



## Chartbook Section 3: Employment-Based Health Insurance

# Section 3: Employment-Based Health Insurance

- **Background on the labor market**
  - Firm sizes
  - Industry distributions
  - Part-time employment
- **Availability of coverage**
  - Employer offer rates
  - Eligibility
  - Access, take-up, and coverage
- **Cost of coverage & cost sharing**
  - Total premium
  - Employer/employee shares of premium
  - Enrollees in plans with deductibles
- **National and Minnesota Premium, Deductible, and Out-of-Pocket Comparisons**

This slide deck is part of Minnesota's Health Care Markets Chartbook, an annual review of key metrics in health care access, coverage, market competition, and health care costs ([MN Statutes, Section 144.70; https://www.revisor.mn.gov/statutes/cite/144.70](https://www.revisor.mn.gov/statutes/cite/144.70)).

An accessible summary of the charts and graphs contained in this deck is available on the [MDH website](https://www.health.state.mn.us/data/economics/chartbook/summaries/section3summaries.html) (<https://www.health.state.mn.us/data/economics/chartbook/summaries/section3summaries.html>). Direct links are listed on each page. Please contact the Health Economics Program at [health.hep@state.mn.us](mailto:health.hep@state.mn.us) if additional assistance is needed for accessing this information.

# Background on Section 3

- This chartbook reviews **employment-based health insurance coverage** based on survey information from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. MDH presents data as a weighted average of two years of data to produce more robust estimates, as single-year state-level estimates are more sensitive to the effects of random changes in the composition of the sample. Employers that offer health insurance either **self-insure** or **fully insure** their employee health programs. Under **both** types of employer plans, there is cost-sharing and premiums paid for by their employees.
  - **Self-insured plan** – The employer takes on the risk of medical bills for employees and their dependents. These plans typically comprise larger employer, although smaller employers increasingly look to self-insure
  - **Fully-insured plan** – The health insurance company takes on the risk of medical bills for employees and their dependents (employer purchases plan from insurance company).
- Group coverage, largely because of different regulatory schemes, distinguishes between **small group plans or large group plans**.
  - **Small group plan** – private health insurance plans that are purchased by employers with 2 to 50 employees.
  - **Large group plan** – private health insurance plans that are purchased by employers with more than 50 employees.
- Minnesota regulators primarily have influence over employer coverage that is fully insured, because state oversight over self-insured plans is preempted by federal legislation (the Employee Retirement Income Security Act, ERISA).

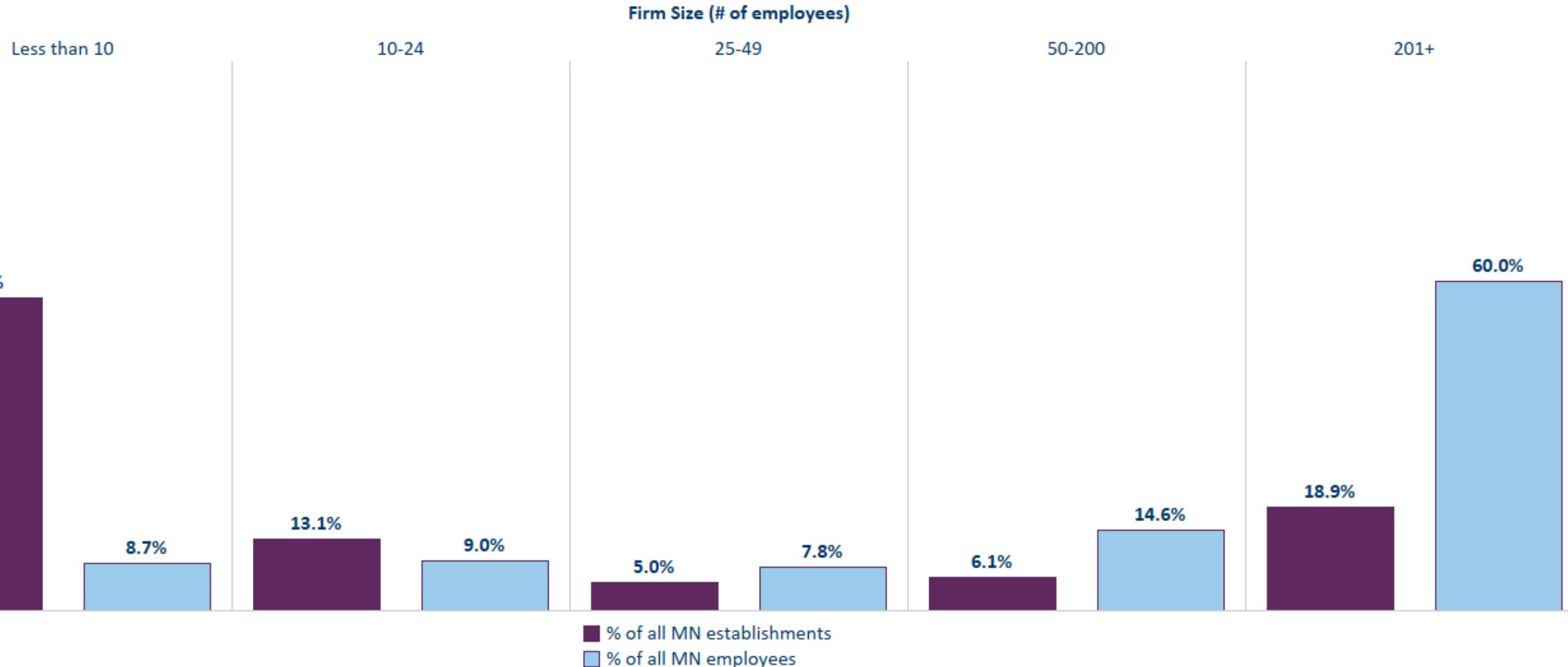
# Key Terms

Listed in the order they are used in the chartbook

- **Coverage** – Employees offered health insurance who enroll in health insurance (Eligible x Take-Up).
- **Deductible** – The amount an individual pays for health insurance-covered health care services before health insurance begins to pay.
- **Eligibility** – Employees eligible for health insurance at establishments offering coverage.
- **Employment Based Health Insurance** – Employers that offer health insurance either self-insure or fully insure their employee health programs. Under both types of employer plans, there is cost-sharing and premiums paid for by their employees. Employees enroll in various types of coverage based on employer offerings (e.g., single and family coverage).
  - **Single coverage** – an employee enrolls in health insurance coverage for only themselves.
  - **Family coverage** – an employee enrolls in health insurance coverage for themselves and other members of their family.
- **Health Reimbursement Account (HRA)** – An employer-funded group health plan that reimburses employees tax-free for qualified medical expenses up to a fixed-dollar amount per year.
- **Health Savings Account (HSA)** – A type of savings account that allows individuals to set money aside on a pre-tax basis to pay for qualified medical expenses; some employers also choose to contribute money to employees' HSAs.
- **High Deductible Health Plans (HDHP)** – These plans are classified as "high deductible" if the deductible met or exceeded the Internal Revenue Service (IRS) threshold for a high deductible in a given year. For 2023, minimum deductibles were \$1,500 per individual/\$3,000 per family to qualify as a high deductible health plan. For 2024, minimum deductibles were \$1,600 per individual/\$3,200 per family to qualify as a high deductible health plan.
- **Premium** – the amount paid for health insurance each month. Employees and employers make contributions to premiums.
- **Take-Up** – Employees eligible for health insurance who enroll in coverage at an establishment offering coverage.

## Background on the Labor Market (Select Years)

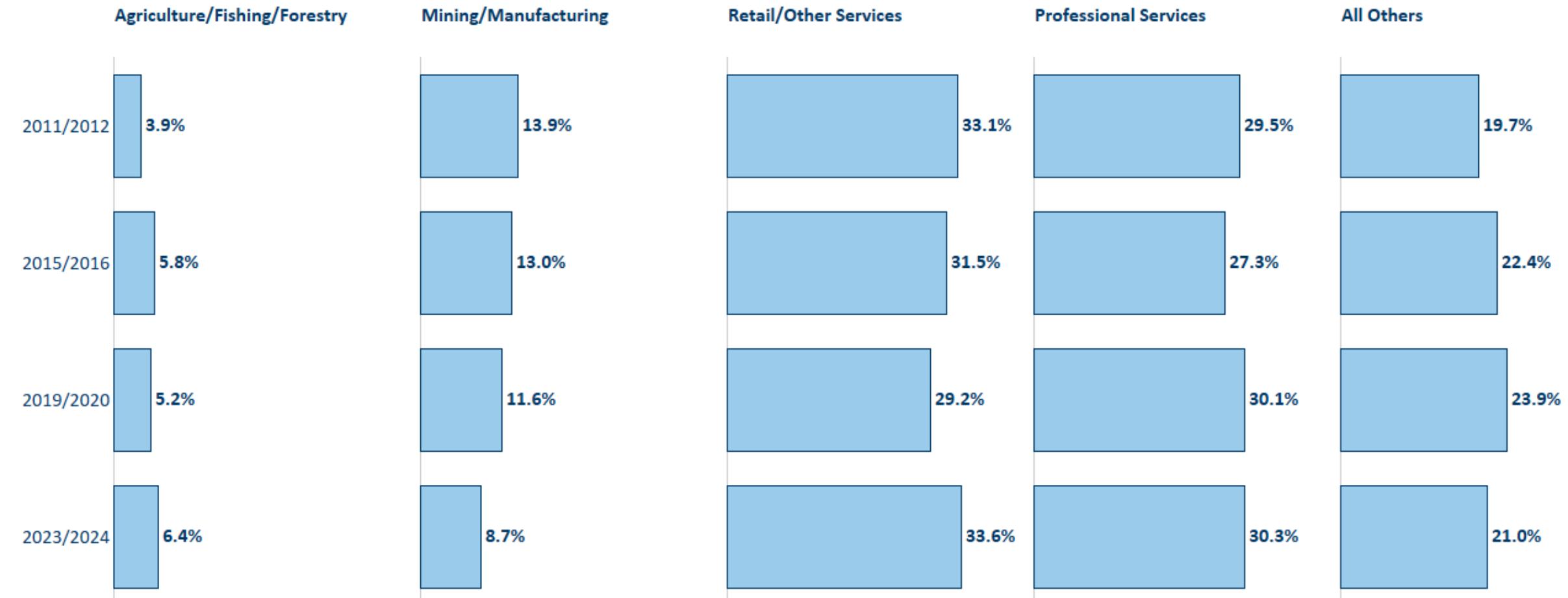
# Distribution of Minnesota Establishments and Employees by Firm Size, 2023/2024



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

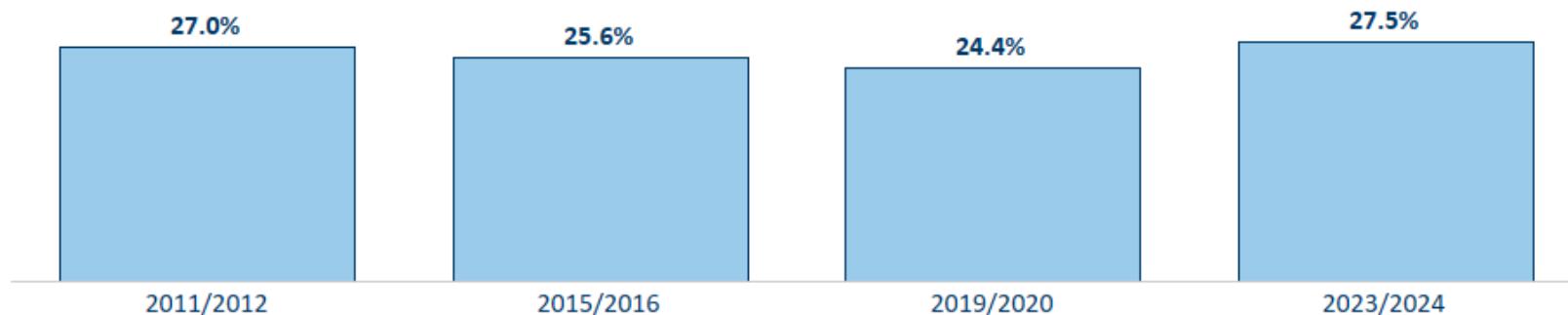
# Percentage of Minnesota Employees in Each Industry



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data. The health care workforce is included in professional services. While total employment rose in each year presented, industry-level patterns differed. Professional services was the only industry that experienced year-over-year growth throughout the period.

[Summary of Graph](#)

# Percentage of Minnesota Employees Working Part-Time



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component.

Part-time is defined by survey respondent as not being full-time. Full-time definition is determined by respondent and no minimum number of hours is specified in the survey. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

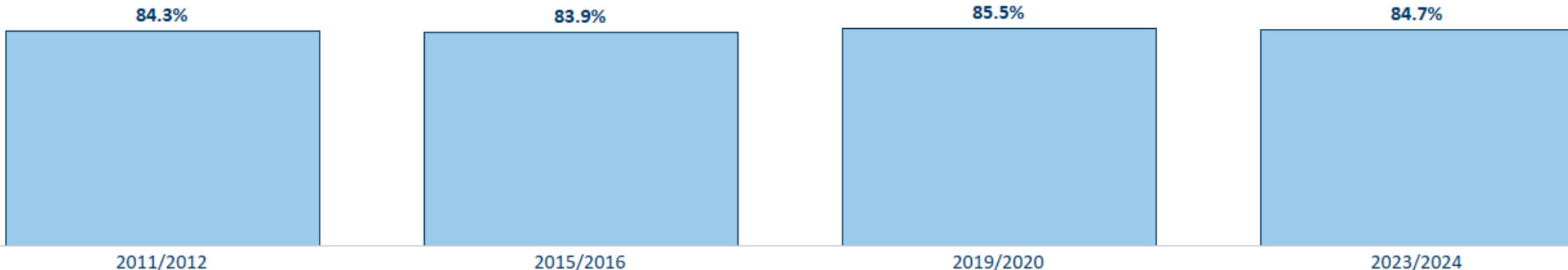
## Availability of Coverage (Select Years)

# Minnesota Establishments Offering Health Insurance Coverage & Their Employees

% of MN Establishments that Offer Health Insurance Coverage



% of MN Employees Working for Those Establishments



\*Indicates a statistically significant difference (95% level) from previous time period shown.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employers Offering Health Insurance, by Firm Size



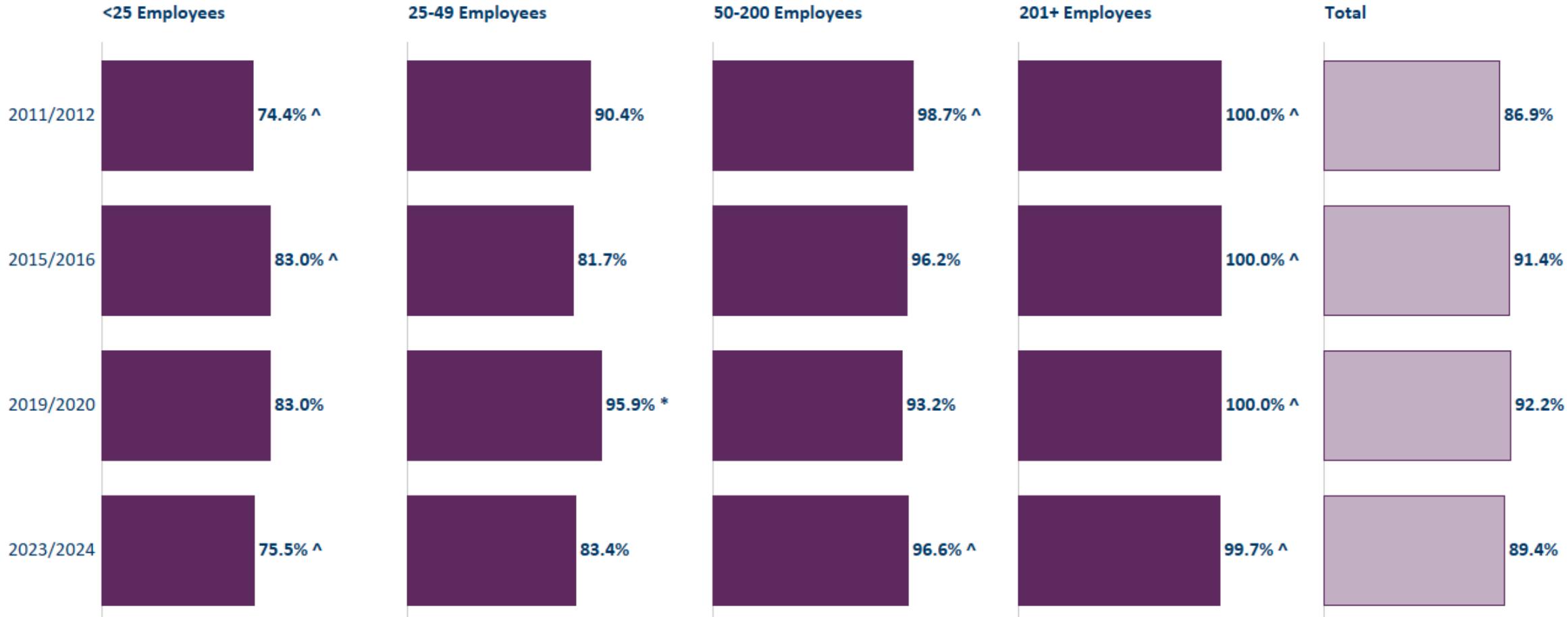
\*Indicates a statistically significant difference (95% level) from previous time period estimate.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Among Employers Offering Coverage, Percentage of Minnesota Employers that Offer Family Coverage, by Firm Size



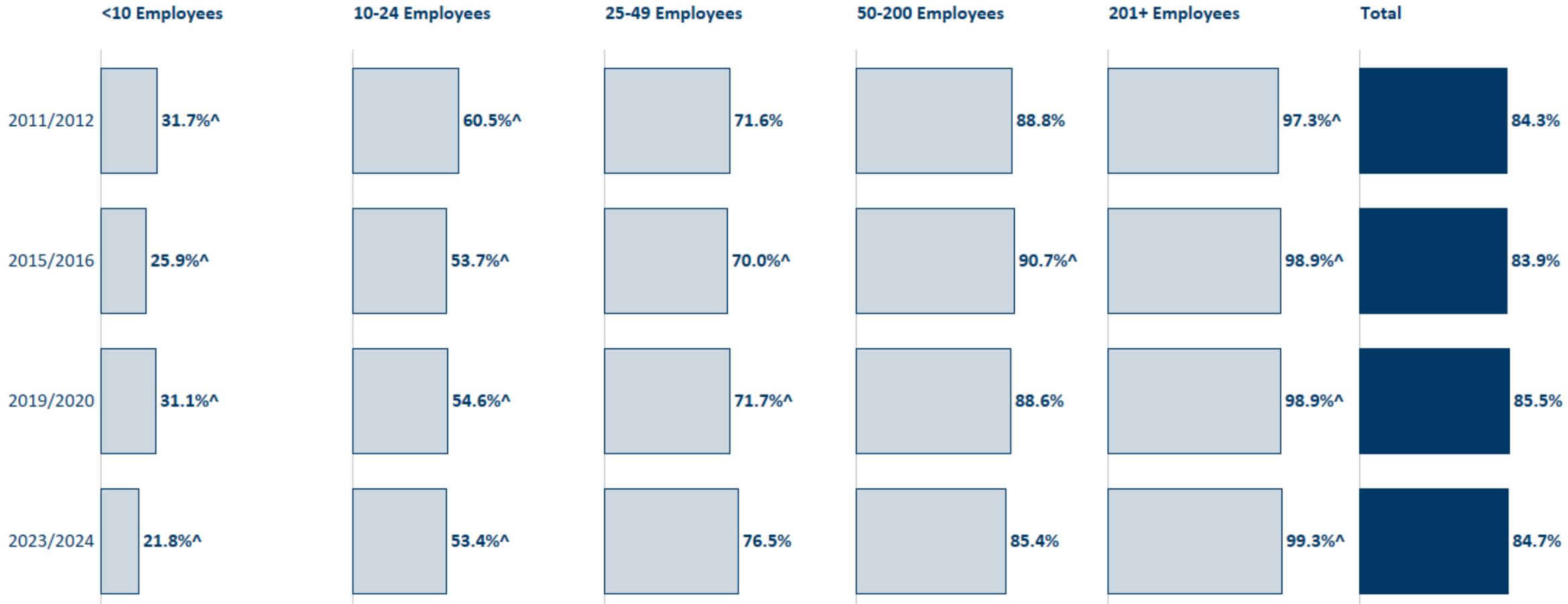
\*Indicates a statistically significant difference (95% level) from previous time period estimate.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data. Results are only available for <25 Employees due to a low number of firms.

[Summary of Graph](#)

# Percentage of Minnesota Employees in Establishments That Offer Health Insurance, by Firm Size



\*Indicates a statistically significant difference (95% level) from previous time period estimate.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

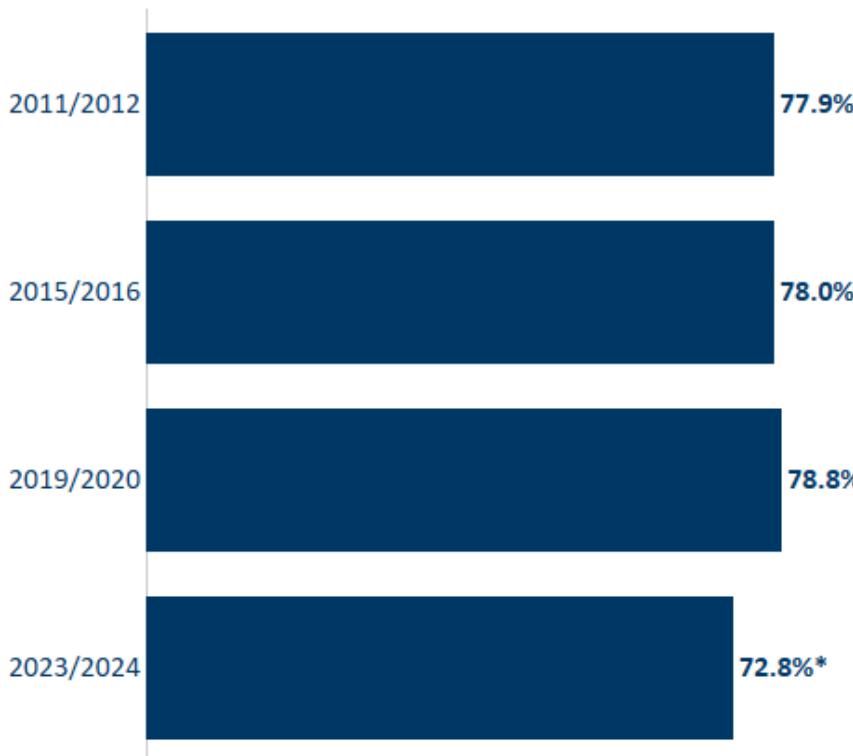
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Trends in Eligibility, Take-up and Coverage at Establishments That Offer Health Insurance

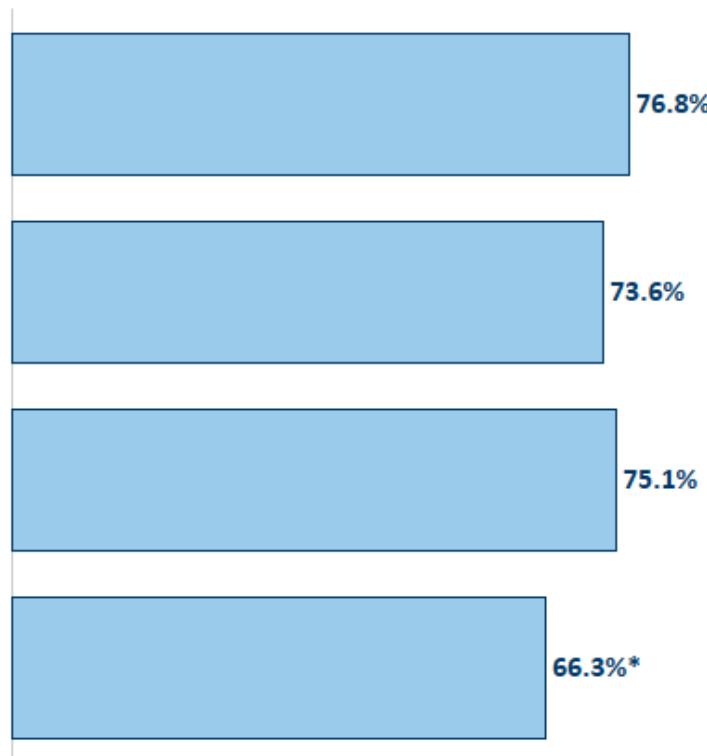
## Eligibility

% of employees eligible for health insurance at establishments offering coverage



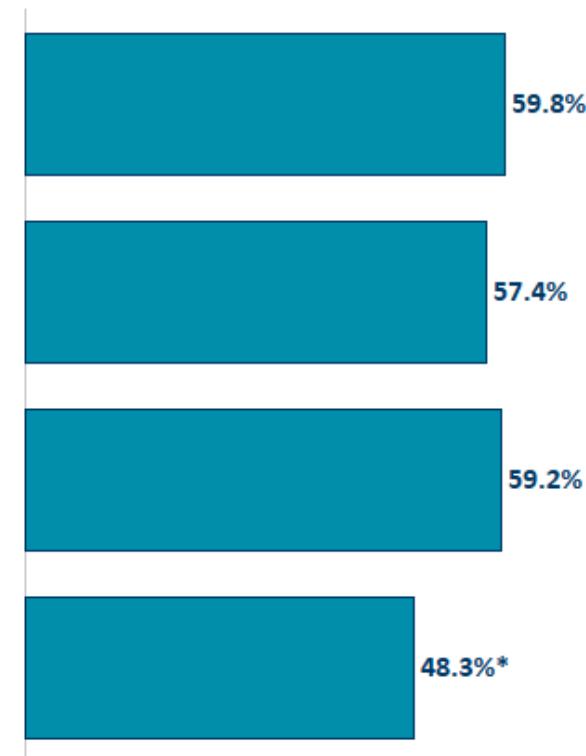
## Take-Up

% of eligible employees who enrolled in health insurance



## Coverage

% of employees eligible for and enrolled in health insurance, among all employees at establishments offering coverage  
(Eligibility x Take-Up)



\*Indicates a significant difference (95% level) from estimate of previous time period shown.

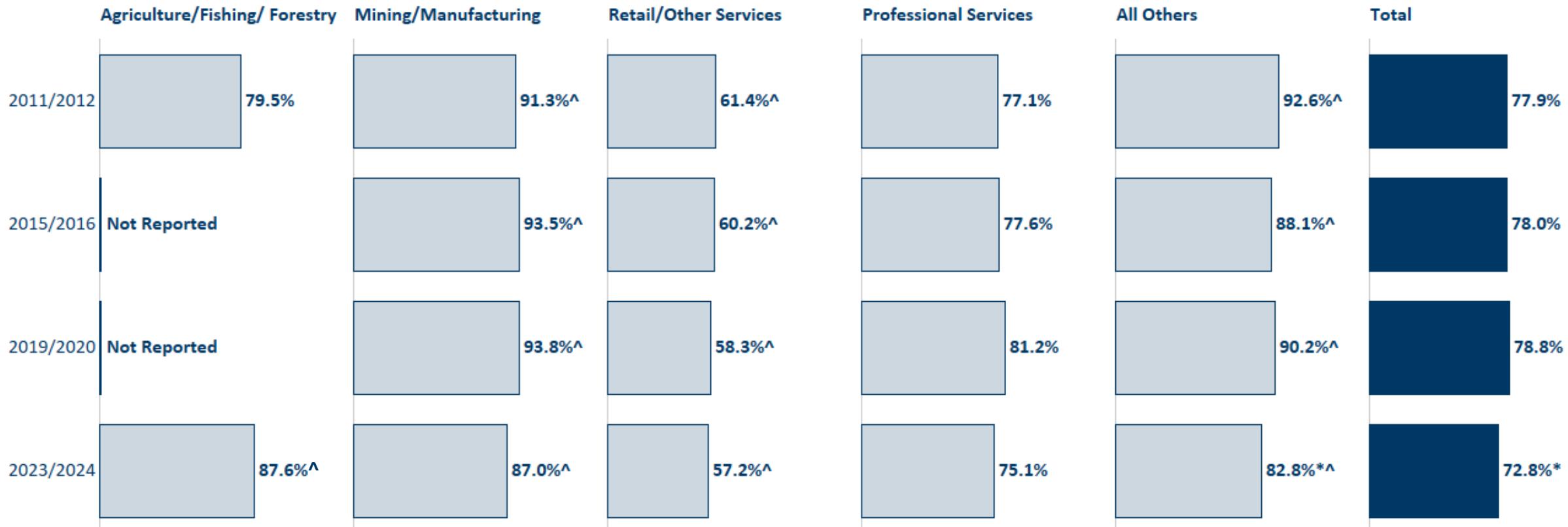
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employees Eligible for Health Insurance, by Industry

## Eligibility

% of employees eligible for health insurance at establishments offering coverage



\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

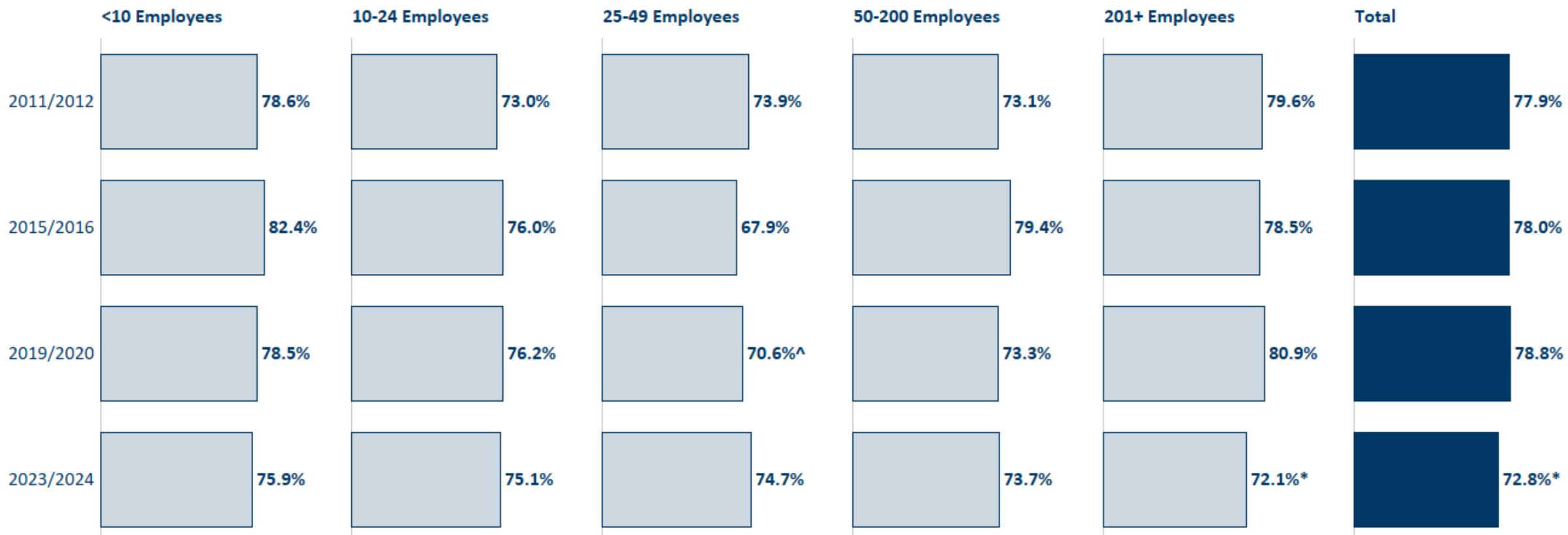
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. "Not reported" indicates not enough data to provide results. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employees Eligible for Health Insurance, by Firm Size

## Eligibility

% of employees eligible for health insurance at establishments offering coverage



\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

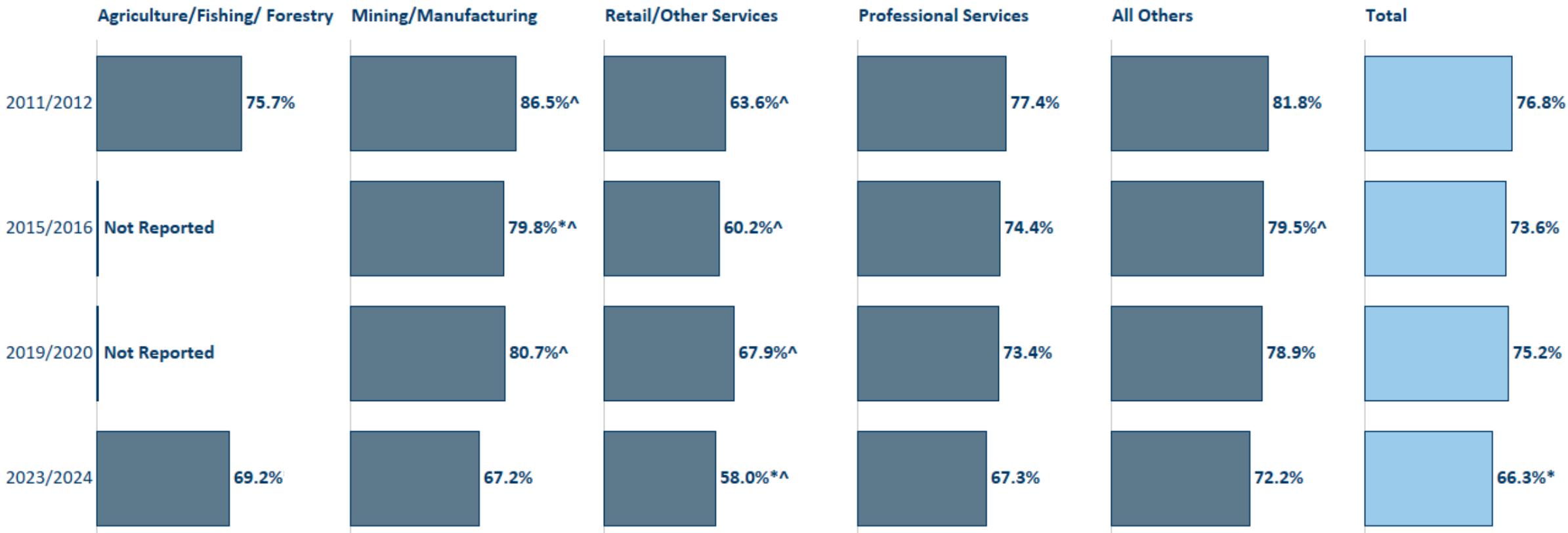
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Eligible Minnesota Employees Who Enroll in Coverage (Take-up Rate), by Industry

## Take-Up

% of eligible employees who enrolled in health insurance



<sup>^</sup>Indicates a statistically significant difference (95% level) from average of all firms within a time period.

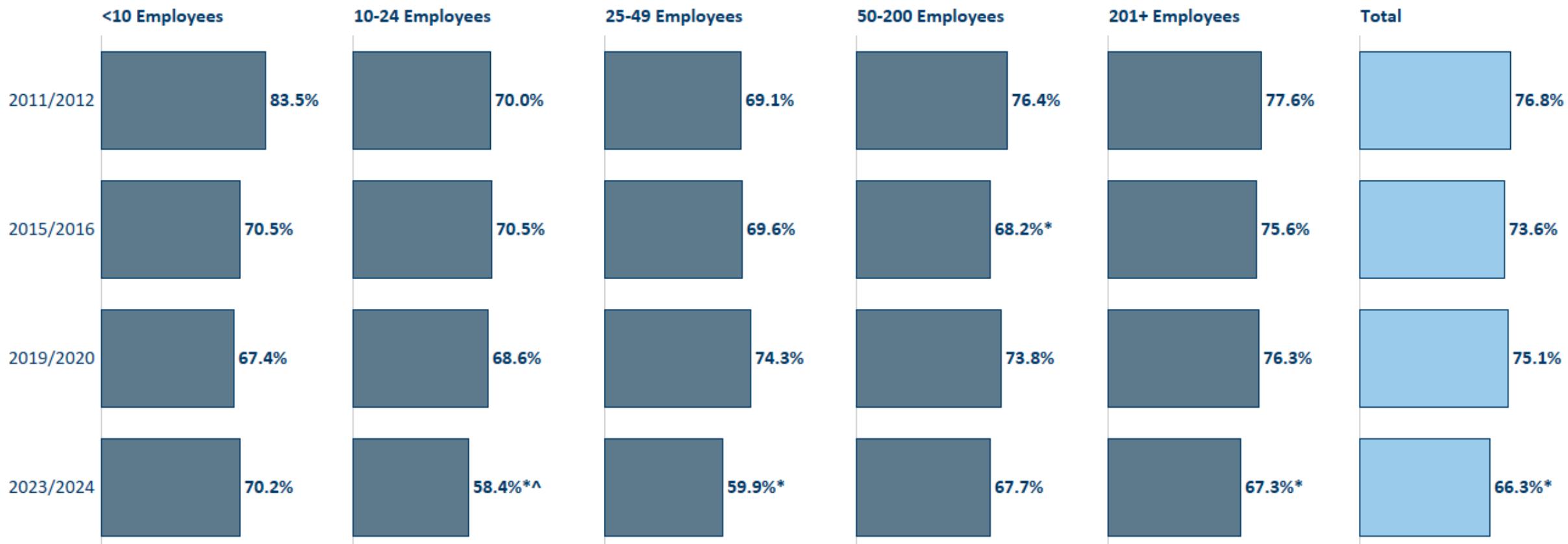
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. "Not reported" indicates not enough data to provide results. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Eligible Minnesota Employees Who Enroll in Coverage (Take-up Rate), by Firm Size

## Take-Up

% of eligible employees who enrolled in health insurance



\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

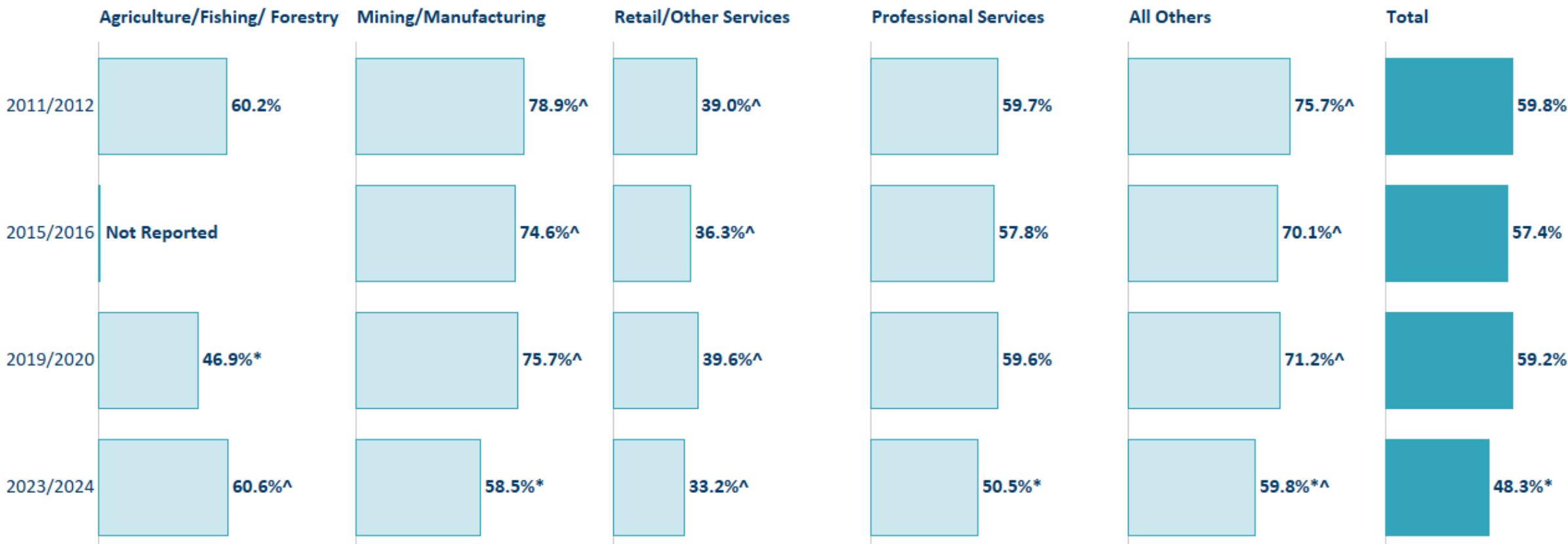
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employees Enrolled in Coverage, by Industry

## Coverage

% of employees eligible for and enrolled in health insurance, among all employees at establishments offering coverage (Eligibility x Take-Up)



\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

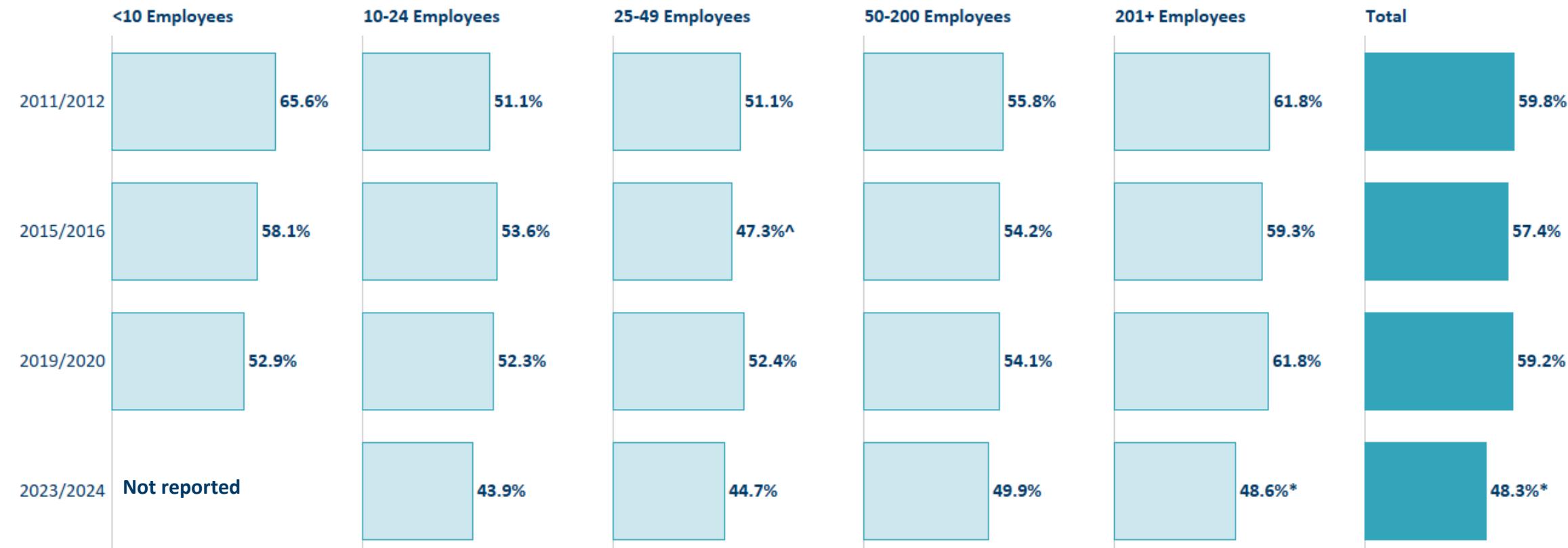
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. "Not reported" indicates not enough data to provide results. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employees Enrolled in Coverage, by Firm Size

## Coverage

% of employees eligible for and enrolled in health insurance, among all employees at establishments offering coverage (Eligibility x Take-Up)



\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

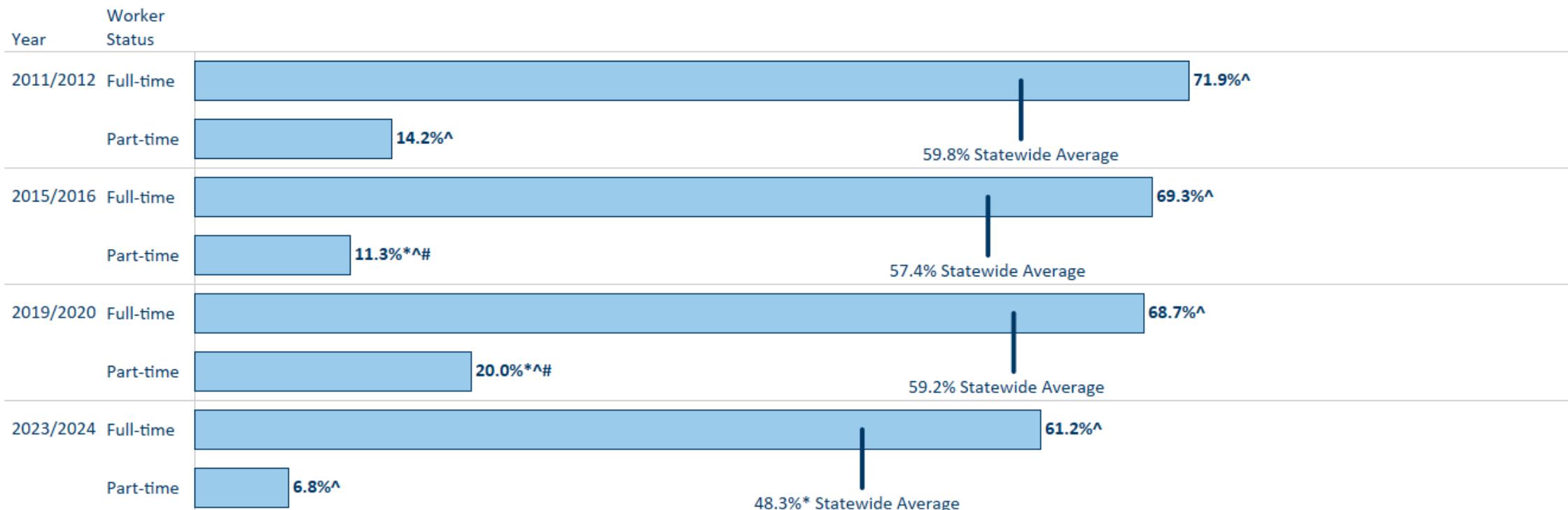
Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. "Not reported" indicates not enough data to provide results. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Percentage of Minnesota Employees Enrolled in Coverage by Full-Time/Part-Time Status

## Coverage

% of employees eligible for and enrolled in health insurance, among all employees at establishments offering coverage (Eligibility x Take-Up)



#Indicates figure does not meet MEPS survey standard of reliability or precision.

\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Part-time is defined by survey respondent as not being full-time. Full-time definition is determined by respondent and no minimum number of hours is specified in the survey. Data presented are weighted averages of two years of data.

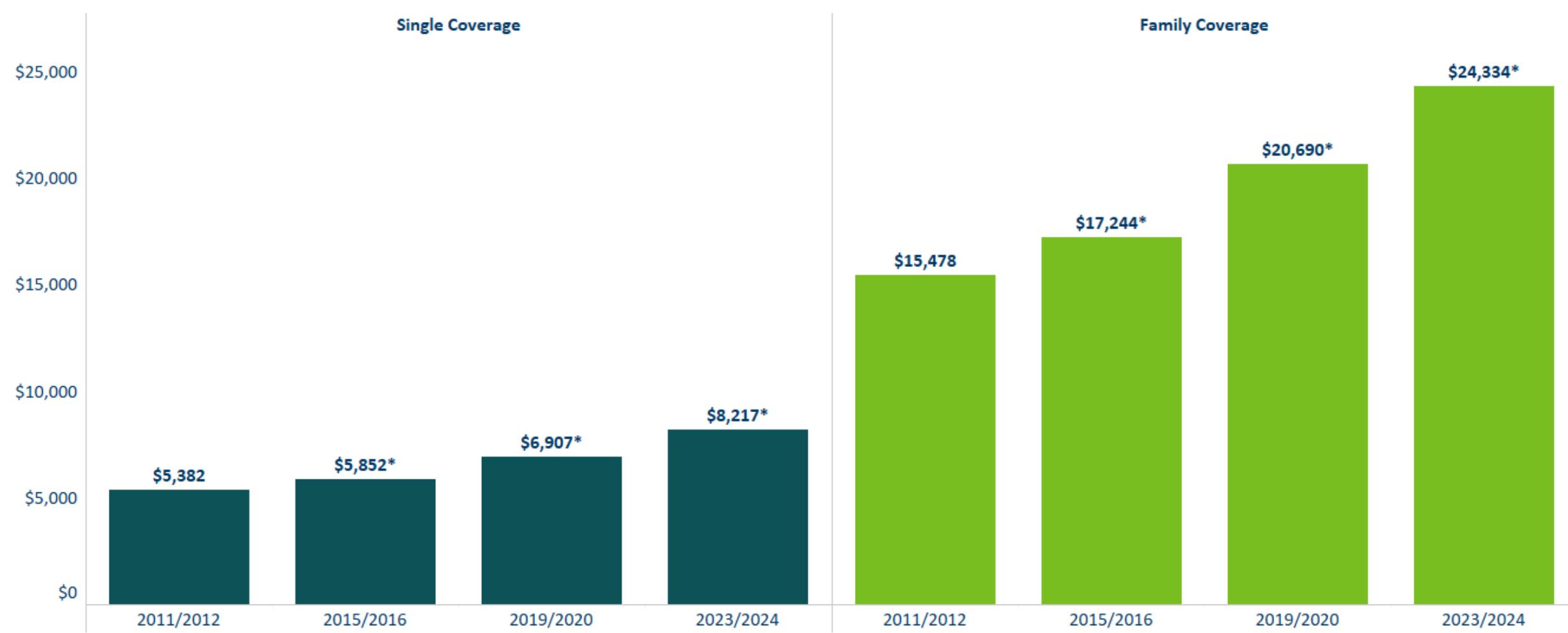
[Summary of Graph](#)

# Cost of Coverage & Cost Sharing (Select Years)

This section focuses on employer-sponsored health insurance coverage offered to employees either as:

- **Single coverage:** an employee enrolls in health insurance coverage for only themselves; or
- **Family coverage:** an employee enrolls in health insurance coverage for themselves and other members of their family.

# Average Annual Health Insurance Premiums in Minnesota

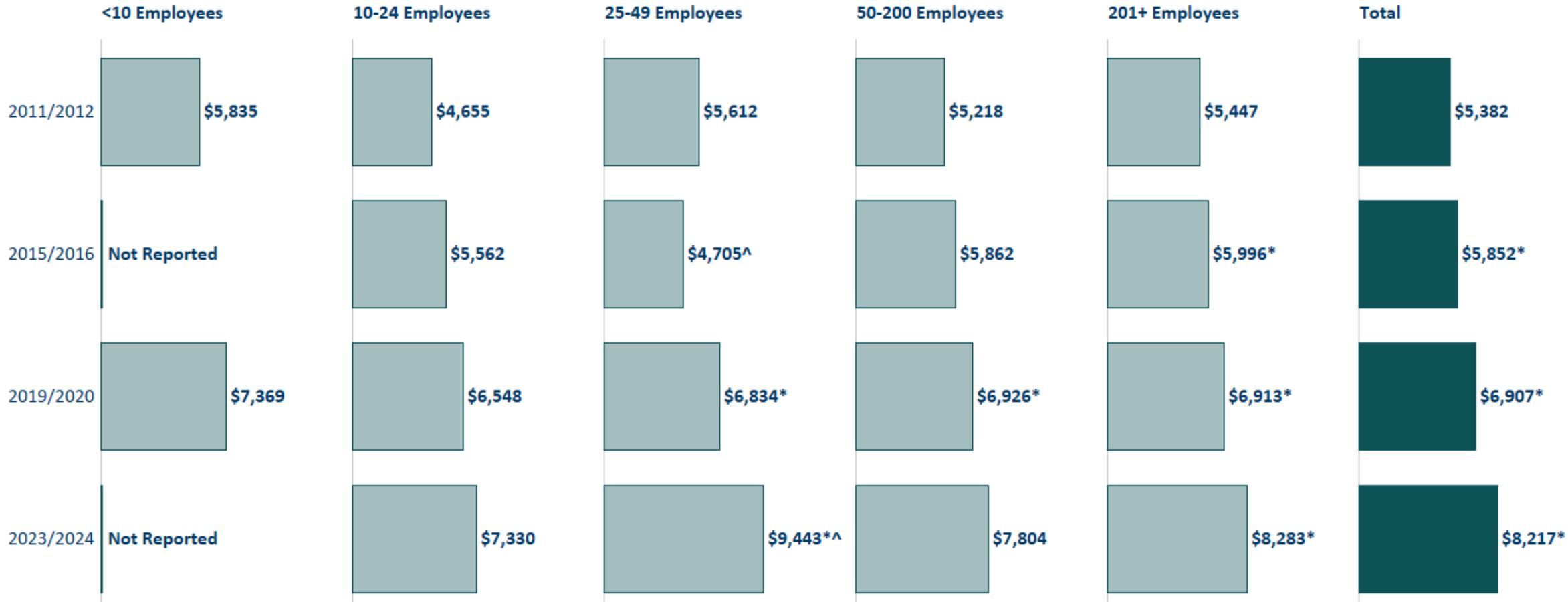


\*Indicates a significant difference (95% level) from estimates of previous time period shown.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data. Annual health insurance premiums include both the employee and employer contribution.

[Summary of Graph](#)

# Average Annual Health Insurance Premiums in Minnesota for Single Coverage, by Firm Size



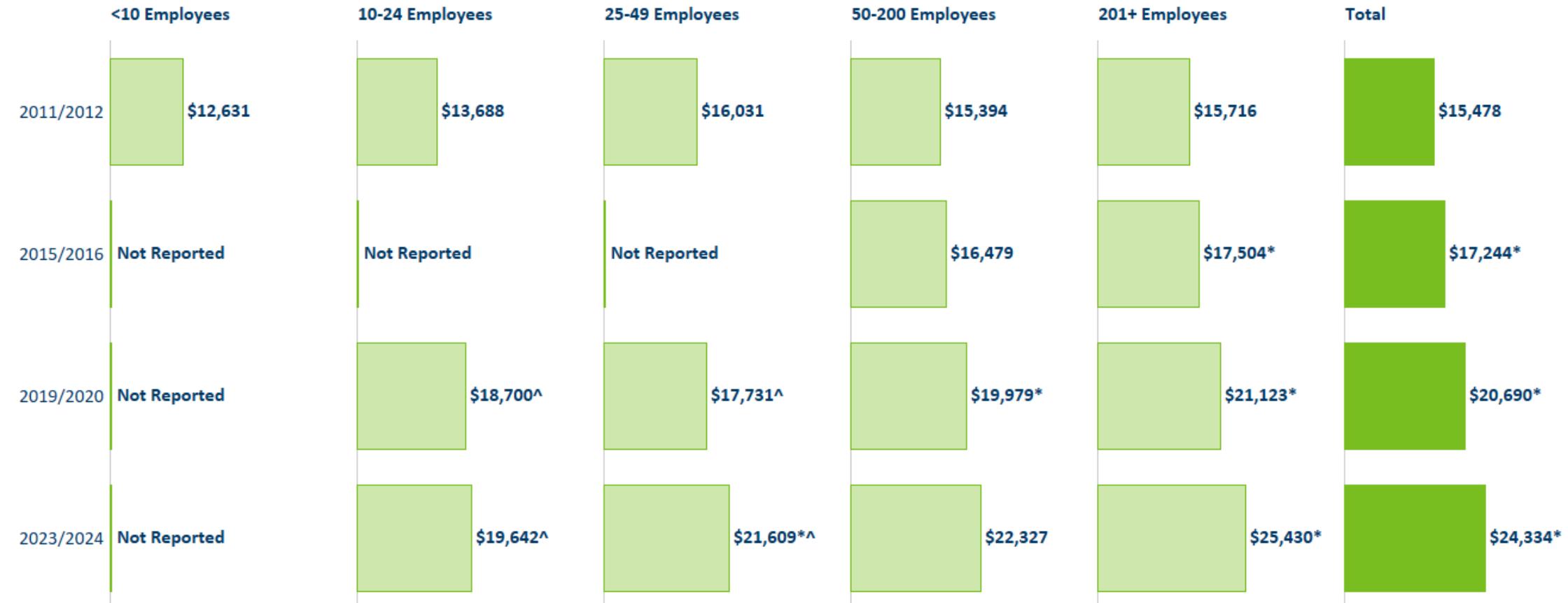
\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. "Not reported" indicates not enough data to provide results. Data presented are weighted averages of two years of data. Annual health insurance premiums include both the employee and employer contribution.

[Summary of Graph](#)

# Average Annual Health Insurance Premiums in Minnesota for Family Coverage, by Firm Size



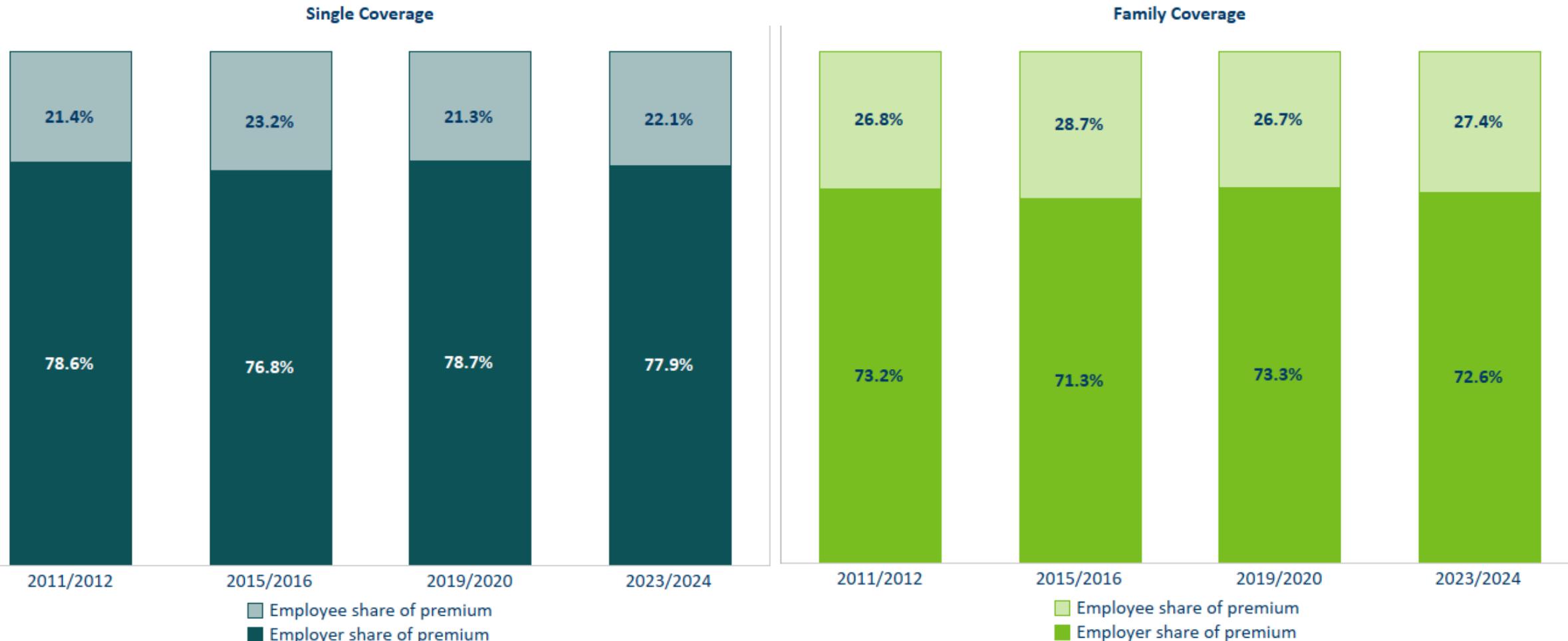
\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

^Indicates a statistically significant difference (95% level) from average of all firms within a time period.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. “Not reported” indicates not enough data to provide results. Data presented are weighted averages of two years of data. Annual health insurance premiums include both the employee and employer contribution.

[Summary of Graph](#)

# Average Employer and Employee Shares of Premiums in Minnesota

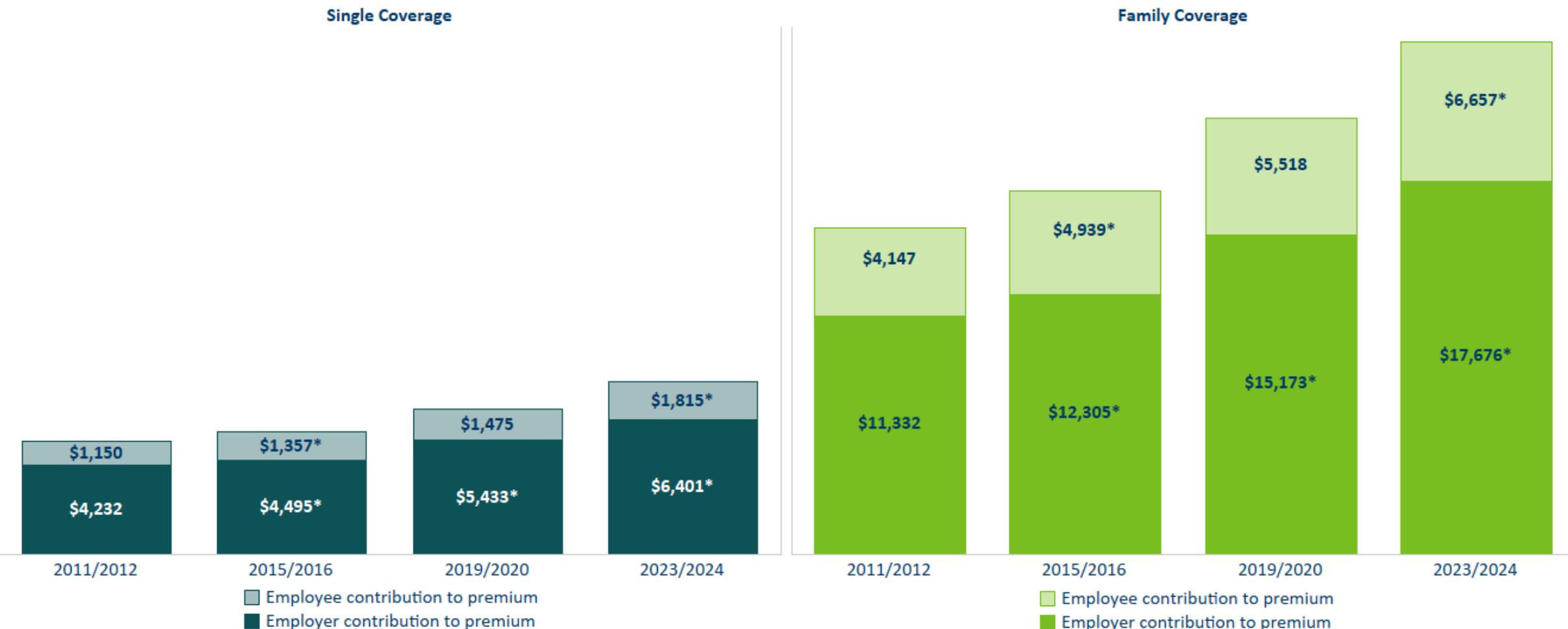


\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data.

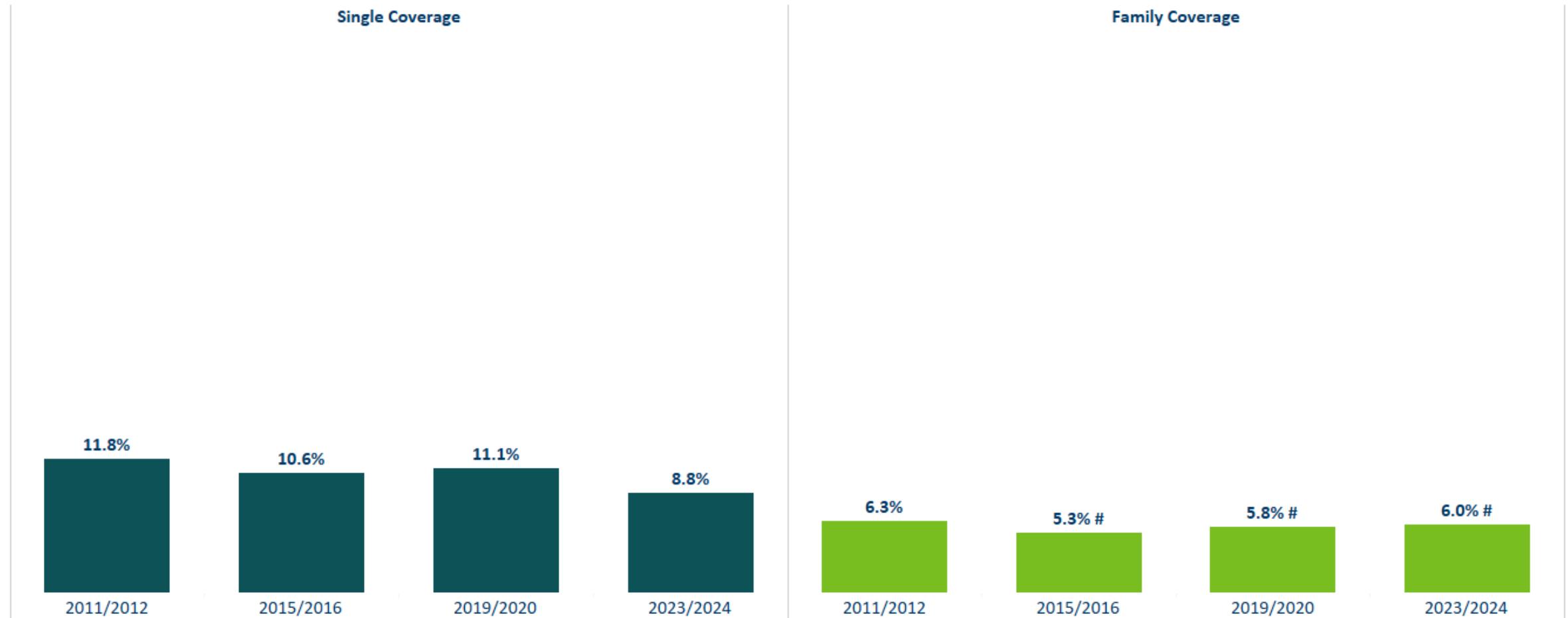
[Summary of Graph](#)

# Average Annual Employee and Employer Contribution to Premiums in Minnesota



[Summary of Graph](#)

# Percentage of Enrollees Whose Employer Pays 100 Percent of Premiums in Minnesota

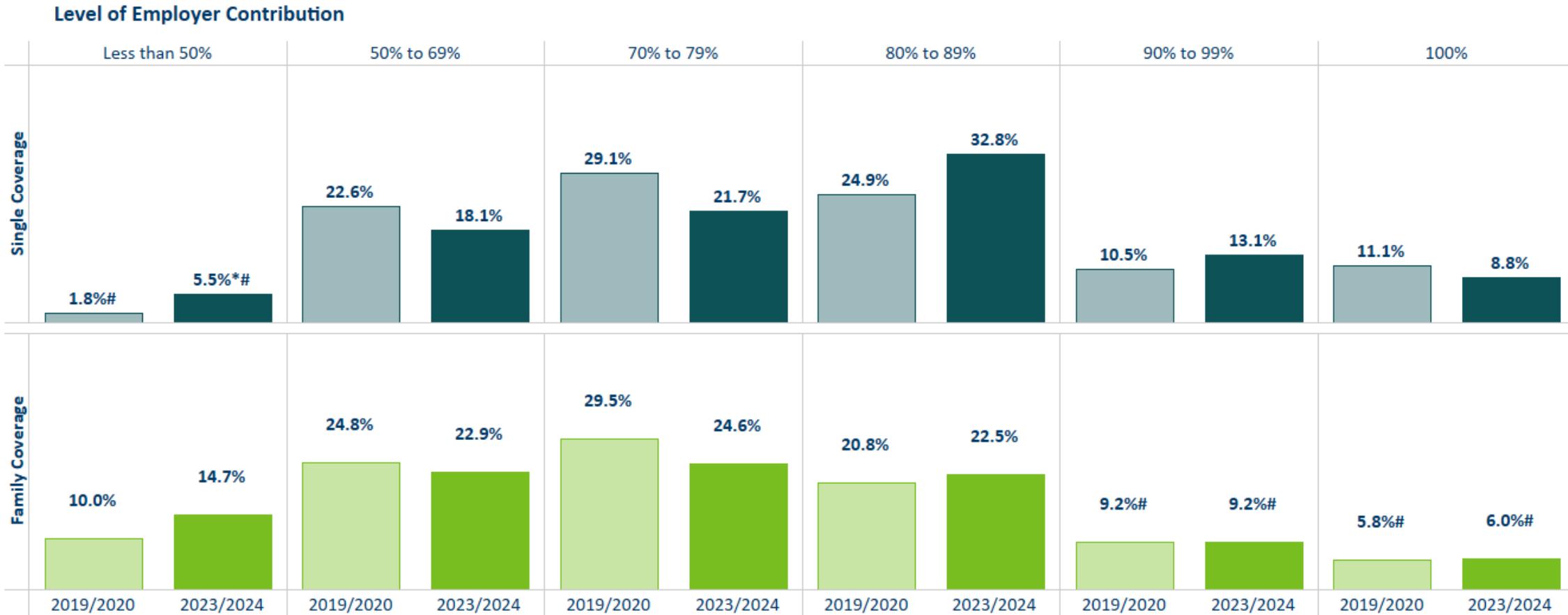


#Indicates figures does not meet MEPS survey standard of reliability or precision.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Distribution of Minnesotans with Employer Coverage by Level of Employer Contribution



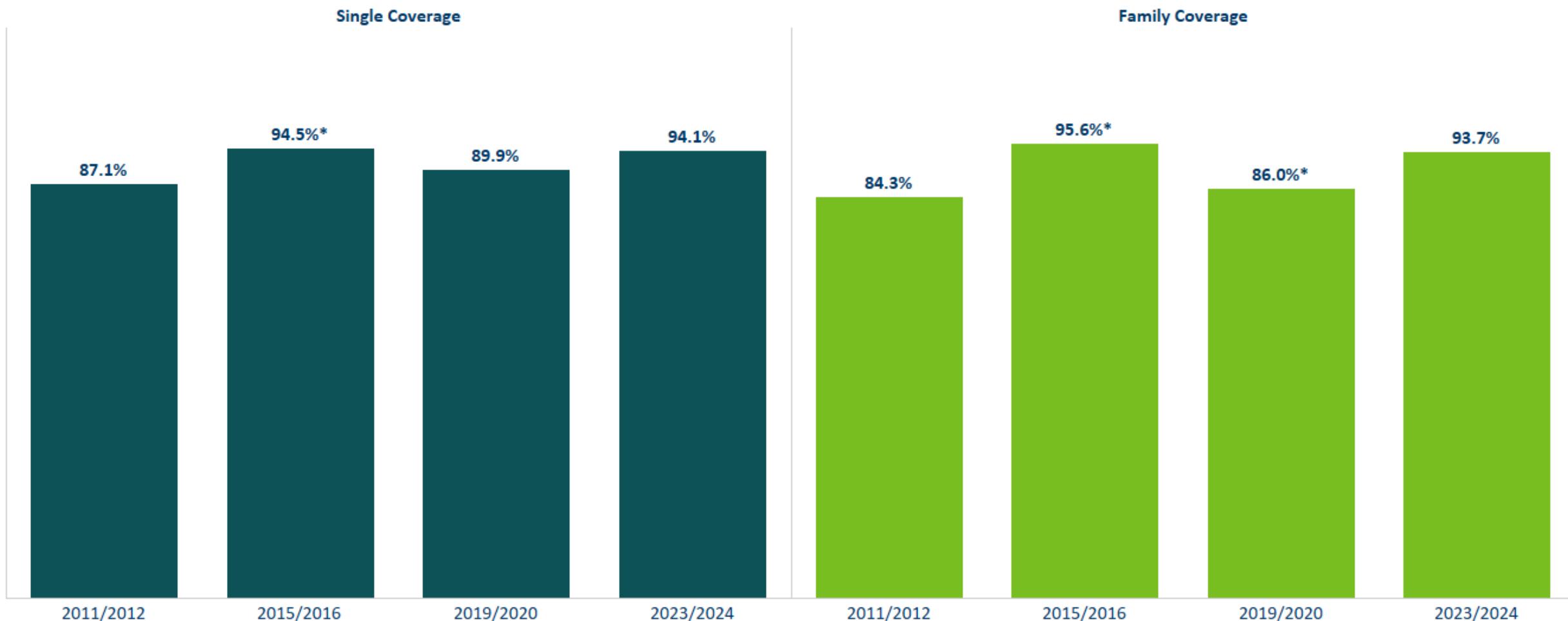
#Indicates figure does not meet MEPS survey standard of reliability or precision.

\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data. For purposes of this survey, we estimate the number of Minnesotans enrolled in single coverage at approximately 739,000 in 2019/2020 and 663,000 in 2023/2024; we estimate the number of Minnesotans enrolled with family coverage at approximately 402,000 in 2019/2020 and 287,000 in 2023/2024; a single enrollment in Family coverage counts only the enrollee, not the additional family members enrolled.

[Summary of Graph](#)

# Percentage of Employees Enrolled in a Health Plan with a Deductible

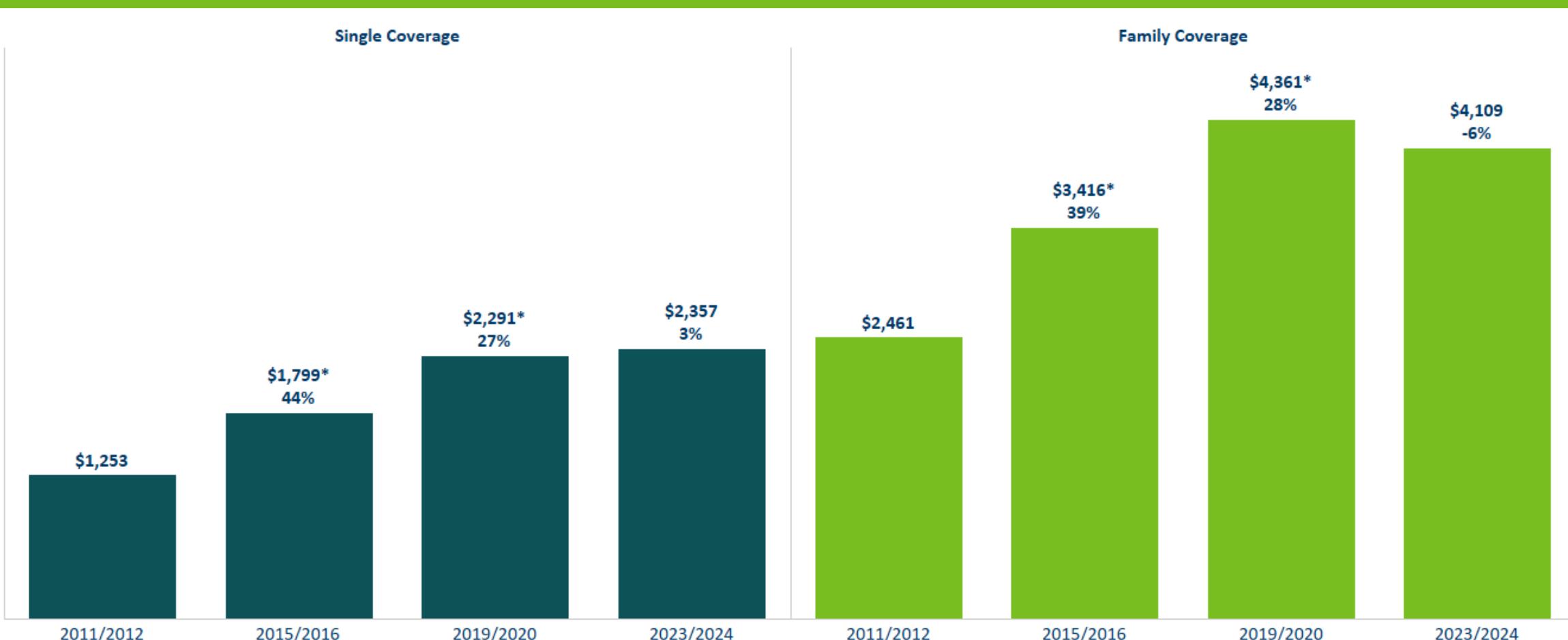


\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Average Deductible and Percentage Growth for Individuals with Employer Coverage



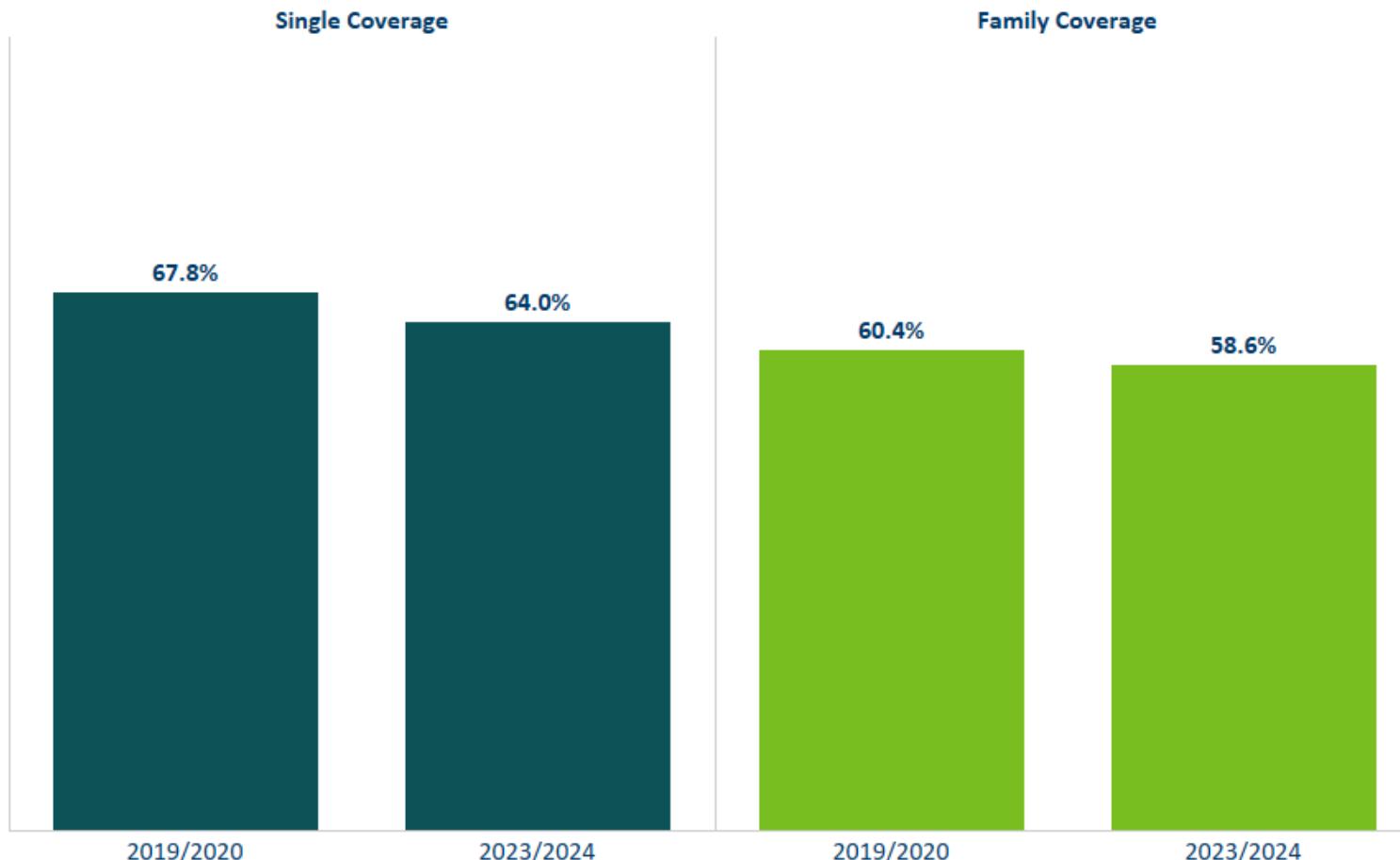
\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown.

Percentage growth is based on the deductible from the prior year shown in this graph (e.g., the change in single coverage between 2019/2020 and 2023/2024 was 3%). Survey data (not shown) indicate that family deductibles peaked in 2020, declined over the following two years, and began trending upward again in 2023 and 2024.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

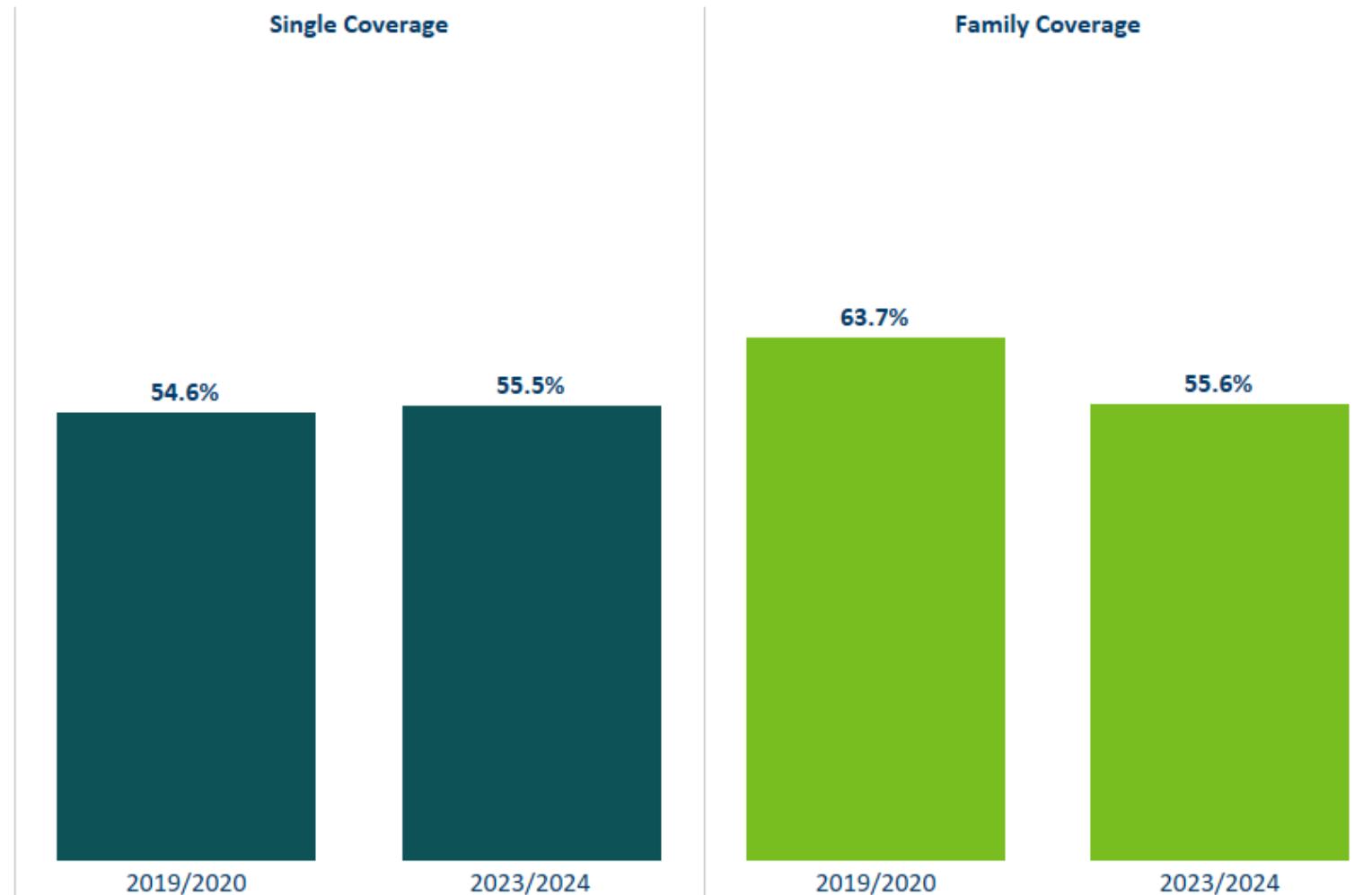
# Percentage of Minnesotans Enrolled in a High Deductible Health Plan (HDHP)



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data not reported prior to 2016 on the MEPS website. Data presented are weighted averages of two years of data. Plans are classified as "high deductible" if the deductible met or exceeded the Internal Revenue Service (IRS) threshold for a high deductible in a given year. For 2023, minimum deductibles were \$1,500 per individual/\$3,000 per family to qualify as a high deductible health plan. For 2024, minimum deductibles were \$1,600 per individual/\$3,200 per family to qualify as a high deductible health plan.

[Summary of Graph](#)

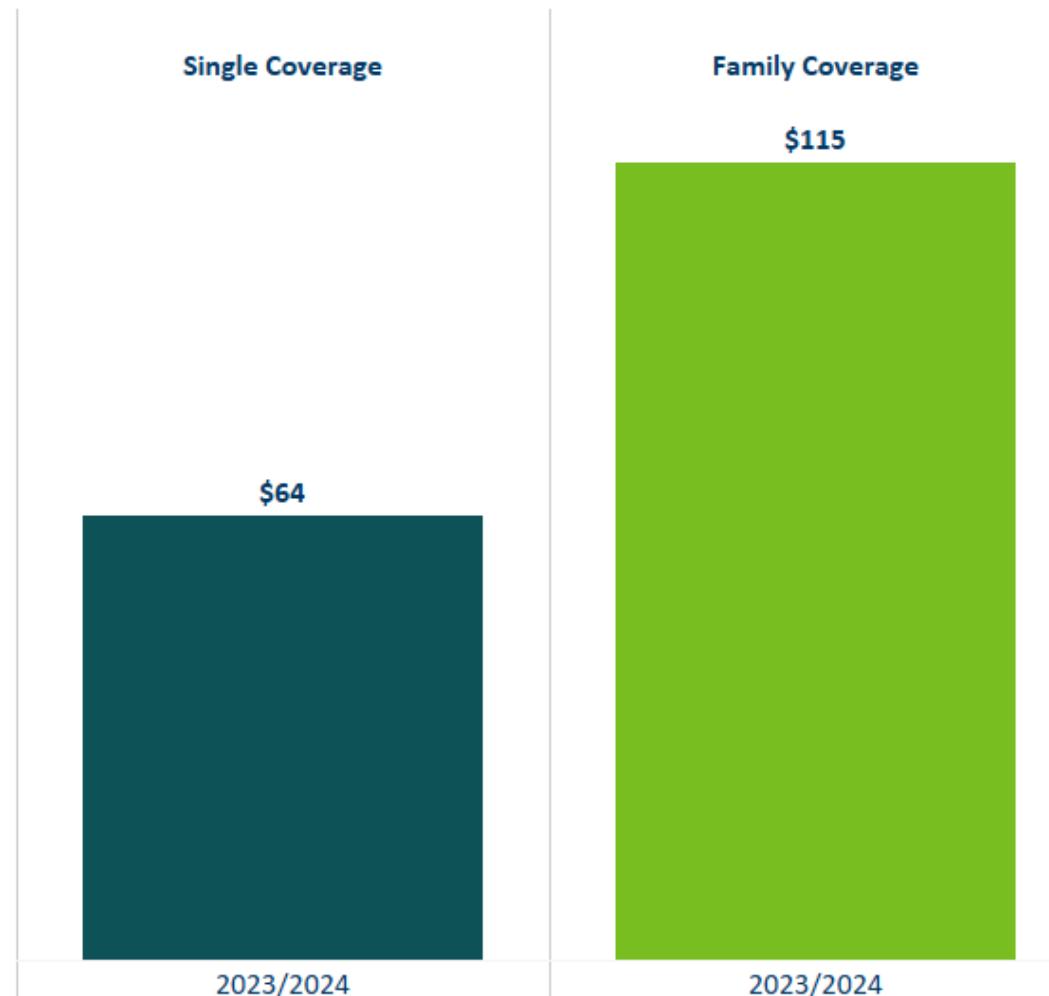
# Percentage of Minnesotans Enrolled in a High Deductible Health Plan with Employer Contributions to an HSA or HRA



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data not available prior to 2016. Data presented are weighted averages of two years of data. An HSA is a Health Savings Account and an HRA is a Health Reimbursement Account.

[Summary of Graph](#)

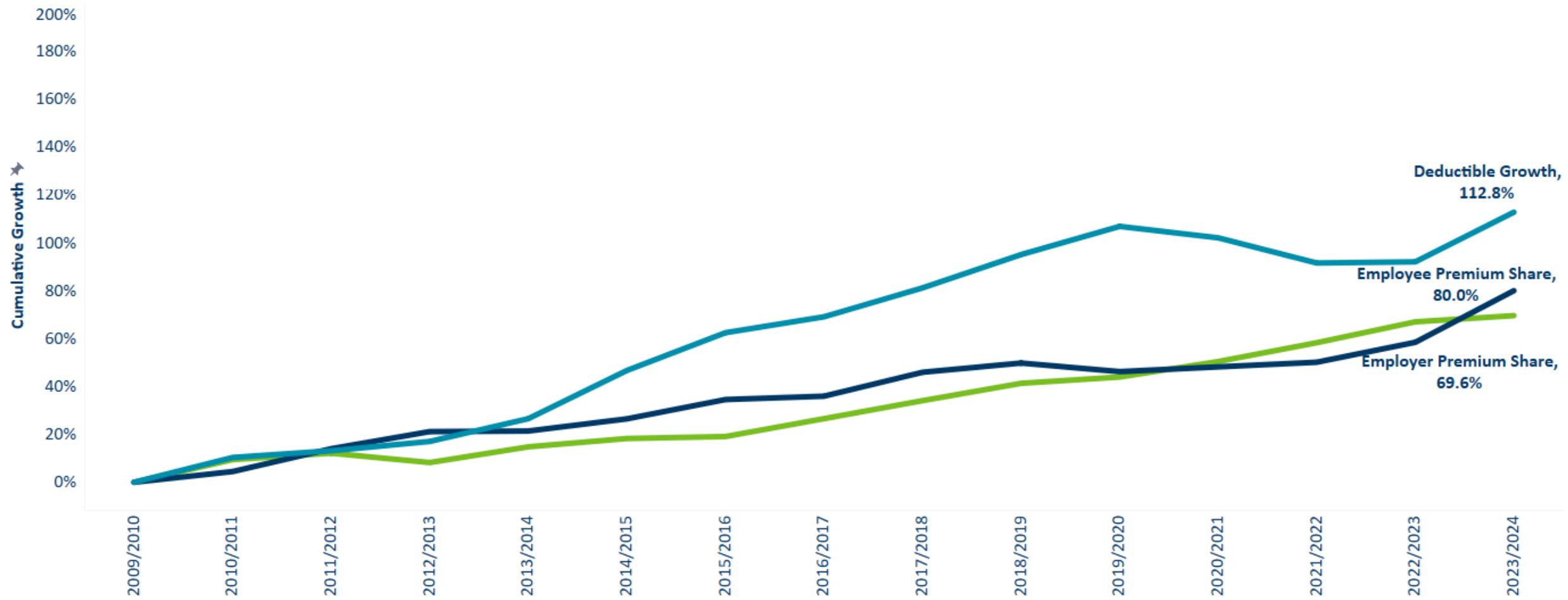
# Average Monthly Employer Contribution to an HSA or HRA



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data not available prior to 2020. Data presented are weighted averages of two years of data. An HSA is a Health Savings Account and an HRA is a Health Reimbursement Account.

[Summary of Graph](#)

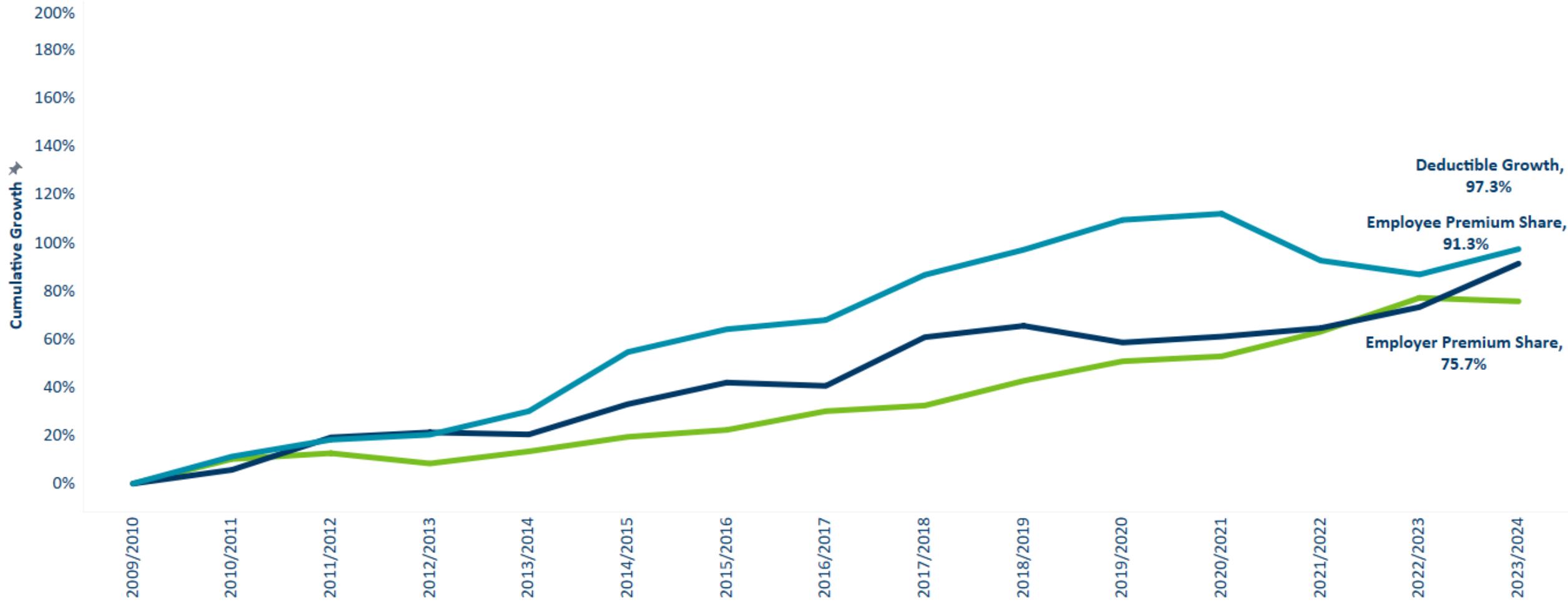
# Cumulative Growth Rates of Premiums and Deductibles for Single Coverage



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Cumulative Growth Rates of Premiums and Deductibles for Family Coverage



Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

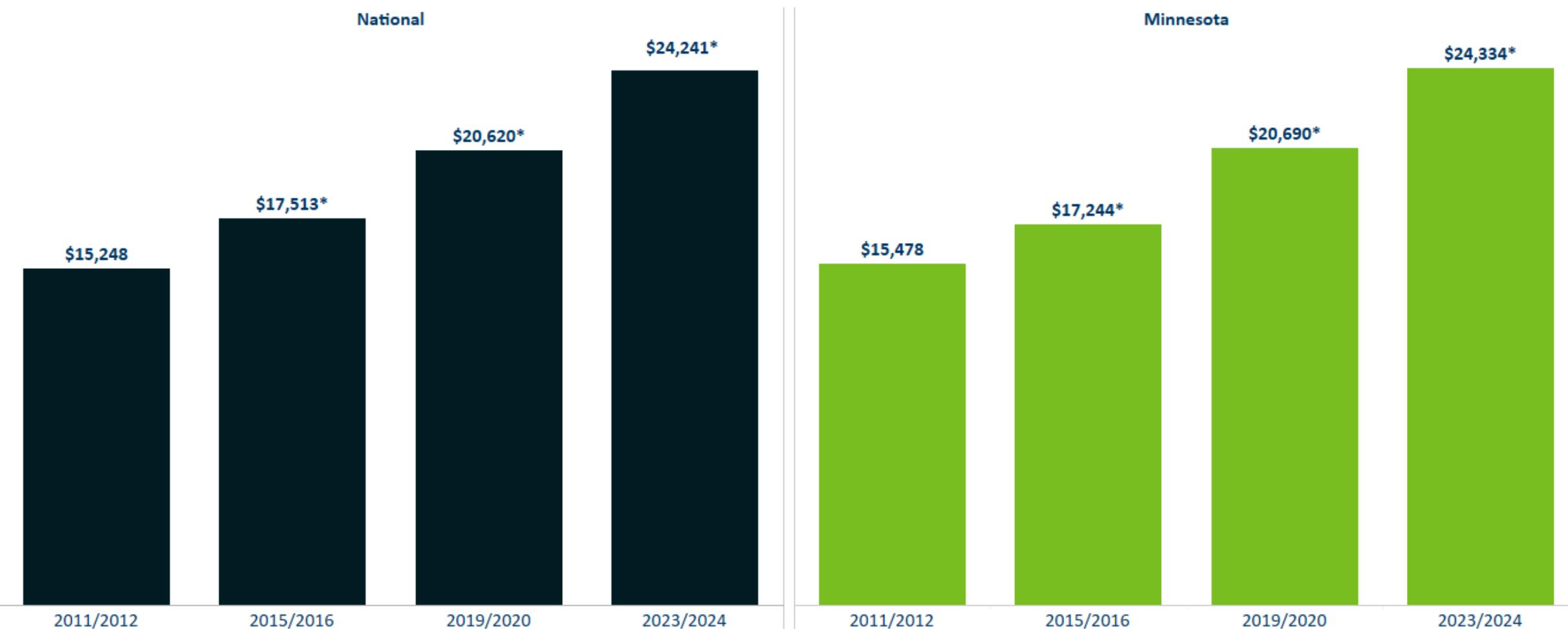
[Summary of Graph](#)



# National and Minnesota Premium, Deductible, and Out-of-Pocket Comparisons

This section focuses on comparing National and Minnesota employer-sponsored health insurance coverage offered to employees as family coverage (an employee enrolls in health insurance coverage for themselves and other members of their family) for premiums, deductibles, and out-of-pocket costs.

# Average Annual Health Insurance Premiums for Family Coverage

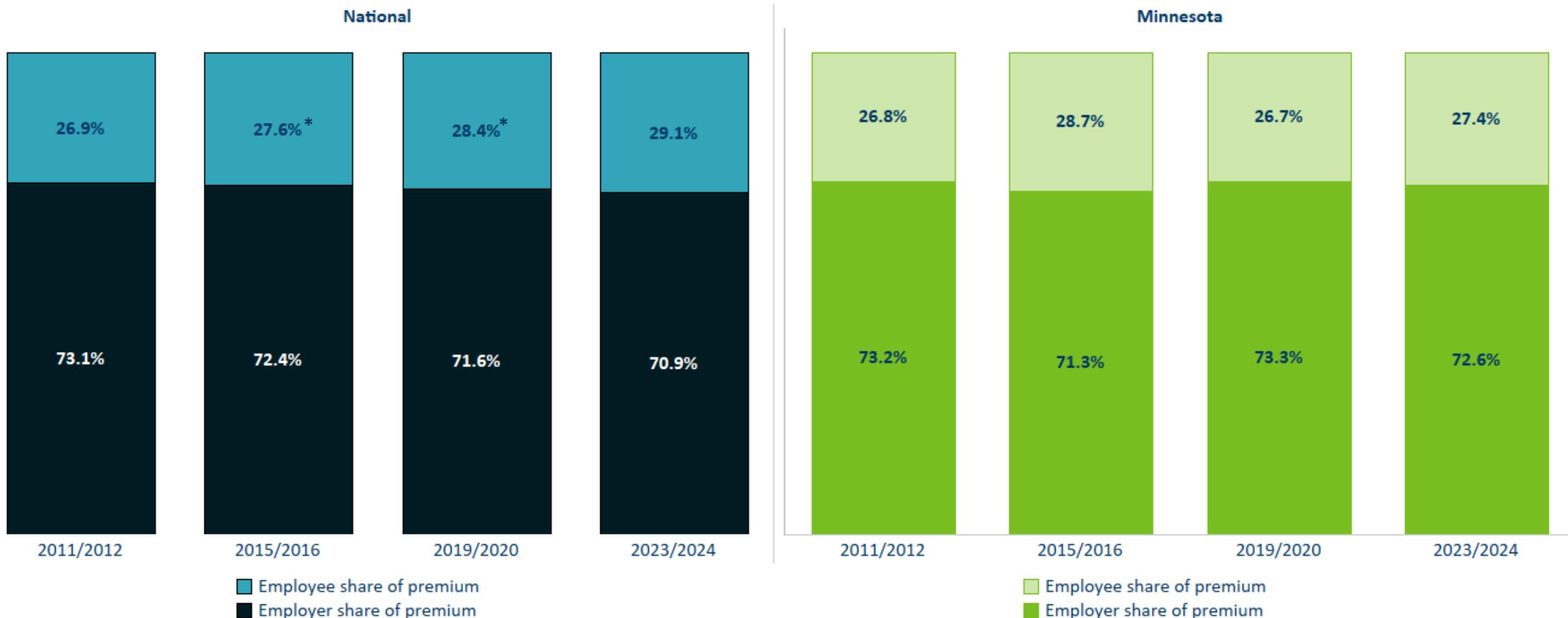


\*Indicates a significant difference (95% level) from estimates of previous time period shown. There was no significant difference between National and Minnesota figures.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data. Annual health insurance premiums include both the employee and employer contribution.

[Summary of Graph](#)

# Average Employer and Employee Shares of Premiums for Family Coverage

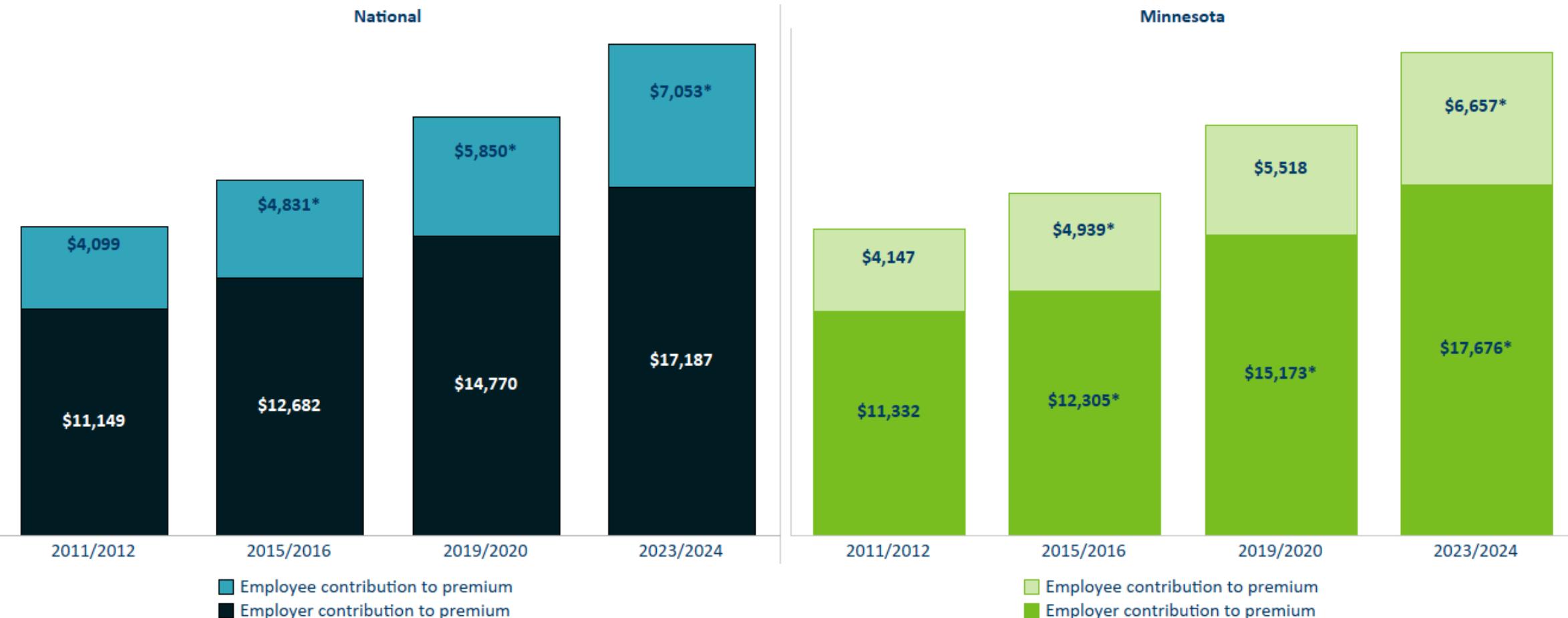


\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown. There was no significant difference between National and Minnesota figures.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one coverage. Data presented are weighted averages of two years of data. Standard errors are not available for national employer contribution to premiums.

[Summary of Graph](#)

# Average Annual Employee and Employer Contribution to Premiums for Family Coverage

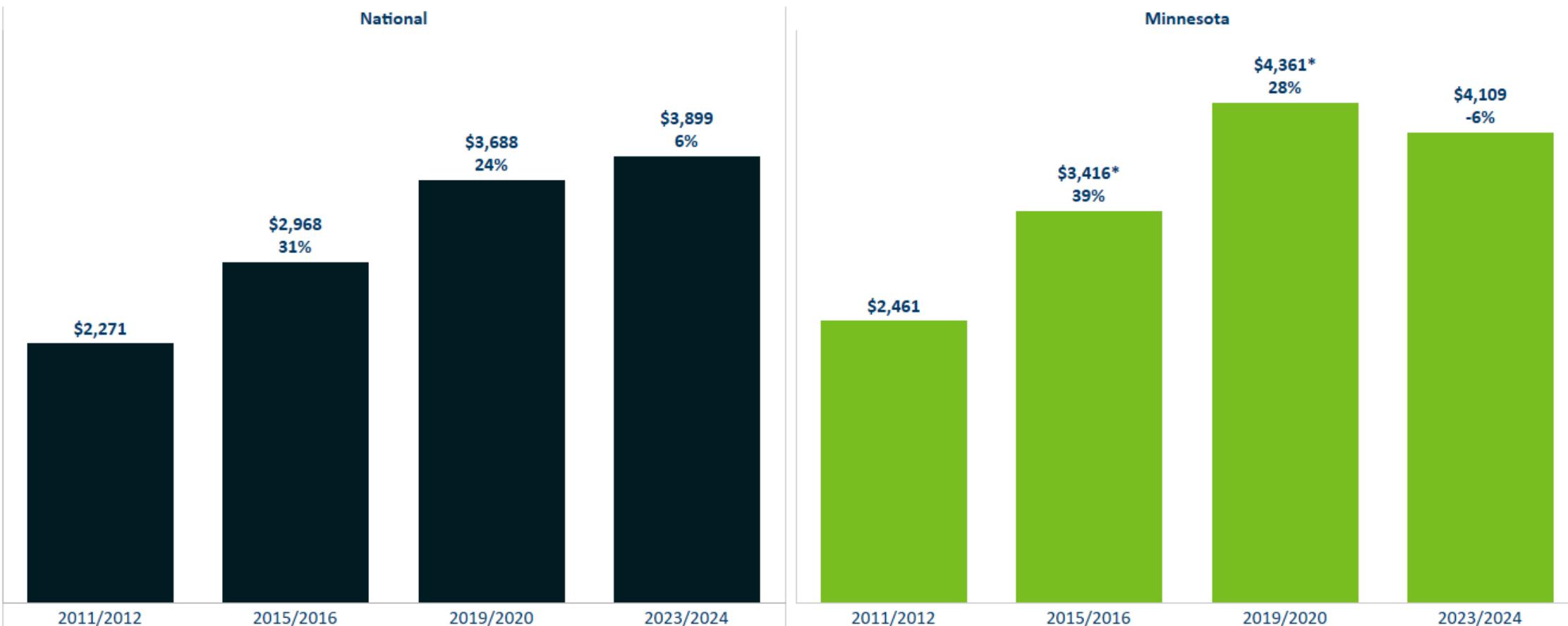


\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown. There was no significant difference between National and Minnesota employee contribution figures.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Family coverage excludes employee-plus-one. Data presented are weighted averages of two years of data. Standard errors are not available for the national employer contribution to premiums.

[Summary of Graph](#)

# Average Deductible and Percentage Growth for Individuals with Employer Family Coverage

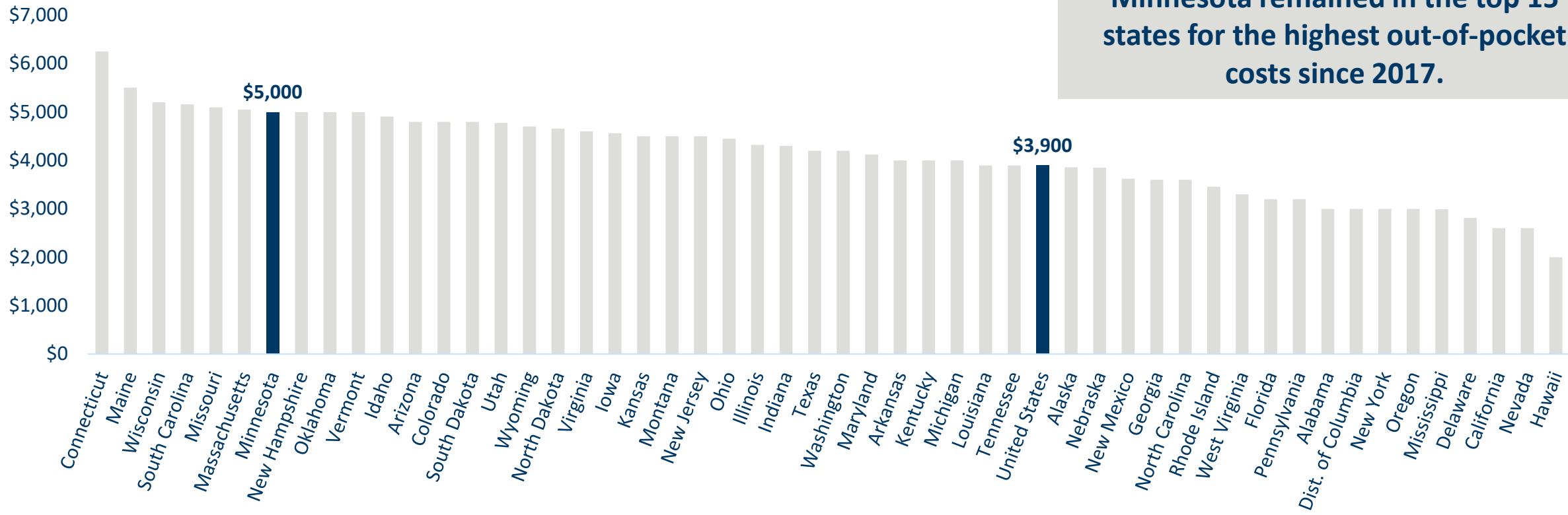


\*Indicates a statistically significant difference (95% level) from estimate of previous time period shown. There was no significant difference between National and Minnesota figures. Percentage growth is based on the deductible from the prior year shown in this graph (e.g., the growth in national family coverage between 2019/2020 and 2023/2024 was 6%). Survey data (not shown) indicate that Minnesota family deductibles peaked in 2020, declined over the following two years, and began trending upward again in 2023 and 2024.

Source: MDH analysis of data for private employers from the Agency for Healthcare Research and Quality, Medical Expenditure Panel Survey-Insurance Component. Data presented are weighted averages of two years of data.

[Summary of Graph](#)

# Median Medical Out-of-Pocket Spending for Individuals with Family Coverage, 2024



Minnesota remained in the top 15 states for the highest out-of-pocket costs since 2017.

Data includes the employee share of premiums, and medical expenses not covered by their medical plan (i.e., out-of-pocket medical costs and over-the-counter medical costs) based on individuals with family coverage.

Source: SHADAC analysis of the Current Population Survey's Annual Social and Economic Supplements (CPS) public use microdata files, State Health Compare, SHADAC, University of Minnesota, statehealthcompare.shadac.org, Accessed November 14, 2025. The calculated margin of error (MOE) is 95% and represents the uncertainty of an estimate due to sampling variability. For this data, the MOE varies by each state and the United States; for Minnesota, the MOE in 2023 is \$661.50. The 2024 median estimate for Minnesota indicates an upward trend from 2023.

[Summary of Graph](#)

# Additional Information from the Health Economics Program Available Online

- Health Economics Program Home Page  
([www.health.state.mn.us/data/economics/index.html](http://www.health.state.mn.us/data/economics/index.html))
- Publications ([publications.web.health.state.mn.us](http://publications.web.health.state.mn.us))
- Health Care Market Statistics (Chartbook Updates)  
([www.health.state.mn.us/data/economics/chartbook/index.html](http://www.health.state.mn.us/data/economics/chartbook/index.html))
- Agency for Healthcare Research and Quality-Medical Expenditure Panel Survey Methodology  
([http://meps.ahrq.gov/mepsweb/survey\\_comp/ic\\_technical\\_notes.shtml#estimation](http://meps.ahrq.gov/mepsweb/survey_comp/ic_technical_notes.shtml#estimation))
- Chartbook 3 Supplement (PDF)  
(<https://www.health.state.mn.us/data/economics/chartbook/docs/section3supp.pdf>)

A summary of the charts and graphs contained within is provided at [Chartbook Summaries – Section 3](https://www.health.state.mn.us/data/economics/chartbook/summaries/section3summaries.html) (<https://www.health.state.mn.us/data/economics/chartbook/summaries/section3summaries.html>). Direct links are listed on each page. Please contact the Health Economics Program at [health.hep@state.mn.us](mailto:health.hep@state.mn.us) if additional assistance is needed for accessing this information.