

HCTrends
Greater Milwaukee
Annual Employer Health Care Benefits Survey

2012 Renewal Projections

www.HCTrends.com

Percentages May Not Equal 100% Due to Rounding

Expected Renewal	End Plan	<5%	5-7%	8-10%	11-14%	15-19%	20%+
Before Changes		22%	12%	17%	26%	8%	15%
After Changes		11%	24%	25%	18%	8%	9%

Expectation Based On:	
National Trends	30%
Broker Discussions	51%
Renewal Notice	19%

Percent of Companies Considering Changes	84%
Principal Cost-Containment Strategies	
Increase Employee Share of Premium	48%
Increase Deductibles/Copays/Co-Insurance	73%
Increase Out-Of-Pocket Maximums	44%
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	0%
Change Network and/or Plans	41%
Change Pharmacy Benefit Manager/Benefits	12%
Other	1%

Change in Enrollment (from January 2011 to January 2012)

Projected Change in Enrollment	Decrease Enrollment				Same	Increase Enrollment		
	>15%	11-15%	5-10%	<5%		<5%	5-10%	>10%
	2%	0%	0%	5%	67%	14%	6%	6%

Percent of Payroll Spent on Medical Benefits

Percent of Payroll	<5%	5-7%	8-9%	10-11%	12-13%	14-15%	16-20%	>20%
	7%	15%	4%	18%	11%	16%	13%	16%

Health Reform Impact On Health Care Costs

Do Not Know	53%
No Impact	7%
Minimal Impact	9%
Moderate Impact	13%
Major Impact	19%

Terminate Plan in Favor of Exchanges

Do Not Know	43%
Very Unlikely	26%
Somewhat Unlikely	8%
Likely	12%
Very Likely	10%

Expect to Lose Plan's Grandfather Status

Do Not Know	55%
Very Unlikely	12%
Somewhat Unlikely	1%
Likely	13%
Very Likely	5%
Will Happen 2011	0%
Already Lost	15%

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

	<5	5-19	20-49	50-99	100-199	200-499	500-999	1000+
Number of Employees	33%	67%	0%	0%	0%	0%	0%	0%

Type of Business

Manufacturing	17%	Transportation/Utilities	2%
Service/Retail	21%	Printing/Publishing	2%
Government/Education	0%	Health Care	2%
Finance	10%	Professional (Law/Accounting)	12%
Warehouse/Distribution	14%	Construction	14%
Non-Profit	5%	Other	0%

Expected Renewal

	End Plan	<5%	5-7%	8-10%	11-14%	15-19%	20%+
Before Changes		22%	12%	15%	27%	7%	17%
After Changes		13%	20%	25%	18%	8%	10%

Expectation Based On:

National Trends	32%
Broker Discussions	51%
Notice	17%

Percent of Companies Considering Changes **83%**

Principal Cost-Containment Strategies

Increase Employee Share of Premium	46%
Increase Deductables/Co-Pays/Co-Insurance	77%
Increase Out-Of-Pocket Maximums	46%
Reduce or Suspend Funding of HAS/HRA	3%
Eliminate Mental Health Benefits	3%
Scale Back or Eliminate Wellness Program	3%
Scale Back or Eliminate EAP Program	0%
Change Network and/or Plans	43%
Change Pharmacy Benefit Manager/Benefits	11%
Other	0%

Change in Enrollment (from January 2011 to January 2012)

	Decrease Enrollment				Same	Increase Enrollment		
	<15%	11-15%	5-10%	<5%		<5%	5-10%	>10%
Projected Change in Enrollment	2%	0%	0%	5%	69%	12%	5%	7%

Percent of Payroll Spent on Medical Benefits

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

Health Reform Impact on Health Care Costs

Do Not Know	57%
No Impact	5%
Minimal Impact	7%
Moderate Impact	10%
Major Impact	21%

Terminate Plan in Favor of Exchanges

Do Not Know	45%
Very Unlikely	24%
Somewhat Unlikely	7%
Likely	12%
Very Likely	12%

Will Plan Lose Grandfather Status

Do Not Know	60%
Very Unlikely	12%
Somewhat Unlikely	0%
Likely	14%
Very Likely	5%
Will Happen 2012	0%
Already Lost	10%

20-99 Employees

2012 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%	47%	53%	0%	0%	0%	0%

Type of Business

Manufacturing	36%	Transportation/Utilities	0%
Service/Retail	11%	Printing/Publishing	4%
Government/Education	2%	Health Care	13%
Finance	9%	Professional (Law/Accounting)	2%
Warehouse/Distribution	7%	Construction	0%
Non-Profit	16%	Other	#REF!

Expected Renewal

	End Plan	<5%	5-7%	8-10%	11-14%	15-19%	20%+
Before Changes		20%	9%	25%	18%	18%	9%
After Changes		0%	44%	19%	16%	9%	7%

Expectation Based On:

National Trends	19%
Broker Discussions	52%
Notice	29%

Percent of Companies Considering Changes **89%**

Principal Cost-Containment Strategies

Increase Employee Share of Premium	53%
Increase Deductables/Co-Pays/Co-Insurance	55%
Increase Out-Of-Pocket Maximums	38%
Reduce or Suspend Funding of HAS/HRA	0%
Eliminate Mental Health Benefits	0%
Scale Back or Eliminate Wellness Program	0%
Scale Back or Eliminate EAP Program	3%
Change Network and/or Plans	30%
Change Pharmacy Benefit Manager/Benefits	10%
Other	3%

Change in Enrollment (from January 2011 to January 2012)

	Decrease Enrollment				Same	Increase Enrollment		
	<15%	11-15%	5-10%	<5%		<5%	5-10%	>10%
Projected Change in Enrollment	0%	0%	2%	7%	58%	22%	11%	0%

Percent of Payroll Spent on Medical Benefits

	<5%	5-7%	8-9%	10-11%	12-13%	14-15%	16-20%	>20%
Percent of Payroll	21%	17%	12%	7%	5%	12%	12%	14%

Health Reform Impact on Health Care Costs

Do Not Know	31%
No Impact	18%
Minimal Impact	13%
Moderate Impact	29%
Major Impact	9%

Terminate Plan in Favor of Exchanges

Do Not Know	38%
Very Unlikely	33%
Somewhat Unlikely	13%
Likely	16%
Very Likely	0%

Will Plan Lose Grandfather Status

Do Not Know	38%
Very Unlikely	9%
Somewhat Unlikely	7%
Likely	2%
Very Likely	7%
Will Happen 2012	0%
Already Lost	38%

100-499 Employees

2012 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%	42%	58%	0%	0%

Type of Business

Manufacturing	24%	Transportation/Utilities	0%
Service/Retail	15%	Printing/Publishing	9%
Government/Education	21%	Health Care	3%
Finance	12%	Professional (Law/Accounting)	6%
Warehouse/Distribution	0%	Construction	0%
Non-Profit	9%	Other	0%

Expected Renewal

	End Plan	<5%	5-7%	8-10%	11-14%	15-19%	20%+
Before Changes		15%	21%	33%	24%	0%	6%
After Changes		0%	47%	31%	19%	0%	3%

Expectation Based On:

National Trends	15%
Broker Discussions	56%
Notice	29%

Percent of Companies Considering Changes **85%**

Principal Cost-Containment Strategies

Increase Employee Share of Premium	68%
Increase Deductibles/Co-Pays/Co-Insurance	61%
Increase Out-Of-Pocket Maximums	36%
Reduce or Suspend Funding of HAS/HRA	0%
Eliminate Mental Health Benefits	0%
Scale Back or Eliminate Wellness Program	0%
Scale Back or Eliminate EAP Program	0%
Change Network and/or Plans	29%
Change Pharmacy Benefit Manager/Benefits	29%
Other	11%

Change in Enrollment (from January 2011 to January 2012)

	Decrease Enrollment				Same	Increase Enrollment		
	<15%	11-15%	5-10%	<5%		<5%	5-10%	>10%
Projected Change in Enrollment	0%	0%	0%	0%	52%	27%	12%	9%

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%	7%	7%	14%	14%	7%	34%	14%

Health Reform Impact on Health Care Costs

Do Not Know	33%
No Impact	15%
Minimal Impact	27%
Moderate Impact	21%
Major Impact	3%

Terminate Plan in Favor of Exchanges

Do Not Know	19%
Very Unlikely	44%
Somewhat Unlikely	25%
Likely	13%
Very Likely	0%

Will Plan Lose Grandfather Status

Do Not Know	13%
Very Unlikely	9%
Somewhat Unlikely	6%
Likely	13%
Very Likely	3%
Will Happen 2012	6%
Already Lost	50%

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

Type of Business	
Manufacturing	36%
Service/Retail	18%
Government/Education	7%
Finance	20%
Warehouse/Distribution	2%
Non-Profit	5%
Transportation/Utilities	0%
Printing/Publishing	0%
Health Care	9%
Professional (Law/Accounting)	2%
Construction	0%
Other	0%

Expected Renewal	End Plan	<5%	5-7%	8-10%	11-14%	15-19%	20%+
Before Changes		39%	30%	14%	14%	5%	0%
After Changes		0%	41%	36%	11%	7%	5%

Expectation Based On:	
National Trends	8%
Broker Discussions	69%
Notice	23%

Percent of Companies Considering Changes **67%**

Principal Cost-Containment Strategies

Increase Employee Share of Premium	52%
Increase Deductables/Co-Pays/Co-Insurance	34%
Increase Out-Of-Pocket Maximums	21%
Reduce or Suspend Funding of HAS/HRA	3%
Eliminate Mental Health Benefits	3%
Scale Back or Eliminate Wellness Program	3%
Scale Back or Eliminate EAP Program	0%
Change Network and/or Plans	21%
Change Pharmacy Benefit Manager/Benefits	10%
Other	24%

Change in Enrollment (from January 2011 to January 2012)

	Decrease Enrollment				Same	Increase Enrollment		
	<15%	11-15%	5-10%	<5%		<5%	5-10%	>10%
Projected Change in Enrollment	0%	0%	8%	10%	49%	31%	3%	0%

Percent of Payroll Spent on Medical Benefits

	<5%	5-7%	8-9%	10-11%	12-13%	14-15%	16-20%	>20%
Percent of Payroll	9%	9%	31%	14%	9%	6%	17%	6%

Health Reform Impact on Health Care Costs

Do Not Know	14%
No Impact	20%
Minimal Impact	50%
Moderate Impact	14%
Major Impact	2%

Terminate Plan in Favor of Exchanges

Do Not Know	20%
Very Unlikely	64%
Somewhat Unlikely	11%
Likely	2%
Very Likely	2%

Will Plan Lose Grandfather Status

Do Not Know	7%
Very Unlikely	9%
Somewhat Unlikely	7%
Likely	5%
Very Likely	12%
Will Happen 2012	16%
Already Lost	44%