)



Large Firms (200+ workers)



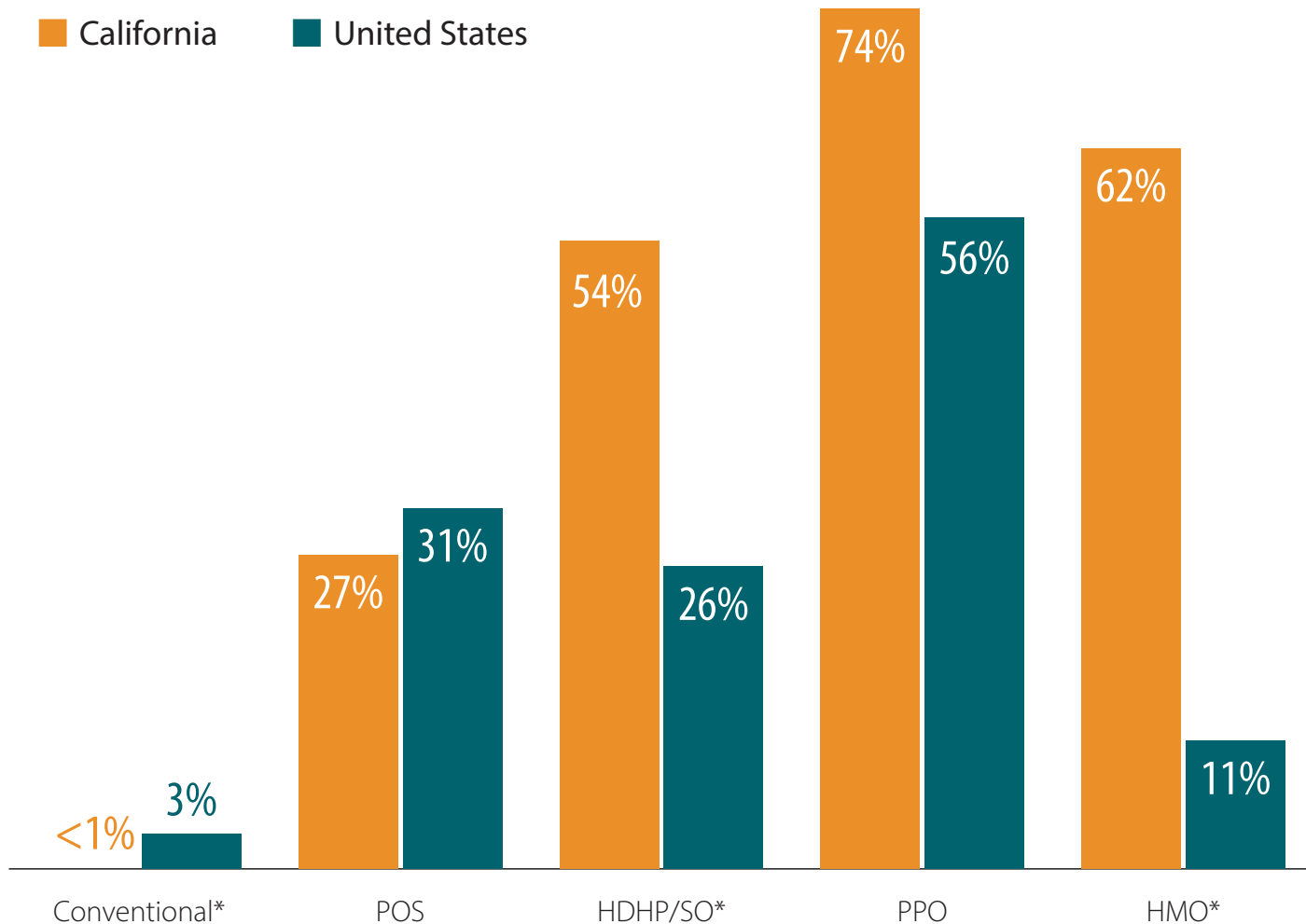
Insurance coverage rates among California employers offering health benefits have been fairly stable since 2012. Large and small firms had similar coverage rates.

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

Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

Covered Worker Health Plan Options, by Type

California vs. United States, 2020



* Estimates are statistically different between California and US.

Notes: POS is point-of-service plan. HDHP/SO is 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 (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

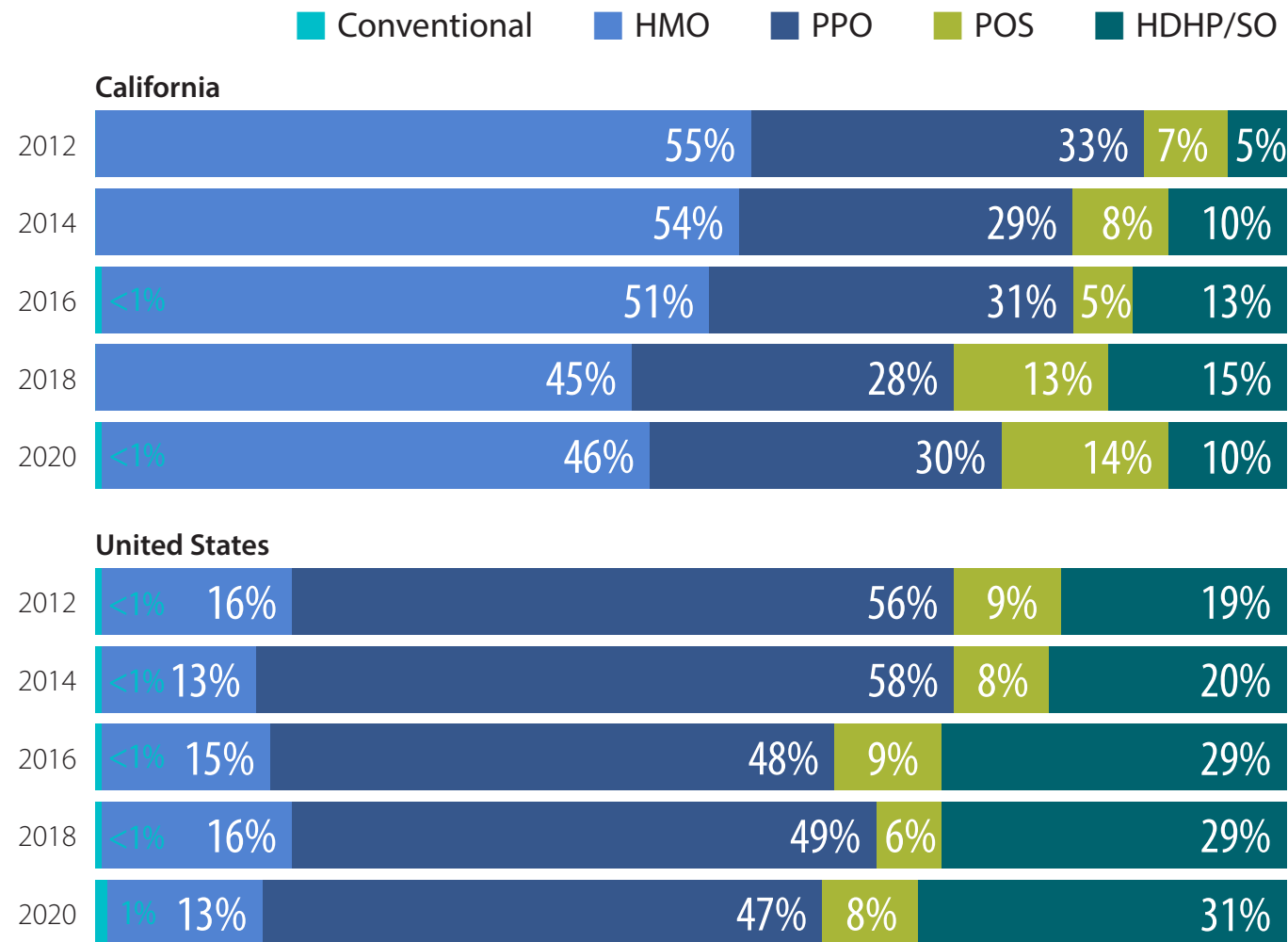
California Employer Health Benefits

Coverage

Covered workers in California were more likely to have an HMO option than workers nationally. Sixty-two percent of covered workers in California had an HMO option, compared to only 11% of covered workers nationally.

Enrollment of Covered Workers, by Plan Type

California vs. United States, 2012 to 2020, Selected Years



Notes: POS is point-of-service plan. HDHP/SO is 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. Conventional plan enrollment in both California and the US was 1% or less in 2012–20.

Sources: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC; author analysis of data from Employer Health Benefits Survey public use files (2018–20), KFF; and Employer Health Benefits Survey public use files (2012–17), Kaiser/HRET.

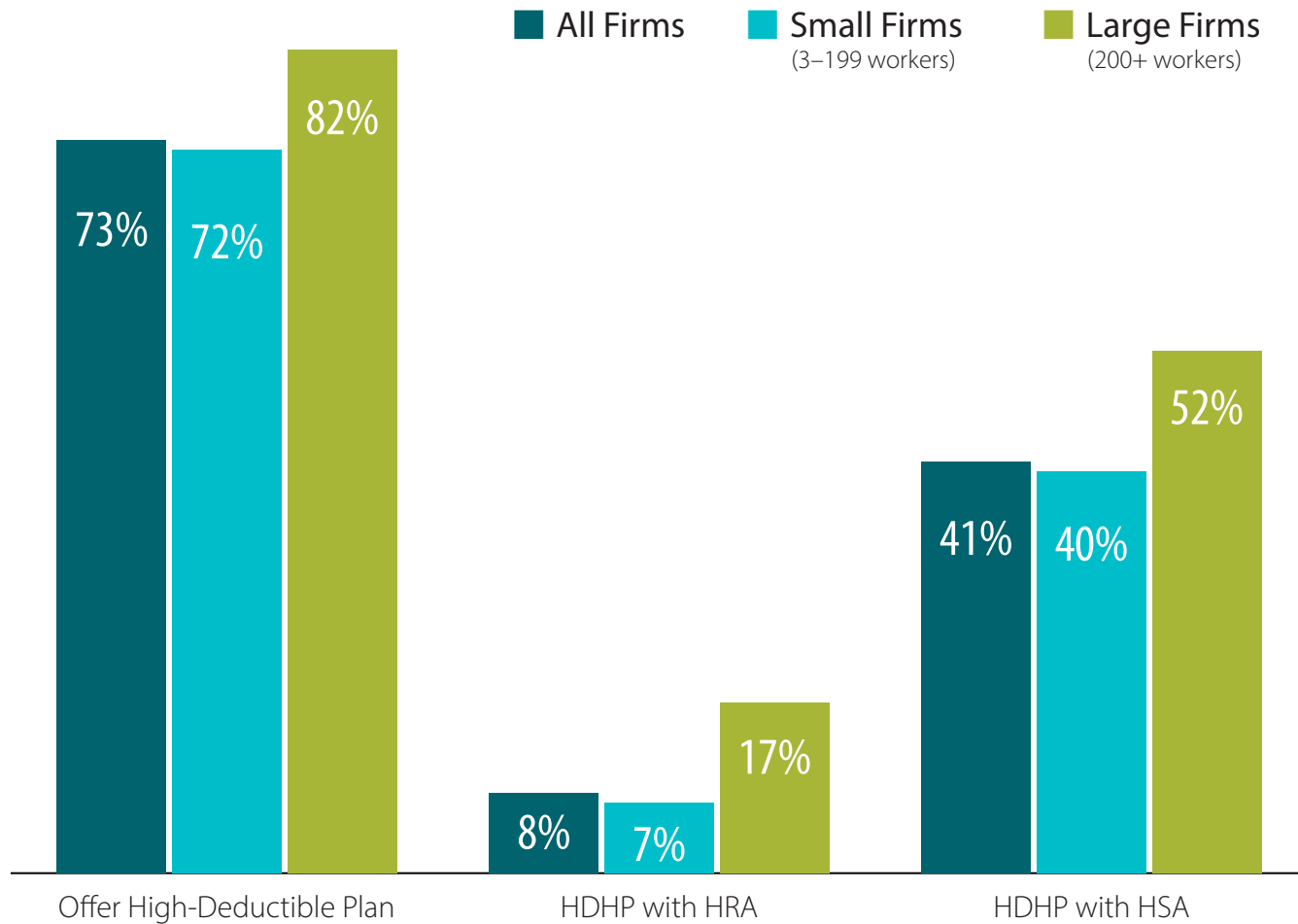
California Employer Health Benefits

Coverage

The proportion of covered workers in HMO plans in California has fallen from 55% in 2012 to 46% in 2020. HMO enrollment is still dramatically higher in California relative to the United States as a whole.

Firms Offering a High-Deductible Plan, by Firm Size

California, 2020



Notes: Tests found no significant differences between small firms and large firms. 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 help pay for IRS-approved health care expenses.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

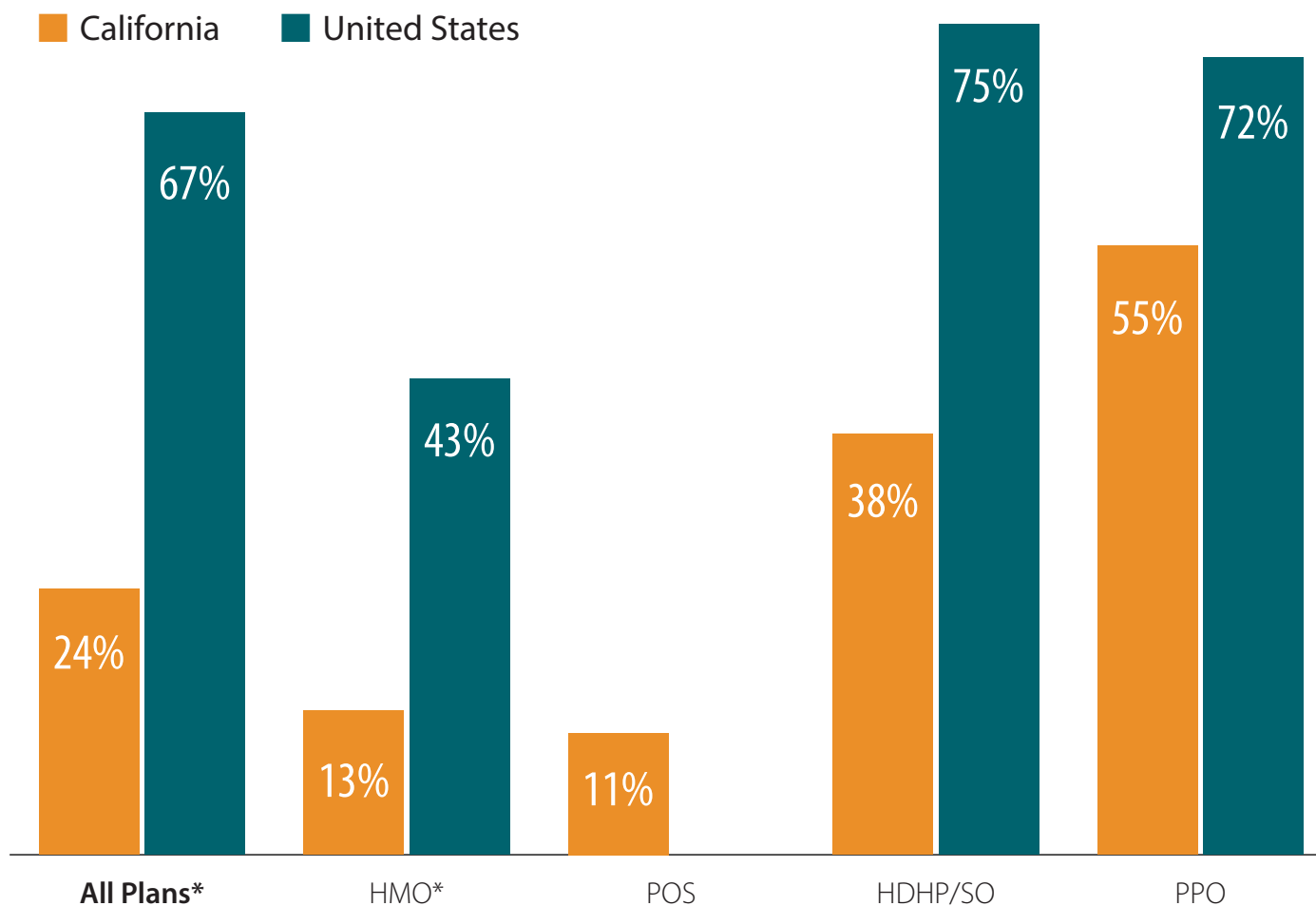
California Employer Health Benefits

Coverage

Compared to other plan types, HDHPs typically expose workers to higher out-of-pocket costs. Seventy-three percent of all California firms offered a high-deductible health plan (HDHP) in 2020. Of these firms, 8% offered an HDHP with a health reimbursement arrangement (HRA), while 41% offered an HDHP with a health savings account (HSA).

Workers in Self-Insured Plans, by Plan Type

California vs. United States, 2020



* Estimate is statistically different between California and US.

Notes: *Self-insured plans* are plans for which an employer assumes some or most of the responsibility for paying health care claims rather than buying coverage from an insurer. *POS* is point-of-service plan. *HDHP/SO* is high-deductible plan with a savings option. HDHPs have a deductible of at least \$1,000 for single coverage and at least \$2,000 for family coverage. POS was not reported for US due to small sample size.

Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

California Employer Health Benefits

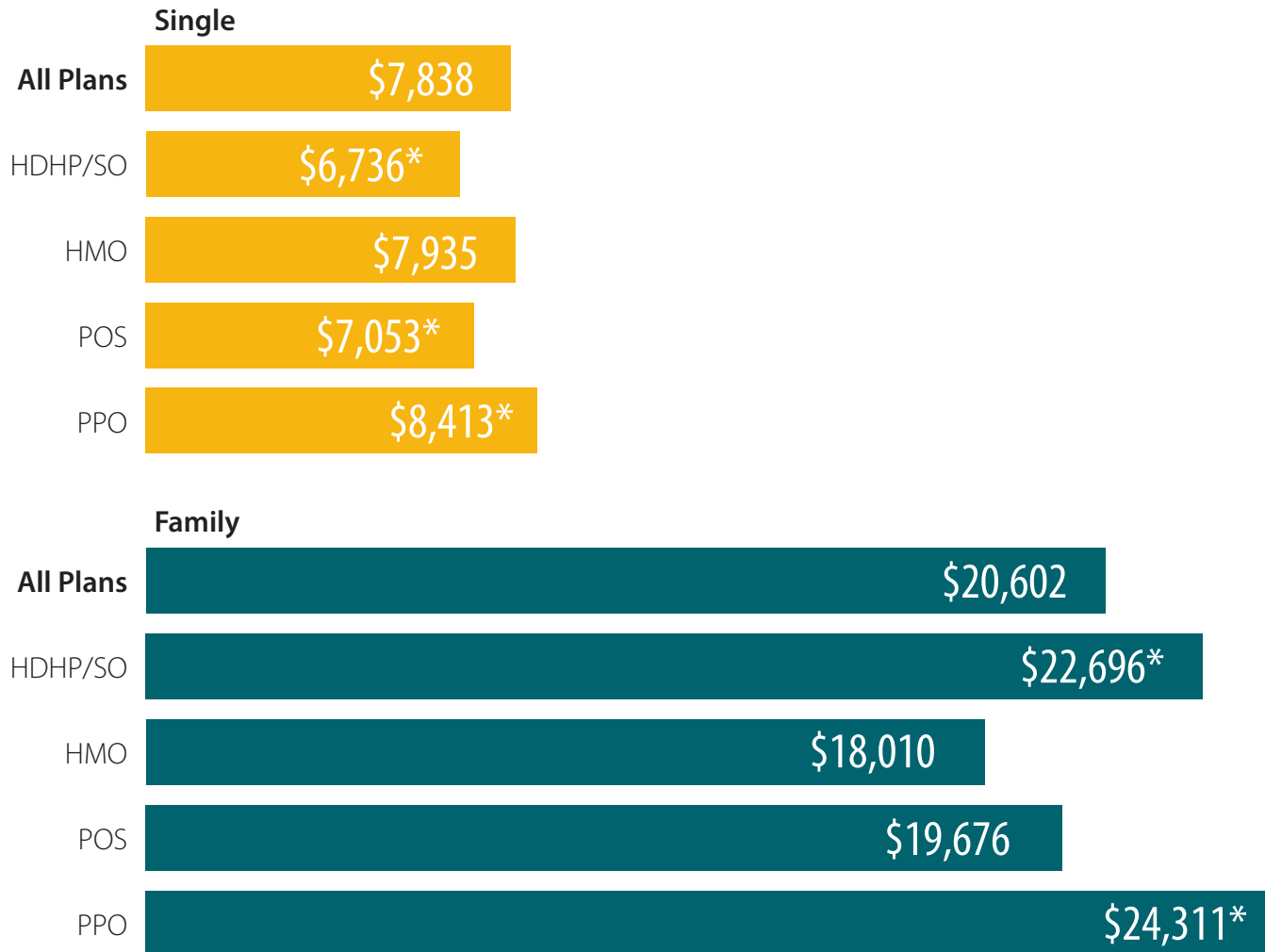
Coverage

Twenty-four percent of covered workers in California were enrolled in a partly or completely self-insured plan in 2020, compared with 67% nationally. The difference 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.

Average Annual Premiums, by Plan Type

Single vs. Family Coverage, California, 2020

In California, average annual premiums were \$7,838 for single coverage and \$20,602 for family coverage. Annual PPO premiums were the highest of all plan types.



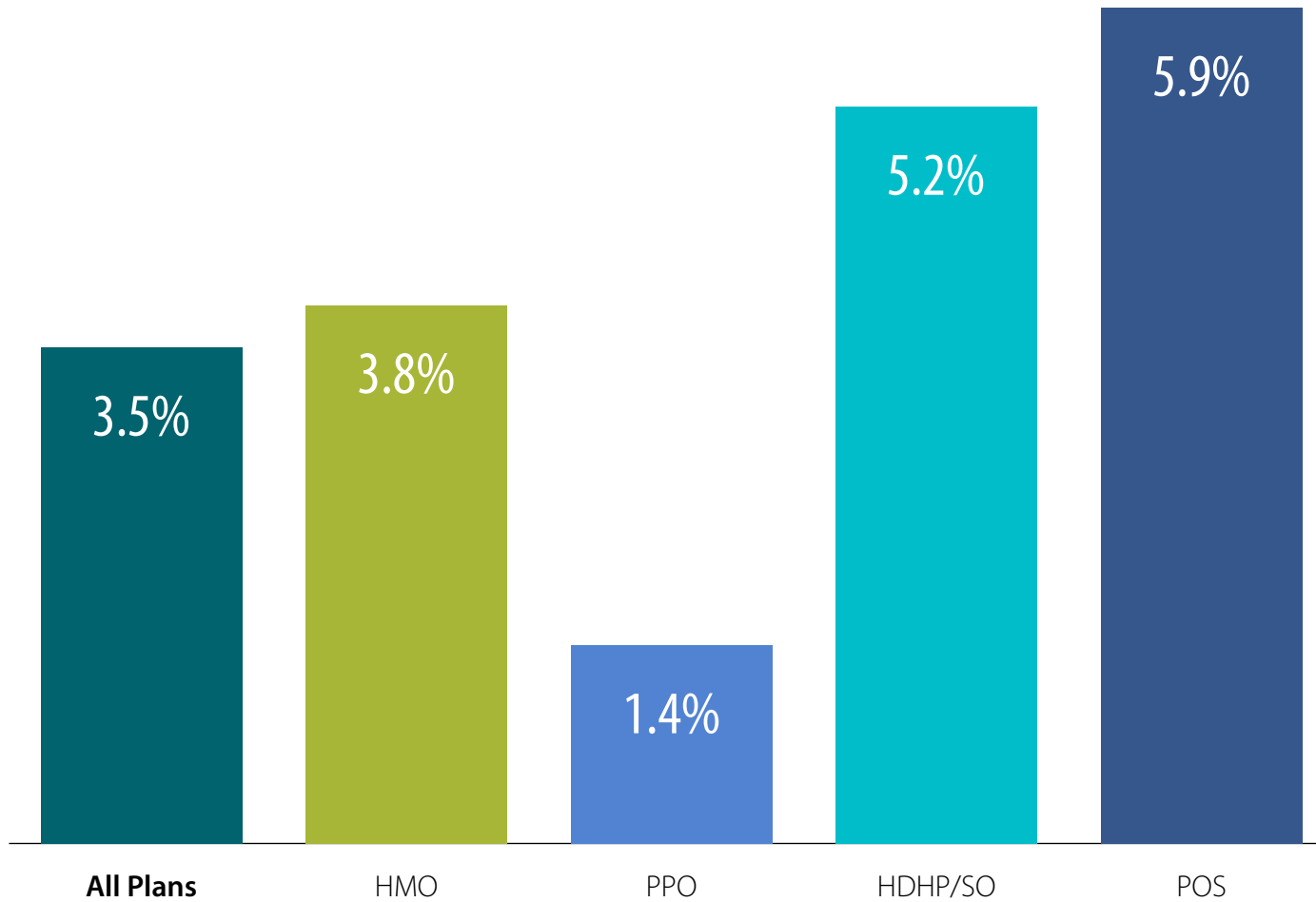
* Estimate is statistically different from all-plans figure.

Notes: POS is point-of-service plan. HDHP/SO is 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.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Average Increase in Annual Premiums, by Plan Type

California, 2020



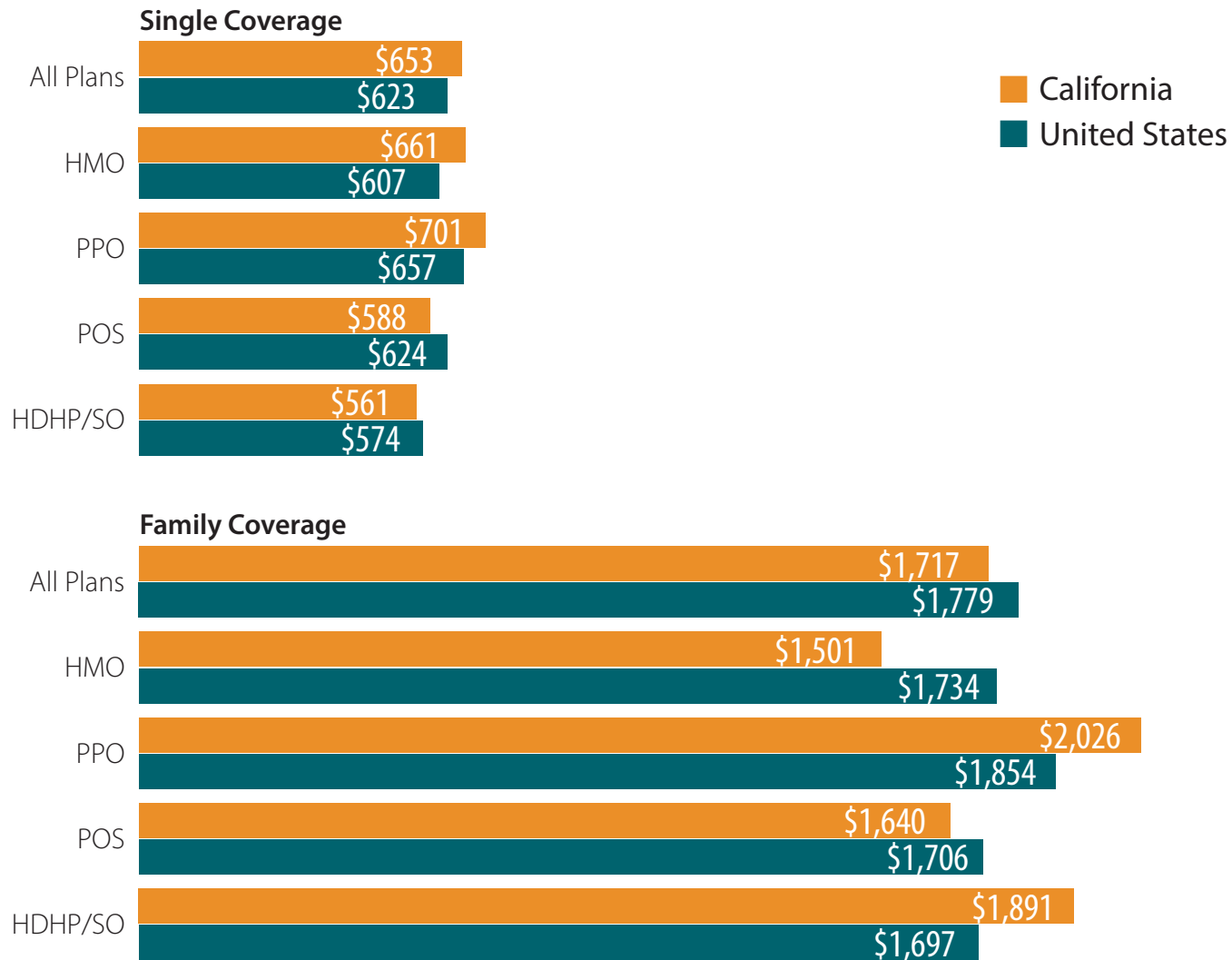
In 2020, overall premiums increased by 3.5% from the previous year. PPO plans experienced the smallest increase.

Notes: Tests found no significantly different estimates between *All Plans* and other plan types. *POS* is point-of-service plan. *HDHP/SO* is 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.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Average Monthly Premiums, by Plan Type

California vs. United States, 2020



California Employer Health Benefits

Cost of Health Insurance

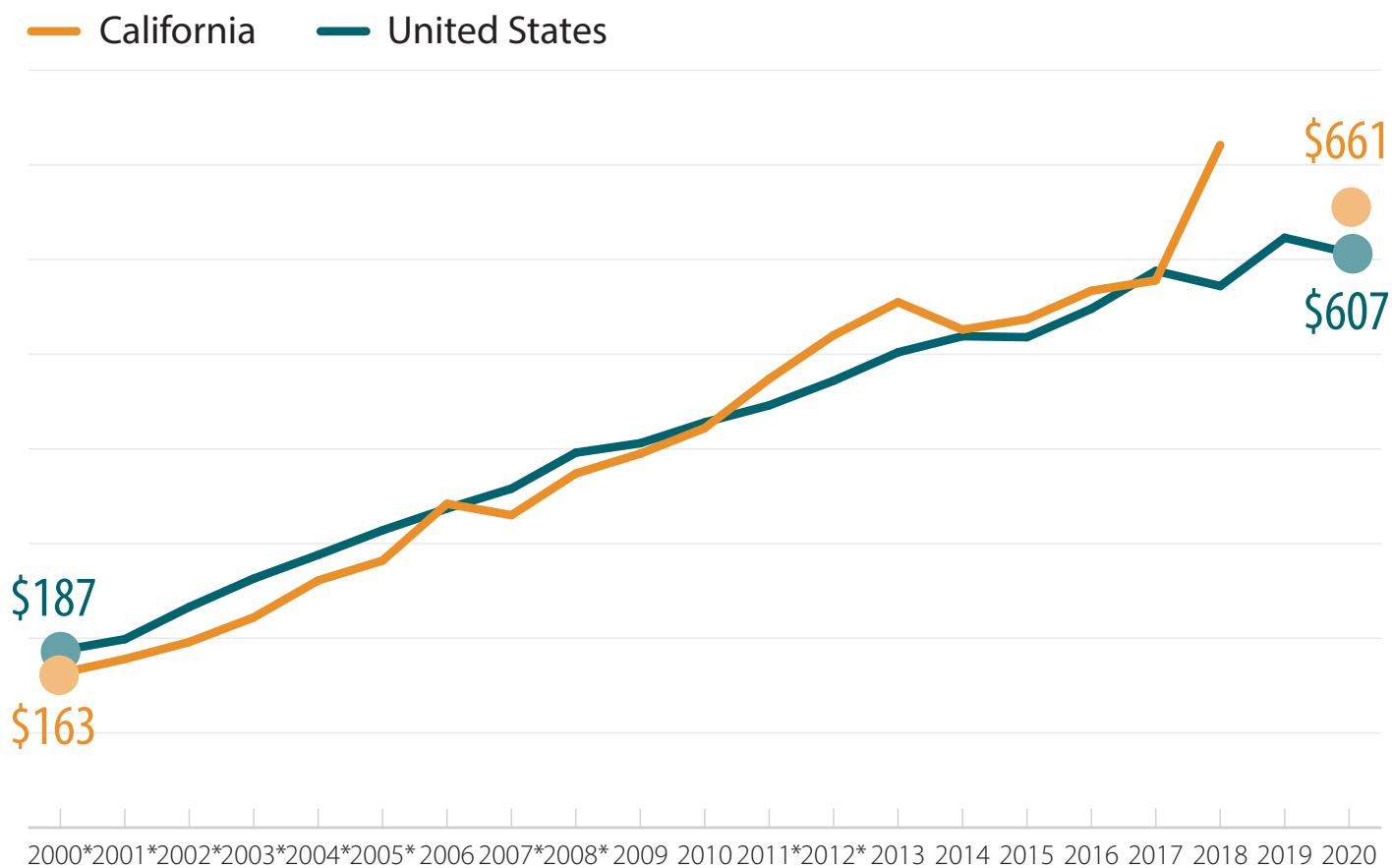
Overall average monthly premiums for single and family coverage were similar in California and nationwide.

Notes: Tests found no statistically different estimates between California and the US. POS is point-of-service plan. HDHP/SO is 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 (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

Average Monthly HMO Premiums, Single Coverage

California vs. United States, 2000 to 2020



From 2000 to 2010, California's average monthly HMO premium for single coverage stayed below that of the US, except in 2006. In 2011, it exceeded the national rate and has often done so since.

* Estimates are statistically different between California and US.

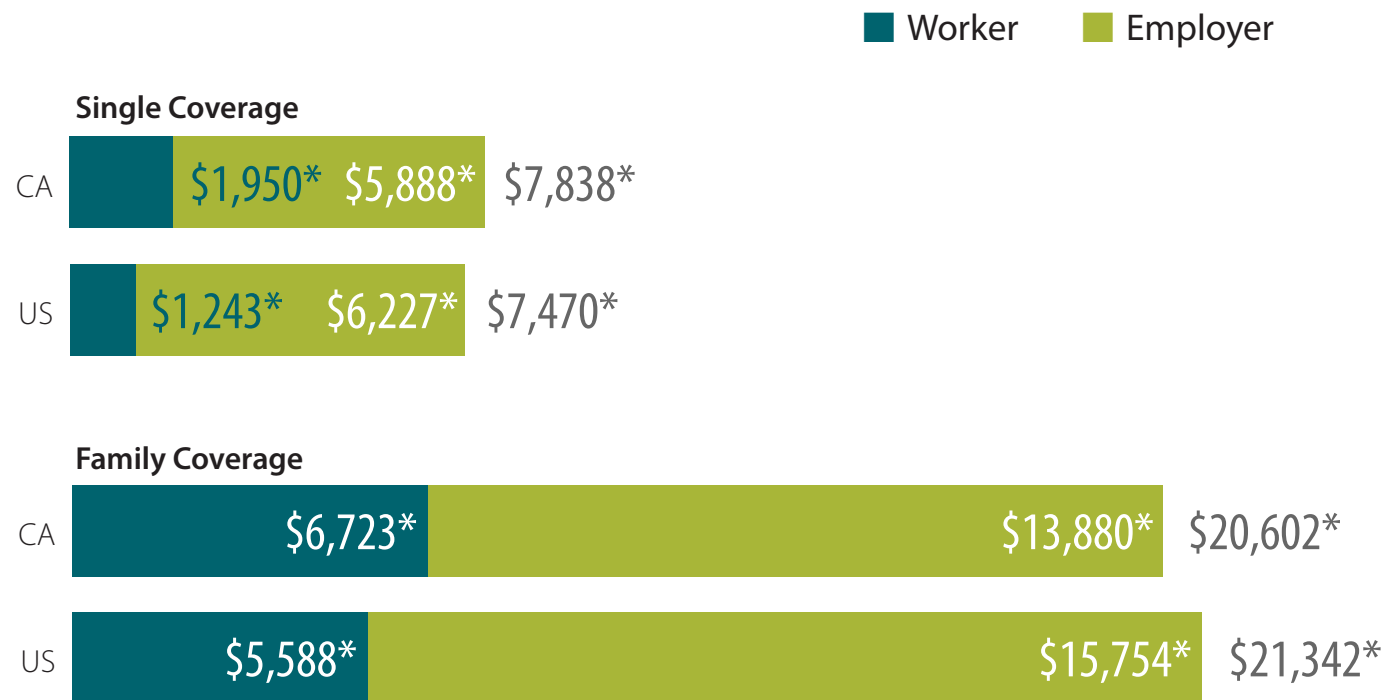
Notes: Annual rate of change for HMO single premiums should not be calculated by comparing dollar values from one year with the previous year, due to both the survey's sampling design and the way in which plan information is collected. Rates of change in family premiums are collected directly as a question in the survey (no change data for single premiums is collected). The survey was not conducted in California in 2019.

Sources: California Employer Health Benefits Survey (2007–18 and 2020), CHCF/NORC; California Employer Health Benefits Survey (2005–6), CHCF/HSC; California Employer Health Benefits Survey (2004), CHCF/HRET; California Employer Health Benefits Survey (2000–3), KFF/HRET; Employer Health Benefits Survey (2018–20), KFF; and Employer Health Benefits Survey (2000–17), Kaiser/HRET.

Annual Worker and Employer Premium Contributions

California vs. United States, 2020

California workers contributed an average of \$1,950 annually for single coverage and \$6,723 for family coverage in 2020. Worker contributions to single and family premiums were higher in California than nationally.



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

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

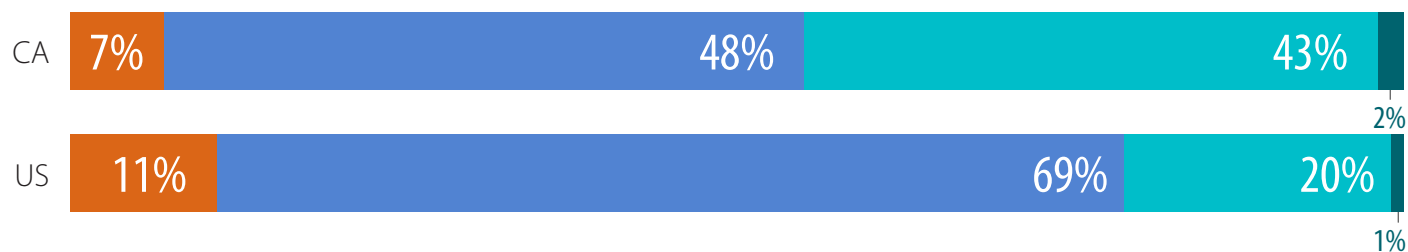
Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

Workers' Share of Premium

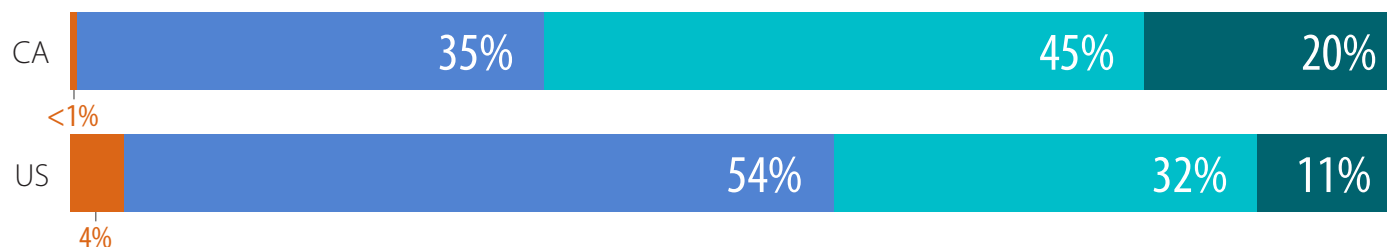
California vs. United States, 2020

■ No Contribution
 ■ 1%–25%
 ■ 26%–50%
 ■ >50%

Single Coverage



Family Coverage



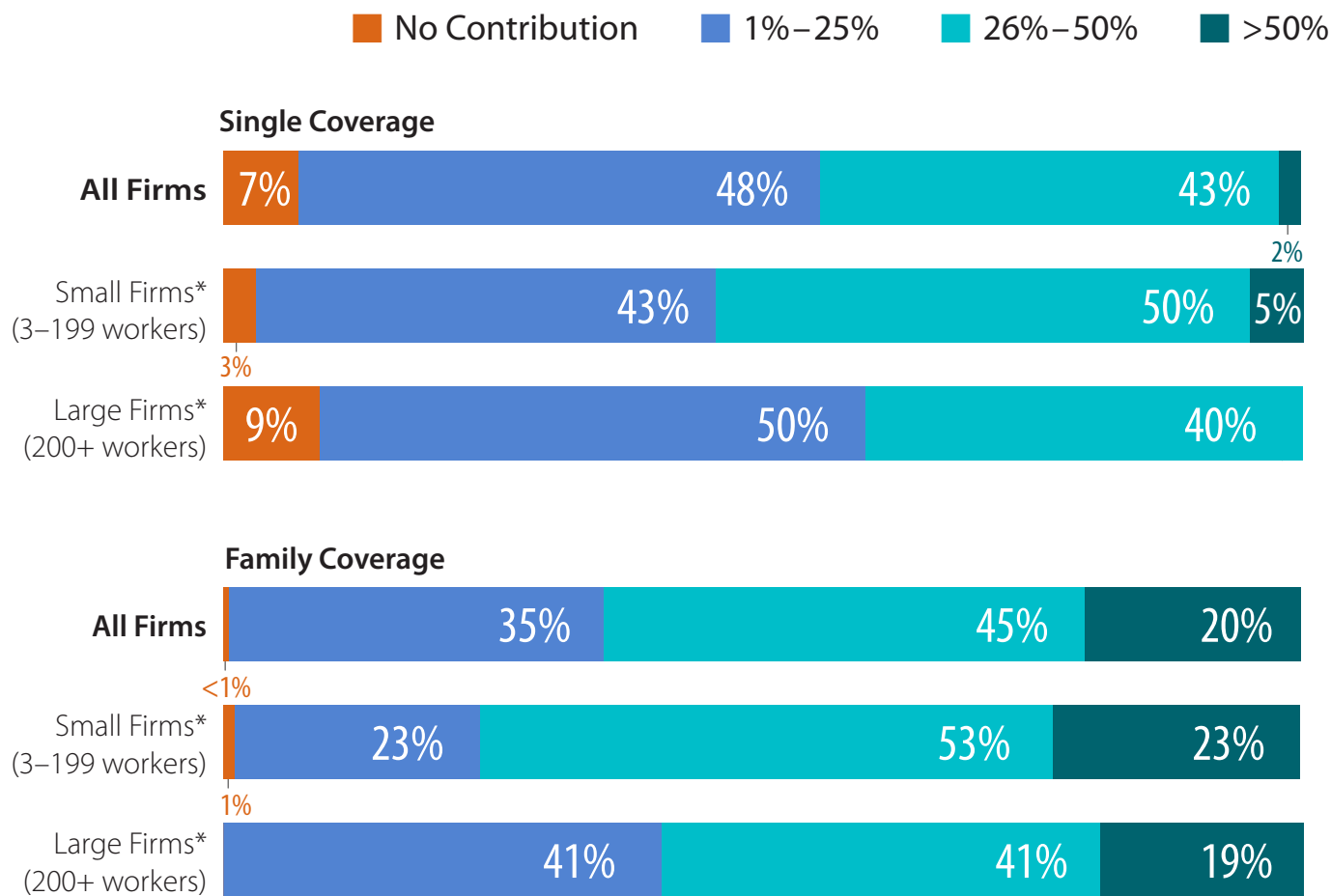
Distribution of workers' share of premium varied between California and the nation. Twenty percent of California workers paid more than half of the premium for family coverage, compared to 11% of workers nationwide.

Notes: Tests found no statistically different estimates between California and the US. Segments may not add to 100% due to rounding.

Sources: California Employer Health Benefits Survey (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

Workers' Share of Premium, by Firm Size

California, 2020



Workers' share of premium vary by firm size for both single and family coverage, with those in small firms generally paying more. For family coverage, 23% of workers in small firms paid more than half of the premium, compared to 19% of workers in large firms.

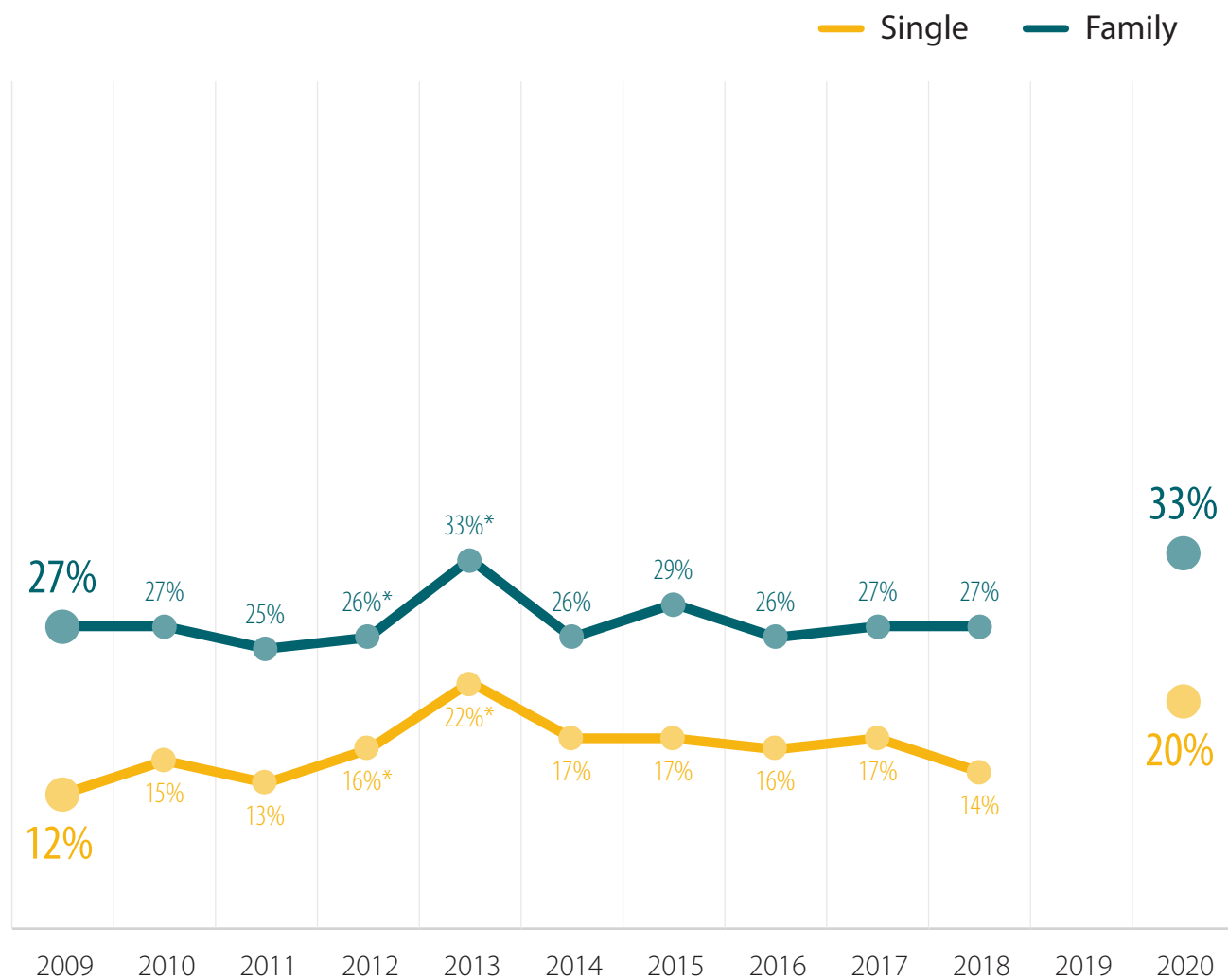
* Difference is statistically different between small and large firms within coverage type.

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

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Workers' Share of Premium, Single and Family Coverage

California, 2009 to 2020



California workers paid an average of 20% of the total premium for single coverage and 33% for family coverage in 2020. The corresponding annual premium contributions were \$1,950 and \$6,723 for single and family (not shown).

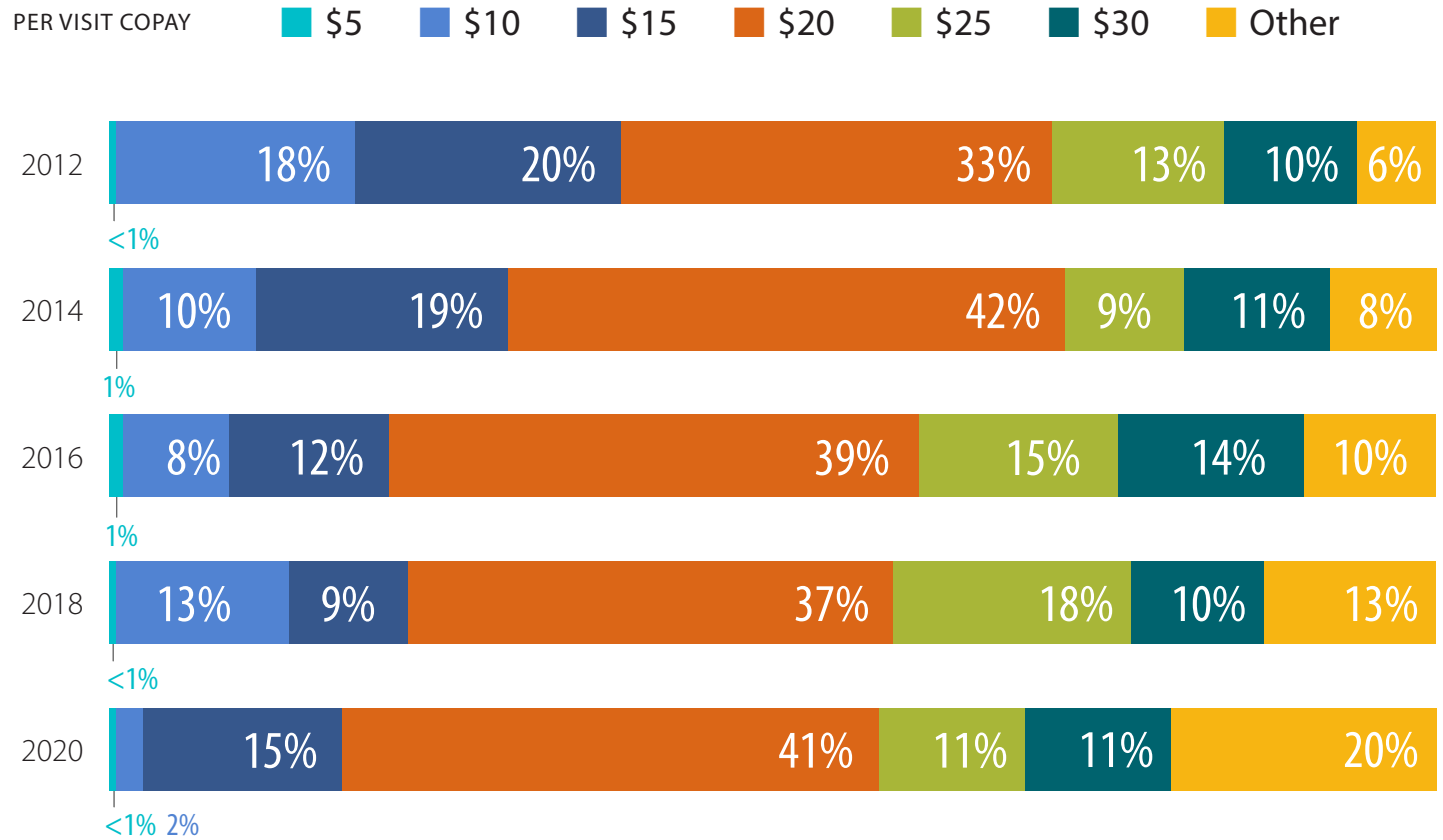
* Estimates are significantly different from previous year shown.

Note: The survey was not conducted in 2019.

Source: California Employer Health Benefits Survey (2009–18 and 2020), CHCF/NORC.

Workers with Primary Care Office Visit Copayments

California, 2012 to 2020, Selected Years



About 86% of workers in California had a copay for primary care office visits (not shown). A copay of \$20 was the most common in 2020.

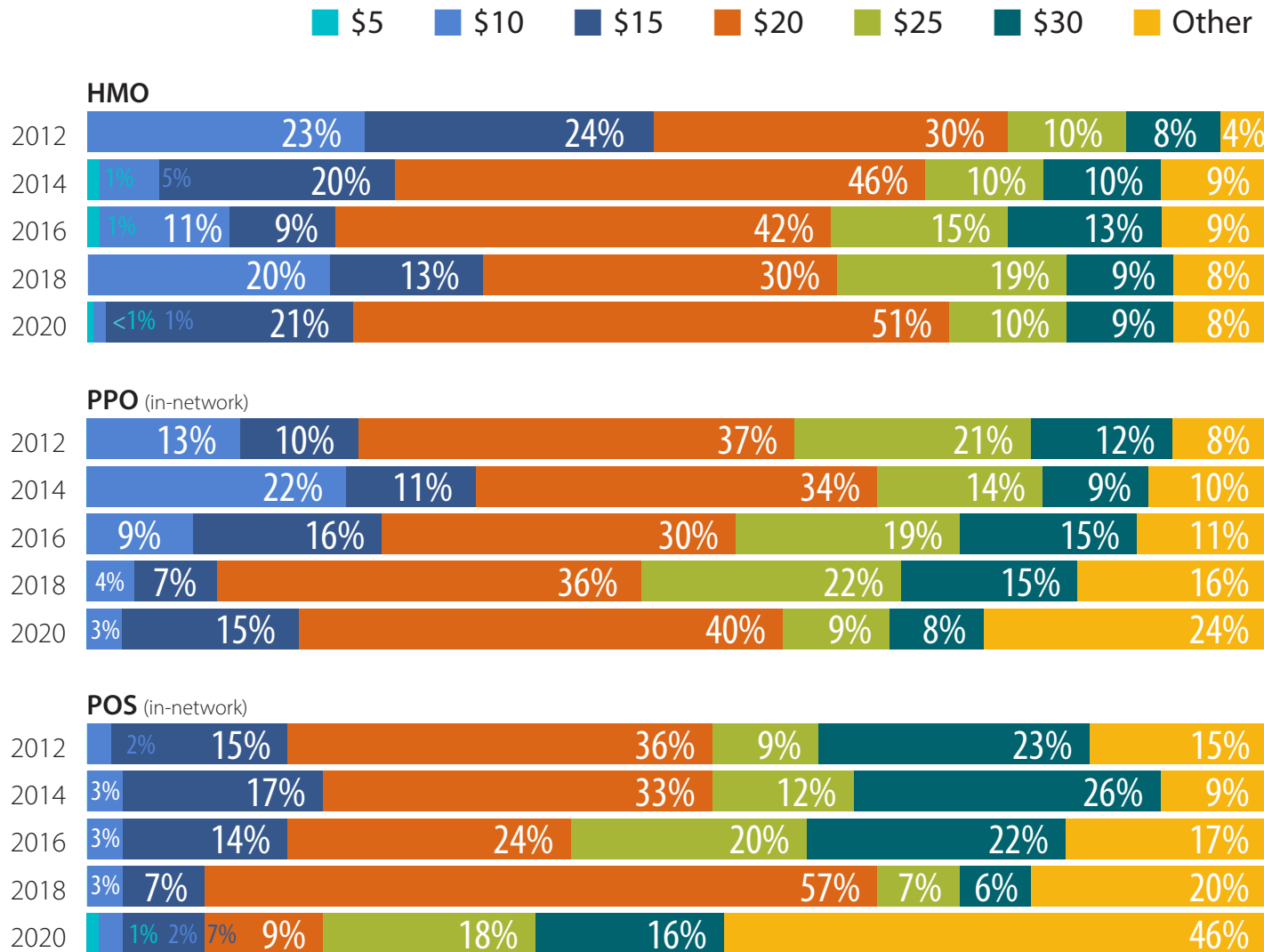
Notes: Tests found no significantly different estimates between years shown. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

Workers with Primary Care Office Visit Copayments, by Plan Type

California, 2012 to 2020, Selected Years

Distribution of copayments for primary care office visits for workers with HMO or PPO coverage has shifted since 2012, with a smaller percentage of workers having copayments of \$5 or \$10.



Notes: Distributions are statistically similar from previous year shown. POS is point-of-service plan. Segments may not add to 100% due to rounding.

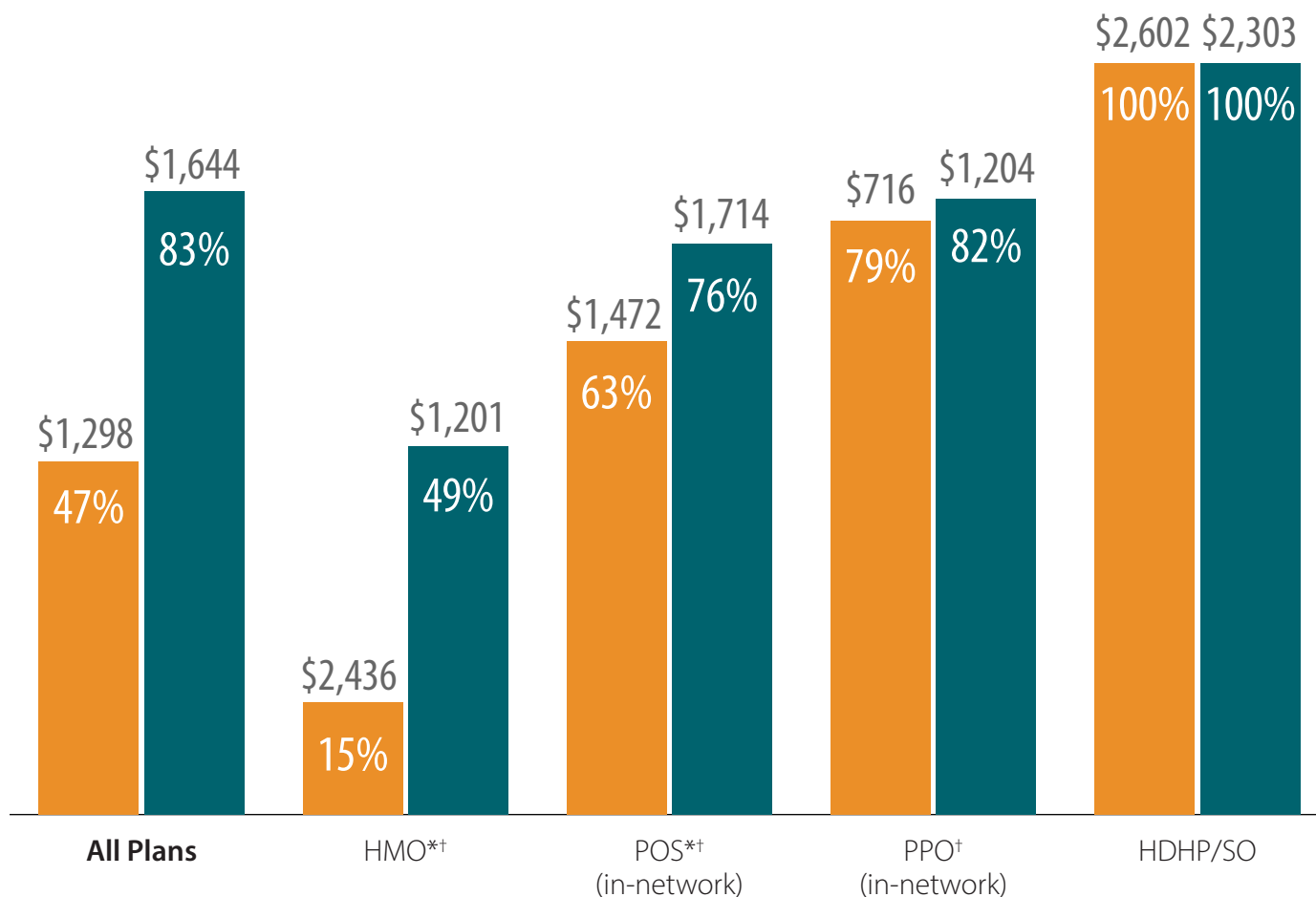
Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

Workers with Annual Deductible, Single Coverage

by Plan Type, California vs. United States, 2020

California

United States



* Percentages are significantly different between California and US.

† Average deductibles are significantly different between California and US.

Notes: POS is point-of-service plan. HDHP/SO is 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 (2020), CHCF/NORC; and Employer Health Benefits Survey (2020), KFF.

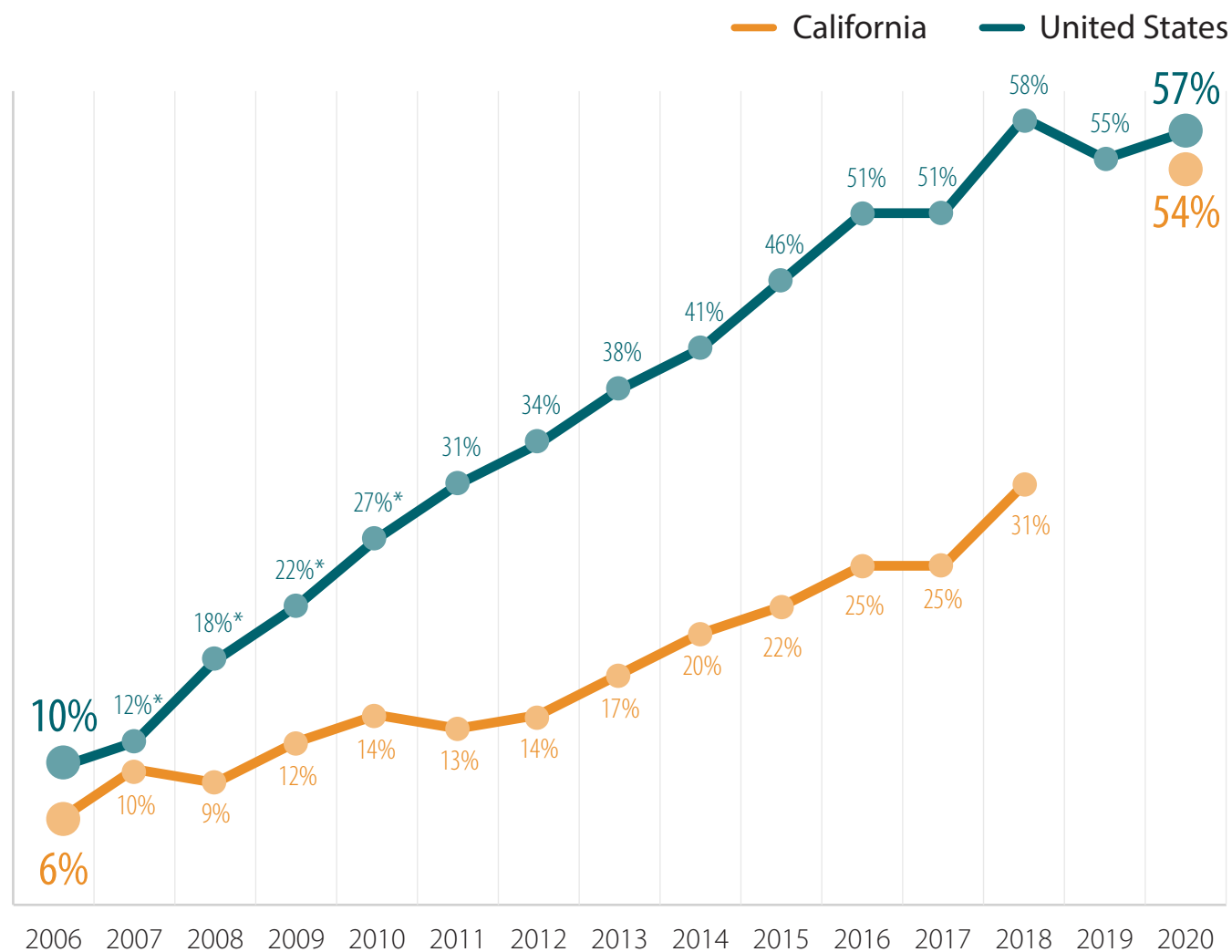
California Employer Health Benefits

Benefits and Cost Sharing

In 2020, 47% of workers with single coverage had a deductible in California compared to 83% in the nation as a whole. Those enrolled in HMO and POS plans in California were less likely to have a deductible than enrollees nationwide.

Workers with a Large Deductible (\$1,000+), Single Coverage

California vs. United States, 2006 to 2020



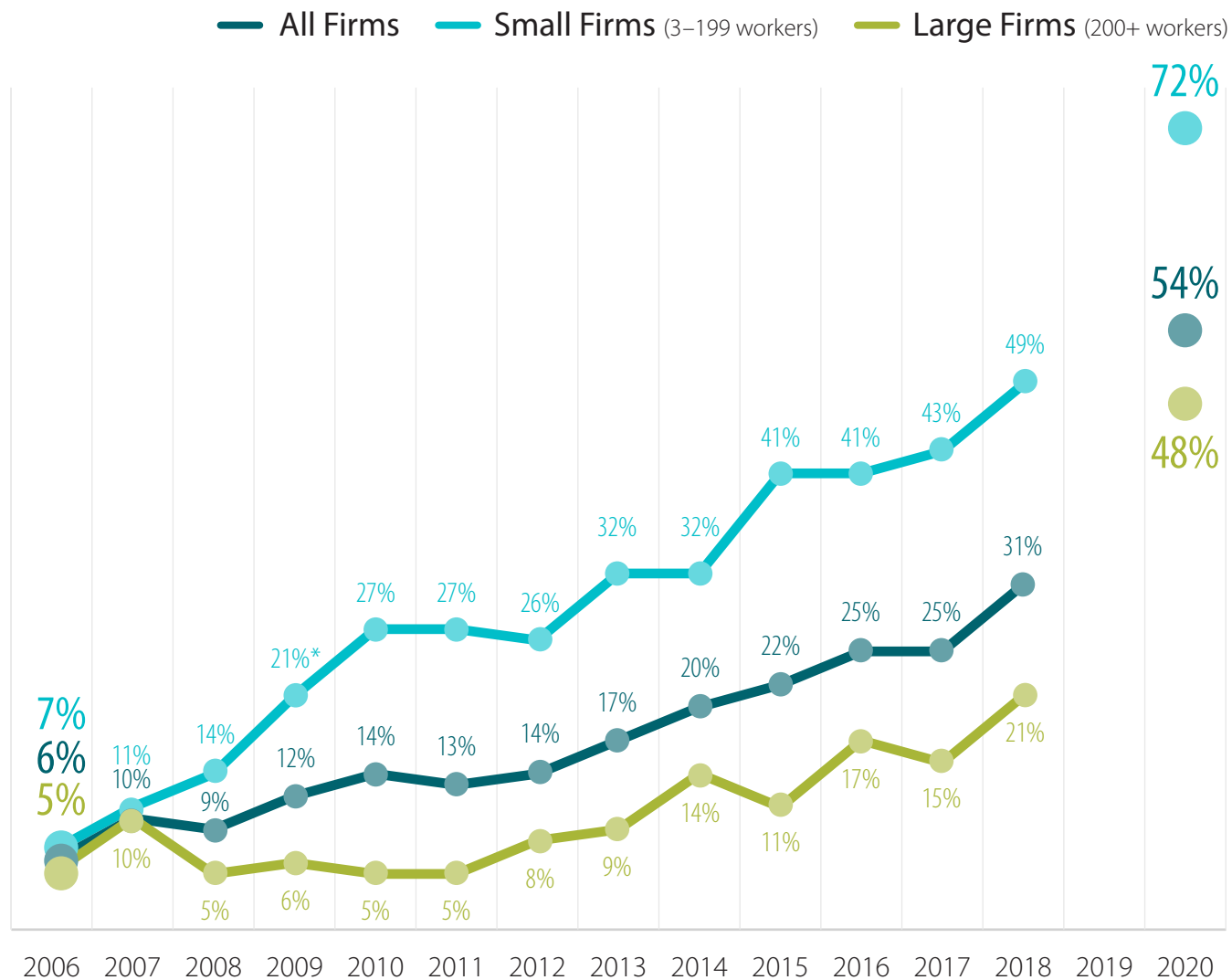
About half of California workers with single coverage had an annual deductible of \$1,000 or more, compared to 57% nationwide. The share of California workers with a large deductible increased from 6% in 2006 to 54% in 2020.

* Estimate is statistically different from previous year shown.

Note: The survey was not conducted in California in 2019.

Sources: California Employer Health Benefits Survey (2007–18 and 2020), CHCF/NORC; California Employer Health Benefits Survey (2006), CHCF/HSC; Employer Health Benefits Survey (2018–20), KFF; and Employer Health Benefits Survey (2006–17), Kaiser/HRET.

Workers with a Large Deductible (\$1,000+), Single Coverage by Firm Size, California, 2006 to 2020



Large-deductible (\$1,000+) plans were more common among workers in smaller firms. The percentage of workers in both small and large firms with large-deductible plans was much higher in 2020 than in 2018.

* Estimate is statistically different from previous year shown same-sized firms.

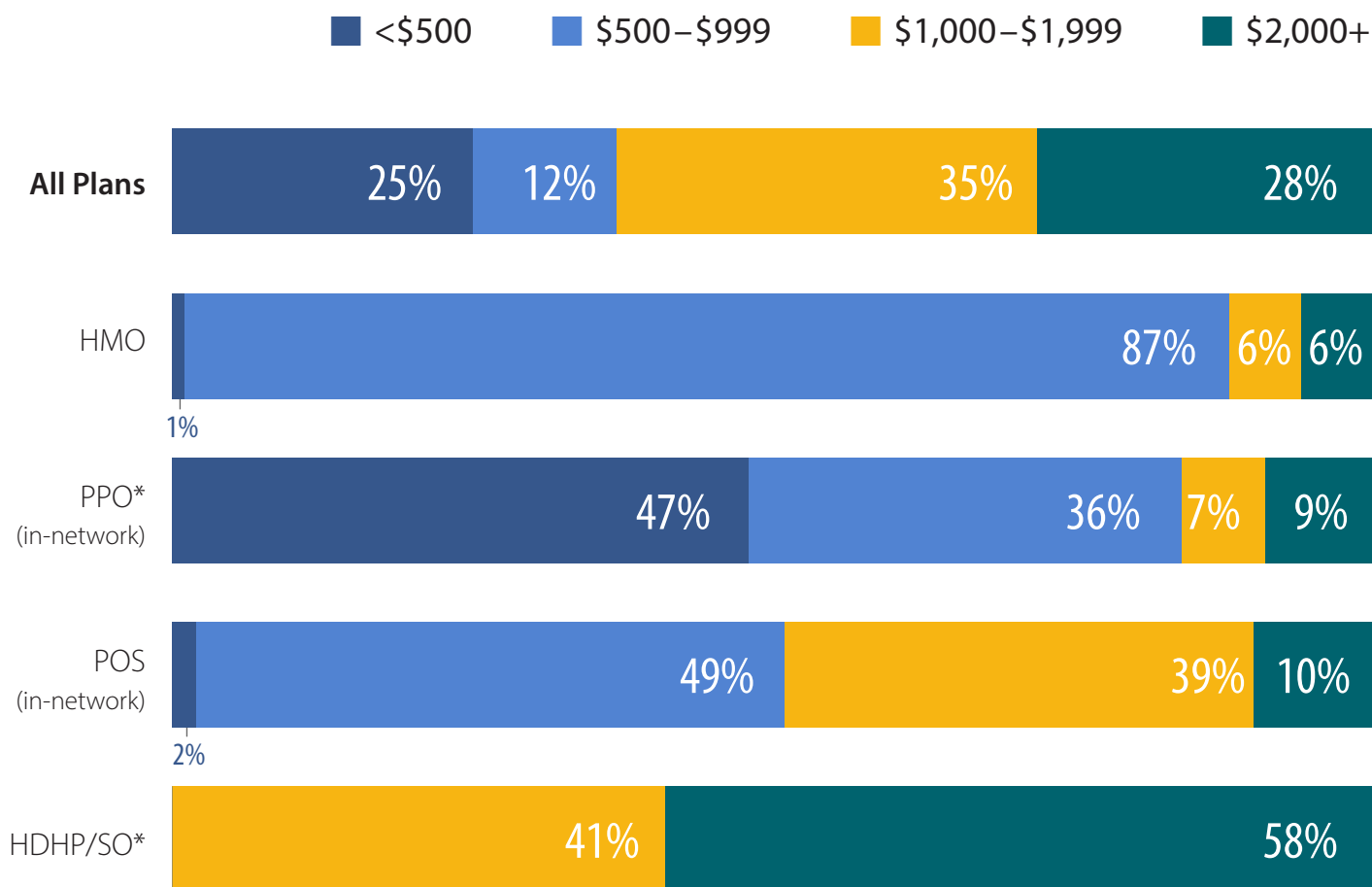
Note: The survey was not conducted in 2019.

Sources: California Employer Health Benefits Survey (2007-18 and 2020), CHCF/NORC; and California Employer Health Benefits Survey (2006), CHCF/HSC.

Deductibles for Single Coverage, by Plan Type

California, 2020

Among the 47% of California workers who faced a deductible for single coverage (not shown), 28% had a deductible of \$2,000 or more.



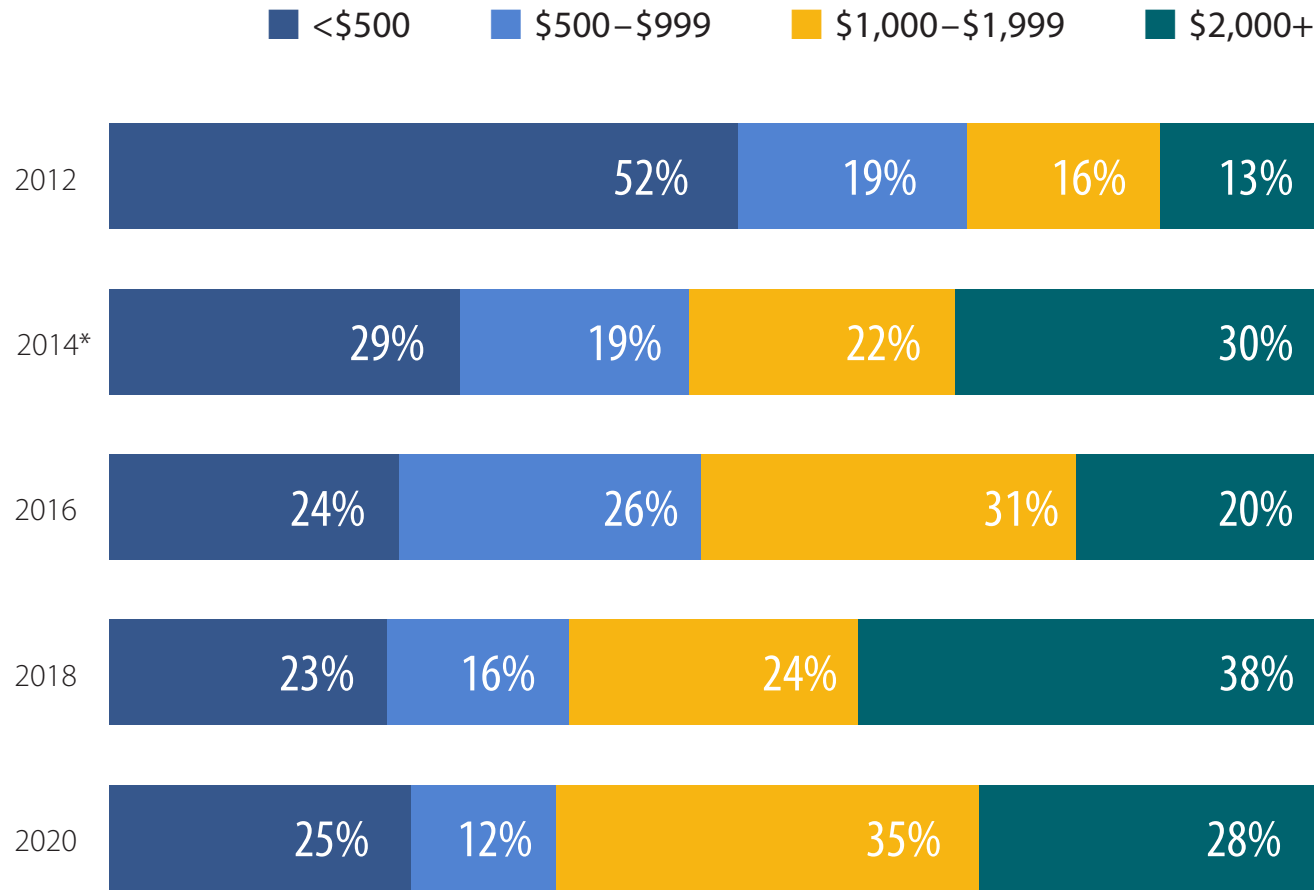
* Distribution is statistically different from *All Plans*.

Notes: Data based on workers with a deductible. *POS* is point-of-service plan. *HDHP/SO* is high-deductible plan with savings option. HDHPs have a deductible of at least \$1,000 for single coverage. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Deductibles for Single Coverage

All Plans, 2012 to 2020, Selected Years



* Distribution is statistically different from previous year shown.

Notes: Data based on workers with a deductible. Includes in-network use only. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

California Employer Health Benefits

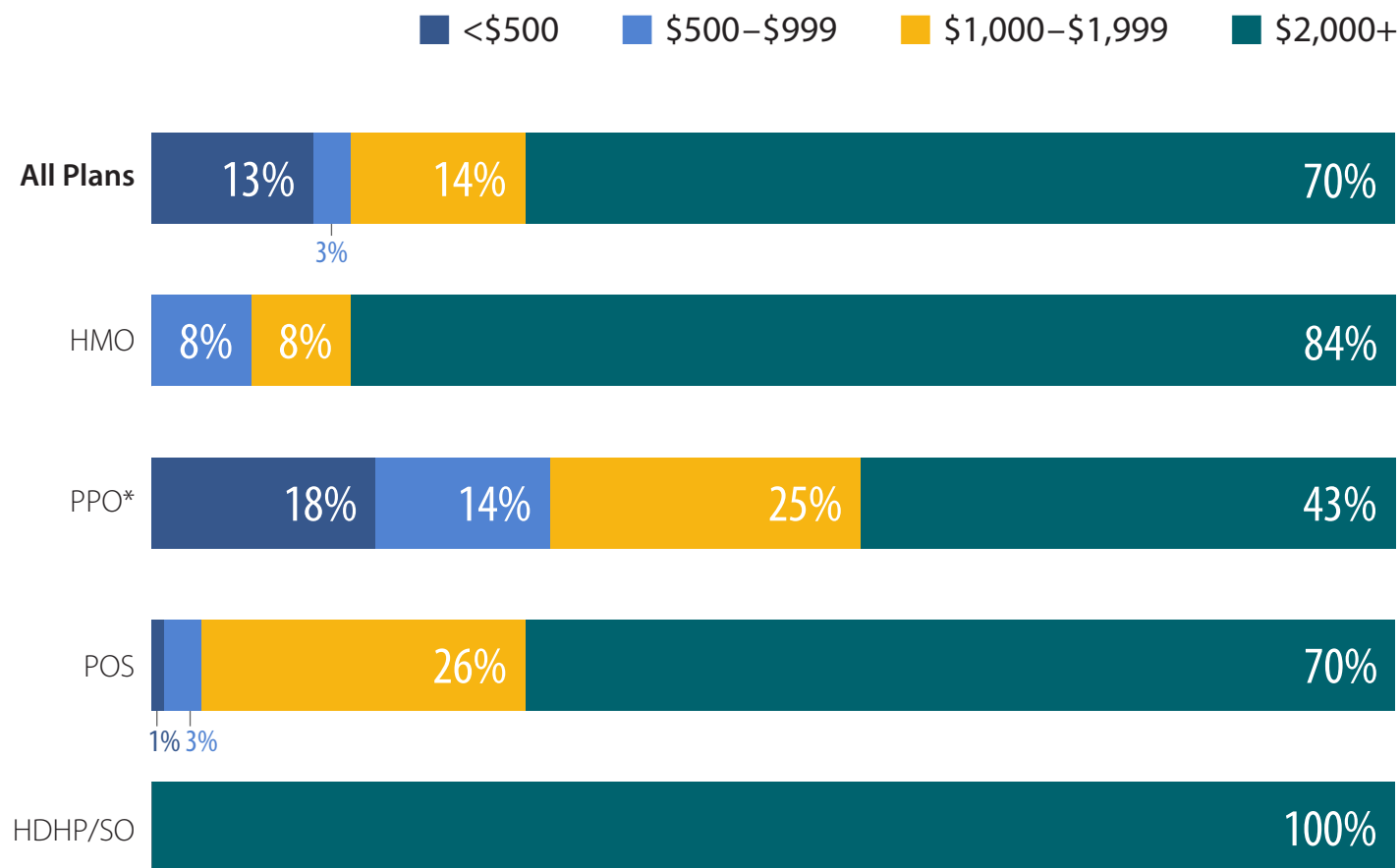
Benefits and Cost Sharing

The distribution of deductible amounts has changed since 2012. Among workers with single coverage and a deductible, the percentage with a deductible of \$2,000 or more doubled between 2012 and 2020. During the same time, the percentage of workers with a deductible of less than \$500 decreased from 52% to 25%.

Deductibles for Family Coverage, by Plan Type

California, 2020

Among California workers with a family deductible in 2020, 70% faced a deductible of \$2,000 or more.



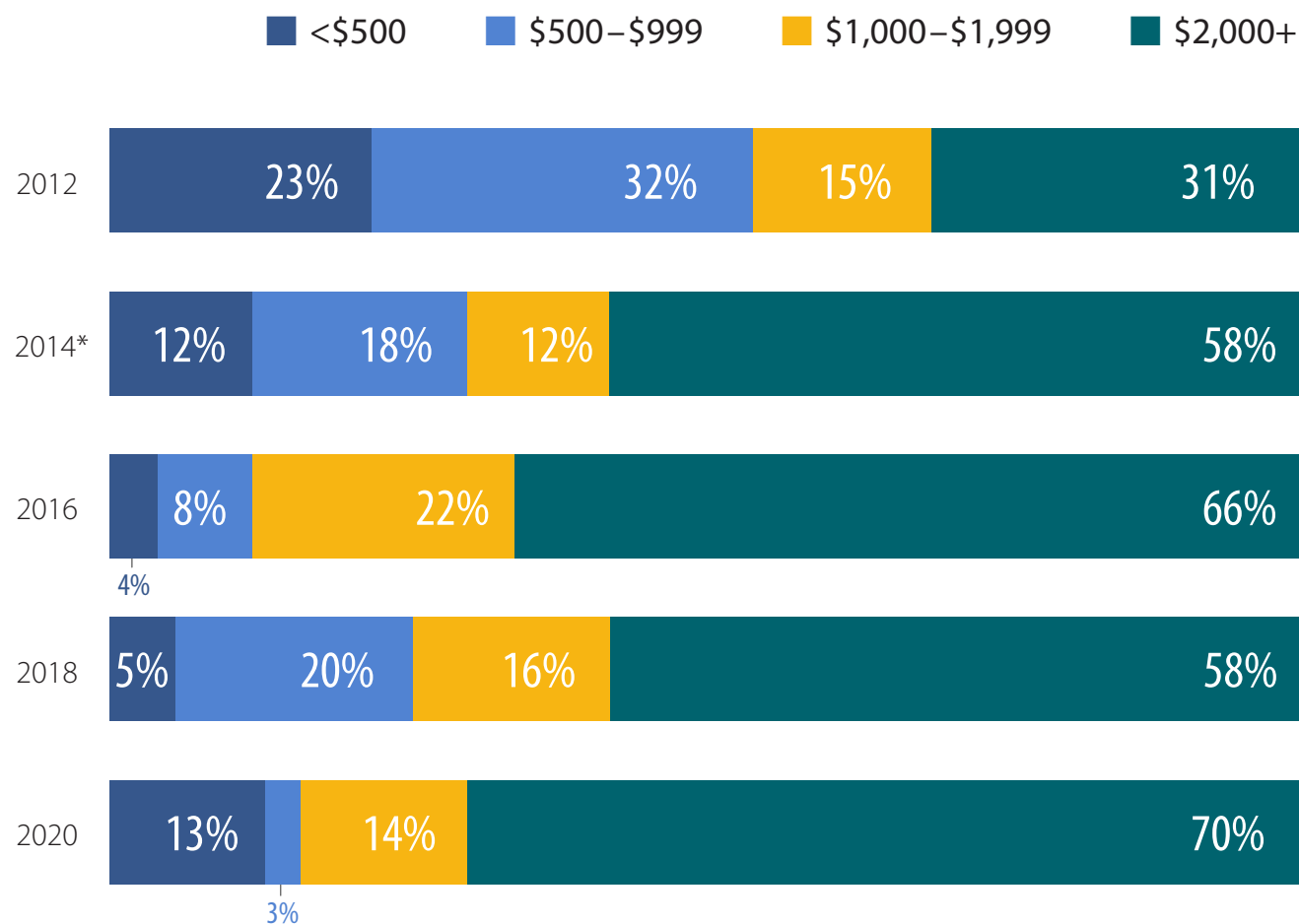
* Distribution is statistically different from *All Plans*.

Notes: Data based on workers with a deductible. *POS* is point-of-service plan. *HDHP/SO* is 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 (2020), CHCF/NORC.

Deductibles for Family Coverage

All Plans, 2012 to 2020, Selected Years



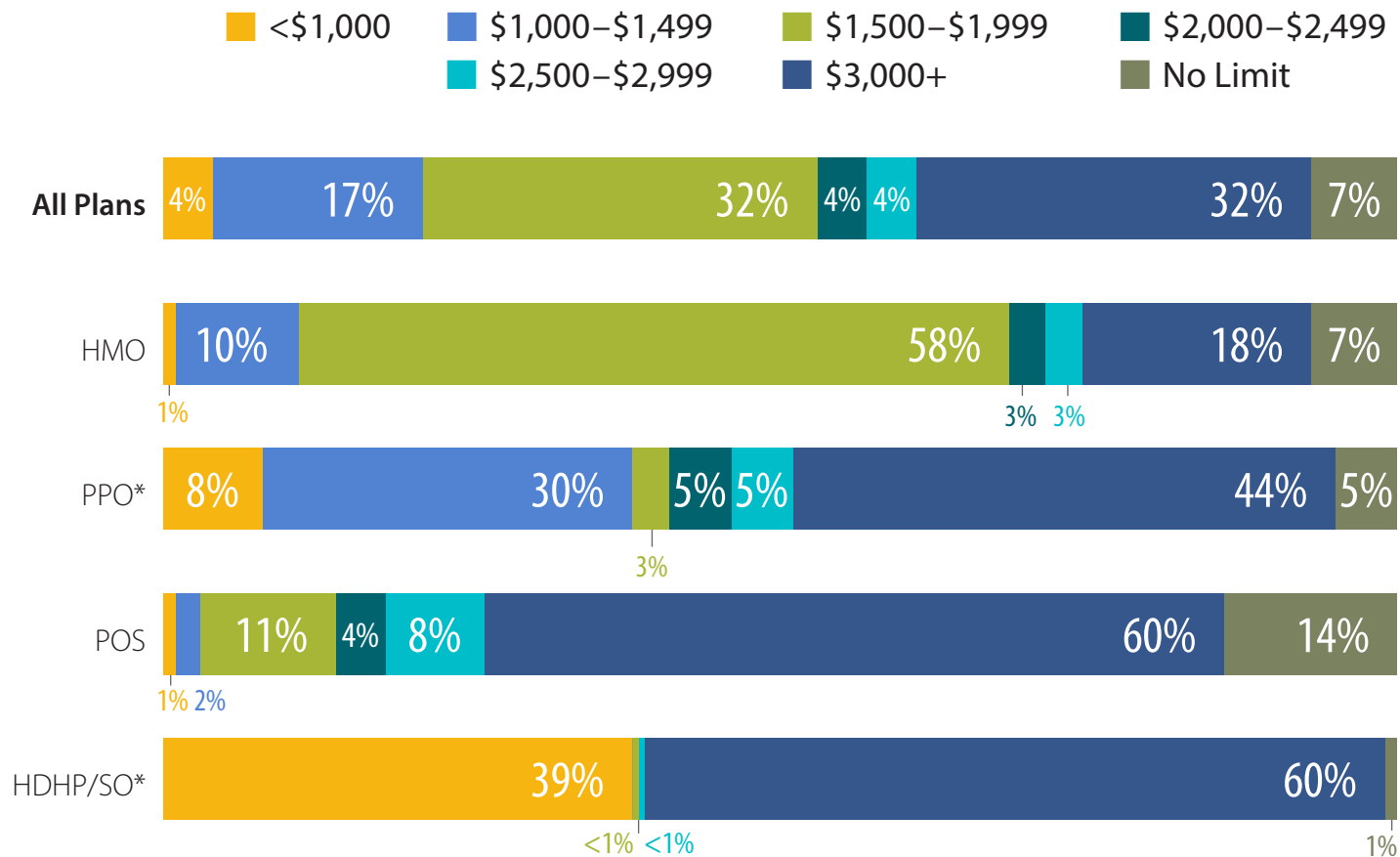
* Distribution is statistically different from previous year shown.

Notes: Data based on workers with an aggregate family deductible. Workers who had a separate per-person deductible were not included. Includes in-network use only. Segments may not add to 100% due to rounding.

Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

In 2020, 7 in 10 workers with an aggregate family deductible faced a deductible of \$2,000 or more.

Annual Out-of-Pocket Limits, Single Coverage by Plan Type, California, 2020



Out-of-pocket limits help limit costs for consumers and are capped by the Affordable Care Act. While nearly all covered workers with single coverage had an out-of-pocket limit, 32% had a limit of \$3,000 or more.

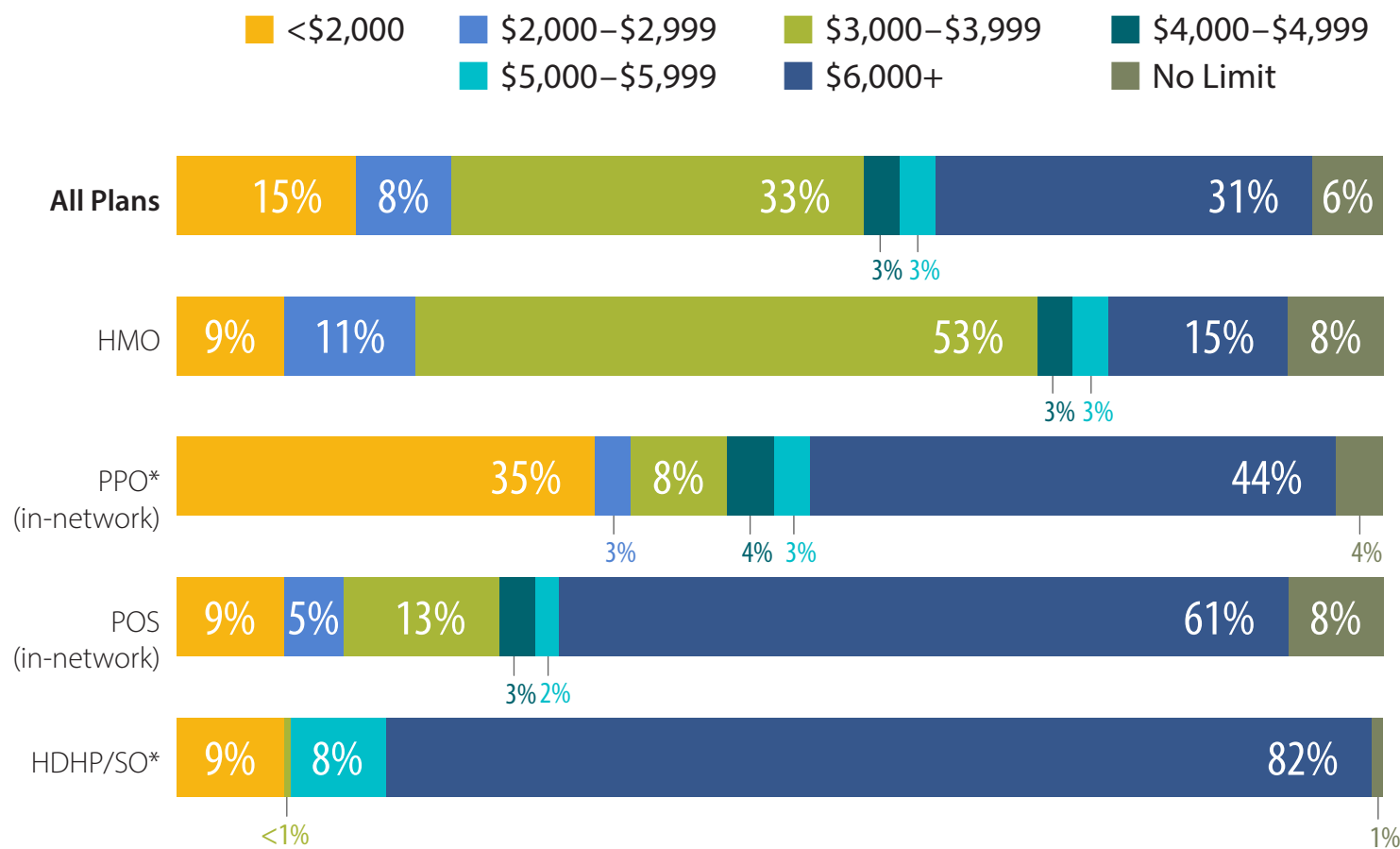
* Distribution is statistically different from All Plans.

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

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Annual Out-of-Pocket Limits, Family Coverage

by Plan Type, California, 2020



California Employer Health Benefits

Benefits and Cost Sharing

Only 15% of California workers with family coverage had an annual out-of-pocket limit of less than \$2,000, while 31% had a limit of \$6,000 or more. Six percent of covered workers with family coverage had no out-of-pocket limit.

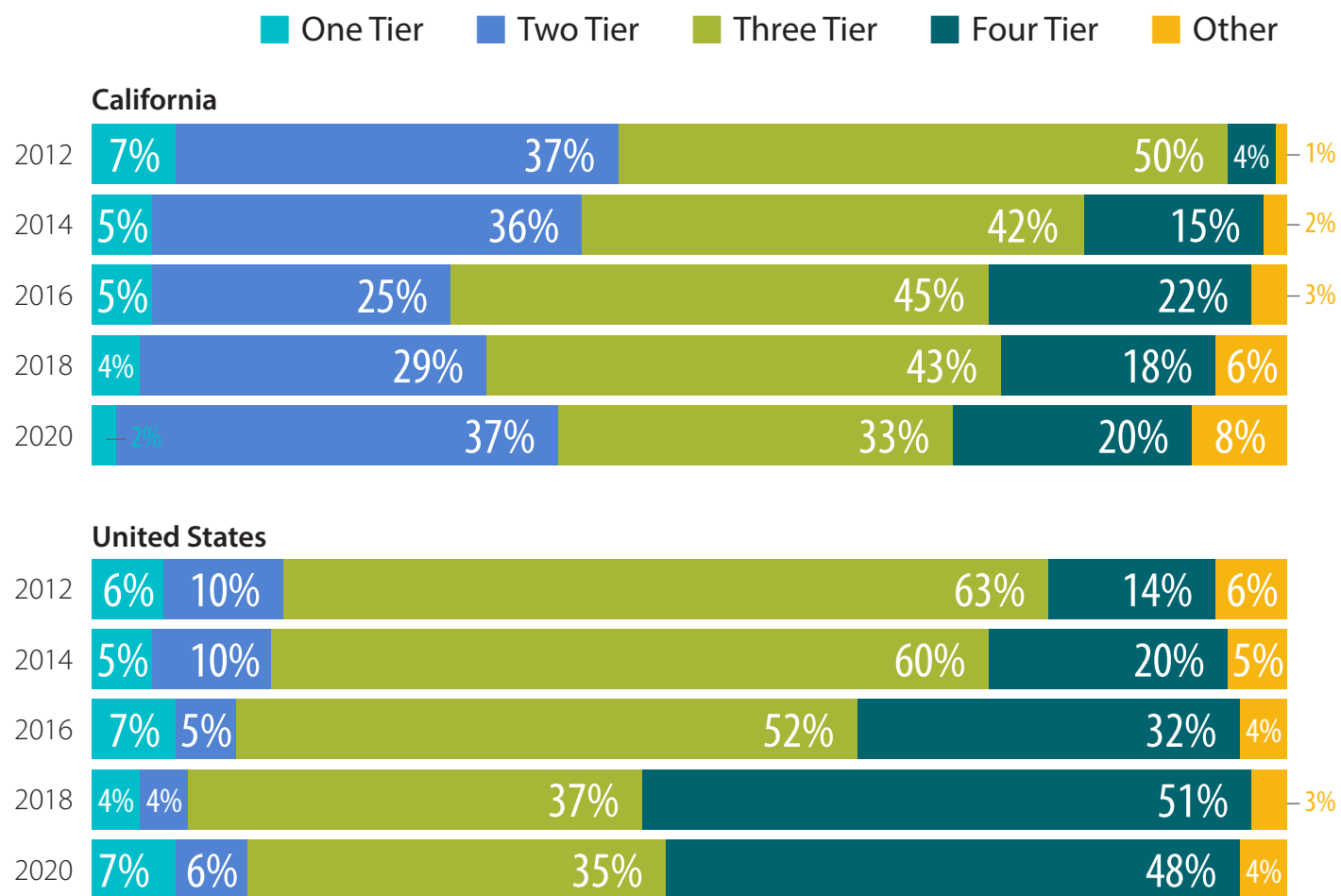
* Distribution is statistically different from All Plans.

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

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Workers' Cost Sharing for Prescription Drugs

California vs. United States, 2012 to 2020, Selected Years



California Employer Health Benefits

Benefits and Cost Sharing

In 2020, 53% of California workers with coverage had a three- or four-tier cost-sharing formula for prescription drugs, compared to 83% nationally. The share of California workers with four tiers has increased substantially over time, from 4% in 2012 to 20% in 2020.

Notes: Tests found no significantly different estimates between years shown. *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* for California includes "no cost sharing" and "none of the above"; *Other* for US includes "other" and "no cost sharing after the deductible is met." *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 (2012–18 and 2020), CHCF/NORC; author analysis of data from Employer Health Benefits Survey public use files (2018–20), KFF; and Employer Health Benefits Survey public use files (2012–17), Kaiser/HRET.

Average Prescription Drug Copayments, by Drug Type

California, 2012 to 2020, Selected Years

Generic Drugs



Preferred Drugs



Nonpreferred Drugs



Notes: Tests found no significantly different estimates between years shown. Data are shown for firms with four or more tiers. *Preferred drugs* are listed in a plan's formulary. *Nonpreferred drugs* are not listed in the formulary. Fourth-tier data are not shown due to small sample sizes.

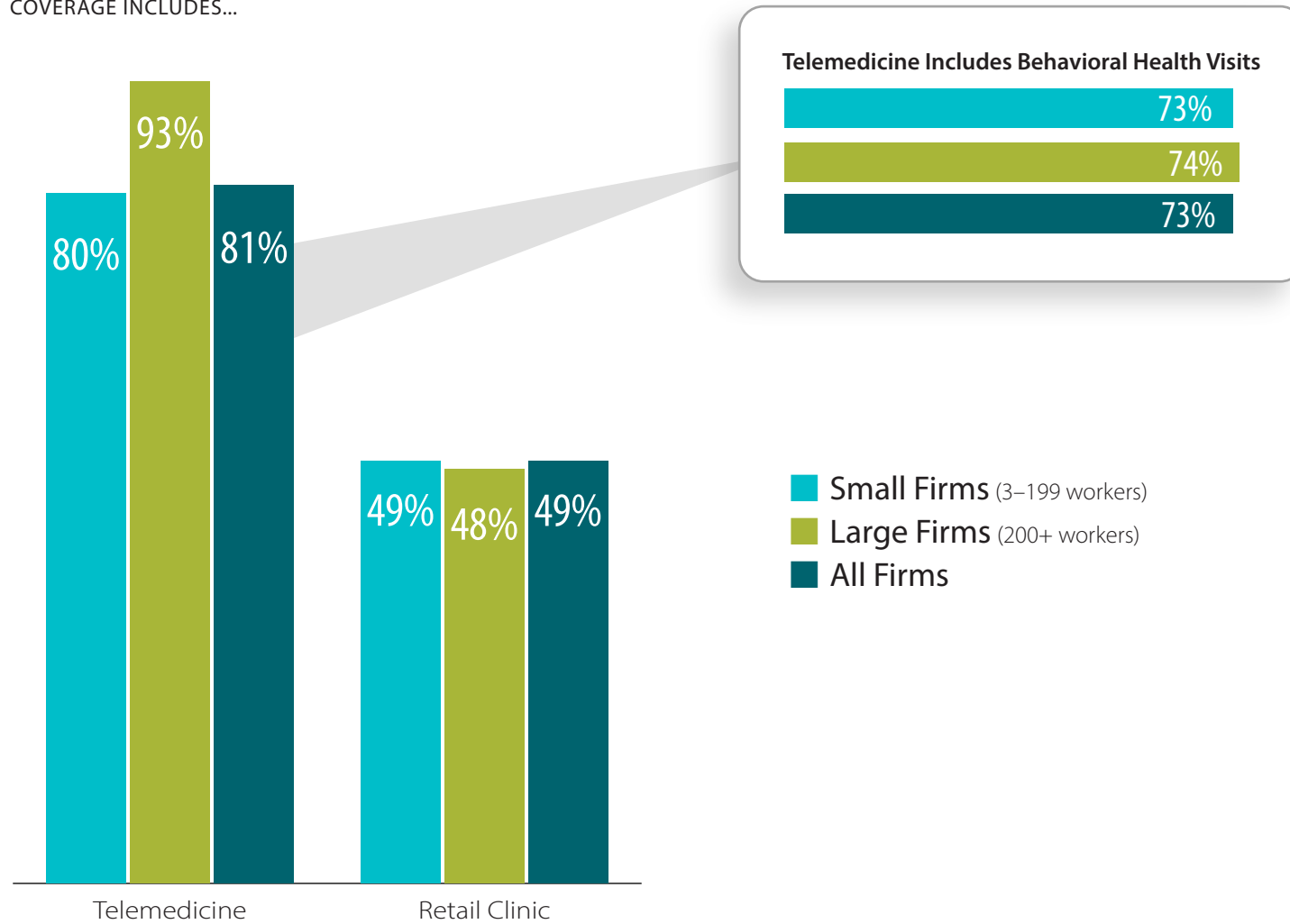
Source: California Employer Health Benefits Survey (2012–18 and 2020), CHCF/NORC.

Among firms with four or more tiers of prescription cost sharing, average copayments for generic drugs were a third of what they were for preferred drugs, and a fifth of what they were for nonpreferred drugs.

Firms Covering Telemedicine and Retail Clinics

Plans with Largest Enrollment, by Firm Size, California, 2020

COVERAGE INCLUDES...



Note: Tests found no significant differences between small and large firms.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

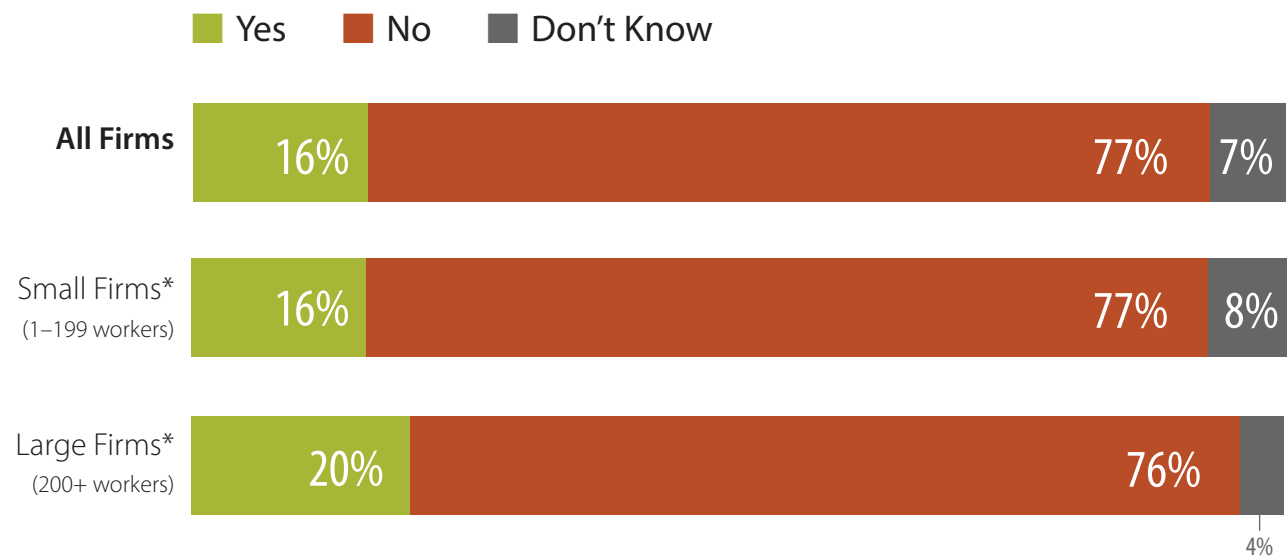
California Employer Health Benefits

Benefits and Cost Sharing

Nearly 95% of large firms reported that their health plan with the largest enrollment offered coverage for telemedicine services, and nearly 75% of these firms' plans with the largest enrollment also included coverage for behavioral health telemedicine visits. About half of all firms reported that their plan with the largest enrollment covered care from a retail clinic.

Firms That Offered a Narrow Network Plan to Reduce Plan Costs by Firm Size, California, 2020

OFFERED A NARROW NETWORK PLAN



Sixteen percent of small firms offered a narrow network plan in 2020 to reduce plan costs.

* Difference is statistically different between small and large firms.

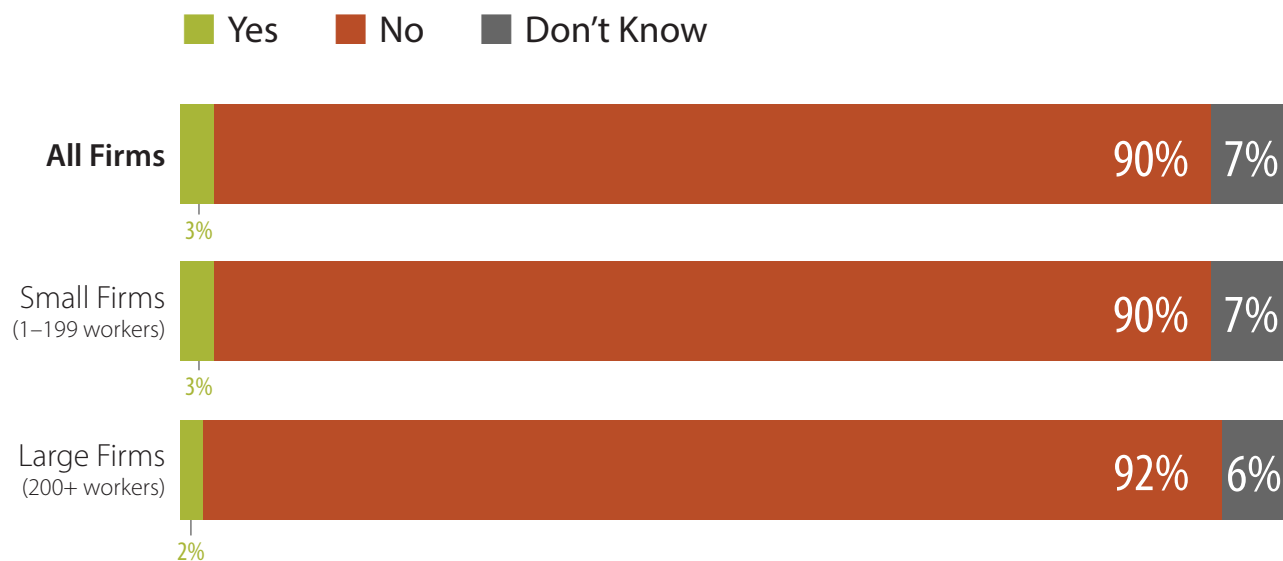
Notes: A narrow network is one that limits the number of providers who can participate, or limits some services to certain facilities. These plans' networks are more restrictive than a standard HMO network.

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Firms That Eliminated Hospitals or Health Systems from Provider Network to Reduce Plan Costs

by Firm Size, California, 2020

ELIMINATED HOSPITALS OR HEALTH SYSTEMS



Three percent of firms eliminated hospitals or health systems from provider networks to reduce plan costs.

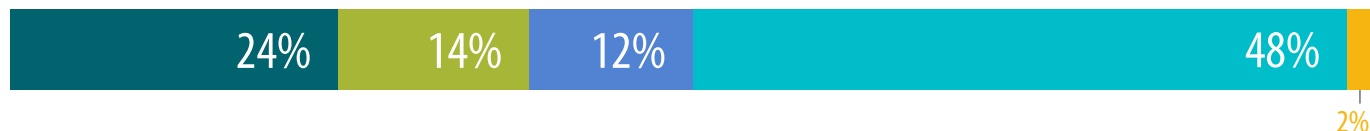
Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Likelihood of Firms Making Changes in the Next Year

by Type of Change, California, 2020

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 Copays or Coinsurance



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.

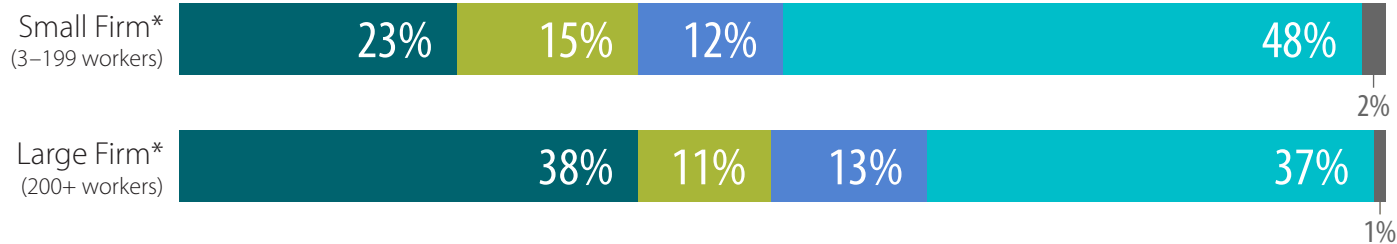
Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

Thirty-eight percent of California firms reported they are very or somewhat likely to increase the amount that workers pay for premiums in the next year. Twenty-eight percent of firms stated that they are very or somewhat likely to increase employees' deductibles, and 20% stated that they are very or somewhat likely to increase what employees pay for copays or coinsurance.

Likelihood of Employers Making Selected Changes in the Next Year by Firm Size, California, 2020

■ Very Likely
 ■ Somewhat Likely
 ■ Not Too Likely
■ Not at All Likely
 ■ Don't Know

Increase Amount Employees Pay for Premiums



Increase Amount Employees Pay for Copays or Coinsurance



Compared to small firms, large firms in California were more likely to report that they are very likely to increase the amount employees pay for 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 (2020), CHCF/NORC.

Firms That Made Changes in the Past Year

by Firm Size and Region, California, 2020

	INCREASED COST SHARING	MOVED BENEFIT OPTIONS TO HRA OR HSA*	REDUCED SCOPE OF COVERED BENEFITS	INCREASED INCENTIVES TO USE LESS COSTLY PROVIDERS
FIRM SIZE				
Small Firms (3–199 workers)	14%	3%	3%	5%
Large Firms	16%	<1%	1%	1%
• 200–999 workers	14%	<1%	0%	1%
• 1,000+ workers	20%	<1%	4%	0%
REGION				
Los Angeles	19%	0%	1%	2%
San Francisco	22%	0%	9%	9%
Rest of State	8%	5%	1%	4%
All Firms	25%	39%	4%	7%

* Asked only of firms offering a HDHP/SO.

Notes: Tests found no significant difference between estimates shown. Los Angeles and San Francisco are defined as the metropolitan statistical area (MSA).

Source: California Employer Health Benefits Survey (2020), CHCF/NORC.

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Employer Views and Practices

In the past year, 14% of California firms increased cost sharing for workers, 5% increased incentives to use less costly providers, and 3% reduced covered benefits.

Methods

The California Employer Health Benefits Survey is a joint product of the California Health Care Foundation (CHCF) and NORC at the University of Chicago. The survey was designed and analyzed by researchers at NORC, and administered by Davis Research (Davis). The findings are based on a random sample of 454 interviews with employee benefit managers in private firms in California. Davis conducted interviews from August to December 2020. The sample of firms was drawn from a Dynata database of private employers with three or more workers. Some exhibits do not sum to 100% due to rounding effects.

KFF (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 KFF. The US results in this study are either from the published reports or from author calculations from the surveys' public use files. A full analysis of the US data set is available on KFF'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 (HDHP/SO). 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 three to nine workers vs. all other firms). Tests include t-tests and chi-square tests and significance was determined at $p < .05$ level.

A 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.

California Employer Health Benefits

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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