

The Value of Employer-Provided Coverage

More than half of all Americans – over 180 million hardworking individuals and their families – receive their health coverage through their jobs. Employer-provided coverage delivers affordable access to care, effective ways to improve health, and peace-of-mind.

Small, family-owned, and mid-size businesses, as well as national and international corporations, public-sector organizations, and unions see the value in offering comprehensive health benefits to their employees. From income protection to benefits like prescription drug coverage, care coordination, and dental and vision care, Americans have real choices and real control in the care and protection they receive through work.

Employer-Provided Coverage By the Numbers

- **Over 180 million people covered.**
- **89% of Americans** are employed by a company that offers benefits.
- **A strong majority of consumers (63%)** are satisfied with their current employer-provided coverage.
- On average, **employers pay 83% of employees' health coverage costs** for a single person, and 72% for a family.
- **Nearly 60% of the nation's large employers** provide medical coverage for telehealth.
- **Nearly half of Black Americans (47%) and more than 40% of Hispanic Americans** are enrolled in employer-provided coverage.
- **50% of children** (age 0-18) in the United States receive health coverage through a parent/guardian's job.

Driving a Healthy Economy

Employer-provided coverage helps drive a healthy economy. Businesses large and small utilize health insurance benefits to invest in their employees' health and financial wellness and to improve productivity. In today's competitive labor market, offering high-quality, affordable, innovative coverage is part of many companies' talent recruitment and retention strategies.

Employer-provided coverage pays for itself while producing a substantial return on investment for our economy and health care system. For more than 60 years, contributions to employer-provided coverage – by both the employer and employee – have been excluded from taxable income.

ABOUT COVERAGE@WORK

Coverage@Work (C@W) is a campaign to educate policymakers and the public about the value employer-provided coverage delivers to over 180 million Americans. C@W supports and advocates for market-based solutions that advance health, choice, affordability, and value for every American.

Learn more at AHIP.org/CoverageAtWork

According to a recent [report](#) from Avalere, employers with 100 or more workers see a [47%](#) return on investment for offering health coverage, in the form of increased productivity and other factors. In a competitive labor market, offering high-quality, affordable, innovative coverage is part of many companies' talent recruitment and retention strategies.

Avalere's research estimated that employers would see a return of [\\$275.6 billion](#) in improved productivity in 2022, which is expected to jump to \$346.6 billion in 2026. Avalere also projects [\\$119.2 billion](#) from tax benefits in 2022, expected to increase to \$139.7 billion by 2026. The employers also benefited from recruitment and retention of talent, as well as reductions in short- and long-term disability claims.

The direct benefits and federal spending offsets of employer-provided coverage result in an annual net social impact of [\\$1.5 trillion](#), driven by increased labor participation, business formation, increased health coverage, and reduced federal health subsidies. Each dollar of federal expenditure – the tax revenue foregone for employer-provided coverage – yields approximately [\\$5.34](#) in benefits for covered employees and their families.

Coverage During Crises That Adapts to Changing Needs

When unprecedented challenges arise, employers and health insurance providers were able to reach the more than 180 million Americans with employer-provided coverage and adapt to crises while meeting health care needs. As evidenced with quick responses during the COVID-19 pandemic, employers and health insurance providers worked together to keep millions of Americans covered even when furloughed, supporting access to care throughout the pandemic with rapid plan modifications like increased telehealth and delivering access to vaccinations.

More than half of employees saw the telehealth and mental health services offered through their employer-provided coverage as more valuable than before the pandemic.

In fact, [68%](#) of consumers consider it important for plans to cover telehealth services, and [73%](#) believe it's important for the federal government to maintain the pandemic-era telehealth flexibilities for patients.

Employer-provided coverage continues to be nimble in order to meet the needs of Americans, including the need for telehealth. Nearly 60% of the nation's large employers (500 or more employees) provide medical coverage for telehealth, and access to these employer-offered services has more than doubled in recent years.

Health insurance providers partnered with technology leaders and innovative doctors with the goal of expanding care to rural Americans via telehealth options. These solutions are not only cutting-edge, but convenient and cost-effective for Americans.

Employer-Provided Coverage Works for America

We're committed to protecting the coverage that works for millions of Americans, building on its strengths so that it keeps working. Coverage@Work promotes policy solutions that strengthen, support, and expand access to employer-provided coverage. Because better coverage at work means a better American health care system.

As policymakers consider the future of health care, let's build on the strength, stability, and success of employer-provided coverage. Together, we can ensure that Americans have access to the affordable, high-quality care they deserve.



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