



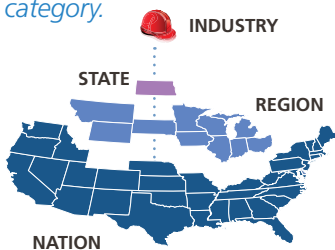
EMPLOYERS SEEK GUIDANCE TO STRATEGICALLY MANAGE HEALTH INSURANCE COSTS

Data in the 2016 UBA Health Plan Survey are based on responses from 11,524 employers sponsoring 19,557 health plans nationwide.

The UBA survey is **larger** than all the leading surveys — produced by Kaiser, Mercer, Gallager, Willis, Towers Watson, and Aon — **combined!**



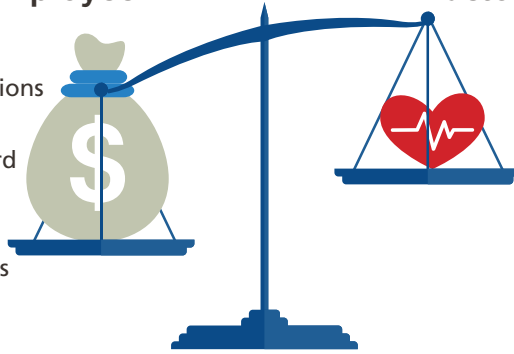
The size of the 2016 UBA Health Plan Survey provides employers with the data they need to benchmark their plans more accurately based on plan type, region, number of employees, and industry category.



Data from the UBA Health Plan Survey provides employers of all sizes more detailed—and therefore more meaningful—benchmarks and trends than any other source. The following are selected highlights and key findings from the 2016 survey responses.

Factors Driving Employee Costs Higher

- Employee contributions are up, employer contributions toward total cost are down
- Increase in out-of-network deductibles and out-of-pocket maximums

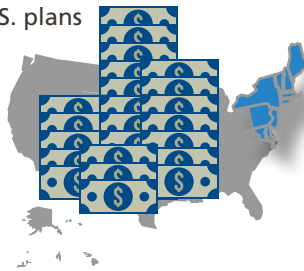


Factors Keeping Employer Rates Steady

- Increase in lower-cost CDHP and HMO plans
- Grandmothered employers avoided ACA-compliant plans
- **UBA bargaining power**

\$\$\$\$ Plans

- Government and Finance
- Northeast U.S. plans



\$ Plans

- Retail, Construction, and Hospitality
- Central U.S. plans



Out-of-Pocket Costs Rising

Across all health care plans, median in-network deductibles for singles and families are holding steady at \$2,000 and \$4,000, respectively. However, the median in-network single deductible for PPO plans has jumped 50 percent, going from \$1,000 in 2015 to \$1,500 in 2016—a significant increase given that nearly half of all employees enroll in PPO plans. Furthermore, out-of-network deductibles are spiking across all plans. The median family out-of-network deductible has jumped from \$6,000 in 2014 to \$7,000 in 2015 to \$8,000 in 2016. Singles have seen a 13.3 percent increase from \$3,000 to \$3,400. Both singles and families also are seeing continued increases in median in-network out-of-pocket maximums (up \$440 and \$300, respectively, to \$4,400 and \$9,000). Families bear the brunt of the increase in median out-of-network out-of-pocket maximums.

MEDIAN OUT-OF-NETWORK SINGLE OUT-OF-POCKET MAXIMUMS



MEDIAN OUT-OF-NETWORK FAMILY OUT-OF-POCKET MAXIMUMS



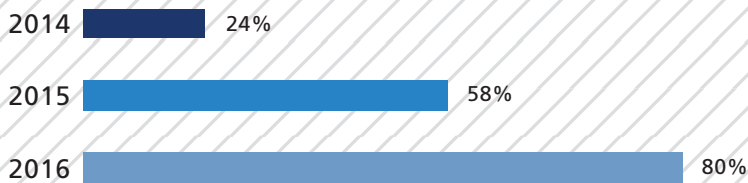
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NUMBER 1 COST CONTAINMENT STRATEGY FOR PRESCRIPTION PLANS: 4+-TIER PLANS WITH COINSURANCE

For the first time, the percentage of four-tier plans (41.6%) surpasses the percent of three-tier plans. And with a rapidly emerging 10% of plans using five tiers and 2% using six tiers, a whopping 53.6% of plans offer four tiers or more. Over the last three years, the number of 4+ tier plans grew nearly 80%, making this a rapidly growing strategy to control costs. Along with segmenting drugs into more categories, employers are turning to coinsurance in lieu of or alongside copay models to further protect them from rising drug costs. Nearly 40% of plans have coinsurance/blended models, an increase of nearly 16% from last year.

PERCENT INCREASE IN 4+ TIERS



CDHPs Grow in Popularity with Employers and Employees

A quarter of all plans are consumer-directed health plans (CDHPs) — an increase of 14.2% from 2012. These plans are seeing enrollment increases of nearly 70% from 2012.

2016

Enrollment increased

69.2%

14.2%

increase in CDHPs offered

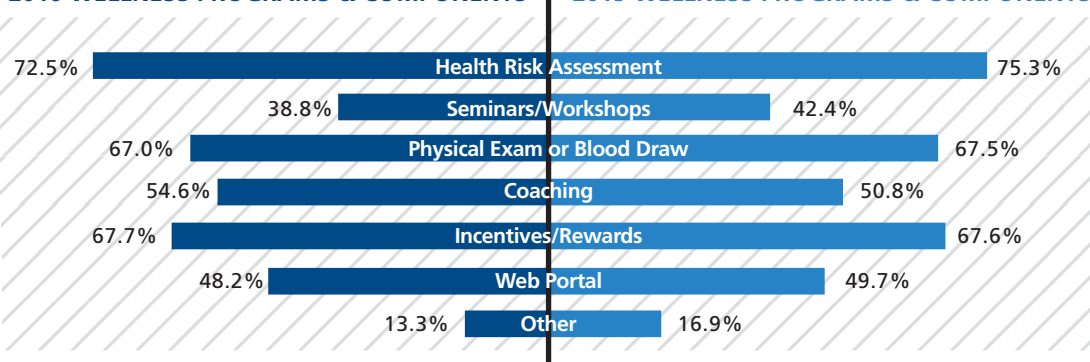
2012

New Wellness Trend: Employers Move Away from Health Risk Assessments

Nearly 20% of employers offer wellness programs but the program components are changing. Compared to 2015, the use of health risk assessments is down 3.7%, while telephone coaching for high risk employees is up 75%.

2016 WELLNESS PROGRAMS & COMPONENTS

2015 WELLNESS PROGRAMS & COMPONENTS



Contact us today for a copy of the 2016 UBA Health Plan Survey Executive Summary or to request a custom benchmarking study of your health plan.

