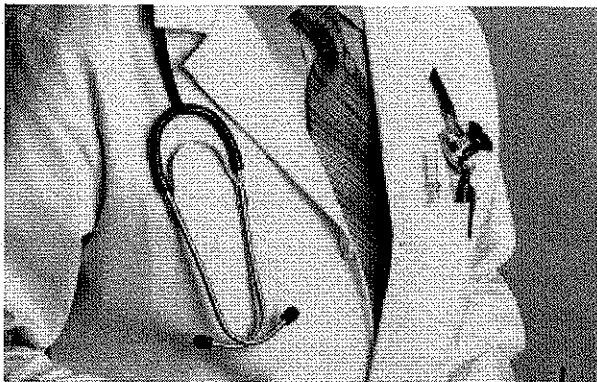




<http://www.newsday.com/news/region-state/more-ny-employees-dropping-employer-health-insurance-1.2467667>

More NY employees dropping employer health insurance

November 16, 2010 by RIDGELY OCHS / ridgely.ochs@newsday.com



As workers in New York become burdened with higher health insurance costs, the percentage who get health insurance from their employers has dropped more than 10 percent since 2003 and is below the national average, according to a survey released today.

The percentage of businesses in the state that offer health coverage has remained at 70 percent since 2001, and most New Yorkers still get insurance from their jobs,

according to a survey of 805 New York companies by the nonprofit New York State Health Foundation.

But the number covered has dropped: In 2003, 69 percent of workers in the state got their insurance from their employers. In 2009 that had fallen to 58 percent - seven points below the national average, which is also declining.

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A national study released Tuesday by the Economic Policy Institute found for the ninth year in a

row the number of Americans under age 65 covered by employer-based insurance fell.

In New York cost is the major reason, experts said. Employer-based insurance is 10 percent more expensive in New York than the national average, with monthly premiums for family coverage averaging \$1,226 compared with \$1,115 nationally. In 2009 premiums increased 7.3 percent statewide.

"Employers and employees are feeling the pinch," said David Sandman, senior vice president at the foundation. Sandman said businesses have continued to offer coverage by shrinking the number eligible for coverage, shifting costs onto workers and offering fewer health care plans.

Two-thirds of businesses said they were struggling to afford health insurance, and one in four said they had cut or frozen wages as a result. One in five said they hadn't hired more workers because of rising health costs.

As a result, employees are paying more, the survey found. The average employee contribution for family coverage more than doubled from 2001 to 2009, from \$1,628 to \$3,753. Average co-pays for preferred drugs rose from \$15 to \$25 in the same years.

"This shows how health care reform can't come fast enough," said Elisabeth Benjamin, vice president at the Community Services Society, a Manhattan-based social services think tank.

But Fred Barba, president of the New York Health Insurance Exchange, formerly the Long Island Association Health Alliance, said the federal health care overhaul does little to address ways to lower costs in the health system.

Under the new health care law, beginning in 2014 citizens will be required to have health insurance, and businesses with 50 or more employees will have to offer coverage or pay a fine. Those with fewer than 50 employees face no penalties.

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