Health Insurance Premiums Rose 5% in 2008

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The average employer-sponsored health insurance premium rose 5% from 2007 to 2008, with average premiums for family coverage reaching $12,680, according to a report from the Kaiser Family Foundation and the Health Research and Educational Trust.

While experts said the 1-year average increase in premiums was modest, they noted that over the last 9 years the rise in premiums has outpaced growth in both wages and inflation. Since 1999, family premiums have risen from $5,791 to $12,680, while individual premiums have gone from $2,196 to $4,704, according to the report.

The findings are based on an annual survey of 2,832 randomly selected public and private companies with three or more employees. Of those companies, 1,927 responded to the full survey. The survey was conducted between January and May of this year. The full study is available online at www.kff.org, and an analysis was published online in the journal Health Affairs (doi:10.1377/hlthaff.27.6.w492).

The survey showed that more workers are enrolled in plans with higher deductibles. In 2008, 18% of all covered workers had health plan deductibles of at least $1,000 for single coverage, compared with 12% in 2007 and 10% in 2006. And high deductibles were more common among employees at small companies. In 2008, 35% of workers in companies with fewer than 200 employees have deductibles of $1,000 a year for single coverage, compared with 21% last year and 16% in 2006.

American workers can expect to see more cost sharing in 2009. The survey found that among employers who currently offer health benefits, 40% reported that they would be somewhat or very likely to increase the amount that employees pay for health coverage next year. ■