



S E C T I O N

THE GROWING COST OF HEALTH INSURANCE COVERAGE

HEALTH CARE COSTS AND SPENDING IN NEW YORK STATE

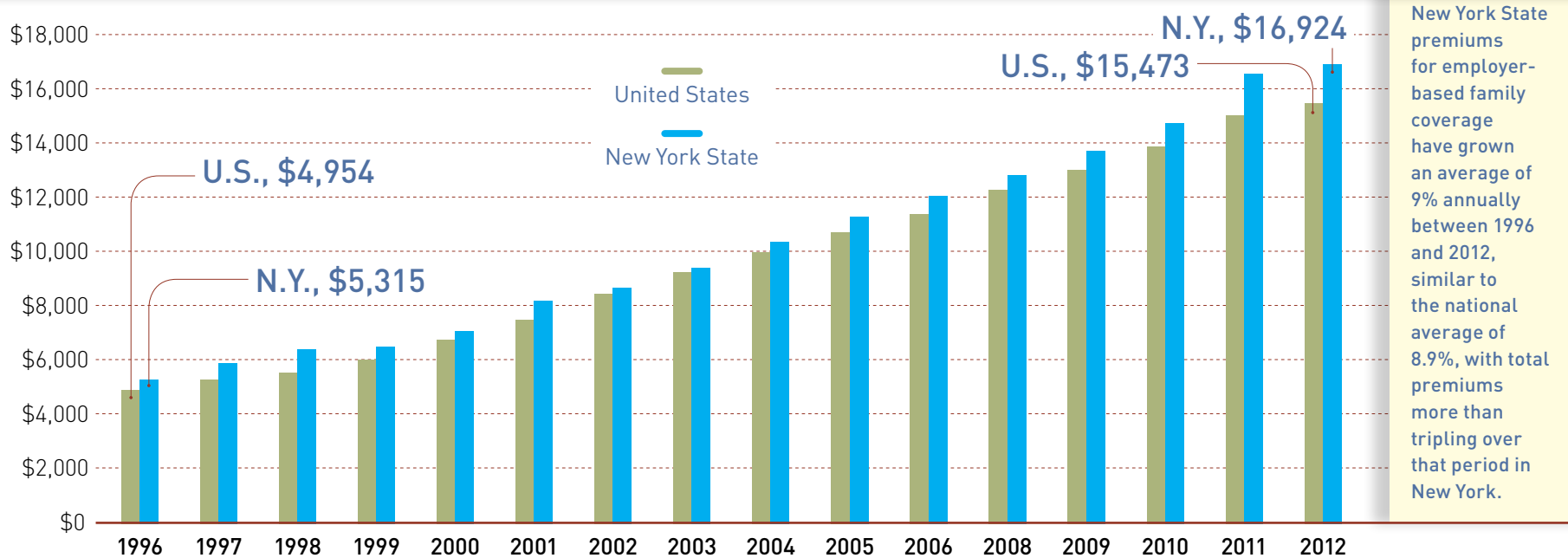


The Growing Cost of Health Insurance Coverage

- New York's large employers contribute higher shares of premium costs than employers in any other state.
- Over the last decade, the cost of employer-sponsored family health insurance premiums in New York rose by an average of 92%.
- Rising premiums translate to lower wages, reduced benefits, more restrictive health coverage eligibility, and less affordability for employees to take up insurance.
- In New York over the last decade, employees' required premium contributions as a percentage of their income roughly doubled.

New York State Health Insurance Premiums Have Grown Steadily

Average Family Premiums For Employer-Based Coverage, United States and New York State, 1996–2012

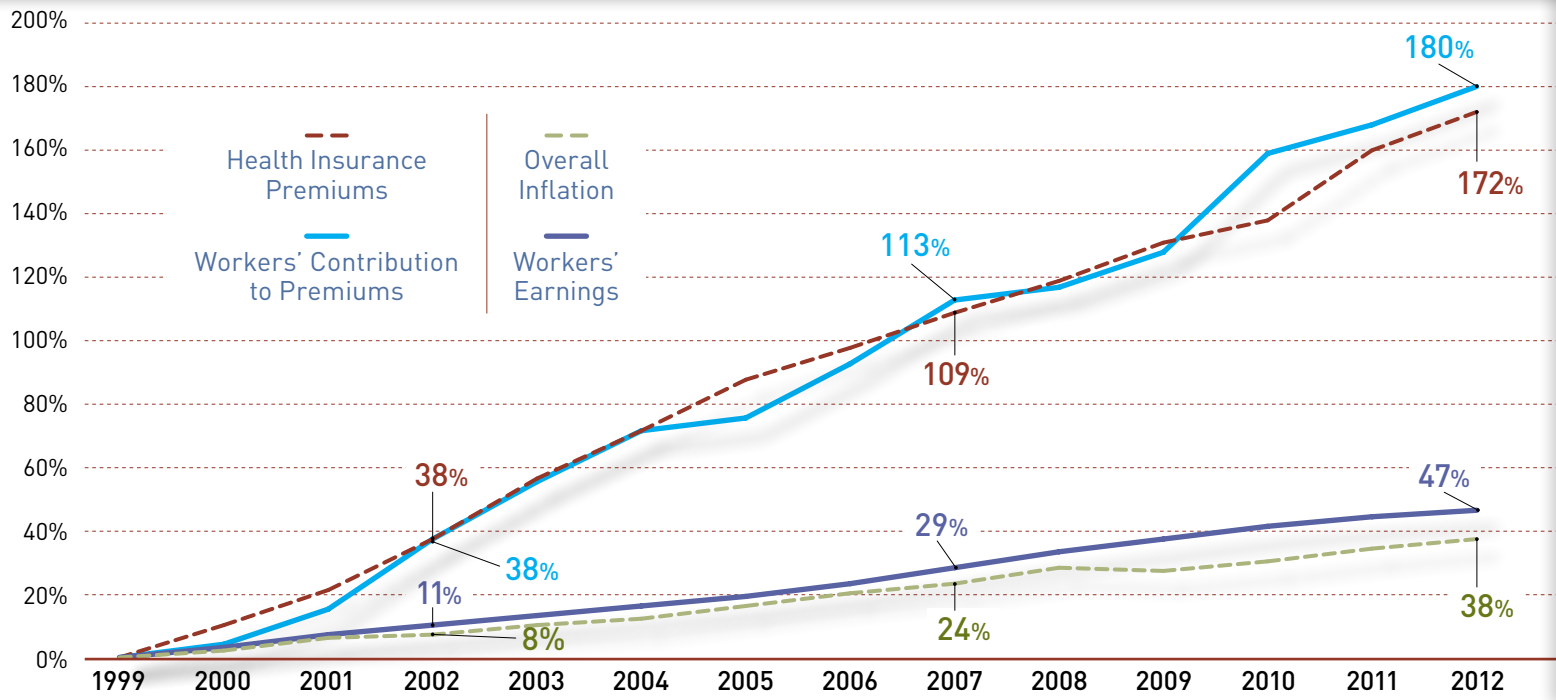


SOURCE: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey data.

NOTE: Average total family premium (in dollars) per enrolled employee at private-sector establishments that offer health insurance by firm size and selected characteristics. Data not available for 2007. These data show the total cost of the premium, rather than the total employee contributions, which are shown on page 23.

Nationally, Workers' Health Insurance Costs Have Grown Faster than Earnings and Inflation

Health Insurance Premium Growth, 1999–2012



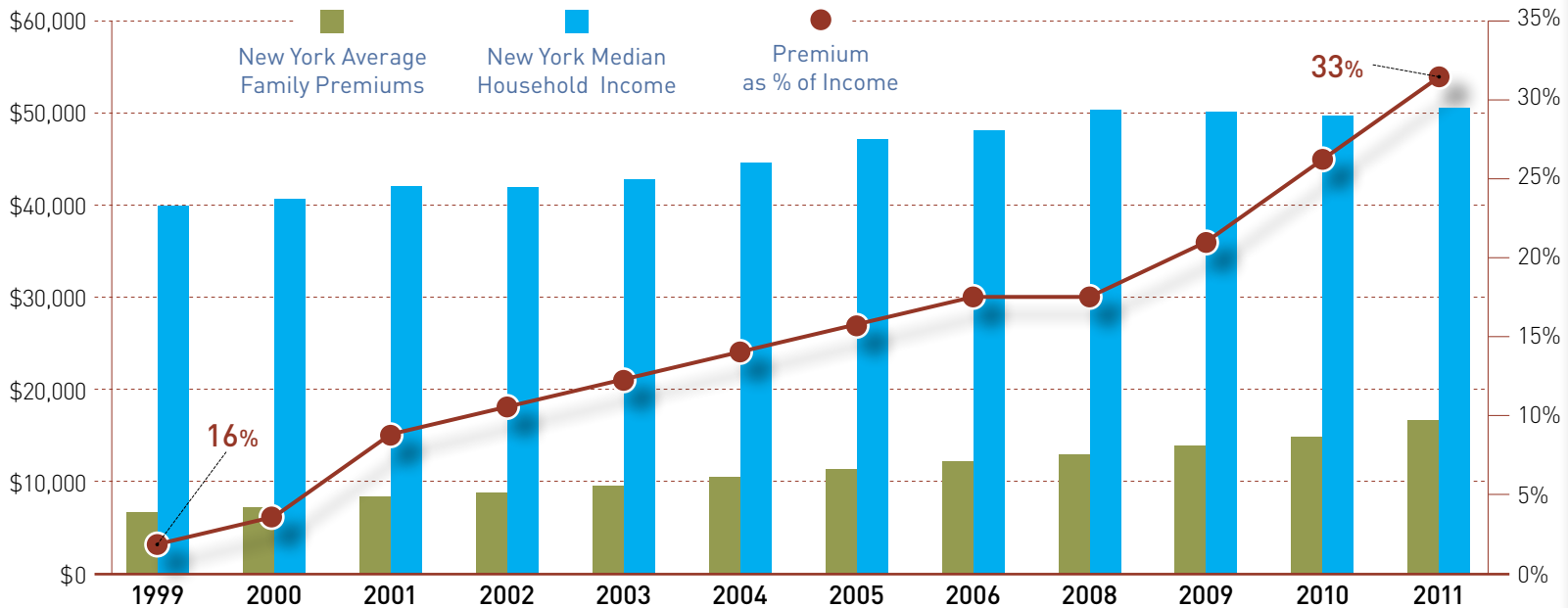
Workers' contributions to premiums have grown four times as much as their earnings.

Premium growth has squeezed out pay increases.

SOURCE: Cumulative Increases in Health Insurance Premiums, Workers' Contributions to Premiums, Inflation, and Workers' Earnings, United States, 1999-2012. Kaiser Family Foundation/Health Research & Educational Employer Health Benefits Survey, 1999-2012. U.S. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1999-2012; U.S. Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1999-2012 (April to April).

Family Health Insurance Premiums Are Growing Faster than Household Income in New York

New York Average Family Premiums and Median Income, 1999–2011



Average family premiums in New York were 33% of median household income in 2011 compared to 16% in 1999.

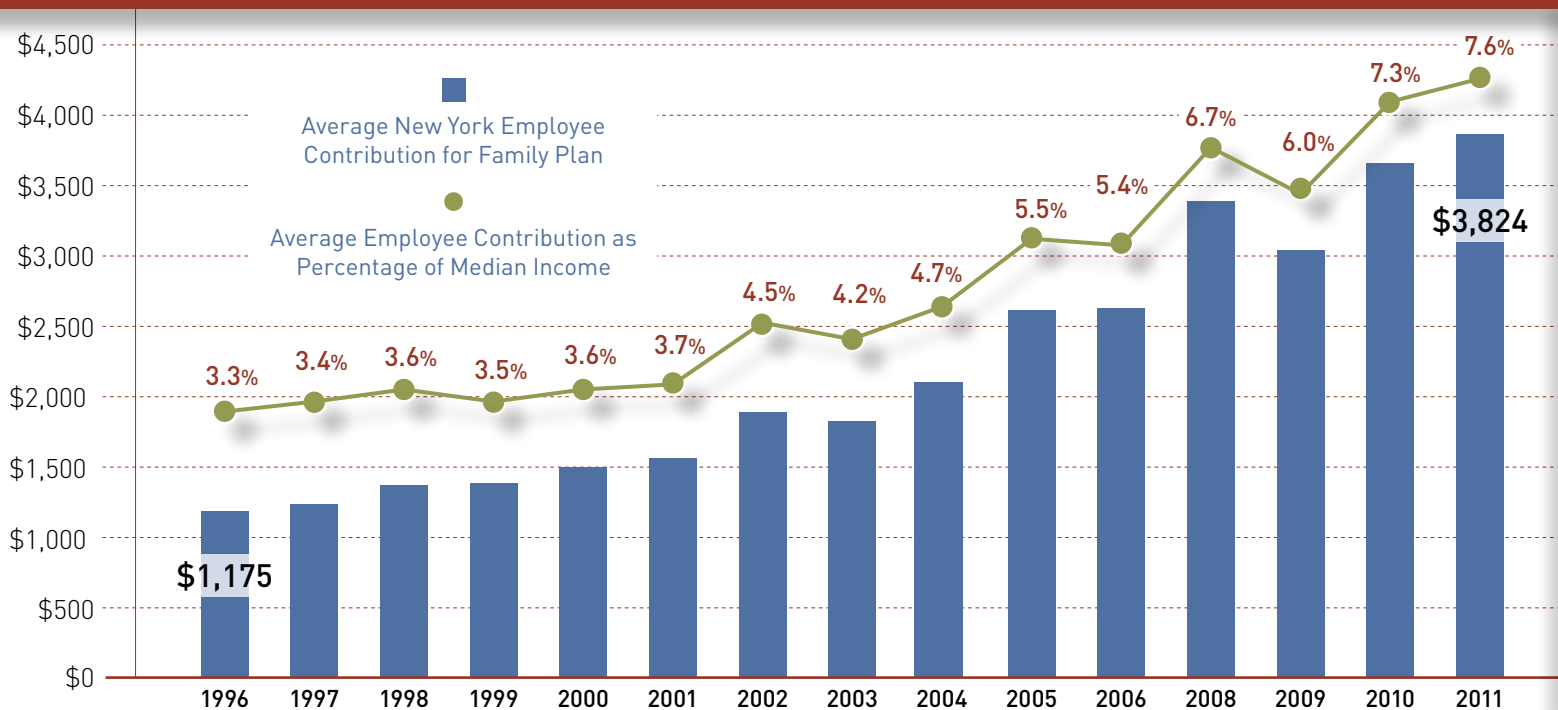
While employers pay most of the premiums, ultimately their cost is passed through to employees in the form of lower wages and income.

SOURCE: Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey data.

NOTE: Average total family premium (in dollars) per enrolled employee at private-sector establishments that offer health insurance by firm size and selected characteristics. Data not available for 2007. These data show the total cost of the premium, rather than the total employee contributions, which are shown on page 23. Data for median income from U.S. Census Bureau, State Median Income. Median Household Income is in 2011 inflation-adjusted dollars.

Employee Contributions to Health Insurance Premiums Have Roughly Doubled in New York

Employee Contribution to Health Insurance Plan Compared to Median Income, 1996–2011



From 2000 to 2009, New York family contributions to health insurance premiums grew 6.4 times faster than median income. Family contributions rose by an average of 92.3%, while median income rose by only 14.4%.

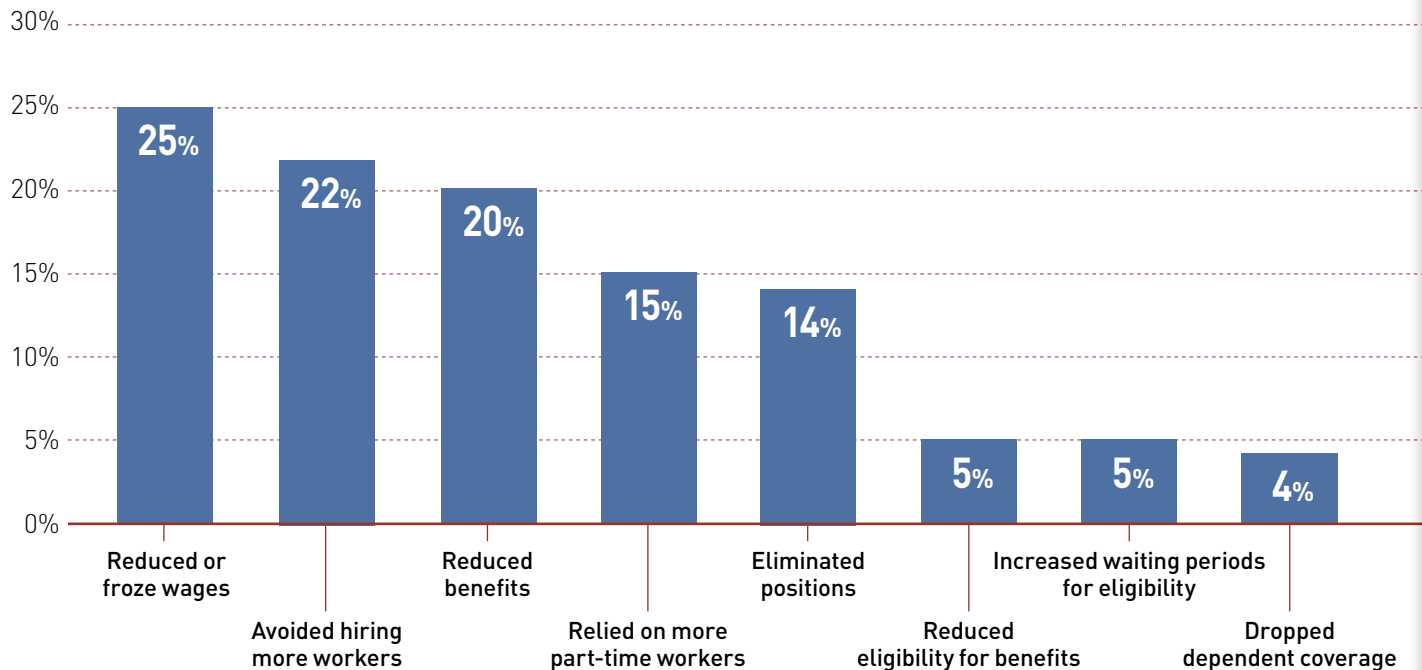
SOURCE: Chart data are from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey data.

NOTE: The employee contribution includes the portion of the total health insurance premium paid by the enrolled employee, but does not include other employee cost sharing. Data not available for 2007. Median household income is in 2011 inflation-adjusted dollars.

SIDEBAR SOURCE: Families USA, "Costly Coverage: Premiums Outpace Paychecks in New York," September 2009.

Rising Premiums Adversely Affect Employer Decisions About Hiring, Wages, and Benefits

New York Employer Responses to Increasing Premium Costs



Even though the percentage of New York employers offering coverage remains high, employers have increased restrictions on employee eligibility for coverage; costs are going up for both the employer and employee; and fewer employees are choosing to take up coverage when available.

The percentage of workers in New York insured by their employer's coverage has decreased from 69% in 2001 to 58% in 2009.

Enrollment in preferred provider organizations and high-deductible plans has grown, while use of health maintenance organizations and point-of-service plans has declined.

SOURCE: J. Gabel, H. Whitmore, and J. Pickreign, "A Decade of Decline: A Survey of Employer Health Insurance Coverage in New York State," New York State Health Foundation, November 2010.

NOTE: Totals are not additive.



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