

Health Care Insurance Costs in Oregon, 2022 Update

February 2024



This data brief focuses on health care premiums and deductible costs, from 2013 to 2022, and updates data from sources used in the Oregon Health Authority’s publication, “Impact of Health Care Costs on People in Oregon, 2021.”

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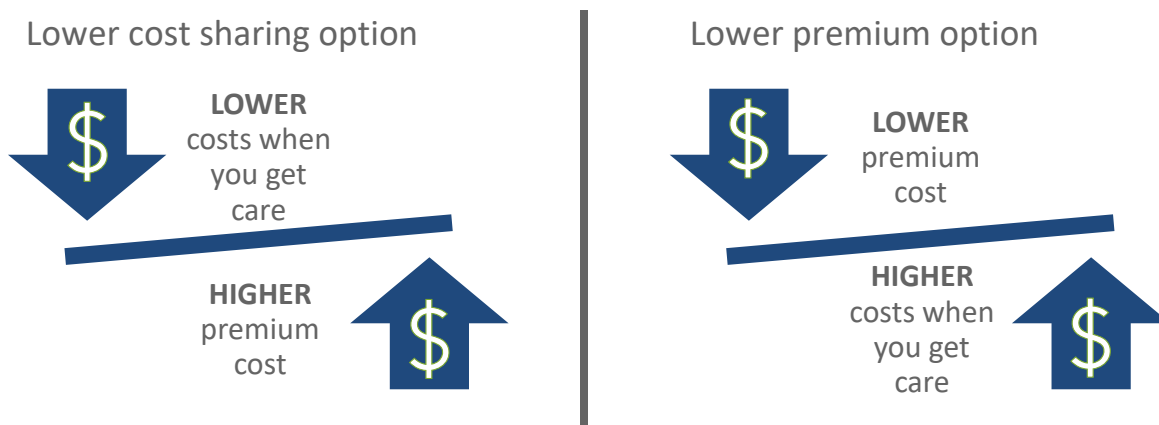
About Premiums and Deductibles

Health insurance premiums are the monthly amounts people with commercial health insurance pay for their health plan, regardless of whether they see a doctor or receive any health care services.

In addition to paying health insurance premiums, many people must also pay a deductible as part of their health insurance plan. A deductible is the amount that a person pays for their health care each year before their health insurance starts to pay. Unlike health insurance premiums, the deductible is only paid when people seek health care services. Most commercial plans provide free preventive care, and some offer selected free or discounted services before you meet your deductible.¹ Many individual and small group plans in Oregon provide significant pre-deductible coverage; for example, the Oregon Standard Plans cover all office visits ahead of deductibles.²

To understand recent trends, it helps to know how monthly premium costs and costs when getting care are balanced.

There is a cost trade-off between premiums and costs when accessing care which is often referred to as cost sharing, and this may include deductibles, co-payments, and/or co-insurance.³ For instance, opting for a plan with a higher monthly premium will often lower the cost when getting care.



¹ Healthcare.gov, "[The health plan categories: Bronze, Silver, Gold, & Platinum.](#)" Accessed 2024.

² Healthcare.oregon.gov, "[Marketplace health coverage.](#)" Accessed 2024.

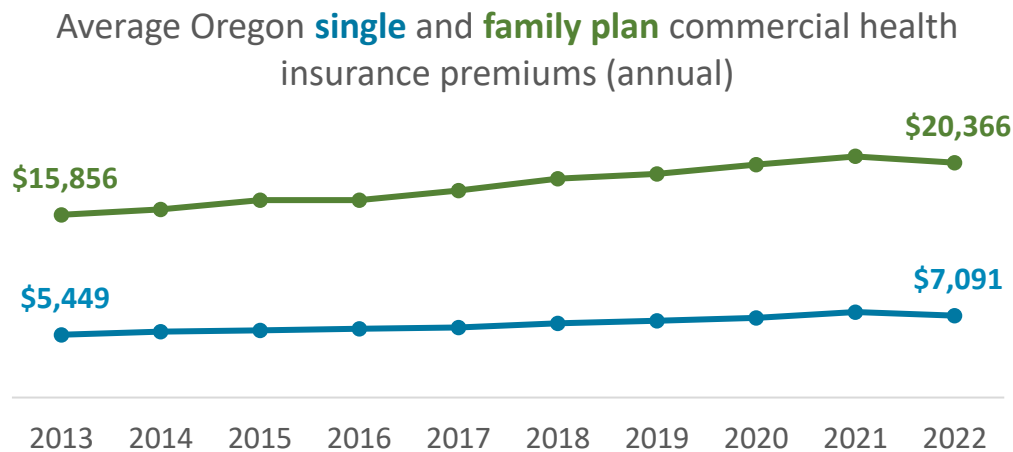
³ Healthcare.gov, "[Glossary: cost sharing.](#)" Accessed 2024.

Premiums in 2022

Health insurance premiums decreased slightly in 2022.

After increasing steadily between 2013 to 2021, commercial health insurance premiums in Oregon have decreased slightly in 2022 for both single and family plans.

Commercial health insurance premiums for family plans decreased (-3 percent) between 2021 and 2022, from \$20,916 to \$20,366. Commercial health insurance premiums for single plans decreased (-5 percent), from \$7,418 to \$7,091.⁴



The recent decrease in premium costs does not mitigate the overall upward trend seen over time. Notably, from 2013 to 2022, both premiums for single and family plans have increased about 30 percent. In addition, employees are becoming increasingly responsible for more of the premium payment, especially for single plans.

⁴ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), “Medical Expenditure Panel Survey (MEPS) Insurance Component (IC),” 2022. Accessed 2023.

Why did commercial health insurance premiums decrease?

The interplay between premium and deductible costs may have some influence. Deductibles are discussed later in this brief.

Another consideration is that premium costs were set in 2021, before the 2022 plan year began. Issues surrounding the COVID-19 pandemic continue to be considered in rate setting; how and where members seek or delay medical care were among the factors mentioned in an actuarial issue brief discussing premium cost drivers.⁵ While utilization did rebound in 2021, it remained lower than what was seen prior to the pandemic. Nationally, about 1 in 5 adults in 2021 reported either delaying or not getting medical care due to the COVID-19 pandemic.⁶

An analysis from the Urban Institute and the Robert Wood Johnson Foundation looking at changes in health plan premiums and participation in Affordable Care Act Marketplaces between 2021 and 2022 found that the average benchmark premium dropped in 32 states and increased in 18 states. Nationally, there was about a two-percent reduction in the average benchmark premium between 2021-2022, due in part to more generous American Rescue Plan Act subsidies in 2021 increasing the likelihood that healthy people chose to buy coverage, resulting in a healthier risk pool followed by premium reductions.

While the Oregon state average premium change for silver plans increased by a half of a percent, a closer look at changes in premiums for the six insurers in the Portland Metro area found decreases ranging from -3.4 percent to -12.1 percent.⁷

⁵ American Academy of Actuaries, "[Drivers of 2022 Health Insurance Premium Changes](#)" Issue Brief, 2021. Accessed in 2024.

⁶ Peterson-KFF, "[How has healthcare utilization changed since the pandemic](#)," 2023.

⁷ Urban Institute and the Robert Wood Johnson Foundation, "[Marketplace Competition and Premiums, 2019-2022](#)," 2022. Accessed 2023.

Despite the slight decrease in 2022, family health insurance premiums are still expensive.

Family health insurance premiums cost almost as much as owning and operating two new cars.

The American Automobile Association reported that the average overall cost to own and operate a new car in 2022 was \$10,728.⁸ In 2022, the average annual family premium was \$20,366, and the average annual single premium was \$7,091.⁹ This includes the premium cost paid by the employer and paid by the employee.

Average premiums for **single** and **family** health insurance plans, compared to the average cost to operate a new car in 2022



⁸ American Automobile Association (AAA), "[Your Driving Costs](#)," Jul 2022. Accessed 2023.

⁹ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "[Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#)," 2022. Accessed 2023.

Employee responsibility for insurance costs is on the rise.

On average, employees pay approximately a fifth of their commercial health insurance plan premiums, and the rest is paid by contributions from their employer. The employer share of health insurance premiums is often considered part of total compensation, and employees often experience increasing health insurance costs through lower wages.

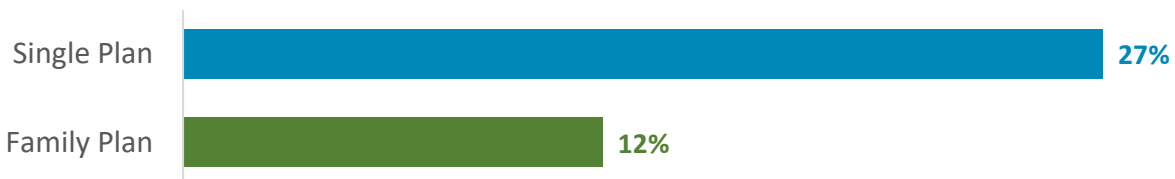
In December 2022, benefit costs accounted for 30% of total employer compensation costs for private industry workers, 7% of which was directly related to health insurance.¹⁰

The following graphs show the employee and employer share of commercial health insurance premium costs in Oregon, as well as the average dollar amounts for the employee share. While the employee share remains stable over time, the payment amounts are increasing, for single plans especially more recently.

Regarding employer-sponsored plans, “the total monthly premium amounts as well as the portion paid by employees for coverage can vary significantly by type of plan, design, geography and employee demographics/industry. During 2022, total monthly premiums for single coverage generally ranged from \$500 to \$900, while family premiums ranged from \$1,500 to \$2,500.”¹¹

Note in 2022, a portion of employees with commercial health insurance in Oregon are enrolled in health plans that do not require any employee contributions.¹²

Employees in Oregon (%) enrolled in commercial health plans that do not require any employee contribution, 2022



¹⁰ Bureau of Labor Statistics (BLS), “[Employer Costs for Employee Compensation](#),” Dec 2022. Accessed 2023.

¹¹ American Academy of Actuaries, “[Considering Employee Benefits for Health Policy Development](#)” Issue Brief, 2023. Accessed in 2024.

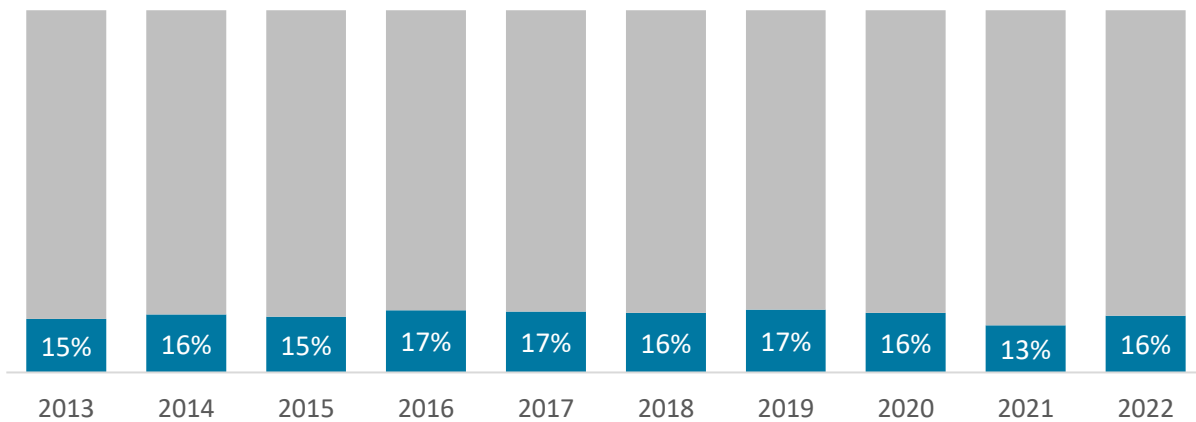
¹² Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), “[Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#),” 2022. Accessed 2023.

Single Plans

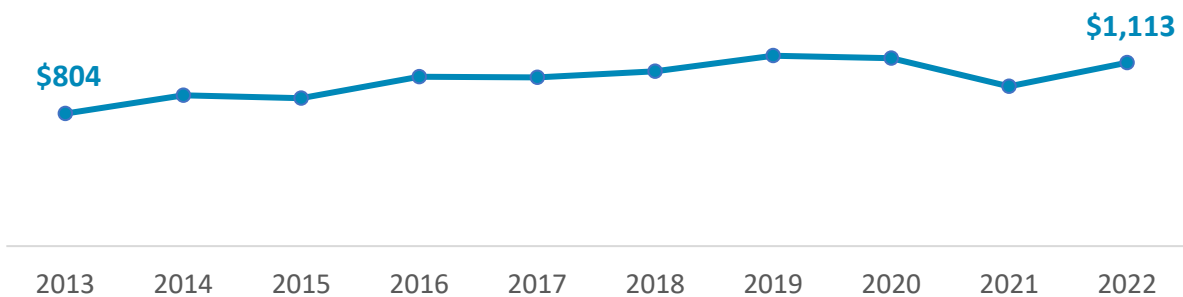
Employee Share of Premiums

In 2022, employees paid 16% of the commercial health plan premium costs for a single plan, an increase from the 13% share they paid in 2021. That 16% share represents \$1,113, an increase of over 38% in dollars since 2013, and a nearly 15% increase from 2021.¹³

Employee share (%) of single plan annual commercial health insurance premiums in Oregon, 2013-2022



Employee share (\$) of single plan annual commercial health insurance premiums in Oregon, 2013-2022

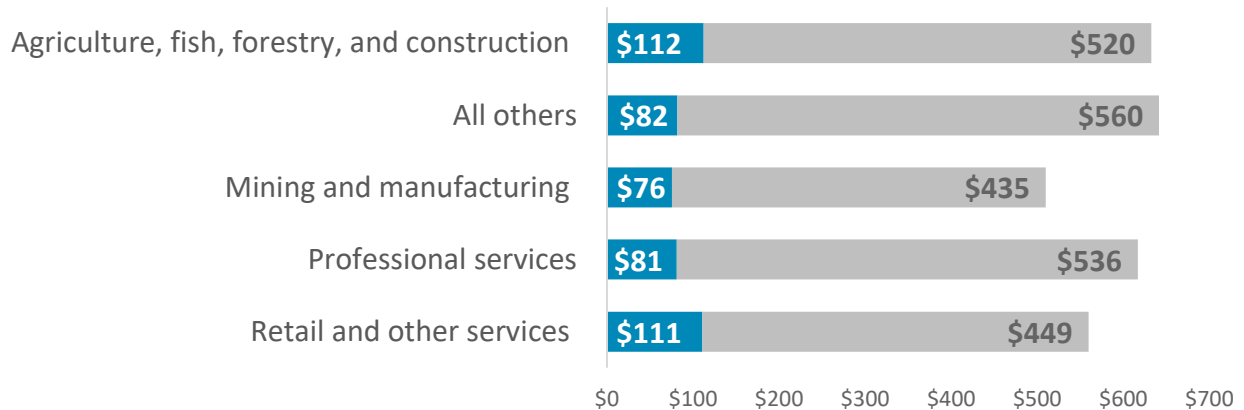


¹³ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2023.

Single Plan Premiums by Industry

In 2022, Oregon employees in the agriculture, fish, forestry, and construction industry contributed the largest amount of money toward their single plan monthly premium. Employees in this industry paid \$112 monthly which was 18% of the total cost of the \$633 premium and more than the 16% contribution average for all private-sector industries.¹⁴

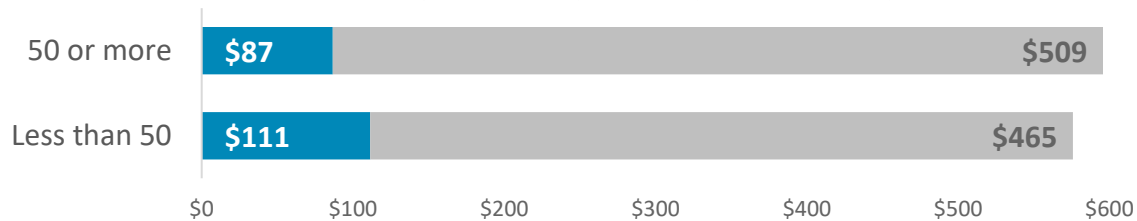
Employee and **employer** monthly (\$) premium costs for commercial single health plans, by industry, 2022



Single Plan Premiums by Size of Company

Larger companies (that is, those with more than 50 employees) had more expensive premiums for single plans than smaller companies. However, employees at smaller companies were responsible for 19% of total premium costs. Employees at smaller companies paid nearly 30% more of their premium costs than employees at larger companies.¹⁵

Employee and **employer** monthly (\$) premium costs for commercial single health plans, by size of company, 2022



¹⁴ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2024.

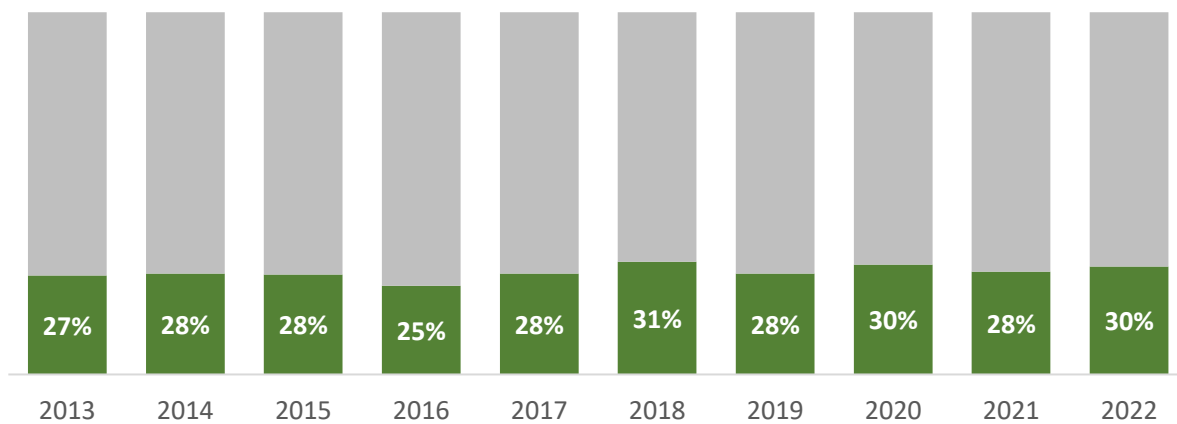
¹⁵ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2024.

Family Plans

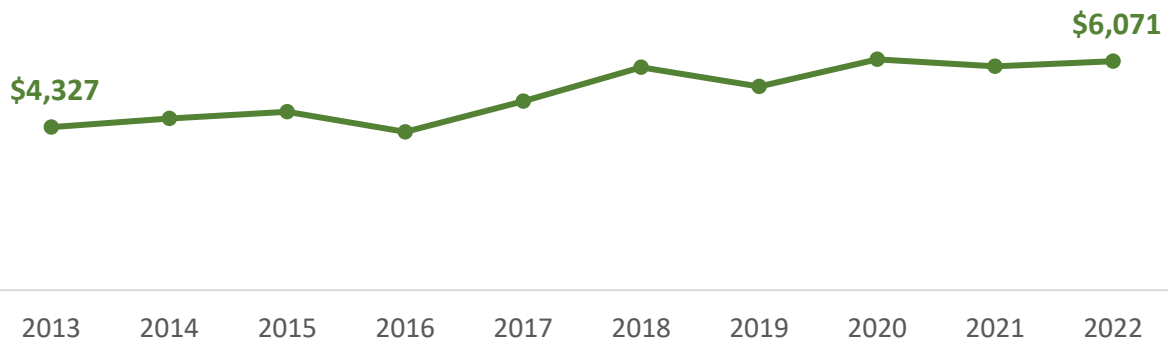
Employee Share of Premiums

In 2022, employees paid 30% of the commercial health plan premium costs for a family plan, an increase from the 28% share they paid in 2021. The 30% employee share now represents \$6,071, a 40% increase in dollars since 2013, and just over 2% increase from 2021.

Employee Share (%) of Family Plan annual commercial health insurance premiums in Oregon, 2013-2022



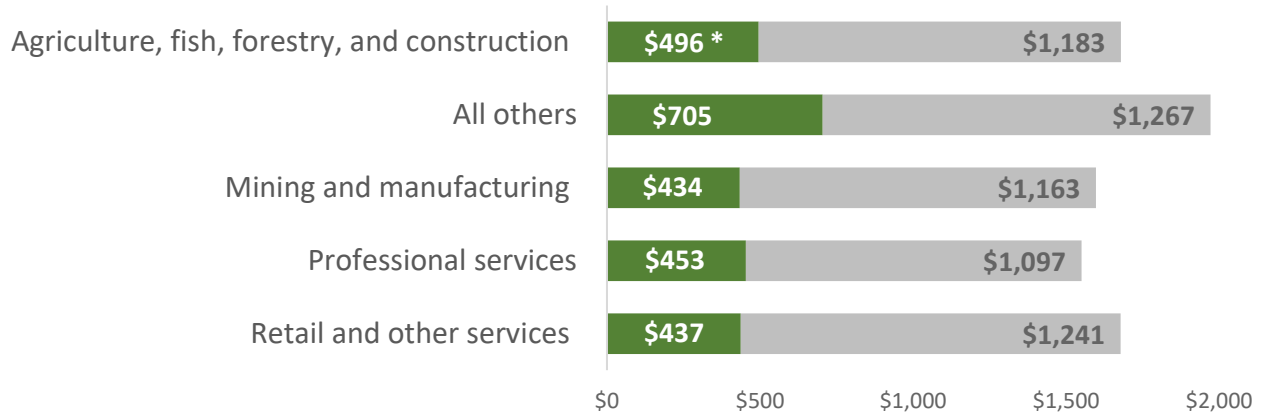
Employee Share (\$) of Family Plan annual commercial health insurance premiums in Oregon, 2013-2022



Family Plan Premiums by Industry

Oregon employers in the professional services industry in 2022 contributed the smallest amount of money toward the family plan monthly premiums of their employees. They paid \$1,097 monthly, which was 71% of the total cost of the \$1,550 premium though it is close to the 70% average noted above.¹⁶

Employee and employer monthly (\$) premium costs for commercial family health plans, by industry, 2022

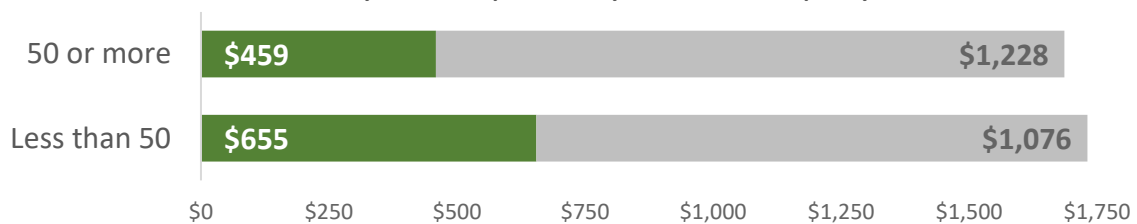


Note: *Figure does not meet standard of reliability or precision.

Family Plan Premiums by Size of Company

Total premium costs for family plans were more expensive for smaller companies in Oregon and employees at smaller companies were responsible for a greater share of the monthly premium. Employees at smaller companies paid 40% more for family plan premiums than employees at larger companies; employees at smaller companies paid \$655 per month on average.¹⁷

Employee and employer monthly (\$) premium costs for commercial family health plans, by size of company, 2022



¹⁶ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2024.

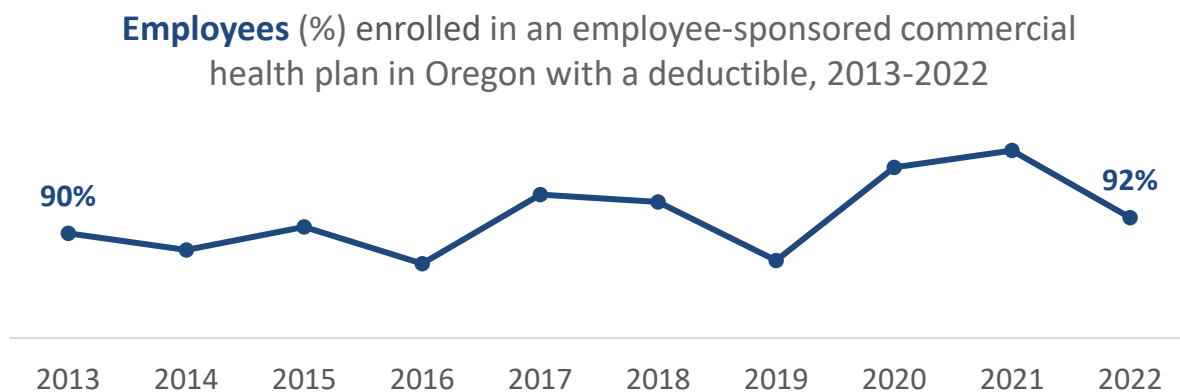
¹⁷ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2024.

Deductibles in 2022

In addition to paying health insurance premiums, many people must also pay a deductible as part of their health insurance plan. A deductible is the amount that a person pays for their health care each year before their health insurance starts to pay. Unlike health insurance premiums, the deductible is only paid when people seek health care services that are subject to deductible.¹⁸

Most people in Oregon with commercial health insurance have a deductible.

In 2022, nearly 92% of employees in Oregon with commercial health insurance had a deductible. This is a decrease from 98% in 2021, the highest percentage in this timeframe, and a return to more of an expected percentage.¹⁹

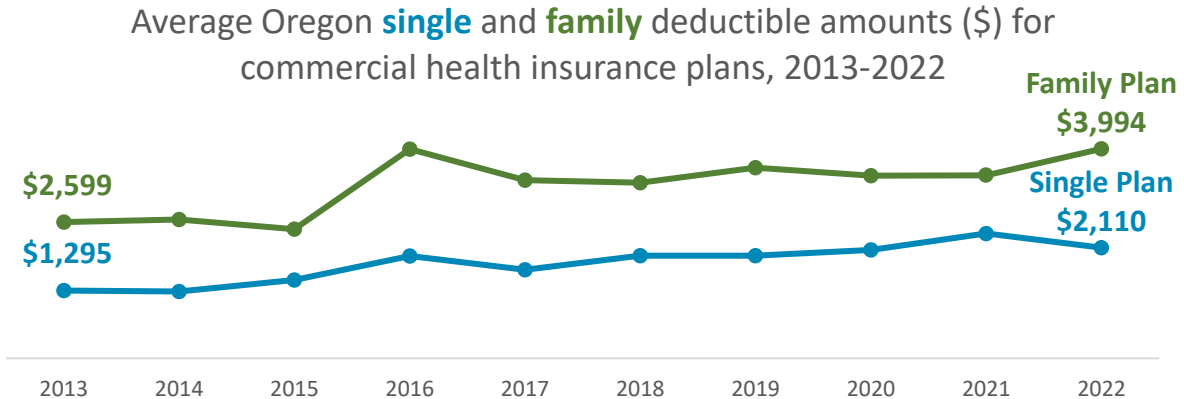


¹⁸ Healthcare.gov, “The health plan categories: Bronze, Silver, Gold, & Platinum,” 2023.

¹⁹ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), “Medical Expenditure Panel Survey (MEPS) Insurance Component (IC),” 2022. Accessed 2024.

Deductibles costs for family plans continue to grow.

Between 2021 and 2022, average deductibles for family plans in Oregon went from \$3,490 to \$3,994 – an increase of over 14%. However, average deductibles for single plans went from \$2,381 to \$2,110 – an 11% decrease from 2021.²⁰



Why are deductibles for single and family plans diverging?

Deductibles, premium costs, and other health care cost sharing all interact – if premiums increase, deductibles and other cost sharing may decrease. If premiums decrease, deductibles and other cost sharing may increase.

The table below shows changes in different costs for single and family plans in Oregon between 2021 and 2022. Note the large increase in the employee share of the single plan premium paired with a large decrease in single plan deductibles.

Changes in commercial health care costs for Oregon **single** and **family** plans between 2021-2022

	Total premiums	Employee share of premiums	Deductibles
Single Plan	↓ - 4%	↑ +15%	↓ -11%
Family Plan	↓ - 3%	↑ +2%	↑ +14%

²⁰ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), "Medical Expenditure Panel Survey (MEPS) Insurance Component (IC)," 2022. Accessed 2023.

Deductibles by Size of Company

Employer plans can vary significantly in terms of the specific covered services, deductibles, coverage percentages, copay amounts, and out-of-pocket limits, and these differences can vary by company size. For instance, workers at smaller companies tend to face larger deductibles on average than those at larger companies.²¹ In Oregon in 2022, employees in smaller companies were responsible for deductibles ranging from 20 to 24% more than employees in larger companies.²²

Single Plans: People in Oregon who work at a smaller company (fewer than 50 employees) had deductibles that were almost \$500 higher on average than employees working at a larger company.²³

Single plan employee deductibles (\$) for commercial health plans by size of company, 2022



Family Plans: In 2022, employees in smaller companies had deductibles that were nearly \$1,000 more on average than those employed with a larger company.

Family plan employee deductibles (\$) for commercial health plans by size of company, 2022



²¹ American Academy of Actuaries, “[Considering Employee Benefits for Health Policy Development](#)” Issue Brief, 2023. Accessed in 2024.

²² Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), “[Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#),” 2022. Accessed 2024.

²³ Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT), “[Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#),” 2022. Accessed 2024.

Why do workers at smaller companies have larger deductibles?

Under the Affordable Care Act, individual and small group health plans must have a certain actuarial value (AV) – either 60% (“bronze”), 70% (“silver”), 80% (“gold”) or 90% (“platinum”). Large group and self-insured health plans must provide at least 60% AV.²⁴

Large group plans can offer the same deductible and cost-sharing year after year, but individual and small group market plans must meet additional parameters set each year by the Centers for Medicare and Medicaid Services (CMS) including the maximum annual limitation and the AV calculator.²⁵ Health plans must generally increase deductibles and maximum out of pocket amounts each year to remain in compliance with these parameters.

Additionally, there is an inverse relationship between cost-sharing and deductibles, resulting in higher deductibles on plans that offer pre-deductible coverage. As plans have changed to meet these requirements each year, the differences in deductibles between small group and large group plans has increased significantly since 2014.

Actuarial Value

Actuarial Value (AV) refers to the percent of a population’s medical costs that are paid by a health plan.

For example, a plan with an AV of 70% means that the health plan will pay 70% of health care expenses and the member will pay 30% through a combination of deductibles, copays and coinsurance.

²⁴ [What the Actuarial Values in the Affordable Care Act Mean](#), KFF, April 2011. Accessed 2024.

²⁵ CMS, [“AV Calculator Methodology.”](#) Accessed 2024.

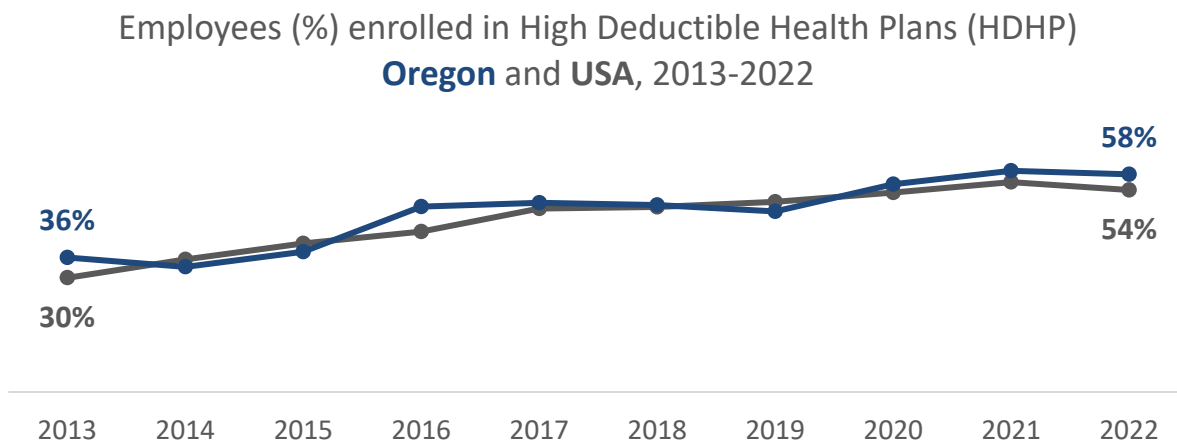
High Deductible Health Plans are becoming more common.

The IRS defines a High Deductible Health Plan (HDHP) as a plan with a higher annual deductible than typical health plans and a maximum limit on the amount that someone must pay for their annual deductible and out-of-pocket medical expenses. In 2022, the minimum annual HDHP deductible was \$1,400 for individual coverage and \$2,800 for family coverage. These plans must apply the deductible to all benefits except preventive services.

Opting for a HDHP results in paying higher upfront costs when care is needed before the insurance plan will start paying their portion, but monthly premiums can be lower.²⁶ People may choose this kind of plan if they don't expect to see a medical provider often for circumstances outside of preventive care, yet they want help with unexpected worst-case medical scenarios.²⁷

Enrollees in HDHPs can contribute pre-tax dollars to a Health Savings Account (HSA), which they can use to pay for the health care they receive. Employers may contribute funds to an employee's HSA as well.

In 2022, nearly 60% of private-sector employees in Oregon were enrolled in a High Deductible Health Plan, a 2% decrease from 2021.²⁸



²⁶ Healthcare.gov, "[Glossary: High Deductible Health Plan \(HDHP\)](#)." 2023

²⁷ Healthcare.gov, "[The health plan categories: Bronze, Silver, Gold, & Platinum](#)." 2023.

²⁸ SHADAC analysis of Medical Expenditure Panel Survey - Insurance Component (MEPS-IC), Agency for Healthcare Research and Quality (AHRQ), Center for Financing, Access and Cost Trends (CFACT) data source, State Health Compare, SHADAC, University of Minnesota, "[Percent of private-sector employees enrolled in high-deductible health insurance plans](#)," 2022. Accessed 2023.