

United Benefit Advisors (UBA) announces results of nation's largest health plan benchmark survey

INDIANAPOLIS, IN, September 13/PRNewswire/ -- United Benefit Advisors (UBA), (<http://benefits.com>), an alliance of 141 of the nation's premier independent benefit advisory firms, along with Newton, MA based EBS Capstone released the results of its second annual employer-sponsored health plan benchmark survey. With responses from 13,663 health plans sponsored by 9,603 employers nationwide who employ 1.52 million people with approximately 3.52 million total lives, the 2006 UBA Health Plan Survey is the nation's largest and most comprehensive survey of plan design and plan costs.

"The unprecedented number of respondents allows the report to define benchmarks for a greater number of specific industries, regions, and employee size categories than have been available previously", said David LoCascio, UBA's Co-Founder. "The results will be of significant value to employers in evaluating the effectiveness of their current plans and to knowledgably make future adjustments to keep their benefits both competitive and cost-effective."

The survey report provides vital benchmark statistics on hundreds of health plan factors, including detailed enrollment, plan design, plan cost, employee premium cost-sharing, prescription drug, retiree plan, and flexible spending account norms.

Among the survey's numerous findings:

- The average annual health plan cost per employee is \$6,629 (medical/Rx coverage), with an average employee cost of \$2,031 and an average employer cost per employee of \$4,592.
- Average premiums for all plans were \$331 for single coverage and \$817 for family (a weighted average of all non-single coverages).
- 32.3% of all plans required no employee contributions and 8.3% required no family contributions. Of plans requiring contributions, employees contributed an average of 26.9% of premium or \$88 for single coverage and 45.3% or \$361 for family coverage.
- Average premiums increased 8.6% for all plans (after any plan adjustments) versus 9.6% last year, with Consumer Driven Plans having the lowest increases at 5.7%.
- Consumer Driven Plans (plans with an HRA or HSA) are now offered by 5.8% of employers versus 2.6% last year, with 3.4% of all covered employees now enrolled in such plans (also up from 1.9% last year).
- The average employer contribution to an HRA was \$1,033 for single and \$1,965 for family, while average employer contributions to an HSA were \$938 single and \$1,533 family.
- The overwhelming majority of the increased adoption of Consumer Driven Plans have come from employers with under 1,000 employees, with the highest sub-segment being employers with less than 100 employees.

"With employer health plan information reported for over 2,700 cities from virtually every state in the country, differences in plan design and plan costs between various regions and industry groups become apparent", said Paul Rooney, Managing Partner at EBS Capstone. "This unique level of additional information provides important factors in determining not just what is happening with health plan costs, but why it's happening."

For example, the survey data confirm that the often reported health plan premium cost difference for plans in the Northeast (~13% above the national average) is largely attributable to those plans having richer benefits than any other region of the country. Specifically, 74.6% of plans in the Northeast have no single deductible and an amazing 83.3% have no in-network coinsurance, versus roughly 25% for plans in other regions.

Other important findings include:

- The median single PPO deductible is now \$500, while in-network and out-of-network coinsurance is 80% and 60% respectively.
- HMOs and CDHPs have approximately 10% lower annual costs per employee than the average plan, while POS and FFS plans have nearly 9% and 21% higher annual costs per employee than the average plan, respectively.
- 48.2% of covered employees also elect dependent coverage, with the highest percentage (52.5%) being covered by CDHPs.
- 4.4% of all employers now offer comprehensive, non-insurance company-based wellness programs, mirroring the trend toward consumer empowerment in health care.
- 75.1% of all prescription drug plans utilize three copays, with median copays of \$10/\$25/\$45, and 96.2% of plans utilize a mail-order program.
- While 18.2% of plans provide coverage for same-sex domestic partners, regional differences are pronounced (57.2% of plans in the West, 23.4% in the Northeast, and an average of 1.7% in the rest of the country).
- Plan premiums increased approximately 1.2% more for employers with fewer than 50 employees than for all other employers.

"The intent of the survey is to provide not only large employers with effective plan benchmarks, but to also provide the 99.3% of employer plan sponsors who have fewer than 1,000 employees with data that is critical in managing their programs effectively", said Mr. Rooney. "Also, with the rapidly increasing number of employers having operations in more than one location, a genuinely national survey of this previously unavailable size and scope is the most effective way to deliver that information."

Copies of the survey are available for purchase via UBA's website at www.benefits.com. A companion report, the 2006 UBA Employer Opinion Survey, which delineates employers' specific health care strategies, cost-containment efforts, opinions, and future expectations regarding their health plans, will be available later this month.

About EBS Capstone

EBS Capstone (EBSC) is a full-service employee benefits and property and casualty brokerage firm specializing in the design, administration and negotiation of insurance programs. EBSC provides a wide range of brokerage services for clients ranging from 10-5,000 employees in fields such as, but not limited to, high technology, pharmaceuticals, computer software, entertainment and manufacturing. Current EBSC clients are located in 12 states, including all six New England regional states. For further information, please see our website at www.ebscapstone.com

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About United Benefit Advisors (UBA)

UBA, (<http://benefits.com>), is one of the nation's largest employee benefits advisory organizations with over 1,900 experienced benefits professionals located in more than 160 offices across North America. As an alliance of the nation's premier independent benefit advisory firms, UBA members are better positioned to help employers and employees respond more efficiently and effectively to the challenges of an ever-changing employee benefits marketplace.

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