# HCTrends

## Greater Milwaukee

## Annual Employer Health Care Benefits Survey

## 2013 Renewal Projections

www.HCTrends.com

*Percentages May Not Equal 100% Due to Rounding*

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# All Respondents Weighted

## 2013 Renewal Information

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| Expected Renewal | End Plan | <5% | 5-7% | 8-10% | 11-14% | 15-19% | 20%+ |
|---|---|---|---|---|---|---|---|
| Before Changes | | 12% | 24% | 19% | 22% | 13% | 10% |
| After Changes | 3% | 21% | 23% | 21% | 16% | 10% | 6% |

| Expectation Based On: | |
|---|---|
| National Trends | 28% |
| Broker Discussions | 48% |
| Renewal Notice | 24% |

| | |
|---|---|
| Percent of Companies Considering Changes | 80% |

| Principal Cost-Containment Strategies | |
|---|---|
| Increase Employee Share of Premium | 52% |
| Increase Deductibles/Copays/Co-Insurance | 65% |
| Increase Out-Of-Pocket Maximums | 41% |
| Reduce or Suspend Funding of HSA/HRA | 3% |
| Eliminate Mental Health Benefits | 3% |
| Scale Back or Eliminate Wellness Program | 3% |
| Scale Back or Eliminate EAP Program | 3% |
| Change Network and/or Plans | 42% |
| Change Pharmacy Benefit Manager/Benefits | 14% |
| Other | 10% |

**Change in Enrollment (from January 2011 to January 2012)**

| | Decrease Enrollment | | | | | Increase Enrollment | | |
|---|---|---|---|---|---|---|---|---|
| | >15% | 11-15% | 5-10% | <5% | Same | <5% | 5-10% | >10% |
| Projected Change in Enrollment | 0% | 3% | 0% | 3% | 76% | 11% | 5% | 4% |

**Percent of Payroll Spent on Medical Benefits**

| | <5% | 5-7% | 8-9% | 10-11% | 12-13% | 14-15% | 16-20% | >20% |
|---|---|---|---|---|---|---|---|---|
| Percent of Payroll | 8% | 12% | 17% | 17% | 2% | 13% | 16% | 15% |

| Health Reform Impact On Health Care Costs | |
|---|---|
| Do Not Know | 52% |
| No Impact | 6% |
| Minimal Impact | 16% |
| Moderate Impact | 7% |
| Major Impact | 19% |

Minimal Impact: <2%; Moderate Impact: 2-4%; Major Impact: >4%

| Terminate Plan in Favor of Exchanges | |
|---|---|
| Do Not Know | 57% |
| Very Unlikely | 20% |
| Somewhat Unlikely | 13% |
| Likely | 7% |
| Very Likely | 3% |

| Expect to Lose Plan's Grandfather Status | |
|---|---|
| Do Not Know | 49% |
| Very Unlikely | 6% |
| Somewhat Unlikely | 8% |
| Likely | 1% |
| Very Likely | 6% |
| Will Happen 2011 | 1% |
| Already Lost | 29% |

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# Fewer Than 20 Employees

## 2013 Renewal Information

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| | <5 | 5-19 | 20-49 | 50-99 | 100-199 | 200-499 | 500-999 | 1000+ |
|---|---|---|---|---|---|---|---|---|
| **Number of Employees** | 21% | 79% | 0% | 0% | 0% | 0% | 0% | 0% |

| Type of Business | | | |
|---|---|---|---|
| Manufacturing | 19% | Transportation/Utilities | 0% |
| Service/Retail | 15% | Printing/Publishing | 4% |
| Government/Education | 0% | Health Care | 4% |
| Finance | 4% | Professional (Law/Accounting) | 8% |
| Warehouse/Distribution | 8% | Construction | 15% |
| Non-Profit | 23% | Other | 15% |

| Expected Renewal | End Plan | <5% | 5-7% | 8-10% | 11-14% | 15-19% | 20%+ |
|---|---|---|---|---|---|---|---|
| Before Changes | | 11% | 24% | 19% | 22% | 14% | 11% |
| After Changes | 3% | 17% | 23% | 23% | 17% | 11% | 6% |

| Expectation Based On: | |
|---|---|
| National Trends | 30% |
| Broker Discussions | 46% |
| Notice | 24% |

| | |
|---|---|
| Percent of Companies Considering Changes | 82% |

| Principal Cost-Containment Strategies | |
|---|---|
| Increase Employee Share of Premium | 52% |
| Increase Deductables/Co-Pays/Co-Insurance | 65% |
| Increase Out-Of-Pocket Maximums | 42% |
| Reduce or Suspend Funding of HAS/HRA | 3% |
| Elminate Mental Health Benefits | 3% |
| Scale Back or Eliminate Wellness Program | 3% |
| Scale Back or Eliminate EAP Program | 3% |
| Change Network and/or Plans | 39% |
| Change Pharmacy Benefit Manager/Benefits | 13% |
| Other | 10% |

**Change in Enrollment (from January 2011 to January 2012)**

| | Decrease Enrollment | | | | | Increase Enrollment | | |
|---|---|---|---|---|---|---|---|---|
| | <15% | 11-15% | 5-10% | <5% | Same | <5% | 5-10% | >10% |
| Projected Change in Enrollment | 0% | 3% | 0% | 3% | 82% | 8% | 3% | 3% |

**Percent of Payroll Spent on Medical Benefits**

| | <5% | 5-7% | 8-9% | 10-11% | 12-13% | 14-15% | 16-20% | >20% |
|---|---|---|---|---|---|---|---|---|
| Percent of Payroll | 8% | 11% | 17% | 17% | 0% | 14% | 17% | 17% |

| Health Reform Impact on Health Care Costs | |
|---|---|
| Do Not Know | 53% |
| No Impact | 5% |
| Minimal Impact | 16% |
| Moderate Impact | 5% |
| Major Impact | 21% |

| Terminate Plan in Favor of Exchanges | |
|---|---|
| Do Not Know | 63% |
| Very Unlikely | 18% |
| Somewhat Unlikely | 11% |
| Likely | 5% |
| Very Likely | 3% |

| Will Plan Lose Grandfather Status | |
|---|---|
| Do Not Know | 53% |
| Very Unlikely | 6% |
| Somewhat Unlikely | 9% |
| Likely | 0% |
| Very Likely | 6% |
| Will Happen 2012 | 0% |
| Already Lost | 26% |

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# 20-99 Employees

## 2013 Renewal Information

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| | <5 | 5-19 | 20-49 | 50-99 | 100-199 | 200-499 | 500-999 | 1000+ |
|---|---|---|---|---|---|---|---|---|
| **Number of Employees** | 0% | 0% | 65% | 35% | 0% | 0% | 0% | 0% |

| Type of Business | | | |
|---|---|---|---|
| Manufacturing | 40% | Transportation/Utilities | 0% |
| Service/Retail | 10% | Printing/Publishing | 0% |
| Government/Education | 2% | Health Care | 14% |
| Finance | 4% | Professional (Law/Accounting) | 2% |
| Warehouse/Distribution | 6% | Construction | 8% |
| Non-Profit | 10% | Other | 8% |

| Expected Renewal | End Plan | <5% | 5-7% | 8-10% | 11-14% | 15-19% | 20%+ |
|---|---|---|---|---|---|---|---|
| Before Changes | | 17% | 17% | 24% | 24% | 9% | 9% |
| After Changes | 2% | 36% | 21% | 15% | 17% | 2% | 6% |

| Expectation Based On: | |
|---|---|
| National Trends | 23% |
| Broker Discussions | 53% |
| Notice | 25% |

| | |
|---|---|
| Percent of Companies Considering Changes | 73% |

| Principal Cost-Containment Strategies | |
|---|---|
| Increase Employee Share of Premium | 54% |
| Increase Deductables/Co-Pays/Co-Insurance | 68% |
| Increase Out-Of-Pocket Maximums | 35% |
| Reduce or Suspend Funding of HAS/HRA | 0% |
| Elminate Mental Health Benefits | 0% |
| Scale Back or Eliminate Wellness Program | 3% |
| Scale Back or Eliminate EAP Program | 3% |
| Change Network and/or Plans | 73% |
| Change Pharmacy Benefit Manager/Benefits | 22% |
| Other | 5% |

**Change in Enrollment (from January 2011 to January 2012)**

| | Decrease Enrollment | | | | | Increase Enrollment | | |
|---|---|---|---|---|---|---|---|---|
| | <15% | 11-15% | 5-10% | <5% | Same | <5% | 5-10% | >10% |
| Projected Change in Enrollment | 2% | 2% | 2% | 2% | 42% | 28% | 12% | 10% |

**Percent of Payroll Spent on Medical Benefits**

| | <5% | 5-7% | 8-9% | 10-11% | 12-13% | 14-15% | 16-20% | >20% |
|---|---|---|---|---|---|---|---|---|
| Percent of Payroll | 7% | 22% | 22% | 17% | 13% | 7% | 11% | 2% |

| Health Reform Impact on Health Care Costs | |
|---|---|
| Do Not Know | 60% |
| No Impact | 8% |
| Minimal Impact | 8% |
| Moderate Impact | 14% |
| Major Impact | 10% |

| Terminate Plan in Favor of Exchanges | |
|---|---|
| Do Not Know | 26% |
| Very Unlikely | 24% |
| Somewhat Unlikely | 26% |
| Likely | 22% |
| Very Likely | 2% |

| Will Plan Lose Grandfather Status | |
|---|---|
| Do Not Know | 34% |
| Very Unlikely | 6% |
| Somewhat Unlikely | 4% |
| Likely | 6% |
| Very Likely | 6% |
| Will Happen 2012 | 4% |
| Already Lost | 40% |

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# 100-499 Employees

## 2013 Renewal Information

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| | <5 | 5-19 | 20-49 | 50-99 | 100-199 | 200-499 | 500-999 | 1000+ |
|---|---|---|---|---|---|---|---|---|
| **Number of Employees** | 0% | 0% | 0% | 0% | 56% | 44% | 0% | 0% |

| Type of Business | | | |
|---|---|---|---|
| Manufacturing | 38% | Transportation/Utilities | 4% |
| Service/Retail | 8% | Printing/Publishing | 2% |
| Government/Education | 8% | Health Care | 4% |
| Finance | 13% | Professional (Law/Accounting) | 4% |
| Warehouse/Distribution | 6% | Construction | 4% |
| Non-Profit | 8% | Other | 6% |

| Expected Renewal | End Plan | <5% | 5-7% | 8-10% | 11-14% | 15-19% | 20%+ |
|---|---|---|---|---|---|---|---|
| Before Changes | | 22% | 40% | 10% | 12% | 14% | 2% |
| After Changes | 2% | 46% | 33% | 8% | 6% | 2% | 2% |

| Expectation Based On: | |
|---|---|
| National Trends | 16% |
| Broker Discussions | 64% |
| Notice | 20% |

| | |
|---|---|
| Percent of Companies Considering Changes | 81% |

| Principal Cost-Containment Strategies | |
|---|---|
| Increase Employee Share of Premium | 43% |
| Increase Deductables/Co-Pays/Co-Insurance | 52% |
| Increase Out-Of-Pocket Maximums | 45% |
| Reduce or Suspend Funding of HAS/HRA | 0% |
| Elminate Mental Health Benefits | 0% |
| Scale Back or Eliminate Wellness Program | 0% |
| Scale Back or Eliminate EAP Program | 0% |
| Change Network and/or Plans | 33% |
| Change Pharmacy Benefit Manager/Benefits | 14% |
| Other | 12% |

**Change in Enrollment (from January 2011 to January 2012)**

| | Decrease Enrollment | | | | | Increase Enrollment | | |
|---|---|---|---|---|---|---|---|---|
| | <15% | 11-15% | 5-10% | <5% | Same | <5% | 5-10% | >10% |
| Projected Change in Enrollment | 0% | 2% | 2% | 4% | 46% | 21% | 21% | 4% |

**Percent of Payroll Spent on Medical Benefits**

| | <5% | 5-7% | 8-9% | 10-11% | 12-13% | 14-15% | 16-20% | >20% |
|---|---|---|---|---|---|---|---|---|
| Percent of Payroll | 7% | 15% | 13% | 15% | 13% | 13% | 17% | 7% |

| Health Reform Impact on Health Care Costs | |
|---|---|
| Do Not Know | 31% |
| No Impact | 10% |
| Minimal Impact | 37% |
| Moderate Impact | 13% |
| Major Impact | 10% |

| Terminate Plan in Favor of Exchanges | |
|---|---|
| Do Not Know | 18% |
| Very Unlikely | 47% |
| Somewhat Unlikely | 24% |
| Likely | 8% |
| Very Likely | 4% |

| Will Plan Lose Grandfather Status | |
|---|---|
| Do Not Know | 23% |
| Very Unlikely | 8% |
| Somewhat Unlikely | 2% |
| Likely | 8% |
| Very Likely | 10% |
| Will Happen 2012 | 6% |
| Already Lost | 44% |

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# 500+ Employees

## 2013 Renewal Information

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| | <5 | 5-19 | 20-49 | 50-99 | 100-199 | 200-499 | 500-999 | 1000+ |
|---|---|---|---|---|---|---|---|---|
| **Number of Employees** | 0% | 0% | 0% | 0% | 0% | 0% | 26% | 74% |

| Type of Business | | | |
|---|---|---|---|
| Manufacturing | 30% | Transportation/Utilities | 5% |
| Service/Retail | 13% | Printing/Publishing | 3% |
| Government/Education | 13% | Health Care | 10% |
| Finance | 20% | Professional (Law/Accounting) | 8% |
| Warehouse/Distribution | 0% | Construction | 0% |
| Non-Profit | 0% | Other | 5% |

| Expected Renewal | End Plan | <5% | 5-7% | 8-10% | 11-14% | 15-19% | 20%+ |
|---|---|---|---|---|---|---|---|
| Before Changes | | 30% | 37% | 19% | 7% | 2% | 5% |
| After Changes | 0% | 49% | 34% | 15% | 0% | 2% | 0% |

| Expectation Based On: | |
|---|---|
| National Trends | 9% |
| Broker Discussions | 72% |
| Notice | 20% |

| | |
|---|---|
| Percent of Companies Considering Changes | 79% |

| Principal Cost-Containment Strategies | |
|---|---|
| Increase Employee Share of Premium | 50% |
| Increase Deductables/Co-Pays/Co-Insurance | 44% |
| Increase Out-Of-Pocket Maximums | 26% |
| Reduce or Suspend Funding of HAS/HRA | 0% |
| Elminate Mental Health Benefits | 0% |
| Scale Back or Eliminate Wellness Program | 3% |
| Scale Back or Eliminate EAP Program | 0% |
| Change Network and/or Plans | 18% |
| Change Pharmacy Benefit Manager/Benefits | 15% |
| Other | 26% |

**Change in Enrollment (from January 2011 to January 2012)**

| | Decrease Enrollment | | | | | Increase Enrollment | | |
|---|---|---|---|---|---|---|---|---|
| | <15% | 11-15% | 5-10% | <5% | Same | <5% | 5-10% | >10% |
| Projected Change in Enrollment | 0% | 0% | 2% | 5% | 55% | 17% | 19% | 2% |

**Percent of Payroll Spent on Medical Benefits**

| | <5% | 5-7% | 8-9% | 10-11% | 12-13% | 14-15% | 16-20% | >20% |
|---|---|---|---|---|---|---|---|---|
| Percent of Payroll | 3% | 6% | 31% | 9% | 11% | 6% | 26% | 9% |

| Health Reform Impact on Health Care Costs | |
|---|---|
| Do Not Know | 12% |
| No Impact | 5% |
| Minimal Impact | 49% |
| Moderate Impact | 30% |
| Major Impact | 5% |

| Terminate Plan in Favor of Exchanges | |
|---|---|
| Do Not Know | 5% |
| Very Unlikely | 74% |
| Somewhat Unlikely | 21% |
| Likely | 0% |
| Very Likely | 0% |

| Will Plan Lose Grandfather Status | |
|---|---|
| Do Not Know | 5% |
| Very Unlikely | 12% |
| Somewhat Unlikely | 0% |
| Likely | 7% |
| Very Likely | 0% |
| Will Happen 2012 | 7% |
| Already Lost | 68% |

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