**2014 Massachusetts Employer Survey: Technical Notes**

**October 2014**

**Designing and Administering the MES Survey**

*For more detailed information about the process for designing and administering the MES Survey, please see the* [*Field Report*](file://///chia-fs01/Groups/ALLDHCFP/Shared%20Files/HSP-a/Projects%20-%20Current/Massachusetts%20Employer%20Survey/4-%20Report/XXXX)*.*

**Questionnaire Design:** The 2014 MES questionnaire was designed to align with previous MES surveys conducted between 2001 and 2011. Given the timing of this year’s data collection during a key phase of the Patient Protection and Affordable Care Act (ACA) implementation, the Center for Survey Research (CSR) at the University of Massachusetts-Boston conducted two focus group interviews with key informants and policy makers; findings from these focus groups informed questionnaire revisions and additional items on topics such as tax credits and rebates, changes to health insurance offerings, self-funded health plans, and use of insurance brokers. The questionnaire was tested with employer groups, and all questions and formatting were jointly agreed upon by CSR and the Center for Health Information and Analysis (CHIA).

**Sampling Methodology:** The sample was drawn from a Dun & Bradstreet listing of all Massachusetts “worksites” other than state and federal government agencies. The sampling frame included private and public employers with at least three employees.[[1]](#footnote-1) These criteria generated a list of 152,700 worksites from which CSR randomly selected 2,000 worksites (stratified by worksite size) to participate in eligibility screening. Worksites no longer in business or with fewer than three employees were excluded.

**Data Collection:** All data were collected by CSR at the request of CHIA. Questionnaires were distributed by mail in January 2014, and participants were given the option to return their completed surveys by mail or online. Those participants for whom CSR had email addresses also received information and reminders via email. Contacts at each worksite (human resources and benefits managers, where available) were mailed a post card reminding them to complete the survey one week after the questionnaire was sent out; this was followed by a phone call two weeks later and a final Priority Mail reminder two months after (in April 2014). Overall, 601 completed questionnaires were returned from among 1,436 eligible worksites, yielding a 41.85% response rate. Response rates were ten percentage points lower in 2014 than in 2011, perhaps attributable to the increased complexity and length of some of the questions in 2014.

**Weighting:** Survey results were weighted to account for differences in sample selection and response rates. For details, please see the Field Report.

**Key Analytic Categories & Metrics**

**Employer Size:** For the purpose of this survey, an employer was defined as a single location, store, factory, office complex, or campus, irrespective of whether that worksite functioned as part of a larger organization. Participants were asked to report the number of full-time, part-time, temporary, and contract workers employed at their particular worksite. Worksites were classified into one of five strata based on the number of full- and part-time employees at their site: 3 to 10 employees, 11 to 24 employees, 25 to 50 employees, 51 to 249 employees, 250 or more employees. For reporting purposes, these strata were collapsed into three distinct reporting categories: small employers with 3-10 employees, midsize employers with 11-50 employees, and large employers with 51 or more employees. Such consolidation increased the sample size on which estimates were based for midsize and large employers.

**Employer Offer Rates:** The employer offer rate is defined as the percentage of surveyed worksites that offered health insurance to at least some employees (excluding employees enrolled in union-administered multi-employer Taft-Hartley health plans) during the survey period.

**Employee Take-Up Rates:** Employee take-up refers to the percentage of workers at a given worksite that subscribe to one of the employer’s offered health insurance plans. The employee take-up rates stated within the Summary of Results are median take-up rates computed from the rates reported by those worksites offering health insurance. Employees who are not enrolled through their employer may still have coverage through an alternate source such as union membership, a spouse’s employer, the Massachusetts Health Connector, MassHealth, or Medicare. Median take-up rates refer only to employees at worksites that offer health insurance.

**Flexible Spending Account (FSA):** Defined within the MES as an account that allows employees to set aside pre-tax dollars to pay for certain health care or dependent care costs during a specific time period (usually one year). Employees deposit funds in the accounts each pay period. Funds that are not spent by the end of the plan year may be lost.

**High-Deductible Health Plans (HDHPs):** In 2014, the Internal Revenue Service (IRS) defined HDHPs as those plans with annual deductibles of at least $1,250 for Single Coverage or $2,500 for Family Coverage.[[2]](#footnote-2) Survey respondents were provided with current IRS minimum deductible definitions of HDHPs to assist them in identifying which of their health plans qualified for this designation.

**Health Insurance Premiums:** Each worksite reported the monthly total premium and monthly full-time employee contribution for Single Coverage and Family Coverage in the health plan with the highest enrollment (if more than one health plan was offered). Massachusetts average and median premiums specified within MES reports are computed based only each employer’s “largest” health plan and may not represent the full range of health plans offered to employees. Median employer contributions were calculated by subtracting median full-time employee contributions from median total premiums.

**Health Reimbursement Arrangement (HRA):** Defined within the MES as an employer-funded account that employees use to pay health care costs. The HRA pays 100% of eligible expenses until it is used up. HRA dollars used to pay for eligible medical expenses can be applied to the employee’s annual deductible. Some employers allow HRA dollars to roll over from year to year.

**Health Savings Account (HSA):** Defined within the MES as a tax-advantaged savings account used to pay for qualified health care costs. The account may be funded by the employee, the employer, or both. A person must be covered by a qualified High Deductible Health Plan (HDHP) to contribute to an HSA. Unused funds in the account roll over.

1. Prior to 2009, worksites with two employees were also included within the sample. [↑](#footnote-ref-1)
2. Internal Revenue Service. (2013). Rev. Proc. 2013-25. <http://www.irs.gov/pub/irs-drop/rp-13-25.pdf> [↑](#footnote-ref-2)