



By David Leo, President of WMI Mutual Insurance Company & WMI TPA

UNPACKING the 2024 KFF Annual Employer Health Benefits Survey

According to the 2024 Employer Health Benefits Survey published by KFF,¹ a non-profit health policy research, polling and news organization; about 154 million Americans rely on their employers for health benefits. That figure represents a reduction of 5 million people from just two years earlier, but it is still 45.3% of the country's population. Of small companies (defined as enterprises with 3-199 employees), 53% offer health benefits to at least some of their workers. In contrast, 98% of large companies (200+ employees) offer health benefits to their employees.

In addition to this significant and generous employer-sponsored benefit, the Centers for Medicare & Medicaid Services (CMS), the federal agency that runs Medicare (coverage for the elderly and disabled) and Medicaid (coverage for the impoverished) recently reported that 68.5 million people are enrolled in Medicare and 78.4 million people are enrolled in Medicaid and the Children's Health Insurance Programs (CHIP).² Additionally, there are about 24 million Americans who are covered through individual Obamacare plans and 25

million who are uninsured.³ With that background, I would like to examine the nature and scope of health care benefits offered by employers in the hope that the analysis I am providing will help you compare and assess your company's benefits so you can strike a healthy balance between what your company can afford and what your employees want and need.

Executive Summary:

- ▶ The average annual premium for employer-sponsored health insurance coverage in 2024 was \$8,951 for single coverage and \$25,527 for family coverage. Employers contributed an average of \$7,584 (84.7%) for single coverage and \$19,276 (75.4%) of the cost of family coverage.
- ▶ In 2024, the average annual health insurance deductible for single coverage was \$1,787. Among covered workers, 48% are covered by a PPO plan.
- ▶ For 2025, 24.2 million people signed up for Obamacare policies. Nearly all Obamacare insureds (93%) receive premium subsidies that cover a whopping 89% of the premium leaving insureds to pay just \$67/month.

¹ The 2024 KFF Employer Health Benefits Survey can be found at <https://www.kff.org/health-costs/report/2024-employer-health-benefits-survey/>. In accordance with the KFF citation and reprint policy, I am using their materials with full attribution and without alteration.

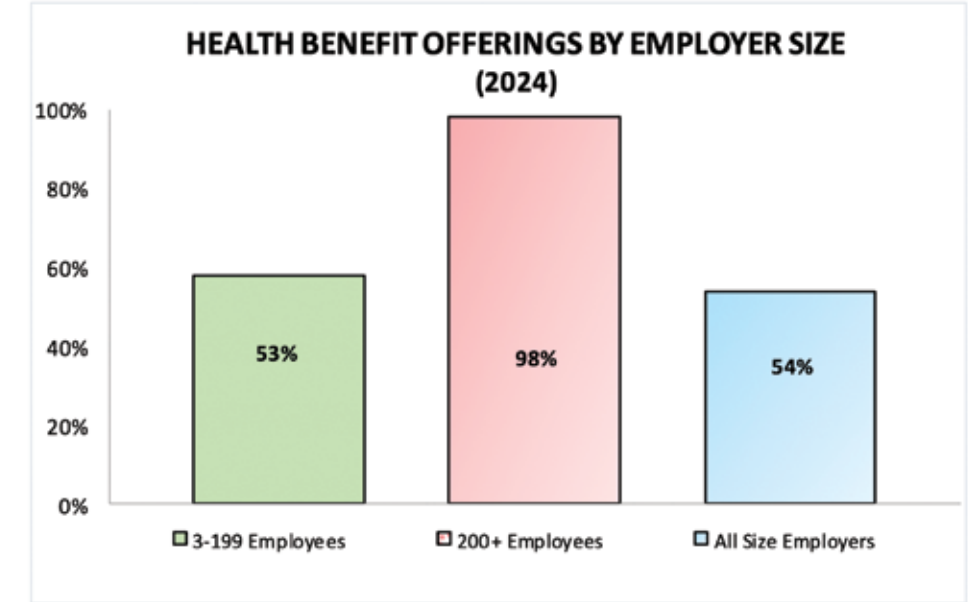
² See, <https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment> and <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights#:~:text=78%2C444%2C837%20people%20were%20enrolled%20in,Map>

³ If you're wondering why the number of people who are insured and the number of people who are uninsured exceed the number of Americans by about 10 million, I believe it is because the figures I have reported include about 12 million Americans who are "dual enrollees" in both Medicare and Medicaid.

Health Benefits by Employer Size:

In general, while employer-sponsored benefit plans vary significantly from employer to employer, they have some important commonalities: they are offered by employers to ensure workers and their families have meaningful access to health care; they protect employees from the financial strife or ruin that can result from catastrophic illness or injury; and they are an extremely important part of the compensation package for most employees. One of the most accurate predictors of the type and level of employer-sponsored benefits (and the amount an employer contributes to those benefits) is company size. The general rule is that larger companies offer more generous health insurance benefits than smaller companies and usually pay a higher portion of the premium. In the large employer group classification, 98% offered health benefits to their employees in 2024. In contrast, only 53% of small employers offered a health benefit plan. Overall, 54% of all surveyed companies provide health benefits to their employees (see, graph 1).

Graph 1

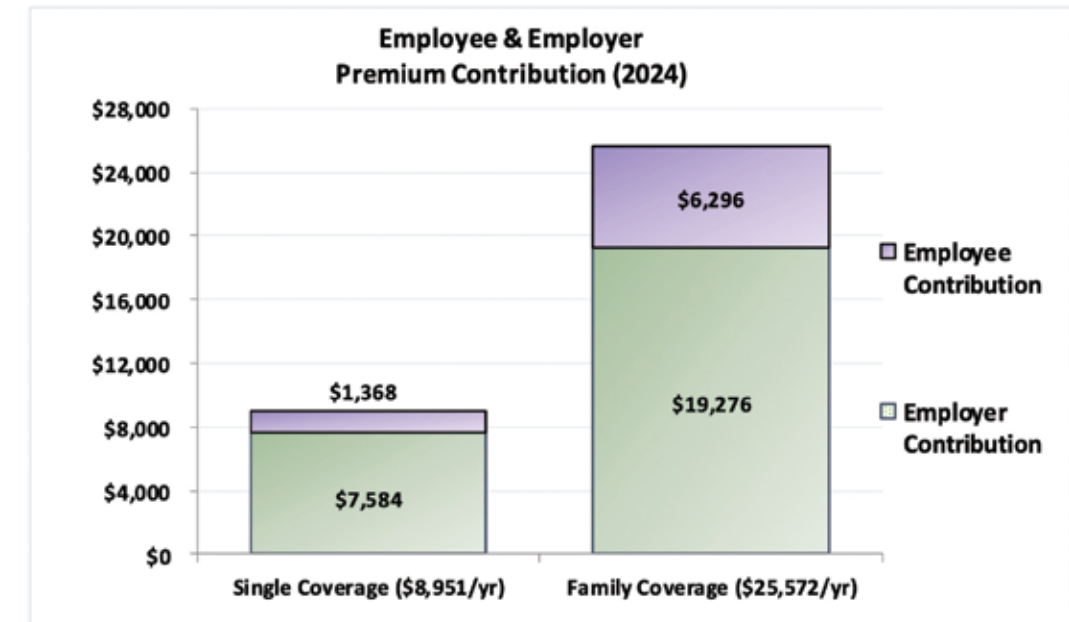


Health Insurance Costs and Employer Contribution:

In 2024, the average annual premium for employer-sponsored health insurance coverage was \$8,951 for single coverage and \$25,572 for family coverage. On average, workers contributed \$1,368 (15.3%) toward the cost of single coverage and \$6,296 (24.6%) for family coverage, similar to their contribution amounts in 2023. Employers contributed an average of \$7,584 (84.7%) for single coverage and \$19,276 (75.4%) of the cost of family coverage (see, graph 2).

For perspective, over the past five years, the average premium for family coverage has increased 24% while workers' wages have increased 28% and inflation has risen 23%. From 2010 (the year Obamacare was passed) to 2024, average family premiums have increased 82.2% (from \$14,038 to \$25,572) while wages have only increased

Graph 2



65.9% (from \$41,674 to \$69,153)⁴ and inflation has risen 43.8%.⁵ Employees continue to lose ground in their battle to afford even their relatively small percentage of health insurance costs.

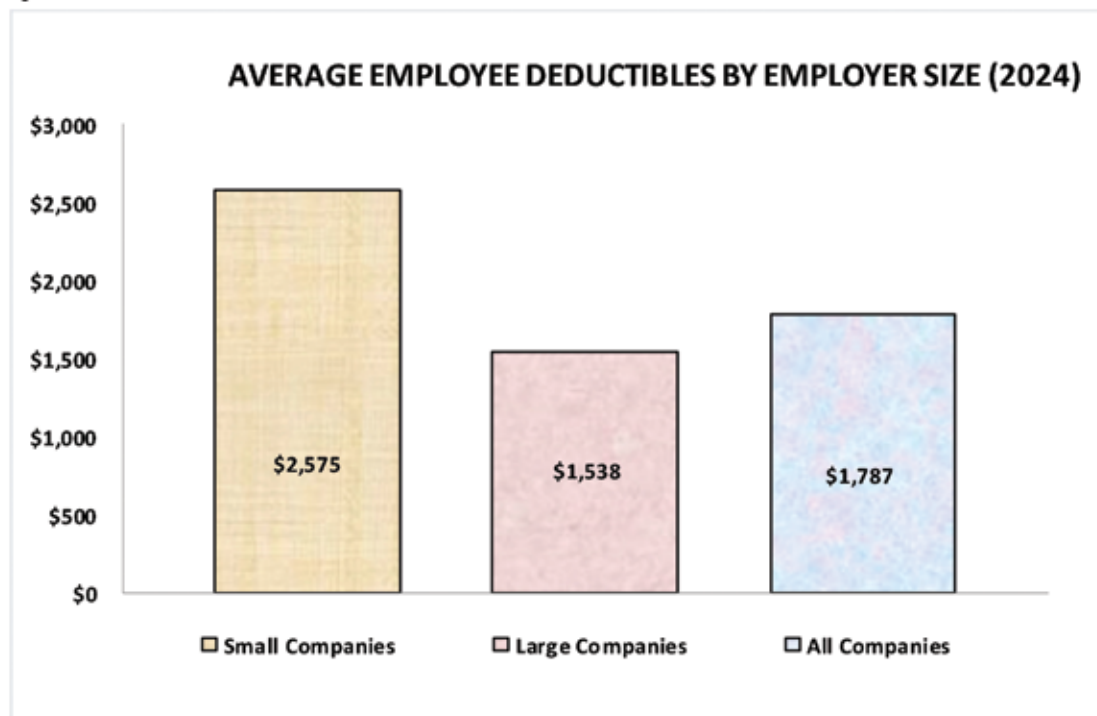
Insurance Deductibles:

According to the KFF survey, the overwhelming majority of workers (87%) are covered under plans that have an annual deductible. This is the amount the insured must pay before insurance benefits kick in (although there are often some benefits like wellness care that are covered on a pre-deductible basis). In 2024, the average annual deductible for single coverage was \$1,787. Similar to other benefit differences between large and small

Health Benefits by Plan Type:

Preferred Provider Organization (PPO) plans remained the most common type of plan covering U.S. employees in 2024. These plans are generally viewed as the most user friendly because they allow members to use any provider they want, but they pay a higher benefit if the member uses a preferred in-network provider. Among firms offering health benefit plans, 48% of all workers are covered by a PPO plan. By comparison, only 13% of workers are covered under a more restrictive Health Maintenance Organization (HMO) plan, which generally limits members to a smaller panel of providers

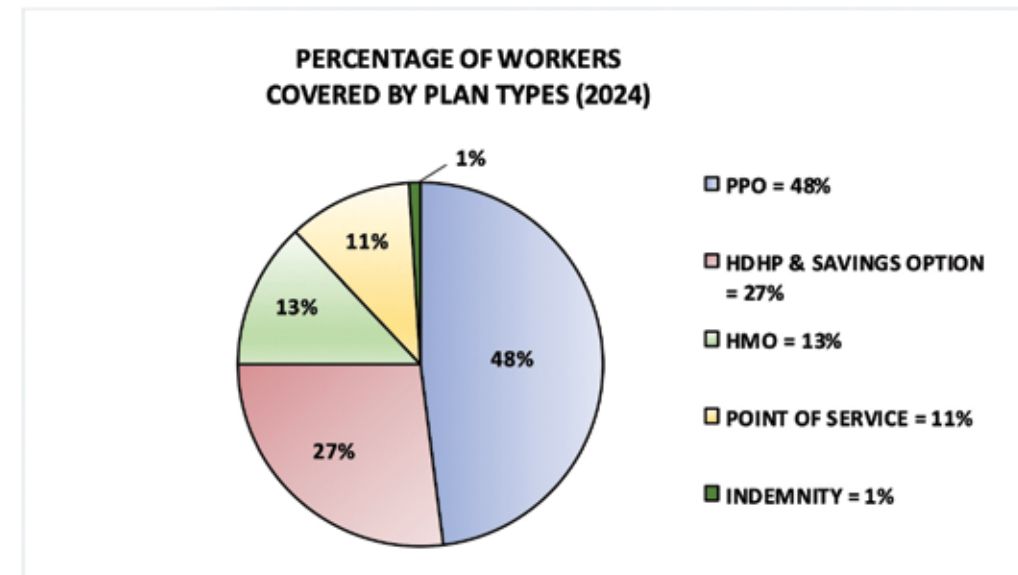
Graph 3



employers, the average deductible for workers who are covered through smaller companies is significantly higher than those who are covered through larger companies (\$2,575 compared to \$1,538) (see, graph 3).

and only covers out-of-network providers in the event of an emergency. High-deductible health plans (which are commonly used in conjunction with health savings accounts (HSAs)) may be offered in conjunction with PPO plans or HMO plans (or other types of coverage). Approximately 27% of workers were enrolled in a high-deductible plan with a health savings option (see, graph 4).

Graph 4



Affordable Care Act (ACA or Obamacare) Premiums, Subsidies, Deductibles and Out-of-Pockets:

According to CMS, 24.2 million people signed up for Obamacare policies during the 2025 open enrollment period (an increase of 2.8 million (13.1%) over 2024 but far short of what was predicted when the law was originally passed). HealthInsurance.org estimates that 93% of Obamacare enrollees receive premium subsidies that cover 89% of the premium! HealthInsurance.org also determined the average full-price Obamacare premium in 2024 was \$603/month, and the average premium subsidy was \$536/month leaving the subsidized insured to pay a mere \$67/month!⁶ In addition to the premium subsidies, half of all people who enrolled in marketplace plans (10.4 million insureds) received additional “cost-sharing reduction” subsidies to reduce out-of-pocket costs. These supplemental subsidies are available to households with incomes of up to 250% of the federal poverty level (FPL).

Average Obamacare Premium (2025) (single / unsubsidized):⁷

- All Plans: \$590/month (\$7,080/year)
- Bronze Plan: \$495/month (\$5,940/year)
- Silver Plan: \$618/month (\$7,416/year)
- Gold Plan: \$655/month (\$7,860/year)
- Platinum Plan: \$1,166/month (\$13,992/year)

Average Obamacare Metal Plan Deductibles (2025):⁸

- Bronze Plan (single) = \$7,186
- Silver Plan (single) (excluding cost-sharing reduction) = \$4,902
- Gold Plan (single) = \$1,403
- Platinum Plan (single) = \$100 (est.)

Out-of-Pocket Maximums (federally mandated):

- Annual Maximum Out-of-Pocket Limit (single) = \$9,200 (\$10,150 in 2026)
- Annual Maximum Out-of-Pocket Limit (family) = \$18,400 (\$20,300 in 2026)

If you have questions about Medicare and Medigap policies or would like a free copy of the federal government’s Medicare handbook, please visit our website at wmimedigap.com or contact our office at (801) 263-8000.

⁴ See, ssa.gov/oact/cola/awidevelop.html.

⁵ See, in2013dollars.com.

⁶ See, <https://www.healthinsurance.org/glossary/premium-subsidies/>

⁷ See, <https://www.forbes.com/advisor/health-insurance/how-much-does-health-insurance-cost/>

⁸ See, kff.org/affordable-care-act/issue-brief/deductibles-in-aca-marketplace-plans/. The average platinum plan deductible is an estimate based on the 2024 KFF report.