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96% of Employees had Access to Employer-provided Complementary Health Insurance in 2017

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The National Inter-Professional Agreement (Accord National Interprofessionnel, ANI) of 11 January 2013 extended employer-provided complementary health insurance to all private-law employers and established minimum levels of coverage, and required employers to pay a minimum of 50% of the premiums of their workers. Establishments had to comply with this obligation before 1 January 2016.

According to the Employer-provided Complementary Health Insurance Survey (PSCE), more than one establishment in two instituted health insurance coverage or modified existing coverage due to the National Inter-Professional Agreement (ANI). As a result, 84% of establishments, employing 96% of employees, provided complementary health insurance in 2017, compared with half of establishments before the National Inter-Professional Agreement (ANI).

Establishments that remain without health insurance are very often small companies in which all the employees have expressed a preference to have a health coverage exemption. Establishments that had recently taken out health insurance for their employees were increasingly using insurance companies. When sectors of activity recommended an insurer, more than half of the establishments concerned followed the recommendations. Lastly, employers' financial contributions remained stable compared with 2009, the year in which the preceding edition of the Employer-provided Complementary Health Insurance Survey (PSCE) was conducted.

The National Inter-Professional Agreement (ANI) of 11 January 2013, which was incorporated into the Law on safeguarding employment of 13 June 2013, extended the availability of employer-provided complementary health insurance to all private-sector employees. Since 1 January 2016, all private-law employers with at least one employee are legally obliged to offer employer-provided complementary health insurance to their employees, guaranteeing a minimum package of health insurance, with the possibility of providing more comprehensive coverage. The minimum coverage specified in these contracts corresponds with the modified coverage provided by the "responsible" contracts in 2015 (coverage of patients' contributions and unlimited cover of daily hospital charges), except in the case of optical and dental costs — the coverage is slightly better.

Furthermore, employers are required to pay a minimum of 50% of the premium, and the remainder is paid by the employee. Employees are obliged to take out employer-provided complementary health insurance. However, they can — in certain cases — express a preference to have a health coverage exemp-

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tion. Lastly, the coverage continuation period in the event of unemployment was extended to twelve months.

The generalisation of employer-provided complementary health insurance builds on measures to facilitate access to complementary health insurance via the company. Introduced in the Law of 1985, which offered social security contribution and tax exemptions to companies that provided complementary health insurance, it was subsequently supplemented by the 2003 Loi Fillon relating to mandatory health insurance.

The initial findings of the Employer-provided Complementary Health Insurance Survey (PSCE), conducted among establishments — smaller group insurance decision-making units — and their employees (see Inset) in 2017, shed light on the implementation of the law. The following aspects were analysed: the proportion of establishments offering health insurance contracts to their employees, the proportion of employees who actually have employer-provided health insurance, the rate of employer contribution to health insurance, the changes in employer-provided health insurance, and the ways in which establishments implement health insurance contracts.

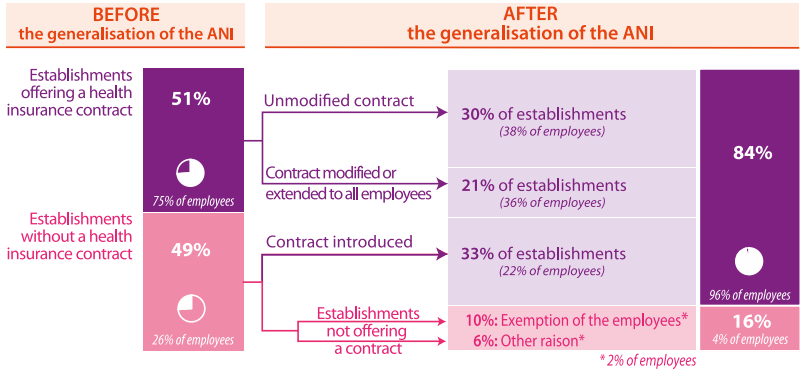
Eighty-four per cent of establishments offered complementary health insurance to their employees

In 2017, a year after the generalisation of employer-provided complementary health insurance, 84% of establishments, employing 96% of employees, offered their employees complementary health insurance, compared with 51% (employing 75% of employees) before the implementation of the law (see Diagram). Only 44% of establishments (employing 72% of employees) provided insurance when the preceding edition of the survey was conducted in 2009. The primary reason that 16% of establishments did not offer their employees complementary health insurance was that all their employees had expressed a preference to have a health coverage exemption. Taking into account health coverage exemptions[1], the proportion of employees covered by employer-provided complementary health insurance is now 82%, compared with 60% in 2009.

[1] Among the employees without employer-provided complementary health insurance, eight out of ten stated that it was because of a health coverage exemption.

D

Assessment of the changes introduced by the National Inter-Professional Agreement (ANI) in the corporate health insurance market



Reading: 21% of establishments with at least one employee on 31 December 2015 provided complementary health insurance before the law obliged them to do so and changed the existing health insurance package or extended it to all their employees, because of the National Inter-Professional Agreement (ANI). These establishments employed 36% of employees.

Scope: All private-sector establishments with at least one employee on 31 December 2015.

Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017.

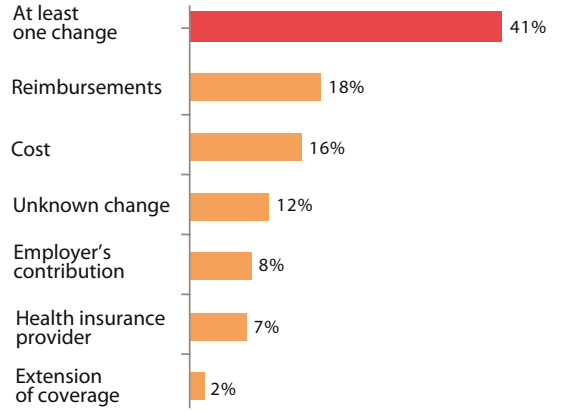
More than one in two establishments has introduced one or several complementary health insurance contracts or modified existing health insurance coverage

Four out of ten establishments offering complementary health insurance in 2017 (a third of all establishments) stated that they did not do so before the National Inter-Professional Agreement (ANI), while six out of ten (half of all establishments) provided complementary health insurance before the ANI; a small proportion of these establishments (2%) only offered insurance to some of their employees and had to extend coverage to all the employees.

Among the establishments that offered their employees complementary health insurance before the generalisation of employer-provided complementary health insurance, four out of ten (21% of all establishments) stated that they had reviewed their company health coverage package due to the National Inter-Professional Agreement (ANI). The modifications varied. Hence, 18% of establishments that provided complementary health insurance before the generalisation of employer-provided complementary health insurance stated that they had

G1

Changes made by establishments that offered complementary health insurance before the National Inter-Professional Agreement (ANI)



Reading: Among the establishments that provided coverage before the National Inter-Professional Agreement (ANI), 41% made at least one change to an existing contract due to the ANI. Among the establishments that provided coverage before the ANI, 18% changed the reimbursement level.

Scope: All private-sector establishments with at least one employee on 31 December 2015, offering their employees complementary health insurance before the generalisation of employer-provided complementary health insurance.

Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017.

Download the data

changed the level of coverage for at least some of the employees (see Graph 1). In a third of the cases, the level of coverage was generally higher, in another third it was lower, and in the remaining third of the cases the changes varied according to the coverage.

Furthermore, 16% of these establishments stated that they had changed the cost of coverage for at least some of the employees: in half of the cases the cost had been increased and, in the other half, it had been reduced. The changes in the cost of coverage may result from changes to coverage; they may also be linked to changes to employers' contributions (8% of these establishments). In seven out of eight cases the changes in cost corresponded to an increase in employers' contributions with the primary aim of reaching the minimum level of 50% laid down in the law. The other establishments (one in eight establishments) chose to reduce employers' contributions in order to offset additional costs linked to an increase in coverage or an extension of coverage to employees who had previously been without cover, or in order to conform with the minimum requirements laid down by the law. In addition, 7% changed the insurance company for at least some of the employees. Lastly, the nature of the change was unknown in 12% of establishments.

Since the National Inter-Professional Agreement (ANI), twice as many very small establishments are offering complementary health insurance to their employees

Prior to the National Inter-Professional Agreement (ANI), establishments, companies, and company branches were free to decide whether or not to provide employer-provided complementary health insurance, which led to substantial disparities depending on company size and the sector of activity (Perronnin et al., 2012). The generalisation of employer-provided complementary health insurance has considerably reduced these disparities, by significantly increasing the coverage rate among the categories of establishment that had previously not had adequate cover.

In 2017, more than 90% of establishments in companies with at least five employees offered employer-provided complementary health insurance; the rate even exceeded 98% in the case of establishments in companies with more than 50 employees (see Graph 2).

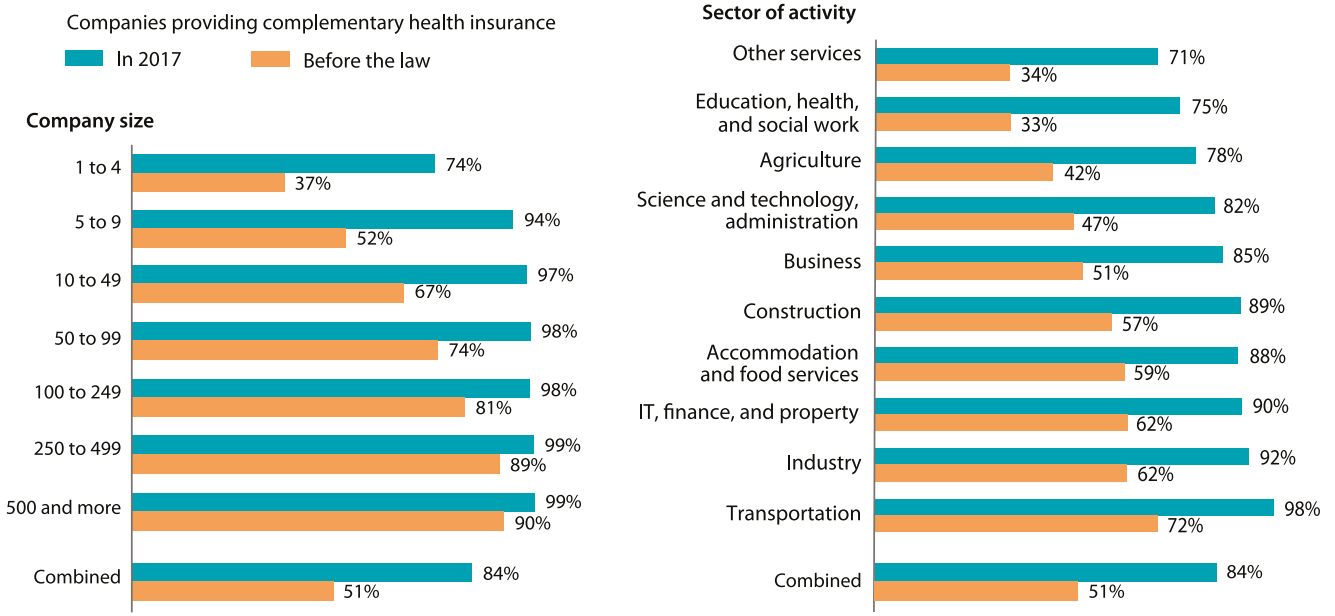
A quarter of establishments with less than five employees did not yet provide complementary health insurance. Indeed, when there is a small number of employees, they can all opt to have a health coverage exemption: the employer does not, therefore, offer them health coverage. A high proportion of these establishments nevertheless introduced a complementary health coverage package due to the law: their coverage rate doubled in several months.

Context

This overview is part of the ongoing research on complementary health insurance conducted by the Institute for Research and Information in Health Economics (IRDES). It will be followed by an analysis of the health insurance contracts offered by companies following the National Inter-Professional Agreement (ANI), in order to assess the impact of the generalisation of employer-provided complementary health insurance on the levels of cover. The "Employees" section will make it possible to measure employee satisfaction with regard to the changes resulting from the National Inter-Professional Agreement (ANI) and observe the use of additional coverage (coverage options or supplementary contributions), either via the company or on an individual basis, in particular to supplement a level of group health insurance cover that is considered insufficient. It will also make it possible to assess the impact of the law on the situation of poor workers vis-à-vis health coverage, particularly with regard to the extension of the period of continuation coverage in the event of unemployment.

G2

Proportion of establishments offering their employees complementary health insurance according to the size of the company and the sector of activity



Scope: All private-sector establishments with at least one employee on 31 December 2015.
Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017, the "Establishments" section.

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Establishments in the transportation and industrial sectors were more likely to provide complementary health insurance: more than nine establishments out of ten provided health coverage. In contrast, in the education, health, and social sectors, and the other service industries, employer-provided complementary health insurance was only proposed by 70% of establishments, compared with one out of three before the law.

Before the law, 10% of establishments in companies with more than 500 employees only offered complementary health insurance to some of their employees. Because of the generalisation of employer-provided complementary health insurance, they have had to extend their health coverage package to all their employees.

T1

Types of health insurance provider used by establishments for their complementary health insurance coverage, in %

	Modification of existing coverage	Introduction of a contract	No modification of the contract
Insurance company	25	28	18
Provident institution	23	22	26
Mutual insurance company	45	45	50
Insurance agent*	7	5	6
All insurance providers	100	100	100

* Certain contracts were taken out with an insurance agent; it was not possible to determine which insurance companies they represented.

Reading: 28% of establishments that took out complementary health insurance to comply with the law used an insurance employer-provided, compared with 18% of establishments that provided complementary health insurance before the generalisation of employer-provided complementary health insurance.

Scope: Private-sector establishments offering one or several health insurance contracts taken out with the same insurance provider.

Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017, the "Establishments" section.

Download the data

In the other establishments, there were even fewer cases of companies in which only a few of the employees had coverage: only 5% and even 2% in the case of establishments in companies with less than ten employees. The transportation sector stood out from the other sectors because one in four establishments only offered complementary health insurance to some of the employees before the law.

To explain the absence of group contracts, establishments often mentioned the fact that employees can express a preference to have a health coverage exemption in certain situations. The reasons for these exemptions are quite diverse: beneficiaries of Universal Complementary Health Insurance (Couverture Maladie Universelle Complémentaire, CMU-C) or the Health Insurance Voucher Scheme (Aide au Paiement de la Complémentaire Santé, ACS), employees who are already working in a company when the employer's unilaterally chosen health insurance contract is introduced, employees who are covered under their spouse's health insurance, employees who have an individual health insurance policy (until the coverage expires), employees with a fixed-term contract (Contrat à Durée Determinée, CDD) who have worked for less than three months or on a part-time basis, and employees affiliated to the Alsace-Moselle health insurance scheme.

Hence, six out of ten establishments that did not provide complementary health insurance stated that this was because all the employees had a health coverage exemption and four out of ten stated that this was because the employees had expressed a preference not to have health insurance[2]. In a minority of establish-

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The Employer-provided Complementary Health Insurance Survey (PSCE)

The Employer-provided Complementary Health Insurance Survey (PSCE)* was conducted for the first time in 2003, exclusively among establishments. In 2009, the second edition was complemented by an "Employees" section. The results presented in this study are drawn from the third edition of the survey, conducted by the French Directorate of Research, Studies, and Statistics (la Direction de la Recherche, des Études, de l'Évaluation et des Statistiques, DREES) and the Institute for Research and Information in Health Economics (Institut de Recherche et Documentation en Économie de la Santé, IRDES), and jointly financed by the federations of complementary health insurance providers (the French Insurance Federation (Fédération Française de l'Assurance, FFA), the Provident Institutions Technical Centre (Centre Technique des Institutions de Prévoyance, CTIP), and the National Federation of French Mutual Insurers (Fédération Nationale de la Mutualité Française, FNMF), for which the fieldwork was carried out between February and July 2017. The survey had three objectives: to gain insight into the new group complementary health coverage landscape after the implementation of the Law on safeguarding employment, assess its effects on employees, and answer research questions on complementary health insurance.

Scope and respondents

The "Establishments" section covered companies affected by the generalisation of employer-provided complementary health insurance, namely all the private-sector establishments employing at least one employee throughout France (including the overseas regions and départements), with the exception of private individual employers, establishments involved in offshore activities, and public administration. The survey focused on establishments rather than companies, because they are the smallest organisations in which negotiations on complementary health insurance take place. The establishments questioned in the survey were those that were within the scope of the generalisation of employer-provided complementary health insurance on 31 December 2015 — the date of the sampling frame — and that were still within it in 2017 at the time of the survey. The scope of the "Employees" section was comprised of employees working on 31 December 2015 in establishments that had taken part in the survey, including people who had left the company (due to retirement, or a change or loss of employment) between the end of 2015 and the date of the survey. In total, 6,125 establishments and 7,533 employees gave exploitable answers to the questionnaire, with response rates of 61% and 51% respectively. Compared with the preceding edition of the Employer-provided Complementary Health Insurance Survey (PSCE), the samples were around three times larger, which made it possible to make more accurate estimates and carry out more detailed analyses of subpopulations.

Data compilation

The "Establishments" section questioned establishments about the availability of complementary health insurance, the characteristics of the contracts available (cost, level of cover, the possibility of extending coverage to other members of the household, etc.), the changes made to the coverage since the generalisation of employer-provided complementary health insurance, and the reasons for an absence of health coverage. This version collected information — for the first time — on the cost of complementary health insurance for employer-provided and employees. It also included information on other health benefits and the provision of sickness benefits during the first three days of incapacity due to illness. This section was directed at employees of the establishments surveyed and collected information relating to their socio-economic and medical characteristics and their choices in relation to their cover. The merging of data from the survey with data from a longitudinal dataset based on firm declarations of individual wages to the fiscal administration (Déclarations Annuelles de Données Sociales, DADS) enriched the survey data with establishment and employee characteristics. In 2019, data will be cross-referenced with healthcare consumption data from the National Health Data System (Système National des Données de Santé, SNDS).

* www.irdes.fr/recherche/enquetes/psce-enquete-sur-la-protection-sociale-complementaire-d-entreprise/actualites.html.

[2] One out of ten establishments mentioned the two reasons.

ments (around 1% of companies that did not provide complementary health insurance), the employers stated that they did not wish to introduce a health insurance package. The explanations "The issue was never raised" and "The cost is too high or the establishment is too small" — the two main reasons given in 2009 to explain the absence of employer-provided complementary health insurance — were no longer mentioned in 2017.

T2

Recommendation clauses, in%

	Modification of existing coverage	Introduction of a contract	No modification of the contract
Designated by the branch	26	19	35
Recommendation by the branch:	24	23	17
• *recommendation followed*	*11*	*13*	*9*
• *recommendation not followed*	*12*	*9*	*7*
• *unspecified*	*1*	*1*	*1*
No branch recommendation	37	38	31
Not branch dependent	6	11	5
No response	10	10	14

Reading: Among the establishments that provided coverage before the ANI and that did not change their health coverage package, 35% had taken out their insurance with a health insurance provider designated by the branch.

Scope: All private-sector establishments with at least one employee on 31 December 2015, offering their employees complementary health insurance.

Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017, the "Establishments" section.

Download the data

Establishments that had recently taken out health insurance for their employees were increasingly using insurance companies

Establishments that had recently taken out complementary health insurance often used insurance companies (+10 points) and were less likely to use mutual insurance companies (-5 points) than establishments that already provided complementary health insurance and that had not modified their health insurance contract (see Table 1). This observation is consistent with the changes in market share observed in the data provided by the Fonds CMU ("CMU Fund") and the French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution, ACPR). Out of the three types of complementary health insurance providers (mutual insurance companies, insurance companies, and provident institutions), insurance companies' share of group health insurance contracts increased the most (Montaut, 2018).

The recommendations of complementary health insurance providers were followed in more than one in two cases

The generalisation of employer-provided complementary health insurance, introduced in 2013, was accompanied by an intense debate on the designation or recommendation clauses at branch level. The aim of the designation clauses, which obliged companies to take out insurance with a designated health insurance provider, was to promote a mutualisation of risk between companies at branch level. But they could also be considered an obstacle to competition between insurers (the French Competition Authority's Opinion No. 13-A-11 of 29 March 2013) that could result in monopolistic structures over time. In its decision of 13 June 2013, the Conseil Constitutionnel resolved the debate by prohibiting the designation clauses, which were replaced by recommendation clauses, which give branch companies the freedom to opt out of a designated health insurance provider.

A third of establishments that already offered their employees health insurance and that did not modify their health insurance packages after the law took out insurance with a health insurance provider that had been designated by their branches, compared with a quarter of establishments that modified existing coverage and a fifth of establishments that introduced a complementary health insurance package since the law (see Table 2). Indeed, until 13 June 2013, branches could designate a health insurance provider for a maximum period of five years, so some of the clauses are still in force in 2017. Since the designation of a health insurance provider at branch level is no longer authorised, no establishments should be in this situation in the second quarter of 2018.

Furthermore, 17% of establishments that provided complementary health insurance and that did not modify their health insurance packages due to the law belonged to a branch that recommended a health insurance provider, compared with around a quarter of establishments that introduced a health insurance package. Recommendations were followed in more than one in two cases, whether the establishments did not modify their health insurance package (9% followed the recommendation compared with 7% that did not) or they introduced a health insurance contract (13% compared with 9%).

The employers' average financial contribution remained stable

Among all the establishments providing complementary health insurance, employers paid an average of 58% of their employees' premiums[3] for employer-provided complementary health insurance cover in 2017, compared with 56% in 2009. The small difference between the two survey years is attributable to two effects of the law's requirements that had an adverse impact. In 2009, 7% of establishments offered optional health insurance packages without a contribution from the employer. These establishments had to make their health insurance obligatory with a minimum employer

[3] In order to adopt an establishment-based approach and ensure comparability with the figures from the 2009 Employer-provided Complementary Health Insurance Survey (PSCE), the rate of employer contribution figures were calculated on the basis of the 91% of establishments that consistently contributed to the cost of complementary health insurance, whatever the employee category. The other 9% differentiated the contribution rate according to these categories. In such cases, executives benefitted from a better employer contribution: The average employer's contribution rate for health insurance contracts available to executives was 71%, compared with 59% for all the intermediate professions, 56% for employees, and 54% for workers. Furthermore, the employer contribution rates were calculated in cases in which employees did not cover beneficiaries. In certain cases — although this was impossible to assess in the survey — the employer's contribution also covered the cost of the beneficiaries' complementary health insurance.

contribution of 50%, which increased the average rate of employer contributions to health insurance. However, the incorporation of new establishments that did not provide complementary health insurance prior to the National Inter-Professional Agreement (ANI) lowered the rate of employer contribution to health insurance. In establishments that had recently introduced a health insurance package the employer's contribution was on average lower (55% compared with 60% in establishments that already provided a complementary health insurance package), due in particular to the fact that a larger proportion of these establishments chose the minimum legal rate (79% compared with 54% of establishments with insurance before the National Inter-Professional Agreement (ANI)).

The employer's contribution rate was a little higher in establishments in very small and very large companies

The employer's contribution to the cost of complementary health insurance varied slightly according to the size of the company (see Table 3). It was slightly higher in establishments in very small and very large companies. Reaching close to 60% in companies with 1 to 4 employees, it decreased to 55% in companies with 5 to 9 employees. It then increased gradually: from 55% in companies with 10 to 49 employees to 60% in companies with 500 employees or more. The higher employer's contribution rate observed in companies with less than 5 employees may be attributed to a selection effect. It can be argued that small companies providing complementary health insurance had a higher level of employer's contribution, because companies with a low level of employer's contribution may have encouraged all the employees to express a preference to have a health coverage exemption, which eventually led the employers stop offering complementary health insurance.

The employer's contribution rate also varied according to the establishments' sector of activity: it was higher in the communication and information sector, the financial and property sector (63%), and in the construction industry (60%), and lower in the accommodation and food services sector (54%), the health and education sector (55%), the agricultural sector (55%), and the other service industries (56%). The average employer's contribution rate observed in industry (58%) masks the relative heterogeneity of the sector, because a large proportion of the establishments vary their contribution according to the categories of employee and therefore fall outside the scope of the calculations.

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The initial assessment of the effects of the generalisation of employer-provided complementary health insurance highlighted a marked increase in the percentage of establishments that offer their employees complementary health insurance and the percentage of employees with company health coverage. A large proportion of establishments had to introduce a health insurance package or modify the existing cover in order to comply with the obligations linked to the generalisation of company complementary health insurance. Nevertheless, there has been little change in the average employer's contribution rate. ♦

T3

Rate of employer contribution to the cost of complementary health insurance according to company size and the sector of activity

Company characteristics	Proportion in %
Size of the establishment's company	
1–4 employees	59
5–9 employees	55
10–49 employees	55
50–99 employees	57
100–249 employees	58
250–499 employees	58
500 employees or more	61
Sector of activity	
Agriculture	55
Industry	58
Construction	60
Business	59
Transportation	58
Accommodation and food services	54
IT, finance, and property	63
Science and technology, administration	57
Education, health, and social work	55
Other services	56

Note: in order to adopt an establishment-based approach and ensure comparability between 2009 and 2016, the rates of employer contribution were calculated on the basis of the 91% of establishments that consistently contributed to the cost of complementary health insurance, whatever the employee category.

Reading: in establishments in companies with one to four employees that offered their employees complementary health insurance, the employer paid an average of 59% of their employees' premiums.

Scope: All private-sector establishments with at least one employee on 31 December 2015, offering their employees complementary health insurance in 2017, and whose rate of employer contribution was consistent for all categories of employee.

Source: Employer-provided Complementary Health Insurance Survey (PSCE) 2017, the "Establishments" section.

Download the data

For more information

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