

## **Yearly Family Health Coverage Premiums Rise to \$12,680**

*September 25, 2008*

Workers pay an average of \$3,354 annually toward family coverage-more than double what they paid nine years ago.

Premiums for employer-sponsored health insurance rose to \$12,680 annually for family coverage this year-with employees on average paying \$3,354 out of their paychecks to cover their share of the cost-and the scope of that coverage has changed, with many more workers now enrolled in high-deductible plans, according to the 2008 Employer Health Benefits Survey released last week by the Kaiser Family Foundation and the Health Research & Educational Trust (HRET).

Premiums rose a modest 5 percent this year, but they have more than doubled since 1999 when total family premiums stood at \$5,791 (of which workers paid \$1,543). During the same nine-year period, workers' wages increased 34 percent and general inflation rose 29 percent.

This year many workers are also facing higher deductibles in their plans, including a growing number with general plan deductibles of at least \$1,000-18 percent of all covered workers in 2008, up from 12 percent last year. This is partly, but not entirely, driven by growth in consumer-directed plans such as those that qualify for a tax-preferred Health Savings Account.

The shift has been most dramatic for workers in small businesses with three to 199 workers, where more than one in three (35 percent) covered workers must pay at least \$1,000 out of pocket before their plan generally will start to pay a share of their health-care bills-rising from 21 percent last year. For workers facing deductibles in Preferred Provider Organizations, the most common type of plan, the average deductible rose to \$560 in 2008, up nearly \$100 from 2007.

The annual Kaiser/HRET survey provides a detailed picture of how employer coverage is changing over time in terms of availability, cost and coverage. It was conducted between January and May of 2008 and included 2,832 randomly selected, non-federal public and private firms with three or more employees (1,927 of which responded to the full survey and 905 of which responded to a single question about offering coverage). The annual percentage premium increase is calculated by comparing this year's average premium to last year's, a change in methodology designed to be more reflective of changes across the entire market.