

Private Sector Health Insurance Survey Columbus Area Labor-Management Committee

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 1/4 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.