

CENTRAL OHIO PRIVATE SECTOR EMPLOYER HEALTH INSURANCE SURVEY RESULTS

* * * *

This study has been funded in part by a grant to the Columbus Area Labor-Management Committee (CALMC) through the **Ohio Department of Development, Labor-Management Cooperation Program**. CALMC is a non-profit 501(c)(3) organization formed in 1986, and governed by a Board of Trustees composed of 12 leaders from organized labor and management of public and private sector organizations from the Columbus area. CALMC is dedicated to promoting economic development through the fostering of labor-management cooperation and the fulfillment of joint labor-management interests.

Central Ohio Private Sector Employer Health Insurance Survey

Executive Summary

In the late spring of 2006, Columbus Area Labor Management Committee conducted a health insurance survey of private sector employers in Central Ohio. The purpose of the survey was to gather information about the current practices in health insurance coverage in the CALMC primary service area. Participating employers were a random sample based on number of employees and location.

The major findings from the survey are:

- 76.8% of responding employers offered health care coverage for their employees. This corresponds to national data showing 77% of employers offering health care.
- The median percentage of eligible employees who were covered by health insurance was 80.3%
- 39.7% of employers reported increasing employee premium contributions in the last 6 years, and 37.9% have increased employee cost sharing, such as deductibles and co-pays.
- Over 1/3 of employers reported changing health insurance providers or third-party administrators in the last 7 years.
- Over ¼ of employers offered employee wellness programs.
- Of those participant employers, 78.6% offered dental coverage and 45.3% offered vision coverage.
- Over 2/3 of employers (67.4%) offer a Preferred Provider Organization (PPO) based health plan.
- Only 9.3% of employers utilize a Health Savings Account (HSA) high-deductible health plan. 75% of those made contributions to the employees' accounts, with a median contribution of \$400.
- 80% of employers had fully insured health plans, while 20% were self-insured.
- The average monthly premium for single coverage was \$276.66. This was an increase of 9.8% from 2005. Employees contributed an average of \$76.24, or 27.6% of the premium. The employee premium increased 11.9% from 2005.
- The average premium for family coverage was \$767.79 per month, an increase of 12.5% from 2005. Employee contributions increased an average of 7.2% to \$262.31. The average employee contribution represented 36.8% of the total monthly premium.

- Multi-tiered plans became more prevalent in 2006. These plans control employee premiums by breaking coverage into tiers based on the number of people covered, generally 2 or 3 individuals.
- The average deductible for in-network services was \$712.16 for single coverage with an out of pocket maximum of \$1925. For family coverage the deductible was \$1702, with an out of pocket maximum of \$3611.
- The median in-network office visit co-pay was \$20. Emergency room and urgent care co-pay medians were \$100 and \$50 respectively.
- Median prescription co-pays were \$10 for generic and \$30 for brand name drugs.
- The average monthly premium for single coverage dental insurance was \$26.87, an increase of 1.6% from 2005. Family premiums averaged \$76.12, up 1.8% from last year. Employees paid an average of 53.9% of single coverage dental premiums and 54.4% of family premiums. This was an average increase of 6.3% for single and 18% for family coverage.
- 28% of employers reported offering vision coverage. The average monthly premium for single coverage vision insurance was \$9.59, an increase of 4.8% from 2005. Family premiums averaged \$31.34, up 22.8% from last year. Employees paid an average of 76.4% of single coverage dental premiums and 68.4% of family premiums.
- 39.7% of employers offered flexible spending accounts for their employees. Almost all permitted medical-dental and child care expenses to be paid through these accounts.
- Employers believed the most effective steps in controlling health plan costs were increasing employee cost sharing and employee premium contributions. Employees held negative views toward these options.
- Employers also believed participating in health insurance purchasing coalitions and switching to managed care plans were effective in helping them control health plan costs. Employees tended to favor the creation of cafeteria plans and the expansion of loss prevention and loss control plans, along with wellness programs.
- Over 1/3 of employers reported rising health insurance prices had resulted in reduced business earnings, decreased employee satisfaction with job benefits, and reduced the ability of the business to offer wage increases.

Methodology

In the late spring of 2006, Columbus Area Labor Management Committee mailed a health insurance survey to private sector employers in Central Ohio. The purpose of the survey was to gather information about the current practices in health insurance coverage in the CALMC primary service area.

Employers were selected from a double stratified random sample based on the county and number of employees. Participants were selected by county in the same percentage as the number of employers in the population. Company size was also proportionate to those companies in the population, where roughly 1/3 of employers were in each group, 0-26 employees, 27-50, and over 50 employees at that location.

Mailed surveys were accompanied by a post-paid return envelope, a cover letter, and introductory information about CALMC.

Although the number of responding companies was lower than hoped, the data provides a snapshot of the current health care practices of companies in Central Ohio, including information about coverage types, rates, and steps employers have taken to deal with increasing costs.

The following report details the information that was gathered. CALMC wishes to thank those employers who took the time to complete the survey.

Respondents by County

County	Respondents	Percentage
Franklin	44	78.6%
Delaware	3	5.4%
Licking	4	7.1%
Fairfield	1	1.8%
Pickaway	1	1.8%
Union	3	3.6%

Analysis of Results

- 1) From the list of North American Industry Classification System (NAICS) titles provided below, please select the industry that best characterizes your business.

10.7% Construction
12.5% Manufacturing
7.1% Wholesale trade
7.1% Retail trade
3.6% Transportation & Warehousing
3.6% Information
7.1% Finance & Insurance
5.4% Real Estate, Rental & Leasing
1.8% Professional, Scientific & Technical Services
3.6% Educational Services
3.6% Health Care & Social Assistance
5.4% Accommodation & Food Services
21.4% Other Services (except Public Administration)
1.8% Public Administration
5.4% blank

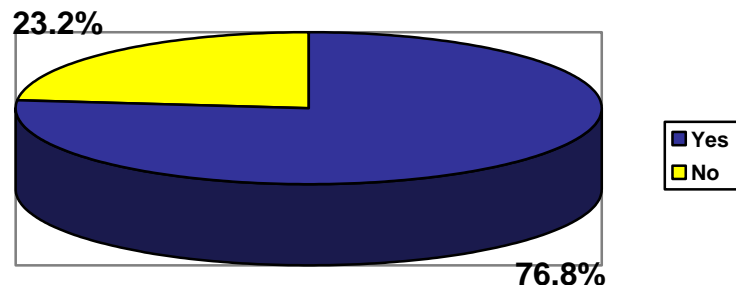
- 2) Did your business offer a group health insurance plan for employees in effect at this location on January 1, 2006?

76.8% Yes
23.2% No

Those responding “No” did not complete the remainder of the survey.

According to the Kaiser Commission on Medicaid and the Uninsured, 77% of employers offer some type of health insurance coverage for their employees.¹ The similarity of these results supports the validity of the results in this survey.

Employers Offering a Group Health Insurance Plan



¹ Hopkins, C. Decline in employer health coverage behind rising uninsured rate, studies find. CQ Healthbeat, October 23, 2006. Online at http://www.cmwf.org/healthpolicyweek/healthpolicyweek_show.htm?doc_id=415677

3) Did any of your employees receive health insurance coverage through a union, professional or trade association as of January 1, 2006?

- 9.1% Yes, and our organization contributed to this coverage.
- 0.0% Yes. Our organization did not contribute to this coverage
- 90.9% No

4) Does your business have branches or locations in the United States other than the address to which this questionnaire was sent?

- 61.4% Yes
- 38.6% No

If you answered "Yes" to question 4 above, please answer question 4a below. If you answered "No", please continue to question 5.

a. Are major health insurance benefit decisions (e.g., procurement, plan choice, eligibility issues) handled at another location of the business?

- 16.7% Yes
- 83.3% No

5) Including the address to which this questionnaire was sent, how many branches or locations does your business have as of January 1, 2006?

	Range	Mean	Median
In the United States	1 – 112	6.74	1.5
In Ohio	1 – 82	3.88	1

6) Including those at the address to which this questionnaire was sent, how many employees did your business have as of January 1, 2006

	Range	Mean	Median
In the United States	18 – 5,800	323.52	53
In Ohio	15 – 2,000	156.63	57

7) Please characterize the ownership and taxation status of the business according to the business structure categories provided below.

- 56.8% Corporation
- 24.3% S-Corporation
- 18.9% Limited Liability Company (L.L.C.)
- 0.0% Partnership
- 0.0% Sole Proprietorship
- 29.7% For Profit
- 18.9% Not for Profit
- 54.0% blank

- 8) On January 1, 2006, how many persons in total were employed by this business at the address to which this questionnaire was sent? Please do not include temporary or seasonal workers.

	Range	Mean	Median
Total Employees at this location	10 – 760	91.66	94
Full-Time	7 – 485	72.76	38
Part-time	1 – 65	8.21	4
Hours worked to be considered full-time	3 – 40	33.10	32

75.9% of respondents had part-time employees.

The percentage of responding larger companies that offered health insurance was somewhat higher than the overall distribution of surveys mailed. Since some of the respondents that did not offer health insurance indicated they were small businesses, the overall percentage of respondents is close to the distribution of surveys mailed.

Number of Employees	Percent of Sample	Percent of Respondents
Up to 26	33.3%	27.2%
27 – 50	33.3%	29.5%
Over 50	33.3%	43.2%

- 9) Please characterize the number and type of health insurance plans in effect as of January 1, 2006 according to the insurance categories provided below.

Type of Plan

Medical health insurance

Number of Plans	Percentage
1	69.0%
2	23.8%
3	4.8%
6	2.4%

Pharmaceutical health insurance

Number of Plans	Percentage
1	64.3%
2	14.3%
6	2.4%
None ²	19.0%

² Some of those responding who indicated no pharmaceutical insurance provided this coverage under their medical plans.

Dental health insurance

Number of Plans	Percentage
1	64.3%
2	14.3%
None	21.4%

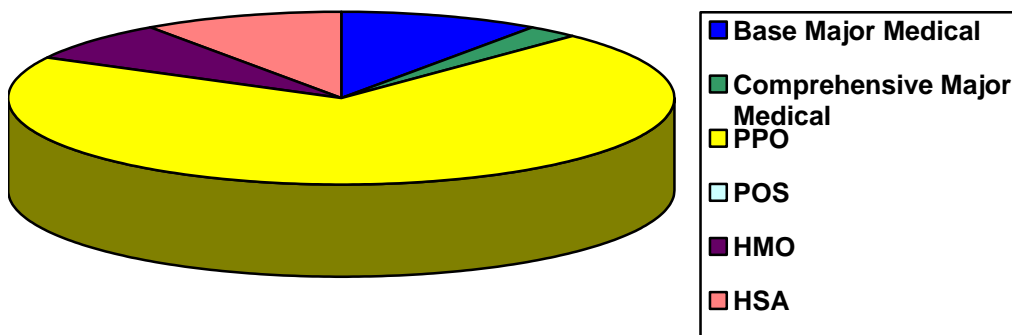
Vision health insurance

Number of Plans	Percentage
1	40.5%
2	4.8%
None	54.7%

10) What type of medical health insurance plan was offered by the business to employees at this location on January 1, 2006?

Plan Type	Percentage
Base medical and major medical	9.3%
Comprehensive major medical	2.3%
Preferred provider organization (PPO)	67.4%
Point of service (POS)	4.7%
Health maintenance organization (HMO)	7.0%
High deductible health plan (HDHP) with health savings account (HSA)	9.3%
High deductible health plan (HDHP) with health reimbursement arrangement (HRA)	0.0%

Type of Health Insurance Plan



- a. If you checked “HDHP/HSA” in response to question 10, please identify the employer’s annual contribution to each eligible employee’s account.

Coverage	Minimum	Maximum	Mean	Median
Single	\$0	\$2,150	\$737.50	\$400
Family	\$0	\$4,500	\$1,220.20	\$400

75% of employers with HDHP/HSA plans also offered health savings accounts for their employees.

- 11) On January 1, 2006, how many people were enrolled in the plan identified in question 10?

Coverage	Minimum	Maximum	Mean	Median
Full-time	2	3741	174.5	30
Part-time	0	415	10	0
Dependents of full-time employees	0	7330	215.7	9
Dependents of part-time employees	0	813	9	1
Former employees covered through COBRA	0	90	3.3	0
Retirees 65 or older	0	0	0	0
Retirees younger than 65 years of age	0	1	0	0
Dependents of retirees	0	0	0	0
TOTAL EMPLOYEES COVERED	2	4246	187.5	31

- 12) How many employees were *eligible* for this medical health insurance plan as of January 1, 2006?

Minimum	Maximum	Mean	Median
7	5800	249.0	43.5

The median percentage of eligible employees who were covered by health insurance was **80.3%**

- 13) As of January 1, 2006, did new employees have to work for a certain length of time before they became eligible for this medical health insurance plan? Please don’t include any waiting period associated with the plan in relation to pre-existing conditions.

Response	Percentage
Yes	53.4%
No	20.7%
Non-Responsive	25.9%

If you answered “Yes” to question 13 above, please answer question 13a below. If “No”, please continue to question 14.

a. How long was the waiting period?

Response	Percentage
1 month or 30 days	35.5%
2 months or 60 days	51.6%
80 days	3.2%
3 months or 90 days	25.8%
6 months	9.7%

9.7% of respondents reported employees were covered on the 1st day of the month following 30 days of employment.

14) How was this medical health insurance plan funded?

Fully-insured – **80%** reported their plans were fully insured.

The name of the insurance company administering this plan:

Provider	Percentage of Fully-insured Plans
Aetna	6.3%
Anthem	50.0%
Medical Mutual of Ohio	15.6%
United Healthcare	21.9%
Non-responsive	6.3%

Self-insured – **20%** had self insured plans

The third party administrator administering this plan:

Provider	Percentage of Self-insured Plans
Aetna	25.0%
Avalon Benefit Services	12.5%
CBCA	12.5%
Great Western Life	12.5%
HRH	12.5%
Medical Claims Service	12.5%
United Healthcare	12.5%

15) What were the monthly premiums for this medical health insurance plan as of January 1, 2006 and January 1, 2005? For self-insured plans, please report the premium equivalent rate taking into account any premium holidays (if applicable) taken during each plan year.

Not all respondents provided premium information. The number of reporting organizations in each category is

	Number of employers offering coverage	
	2006	2005
Single (Employee only)	33	28
Single + Spouse	29	22
Single + 1 Child	21	16
Single + 2 or more Children	8	3
Single + Spouse + Child	6	4
Family	34	30

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single	Average	276.66	76.24	251.87	68.16	9.8%	11.9%
	Median	264.70	51.45	241.19	47.69	9.7%	7.9%
	Minimum	120.00	0.00	112.59	0.00	-9.1%	0.0
	Maximum	766.75	766.75	584.37	584.37	46.2%	87.7%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse	Average	587.94	205.99	547.83	201.71	7.3%	21.2%
	Median	591.81	168.81	518.71	170.40	14.1%	-1.0%
	Minimum	197.04	0.00	170.81	21.03	-46.4%	-100.0%
	Maximum	1470.00	763.43	1400.00	559.72	44.6%	36.4%

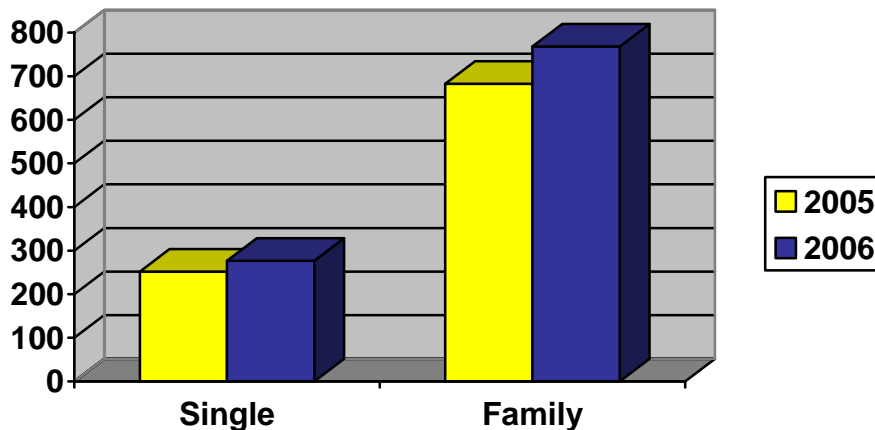
		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 1 Child	Average	474.19	157.76	410.92	176.41	15.4%	-10.6%
	Median	470.46	139.60	433.50	142.00	8.5%	-1.7%
	Minimum	218.52	0	141.24	43.83	54.7%	100%
	Maximum	930.62	451.56	712.85	452.00	30.5%	0%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 2 or more	Average	387.25	127.83	281.42	161.74	37.6%	20.8%
	Median	382.81	127.44	281.42	104.04	36.0%	22.4%
	Minimum	277.76	91.00	250.70	88.29	10.8%	30.6%
	Maximum	553.13	185.00	312.13	292.09	77.2%	-36.6%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse + child	Average	814.45	169.79	726.12	170.91	12.2%	-0.6%
	Median	756.26	167.72	726.12	153.27	4.2%	9.4%
	Minimum	733.74	129.00	726.12	85.00	1.0%	51.8%
	Maximum	926.97	214.24	726.12	292.09	27.7%	-26.7%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Family	Average	767.79	281.09	682.60	262.31	12.5%	7.2%
	Median	733.24	233.17	673.00	233.00	9.0%	0.0%
	Minimum	247.97	0.00	222.79	0.00	11.3%	0.0%
	Maximum	1680.00	777.02	1600.00	680.27	5.0%	14.2%

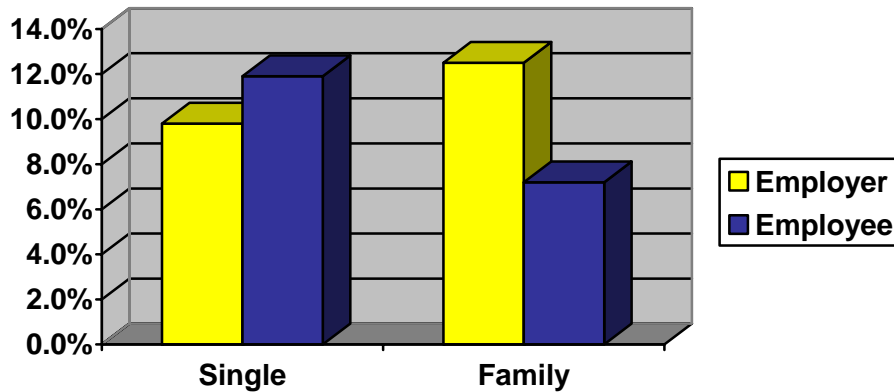
Monthly Employer Premium 2005-2006



Percentage of Premium Paid by the Employee

	January 1, 2006	January 1, 2005
Single (Employee Only)	27.6%	27.1%
Family	36.6%	38.5%

Increase in Health Insurance Costs - 2005-2006



16) Are the premiums for this medical health insurance plan pro-rated for part-time employees?

1.7% Yes
67.2% No

Only 2 organizations reported having part-time employees covered by their health plans.

17) Please characterize the patient cost-sharing arrangements of this medical health insurance plan that was in effect on January 1, 2006 according to the chart below. Please indicate your responses according to the type of medical health insurance plan offered- major medical expenses for a traditional plan, and in or out-of-network expenses for a managed care plan.

Coinsurance (%)		Major Medical	In-Network	Non-Network
Single	Average	39.71	35.42	47.03
	Median	20	20	40
	Minimum	0	0	0
	Maximum	100	100	100
Family	Average	30.94	28.43	43.28
	Median	20	20	40
	Minimum	0	0	0
	Maximum	90	100	100

Deductible		Major Medical	In-Network	Non-Network
Single	Average	\$823.53	\$712.16	\$1374.27
	Median	500	500	1000
	Minimum	0	0	0
	Maximum	3000	3000	6000
Family	Average	1915.63	1702.70	3242.65
	Median	1250	1000	2000
	Minimum	0	0	0
	Maximum	6000	6000	12,000

Out of Pocket Maximum³		Major Medical	In-Network	Non-Network
Single	Average	\$2356.25	\$1925	\$3850
	Median	2100	2000	3250
	Minimum	1000	0	750
	Maximum	5000	5000	10,000
Family	Average	4057.19	3611.22	7832.35
	Median	4000	4000	7400
	Minimum	15	0	1500
	Maximum	8000	10,000	20,000

Patient Cost-sharing Category

Office Visit Co-Pay		Major Medical	In-Network	Non-Network
	Average	\$22.19	\$19.86	\$73.33
	Median	20	20	32.50
	Minimum	0	0	0
	Maximum	100	100	300

Emergency Room Co-Pay		Major Medical	In-Network	Non-Network
	Average	\$88.33	\$97.08	\$105.59
	Median	100	100	100
	Minimum	0	0	0
	Maximum	150	150	500

³ Including any deductible

Urgent Care Visit Co-Pay		Major Medical	In-Network	Non-Network
	Average	\$39.73	\$38.24	\$43.16
	Median	50	50	50
	Minimum	0	0	0
	Maximum	100	100	100

18) Did the business offer pharmaceutical coverage to employees on January 1, 2006?

70.7% Yes- through this medical plan.

0.0% Yes- through a stand-alone prescription drug plan

1.4% No

25.9% BLANK

19) If the pharmaceutical plan required a separate premium, please identify the costs associated with this plan below.

No participants had stand-alone plans.

20) Please identify the co-payment or coinsurance amount required for generic and brand-name drugs under the pharmaceutical drug coverage provided under the plan. Please report any coinsurance amount from the patient's perspective (e.g., an 80/20 coinsurance rate would be reported as 20%).

Prescription drug co-pay or coinsurance

		Dollar Amount	Percentage
Generic	Average	\$12.88	
	Median	10	
	Minimum	7	
	Maximum	40	
Brand-name formulary	Average	32.52	
	Median	30	
	Minimum	3	
	Maximum	60	
Brand-name	Average	31.48	
	Median	30	
	Minimum	0	
	Maximum	60	
Brand-name non-formulary	Average	44.47	45%
	Median	40	50%
	Minimum	25	25%
	Maximum	75	50%

21) Does the plan penalize patients for choosing a brand-name drug when a generic is available?

37.9% Yes
 27.6% No
 34.5% Blank

22) What are the monthly premiums for the dental insurance plan? For self-insured plans, please report the premium equivalent rate taking into account any premium holidays (if applicable) taken during the last plan year.

Six businesses indicated they did not offer a dental insurance plan on January 1, 2006.

Not all respondents provided dental premium information. The number of reporting organizations in each category is

	Number of employers offering dental coverage	
	2006	2005
Single (Employee only)	22	17
Single + Spouse	19	15
Single + 1 Child	10	8
Single + 2 or more Children	5	3
Single + Spouse + Child	1	1
Family	22	18

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single	Average	26.87	14.47	26.44	13.61	1.6%	6.3%
	Median	24.51	7.01	24.47	5.00	0.2%	40.2%
	Minimum	2.90	0	2.23	0.00	30.0%	0.0%
	Maximum	97.27	97.27	86.84	86.84	12.0%	12.0%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse	Average	55.79	32.53	57.66	30.04	-3.2%	8.3%
	Median	46.86	16.54	48.11	16.54	-2.6%	0.0%
	Minimum	6.00	4.75	16.05	4.00	-62.26%	18.75%
	Maximum	175.00	93.36	175.00	83.36	0.0%	12.0%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 1 Child	Average	54.30	28.93	54.45	27.52	-0.2%	5.1%
	Median	52.94	17.00	51.77	15.48	2.2%	9.8%
	Minimum	39.97	6.00	43.82	5.17	-8.8%	16.1%
	Maximum	73.94	62.42	73.94	62.42	0.0%	0.0%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 2 or more	Average	47.07	39.37	33.96	31.68	38.6%	24.2%
	Median	52.96	52.96	37.96	37.96	39.5%	39.5%
	Minimum	20.04	6.68	16.05	9.23	24.9%	-27.6%
	Maximum	67.10	67.10	47.86	47.86	40.2%	40.2%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse + child	Average	76.47	76.47	66.21	66.21	15.5%	15.5%
	Median	76.47	76.47	66.21	66.21	15.5%	15.5%
	Minimum	76.47	76.47	66.21	66.21	15.5%	15.5%
	Maximum	76.47	76.47	66.21	66.21	15.5%	15.5%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Family	Average	76.12	41.41	74.76	35.10	1.8%	18.0%
	Median	75.91	28.40	69.18	18.47	9.7%	53.7%
	Minimum	10.06	0.00	10.00	0.00	0.6%	0.0%
	Maximum	260.00	100.62	260.00	100.62	0.0%	0.0%

Employees paid an average of 53.9% of single coverage dental premiums and 54.4% of family premiums. This was an average increase of 6.3% for single and 18% for family coverage.

23) What are the monthly premiums for the vision insurance plan? For self-insured plans, please report the premium equivalent rate taking into account any premium holidays (if applicable) taken during the last plan year.

Nine businesses reported they did not offer a vision insurance plan on January 1, 2006.

Not all respondents provided vision premium information. The number of reporting organizations in each category is

	Number of employers offering vision coverage	
	2006	2005
Single (Employee only)	12	9
Single + Spouse	11	8
Single + 1 Child	10	7
Single + 2 or more Children	1	1
Single + Spouse + Child	1	1
Family	12	8

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single	Average	9.59	7.33	9.15	7.58	4.8%	-3.5%
	Median	7.99	4.75	4.83	4.32	65.4%	8.9%
	Minimum	0.91	0.91	0.91	0.91	0.0%	0.0%
	Maximum	23.55	23.55	22.12	22.12	6.5%	6.5%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse	Average	20.67	14.48	15.73	14.91	31.4%	-2.9%
	Median	14.57	12.50	11.03	9.58	32.2%	30.5%
	Minimum	6.26	2.50	2.92	2.50	114.4%	0.0%
	Maximum	44.47	44.47	41.67	41.67	6.7%	6.5%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 1 Child	Average	23.96	16.14	21.68	20.73	10.5%	-22.1%
	Median	14.64	12.66	11.93	11.93	22.7%	6.2%
	Minimum	9.16	2.50	2.92	2.50	213.7%	0.0%
	Maximum	53.53	53.53	59.74	59.74	-10.4%	-10.4%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + 2 or more	Average	12.57	12.57	11.93	11.93	5.4%	5.4%
	Median	12.57	12.57	11.93	11.93	5.4%	5.4%
	Minimum	12.57	12.57	11.93	11.93	5.4%	5.4%
	Maximum	12.57	12.57	11.93	11.93	5.4%	5.4%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Single + Spouse + child	Average	21.05	21.05	19.99	19.99	5.3%	5.3%
	Median	21.05	21.05	19.99	19.99	5.3%	5.3%
	Minimum	21.05	21.05	19.99	19.99	5.3%	5.3%
	Maximum	21.05	21.05	19.99	19.99	5.3%	5.3%

		January 1, 2006		January 1, 2005		%Change 2005-2006	
		Monthly Employer Premium	Monthly Employee Premium	Monthly Employer Premium	Monthly Employee Premium	Employer Premium	Employee Premium
Family	Average	31.34	21.44	25.52	24.18	22.8%	-11.3%
	Median	22.28	15.9	17.11	15.61	30.3%	1.9%
	Minimum	2.62	2.62	2.62	2.62	0.0%	0.0%
	Maximum	74.44	74.44	69.90	69.90	6.5%	6.5%

Employees paid an average of 76.4% of single coverage dental premiums and 68.4% of family premiums.

24) Did the business offer a flexible spending account (FSA) plan to its employees on January 1, 2006?

- 39.7% Yes
- 34.5% No
- 25.9% Blank

a. What qualifying expenses are allowed by the FSA plan? Please check all that apply. (Percentages are based on those with FSA plans).

- 95.6% Medical-dental
- 91.3% Child and dependent care
- 39.1% Premium pass-through

25) Did the business offer an employee assistance program (EAP) to its employees on January 1, 2006?

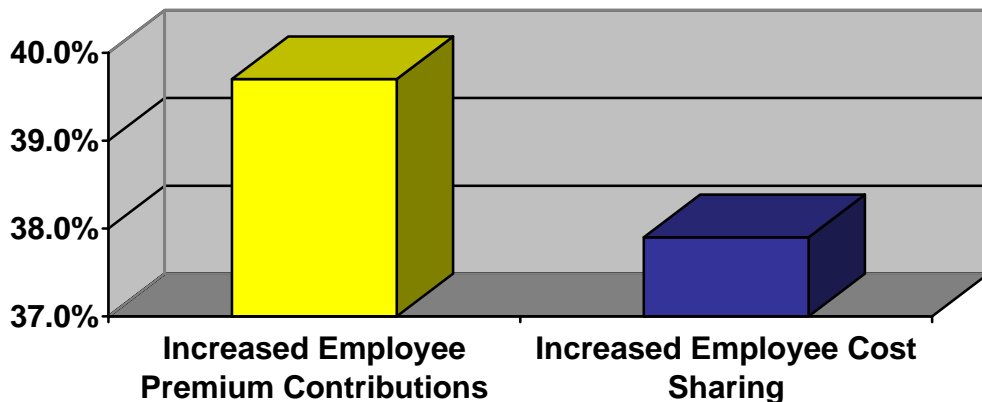
- 24.1% Yes
- 39.7% No
- 36.2% Blank

26) From **January 1, 2000** to **January 1, 2006**, did the business undertake any of the following strategies to counter health insurance cost increases? Please indicate by filling in the appropriate boxes.

a. Plan costs

- 3.4% Increasing eligibility requirements for health insurance coverage for full-time staff
- 39.7% Increasing employee premium contributions
- 5.2% Benchmarking employer premium contributions to the employer's lowest-cost plan
- 37.9% Increasing employee cost-sharing (e.g., deductibles, co-pays)
- 0% Reducing, restricting or dropping health insurance coverage for part-time employees
- 0.0% Reducing or dropping retiree health insurance coverage

Employers Who Have Increased Employee Insurance Costs



b. Procurement

- 5.2% Forming or participating in a purchasing coalition to procure health insurance
- 24.1% Instituting a formal competitive bidding or proposal process
- 5.2% Starting claim audits of the health insurance company/third party administrator
- 5.2% Starting performance audits of the health insurance company/third party administrator

c. Health plan selection

- 5.2% Dropping traditional first-dollar plan coverage in favor of managed care plans
- 36.2% Changing health insurance companies or third party administrators
- 0.0% Using health plan quality measure(s) (e.g., NCQA measures) in plan selection
- 0.0% Using patient satisfaction measure(s) in plan selection
- 0.0% Creating or strengthening a formal labor-management health insurance committee
- 5.2% Creating a cafeteria plan wherein employees could choose the benefits they want

d. Employee health risk management plan

- 13.8% Creating or expanding risk avoidance program(s) (e.g., smoking cessation program)
- 15.5% Creating or expanding loss prevention program(s) (e.g., workplace safety program)
- 3.4% Creating or expanding loss control program(s) (e.g., fitness center reimbursement)
- 25.9% Encouraging employees to adopt healthier lifestyles

27) Reflecting back on your answers to question 26, please rate each strategy that your company adopted during January 1, 2000 through January 1, 2006 in terms of its **effectiveness in driving down your business' health insurance costs** using the following scale:

- 1: very ineffective
- 2: ineffective
- 3: neutral
- 4: effective
- 5: very effective

Please place the number pertaining to your effectiveness rating of each strategy your company adopted on the line at the end of each strategy.

Plan costs

	Percent Responding	Average	Median	Minimum	Maximum
Increasing eligibility requirements for health insurance coverage for full-time staff	12.1	3	3	1	5
Increasing employee premium contributions	43.1	3.2	3	1	5
Benchmarking employer premium contributions to the employer's lowest-cost plan	17.2	2.3	2.5	1	4
Increasing employee cost-sharing (e.g., deductibles, co-pays)	41.4	3.5	4	1	5
Reducing, restricting or dropping health insurance coverage for part-time employees	12.1	3.1	3	1	5
Reducing or dropping retiree health insurance coverage	10.3	2.7	3	1	3

Procurement

	Percent Responding	Average	Median	Minimum	Maximum
Forming or participating in a purchasing coalition to procure health insurance	17.2	3.3	3	1	5
Instituting a formal competitive bidding or proposal process	29.3	3	3	1	5
Starting claim audits of the health insurance company/third party administrator	15.5	2.8	3	1	4
Performance audits of the health insurance company/third party administrator	13.8	2.6	3	1	4

Health plan selection

	Percent Responding	Average	Median	Minimum	Maximum
Dropping traditional first-dollar plan coverage in favor of managed care plans	19.0	3.5	4	1	5
Using health plan quality measure(s) (e.g., NCQA measures) in plan selection	13.8	3	3	1	5
Using patient satisfaction measure(s) in plan selection	10.3	2.7	3	1	3
Creating or strengthening a formal labor-management health insurance committee	10.3	2.7	3	1	3
Creating a cafeteria plan wherein employees could choose the benefits they want	15.5	2.7	3	1	4

Employee health risk management plan

	Percent Responding	Average	Median	Minimum	Maximum
Creating or expanding risk avoidance program(s) (e.g., smoking cessation program)	20.7	3	3	1	4
Creating or expanding loss prevention program(s) (e.g., workplace safety program)	22.4	3	3	1	5
Creating or expanding loss control program(s) (e.g., fitness center reimbursement)	13.8	2.6	3	1	3
Encouraging employees to adopt healthier lifestyles	32.8	2.7	3	1	4

28) Reflecting again back on your answers to question 27, please rate each strategy that your company adopted during January 1, 2000 through January 1, 2006 in terms of its **impact on labor-management relations** using the following scale:

- 1: very negative
- 2: negative
- 3: neutral
- 4: positive
- 5: very positive

Please place the number pertaining to your impact rating of each strategy your company adopted on the line at the end of each strategy.

Plan costs

	Percent Responding	Average	Median	Minimum	Maximum
Increasing eligibility requirements for health insurance coverage for full-time staff	10.3	3.3	3	3	5
Increasing employee premium contributions	44.8	2.4	3	1	4
Benchmarking employer premium contributions to the employer's lowest-cost plan	17.2	2.9	3	2	3
Increasing employee cost-sharing (e.g., deductibles, co-pays)	37.9	2.4	2.5	1	3
Reducing, restricting or dropping health insurance coverage for part-time employees	8.6	3	3	3	3
Reducing or dropping retiree health insurance coverage	10.3	2.7	3	<u>1</u>	<u>3</u>

Procurement

	Percent Responding	Average	Median	Minimum	Maximum
Forming or participating in a purchasing coalition to procure health insurance	10.3	2.8	3	1	4
Instituting a formal competitive bidding or proposal process	27.6	3.1	3	2	5
Starting claim audits of the health insurance company/third party administrator	10.3	3	3	3	3
Performance audits of the health insurance company/third party administrator	13.8	2.9	3	2	3

Health plan selection

	Percent Responding	Average	Median	Minimum	Maximum
Dropping traditional first-dollar plan coverage in favor of managed care plans	17.2	2.5	2.5	1	4
Using health plan quality measure(s) (e.g., NCQA measures) in plan selection	8.6	2.8	3	2	3
Using patient satisfaction measure(s) in plan selection	8.6	3	3	3	3
Creating or strengthening a formal labor-management health insurance committee	8.6	3	3	3	3
Creating a cafeteria plan wherein employees could choose the benefits they want	17.2	3.2	3	1	5

Employee health risk management plan

	Percent Responding	Average	Median	Minimum	Maximum
Creating or expanding risk avoidance program(s) (e.g., smoking cessation program)	20.7	3	3	1	4
Creating or expanding loss prevention program(s) (e.g., workplace safety program)	20.7	3.5	3	3	5
Creating or expanding loss control program(s) (e.g., fitness center reimbursement)	13.8	3.2	3	3	4
Encouraging employees to adopt healthier lifestyles	31.0	3.3	3	3	5

29) Please fill in the box associated with each aspect of the business that has been negatively impacted by rising health insurance prices and the responses taken by the business.

- 36.2% Decreased employee satisfaction with job benefits
- 19.0% Decreased employee loyalty to the business
- 22.4% Increased labor-management tensions over employee compensation
- 36.2% Reduced the ability of the business to offer wage increases
- 15.5% Reduced the ability of the business to compete with competitors
- 44.8% Reduced business earnings
- 12.1% Reduced business investments that would allow for business expansion
- 6.9% Reduced business investments that would allow for new products or services
- 10.3% Restricted the ability of the business to plan future business actions
- 6.9% Led to staff layoffs
- 6.9% Led to hiring part-time over full-time staff
- 13.8% Led to a reduction in the total number of staff employed