

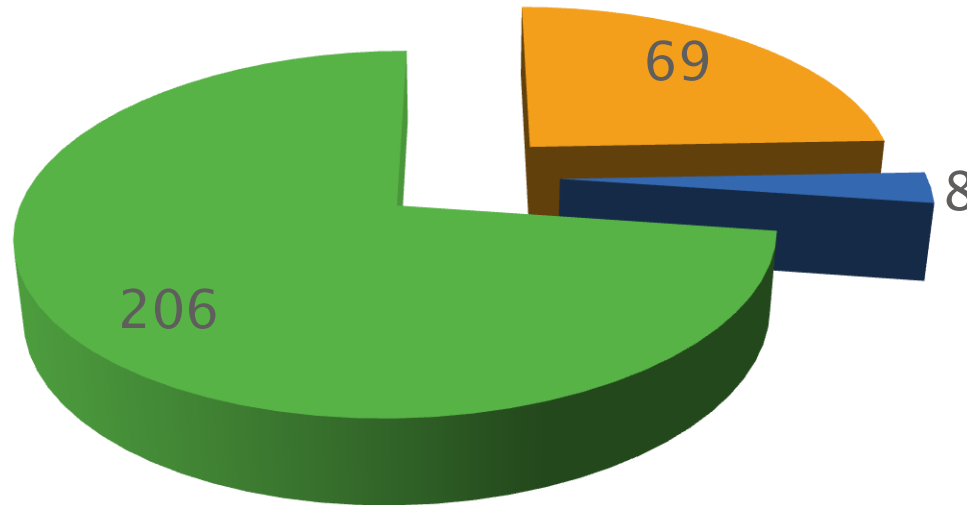


*Wisconsin Motor Carriers Association*

# 2009 HEALTH BENEFIT OFFERING SURVEY

## Executive Summary

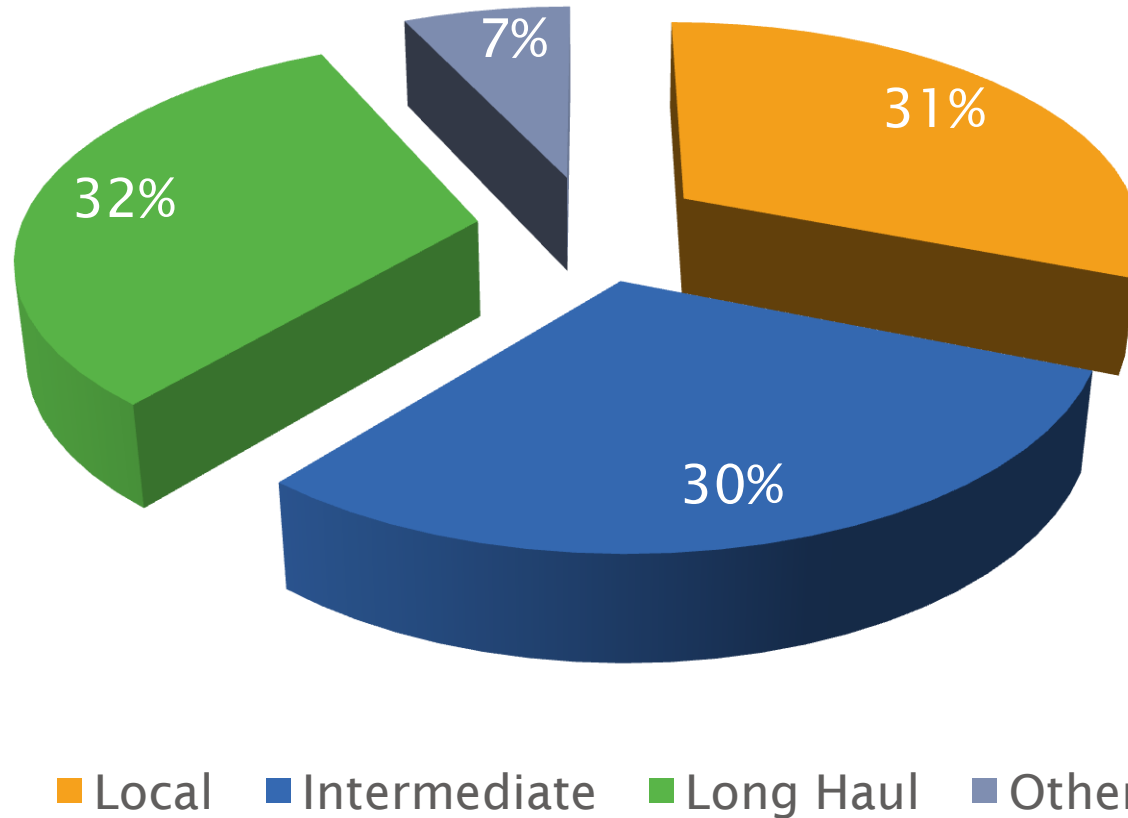
# SURVEY PARTICIPATION RESPONSES



- Completed Responses - Offer Health Insurance
- Completed Responses - Do not offer Health Insurance
- No Responses

77 completed accurate responses; 27% participation rate.  
90 different health benefit offerings were evaluated from these companies; 8 companies reported that they do not offer health insurance.

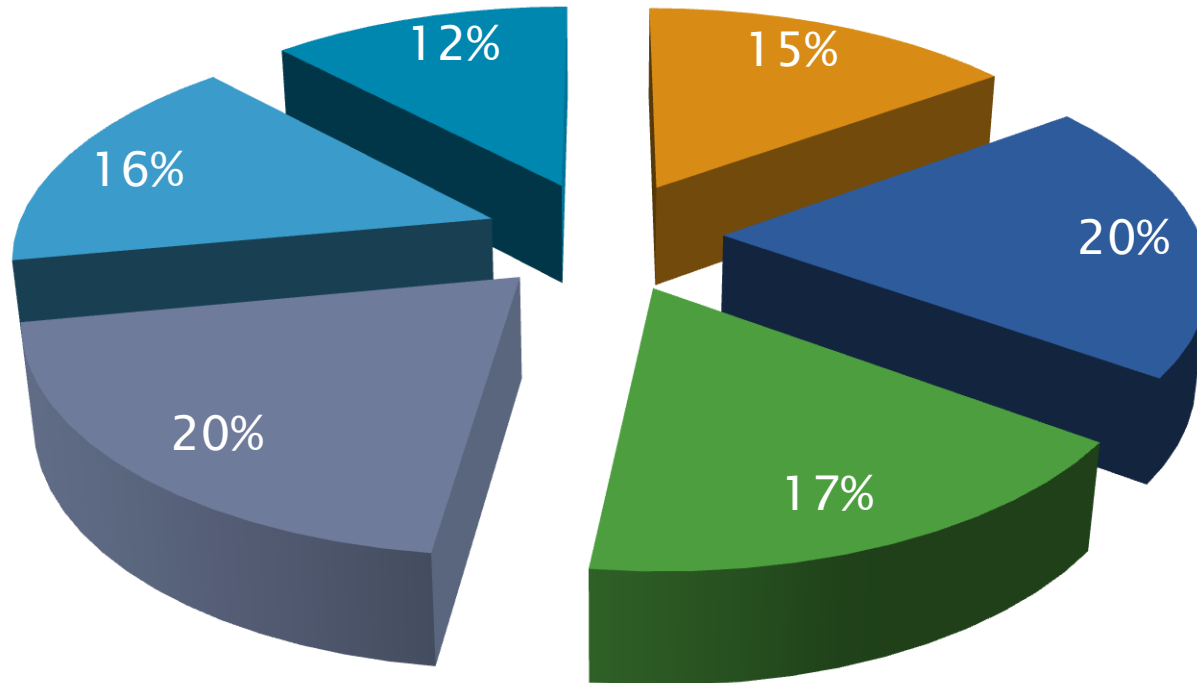
# SURVEY PARTICIPATION PARTICIPANT DEMOGRAPHICS – TYPE OF BUSINESS



Balanced representation among all types of business and fleet sizes.

# SURVEY PARTICIPATION

## PARTICIPANT DEMOGRAPHICS – FLEET SIZE

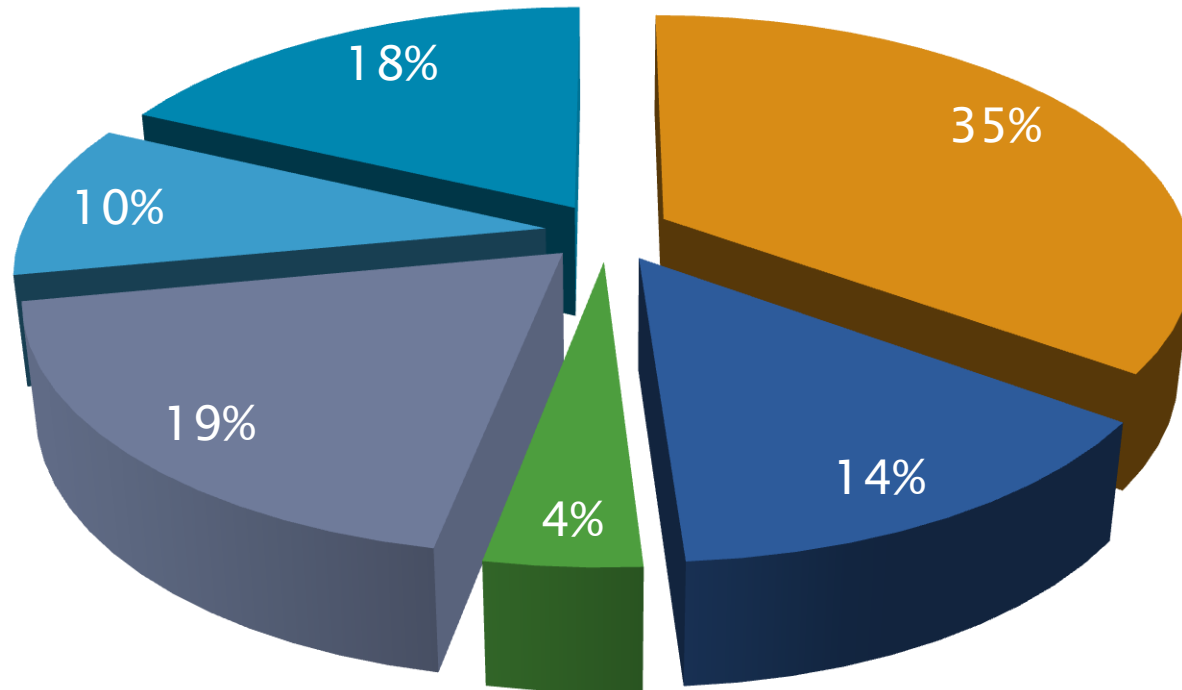


■ < 10   ■ 10 to 24   ■ 25 to 49   ■ 50 to 99   ■ 100 to 249   ■ 250+

Balanced representation among all types of business and fleet sizes.

# SURVEY PARTICIPATION

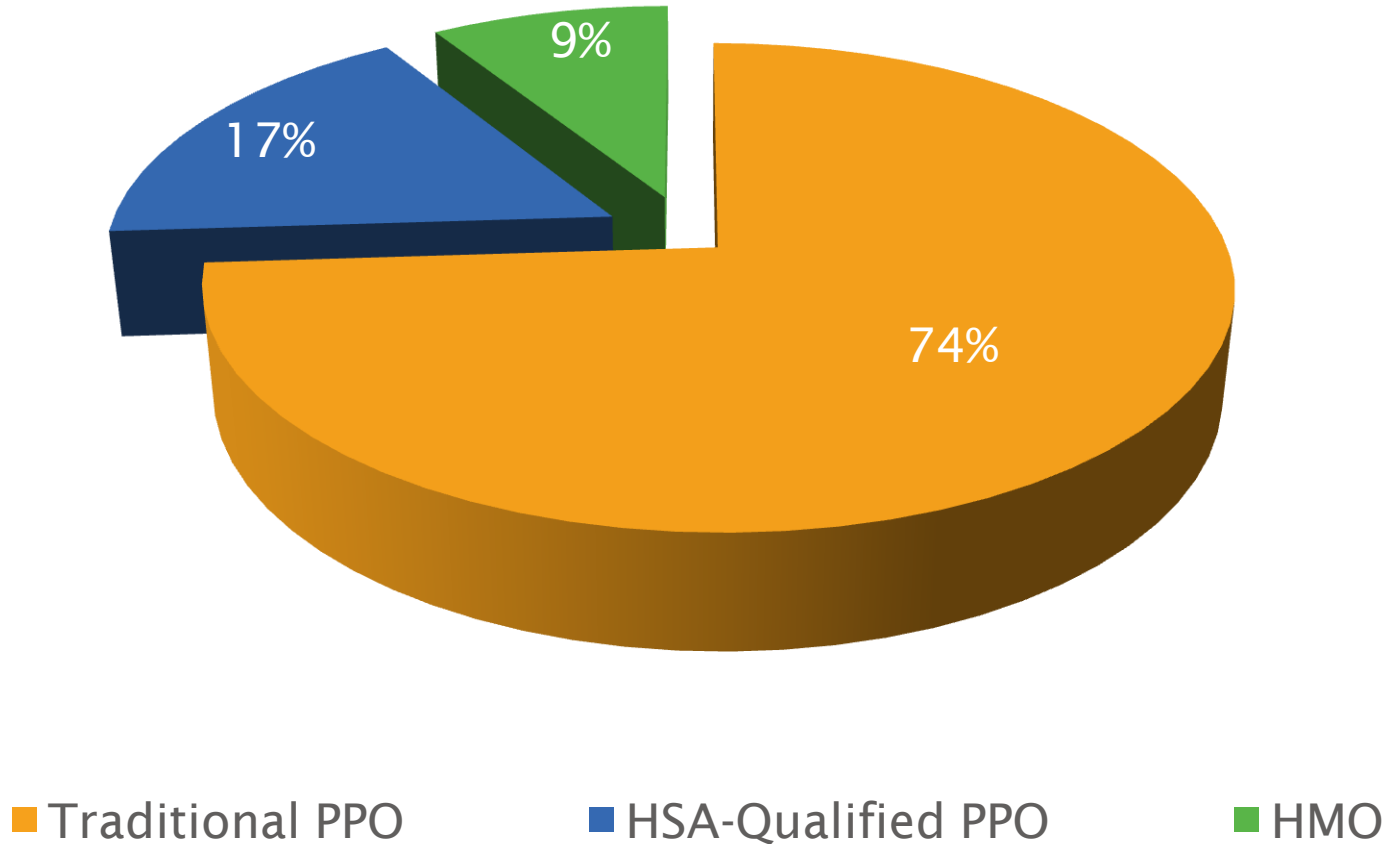
## PARTICIPANT DEMOGRAPHICS – TYPE OF TRUCKS



■ Dry Van   ■ Flat Bed   ■ Intermodal   ■ Refer   ■ Tanker   ■ Other

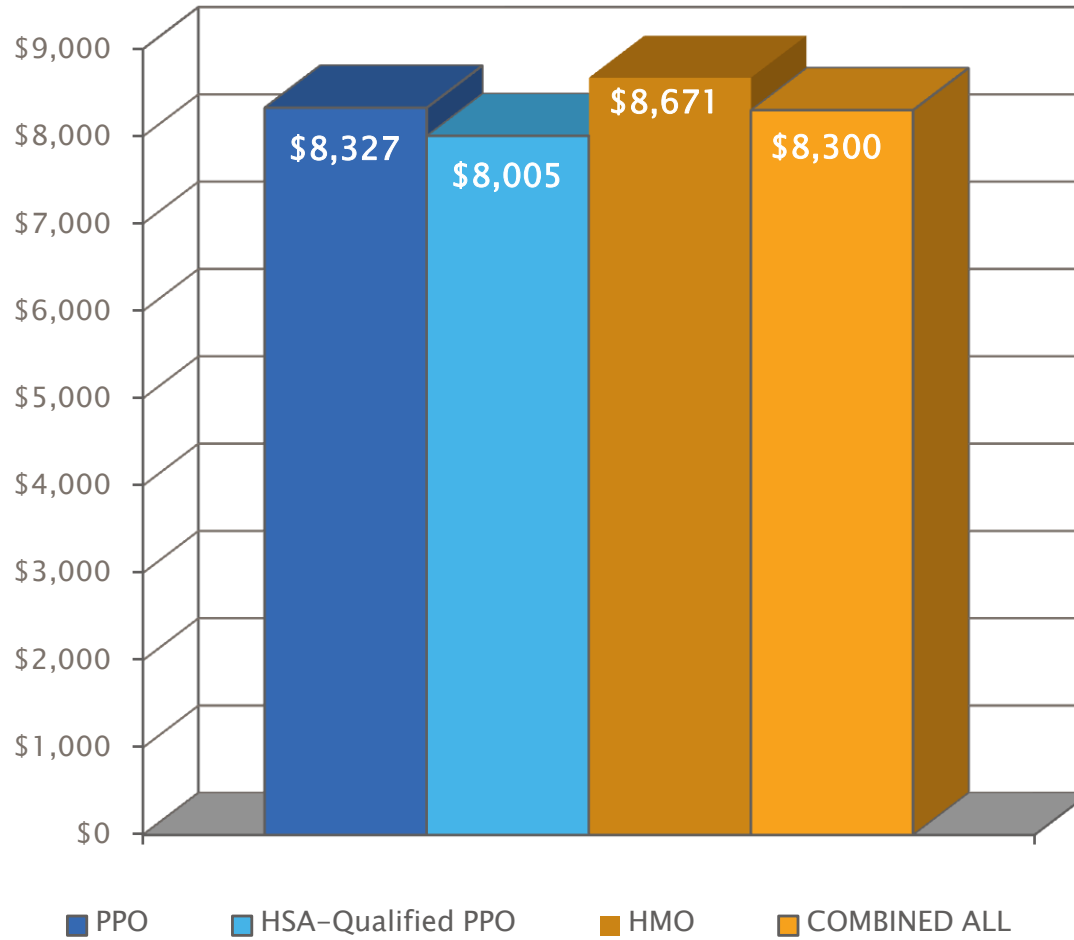
Broad mix of truck types represented.

## EMPLOYER-SPONSORED HEALTH PLANS AVAILABLE PLANS



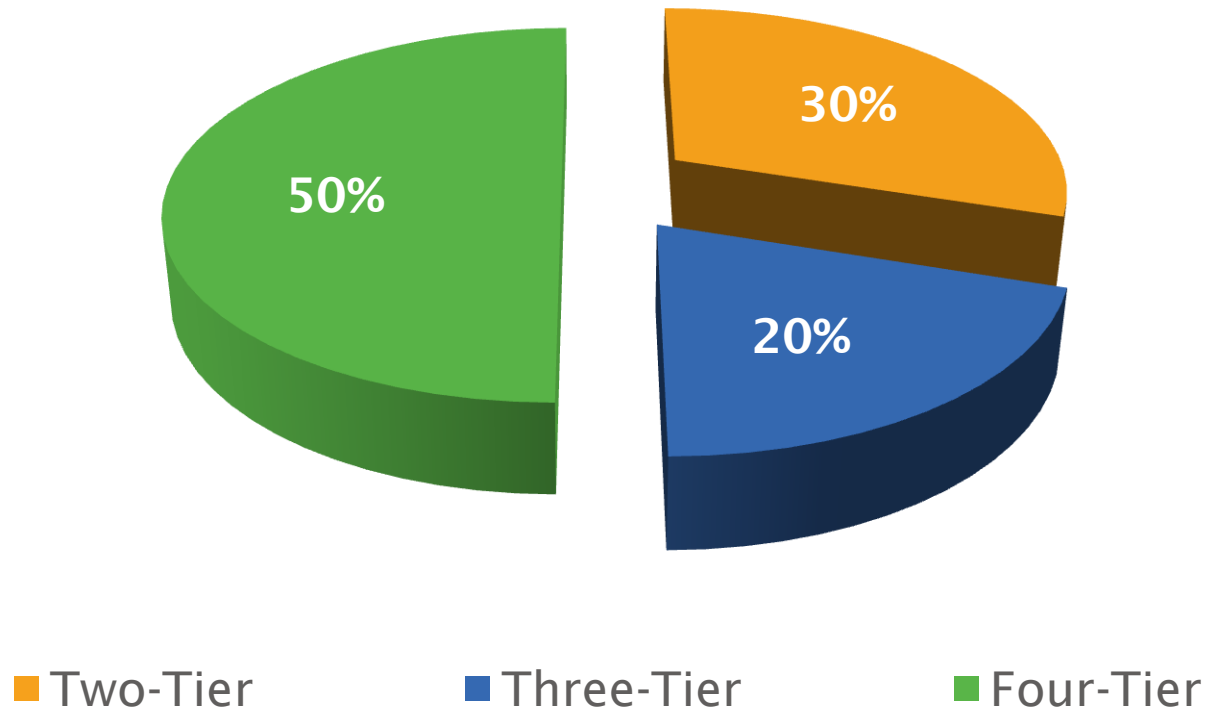
Among the 90 plans offered, only 8 provided network benefits only (HMO-type plans).

# EMPLOYER-SPONSORED HEALTH PLANS ANNUAL PREMIUM PER EMPLOYEE



As expected, HSA plans are lowest cost and HMO plans are highest.

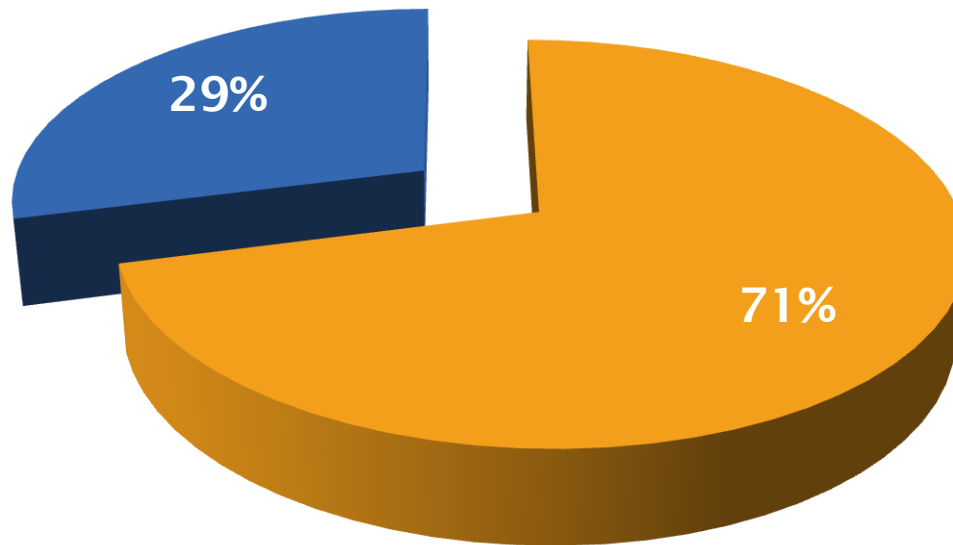
# EMPLOYER-SPONSORED HEALTH PLANS RATE BASIS



Half of all plan offerings are structured on a four tier basis, meaning a separate rate for the following classifications (employee only, employee plus children, employee plus spouse, and employee plus spouse and children (family)). The next most popular structure is a two tier rate basis that separates employee and family coverage only (30% of plans).



# EMPLOYER-SPONSORED HEALTH PLANS FUNDING METHOD



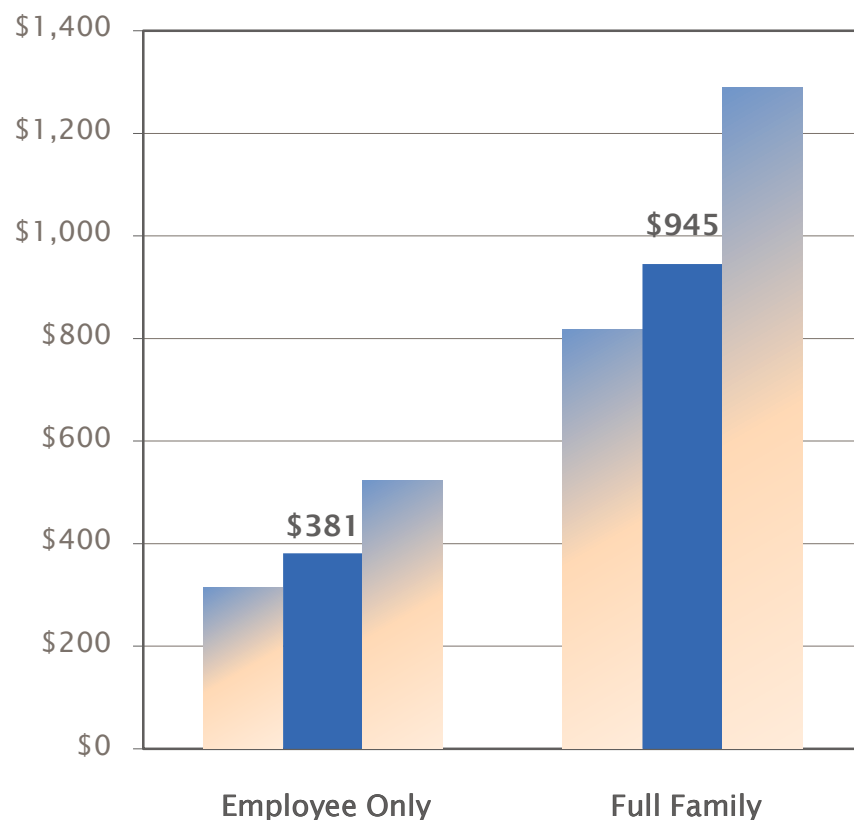
■ Conventional Insurance      ■ Self-Funding or Other Method

29% of plans are self-funded or partially self-funded (claims funded by employer with stop loss insurance protecting against large claims).

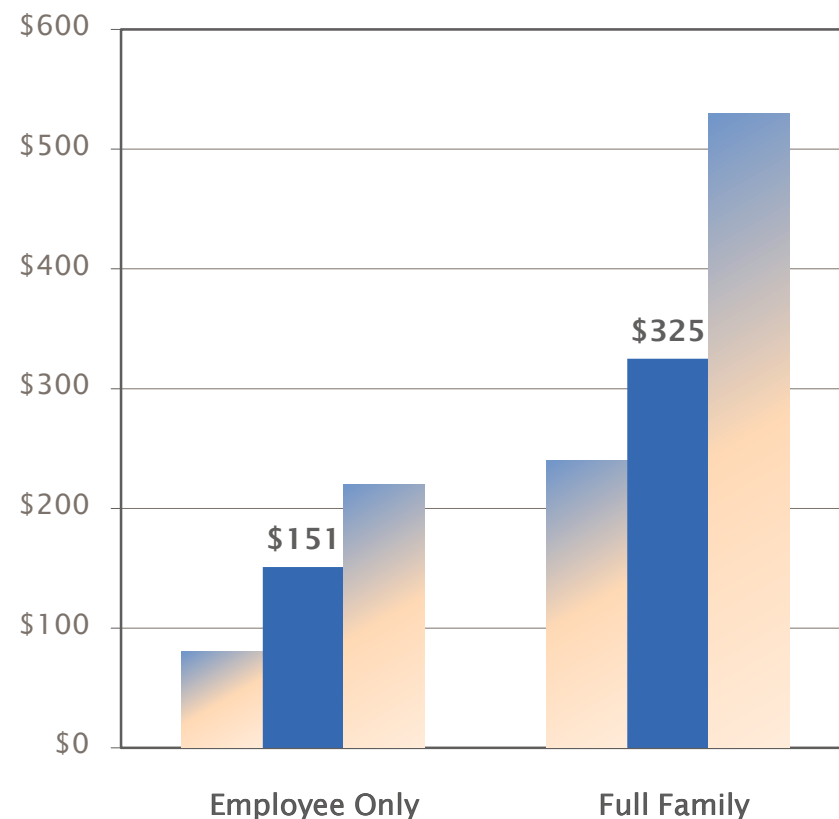
Over 40% of the self-funded plans are offered by employers with less than 100 employees.

# EMPLOYER-SPONSORED HEALTH PLANS PREMIUM RATES – 2 TIER PLANS

Total Rate



Employee Share



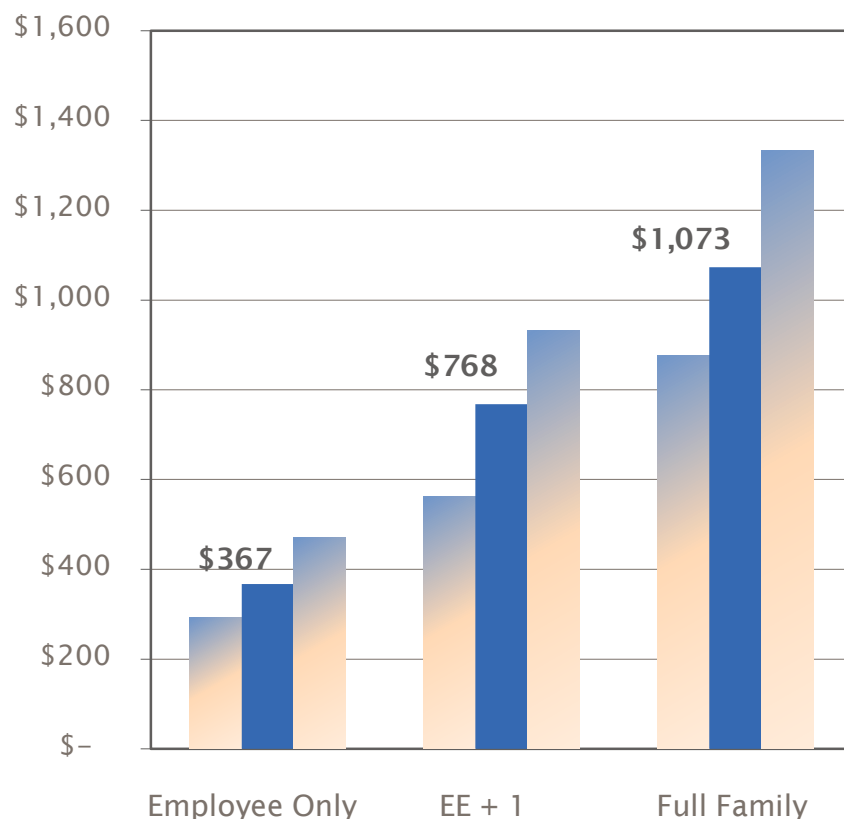
Average monthly premium (or equivalent) rates and monthly employee payroll deductions are shown above. Based on these averages, the employee's premium share is 39.7% for singles and 34.4% for families.

Blue shaded bars represent 10<sup>th</sup> and 90<sup>th</sup> percentile of rate range from all groups in this category.

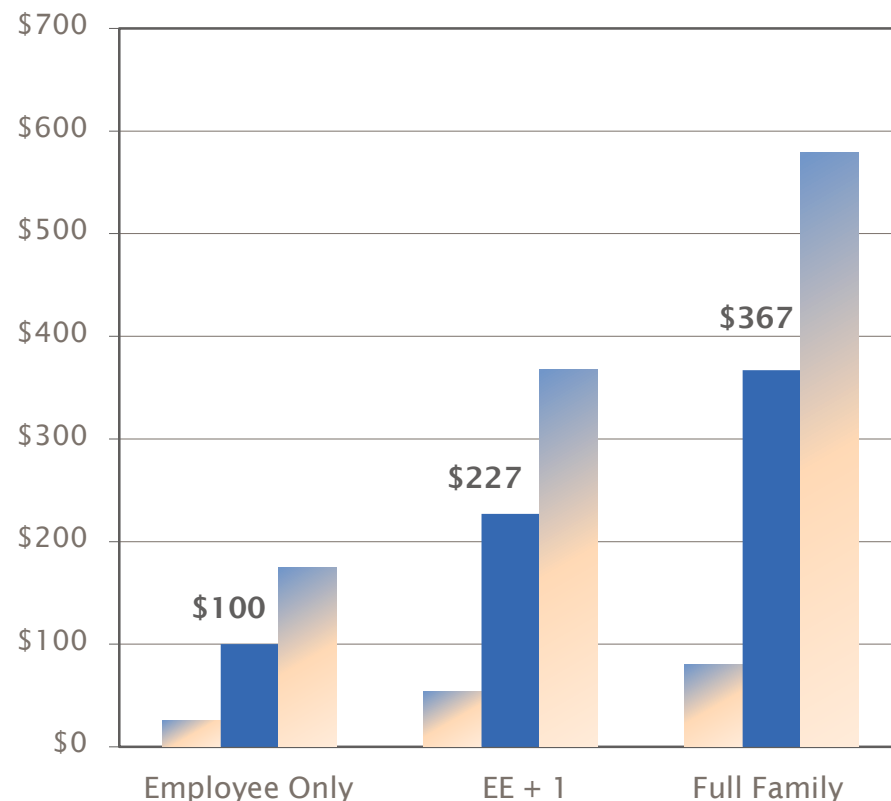
With outliers removed, premium sharing ranged from 19-50% for singles and 19-47% for families. Actual weighted average employee contributions for all groups combined was 27%. This is a function of enrollment among tiers and the influence of large groups within this category.

# EMPLOYER-SPONSORED HEALTH PLANS PREMIUM RATES – 3 TIER PLANS

Total Rate



Employee Share



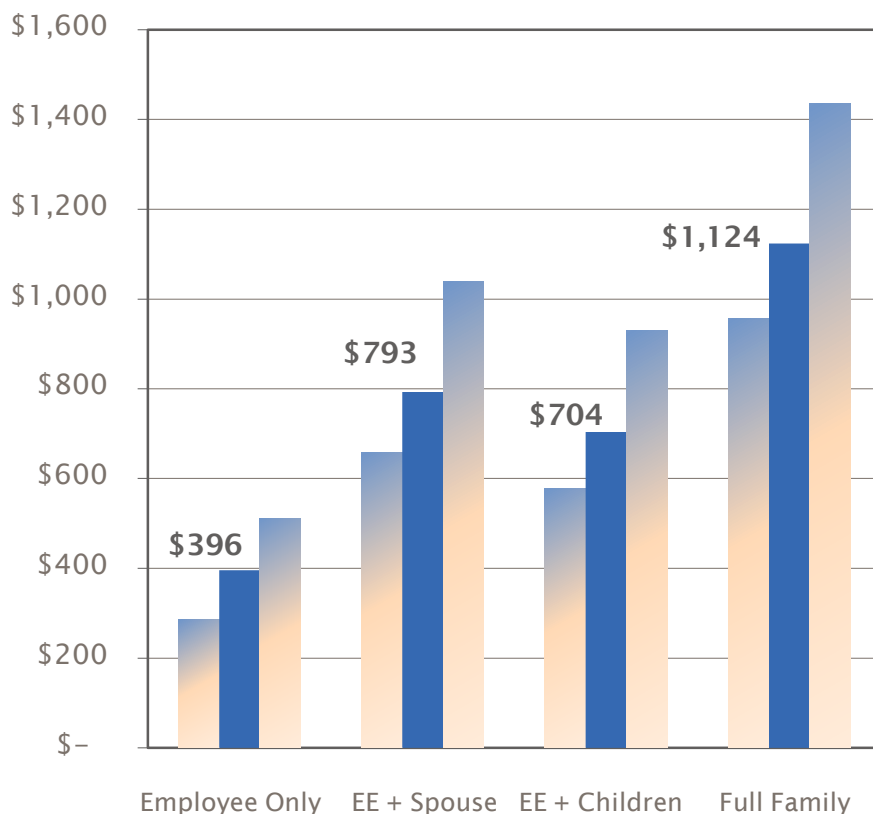
Average monthly premium (or equivalent) rates and monthly employee payroll deductions are shown above. Based on these averages, the employee's premium share is 27.2% for singles and 29.6% to 34.1% for families.

Blue shaded bars represent 10<sup>th</sup> and 90<sup>th</sup> percentile of rate range from all groups in this category.

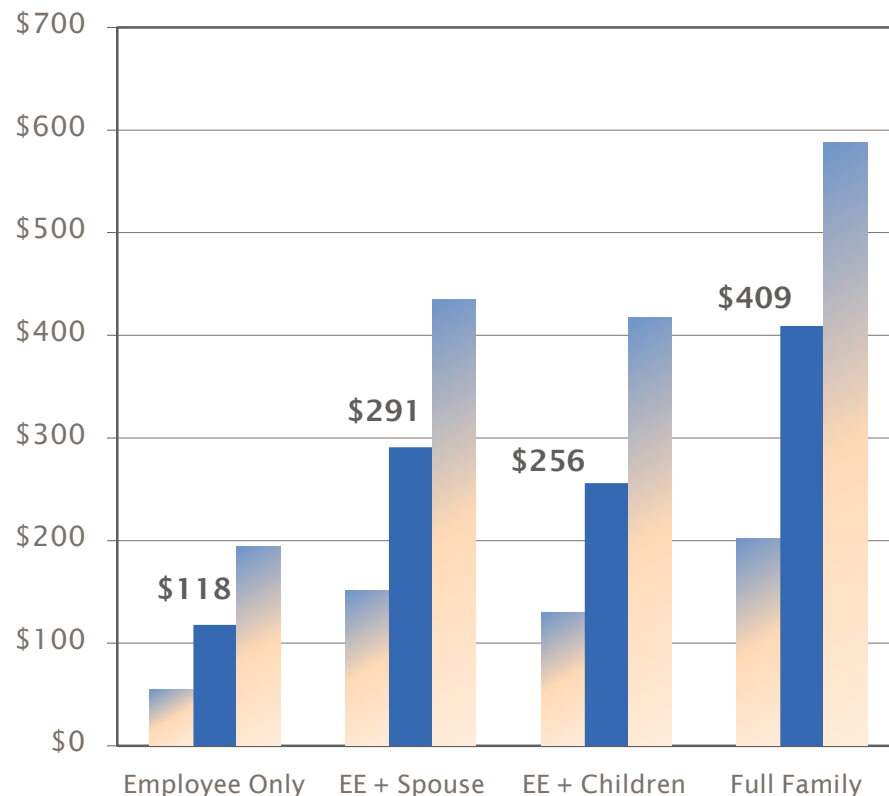
With outliers removed, premium sharing ranged from 5-41% for singles and 14-60% for families. Actual weighted average employee contributions for all groups combined was 23%. This is a function of enrollment among tiers and the influence of large groups within this category.

# EMPLOYER-SPONSORED HEALTH PLANS PREMIUM RATES – 4 TIER PLANS

Total Rate



Employee Share



Average monthly premium (or equivalent) rates and monthly employee payroll deductions are shown above. Based on these averages, the employee's premium share is 29.9% for singles and 36.4% to 36.6% for families.

Blue shaded bars represent 10<sup>th</sup> and 90<sup>th</sup> percentile of rate range from all groups in this category.

With outliers removed, premium sharing ranged from 18-50% for singles and 17-55% for families. Actual weighted average employee contributions for all groups combined was 33%. This is a function of enrollment among tiers and the influence of large groups within this category.

# EMPLOYER-SPONSORED HEALTH PLANS

## PLAN DESIGN – CORE PROVISIONS

- Deductible - \$1,000 (@x or 3x family- equal)
- Benefit Percentage
  - In-network – 90%
  - Out-of-network – 70%
- Out-of-Pocket Maximum - \$2,500 (2x family)
- Office Visit Copay - \$25
- Specialist Copay - \$30
- Emergency Room Copay - \$100
- Prescription Drug Copays (70% of plans)
  - Generic/Tier 1 Copay - \$10-\$14
  - Preferred/Tier 2 Copay - \$30-\$39
  - Non-Preferred/Tier 3 Copay - \$50-\$74

*Median Values for All Plans Offered*

# EMPLOYER-SPONSORED HEALTH PLANS ENROLLMENT AND ELIGIBILITY PROVISIONS

- Average Participation Rate – 74%
  - Low – 33%
  - High – 94%
- Waiting Periods
  - Median – first of month following 60 days
  - Most common – first of month following 90 days (45%)
- Incentives to Waive Coverage
  - Employees – 12% of plans
  - Spouses – 1% of plans
  - All offer more than \$250 annually as incentive
- Multiple Benefit Options
  - 42% of firms provide at least two health plan options
  - 7% provide three health plan options

# EMPLOYER-SPONSORED HEALTH PLANS

## PREVENTIVE CARE AND WELLNESS

- Preventive Care Benefits
  - 30% provide 100% coverage (no deductible or copay)
  - 25% provide at 100% after copay
  - 45% provide regular benefit levels or other approach
- Wellness (57% offered some wellness programming)
  - Top 5 Programs
    - Wellness Newsletters (67%)
    - Safety/Accident Prevention (64%)
    - Smoking Cessation (56%)
    - Health Risk Assessments (54%; 29% mandatory)
    - Disease Management/Health Coaching (46% each)
- Most popular incentive - premium reduced (13%), cash (10%)
  - Of those providing incentives, almost half provided \$500 or more in incentive value

# EMPLOYER-SPONSORED HEALTH PLANS

## HEALTH CARE REIMBURSEMENT ACCOUNTS

- Prevalence of Reimbursement Accounts
  - 29% of firms provide Flexible Spending Accounts
  - 17% of firms provide Health Savings Accounts
  - 15% of firms provide Health Reimbursement Accounts
- Company Contributions to Accounts – Single Coverage
  - 38% provide some form of contribution
  - Most common amount is \$1500 or more
- Company Contributions to Accounts – Family Coverage
  - 36% provide some form of contribution
  - Most common amount is \$3000 or more



# EMPLOYER-SPONSORED HEALTH PLANS

## MISCELLANEOUS

- Health Insurance Renewal Expectations
  - 16% expect reduction or less than 5% increase
  - 23% expect 5.0% - 9.9% increase
  - 38% expect 10% or greater increase
  - 23% uncertain as to what to expect
- Health Insurance Renewal Tolerance
  - 32% require reduction or will make plan changes
  - 42% can tolerate increase of 4.9% or less
  - 26% can tolerate increase of 5% or more
- Other insurance benefits offered:
  - Life (28% company funded; 15% employee funded)
  - Short Term Disability (13% company funded; 17% employee funded)
  - Dental (13% company funded; 18% employee funded)