

**State Employment Relations Board  
Research and Training Section**

**2013**

**21<sup>st</sup> Annual**

**Report on the**

**Cost of Health Insurance**

**in Ohio's Public Sector**

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# TABLE OF CONTENTS

## Contents

PROJECT DESIGN AND RESPONSE RATE .....	2
SUMMARY OF KEY FINDINGS .....	3
SUMMARY TABLES .....	5
Survey Population Response Rates .....	5
Health Plans by Jurisdiction .....	6
Medical Premiums.....	6
Regions .....	11
Number of Employees.....	12
Plan & Funding Type .....	12
Premium Change .....	15
Cost of Medical and Ancillary Benefits .....	17
Deductibles for Medical Coverage – Managed Care Plans.....	18
Co-Insurance for Medical Coverage – Managed Care Plans .....	19
Out-of Pocket Maximums for Medical Coverage- Managed Care Plans.....	20
Fringe Benefits: Prescription, Dental & Vision .....	21
Prescription Drug.....	21
Dental .....	23
Vision .....	24
Methods to Lower Healthcare Costs .....	26
Incentive for Opting out of the Medical Plan.....	26
Spousal Restrictions .....	27
Joint Purchasing Arrangements.....	28
High Deductible Health Plans .....	29
Dependent Eligibility Audits.....	30
Worksite Wellness.....	31
APPENDIX .....	33
DEFINITIONS AND CLARIFICATIONS.....	37
INDEX OF TABLES AND CHARTS .....	39
END NOTES .....	40

## PROJECT DESIGN AND RESPONSE RATE

The State Employment Relations Board (SERB), as mandated by section 4117.02 of the Ohio Revised Code, is pleased to present the Annual Report on the Cost of Health Insurance in Ohio's Public Sector (2013 Report). In its 21<sup>st</sup> year, the purpose of this project is to provide data on various aspects of health insurance, plan design, and cost for government entities. Our goal is to provide constituents with statistics that may be useful for the employer and employee organizations, and to promote orderly and constructive relationships between public employers and their employees.

The original 2013 health insurance survey was web-based, although 5.4% (n=66) of respondents completed a paper form. The on-line survey was designed by SERB utilizing Novi Survey On Demand Edition ([www.novisurvey.com](http://www.novisurvey.com)). Pre-testing was conducted to ensure reliability of the survey instrument with regard to question and response wording and overall format. Survey question content alterations from the 2012 survey are minimal, but a few new questions were added to reflect the ever-changing arena of health care plan design and cost-management strategies.

The 2013 Health Insurance Survey was created and dispersed using Novi Survey, an on-line survey tool. SERB emailed or mailed links of the 2013 Health Insurance Survey to 1,325 governmental jurisdictions via email or postal mail<sup>i</sup> on or around December 11, 2012, requesting completion of the survey by March 1, 2013. The target survey population included:

Government	Schools	Colleges/Universities	Special Districts
<ul style="list-style-type: none"> <li>• State</li> <li>• Cities</li> <li>• Counties</li> <li>• Townships</li> </ul>	<ul style="list-style-type: none"> <li>• School Districts (City, Local, Exempted Village)</li> <li>• Joint Vocational Schools &amp; Career Centers</li> <li>• Educational Service Centers</li> </ul>	<ul style="list-style-type: none"> <li>• Community Colleges</li> <li>• State Colleges</li> <li>• State Universities</li> </ul>	<ul style="list-style-type: none"> <li>• Metropolitan Housing Authorities</li> <li>• Transit Authorities</li> <li>• Port Authorities</li> <li>• Regional Fire Districts</li> </ul>

Sixty-six surveys were completed on a paper form made available to entities that could not access the website. These surveys were entered into the on-line survey tool by individuals trained specifically for this project by SERB researchers. Completed surveys were downloaded from the survey manager's website into an Excel database, where data were organized and transferred to SPSS Statistics 17.0 software. The data was cleaned and analyzed in-house using SPSS Statistics 17.0 software.

Just over ninety-two percent (n=1,226) of public employers that received a survey submitted a completed response. Thirteen employers responded that they did not offer insurance. Statistics in this report represent about 394,388 public employees in the State of Ohio. The number of employer responses required to make generalizations about the entire population surveyed (the aforementioned public entities) is 307.<sup>ii</sup> With a response rate of 92.5%, statistics presented in this report are representative of various aspects of public employee medical care in the State of Ohio.

In addition to providing SERB with the costs of medical premiums, employers were also asked a series of questions on plan procurement (e.g. consortium membership, formal bid processes, brokers), plan design (e.g. opt-out stipends, disease management programs), and fringe benefits (e.g., dental, vision, prescription). Collecting all of this information helps SERB provide constituents with a more complete picture of the current medical care environment.

Data are presented in several tables that are found throughout the body of the report. All benefit information is presented for single and family coverage. Data have been collected on other coverage types (single + 1, single & child, and single & spouse). Due to the sparse distribution of these coverage types, these categories will not be presented this year in all tables.<sup>iii</sup> Please keep in mind that the survey is representative of public sector medical insurance plans in effect on January 1, 2013.

## SUMMARY OF KEY FINDINGS

- ▶ Statewide, the average monthly premium for medical and prescription coverage, when prescription is included in the medical premium<sup>iv</sup>, is \$520 for single coverage and \$1,370 for family coverage. Calculations include employee contributions of \$0 towards the medical premium (Table 3.2).
- ▶ The one-year increase in medical premiums, when prescription is included in the medical premium, between January 1, 2012 and January 1, 2013 is 2.8% for single coverage and 2.3% for family coverage (Table 3.2).
- ▶ Average monthly employee contributions to bundled medical premiums, including prescription drug coverage, are \$59 for single coverage and \$171 for family coverage. Employee premium contributions for single coverage rose 7.3% from last year and employee contributions for family coverage rose 8.9% from last year. Calculations include employee contributions of \$0 towards the medical premium (Table 3.2).
- ▶ Average monthly employer contributions to medical premiums, including prescription drug coverage, are \$461 for single coverage and \$1,199 for family coverage. Employer premium contributions for single coverage increased 2.2% from last year and employer contributions for family premiums rose 1.5% (Table 16.2 found in the appendix).
- ▶ The average annual total cost per employee for medical coverage, when prescription drug is included in the premium, is \$12,749. This is a 2.4% increase from the average total cost in 2012<sup>1</sup> (Table 6).
- ▶ For medical plans where prescription drug is purchased separately from medical coverage, the average monthly medical and prescription premiums increase to \$599 for single and \$1,418 for family coverage. This is a 11.5% increase for single and a 3.0% increase for family over last year.
- ▶ For plans that have prescription coverage included as part or separate from the medical premium, the average annual cost for medical and prescription coverage is \$11,112, which is a 2.4% increase from 2012<sup>2</sup> (Table 3.1 Statewide PEPM x 12).
- ▶ The vast majority of medical plans require employees to contribute a portion of the medical premium cost. For 2013, only 13.2% of single medical plans and 11.3% of family medical premiums were paid 100% by the employer.
- ▶ When employees pay a portion of the medical premium, the average employee monthly contribution is \$66 for single and \$184 for family coverage. This represents an increase in premium cost to employees of 4.8% for single coverage and 6.3% for employees with family coverage from 2012. Calculations exclude employees who contribute \$0 towards the medical premium (Table 16.1 found in the appendix).
- ▶ The vast majority of medical premiums (87.5%) include prescription benefits. In 11.2% of plans, prescription benefits are carved-out (Table 10).
- ▶ In some cases, dental (10.9%) or vision (12.9%) benefits are included in the medical premium package (Table 10).

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<sup>1</sup> The average yearly cost per employee is calculated by multiplying the amount paid by the employer and employee for each single, single + 1, single & child, single & spouse, and family plan by the number of people electing each, then dividing by the total number of people covered. See page 17 (Table 6) for more detail.

<sup>2</sup> The average yearly cost per employee is calculated by multiplying the amount paid by the employer for each single, single + 1, single & child, single & spouse, and family plan by the number of people electing each, then dividing by the total number of people covered. See page 7 (Table 3.1) for more detail.

- ▶ Statewide average co-payments are \$20 for office visits (non-specialist), \$100 for emergency room visits (sometimes waived if admitted), and \$35 for urgent care visits.
- ▶ The vast majority of plans (91.6%) require a deductible before cost-sharing of out-of-pocket medical expenses begins.
- ▶ Only 8.4% (n=152) of plans do not require employees to pay a deductible or co-insurance for medical coverage.
- ▶ Most jurisdictions (94.2%) offer an option for dental benefits. The majority of jurisdictions that offer dental coverage (88.4%) do so via a carve-out plan separate from the medical premium.
- ▶ Dental maximums range widely - from \$100 to \$6,000. The majority (69.3%) of jurisdictions with dental coverage have dental maximums between \$1,000 and \$1,500 per person covered.
- ▶ Close to three quarters (73.9%) of jurisdictions offer some level of vision coverage. Of the jurisdictions offering vision coverage, most jurisdictions (79.7%) do so via a separate, carve-out plan.

## SUMMARY TABLES

### Survey Population Response Rates

Table 1 shows the percent of entities that completed and returned surveys for 2013 by jurisdiction. The response rate of the number of surveys completed and returned to SERB for 2012 are also included for comparison.

**Table 1**

2012 and 2013 Response Rates by Jurisdiction						
	2012			2013		
	Surveys Sent	Surveys Completed	Response Rate	Surveys Sent	Surveys Completed	Response Rate
Counties	88	73	83.0%	88	80	90.9%
Cities	248	194	78.2%	249	217	87.1%
Townships	138	95	68.8%	152	124 <sup>(4)</sup>	81.6%
School Districts & Ed Svc Centers	719	649	90.3%	720	700 <sup>(4)</sup>	97.2%
Colleges & Universities	37	35	94.6%	37	34	91.9%
Fire Districts	13	9	69.2%	18	16 <sup>(5)</sup>	88.9%
Metropolitan Housing Authorities	38	32	84.2%	40	37	92.5%
Port Authorities	5	4	80.0%	5	5	100.0%
Regional Transit Authorities	15	8	53.3%	15	12 <sup>(1)</sup>	80.0%
State of Ohio	1	1	100.0%	1	1	100.0%
Overall Response Rate	1,302	1,100	84.5%	1,325	1,226 <sup>(14)</sup>	92.5%

Note: Number of surveys that do not offer insurance are in parenthesis. These values are included in the total number of surveys completed.  
 Note: Health Districts were not surveyed this year, since past surveys found majority were included in county submitted surveys.

The response rate for 2013 included 92.5% of all public jurisdictions responding to the health insurance survey. More than four-fifths of nearly all jurisdictional sub-categories responded.

This year we received 1,226 completed surveys. The surveys collected data on 1,810 insurance plans. Ten of these insurance plans stated a medical plan type of “other” during the survey and are omitted from all tables related to medical insurance plan types in this report.

## Health Plans by Jurisdiction

**Table 2**

2013 Percentage of Plan Types by Jurisdiction <sup>†</sup>								
	TRADITIONAL	PPO	POS	HMO	HDHP (no HSA)	HDHP (w/ HSA)	% Self-funded	n
STATEWIDE	1.6%	72.3%	2.3%	4.2%	10.1%	10.9%	64.7%	1,800
State of Ohio	-	100.0%	-	-	-	-	100.0%	1
Counties	-	68.8%	4.3%	5.8%	10.1%	10.9%	75.5%	138
Cities	1.6%	61.9%	2.2%	5.1%	7.3%	21.9%	44.7%	315
Townships	3.0%	53.8%	0.7%	3.8%	20.5%	18.2%	20.0%	134
School Districts & ESCs	-	78.8%	2.4%	3.3%	3.9%	9.8%	77.5%	1,056
Colleges & Universities	1.7%	70.3%	1.4%	9.5%	-	18.9%	62.2%	74
Special Districts	1.2%	65.9%	1.2%	6.1%	12.2%	13.4%	34.9%	82
% Self-funded	53.6%	72.0%	59.5%	30.3%	41.7%	49.4%		
n	28	1,302	42	76	115	237		

<sup>†</sup> Plan types -Traditional; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; HSA: Health Savings Account; n: number of plans  
 Note: Total number of plans may vary if plan type "Other" was selected on the survey. Also some employers offer multiple plans.

- ▶ Preferred Provider Organizations (PPOs) continue the status of most utilized plan type. PPOs represent 72.3% of all medical plans statewide.
- ▶ In jurisdictions that offer only one plan to employees, over three-quarters (78.6%) have PPOs.
- ▶ The frequency of high deductible health plans (HDHPs) has decreased since the 2012 survey. HDHPs now make up 21.0% of plans statewide, compared to 22.3% in 2012. School districts remain the least likely to offer HDHPs to employees in 2013<sup>3</sup>.
- ▶ Self-funded plans have increased 6.3% since last year. Townships remain the least likely of all jurisdictions to be self-funded, as many townships have few employees. Schools and Counties are the most likely to be self-funded as a large portion are members of consortiums.

## Medical Premiums

Please note the following when reading Tables 3.1- 3.4.

- 1) These averages usually include the costs of prescription benefits, but do not typically include other fringe benefits, such as dental and vision coverage.<sup>4</sup>
- 2) Averages presented in these tables are not weighted, meaning each reporting jurisdiction counts as one, regardless of size.
- 3) Table 16.1 of this report gives the employee dollar amount and percentage contribution to the premium in only plans where a contribution is required.

<sup>3</sup> The survey question was rewritten in 2013. This is believed to have caused the decrease due to confusion in the question.

<sup>4</sup> Of all plans statewide, 11.6 % include dental benefits in the medical premium; 17.4% include vision.

**Table 3.1 provides the following for all medical plans, including those plans where prescription drug is provided in a plan separate from the medical premium:**

- 1) The average monthly cost for combined single and family medical and prescription drug coverage.
- 2) The number of plans reported in each category.
- 3) The average monthly cost for combined single and family medical and prescription drug coverage.

**Table 3.1**

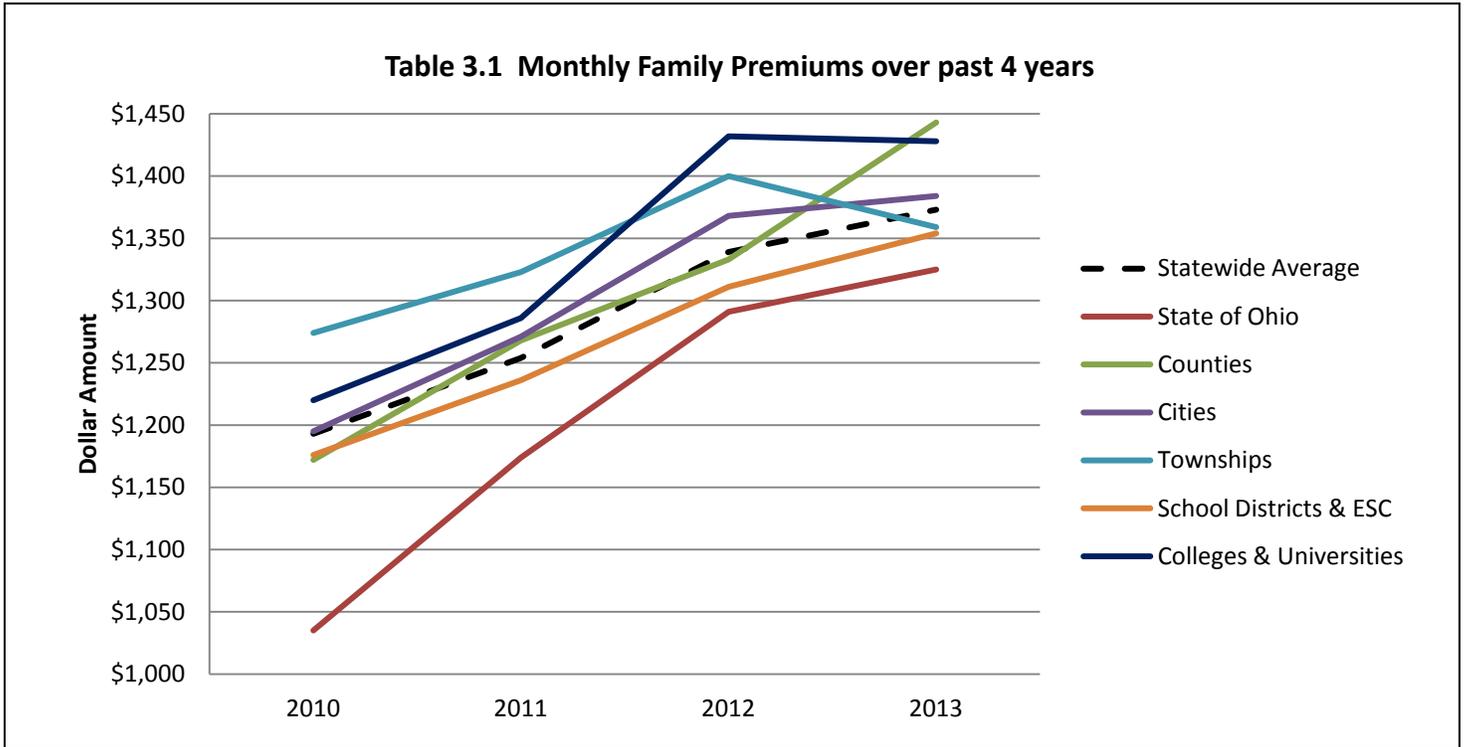
<b>2013 Average Monthly Medical and Prescription Premiums and Employer PEPM Costs <sup>†</sup></b>						
<b>Comparison Group</b>	<b>Average Medical &amp; Prescription Drug Premiums including separate drug plans</b>				<b>Total Employer Cost Per Month for Bundled Medical and Prescription</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Cost</b>	<b># of plans</b>
STATEWIDE	\$528	1,770	\$1,373	1,770	\$926	1,742
State of Ohio	\$478	1	\$1,325	1	\$876	1
Counties	\$531	138	\$1,443	139	\$856	139
Less than 50,000	\$546	49	\$1,498	50	\$844	50
50,000 - 149,999	\$548	54	\$1,466	54	\$897	54
150,000 or more	\$482	35	\$1,330	35	\$810	35
Cities	\$521	305	\$1,384	304	\$988	310
Less than 25,000	\$512	224	\$1,381	223	\$975	228
25,000 - 99,999	\$532	72	\$1,413	72	\$1,039	73
100,000 or more	\$663	9	\$1,217	9	\$909	9
Townships	\$485	124	\$1,359	128	\$988	134
Less than 10,000	\$502	64	\$1,370	67	\$988	73
10,000 - 29,999	\$468	46	\$1,352	47	\$981	47
30,000 or more	\$467	14	\$1,331	14	\$1,005	14
School Districts <sup>††</sup>	\$535	913	\$1,354	912	\$924	874
Less than 1,000	\$521	230	\$1,301	230	\$902	211
1,000 - 2,499	\$548	401	\$1,385	400	\$940	382
2,500 - 9,999	\$522	252	\$1,332	252	\$918	251
10,000 or more	\$585	30	\$1,520	30	\$929	30
Colleges & Universities	\$539	74	\$1,424	73	\$837	73
Fire Districts	\$379	11	\$1,212	11	\$902	11
Metro Districts	\$538	43	\$1,438	43	\$848	49
Port Authorities	\$498	5	\$1,416	5	\$929	5
Regional Transit Authority	\$542	15	\$1,512	14	\$880	14

<sup>†</sup> Average employee contribution in this table includes all plans reporting, and does include plans where employees contribute \$0 to the medical premium. PEPM: Per Employee Per Month  
<sup>††</sup> ESCs are not included in this category because they do not have a population size. They are included in the statewide total.  
 Note: Statewide total number of plans is different for PEPM category because some plans did not report number of participants in the plan.

- ▶ Fire Districts reported the lowest average premiums. The single premium is 28.2% below the statewide average. The family premium is 11.7% below the statewide average.
- ▶ Regional Transit Authorities reported the highest average premiums. The single premium is 2.6% above the statewide average. The family premium is 10.1% above the statewide average.

Chart 1 displays the monthly family premiums found in table 3.1 over the past four years. In 2013 the monthly premiums have increased for all jurisdictions except Townships and Colleges/Universities. In 2013 the increase was less than in previous years.

Chart 1



**Tables 3.2, 3.3, and 3.4 provide three facets of medical premiums:**

- 1) The average monthly medical premium for single and family coverage (along with the number of plans for which we received surveys in each category).
- 2) The average monthly dollar contribution by employees to the medical premium.
- 3) The percentage of the medical premium paid by employees; the remainder is paid by the employer.

**Table 3.2**

<b>2013 Average Monthly Medical/Prescription Premiums and Employee Contributions</b>										
<b>Comparison Group</b>	<b>Average Medical Premium</b>				<b>Average Employee Contribution<sup>†</sup></b>				<b>Percent of Premium Paid By Employee</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b>Family</b>
STATEWIDE	\$520	1,552	\$1,370	1,552	\$59	1,546	\$171	1,550	11.2%	12.2%
State of Ohio	\$478	1	\$1,325	1	\$72	1	\$210	1	15.1%	15.8%
Counties	\$529	127	\$1,452	128	\$72	127	\$217	128	13.3%	14.4%
Less than 50,000	\$549	47	\$1,503	48	\$80	47	\$256	48	14.7%	16.8%
50,000 - 149,999	\$539	51	\$1,472	51	\$75	51	\$214	51	13.3%	13.8%
150,000 or more	\$478	29	\$1,334	29	\$54	29	\$158	29	11.1%	11.6%
Cities	\$520	284	\$1,387	284	\$49	282	\$135	283	9.6%	9.8%
Less than 25,000	\$511	209	\$1,387	209	\$46	206	\$133	208	9.3%	9.7%
25,000 - 99,999	\$529	66	\$1,412	66	\$55	67	\$141	66	10.5%	9.8%
100,000 or more	\$663	9	\$1,217	9	\$57	9	\$131	9	9.8%	11.1%
Townships	\$485	117	\$1,366	120	\$28	116	\$84	118	6.3%	6.4%
Less than 10,000	\$505	61	\$1,381	63	\$27	60	\$79	62	4.9%	5.1%
10,000 - 29,999	\$460	44	\$1,355	45	\$30	44	\$85	44	8.3%	8.0%
30,000 or more	\$476	12	\$1,332	12	\$29	12	\$104	12	5.8%	7.1 %
School Districts <sup>††</sup>	\$523	773	\$1,343	772	\$63	771	\$182	773	11.7%	13.1%
Less than 1,000	\$497	201	\$1,274	201	\$58	199	\$166	201	11.1%	12.4%
1,000 - 2,499	\$539	328	\$1,375	327	\$64	328	\$187	328	11.7%	13.0%
2,500 - 9,999	\$518	219	\$1,334	219	\$65	219	\$183	219	12.4%	13.5%
10,000 or more	\$582	25	\$1,543	25	\$63	25	\$245	25	11.2%	15.7%
Colleges & Universities	\$545	67	\$1,442	66	\$78	67	\$221	66	14.4%	15.4%
Fire Districts	\$365	10	\$1,227	10	\$26	10	\$98	10	8.8%	8.2%
Metro Housing Authorities	\$523	39	\$1,435	39	\$57	39	\$169	39	8.8%	8.2%
Port Authorities	\$498	5	\$1,416	5	\$53	5	\$146	5	9.6%	9.5%
Regional Transit Authorities	\$539	13	\$1,532	12	\$54	13	\$166	12	9.9%	10.7%

<sup>†</sup> Average employee contribution in this table includes all plans reporting, thus does include plans where employees contribute \$0 to the medical premium.

<sup>††</sup> ESCs are not included in this category because they do not have a population size. They are included in the statewide total.

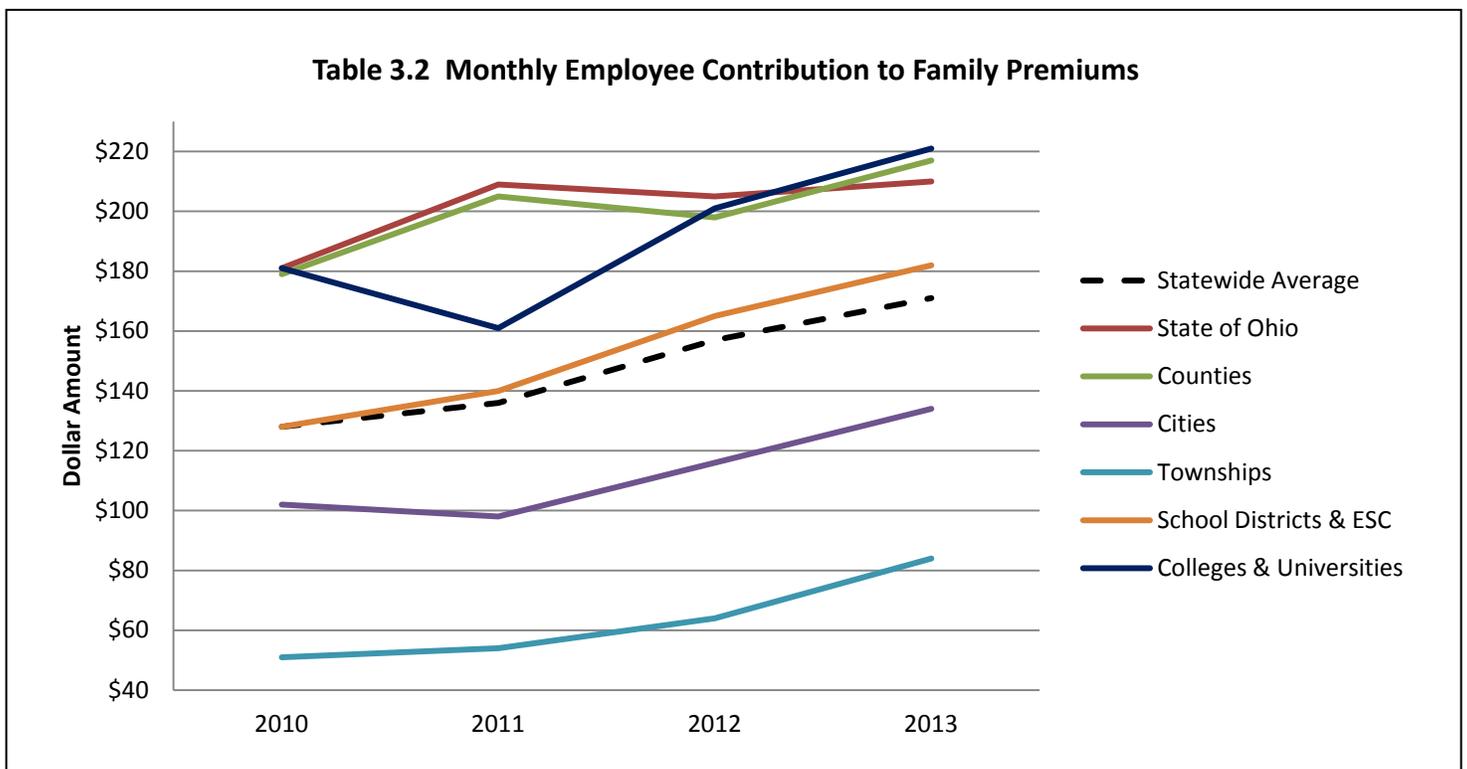
Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.

- ▶ Bundled medical/prescription premiums for the State of Ohio are 8.1% lower for single coverage and 3.3% lower for family coverage compared to the statewide average.
- ▶ Regional Transit Authorities have the largest average premiums. Single premiums are 3.6% higher than the statewide average and family premiums are 11.8% higher.

- ▶ Fire Districts average lower medical premiums at 29.8% below the statewide average for single and 10.4% lower for family premiums.
- ▶ The average Township employee contribution to both single and family medical premiums is less than half of the statewide average.
- ▶ The average employee contribution to single and family premiums is below 10% for Townships, Fire Districts, Metro Housing Authorities, and Port Authorities.
- ▶ The average employee contribution to family premiums is between 11.0% and 14.3% for Counties, Cities, School Districts, and Colleges & Universities.
- ▶ State of Ohio employees contribute 15.8% towards the family medical premium. College & University employees contribute 15.4% towards the family medical premium. The statewide average employee contribution for family medical coverage is 12.2%.
- ▶ Considering jurisdiction size, single premiums for cities with more than 100,000 people are 21.5% higher than the statewide average. Family premiums are 11.2% lower than the statewide average for this category.

Chart 2 displays the monthly employee contribution to family premiums found in table 3.2 over the past four years. The chart illustrates that monthly family contributions have continued to increase over that last few years.

**Chart 2**



## Regions

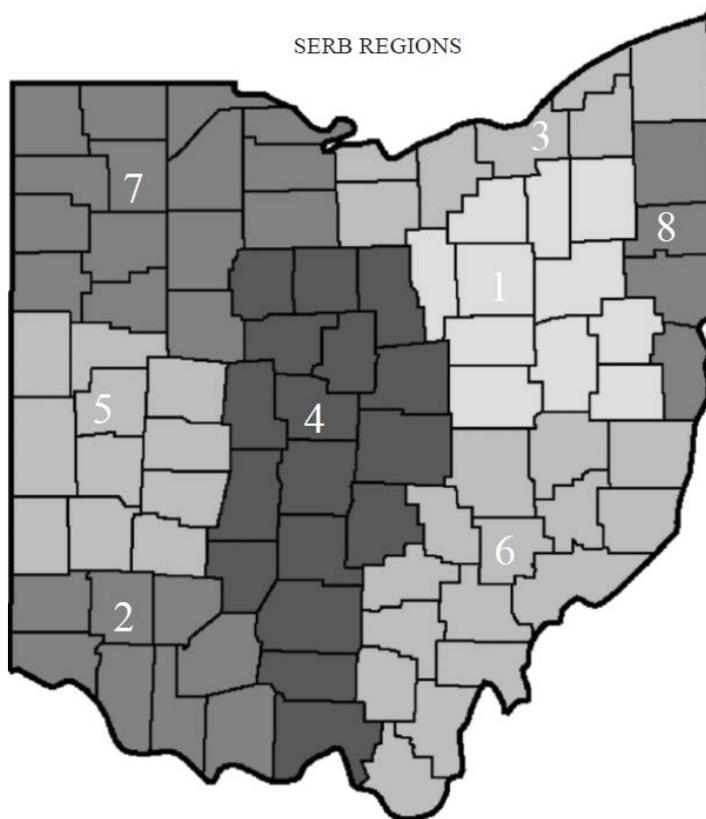
SERB divides the State into eight major regions. Insurance premiums may vary by region based on health care availability, proximity to larger metropolitan areas, economic, and other factors.

**Table 3.3**

2013 Average Monthly Medical/Prescription Premiums by Region								
Comparison Group	Average Medical & Prescription Drug Premium including carve-out prescription plans				Average Employee Contribution <sup>†</sup>		Percent of Premium Paid By Employee	
	Single	# of plans	Family	# of plans	Single	Family	Single	Family
STATEWIDE	\$520	1,552	\$1,370	1,552	\$59	\$171	11.2%	12.2%
1 - Akron/Canton	\$476	205	\$1,214	207	\$48	\$120	10.4%	10.3%
2 - Cincinnati	\$510	185	\$1,371	187	\$60	\$181	11.8%	12.9%
3 - Cleveland	\$515	205	\$1,378	203	\$50	\$137	9.6%	9.7%
4 - Columbus	\$576	266	\$1,488	264	\$74	\$219	12.9%	14.6%
5 - Dayton	\$500	211	\$1,355	211	\$69	\$200	13.2%	14.4%
6 - Southeast Ohio	\$604	113	\$1,574	114	\$67	\$205	11.3%	13.1%
7 - Toledo	\$478	253	\$1,309	253	\$58	\$176	11.4%	12.9%
8 - Warren/Youngstown	\$522	114	\$1,324	113	\$36	\$102	6.9%	6.8%

<sup>†</sup> Average employee contribution in this table includes all plans reporting, thus does include plans where employees contribute \$0 to the medical premium.

- ▶ Compared to statewide averages, medical premiums in Southeast Ohio average 13.9% higher for single coverage and 13.0% higher for family coverage.
- ▶ Average single medical premiums in the Akron/Canton region is 8.5% lower than the statewide average. Average family premiums in the Akron/Canton region is 11.4% lower for family coverage.
- ▶ Employees in the Columbus region contribute 20.3% more than the statewide average for single medical premiums and 21.9% more than the statewide average for family medical premiums. Employees in the Columbus region also pay the largest percentage of the family premium.
- ▶ Compared to statewide averages, employees in the Warren/Youngstown region pay 39.0% less for single medical coverage and 40.4% less for family medical coverage. Employees in the Warren/Youngstown region pay the lowest percentage to the medical premium.



## Number of Employees

Table 3.4 shows how insurance premiums vary by number of employees covered by the plan.

**Table 3.4**

2013 Average Monthly Medical/Prescription Premiums by Number of Employees Covered								
Comparison Group	Average Medical Premium				Average Employee Contribution <sup>†</sup>		Percent of Premium Paid By Employee	
	Single	# of plans	Family	# of plans	Single	Family	Single	Family
STATEWIDE	\$520	1,552	\$1,370	1,552	\$59	\$171	11.2%	12.2%
1 - 49	\$511	274	\$1,429	277	\$51	\$160	9.6%	10.6%
50 - 99	\$489	267	\$1,319	266	\$53	\$152	10.9%	11.7%
100 - 149	\$520	283	\$1,338	283	\$60	\$169	11.3%	12.2%
150 - 249	\$547	283	\$1,396	281	\$64	\$187	11.6%	12.9%
250 - 499	\$528	266	\$1,363	267	\$61	\$173	11.5%	12.5%
500 - 999	\$503	102	\$1,302	101	\$66	\$179	13.0%	13.6%
1,000 or more	\$559	77	\$1,473	77	\$69	\$213	12.9%	14.4%

<sup>†</sup> Average employee contribution in this table includes all plans reporting, thus does include plans where employees contribute \$0 to the medical premium.

## Plan & Funding Type

Table 4.1 shows how the average rates for different types of coverage (medical and prescription when included in medical) vary by plan type.

**Table 4.1**

2013 Average Premium Cost by Plan Type							
	TRADITIONAL	PPO	POS	HMO	HDHP (no HSA)	HDHP (with HSA)	All Plans <sup>†</sup>
Single	\$553	\$538	\$499	\$528	\$493	\$539	\$520
Family	\$1,469	\$1,397	\$1,345	\$1,376	\$1,353	\$1,412	\$1,370
Total cost per person	\$14,375	\$13,115	\$12,726	\$12,479	\$11,849	\$12,859	\$12,740
Number of plans	21	1,099	34	64	107	222	1,552

<sup>†</sup> Average is for all plans; Plan types - TRADITIONAL; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; HSA: Health Savings Account  
 Note: Includes plans where prescription is included in medical  
 Note: Excluded plans that have one rate.

- ▶ Traditional plans are the most costly family plan type reported this year. Traditional family plans average 6.7% higher than the average of all family plan types.
- ▶ Traditional plans have the highest average cost per person. Traditional plan average cost per person is 11.4% higher than the average cost per person of all plan types.
- ▶ Employees enrolled in High Deductible Health Plans (HDHP) with no Health Savings Account (HSA) contribution by the employer have the lowest total cost per person.

**Table 4.2**

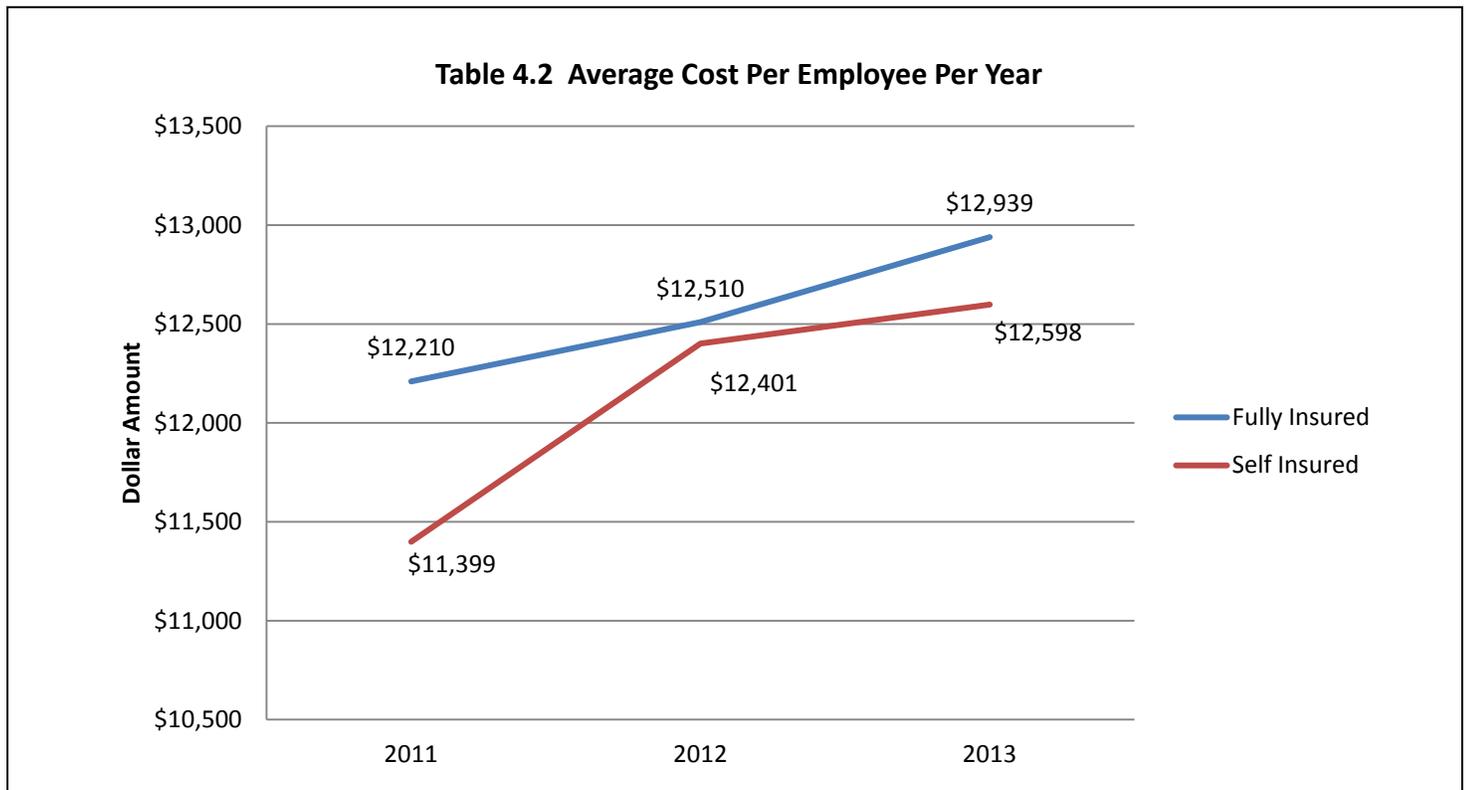
<b>2013 Average Premium Cost by Funding Type</b>		
	<b>Fully-insured</b>	<b>Self-insured</b>
Single	\$517	\$522
Family	\$1,422	\$1,338
Annual cost per person (PEPY)	\$12,939	\$12,598
Number of plans	564	981

Note: Excluded plans that have one rate

- ▶ Self-insured plans are composed of 63.5% of all plans reported this year.
- ▶ Fully-insured plans increased 3.5% for single and 4.0% for family from last year. Annual cost per person increased 3.3%.
- ▶ Self-insured plans increased 2.1% for single and 1.6% for family from last year. Annual cost per person increased 1.6%.
- ▶ In 2013, only family funding and per person per year rates are lower for self-insured benefits. Statistically significant differences in funding/premium rates is only found for family medical rates ( $t=5.344$ ,  $df=1538$ ,  $p=.001$ ).

Chart 3 displays the average cost per employee per year for fully and self insured medical plans found in table 4.2 over the past three years. The chart illustrates that on average self insured plans cost less per employee.

**Chart 3**



**Table 4.3**

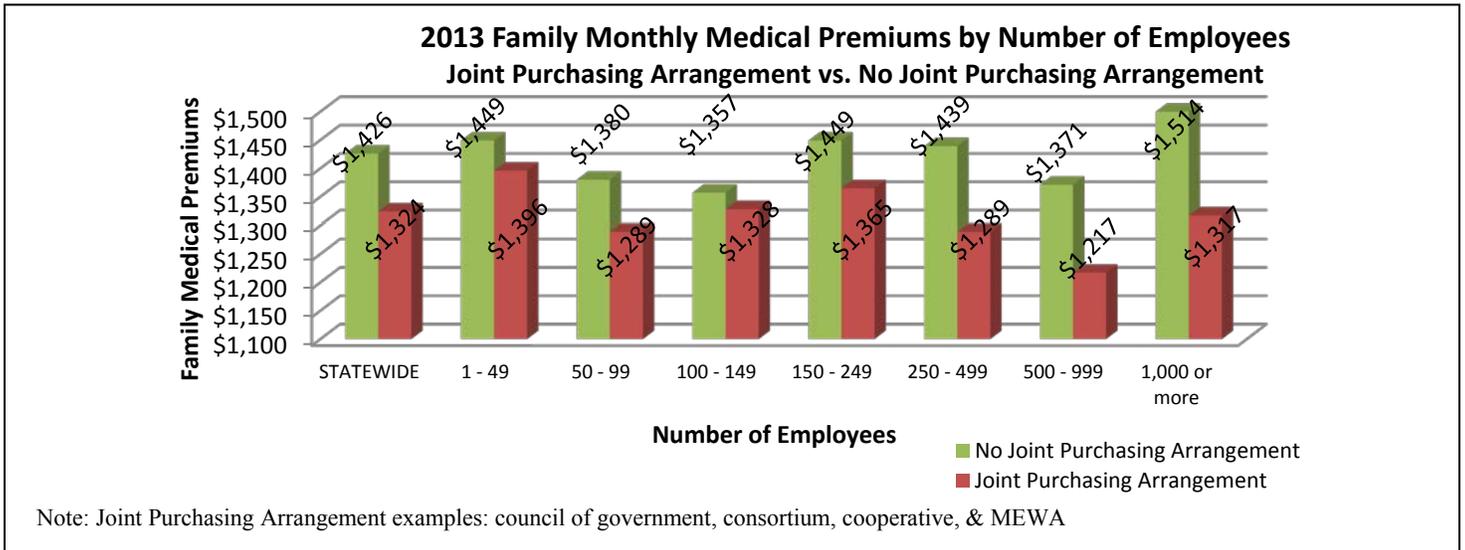
<b>2013 Average Premium Cost by Joint Purchasing Arrangement</b>		
	<b>Joint Purchasing Arrangement</b>	<b>No Joint Purchasing Arrangement</b>
Single	\$508	\$535
Family	\$1,324	\$1,426
Annual cost per person (PEPY)	\$12,456	\$13,062
Number of plans	845	707

Note: Joint Purchasing Arrangement examples: council of government, consortium, cooperative, & MEWA  
 Note: Excluded plans that have one rate

- ▶ Joint purchasing membership contributes to 54.5% of all plan types reported this year.
- ▶ Joint purchasing participant plans increased 1.8% for single and 3.1% for family from last year. Annual cost per person increased 1.8%.
- ▶ Independently procured plans increased 2.9% for single and 4.1 % for family from last year. Annual cost per person increased 2.1%.
- ▶ The percent of employers purchasing medical benefits via a joint purchasing arrangement decreased slightly from 2012.
- ▶ Medical plans purchased through a consortium are significantly lower in cost compared to those plans that are not. This trend holds true for single ( $t= .678, df=1538, p=.017$ ), family ( $t= 5.344, df=1538, p=.001$ ), and annual cost per person, or PEPY ( $t= 2.068, df=1499, p=.013$ ).

Chart 4 compares family monthly medical premiums, by number of employees, for organizations who participate in a joint purchasing arrangement and organizations that do not participate in a joint purchasing arrangement.

**Chart 4**



- ▶ Family monthly medical premiums for organizations with 1,000 or more employees who participate in a joint purchasing arrangement are 13.0% less than organizations with 1,000 or more employees who do not participate in a joint purchasing arrangement.
- ▶ Statewide, organizations that participate in a joint purchasing arrangement have family medical premiums that average 7.2% less than organizations that do not participate in a joint purchasing arrangement.

## Premium Change

Chart 5 graphs the percent change in single and family medical premiums compared to the average negotiated wage increase for public employees from SERB's Annual Wage Settlement report. The relatively flat line represents the average wage increases for public sector employees over the past sixteen years, all ranging between 0.7% and 3.8%. Comparatively, medical insurance premiums have risen at a much faster rate.

Chart 5

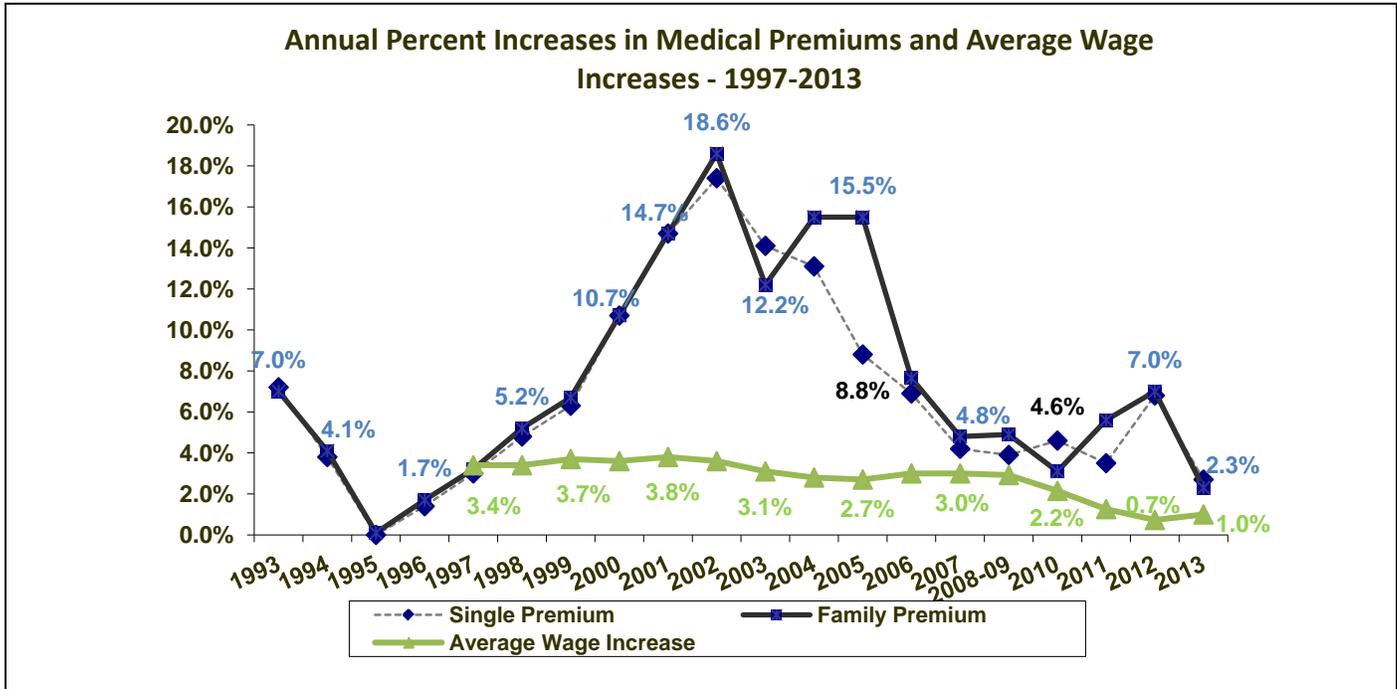


Chart 6 illustrates the diverging path of medical premium and worker salary increases since 1997. Over the sixteen year period presented, medical premiums rose more than three times faster than the average worker salary.

Chart 6

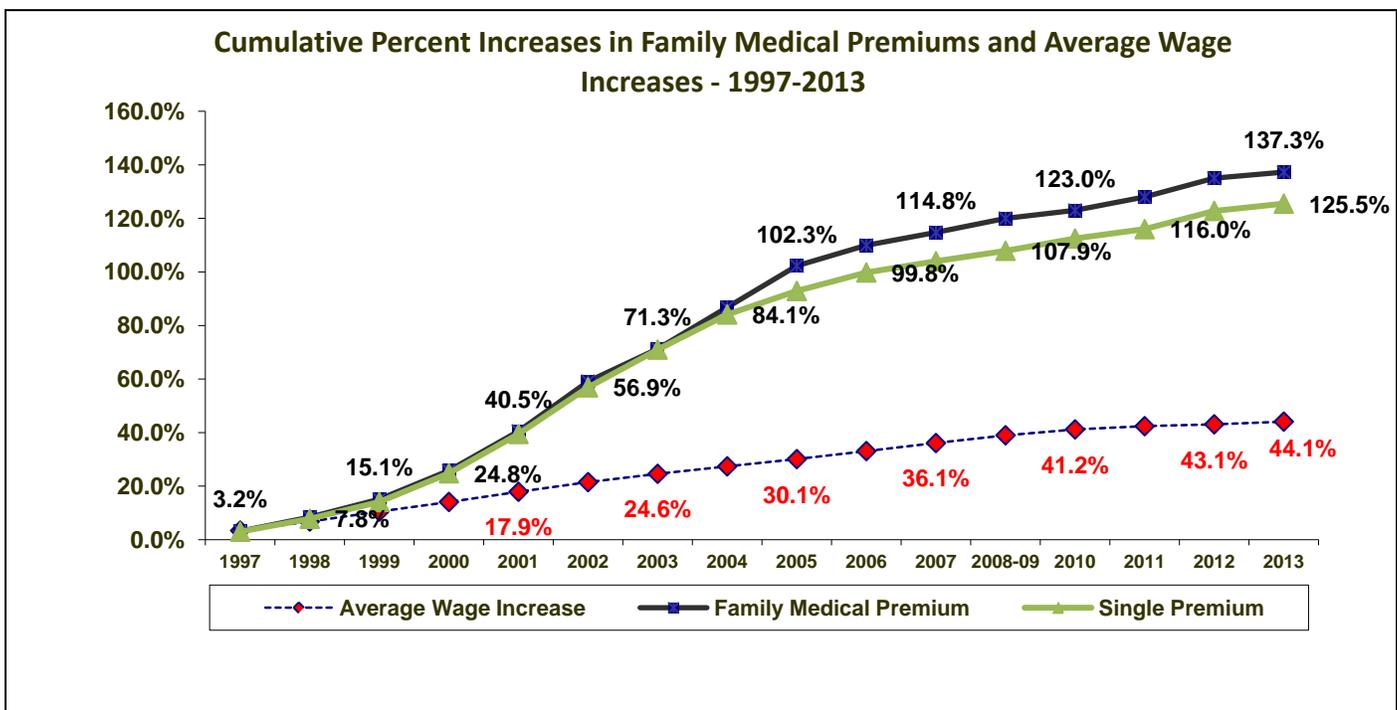


Table 5 compares percent change in insurance premiums over the past 20 years to the national overall inflation and medical care inflation rates. Premium rates for public employees in the State of Ohio rose slightly more than the overall inflation and slightly less than the medical care inflation rate for 2012.

**Table 5**

<b>2013 Annual Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates</b>						
<b>Report Year</b>	<b>Single Premium</b>	<b># of Plans</b>	<b>Family Premium</b>	<b># of Plans</b>	<b>Inflation Rate †</b>	<b>Medical Care †</b>
1993	7.2%	557	7.0%	536	2.7%	5.4%
1994	3.8%	437	4.1%	441	2.7%	4.9%
1995	0.0%	416	0.1%	415	2.5%	3.9%
1996	1.4%	492	1.7%	497	3.3%	3.0%
1997	3.0%	625	3.2%	631	1.7%	2.8%
1998	4.8%	457	5.2%	463	1.6%	3.4%
1999	6.3%	617	6.7%	622	2.7%	3.7%
2000	10.7%	596	10.7%	601	3.4%	4.2%
2001	14.7%	617	14.7%	617	1.6%	4.7%
2002	17.4%	655	18.6%	655	2.4%	5.0%
2003	14.1%	895	12.2%	895	1.9%	3.7%
2004	13.1%	909	15.5%	909	3.3%	4.2%
2005	8.8%	642	15.5%	642	3.4%	4.3%
2006	6.9%	1,387	10.1%	1,381	2.5%	3.6%
2007	4.2%	1,313	4.8%	1,330	4.1%	5.2%
2008-09	4.9%	1,258	4.9%	1,263	0.1%	2.6%
2010	4.6%	1,353	3.1%	1,395	2.7%	3.4%
2011	3.5%	1,135	5.6%	1,109	1.5%	3.3%
2012	6.8%	1,493	7.0%	1,499	3.0%	3.5%
2013	2.8%	1,784	2.3%	1,784	1.7%	3.2%

† Bureau of Labor Statistics, Consumer Price Index, December 2012 (<http://www.bls.gov/cpi/cpid1212.pdf>)  
 Note: The single and family premium annual change percentage includes medical plans with prescription only. This figure is the annual change in the statewide total from Table 3.2.  
 Note: The number of plans is the total number of single and family plans submitted; therefore this number includes plans that do not include prescription.

## Cost of Medical and Ancillary Benefits

Table 6 exhibits the 2013 annual cost per employee for medical, prescription, vision, and dental benefits.<sup>5</sup>

**Table 6**

2013 Average Annual Cost per Employee for Medical, Prescription, Dental, and Vision Carve-outs <sup>†</sup>								
Comparison Group	Medical & Prescription Drug <sup>††</sup>	# of Plans	Prescription Drug	# of Plans	Dental	# of Plans	Vision	# of Plans
STATEWIDE	\$12,749	1,522	\$2,786	193	\$850	971	\$195	653
State of Ohio	\$12,454	1	-	-	\$913	1	\$186	1
Counties	\$12,140	128	\$2,496	10	\$682	47	\$162	36
Cities	\$13,173	289	\$3,048	10	\$768	131	\$177	77
Townships	\$12,715	126	-	-	\$858	81	\$212	57
School Districts & ESCs	\$12,843	842	\$2,830	160	\$887	642	\$204	435
Colleges & Universities	\$11,952	67	\$2,710	5	\$735	30	\$160	24
Special Districts <sup>†††</sup>	\$11,794	69	\$1,974	8	\$774	39	\$141	23
REGION								
1 - Akron/Canton	\$11,934	207	\$2,778	40	\$1,051	129	\$230	64
2 - Cincinnati	\$12,557	186	\$1,644	2	\$851	118	\$179	79
3 - Cleveland	\$12,718	251	\$2,704	62	\$849	138	\$173	99
4 - Columbus	\$13,689	250	\$2,508	15	\$824	175	\$208	137
5 - Dayton	\$12,793	211	\$2,508	25	\$805	133	\$207	76
6 - Southeast Ohio	\$14,584	116	\$2,804	15	\$728	79	\$194	63
7 - Toledo	\$11,842	242	\$2,208	10	\$804	130	\$198	84
8 - Warren/Youngstown	\$12,493	105	\$2,779	24	\$847	69	\$162	51
EMPLOYEES COVERED								
1 - 49	\$12,333	288	\$2,295	11	\$782	153	\$196	107
50 - 99	\$12,516	254	\$3,134	18	\$819	147	\$206	91
100 - 149	\$12,635	262	\$2,859	48	\$849	190	\$203	129
150 - 249	\$13,380	273	\$2,832	51	\$880	208	\$197	149
250 - 499	\$12,998	266	\$2,656	38	\$868	167	\$196	108
500 - 999	\$12,637	102	\$2,540	17	\$951	69	\$169	41
1,000 or more	\$12,509	77	\$3,014	10	\$815	37	\$148	28
<sup>†</sup> Monthly and yearly premiums plus ancillary benefit amounts are figured by giving equal weight to each medical plan, regardless of the number of employees receiving coverage. "-" indicates there is not enough data to report an average. <sup>††</sup> Includes cost of: prescription in 88.6% of plans, dental in 11.6% and vision in 17.4% <sup>†††</sup> Includes, Fire Districts, Metropolitan Housing Authorities, Port Authorities and Regional Transit Authorities								

<sup>5</sup> Average yearly cost per employee for medical, prescription carve-out, dental, and vision benefits are figured with the following formula:

$$\text{Average Annual Cost} = \frac{12 * (\text{SPREM} * \text{NUMS}) + (\text{S1PREM} * \text{NUMS1}) + (\text{SCPREM} + \text{NUMSC}) + (\text{SSPREM} + \text{NUMSS}) + (\text{FPREM} * \text{NUMF})}{\text{NUMS} + \text{NUMS1} + \text{NUMSS} + \text{NUMSC} + \text{NUMF}}$$

Where:	SPREM	=	Total monthly single rate for all health benefits
	NUMS	=	Number of employees with single medical coverage
	S1PREM	=	Total monthly single + 1 rate for all health benefits
	NUMS1	=	Number of employees with single + 1 medical coverage
	SCPREM	=	Total monthly single & child rate for all health benefits
	NUMSC	=	Number of employees with single & child medical coverage
	SSPREM	=	Total monthly single & spouse rate for all health benefits
	NUMSS	=	Number of employees with single & spouse medical coverage
	FPREM	=	Total monthly family rate for all health benefits
	NUMF	=	Number of employees with family medical coverage

## Deductibles for Medical Coverage – Managed Care Plans<sup>6</sup>

The following tables show the percent of plans in each deductible category for single and family coverage for non-traditional plans (i.e. PPO, HMO, POS, and HDHP). The highest category captures plans that are eligible for a Health Savings Account (HSA). Deductibles must be at least \$1,200 for single and \$2,400 for family to qualify for an HSA. The deductible is the amount of covered expenses that must be incurred and paid by the insured individual before benefits become payable by the insurance provider.

**Table 7.1**

2013 Deductible Categories for Single In-Network Medical Coverage										
Comparison Group	\$0	# of plans	\$1-\$100	# of plans	\$125-\$400	# of plans	\$500-1199	# of plans	\$1200 or more	# of plans
STATEWIDE	11.5%	207	18.2%	326	26.8%	484	20.5%	368	23.0%	416
State of Ohio	-	-	-	-	100.0%	1	-	-	-	-
Counties	5.2%	7	5.9%	8	26.8%	37	35.4%	49	26.7%	37
Cities	15.2%	48	9.2%	29	29.9%	95	14.7%	46	30.9%	98
Townships	11.1%	15	9.6%	13	8.1%	11	19.3%	26	51.9%	70
Colleges & Universities	14.9%	11	10.9%	8	32.4%	24	22.9%	17	18.9%	14
School Districts & ESCs	11.2%	118	25.2%	266	27.9%	295	19.8%	209	15.9%	167
Special Districts	9.8%	8	2.8%	2	25.5%	21	25.5%	21	36.4%	30

Note: Excluded plans where single deductible was blank or missing

**Table 7.2**

2013 Deductible Categories for Family In-Network Medical Coverage										
Comparison Group	\$0	# of plans	\$1-\$200	# of plans	\$200-\$800	# of plans	\$900-2399	# of plans	\$2400 or more	# of plans
STATEWIDE	11.3%	203	16.9%	305	27.2%	491	20.9%	378	23.7%	426
State of Ohio	-	-	-	-	100.0%	1	-	-	-	-
Counties	5.0%	7	5.8%	8	25.9%	36	35.3%	49	28.0%	39
Cities	15.2%	48	8.6%	27	30.9%	98	14.2%	45	31.1%	99
Townships	10.5%	14	9.0%	12	9.0%	12	16.6%	22	54.9%	74
Colleges & Universities	14.8%	11	6.8%	5	32.4%	24	25.7%	19	20.3%	15
School Districts & ESCs	10.9%	115	24.0%	253	28.0%	296	21.2%	224	15.9%	168
Special Districts	9.7%	8	-	-	29.0%	24	23.0%	19	37.4%	31

Note: Excluded plans where family deductible was blank or missing

- ▶ Cities have a comparatively higher portion of single and family plans with no deductible.
- ▶ Townships have more than 50% of their plans in the high deductible category.
- ▶ Counties have a much lower percentage of plans with no deductible, compared to other jurisdictions.

<sup>6</sup> Managed care plans (PPO, HMO, POS) cover the majority of public employers in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plans statewide.

- The portion of plans statewide with no deductible decreased three percentage points since the 2012 survey. Over 20% of all plans have deductibles high enough to make them eligible for an HSA, though not all of these plans have an employer funded (or partially employer funded) savings account (see Table 4.1).

## Co-Insurance for Medical Coverage – Managed Care Plans<sup>7</sup>

Tables 8.1 and 8.2 show the distribution of co-insurance splits between the plan and employees for family medical coverage. Co-insurance is the arrangement by which the insurance provider and the insured individual share a percentage of covered expenses after the deductible is met.

**Table 8.1**

2013 Co-Insurance Categories for In-Network Medical Coverage										
Comparison Group	Plan pays 100%	# of plans	Plan pays 90-99%	# of plans	85/15 Split	# of plans	80/20 Split	# of plans	Plan pays < 80%	# of plans
STATEWIDE	33.4%	603	32.5%	589	1.8%	32	29.7%	538	2.6%	47
State of Ohio	-	-	-	-	-	-	100.0%	1	-	-
Counties	25.2%	35	20.2%	28	1.4%	2	42.4%	59	10.8%	15
Cities	45.6%	145	20.4%	65	1.6%	5	30.5%	97	1.9%	6
Townships	64.4%	87	12.6%	17	0.8%	1	22.2%	30	-	-
Colleges & Universities	27.0%	20	37.8%	28	1.4%	1	32.4%	24	1.4%	1
School Districts & ESCs	26.1%	277	41.1%	435	2.2%	23	28.2%	299	2.4%	25
Special Districts	47.0%	39	19.3%	16	-	-	33.7%	28	-	-

Note: Excluded plans where in-network co-insurance was blank or missing

**Table 8.2**

2013 Co-Insurance Categories for Out-of-Network Medical Coverage										
Comparison Group	Plan pays 90-100%	# of plans	80/20 Split	# of plans	70/30 Split	# of plans	Plan pays 60-69%	# of plans	Plan pays < 60%	# of plans
STATEWIDE	1.1%	19	29.4%	495	33.5%	562	29.4%	493	6.6%	110
State of Ohio	-	-	-	-	-	-	100.0%	1	-	-
Counties	-	-	16.1%	20	25%	31	37.9%	47	21.0%	26
Cities	0.7%	2	26.4%	76	37.5%	108	30.5%	88	4.9%	14
Townships	1.6%	2	36.2%	44	30.3%	37	28.7%	35	3.2%	4
Colleges & Universities	-	-	3.1%	2	56.3%	36	29.7%	19	10.9%	7
School Districts & ESCs	1.4%	14	33.5%	337	32.5%	327	27.6%	277	5.0%	50
Special Districts	1.3%	1	21.4%	16	30.6%	23	34.7%	26	12.0%	9

Note: Excluded plans where out-of-network co-insurance was blank or missing

- Since the 2012 survey, the percent of plans Statewide that pay 100% of deductible remains unchanged at just over thirty-three percent.

<sup>7</sup> Managed care plans (PPO, HMO, POS) cover the majority of public employers in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plans statewide; data is available upon request from SERB.

- ▶ Counties continue to have the lowest percentage of single medical plans with no co-insurance requirement, and the highest percentage of single plans with an 80/20 split.
- ▶ The majority of townships (64.4%) have plans with no in-network co-insurance requirement.

### Out-of-Pocket Maximums for Medical Coverage- Managed Care Plans<sup>8</sup>

Tables 9.1 and 9.2 give the median, minimum, and maximum out-of-pocket maximums for in and out-of-network family medical coverage by jurisdiction.

**Table 9.1**

2013 In-Network Out-of-Pocket Maximums for Medical Coverage							
Comparison Group	Single			Family			n
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$1,350	\$0	\$15,000	\$2,600	\$0	\$30,000	1,772
State of Ohio	\$1,500	-	-	\$3,000	-	-	1
Counties	\$2,000	\$0	\$7,000	\$4,000	\$0	\$14,000	139
Cities	\$1,500	\$0	\$10,000	\$3,000	\$0	\$20,000	311
Townships	\$2,000	\$0	\$15,000	\$4,750	\$0	\$30,000	130
Colleges & Universities	\$2,000	\$0	\$5,000	\$4,000	\$0	\$12,000	74
School Districts & ESCs	\$1,000	\$0	\$8,000	\$2,000	\$0	\$16,000	1,036
Special Districts	\$2,000	\$0	\$6,000	\$4,000	\$0	\$15,000	81

Note: Excluded plans where in-network out-of-pocket maximum was blank or missing

**Table 9.2**

2013 Out-of-Network Out-of-Pocket Maximums for Medical Coverage							
Comparison Group	Single			Family			n
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$3,000	\$0	\$29,000	\$6,000	\$0	\$58,000	1,652
State of Ohio	\$3,000	-	-	\$6,000	-	-	1
Counties	\$4,500	\$500	\$18,000	\$10,000	\$1,500	\$40,000	121
Cities	\$3,495	\$350	\$20,000	\$7,000	\$700	\$40,000	283
Townships	\$6,000	\$400	\$20,000	\$13,000	\$800	\$54,000	117
Colleges & Universities	\$4,200	\$600	\$12,100	\$8,400	\$1,200	\$27,000	62
School Districts & ESCs	\$2,000	\$0	\$16,000	\$4,000	\$0	\$32,000	993
Special Districts	\$5,000	\$0	\$29,000	\$10,000	\$0	\$58,000	75

Note: Excluded plans where out-of-network out-of-pocket maximum was blank or missing

- ▶ Out-of-network, out-of-pocket maximums are at least double the in-network, out-of-pocket maximums for all jurisdictions.

<sup>8</sup> Managed care plans (PPO, HMO, POS) cover the majority of public employers in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plans statewide; data is available upon request from SERB.

- ▶ Statewide median in-network out-of-pocket maximums increased 9.3% for single and 3.8% for family.
- ▶ Statewide maximum in-network out-of-pocket maximums increased 20% for single and 20% for family.
- ▶ Statewide median out-of-network out-of-pocket maximums increased 16.7% for single and 16.7% for family.
- ▶ Statewide maximum out-of-network out-of-pocket maximums increased 24.1% for single and decreased 12.2% for family.

## Fringe Benefits: Prescription, Dental & Vision

### Prescription Drug

Table 10 shows the distribution of fringe benefits. Benefits shown as “included in premium” are included in the price of the overall medical premium. “Carved-out” benefits are purchased through a plan separate from the medical premium.

**Table 10**

<b>2013 Fringe Benefit Provisions</b>			
	<b>Included in Premium</b>	<b>Carved-out</b>	<b>Not Offered</b>
Prescription	87.5%	11.2%	1.3%
Dental	10.9%	83.3%	5.8%
Vision	12.9%	61.0%	26.1%

- ▶ Prescription coverage is provided by 98.7% of all jurisdictions. In 87.5% of jurisdictions reporting, the cost for prescription coverage is included as part of the medical premium. Some type of dental coverage is provided by 94.2% of jurisdictions. Vision coverage is offered by 74% of jurisdictions.

Tables 11.1 and 11.2 provide statewide data on retail and mail order prescription plan design and co-payments. The median dollar amount and percentages are given within three tier options. Retail prescriptions are for a 30-day supply; mail order prescriptions are typically for a 90-day supply.

**Table 11.1**

<b>2013 Statewide Retail Prescription Co-payments</b>				
<b>Prescription Plan</b>	<b>Dollars</b>	<b># of plans</b>	<b>Percent Co-insurance</b>	<b># of plans</b>
<b>No Tiers</b>	\$10	22	20.0%	163
<b>Two Tiers</b>				
Generic	\$8	170	20.0%	16
Brand	\$20	165	20.0%	21
<b>Three Tiers</b>				
Generic	\$10	1,013	20.0%	30
Brand (formulary)	\$25	1,007	25.0%	51
Brand (non-formulary)	\$40	1,000	30.0%	53
<b>Four Tiers</b>				
Generic	\$10	158	15.0%	9
Brand (formulary)	\$30	157	30.0%	10
Brand (non-formulary)	\$50	154	35.0%	11
Cosmetic/biologic	\$150	98	25.0%	62
Note: Excluded plans where retail prescription co-payments was blank or missing				

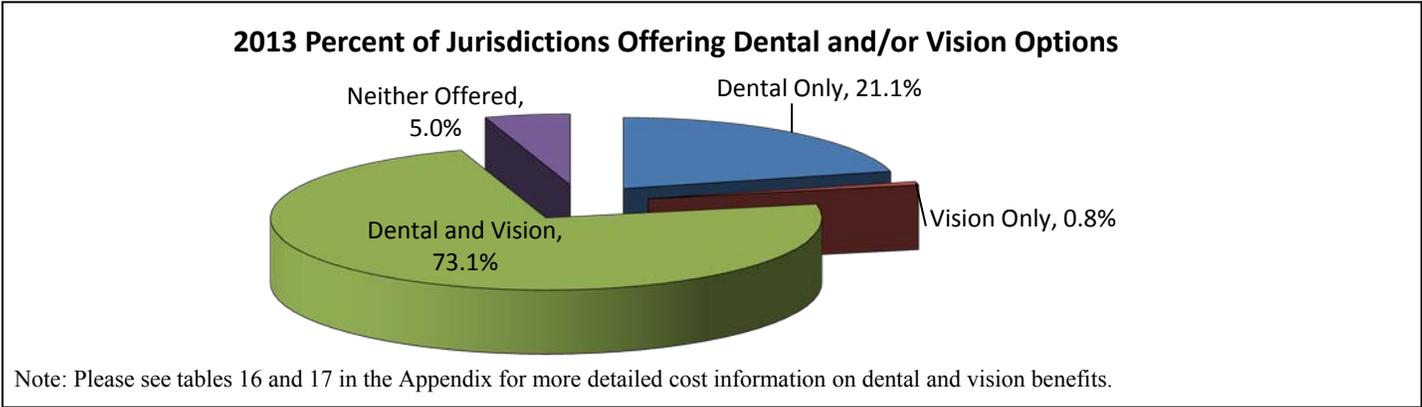
**Table 11.2**

<b>2013 Statewide Mail Order Prescription Co-payments</b>				
<b>Prescription Plan</b>	<b>Dollars</b>	<b># of plans</b>	<b>Percent Co-insurance</b>	<b># of plans</b>
<b>No Tiers</b>	\$10	25	20.0%	154
<b>Two Tiers</b>				
Generic	\$10	159	20.0%	11
Brand	\$25	157	20.0%	14
<b>Three Tiers</b>				
Generic	\$20	986	20.0%	27
Brand (formulary)	\$40	980	25.0%	40
Brand (non-formulary)	\$70	969	27.5%	42
<b>Four Tiers</b>				
Generic	\$16	156	-	-
Brand (formulary)	\$65	157	-	-
Brand (non-formulary)	\$120	155	-	-
Cosmetic/biologic	\$150	82	25.0%	51
Note: Excluded plans where mail order prescription co-payments was blank or missing				

- Few jurisdictions report a flat rate payment for retail or mail-order prescriptions; over two thirds (n=1209) of plans (n=1800) have a three or four-tier prescription drug plan.

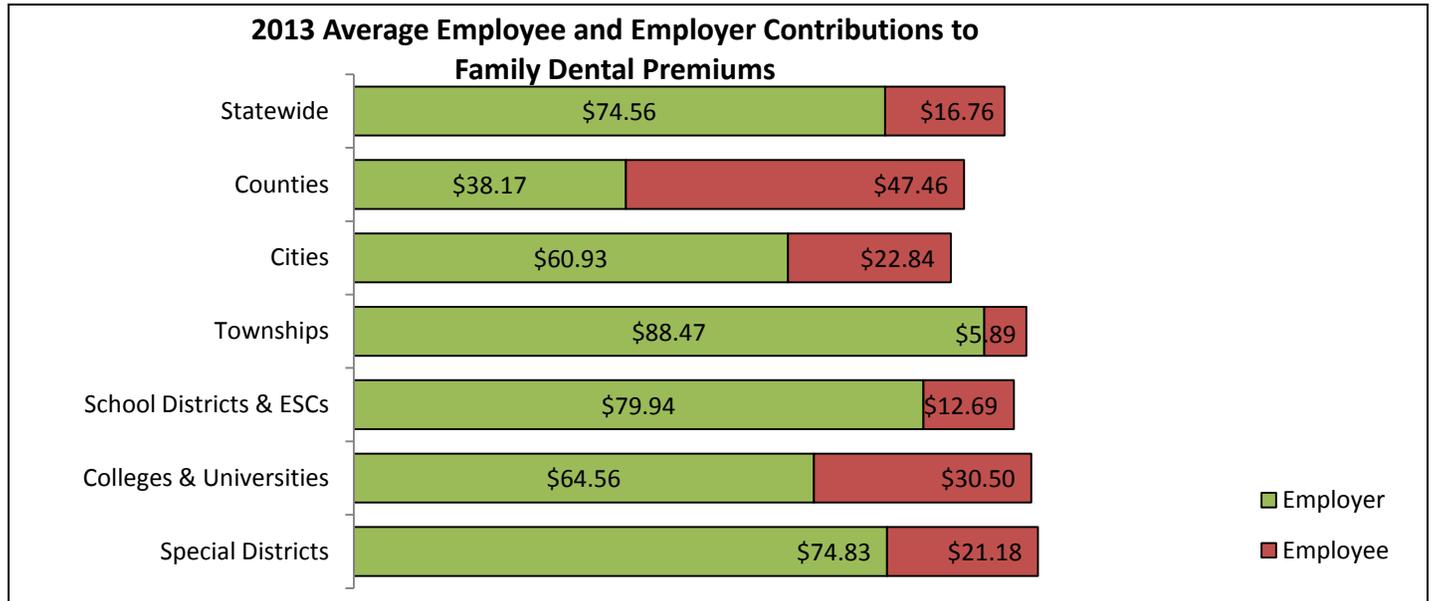
Chart 7 provides another view of dental and vision coverage.

**Chart 7**



**Dental<sup>9</sup>**

**Chart 8**



For 2013, single and family dental premiums in Table 17 are divided into tiered plans and composite rates. Chart 8 includes tiered rates for family dental plans.

- ▶ County employees pay the highest portion of the family dental premium, contributing over half the premium on average.
- ▶ Township employees contribute the least to family dental premiums, paying less than 7% of the total premium on average.
- ▶ The statewide median cost for tiered dental coverage is \$30.93 for single plans and \$85.82 for family plans. The median cost for dental coverage when there is a composite rate (i.e. there is one rate of dental coverage regardless of the employee being a single, single & child, family, etc.) is \$74.07 (Table 17 found in the appendix).

<sup>9</sup> For a detailed breakdown of dental costs, please see Table 17 in the appendix. Dental numbers are for plans that are not included in the medical premium, or carve-outs.

Table 12 summarizes dental maximums by jurisdiction.

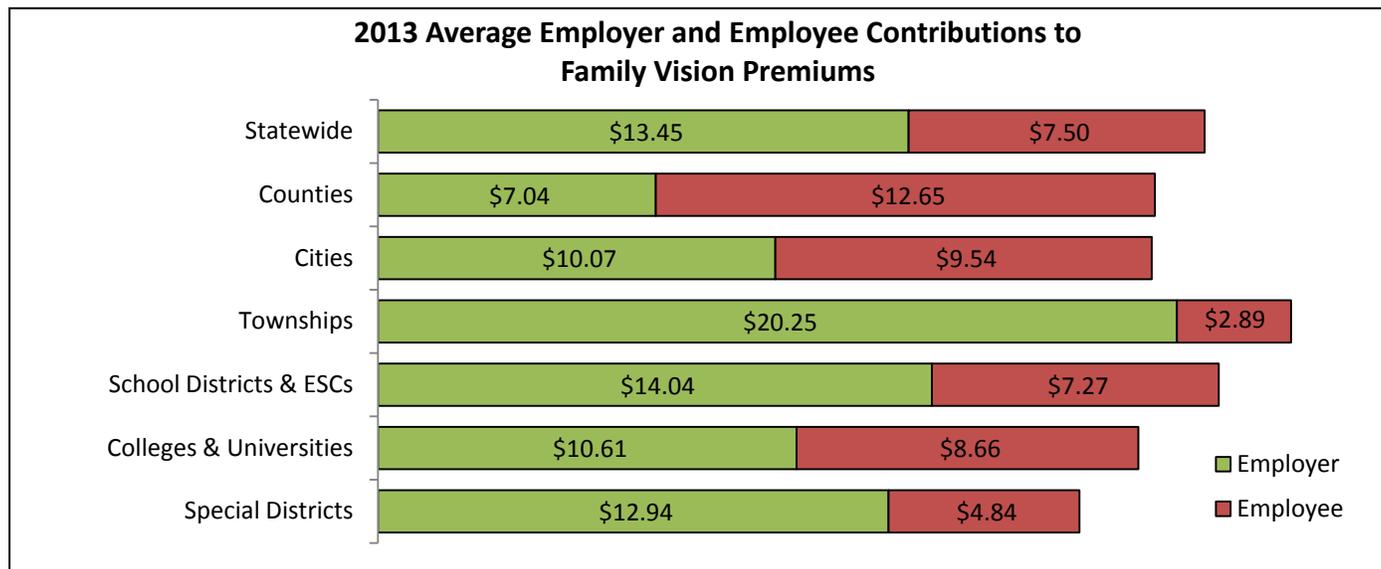
**Table 12**

2013 Annual Dental Maximums					
Comparison Group	\$500-750	\$1,000	\$1,100-1,400	\$1,500	\$1,600-4,000
STATEWIDE	2.9%	35.0%	6.0%	28.3%	27.8%
State of Ohio	-	-	-	100.0%	-
Counties	6.5%	53.2%	12.9%	21.0%	6.4%
Cities	2.3%	53.1%	5.1%	24.3%	15.2%
Townships	0.0%	47.8%	12.0%	25.0%	15.2%
School Districts & ESCs	3.2%	24.7%	4.4%	31.0%	36.7%
Colleges & Universities	3.0%	42.4%	21.2%	18.2%	15.2%
Special Districts	2.0%	57.2%	-	28.6%	12.2%

- ▶ The majority of dental plans statewide have annual maximums of between \$1,000 and \$1,500.
- ▶ School Districts & ESCs have a comparatively larger percentage of dental plans that have maximums in the highest category (\$1,600-\$4,000).

**Vision**<sup>10</sup>

**Chart 9**



For 2013, single and family vision premiums in Table 18, which is found in the appendix, are divided into tiered plans and composite rates. Chart 9 includes tiered rates for family vision plans.

- ▶ Counties' employees pay the largest portion of family vision insurance, contributing 64.2% of the premium on average.
- ▶ Township employees pay a much lower portion of the vision premium compared to the statewide average.

<sup>10</sup> For a detailed breakdown of vision costs, please see Table 18 in the appendix. Vision numbers are for plans that are not included in the medical premiums.

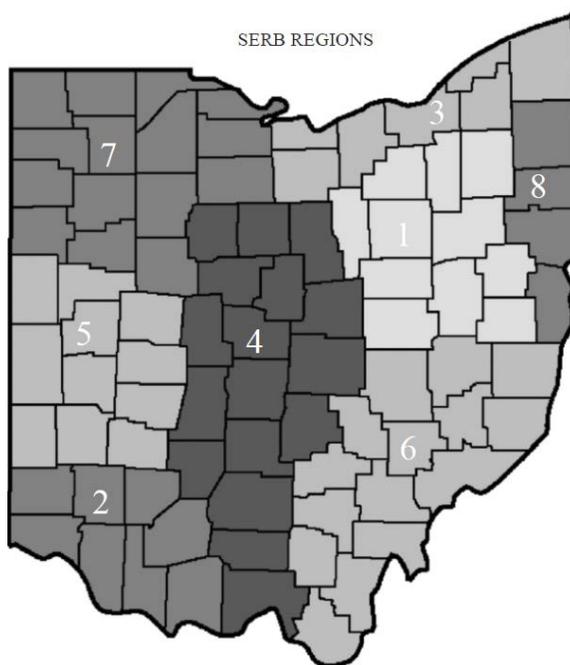
- ▶ The statewide median cost for tiered vision coverage is \$8.00 for single plans and \$19.59 for family plans. The median cost for vision coverage when there is a composite rate (i.e. there is one rate of vision coverage regardless of the employee being a single, single & child, family, etc.) is \$17.87 (Table 18).

Table 13 provides regional breakdowns of dental and vision composite rates by region.

**Table 13**

2013 Median Monthly Dental and Vision Composite Rates by Region		
Region	Dental	Vision
1 - Akron/Canton	\$77.89	\$8.03
2 - Cincinnati	\$76.19	\$20.96
3 - Cleveland	\$72.35	\$20.22
4 - Columbus	\$74.09	\$18.27
5 - Dayton	\$83.56	\$23.29
6 - Southeast Ohio	\$56.82	\$18.16
7 - Toledo	\$72.89	\$14.91
8 - Warren/Youngstown	\$70.01	\$12.00

- ▶ A sizable number of jurisdictions have composite rates for dental (n = 190) and vision (n=79) premiums. In these jurisdictions, the premiums for dental or vision coverage are one rate, regardless of whether the employee has single, single + 1, or family coverage.
- ▶ Composite rates typically fall somewhere in between the cost for a single plan and family plan.



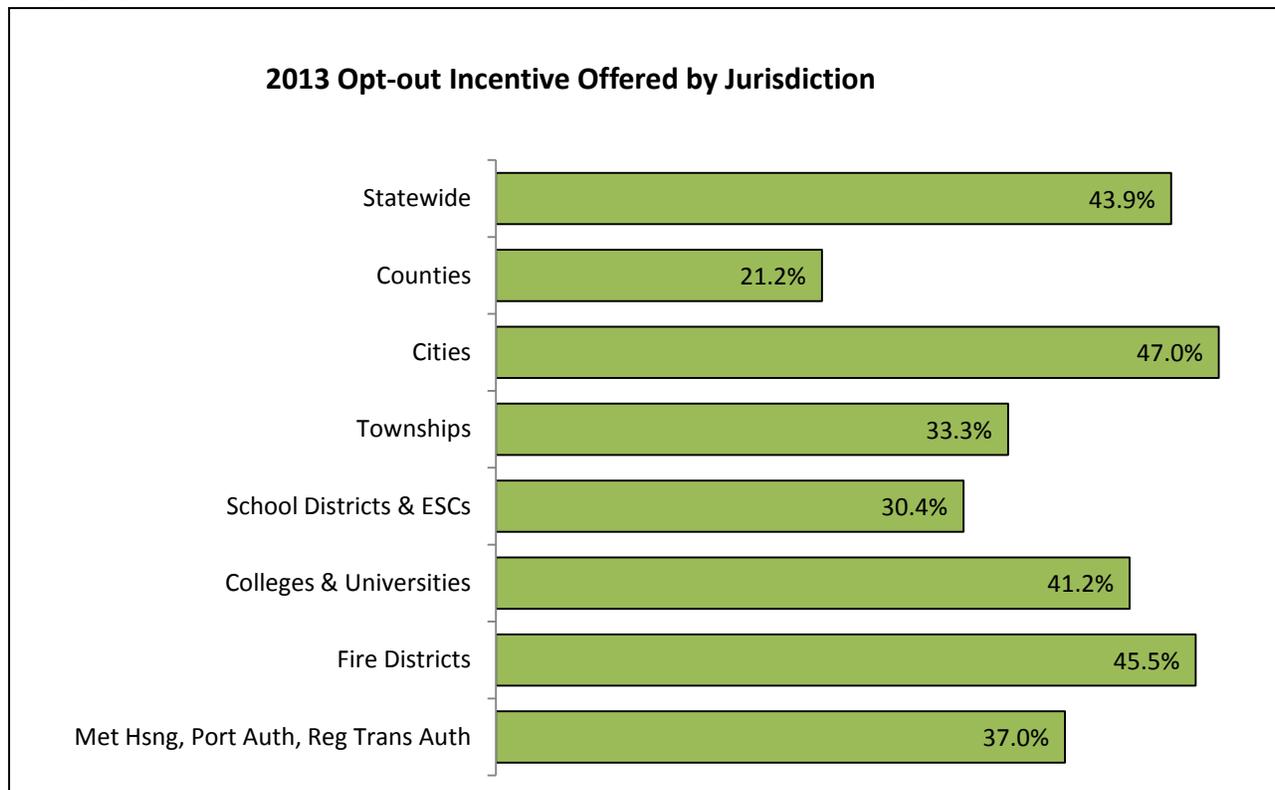
## Methods to Lower Healthcare Costs

Public employers and employees continue to look for ways to lower health insurance costs. The following describe some of the ways jurisdictions are trying to counteract ever-increasing medical premiums.

### Incentive for Opting out of the Medical Plan

- ▶ The average number of jurisdictions statewide offering monetary incentives to employees that waive medical coverage has remained unchanged since last year's survey.

**Chart 10**



The amount of the incentive may vary depending on whether the person is eligible for single or family coverage. Table 14 illustrates the distribution of average, median, and maximum incentive categories by coverage type.

**Table 14**

<b>2013 Annual Incentive Offered to Employees for Opting Out of Medical Coverage</b>				
<b>Opt-out group</b>	<b>Average Incentive</b>	<b>Median Incentive</b>	<b>Maximum Incentive</b>	<b>Number of Employers</b>
Single	\$1,344	\$1,200	\$6,000	458
Single + 1	\$1,774	\$1,340	\$9,600	169
Single & child	\$1,776	\$1,500	\$9,600	169
Single & spouse	\$1,923	\$1,768	\$9,600	208
Family	\$2,048	\$1,992	\$9,600	496

## Spousal Restrictions

Thirty-four percent (n = 377) of employers who completed the survey report they have some type of spousal stipulation for employees whose spouses have other means of medical coverage. Spousal Restrictions have decreased slightly since last year's report. Jurisdictional breakdown is illustrated below in Chart 11.

**Chart 11**

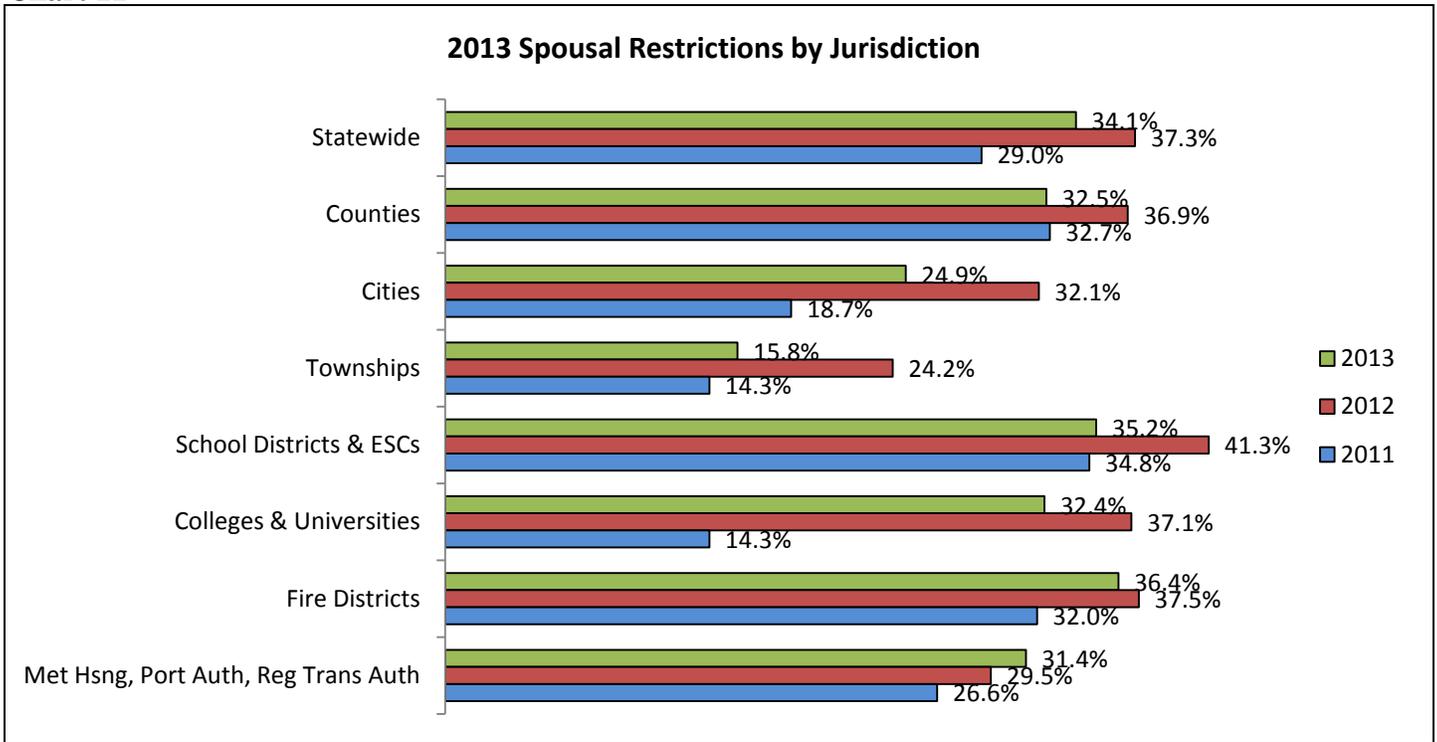
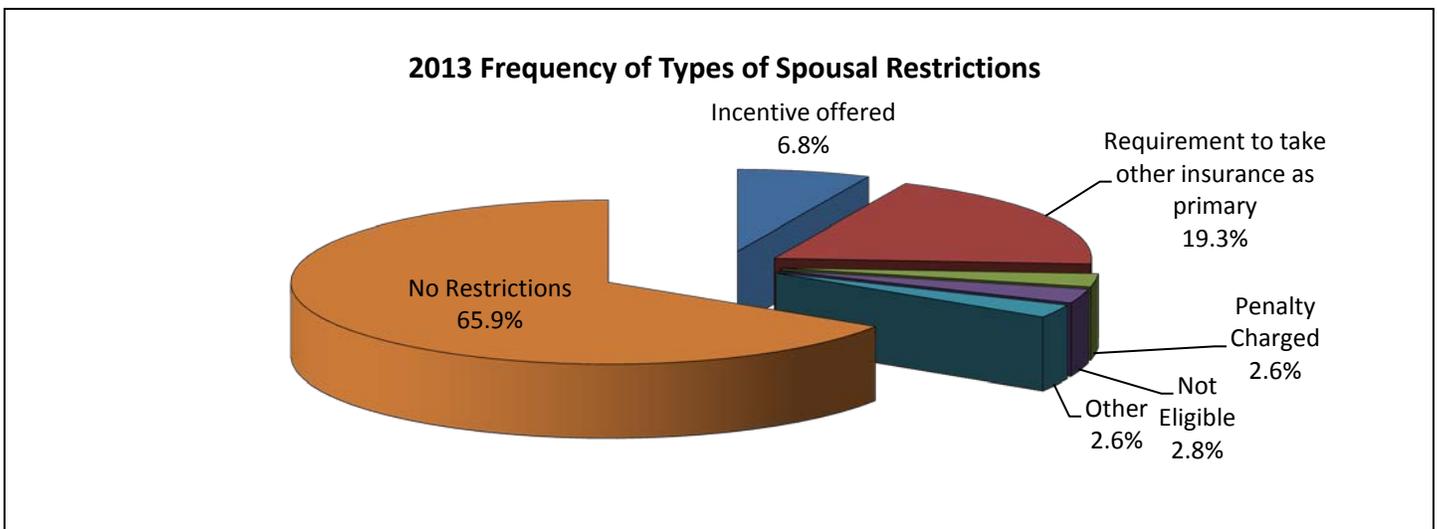


Chart 12 illustrates the frequency of the type of spousal restriction for those jurisdictions that have spousal restrictions.

**Chart 12**

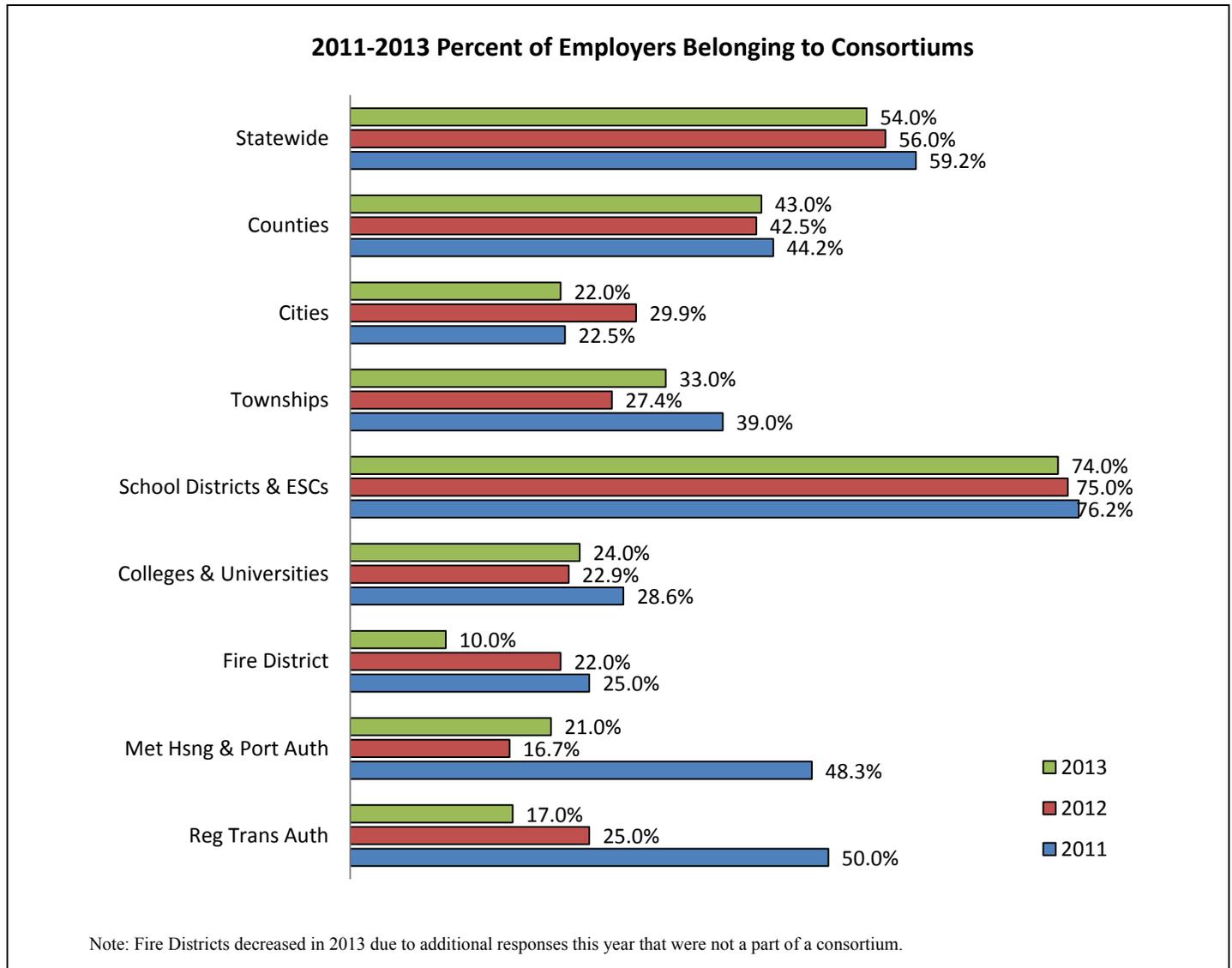


- The majority of jurisdictions that report having spousal restrictions stipulate that if an employee's spouse has medical coverage through their own employer, the spouse must use their employer's insurance as their primary form of coverage.

## Joint Purchasing Arrangements

A joint purchasing arrangement is created when employers join together to purchase health insurance, usually to save money by increasing the risk pool. Chart 13 illustrates the wide jurisdictional variations in joint purchasing membership, comparing the percent of employers indicating they have a joint purchasing arrangement, by jurisdiction.

**Chart 13**



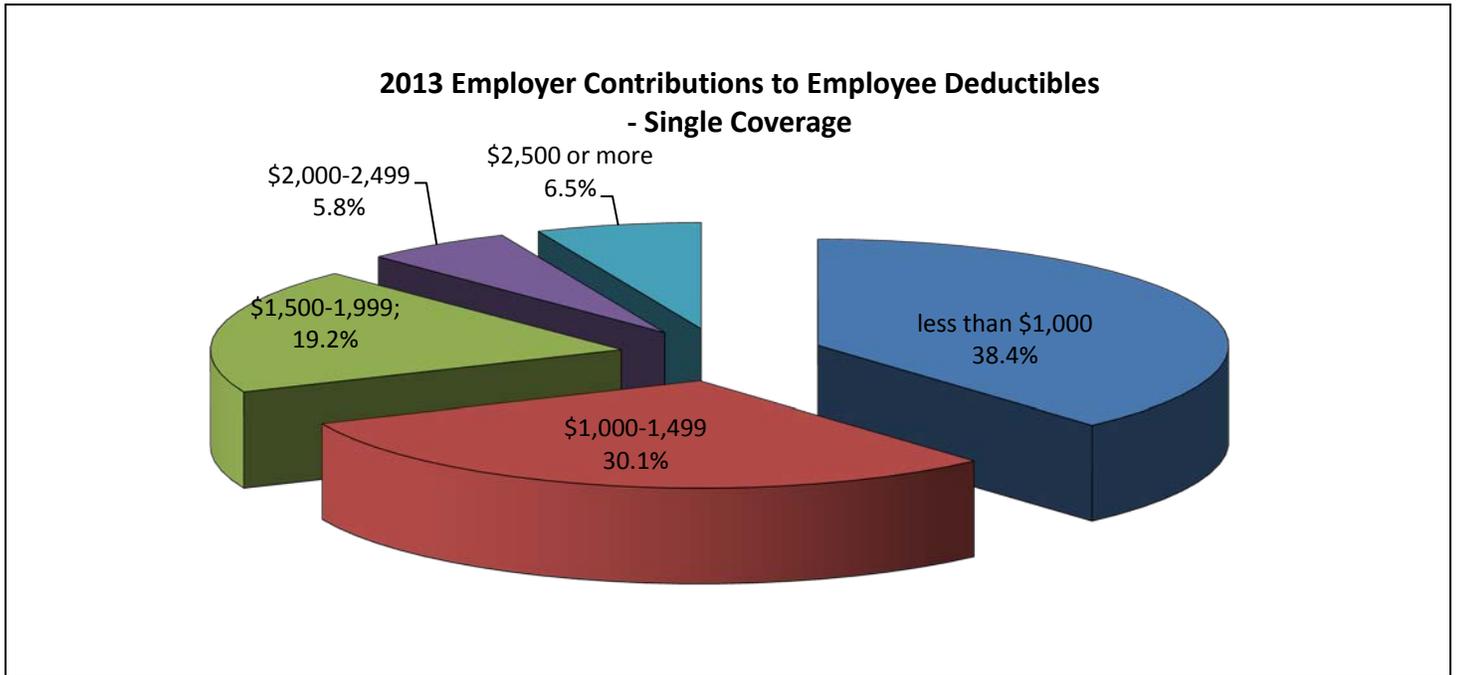
- ▶ Statewide, consortium membership decreased by two percentage points.
- ▶ Fire Districts have the lowest participation in consortiums. Only one of the eleven that responded participated in a consortium.
- ▶ School districts still have the highest consortia membership. Joint purchasing was part of the School Employees' Health Care Board's "Best Practices," explaining the much higher frequency of consortium membership for schools and ESCs.

## High Deductible Health Plans

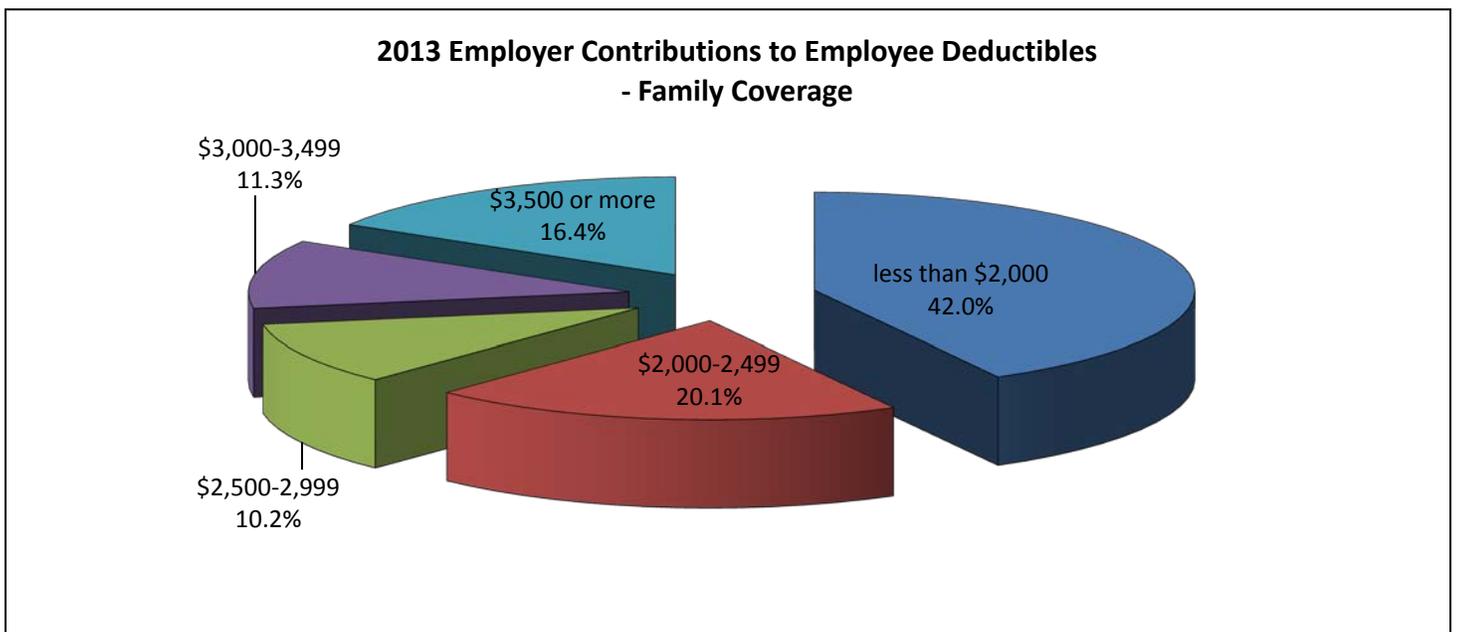
As illustrated in Table 2, High Deductible Health Plans (HDHP) are growing in popularity (21.0% of medical plans) as they feature lower premiums compared to other managed care and traditional indemnity plans.

Many HDHPs are coupled with Health Savings Accounts (HSAs) or Health Reimbursement Arrangements (HRAs) that the employer partially or fully funds. Charts 14 and 15 illustrate employer contributions to employee deductibles for HSA eligible medical plans.

**Chart 14**



**Chart 15**

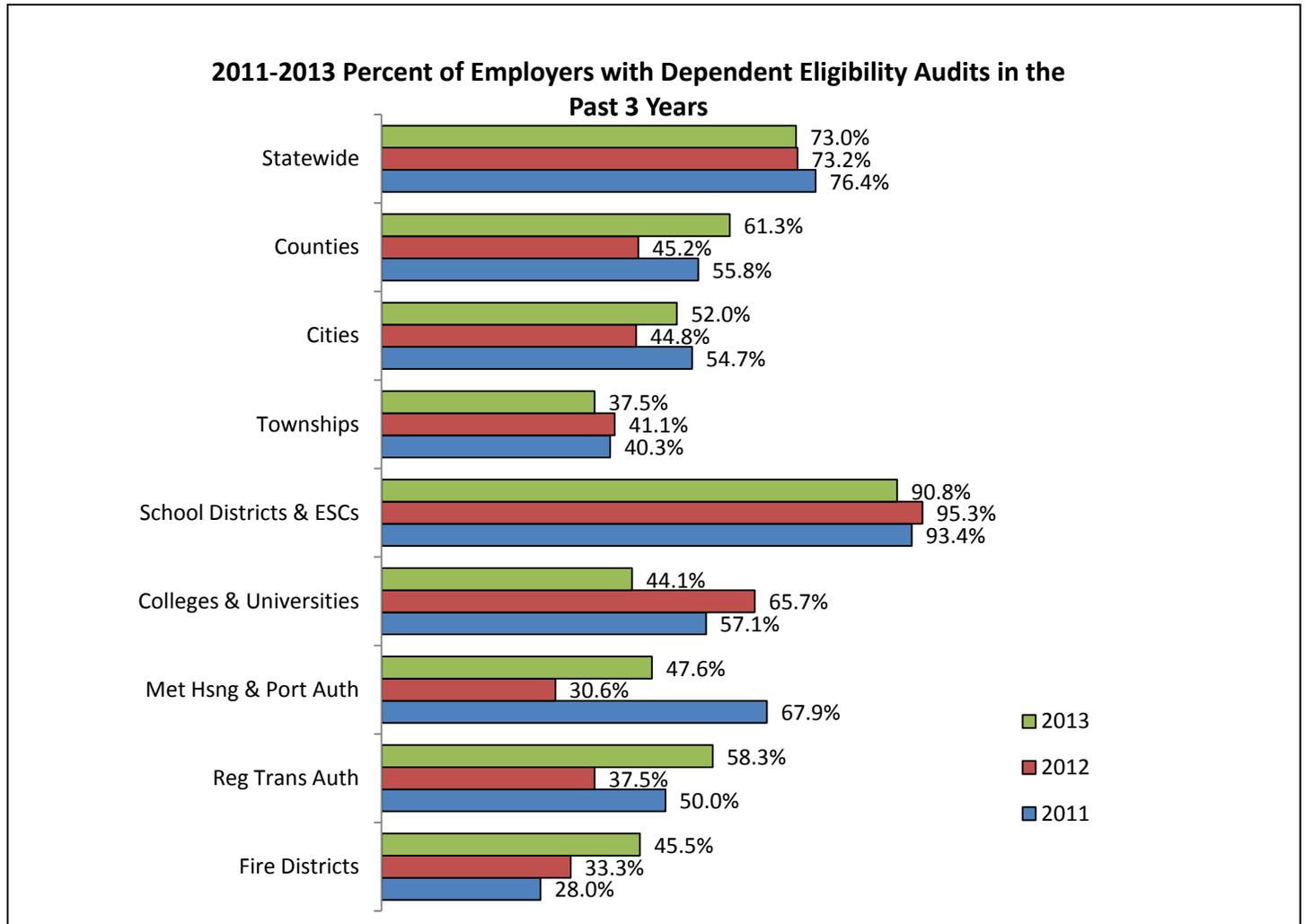


## Dependent Eligibility Audits

Dependent eligibility audits (DEAs) identify individuals who do not qualify to be on the employer’s medical plan. The purpose of a DEA is to identify persons enrolled on the employer’s medical plan who are no longer eligible for coverage. Examples include adult children, who are no longer in school, full-time students older than the maximum age allowed by the plan, ex-spouses, and other relatives not eligible for coverage.

Chart 16 illustrates the number of employers, by jurisdiction, indicating that either they or the medical provider conducted a dependent eligibility audit in the past three years. Comparative data from the last two years’ reports are also presented.

**Chart 16**

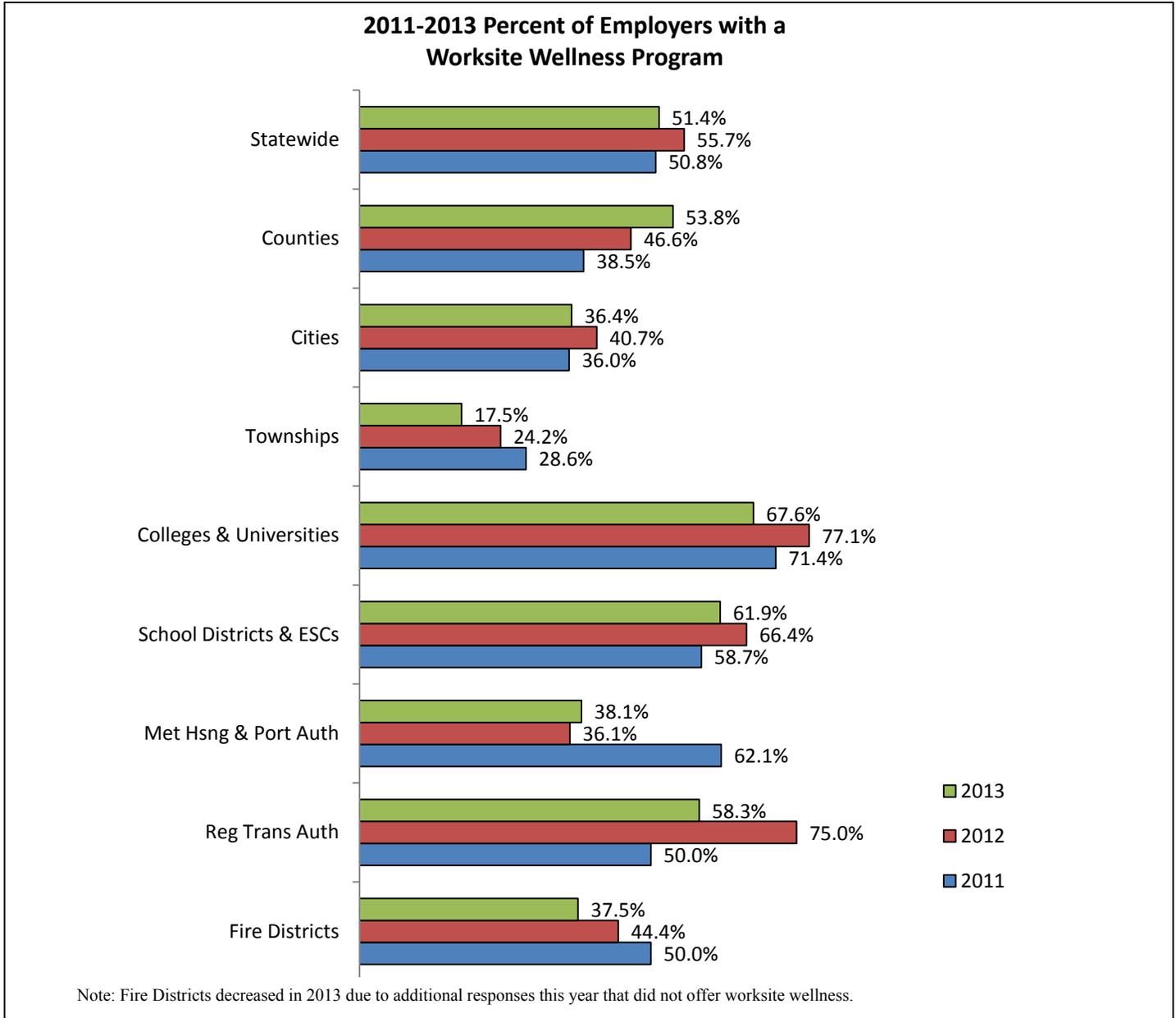


- ▶ Statewide, between 2012 and 2013, the percent of employers conducting a dependent eligibility audit sometime over the past three years remains unchanged.
- ▶ School districts and ESCs are most likely to report having conducted a DEA; this is also part of the “Best Practices” adapted by the School Employees’ Health Care Board.
- ▶ Regional Transit Authorities exhibit the largest increase in DEAs in 2013, with a 20.8 percentage point increase in the percent reporting having an audit in the past three years, as compared to 2012.

## Worksite Wellness

Worksite wellness programs are at the employer level (rather than included in the medical plan) and include various types of health maintenance programs, from screening programs, to staff dedicated to employee health programs. Further explanation of the components of worksite wellness programs are found in Table 15. Chart 17 illustrates the variability of these offerings by jurisdiction.

**Chart 17**



- ▶ More than half (51.4%) of employers responding to the survey report having some type of worksite wellness program, which is a 4.3 percentage point decrease since the 2012 report.
- ▶ Colleges & Universities have the highest frequency of worksite wellness programs.
- ▶ Townships remain as the jurisdiction with the lowest incidence of worksite wellness programs, probably due to their small size.

Table 15 breaks down the types of worksite wellness programs utilized when a jurisdiction reports having a worksite wellness program. Employers who answered “yes” to the question of whether they had a worksite wellness program were then presented with a set of questions asking about which components of a wellness plan they have.

**Table 15**

<b>2013 Frequency of Wellness Program Components</b>				
<b>Program Component</b>	<b>Examples</b>	<b>Percent</b>		
		<b>2011</b>	<b>2012</b>	<b>2013</b>
Health Education	Education or counseling opportunities relative to physical activity, workplace injury prevention	81%	73%	83%
Supportive Social & Physical Work Environment	Policies against tobacco use, classes or counseling on nutrition or fitness	80%	68%	69%
Integration of Worksite Program into Organization's Structure	Dedicated staff, office, or budget	33%	29%	36%
Related Programs	Employee assistance, work/family, occupational safety and health programs, etc	50%	50%	57%
Screening Programs	Blood pressure, blood cholesterol screening programs	85%	86%	76%

## APPENDIX

Table 16.1 contains the average employee contributions to single and family premiums, when such a contribution is required. Plans where employees pay \$0 toward the medical premium are excluded when calculating this average.

**Table 16.1**

<b>2013 Average Monthly Employee Contributions to Medical Premiums When a Contribution is Required</b>							
<b>Comparison Group</b>	<b>Single</b>			<b>Family</b>			
	<b>Dollar Amount</b>	<b>% of Premium</b>	<b># of plans</b>	<b>Dollar Amount</b>	<b>% of Premium</b>	<b># of plans</b>	
STATEWIDE	\$66	12.7%	1,544	\$184	13.3%	1,577	
State of Ohio	\$72	15.1%	1	\$210	15.8%	1	
Counties	\$76	14.1%	128	\$224	15.1%	130	
Less than 50,000	\$84	15.7%	47	\$264	17.4%	49	
50,000 - 149,999	\$77	13.7%	52	\$216	14.1%	52	
150,000 or more	\$61	12.4%	29	\$173	12.8%	29	
Cities	\$61	12.0%	248	\$157	11.6%	259	
Less than 25,000	\$61	12.1%	172	\$162	11.9%	183	
25,000 - 99,999	\$61	12.1%	67	\$147	10.9%	67	
100,000 or more	\$57	9.8%	9	\$131	11.1%	9	
Townships	\$48	10.7%	71	\$135	10.3%	76	
Less than 10,000	\$52	9.5%	31	\$140	9.1%	35	
10,000 - 29,999	\$42	11.7%	31	\$117	11.0%	32	
30,000 or more	\$51	10.9%	9	\$180	12.6%	9	
School Districts <sup>†</sup>	\$66	12.4%	830	\$184	13.5%	848	
Less than 1,000	\$67	12.9%	186	\$181	13.6%	196	
1,000 - 2,499	\$66	12.2%	377	\$184	13.1%	382	
2,500 - 9,999	\$65	12.6%	238	\$182	13.9%	241	
10,000 or more	\$61	11.3%	29	\$227	15.0%	29	
Colleges & Universities	\$79	14.9%	70	\$224	15.9%	69	
Fire Districts	\$43	14.6%	6	\$163	13.6%	6	
Metro Housing, Port Auth, & Reg Trans Auth	\$70	12.7%	60	\$183	12.6%	56	
REGION							
1 - Akron/Canton	\$52	11.2%	233	\$127	11.0%	234	
2 - Cincinnati	\$68	13.4%	164	\$201	14.4%	170	
3 - Cleveland	\$57	11.4%	230	\$150	11.4%	232	
4 - Columbus	\$81	14.2%	257	\$236	15.8%	254	
5 - Dayton	\$79	15.3%	204	\$215	15.7%	216	
6 - Southeast Ohio	\$73	12.2%	117	\$215	14.2%	121	
7 - Toledo	\$65	12.8%	233	\$190	14.0%	241	
8 - Warren/Youngstown	\$46	8.9%	106	\$123	8.5%	109	
EMPLOYEES COVERED							
1 - 49	\$71	13.1%	221	\$201	13.4%	230	
50 - 99	\$63	12.9%	244	\$173	13.3%	251	
100 - 149	\$65	12.4%	282	\$178	13.0%	290	
150 - 249	\$68	12.6%	312	\$190	13.5%	317	
250 - 499	\$63	12.2%	287	\$173	13.0%	291	
500 - 999	\$66	13.1%	112	\$180	14.0%	112	
1,000 or more	\$68	13.1%	86	\$208	14.4%	86	

<sup>†</sup> ESCs are not included in this category because they do not have a population size. They are included in the statewide total.

Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.

Table 16.2 contains the average employer contributions to single and family premiums. Plans where the employer pays 100% and the employee pays 0% are included in this average.

**Table 16.2**

<b>2013 Average Employer Contributions to Medical/Prescription Premiums</b>						
<b>Comparison Group</b>	<b>Average Monthly Employer Contributions to Medical Premiums</b>				<b>Percent of Premium Paid By Employer</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b>Family</b>
STATEWIDE	\$461	1,551	\$1,199	1,552	88.8%	87.8%
State of Ohio	\$406	1	\$1,115	1	84.9%	84.2%
Counties	\$457	127	\$1,233	128	86.7%	85.5%
Less than 50,000	\$469	47	\$1,247	48	85.3%	83.2%
50,000 - 149,999	\$464	51	\$1,253	51	86.7%	85.9%
150,000 or more	\$424	29	\$1,176	29	88.9%	88.4%
Cities	\$471	285	\$1,252	288	90.3%	90.2%
Less than 25,000	\$465	209	\$1,258	212	90.8%	90.3%
25,000 - 99,999	\$468	67	\$1,256	67	89.0%	89.9%
100,000 or more	\$606	9	\$1,087	9	90.2%	88.9%
Townships	\$457	117	\$1,291	121	93.8%	93.8%
Less than 10,000	\$479	61	\$1,317	64	95.2%	95.0%
10,000 - 29,999	\$430	44	\$1,272	45	91.7%	92.2%
30,000 or more	\$448	12	\$1,228	12	94.2%	93.0%
School Districts <sup>†</sup>	\$461	773	\$1,161	773	88.3%	86.9%
Less than 1,000	\$440	201	\$1,108	201	89.0%	87.6%
1,000 - 2,499	\$474	328	\$1,191	328	88.3%	87.0%
2,500 - 9,999	\$453	219	\$1,151	219	87.6%	86.5%
10,000 or more	\$520	25	\$1,298	25	88.8%	84.3%
Colleges & Universities	\$466	67	\$1,220	66	85.6%	84.6%
Fire Districts	\$340	10	\$1,130	10	91.2%	91.8%
Metro Housing Authorities	\$466	39	\$1,265	39	89.5%	88.2%
Port Authorities	\$445	5	\$1,270	5	90.4%	90.5%
Regional Transit Authorities	\$485	13	\$1,366	12	90.1%	89.3%

<sup>†</sup> ESCs are not included in this category because they do not have a population size. They are included in the statewide total.  
Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.

Tables 17 and 18 give the premium amount as well as employee and employer contributions for dental and vision coverage, respectively. Amounts for single and family coverage are given. Employee and employer contribution calculations only include plans where employees contribute to the premium. The total premium will not be the additive factor of the employee plus employer contributions.

**Table 17**

<b>2013 Dental Premiums - Median Total Premium and Employee and Employer Share</b>										
<b>Comparison Group</b>	<b>Single</b>				<b>Family</b>				<b>Dental Composite Rate</b>	
	<b>Total Single Premium</b>	<b>Employee Share</b>	<b>Employer Share</b>	<b># of plans</b>	<b>Total Premium</b>	<b>Employee Share</b>	<b>Employer Share</b>	<b># of plans</b>	<b>Rate</b>	<b># of plans</b>
STATEWIDE	\$30.93	\$5.00	\$28.55	682	\$85.50	\$13.98	\$77.76	704	\$74.07	190
State of Ohio	\$32.07	-	\$32.07	1	\$92.92	-	\$92.62	1	-	-
Counties	\$27.33	\$12.56	\$23.80	28	\$83.64	\$40.88	\$62.27	28	\$63.60	1
Cities	\$27.03	\$5.77	\$26.20	95	\$82.00	\$23.45	\$74.00	95	\$65.35	15
Townships	\$26.19	\$4.01	\$25.89	62	\$85.82	\$12.98	\$84.90	67	\$49.78	6
School Districts & ESCs	\$33.20	\$4.94	\$30.91	441	\$86.32	\$13.00	\$78.14	456	\$74.38	166
Colleges & Universities	\$29.71	\$5.04	\$24.68	25	\$87.69	\$23.12	\$73.60	26	\$56.82	1
Special Districts	\$29.11	\$6.33	\$26.49	30	\$95.88	\$17.44	\$88.57	31	\$26.00	1
REGION										
1 - Akron/Canton	\$39.55	\$5.40	\$37.57	109	\$101.77	\$13.31	\$96.32	113	\$77.89	7
2 - Cincinnati	\$30.14	\$5.03	\$28.63	78	\$88.20	\$15.25	\$82.03	80	\$76.19	28
3 - Cleveland	\$30.60	\$4.38	\$28.66	114	\$88.00	\$12.00	\$82.24	116	\$72.35	9
4 - Columbus	\$31.13	\$6.14	\$28.00	114	\$88.48	\$18.45	\$72.05	117	\$74.09	49
5 - Dayton	\$28.13	\$5.00	\$24.87	97	\$77.30	\$14.57	\$66.52	99	\$83.56	16
6 - Southeast Ohio	\$26.91	\$3.25	\$24.31	52	\$71.46	\$11.33	\$92.59	55	\$56.82	21
7 - Toledo	\$31.75	\$6.00	\$29.00	65	\$88.00	\$15.45	\$80.20	68	\$72.89	52
8 - Warren/Youngstown	\$32.72	\$3.21	\$30.59	53	\$84.93	\$7.75	\$80.87	56	\$70.01	8
EMPLOYEES COVERED										
1 - 49	\$27.03	\$7.66	\$25.89	102	\$84.86	\$23.45	\$73.80	108	\$64.64	14
50 - 99	\$28.89	\$5.00	\$26.84	93	\$83.92	\$14.30	\$78.46	98	\$71.18	34
100 - 149	\$31.75	\$5.13	\$28.74	126	\$85.26	\$13.84	\$77.18	128	\$74.08	48
150 - 249	\$32.58	\$4.97	\$29.65	149	\$84.93	\$14.14	\$76.82	155	\$74.66	45
250 - 499	\$32.50	\$4.00	\$29.73	128	\$85.08	\$11.30	\$75.56	130	\$76.09	31
500 - 999	\$36.07	\$5.22	\$33.20	57	\$94.04	\$13.36	\$89.48	57	\$74.00	11
1,000 or more	\$30.93	\$5.71	\$28.67	27	\$90.21	\$16.53	\$82.71	28	\$80.16	7

Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.

**Table 18**

**2013 Vision Premiums - Median Total Premium and Employee and Employer Share**

Comparison Group	Single				Family				Vision Composite Rate	# of plans
	Total Single Premium	Employee Share	Employer Share	# of plans	Total Premium	Employee Share	Employer Share	# of plans		
STATEWIDE	\$8.00	\$2.00	\$7.25	421	\$19.59	\$5.35	\$16.78	431	\$17.87	79
State of Ohio	-	-	-	-	-	-	-	-	\$21.31	1
Counties	\$7.56	\$5.78	\$6.42	17	\$18.67	\$15.77	\$15.40	17	\$17.66	1
Cities	\$7.44	\$5.61	\$6.52	38	\$18.36	\$14.14	\$15.85	40	\$16.49	14
Townships	\$7.83	\$2.41	\$7.83	36	\$24.61	\$8.00	\$23.00	39	\$23.00	11
School Districts & ESCs	\$8.49	\$1.77	\$7.25	301	\$19.76	\$4.50	\$16.52	305	\$17.45	48
Colleges & Universities	\$6.95	\$1.20	\$6.13	15	\$18.31	\$7.75	\$14.57	16	\$17.56	1
Special Districts	\$6.60	\$2.88	\$6.64	14	\$19.59	\$8.76	\$17.73	14	\$18.18	3
REGION										
1 - Akron/Canton	\$9.73	\$1.22	\$9.01	51	\$25.41	\$2.94	\$25.11	52	\$8.03	5
2 - Cincinnati	\$7.25	\$6.08	\$6.14	33	\$16.90	\$15.79	\$15.94	33	\$20.96	14
3 - Cleveland	\$6.78	\$1.02	\$6.35	75	\$16.55	\$3.20	\$14.69	76	\$20.22	7
4 - Columbus	\$8.77	\$5.34	\$7.80	69	\$22.18	\$13.43	\$16.65	74	\$18.27	22
5 - Dayton	\$7.27	\$2.35	\$6.55	43	\$18.46	\$5.71	\$15.89	43	\$23.29	10
6 - Southeast Ohio	\$8.14	\$1.15	\$7.46	44	\$18.88	\$3.72	\$15.94	46	\$18.16	12
7 - Toledo	\$8.61	\$1.33	\$7.75	69	\$20.03	\$3.96	\$16.75	70	\$14.91	2
8 - Warren/Youngstown	\$6.06	\$0.77	\$6.75	37	\$17.63	\$1.99	\$18.17	37	\$12.00	7
EMPLOYEES COVERED										
1 - 49	\$8.02	\$3.91	\$7.83	65	\$22.34	\$10.88	\$21.16	67	\$23.00	14
50 - 99	\$8.72	\$1.77	\$7.78	60	\$21.72	\$3.98	\$19.03	61	\$17.94	16
100 - 149	\$8.59	\$1.77	\$7.78	83	\$19.34	\$3.72	\$17.18	87	\$17.34	24
150 - 249	\$7.78	\$1.75	\$6.75	105	\$18.35	\$5.71	\$14.49	108	\$16.40	14
250 - 499	\$7.52	\$3.25	\$7.01	64	\$18.88	\$9.47	\$15.21	64	\$17.66	7
500 - 999	\$6.08	\$2.85	\$4.86	28	\$15.54	\$13.29	\$11.10	28	-	-
1,000 or more	\$6.08	\$4.41	\$4.99	16	\$18.17	\$15.07	\$13.66	16	\$14.54	4

Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.

## DEFINITIONS AND CLARIFICATIONS

- Under Jurisdiction, reporting “Special Districts” include: housing authorities, port authorities, regional transit authorities, and regional fire districts. These jurisdictions are often merged due to the relatively low numbers in each.
- Each Region consists of several geographically proximate counties. The groupings, which were originally developed by SERB’s Bureau of Mediation for the purpose of developing fact-finding and conciliation panels, are as follows:
  - 1 - Akron/Canton: Ashland, Carroll, Coshocton, Harrison, Holmes, Medina, Portage, Stark, Summit, Tuscarawas & Wayne.
  - 2 – Cincinnati: Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland & Warren.
  - 3 – Cleveland: Ashtabula, Cuyahoga, Erie, Geauga, Huron, Lake, & Lorain.
  - 4 – Columbus: Crawford, Delaware, Fairfield, Fayette, Franklin, Knox, Licking, Madison, Marion, Morrow, Pickaway, Pike, Richland, Ross, Scioto, Union, & Wyandot.
  - 5 – Dayton: Auglaize, Champaign, Clark, Darke, Greene, Logan, Mercer, Miami, Montgomery, Preble, & Shelby.
  - 6 - Southeast Ohio: Athens, Belmont, Gallia, Guernsey, Hocking, Jackson, Lawrence, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, Vinton, & Washington.
  - 7 – Toledo: Allen, Defiance, Fulton, Hancock, Hardin, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, & Wood.
  - 8 – Warren-Youngstown: Columbiana, Jefferson, Mahoning, & Trumbull.
- **Employees Covered** refers to the total number of employees covered under each employer health plan. For instance, an employer who offers two health plans with one plan covering 600 employees and the other plan covering 1,200 will have the former placed in the population category “500 to 999” covered employees and the latter placed in the population category “1,000 or more” covered employees.
- **Base Medical & Major Medical Plan (BMM):** “A traditional fee for service plan which covers 100% of certain basic health care services such as hospital, surgical and physician services up to established limits. Thereafter, the major medical portion of the plan goes into effect for those items or for benefits not covered under the base plan. Deductibles, co-insurance and co-payments typically apply only to the major medical portion of the plan.” (The Ohio Public Sector Labor-Management Health Care Benefits Committee. <http://www.healthlmc.org/rc/glossary.html#h>. Retrieved on 10 June 2009)
- **Comprehensive Major Medical Plan (CMM):** “A type of traditional plan where all benefits are subject to deductibles and co-payments.” (The Ohio Public Sector Labor-Management Health Care Benefits Committee. <http://www.healthlmc.org/rc/glossary.html#h>. Retrieved on 10 June 2009)
- **Preferred Provider Organization (PPO):** “A Preferred Provider Organization (PPO) is a healthcare delivery system where providers contract with the PPO at various reimbursement levels in return for patient steerage into their practices and/or timely payment. PPOs differ from other healthcare delivery systems in the way they are financed, including providing more choice, benefit flexibility and enrollee access to providers and medical services both in and out-of-network.” (American Association of Preferred Provider Organizations. <http://aappo.org/>. Retrieved on 6 February 2008)

- **Health Maintenance Organization (HMO):** “An HMO is a health care system that assumes or shares both the financial risks and the delivery risks associated with providing comprehensive medical services to a voluntarily enrolled population in a particular geographic area, usually in return for a fixed, prepaid fee. Pure HMO enrollees use only the prepaid capitated health services of the HMO panel of medical care providers. Open-ended HMO enrollees use the prepaid HMO health services but, in addition may receive medical care from providers who are not part of the HMO panel. There is usually a substantial deductible, co-payment, or co-insurance associated with use of non-panel providers.” (National Center for Health Statistics, Center for Disease Control. <http://www.cdc.gov/nchs/datawh/nchsdefs/hmo.htm>. Retrieved on 6 February 2008).
- **Point of Service (POS):** “A point-of-service plan (POS) is a type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. When patients venture out of the network, they'll have to pay most of the cost, unless the primary care provider has made a referral to the out-of-network provider. Then the medical plan will pick up the tab.” (California Healthcare Foundation. <http://www.healthcoverageguide.org/ReferenceGuide/Coverage-Types/Point-of-Service-Plan-POS.aspx>. Retrieved on 6 February 2008).
- **Consumer-Driven Health Plan (CDHP):** Also sometimes referred to as High Deductible Health Plans (HDHPs). These are health plans with high deductibles (\$1250 for single coverage and \$2500 for family coverage) that are coupled with a tax-deferred medical care savings account. Enrollees in a CDHP may use this account to pay for any qualified medical expenses before their deductible is reached and any other out-of-pocket expenses. (U.S. Office of Personnel Management. <http://www.opm.gov/insure/health/hsa/hsa.asp> Retrieved 13 May 2009; Kaiser Family Foundation. “National Survey of Enrollees in Consumer Directed Health Plans” <http://www.kff.org/kaiserpolls/upload/7594.pdf> Retrieved on 10 February 2008.)
- **Health Savings Account (HSA):** “Health Savings Accounts are tax-advantaged personal savings accounts used in conjunction with a qualified high-deductible health plan (HDHPs) to help pay for unreimbursed medical expenses. Contributions to HSAs may be received from employers, individuals or any combination of both. Employer contributions are excludable from income and individual contributions are deductible, regardless of whether or not a taxpayer itemizes deductions. Annual contributions are limited to a statutory level and out-of-pocket maximums are limited, but individuals age 55 and over with accounts can make additional contributions. HSAs are portable and funds carry over to subsequent years.” (National Association of Health Underwriters. <http://www.nahu.org/legislative/MSAs/HSAs-HSSAs/index.cfm> Retrieved 13 May 2009.)
- **Health Reimbursement Account (HRA):** Like an HSA, an HRA is a tax-advantaged personal savings account where monies can be used to pay for medical expenses prior to the deductible being met and for any other out-of-pocket medical expenses. Unlike HSAs, an employee does not have to be enrolled in a CDHP/HDHP to qualify for an HRA, though they typically are. HRAs can only be funded by the employer, and they are not portable should the employee change health plans and/or employers. (Internal Revenue Service. “Health Savings Accounts and Other Tax-Favored Health Plans.” <http://www.irs.ustreas.gov/pub/irs-pdf/p969.pdf> Retrieved 13 May 2009.)

## INDEX OF TABLES AND CHARTS

<b>TABLE</b>		<b>page</b>
Table 1	2012 and 2013 Response Rates by Jurisdiction .....	5
Table 2	2013 Percentage of Plan Types by Jurisdiction .....	6
Table 3.1	2013 Average Monthly Medical/Prescription Premiums and Employer PEPM Costs.....	7
Table 3.2	2013 Average Monthly Medical/Prescription Premiums and Employee Contributions.....	9
Table 3.3	2013 Average Monthly Medical/Prescription Premiums by Region .....	11
Table 3.4	2013 Average Monthly Medical/Prescription Premiums by Number of Employees .....	12
Table 4.1	2013 Average Premium Cost by Plan Type .....	12
Table 4.2	2013 Average Premium Cost by Funding Type .....	13
Table 4.3	2013 Average Premium Cost by Joint Purchasing Arrangement.....	14
Table 5	2013 Annual Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates .....	16
Table 6	2013 Average Annual Cost per Employee for Medical, Prescription, Dental, & Vision Carve-outs	17
Table 7.1	2013 Deductible Categories for Single In-Network Medical Coverage.....	18
Table 7.2	2013 Deductible Categories for Family In-Network Medical Coverage .....	18
Table 8.1	2013 Co-Insurance Categories for In-Network Medical Coverage .....	19
Table 8.2	2013 Co-Insurance Categories for Out-of-Network Medical Coverage.....	19
Table 9.1	2013 In-Network Out-of-Pocket Maximums for Medical Coverage .....	20
Table 9.2	2013 Out-of-Network Out-of-Pocket Maximums for Medical Coverage .....	20
Table 10	2013 Fringe Benefit Provisions .....	21
Table 11.1	2013 Statewide Retail Prescription Co-payments .....	22
Table 11.2	2013 Statewide Mail Order Prescription Co-payments .....	22
Table 12	2013 Annual Dental Maximums .....	24
Table 13	2013 Median Dental and Vision Composite Rates by Region.....	25
Table 14	2013 Incentive Offered to Employees for Opting Out of Medical Coverage .....	26
Table 15	2013 Frequency of Wellness Program Components .....	32
Table 16.1	2013 Average Monthly Employee Contributions to Medical Premiums When Contribution Req...	33
Table 16.2	2013 Average Employer Contributions to Medical/Prescription Premiums.....	34
Table 17	2013 Dental Premiums – Median Total Premium, Employee and Employer Share.....	35
Table 18	2013 Vision Premiums – Median Total Premium, Employee and Employer Share.....	36
<b>CHARTS</b>		<b>page</b>
Chart 1	Displays Table 3.1 Monthly Family Premiums over past four years.....	8
Chart 2	Displays Table 3.2 Monthly Employee Contribution to Family Premiums over the past four years	10
Chart 3	Displays Table 5.2 Cost per Employee per Year over the past three years.....	13
Chart 4	2013 Family Medical Premiums by Number of Employees .....	14
Chart 5	Annual Percent Increases in Family Medical Premiums and Average Wage Increases, 1997-2013	15
Chart 6	Cumulative Percent Increases in Family Medical Premiums and Average Wage Increases – 1997-2013 .....	15
Chart 7	2013 Percent of Jurisdictions Offering Dental and/or Vision Options .....	23
Chart 8	2013 Median Employee and Employer Contributions to Family Dental Premiums.....	23
Chart 9	2013 Median Employer and Employee Contributions to Family Vision Premiums.....	24
Chart 10	2013 Opt-out Incentives Offered by Jurisdiction .....	26
Chart 11	2013 Spousal Restrictions by Jurisdiction .....	27
Chart 12	2013 Frequency of Types of Spousal Restrictions .....	27
Chart 13	2010-2013 Percent of Employers Belonging to Consortiums .....	28
Chart 14	2013 Employer Contributions to Employee Deductibles – Single Coverage .....	29
Chart 15	2013 Employer Contributions to Employee Deductibles – Family Coverage .....	29
Chart 16	2010-2013 Percent of Employers with Dependent Eligibility Audits in the Past 3 Years .....	30
Chart 17	2010-2013 Percent of Employers with a Worksite Wellness Program .....	31

## END NOTES

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<sup>i</sup> For the 66 employers that we could not locate email addresses for, letters with links to the survey website were sent via postal mail.

<sup>ii</sup> The sample size needed to estimate  $p$  with a bound on error  $B$  was estimated using equation 3:

$$n = \frac{Npq}{(N-1)D + pq} \quad N=1325, p=.5, B=.05$$

$$\text{where } q = 1 - p \text{ and } D = \frac{B^2}{4}$$

The bound ( $B$ ) utilized was .05, while  $p$  was replaced with the most conservative estimate, .5. Solving for  $n$  results in a necessary sample size of 307. Sample sizes necessary for individual entities (i.e. cities, school districts) are available upon request.

<sup>iii</sup> Information on single + one, single & spouse and single & child coverage is available upon request.

<sup>iv</sup> In 88.6% of medical plans reported, prescription drug coverage is included in the medical premium cost.

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