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**NEW SURVEY SHOWS CONSUMER DRIVEN HEALTH PLANS
CONTINUE TO GROW
More Employers Offer Wellness Programs to Cut Health Care Costs**

Newton, MA, August 19, 2008 – As health care costs continue to rise, more employers are looking to Consumer Driven Health Plans and employee wellness programs to help keep costs under control, according to the new Health Plan Survey conducted by EBS Capstone and United Benefit Advisors (UBA).

The nation's largest and most comprehensive benchmark survey of employer-sponsored plan design and plan costs, the 2008 UBA Health Plan Survey, found that Consumer Driven Health Plans, or CDHPs, increased by 43 percent from last year, and now comprise nearly 13 percent of all plans offered by employers. The percentage of employees enrolled in these plans nearly doubled, from six percent in 2007 to 11.2 percent this year.

While preferred provider organizations (PPOs) continue to dominate the market, representing 54 percent of plans offered by employers and nearly two-thirds (62.7%) of employees enrolled, health maintenance organization (HMO) participation continues to slip, and now represents just 21.3 percent of plans offered, with only 13.3 percent of employees enrolled.

“Certainly the continued growth of CDHPs is a key headline to come out of this year's survey,” said Paul Rooney, Managing Partner at EBS Capstone. “Fee For Service and Exclusive Provider Organizations now virtually disappeared from the market, and HMOs are losing ground as employers seek to help contain the rising cost of health care and insurance premiums.”

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In fact, while average premiums increased by 7.4 percent for all plans (after any plan adjustments), first year CDHP premiums **decreased** by 7.9 percent. This is perhaps not surprising given that CDHPs are designed to have lower premiums, but typically have higher deductibles and out-of-pocket costs for common procedures. Employers offset these higher out-of-pocket costs by offering employees a health reimbursement account (HRA) or a health savings account (HSA) and contributing funds. In 2008, the average employer contribution to an HRA was \$1,209 for a single employee and \$2,274 for a family; the average employer contribution to an HSA was \$642 (\$1,021 if 0 Employer contributions are eliminated) for a single and \$1,053 for family coverage.

Wellness Programs Another Way to Cut Costs

Recognizing that preventing illness is typically far less expensive than treating it, employers are increasingly offering comprehensive wellness programs to their employees. In fact, nearly one in 10 (9.8%) of employers offer wellness programs in 2008, compared to just 7.4 percent in 2007.

Of the employers that offer wellness programs, more than three-fourths (78.7%) include health risk assessments; more than a third (34.5%) include seminars or workshops; another third (39.1%) include on-site coaching or coaching by telephone for high-risk employees; and 40.2% offer biometric screening or physical exams. Over half (51.0%) offer employees incentives for participating in wellness programs.

“Across the board, we’re seeing a trend toward employee empowerment and participation when it comes to health care,” said Rooney. “They’re taking more control over health care expenditures, by increasing participation in CDHPs, and they are also realizing that there are financial benefits – in addition to health benefits – of participating in wellness programs. As the 2008 presidential election approaches and health care costs and plans continue to be a focus of national attention, we only anticipate that employees will look even harder at their own health plans designs and costs.”

Health care coverage continues to be a significant cost to both employees and employers. The survey found that the average annual health plan cost per employee is \$7,327 (medical coverage only), with employees paying \$3,210 and employers footing the bill for the remaining \$4,117. Average monthly premiums for all plans were \$370 for single coverage and \$901 for family.

As health care plan offerings become more complex, Rooney points out that benchmarking data like the annual UBA Health Plan Survey has become increasingly critical. “The intent of the survey is to provide employers of all sizes with the data they need to manage their health care benefit programs effectively,” said Rooney. “Especially for employers with fewer than 1,000 employees and employers who have operations in multiple locations, this survey is the only source of reliable regional – and in many cases state – health plan benchmarks by employer size and industry categories.” The 2008 UBA Health Plan Survey will be available to the public after November 1. Only UBA Member Firms have access to the more granular State, Region, and Industry data. Stafford also stated that the analysis of the 2008 UBA Health Plan Survey data will continue over the next several months and additional findings will be forthcoming. UBA has member firms in virtually every major U.S. market. To locate one and learn more about the 2008 UBA Health Plan Survey, visit www.benefits.com.

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About the Survey

With responses from 18019 health plans sponsored by 12,860 employers nationwide who employ more than 1.9 million people and insure approximately 4.4 million people, the 2008 UBA Health Plan Survey is the nation's largest and most comprehensive survey of plan design and plan costs. With nearly 10 percent more respondents than the 2007 survey, this year's survey represents another record level of employer participation. As the largest survey of its kind, the UBA Health Plan Survey defines benchmarks by a greater number of specific industries, regions, and employer size categories than is available from any other resource.

About United Benefit Advisors

United Benefit Advisors, one of the nation's largest employee benefit advisory organizations, has more than 1,900 experienced benefits professionals in ~165 offices throughout the U.S. and Canada. An alliance of nearly 140 of the nation's premier independent benefit advisory firms, UBA members are able to help employers and their employees respond efficiently and effectively to the challenges of an ever-changing employee benefit marketplace. UBA members provide employee benefits consulting, brokerage services, and best-in-class products to more than 37,000 private corporations and public employers across the U.S. and internationally. As trusted advisors, UBA members help their clients manage approximately \$16.5 billion annually in employee benefit expenditures on behalf of nearly 5.4 million employees and their families. In addition to the 2008 UBA Health Plan Survey, UBA also conducts annually one of two Employer Opinion Surveys, designed to monitor prevailing trends associated with employee benefit programs. For more information, visit www.benefits.com.

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