

# Memo



**Date:** October 18, 2010

**To:** John Gross  
Chair, Small Group Insurance Market Working Group of the  
Legislative Commission on Health Care Access

**From:** Stefan Gildemeister                      c.c.: April Todd-Malmlov  
Assistant Director                                      Director  
Health Economics Program                              Health Economics Program

**Subject:** **Request for additional information by the working group at its September 23, 2010 meeting**

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During the hearing of the working group on September 23, 2010, workgroup members requested additional information as input into their deliberations. This memo provides this information to the extent that it is available:

## **1. Distribution of establishment and employment by firm size**

Information was provided to the workgroup on labor market data describing trends in employment and the number of establishments in Minnesota by broad firm sizes. Tables 1 and 2 present this data at finer levels of disaggregation.

## **2. Significance testing of estimates**

Data presented at the hearing was based on preliminary information obtained from the federal Agency for Health Care Research and Quality (AHRQ), which did not allow for testing of statistical significance. The enclosed copy of the presentation slides includes statistical tests of significance between estimates over time and across firm sizes. Specifically, on slide 13, members had been interested in the decline of the rate at which employees in firm with 50 to 99 employees were eligible for employer coverage.<sup>1</sup> The decline in the estimate between the two time periods is not statistically significant; however, the decline in the estimate for the smallest firms is.

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<sup>1</sup> Data from the survey is only available in pre-defined firm size categories. In other words, although the working group is likely more interested in firm sizes that directly match Minnesota's small group market (2 to 50 employees), that information is unfortunately not available.

### **3. Distribution of health insurance premium**

In response to estimates of the average cost of health insurance coverage (slides 15 and 17), workgroup members expressed an interest in seeing the degree of variability around those averages. Unfortunately, AHRQ was not able to make this data available for Minnesota, primarily because of sample size restrictions. Figures 1 and 2 present *national* data from an alternative data source.

### **4. Distribution of the share of premium paid for by employees**

In response to estimates of the average share of premium that *enrollees* in Minnesota are responsible for (slides 16 and 18), workgroup members were interested in seeing the distribution of these shares. Again, because of insufficient sample size for this data at the state level, this information was not made available by federal agencies. Relying again on alternative data sources, Figure 3 presents the distribution of the percentage of the premium paid by covered workers for the nation overall.

### **5. Disaggregating the reporting category of firms with 51 to 100 employees**

In response to information on offer, eligibility and take-up rates of employer-sponsored health insurance coverage by firm size (slides 11 through 19 of the enclosed presentation), workgroup members expressed an interest in exploring this information for separate groups of firms within the broader category of employers with 50 to 100 employees. Again, because the estimates are drawn from a sample of employers and further disaggregation would not produce reliable estimates, AHRQ was unable to provide MDH with additional detail to fulfill workgroup members' request in this area.

### **6. Public Employer Health Benefits**

Lastly, workgroup members were also interested in comparing estimates for Minnesota's firms to those from the public sector in the state. Unfortunately, recent information comparable to that provided to workgroup members on private employers is not available for public employers in Minnesota.

**Table 1: Trends in the Number of Private Establishments in Minnesota, by Firm Size**

**Totals by Firm**

Size	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>1</b>	27,509	27,024	28,686	28,511	28,110	29,102	30,923	28,260	31,209	32,375	33,973	30,157
<b>2-10</b>	59,144	58,818	59,120	59,238	60,112	60,933	61,391	63,278	63,972	62,720	60,848	58,970
<b>11-25</b>	16,216	16,271	16,385	16,787	16,744	16,707	16,906	17,123	16,751	16,682	16,387	15,999
<b>26-50</b>	7,992	7,929	8,023	8,063	7,959	8,037	8,101	8,375	8,402	8,268	8,129	7,929
<b>51-60</b>	1,533	1,625	1,640	1,724	1,769	1,775	1,897	1,773	1,811	1,828	1,694	1,759
<b>61-80</b>	2,335	2,336	2,493	2,332	2,260	2,401	2,416	2,575	2,557	2,627	2,605	2,389
<b>81-100</b>	1,650	1,708	1,654	1,665	1,993	1,937	1,799	1,951	2,028	1,931	1,762	1,934
<b>101+</b>	17,735	18,688	19,671	20,342	20,890	21,890	21,967	22,901	23,783	23,073	22,911	22,281
<b>1-50</b>	110,860	110,042	112,213	112,598	112,924	114,779	117,321	117,035	120,334	120,045	119,335	113,054
<b>51-100</b>	5,518	5,669	5,787	5,721	6,022	6,113	6,112	6,299	6,396	6,386	6,061	6,082
<b>101+</b>	17,735	18,688	19,671	20,342	20,890	21,890	21,967	22,901	23,783	23,073	22,911	22,281
<b>All</b>	<b>134,112</b>	<b>134,399</b>	<b>137,670</b>	<b>138,660</b>	<b>139,836</b>	<b>142,782</b>	<b>145,400</b>	<b>146,236</b>	<b>150,512</b>	<b>149,504</b>	<b>148,307</b>	<b>141,418</b>

**Distribution by**

Firm Size	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>1</b>	20.5%	20.1%	20.8%	20.6%	20.1%	20.4%	21.3%	19.3%	20.7%	21.7%	22.9%	21.3%
<b>2-10</b>	44.1%	43.8%	42.9%	42.7%	43.0%	42.7%	42.2%	43.3%	42.5%	42.0%	41.0%	41.7%
<b>11-25</b>	12.1%	12.1%	11.9%	12.1%	12.0%	11.7%	11.6%	11.7%	11.1%	11.2%	11.0%	11.3%
<b>26-50</b>	6.0%	5.9%	5.8%	5.8%	5.7%	5.6%	5.6%	5.7%	5.6%	5.5%	5.5%	5.6%
<b>51-60</b>	1.1%	1.2%	1.2%	1.2%	1.3%	1.2%	1.3%	1.2%	1.2%	1.2%	1.1%	1.2%
<b>61-80</b>	1.7%	1.7%	1.8%	1.7%	1.6%	1.7%	1.7%	1.8%	1.7%	1.8%	1.8%	1.7%
<b>81-100</b>	1.2%	1.3%	1.2%	1.2%	1.4%	1.4%	1.2%	1.3%	1.3%	1.3%	1.2%	1.4%
<b>101+</b>	13.2%	13.9%	14.3%	14.7%	14.9%	15.3%	15.1%	15.7%	15.8%	15.4%	15.4%	15.8%
<b>1-50</b>	82.7%	81.9%	81.5%	81.2%	80.8%	80.4%	80.7%	80.0%	79.9%	80.3%	80.5%	79.9%
<b>51-100</b>	4.1%	4.2%	4.2%	4.1%	4.3%	4.3%	4.2%	4.3%	4.2%	4.3%	4.1%	4.3%
<b>101+</b>	13.2%	13.9%	14.3%	14.7%	14.9%	15.3%	15.1%	15.7%	15.8%	15.4%	15.4%	15.8%
<b>All</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Percent Change to Prev. Year													Average	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Pct Change 1999 to 2009	Annual Change 1999 to 2009
<b>1</b>		-1.8%	6.1%	-0.6%	-1.4%	3.5%	6.3%	-8.6%	10.4%	3.7%	4.9%	-11.2%	11.6%	1.1%
<b>2-10</b>		-0.6%	0.5%	0.2%	1.5%	1.4%	0.8%	3.1%	1.1%	-2.0%	-3.0%	-3.1%	0.3%	0.0%
<b>11-25</b>		0.3%	0.7%	2.5%	-0.3%	-0.2%	1.2%	1.3%	-2.2%	-0.4%	-1.8%	-2.4%	-1.7%	-0.2%
<b>26-50</b>		-0.8%	1.2%	0.5%	-1.3%	1.0%	0.8%	3.4%	0.3%	-1.6%	-1.7%	-2.5%	0.0%	0.0%
<b>51-60</b>		6.0%	0.9%	5.1%	2.6%	0.4%	6.9%	-6.5%	2.2%	0.9%	-7.3%	3.8%	8.2%	0.8%
<b>61-80</b>		0.0%	6.7%	-6.5%	-3.1%	6.3%	0.6%	6.6%	-0.7%	2.8%	-0.8%	-8.3%	2.3%	0.2%
<b>81-100</b>		3.5%	-3.2%	0.7%	19.7%	-2.8%	-7.1%	8.4%	3.9%	-4.8%	-8.7%	9.7%	13.2%	1.2%
<b>101+</b>		5.4%	5.3%	3.4%	2.7%	4.8%	0.3%	4.3%	3.8%	-3.0%	-0.7%	-2.7%	19.2%	1.8%
<b>1-50</b>		-0.7%	2.0%	0.3%	0.3%	1.6%	2.2%	-0.2%	2.8%	-0.2%	-0.6%	-5.3%	2.7%	0.3%
<b>51-100</b>		2.7%	2.1%	-1.1%	5.3%	1.5%	0.0%	3.1%	1.5%	-0.2%	-5.1%	0.3%	7.3%	0.7%
<b>101+</b>		5.4%	5.3%	3.4%	2.7%	4.8%	0.3%	4.3%	3.8%	-3.0%	-0.7%	-2.7%	19.2%	1.8%
<b>All</b>		<b>0.2%</b>	<b>2.4%</b>	<b>0.7%</b>	<b>0.8%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>0.6%</b>	<b>2.9%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>-4.6%</b>	<b>5.2%</b>	<b>0.5%</b>

Source: MDH analysis of data from the Minnesota Department of Employment and Economic Development  
 Firm size is defined by the number of employees across all establishments, not counting the business owner.

**Table 2: Trends in Employment in Minnesota Private Establishments, by Firm Size**

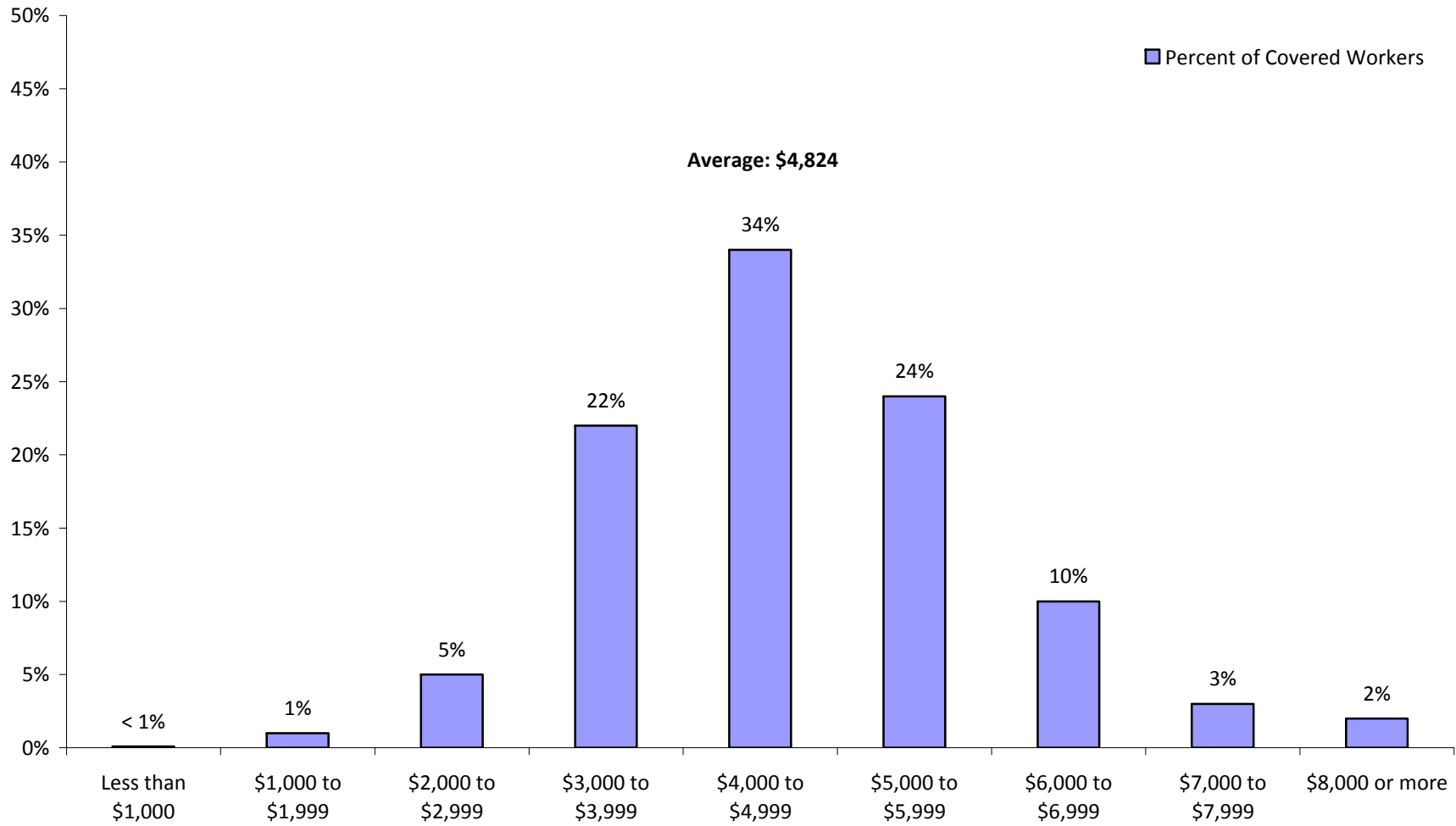
Totals by Firm												
Size	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>1</b>	22,106	21,928	22,807	23,142	22,326	23,418	23,901	23,110	26,721	26,251	26,255	23,872
<b>2-10</b>	243,967	243,826	246,100	246,505	250,216	251,183	253,120	255,034	259,162	251,914	244,298	236,069
<b>11-25</b>	235,268	237,412	240,660	244,612	244,641	245,787	248,006	247,391	242,935	242,189	238,105	230,446
<b>26-50</b>	206,961	209,231	212,573	214,944	213,408	212,891	216,035	218,945	221,843	218,637	217,534	207,174
<b>51-60</b>	54,559	56,104	59,472	58,057	58,277	60,314	58,834	59,831	59,502	60,809	59,808	61,217
<b>61-80</b>	86,414	90,429	90,888	93,190	90,108	90,982	91,118	91,778	92,435	96,682	94,388	87,938
<b>81-100</b>	71,483	72,227	72,325	73,070	75,409	74,119	75,683	76,867	78,430	74,210	77,968	73,626
<b>101+</b>	1,237,208	1,278,892	1,315,819	1,289,361	1,258,785	1,249,332	1,265,857	1,294,245	1,322,121	1,346,773	1,347,164	1,277,160
<b>1-50</b>	708,301	712,398	722,140	729,203	730,591	733,279	741,061	744,481	750,660	738,992	726,192	697,560
<b>51-100</b>	212,456	218,760	222,685	224,317	223,794	225,416	225,635	228,476	230,367	231,702	232,165	222,781
<b>101+</b>	1,237,208	1,278,892	1,315,819	1,289,361	1,258,785	1,249,332	1,265,857	1,294,245	1,322,121	1,346,773	1,347,164	1,277,160
<b>All</b>	<b>2,157,964</b>	<b>2,210,049</b>	<b>2,260,644</b>	<b>2,242,882</b>	<b>2,213,169</b>	<b>2,208,027</b>	<b>2,232,553</b>	<b>2,267,202</b>	<b>2,303,148</b>	<b>2,317,466</b>	<b>2,305,520</b>	<b>2,197,502</b>

Distribution by Firms Size												
by Firms Size	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>1</b>	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%	1.0%	1.2%	1.1%	1.1%	1.1%
<b>2-10</b>	11.3%	11.0%	10.9%	11.0%	11.3%	11.4%	11.3%	11.2%	11.3%	10.9%	10.6%	10.7%
<b>11-25</b>	10.9%	10.7%	10.6%	10.9%	11.1%	11.1%	11.1%	10.9%	10.5%	10.5%	10.3%	10.5%
<b>26-50</b>	9.6%	9.5%	9.4%	9.6%	9.6%	9.6%	9.7%	9.7%	9.6%	9.4%	9.4%	9.4%
<b>51-60</b>	2.5%	2.5%	2.6%	2.6%	2.6%	2.7%	2.6%	2.6%	2.6%	2.6%	2.6%	2.8%
<b>61-80</b>	4.0%	4.1%	4.0%	4.2%	4.1%	4.1%	4.1%	4.0%	4.0%	4.2%	4.1%	4.0%
<b>81-100</b>	3.3%	3.3%	3.2%	3.3%	3.4%	3.4%	3.4%	3.4%	3.4%	3.2%	3.4%	3.4%
<b>101+</b>	57.3%	57.9%	58.2%	57.5%	56.9%	56.6%	56.7%	57.1%	57.4%	58.1%	58.4%	58.1%
<b>1-50</b>	32.8%	32.2%	31.9%	32.5%	33.0%	33.2%	33.2%	32.8%	32.6%	31.9%	31.5%	31.7%
<b>51-100</b>	9.8%	9.9%	9.9%	10.0%	10.1%	10.2%	10.1%	10.1%	10.0%	10.0%	10.1%	10.1%
<b>101+</b>	57.3%	57.9%	58.2%	57.5%	56.9%	56.6%	56.7%	57.1%	57.4%	58.1%	58.4%	58.1%
<b>All</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Percent Change to Prev. Year													Average	
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Pct Change 1999 to 2009	Annual Change 1999 to 2009
<b>1</b>		-0.8%	4.0%	1.5%	-3.5%	4.9%	2.1%	-3.3%	15.6%	-1.8%	0.0%	-9.1%	8.9%	0.9%
<b>2-10</b>		-0.1%	0.9%	0.2%	1.5%	0.4%	0.8%	0.8%	1.6%	-2.8%	-3.0%	-3.4%	-3.2%	-0.3%
<b>11-25</b>		0.9%	1.4%	1.6%	0.0%	0.5%	0.9%	-0.2%	-1.8%	-0.3%	-1.7%	-3.2%	-2.9%	-0.3%
<b>26-50</b>		1.1%	1.6%	1.1%	-0.7%	-0.2%	1.5%	1.3%	1.3%	-1.4%	-0.5%	-4.8%	-1.0%	-0.1%
<b>51-60</b>		2.8%	6.0%	-2.4%	0.4%	3.5%	-2.5%	1.7%	-0.5%	2.2%	-1.6%	2.4%	9.1%	0.9%
<b>61-80</b>		4.6%	0.5%	2.5%	-3.3%	1.0%	0.7%	0.7%	4.6%	4.6%	-2.4%	-6.8%	-2.8%	-0.3%
<b>81-100</b>		1.0%	0.1%	1.0%	3.2%	-1.7%	2.1%	1.6%	2.0%	-5.4%	5.1%	-5.6%	1.9%	0.2%
<b>101+</b>		3.4%	2.9%	-2.0%	-2.4%	-0.8%	1.3%	2.2%	2.2%	1.9%	0.0%	-5.2%	-0.1%	0.0%
<b>1-50</b>		0.6%	1.4%	1.0%	0.2%	0.4%	1.1%	0.5%	0.8%	-1.6%	-1.7%	-3.9%	-2.1%	-0.2%
<b>51-100</b>		3.0%	1.8%	0.7%	-0.2%	0.7%	0.1%	1.3%	0.8%	0.6%	0.2%	-4.0%	1.8%	0.2%
<b>101+</b>		3.4%	2.9%	-2.0%	-2.4%	-0.8%	1.3%	2.2%	2.2%	1.9%	0.0%	-5.2%	-0.1%	0.0%
<b>All</b>		<b>2.4%</b>	<b>2.3%</b>	<b>-0.8%</b>	<b>-1.3%</b>	<b>-0.2%</b>	<b>1.1%</b>	<b>1.6%</b>	<b>1.6%</b>	<b>0.6%</b>	<b>-0.5%</b>	<b>-4.7%</b>	<b>-0.6%</b>	<b>-0.1%</b>

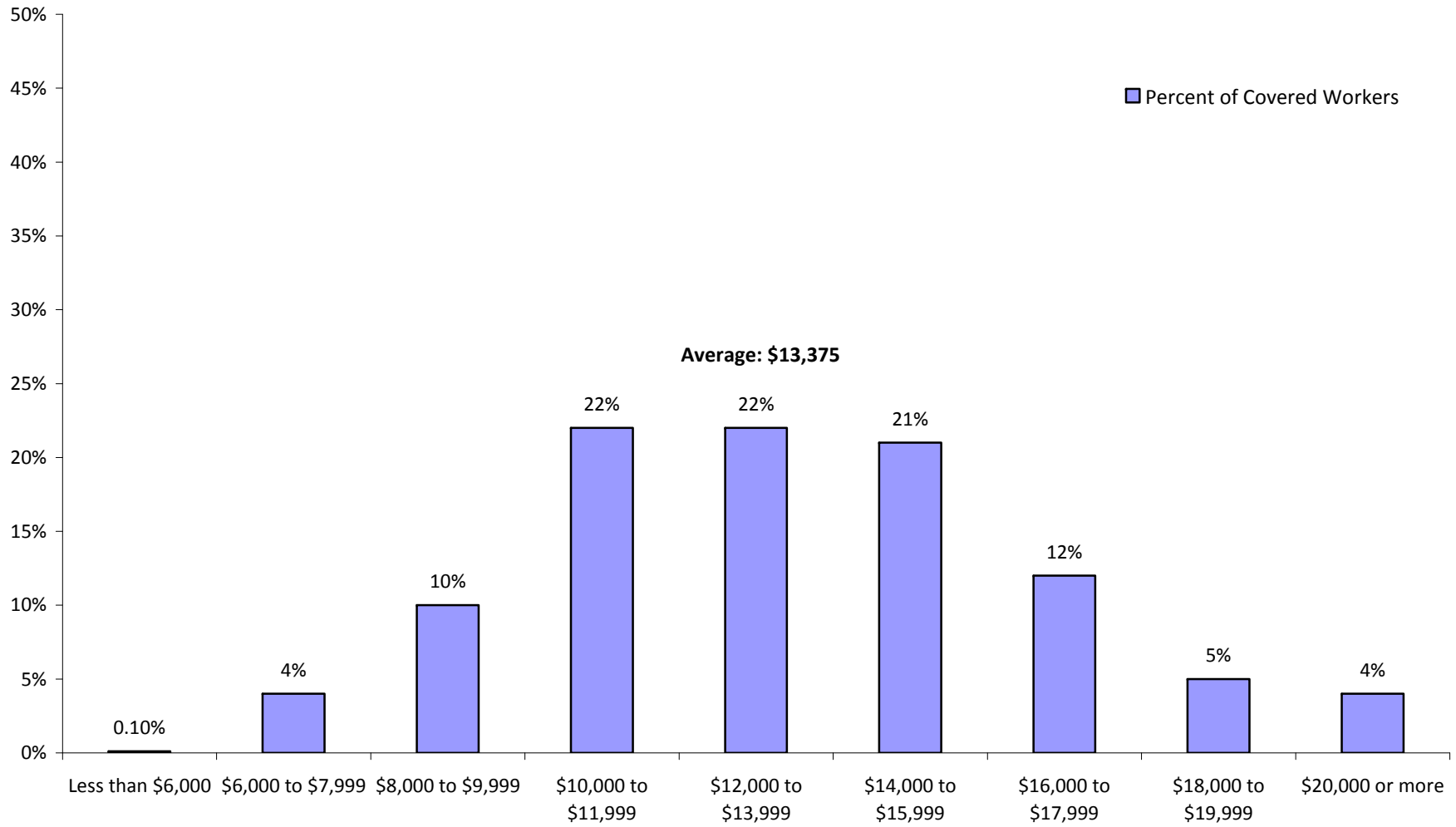
Source: MDH analysis of data from the Minnesota Department of Employment and Economic Development  
 Firm size is defined by the number of employees across all establishments, not counting the business owner.

**Figure 1: Distribution of Annual Premiums for Covered Workers with Single Coverage, 2009**



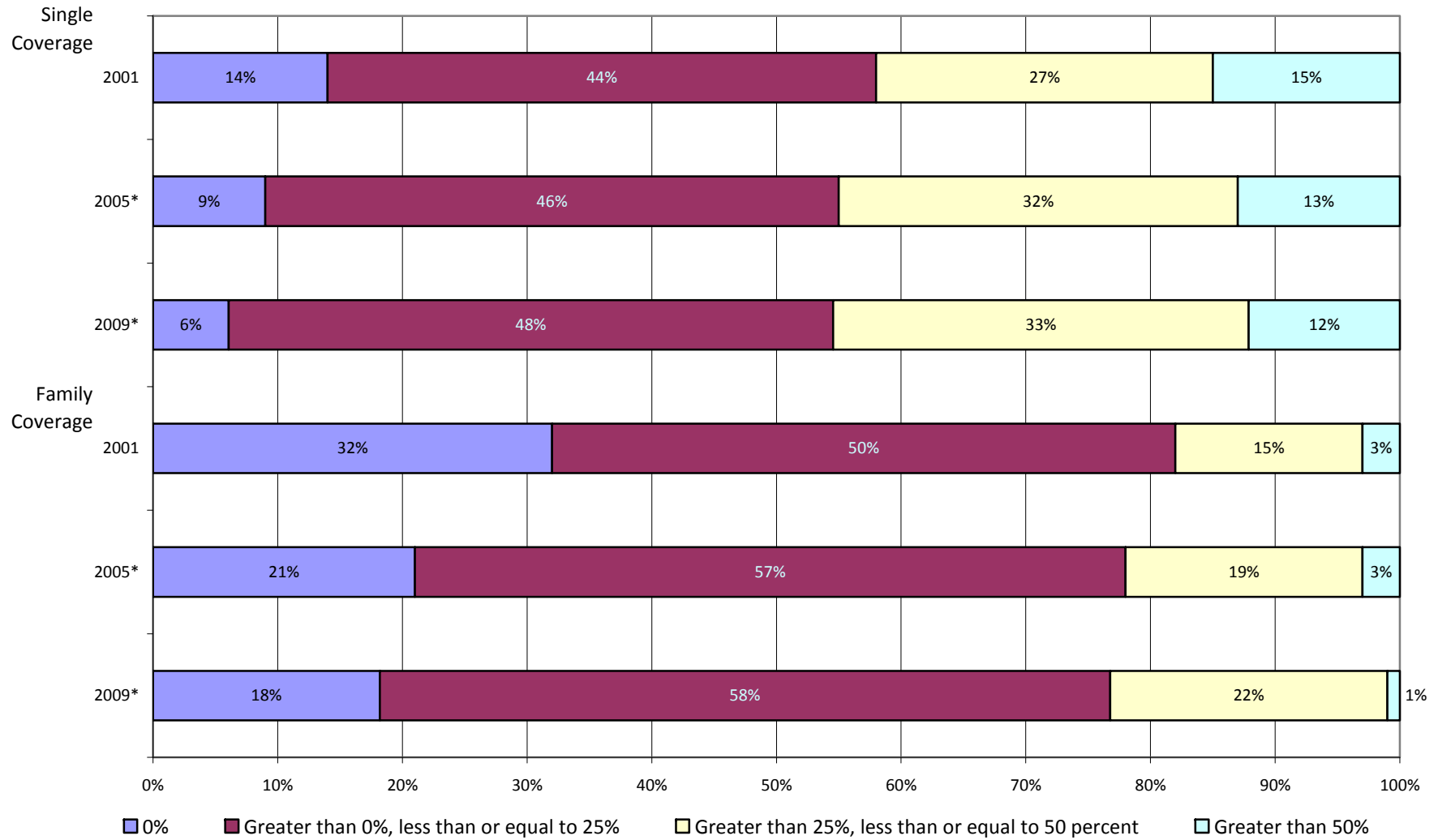
KFF/HRET Survey of Employer Sponsored Health Benefits, 2009

**Figure 2: Distribution of Annual Premiums for Covered Workers with Family Coverage, 2009**



KFF/HRET Survey of Employer Sponsored Health Benefits, 2009

**Figure 3: Distribution of Percentage of Premium Paid by Covered Workers for Single and Family Coverage**



KFF/HRET Survey of Employer Sponsored Health Benefits, 2009

\*Distribution is statistically different within coverage type from distribution for previous year shown.