

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

2011

19th Annual

**Report on the
Cost of Health Insurance
in Ohio's Public Sector**

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I. PROJECT DESIGN AND RESPONSE RATES

The State Employment Relations Board (SERB), as mandated by section 4117.02 of the Ohio Revised Code, is pleased to present the 2011 Report on Health Insurance Costs in Ohio's Public Sector (2011 Report). In its 19th 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, to promote orderly and constructive relationships between public employers and their employees.

This year's survey was again a joint venture between SERB and the School Employees' Health Care Board (SEHCB). The original 2011 survey form was web-based, although about one-third (n=301) of respondents completed a paper form, due to problems with the survey software. The on-line survey was designed by SERB utilizing Zarca International survey software (www.zarca.com). Pretesting 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 2010 survey are minimal, but a few new questions are again added to reflect the ever-changing arena of health care plan design and cost-reduction methods.

The 2011 Health Insurance Survey was created and disseminated using Zarca, an on-line survey tool. SERB emailed or mailed links to the 2011 Health Insurance Survey to 1,359 governmental jurisdictions via email or postal mailⁱ on or around December 22, 2010, requesting completion of the survey by January 19, 2011. The target survey population included: city, county, and township governments; school districts, joint vocational schools/career centers, educational service centers (ESCs); community colleges, state colleges, and state universities; port authorities, transit authorities, metropolitan housing authorities, and regional fire districts. The latter five jurisdictions are referred to as "Special Districts" in some portions of the text.

During the data collection process, Zarca experienced a problem with the survey software, rendering the 631 responses received at that point as unreliable. SERB and SEHCB decided to make an attempt to re-collect the lost data, while continuing to collect data from entities still responding. Many jurisdictions were responsive to our request to re-collect the data, to which we are extremely grateful. Of the 631 jurisdictions that were lost, almost two-thirds responded a second time. As a result, overall response rates for the 2011 survey are 15% lower than last year.

Approximately 300 surveys were completed on a paper form made available to entities who were asked to re-take the survey, and to entities who could not access the website. These surveys were entered into an Excel database by individuals trained specifically for this project by SERB and SEHCB researchers. Completed surveys were downloaded from the survey manager's website into an Excel database, where data was organized and transferred to PASW Statistics 18.0, where data was cleaned and analyzed in-house.

Sixty-six percent (n=898) of public employers that received a survey submitted a completed response. Although this is a lower response rate than in the past few years, response rates are still higher than what is typical for organizational level surveys.ⁱⁱ Statistics in this report represent about 285,000 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 401.ⁱⁱⁱ With a response rate of 66%, statistics presented in this report are representative of various aspects of public employee medical care in the State of Ohio. Due to the lower response rate this year, as compared to previous years, standard errors of the mean and medians are presented for several variables.

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 data helps SERB provide constituents with a more complete picture of the current medical care environment.

Data is presented in several tables that are found throughout the body of the report. All benefit information is presented for single and family coverage. Data has been collected on other coverage types (single + 1, single & child, and single & spouse). Due to the sparse distribution of these coverage types, this category will not be presented this

year in all tables.^{iv} Please keep in mind that the survey is representative of public sector medical insurance plans in effect on January 1, 2011.

II. SUMMARY OF KEY FINDINGS^v

- ▶ Statewide, the average monthly premium for medical and prescription coverage when prescription is included in the medical premium^{vi} is \$474 for single coverage and \$1,251 for family coverage.
- ▶ Average employee contributions to bundled medical premiums that include prescription drug coverage are \$46 for single coverage and \$136 for family coverage. Employee premium contributions for single coverage rose 6.5% from last year; employee contributions for family coverage rose 6.3% from last year.
- ▶ Average employer contributions to medical premiums that include prescription drug coverage are \$428 for single coverage and \$1,117 for family coverage. Employer premium contributions for single coverage rose 2.8% from last year; employer contributions for family premiums rose 5.2% from last year.
- ▶ The average annual cost to employers per employee for medical coverage when prescription drug is included in the premium is \$10,572, a 4.6% increase from the average employer cost in 2010.¹
- ▶ The one-year increase in medical premiums between January 1, 2010 and January 1, 2011 is 3.5% for single coverage and 5.6% for family coverage.
- ▶ For medical plans where prescription drug is purchased separately from medical coverage, average medical and prescription premiums increase to \$526 for single and \$1,283 for family coverage.
- ▶ For plans that have prescription coverage included as part of the medical premium, the average annual cost to employers per employee for medical and prescription coverage only is \$11,701, which is a 4.7% increase from 2010.²
- ▶ The vast majority of medical plans entail employees to contribute a portion of the medical premium cost; for 2011, only 16% of single medical plans and 12% of family medical premiums were paid 100% by the employer. This distribution is basically unchanged since the 2010 report.
- ▶ When employees pay a portion of the premium, the average monthly contribution is \$54 for single and \$151 for family coverage. This represents an increase in premium cost to employees of 5.8% for single coverage and 4.9% for employees with family coverage.
- ▶ The vast majority of medical premiums (92%) include prescription benefits. In 8% of plans, prescription benefits are carved-out.
- ▶ In some cases, dental (12%) or vision (16%) benefits are included in the medical premium package.
- ▶ Statewide average copayments are \$15 for office visits (non-specialist), \$75 for emergency room visits (sometimes waived if admitted), and \$25 for urgent care visits.
- ▶ The vast majority of plans (84%) require a deductible before cost-sharing of out-of-pocket medical expenses begins, increased from 73% of plans in 2010.
- ▶ Only 10.5% of plans do not require employees to pay a deductible or co-insurance for medical coverage.

¹ 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 11 for more detail.

² 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 11 for more detail.

- ▶ Most jurisdictions (92%) offer an option for dental benefits; the majority of jurisdictions that offer dental coverage (84%) do so via a carve-out plan separate from the medical premium.
- ▶ Dental maximums range widely - from \$100 to \$5,000. The majority (64%) of jurisdictions with dental coverage have dental maximums between \$1,000 and \$1,500 per person covered.
- ▶ A little over two-thirds (69%) of jurisdictions offer some level of vision coverage; of those offering vision coverage, most jurisdictions (87%) do so via a separate, carve-out plan.

III. SUMMARY TABLES

Survey Population Response Rates

Table 1 shows the percent of entities that completed and returned surveys for 2011 by jurisdiction. The percent rate of the number of surveys sent out and completed and returned to SERB for 2010 are also included for comparison.

Table 1. 2011 and 2010 Response Rates by Jurisdiction

	2011			2010		
	Surveys Sent	Surveys Completed	Response Rate	Surveys Sent	Surveys Completed	Response Rate
Counties	88	56	64%	88	68	77%
Cities	248	151	61%	248	184	74%
Townships	147	84	57%	147	95	65%
School Districts & Ed Svc Centers	719	531	74%	719	619	86%
Colleges & Universities	38	16	42%	38	27	71%
Health Districts	44	22	50%	44	41	93%
Fire Districts	16	4	25%	16	5	31%
Metropolitan Housing Authorities	39	26	67%	39	31	79%
Port Authorities	5	3	60%	5	4	80%
Regional Transit Authorities	14	4	29%	14	5	36%
State of Ohio	1	1	100%	1	1	100%
Overall Response Rate	1359	898	66%	1359	1080	79%

Health Plans by Jurisdiction

- ▶ Preferred Provider Organizations (PPOs) continue the status of most utilized plan type, representing 70% of all medical plans statewide.
- ▶ In jurisdictions that offer only one plan to employees, more than three-quarters (78%) have PPOs.
- ▶ The frequency of high deductible health plans (HDHPs) have risen since the 2010 survey; HDHPs now make up 17% of plans statewide, compared to 12% in 2010. Townships and school districts are the only jurisdictions that did not realize large increases in HDHPs in 2011.
- ▶ Self-funded plans have increased 10% 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. Colleges & Universities saw the most dramatic increase in self-funding. Caution should be taken before concluding that this increase is reflective of a major shift towards HDHPs in State colleges and universities, as there was a much lower rate of response for this category in 2011, compared to 2010.

Table 2: 2011 Percentage of Plan Types by Jurisdiction*

	BMM	CMM	PPO	POS	HMO	HDHP (no SO)	HDHP (SO)	% Self- funded	<i>n</i>
Statewide	1%	5%	70%	2%	4%	7%	10%	64%	1286
State of Ohio	-	-	33%	-	67%	-	-	100%	3
Counties	0%	1%	69%	4%	8%	10%	8%	66%	83
Cities	2%	1%	58%	1%	5%	9%	22%	42%	192
Townships	1%	4%	51%	5%	1%	14%	24%	26%	96
School Districts & ESCs	0%	7%	77%	2%	3%	4%	6%	75%	809
Colleges & Universities	0%	3%	56%	13%	13%	0%	16%	81%	32
Special Districts	0%	0%	53%	4%	8%	22%	11%	38%	72
% Self-funded	80%	50%	70%	53%	47%	17%	22%		

*Plan types - BMM: Base Medical & Major Medical; CMM: Comprehensive Major Medical; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; SO: Health Savings Account

Medical Premiums

Table 3.1 provides the following for all medical plans, including those plans where prescription drug coverage 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. Standard errors of the mean and the number of plans reported in each category are also provided.
- 2) The average monthly cost for combined single and family medical and prescription drug coverage.

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.

Please note the following when reading these tables:

- 1) These averages usually include the costs of prescription benefits, but do not typically include other fringe benefits, such as dental and vision coverage.³
- 2) Averages presented in these tables are not weighted, meaning each reporting jurisdiction counts as one, regardless of size.⁴
- 3) Premium costs and employee share in Table 3 include plans where employees do not contribute to the medical premium. (Table 4.1 of this report gives the employee dollar amount and percentage contribution to the premium in only plans where a contribution is required.)

³ Of all plans statewide, 12% include dental benefits in the medical premium; 16% include vision.

⁴ Average medical premiums are not weighted.

Table 3.1 2011 Average Monthly Medical and Prescription Premiums and Employer PEPM Costs **

Comparison Group	Average Medical & Prescription Drug Premiums <i>including separate drug plans</i>						Total Employer Cost Per Month for Bundled Medical and Prescription		
	Single	st. error	# of plans	Family	st. error	# of plans	Cost	# of plans	st. error
STATEWIDE	\$479	3.2	1262	\$1,254	7.9	1262	\$881	1,091	7.5
State of Ohio	\$423	1.9	3	\$1,174	4.2	3	\$785	3	55.3
Counties	\$477	12.0	79	\$1,268	33.1	80	\$795	72	22.2
Less than 50,000	\$508	19.0	33	\$1,331	39.9	33	\$826	39	32.1
50,000 - 149,999	\$473	17.8	27	\$1,217	65.2	28	\$745	24	32.4
150,000 or more	\$468	24.5	19	\$1,234	72.3	19	\$809	18	55.9
Cities	\$486	9.1	168	\$1,271	23.0	173	\$939	168	21.7
Less than 25,000	\$481	11.0	127	\$1,263	28.7	131	\$934	132	26.2
25,000 - 99,999	\$490	15.4	38	\$1,311	31.9	39	\$965	33	33.4
100,000 or more	\$636	22.2	3	\$1,107	33.9	3	\$880	3	176.5
Townships	\$438	13.4	82	\$1,323	39.7	92	\$1,015	87	32.4
Less than 10,000	\$451	24.1	38	\$1,211	60.1	46	\$1,114	42	49.3
10,000 - 29,999	\$440	16.7	31	\$1,288	53.4	33	\$952	32	43.7
30,000 or more	\$397	24.5	13	\$1,101	104.7	13	\$849	13	74.3
School Districts & ESCs	\$489	4.0	803	\$1,236	9.2	737	\$882	607	9.1
Less than 1,000	\$492	10.1	185	\$1,220	20.0	186	\$870	150	21.3
1,000 - 2,499	\$499	5.9	319	\$1,260	14.1	319	\$882	248	13.8
2,500 - 9,999	\$514	5.6	210	\$1,199	14.0	210	\$888	186	14.4
10,000 or more	\$489	19.8	22	\$1,383	63.2	22	\$892	23	51.6
Colleges & Universities	\$470	18.9	32	\$1,286	50.0	32	\$938	30	39.0

* Average employee contribution in this table includes all plans reporting, and does include plans where employees contribute \$0 to the medical premium.

† Special districts were not included in table because not enough had separate prescription plans to present an average.

Table 3.2 2011 Average Monthly Medical/Prescription Premiums and Employee Contributions

Comparison Group	Average Medical Premium						Average Employee Contribution*						Percent of Premium Paid By Employee	
	Single	<i>st. error</i>	# of plans	Family	<i>st. error</i>	# of plans	Single	<i>st. error</i>	# of plans	Family	<i>st. error</i>	# of plans	Single	Family
STATEWIDE	\$474	3.7	1121	\$1,251	8.4	1133	\$46	1.2	1,109	\$136	3.7	1,120	9.5%	10.7%
State of Ohio	\$423	1.9	3	\$1,174	4.2	3	\$71	3.0	3	209	8.1	3.0	16.9%	17.8%
Counties	\$483	13.1	70	\$1,286	35.3	71	\$70	7.1	70	\$205	20.4	70	13.8%	15.6%
Less than 50,000	\$517	21.0	29	\$1,355	40.1	29	\$87	15.1	28	\$229	20.6	28	15.9%	17.1%
50,000 - 149,999	\$476	19.3	24	\$1,216	71.3	24	\$62	6.3	24	\$203	48.6	24	13.0%	15.9%
150,000 or more	\$435	26.9	17	\$1,270	76.2	17	\$54	10.5	18	\$170	33.3	18	11.5%	12.9%
Cities	\$467	13.7	161	\$1,282	23.6	165	\$39	2.6	165	\$98	5.9	169	8.1%	7.7%
Less than 25,000	\$460	15.9	125	\$1,270	29.0	128	\$38	3.1	128	\$94	7.0	130	8.0%	7.5%
25,000 - 99,999	\$414	16.9	34	\$1,338	31.7	35	\$43	4.5	34	\$110	11.3	36	8.7%	8.1%
100,000 or more	\$414	286.0	2	\$1,074	15.3	2	\$26	11.0	3	\$104	24.4	3	8.6%	8.9%
Townships	\$439	13.5	80	\$1,322	40.3	90	\$18	3.4	83	\$54	12.0	91	4.0%	4.9%
Less than 10,000	\$449	24.7	37	\$1,405	61.2	45	\$10	3.0	39	\$29	10.6	45	2.7%	2.2%
10,000 - 29,999	\$444	16.4	30	\$1,296	54.5	32	\$23	7.6	31	\$70	28.0	33	4.7%	4.6%
30,000 or more	\$397	24.5	13	\$1,101	104.7	13	\$37	6.1	13	\$96	20.6	13	6.5%	14.7%
School Districts & ESCs	\$482	4.1	648	\$1,226	9.7	628	\$46	1.6	631	\$140	4.7	631	9.5%	11.0%
Less than 1,000	\$479	9.9	162	\$1,197	20.6	157	\$40	2.5	158	\$130	8.0	158	8.4%	10.5%
1,000 - 2,499	\$493	6.4	268	\$1,251	15.7	258	\$53	2.9	258	\$153	7.6	258	10.5%	11.8%
2,500 - 9,999	\$465	5.8	196	\$1,198	14.6	191	\$44	2.4	192	\$128	8.7	192	9.2%	10.4%
10,000 or more	\$514	19.8	22	\$1,383	63.2	22	\$45	7.2	23	\$174	30.6	23	9.0%	12.1%
Colleges & Universities	\$450	17.0	26	\$1,266	57.5	26	\$60	8.6	26	\$161	23.5	26	13.2%	12.3%
Health Districts	\$513	32.8	23	\$1,371	87.1	21	\$70	11.8	23	\$223	32.8	22	12.6%	15.5%
Fire Districts	\$381	56.7	4	\$1,254	165.9	4	\$34	13.9	4	\$62	41.3	4	5.6%	4.1%
Metro Housing Authorities	\$431	18.2	33	\$1,246	57.1	31	\$39	5.7	33	\$158	26.4	32	9.0%	13.8%
Port Authorities	\$465	55.3	3	\$1,311	107.0	3	\$48	9.0	3	\$129	22.4	3	10.1%	9.8%
Regional Transit Authorities	\$620	70.2	5	\$1,809	333.3	5	\$63	3.1	5	\$179	11.4	5	10.6%	10.6%

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

- ▶ Bundled medical/prescription premiums for the State of Ohio are 10.8% lower for single coverage and 6.2% lower for family coverage compared to the statewide average.
- ▶ Regional Transit Authorities have the largest average premiums. Single premiums are 30.8% higher than the statewide average and family premiums are 44.6% higher.
- ▶ Townships continue to average lower medical premiums at 7.4% below the statewide average for single and family premiums. As for dollar amount, the average Township employee pays less than half of what the average employee surveyed pays for single and family combined medical and prescription premiums.

- ▶ The State of Ohio, County, College/University, Regional Transit, Port Authority, Health and Fire Districts all have single employee contributions above 10% of the total premium. The State of Ohio, Counties and Health Districts all have employee family premium contributions of 15% or higher.
- ▶ Considering jurisdictional size, employees in the smallest counties (i.e., those with populations less than 50,000) contribute 61% more towards the single premium and 35% more towards the family medical premium as compared to the largest counties (i.e., populations of 150,000 or more).

Regions

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

Table 3.3 2011 Average Monthly Medical/Prescription Premiums by Region

Comparison Group	Average Medical & Prescription Drug Premium <i>including carve-out prescription plans</i>						Average Employee Contribution*				Percent of Premium Paid By Employee	
	Single	st. error	# of plans	Family	st. error	# of plans	Single	st. error	Family	st. error	Single	Family
STATEWIDE	\$474	3.3	1121	\$1,250	8.4	1153	\$46	1.2	\$136	3.7	9.5%	10.7%
1 - Akron/Canton	\$443	4.7	206	\$1,123	14.2	210	\$39	1.8	\$92	3.8	8.8%	8.3%
2 – Cincinnati	\$429	7.2	140	\$1,187	20.9	140	\$43	2.7	\$137	11.4	9.9%	11.9%
3 – Cleveland	\$483	7.9	152	\$1,268	19.5	157	\$45	3.4	\$113	9.0	9.0%	8.5%
4 – Columbus	\$515	7.9	177	\$1,373	19.5	174	\$57	3.8	\$192	11.5	10.9%	14.0%
5 – Dayton	\$456	10.9	151	\$1,274	23.3	152	\$48	3.3	\$140	8.5	9.8%	11.2%
6 - Southeast Ohio	\$554	16.8	62	\$1,481	37.5	62	\$52	5.6	\$169	17.7	9.5%	11.4%
7 - Toledo	\$464	8.9	155	\$1,233	24.7	153	\$49	4.4	\$163	12.9	9.7%	12.5%
8 - Warren/Youngstown	\$464	14.3	75	\$1,208	40.4	76	\$35	3.3	\$83	7.4	7.4%	6.9%

* 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 16.8% higher for single coverage and 18.4% higher for family coverage.
- ▶ Average single medical premiums in the Cincinnati region are 9.5% lower than the statewide average. Average family premiums are 10.2% lower than the statewide average in the Akron/Canton region.
- ▶ Employees in the Columbus region contribute 24% more than the statewide average for single medical premiums and 41.2% more than the statewide average for family medical premiums. Employees in the Columbus region also pay the largest percentage of the premium.
- ▶ Compared to statewide averages, employees in the Warren/Youngstown region pay 39% less for single and family medical coverage. Employees in the Warren/Youngstown region also pay the lowest percentage to the premium.

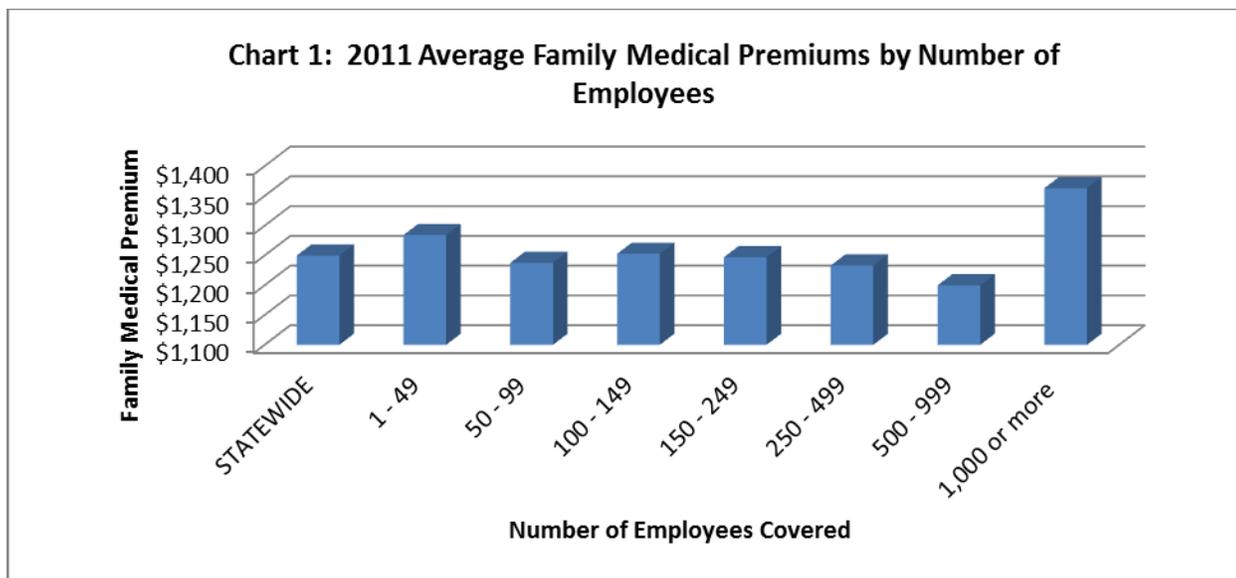
Number of Employees

Table 3.4 2011 Average Monthly Medical/Prescription Premiums by Number of Employees Covered

Comparison Group	Average Medical Premium						Average Employee Contribution*				Percent of Premium Paid By Employee	
	Single	st. error	# of plans	Family	st. error	# of plans	Single	st. error	Family	st. error	Single	Family
STATEWIDE	\$474	3.3	1121	\$1,251	8.4	1133	\$46	1.2	\$136	3.7	9.5%	10.7%
1 - 49	\$454	10.6	170	\$1,289	29.0	178	\$39	4.0	\$120	11.6	8.1%	9.4%
50 - 99	\$468	9.7	162	\$1,236	23.9	164	\$43	3.0	\$132	9.4	9.3%	11.1%
100 - 149	\$488	7.1	213	\$1,255	17.4	213	\$46	2.6	\$137	7.1	9.2%	10.5%
150 - 249	\$487	7.4	201	\$1,246	18.7	201	\$54	3.4	\$156	9.7	10.7%	12.0%
250 - 499	\$474	6.2	220	\$1,233	15.1	221	\$46	2.4	\$136	8.7	9.6%	10.7%
500 - 999	\$465	8.3	102	\$1,205	22.3	103	\$45	2.9	\$117	7.1	9.8%	9.6%
1,000 or more	\$490	14.0	46	\$1,363	42.1	46	\$54	5.4	\$173	18.7	11.4%	12.5%

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

Chart 1 graphs the cost of family medical premiums by the number of employees covered by the plan.



- Overall membership in consortiums increased by eleven percentage points since 2010 (see Table 5.3). Prior to the increase in public employer consortia membership, medical premium costs would decrease as the number of employees increased. For 2011, the frequency of consortium enrollment for smaller jurisdictions is double that of the jurisdictions with the largest number of employees. Due to the increasing frequency of consortia membership, some jurisdictions may be in a larger pool than is reflective of the number of employees they have.

Plan & Funding Type

Table 5.1 shows how the average rates for different types of coverage (medical and prescription when included in medical) vary by plan type.

Table 5.1 2011 Average Premium Cost by Plan Type

	BMM	CMM	PPO	POS	HMO	All Plans *	HDHP (no HSA)	HDHP (HSA)
Single	\$463	\$450	\$491	\$513	\$475	\$474	\$428	\$514
Family	\$1,092	\$1,109	\$1,281	\$1,463	\$1,310	\$1,251	\$1,157	\$1,339
Total cost per person	\$12,032	\$10,421	\$12,130	\$12,797	\$12,304	\$11,714	\$9,365	\$12,912
Number of plans	\$3	57	777	29	46	1121	76	126

*Average is for all plans; Plan types - BMM: Base Medical & Major Medical; CMM: Comprehensive Major Medical; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; SO: Health Savings Options

- ▶ Point of Service (POS) plans are the most costly plan type reported, which is a change from last year, when POS plans reported the lowest average premiums. POS and HDHP (with HSA) single plan premiums average 8.4% higher than the statewide average cost for single coverage (Table 3.1) POS family plans average 17% higher than the overall average (Table 3.1). Compared to prior years, all plan types have shifted closer to the average premium cost.
- ▶ Employees enrolled in High Deductible Health Plans (HDHP) with no Health Savings Account (HSA) have lower average premiums than any other plan type for both single and family coverage. For single coverage, HDHPs with no health savings account available are 9.7% lower than the average for all other plan types; family plans average 7.5% lower comparatively. Adding the employer contribution to the deductible, these plans are actually slightly higher than the average premium amount, 8.4% for single plans and 7.0% for family plans.

Table 5.2 2011 Average Premium Cost by Funding Type

	Fully-insured	Self-insured
Single	\$482	\$469
Family	\$1,330	\$1,203
Annual cost per person (PEPY)	\$12,210	\$11,399
Number of plans	410	701

* Excluded plans that have one rate

- ▶ Since the 2010 survey, the incidence of employers that self-fund has increased from 58% to 62%. Self-funded plans show statistically significant differences for family premiums costs ($t=6.556$, $df=685$, $p=.000$) and annual cost per person ($t=3.653$, $df=720$, $p=.000$)

Table 5.3 2011 Average Premium Cost by Joint Purchasing Arrangement

	joint purchasing	no joint purchasing
Single	\$466	\$488
Family	\$1,197	\$1,335
Annual cost per person (PEPY)	\$11,247	\$12,393
Number of plans	645	398

* Excluded plans that have one rate

- ▶ Since the 2010 survey, membership in consortiums increased considerably, from 48% in 2010 to 59% in 2011. Medical plans purchased through a consortium are significantly lower in cost compared to those plans that are not. This trend holds true for single ($t=2.800$, $df=700$, $p=.005$), family ($t=7.235$, $df=703$, $p=.001$), and annual cost per person, or PEPY ($t=5.584$, $df=766$, $p=.002$)

Premium Change

Chart 2 graphs the percent change in single 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 12 years, all ranging between 2.2% and 3.8%. Comparatively, medical insurance premiums have risen at a much faster rate.

Chart 2: Annual Percent Increases in Family Medical Premiums and Average Wage Increases - 1997-2011

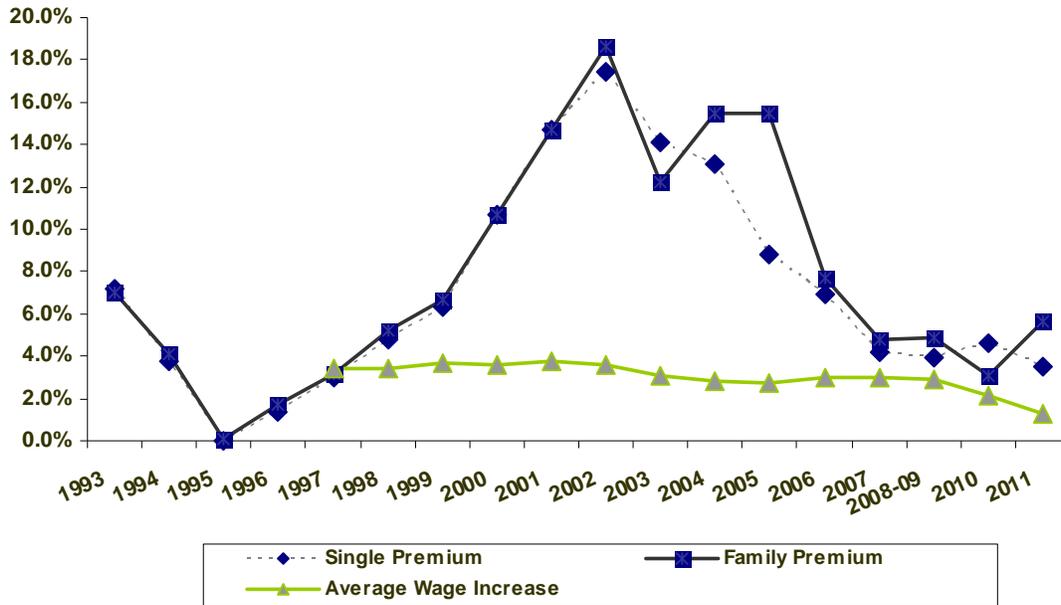


Chart 3 illustrates the diverging path of medical premium and worker salary increases since 1997. Over the fifteen year period presented, medical premiums rose more than three times faster than the average worker salary.

Chart 3: Cumulative Percent Increases in Family Medical Premiums and Average Wage Increases - 1997-2011

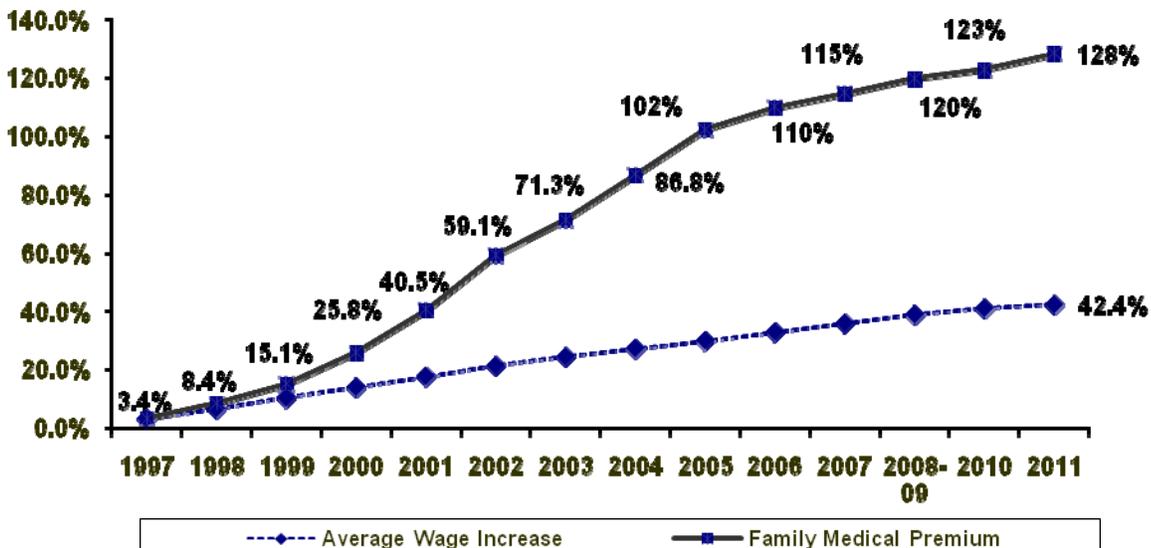


Table 6 compares percent change in insurance premiums over the past 16 years to the national overall inflation and medical care inflation rates. Due to economic factors, the overall inflation and medical care inflation rates had dropped by the close of 2008, where they continued to stagger in the first quarter of 2009. By December 2009, both the overall inflation rate and the inflation rate for medical care were close to what they were before the economic crisis hit. By the close of 2010, the inflation rate had dropped back again, but the medical care inflation rate remained about the same. Premium rates for public employees in the State of Ohio rose much faster than both the overall inflation and medical care inflation rate for 2010.

Table 6: 2011 Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates

	Single Premium	# of Surveys	Family Premium	# of Surveys	Inflation Rate *	Medical Care *
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%	1387	10.1%	1381	2.5%	3.6%
2007	4.2%	1313	4.8%	1330	4.1%	5.2%
2008-09	4.9%	1258	4.9%	1263	0.1%	2.6%
2010	4.6%	1353	3.1%	1395	2.7%	3.4%
2011	3.5%	1135	5.6%	1109	1.5%	3.3%

* Bureau of Labor Statistics, Consumer Price Index, December 2010 (<http://www.bls.gov/cpi/cpid1012.pdf>)

Cost of Medical and Ancillary Benefits

Table 7.1 exhibits the 2011 annual cost per employee for benefits for medical, prescription, vision, and dental.⁵

Table 7.1: 2011 Average Annual Cost per Employee for Medical, Prescription, Dental, and Vision Carve-outs*

Comparison Group	Medical & Prescription Drug [†]	<i>st. error</i>	# of Plans	Prescription Drug	<i>st. error</i>	# of Plans	Dental	<i>st. error</i>	# of Plans	Vision	<i>st. error</i>	# of Plans
STATEWIDE	\$11,701	93.9	1099	\$2,476	76.9	100	\$848	10.3	691	\$204	5.9	445
State of Ohio	\$11,413	-	3	-	-	-	-	-	-	-	-	-
Counties	\$10,988	293.9	72	\$1,946	183.3	5	\$679	37.2	35	\$177	16.1	19
Cities	\$12,211	271.8	168	\$1,995	509.4	6	\$787	29.4	77	\$201	14.9	48
Townships	\$12,372	443.9	87	-	-	-	\$833	43.7	55	\$253	15.0	37
School Districts & ESCs	\$11,742	108.1	674	\$2,498	80.9	81	\$891	12.0	480	\$205	5.1	311
Colleges & Universities	\$10,633	484.9	26	\$3,092	304.0	6	\$728	70.9	12	\$147	14.7	9
Special Districts [‡]	\$10,383	441.6	69	\$2,507	177.7	2	\$631	33.4	36	\$166	34.5	21
REGION												
1 - Akron/Canton	\$11,169	160.0	197	\$2,637	175.8	25	\$1,074	33.9	103	\$238	15.1	56
2 - Cincinnati	\$10,686	234.9	140	-	-	-	\$843	24.7	81	\$196	14.2	37
3 - Cleveland	\$11,869	230.4	152	\$2,384	95.3	20	\$828	18.5	96	\$184	14.4	59
4 - Columbus	\$12,487	254.5	171	\$2,459	192.3	13	\$833	21.9	125	\$219	9.1	99
5 - Dayton	\$12,377	273.1	152	\$2,622	168.6	9	\$756	18.1	103	\$209	10.1	63
6 - Southeast Ohio	\$13,554	435.7	52	\$2,465	184.2	8	\$697	34.6	45	\$200	14.4	32
7 - Toledo	\$10,862	249.7	154	\$1,589	138.4	6	\$801	27.1	94	\$201	10.7	65
8 - Warren/Youngstown	\$11,688	418.4	71	\$2,590	243.6	19	\$877	47.0	48	\$149	16.6	35
EMPLOYEES COVERED												
1 - 49	\$11,018	291.2	180	\$2,521	268.1	7	\$738	30.6	102	\$237	13.1	63
50 - 99	\$11,687	284.4	158	\$2,837	311.2	10	\$805	22.9	105	\$201	12.3	71
100 - 149	\$12,138	195.2	202	\$2,678	99.0	16	\$880	24.1	128	\$217	9.2	85
150 - 249	\$11,872	211.9	193	\$2,304	140.8	31	\$869	20.6	141	\$195	9.6	96
250 - 499	\$11,790	182.4	214	\$2,276	162.5	27	\$859	22.2	136	\$200	10.7	82
500 - 999	\$11,673	251.3	97	\$2,563	177.7	5	\$944	38.7	59	\$182	16.0	32
1,000 or more	\$11,548	436.8	48	-	-	-	\$913	56.0	20	\$151	16.5	14

* 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.

[†] Includes cost of: prescription in 89% of plans, dental in 12% and vision in 16%

[‡] Includes Health Districts, Fire Districts, Metropolitan Housing Authorities, Port Authorities and Regional Transit Authorities

⁵ Average yearly cost per employee for medical and for dental benefits are figured with the following formula:

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

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 Plans⁶

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 CDHP). The highest category captures plans that are eligible for a Health Savings Account (HSA). Deductibles must be at least \$1200 for single and \$2400 for family to qualify for an HSA.

Table 8.1: 2011 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	15.6%	194	26.7%	333	27.0%	336	13.0%	162	17.7%	220
Counties	7.5%	6	8.8%	7	30.0%	24	33.8%	27	20.0%	16
Cities	17.1%	32	13.9%	26	25.7%	48	12.3%	23	31.0%	58
Townships	22.2%	20	14.4%	13	11.1%	10	11.1%	10	41.1%	37
Colleges & Universities	20.0%	6	26.7%	8	33.3%	10	3.3%	1	16.7%	5
School Districts & ESCs	14.7%	118	35.1%	277	29.0%	220	11.3%	89	10.0%	79
Special Districts	16.7%	12	2.8%	2	29.2%	21	16.7%	12	34.7%	25

Table 8.2: 2011 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	15.5%	194	25.3%	316	27.5%	344	13.2%	165	18.4%	230
Counties	7.2%	6	7.2%	6	30.1%	25	34.9%	29	20.5%	17
Cities	17.1%	32	11.2%	21	27.8%	52	12.3%	23	31.6%	59
Townships	22.2%	20	14.4%	13	10.0%	9	4.4%	4	48.9%	44
Colleges & Universities	20.0%	6	23.3%	7	36.7%	11	3.3%	1	16.7%	5
School Districts & ESCs	15.1%	118	34.2%	268	28.3%	222	12.5%	98	9.9%	78
Special Districts	16.7%	12	1.4%	1	30.6%	22	13.9%	10	37.5%	27

- ▶ The frequency of plans with no required deductible in 2011 has decreased since 2010. Currently only 15% of plans statewide do not require any deductible, compared to 25% of plans requiring no deductible in 2010.
- ▶ Townships have a comparatively higher portion of single and family plans with no deductible. Townships also have a large portion of plans that fall into the high-deductible category, with more than double the statewide average of high-deductible plans.
- ▶ Counties have a much lower percentage of plans with no deductible, compared to other jurisdictions.
- ▶ Although the portion of plans statewide with no deductible only decreased slightly since the 2010 survey, there has been a large shift from the middle two deductible categories to the highest deductible category for both single and family coverage. This change reflects the large shift to high deductible health plans, matching national trends specific to governmental employees in the mid-western part of the United States.⁷ About 18% of all plans have deductibles high enough to make them eligible for an HSA, though not all of these plans have a savings account (see Table 5.1).

^{6, 6.7} Managed care plans (PPO, HMO, POS) cover the majority of public employees in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plan types statewide.

⁷ Kaiser Family Foundation. "Employer Health Benefits 2009 Annual Survey." <http://ehbs.kff.org/pdf/2009/7936.pdf>. Retrieved on 30 May 2010.

Co-Insurance for Medical Coverage – Managed Care Plans⁸

Tables 9.1 and 9.2 show the distribution of co-insurance splits between the plan and employees for family medical coverage.

Table 9.1: 2011 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%	412	33.7%	416	1.7%	21	29.4%	363	1.7%	21
Counties	21.0%	17	27.2%	22	1.2%	1	45.7%	37	4.9%	4
Cities	56.0%	102	19.8%	36	1.6%	3	20.9%	38	1.6%	3
Townships	65.2%	58	14.6%	13	1.1%	1	19.1%	17	0.0%	0
Colleges & Universities	24.1%	7	48.3%	14	3.4%	1	24.1%	7	0.0%	0
School Districts & ESCs	24.7%	193	40.7%	318	1.9%	15	31.0%	242	1.7%	13
Special Districts	51.5%	35	19.1%	13	0.0%	0	27.9%	19	1.5%	1

Table 9.2: 2011 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	2.5%	28	38.6%	434	29.8%	335	22.5%	253	6.6%	74
Counties	1.4%	1	11.6%	8	30.4%	21	39.1%	27	17.4%	12
Cities	3.7%	6	42.1%	69	29.9%	49	22.6%	37	1.8%	3
Townships	2.6%	2	44.2%	34	29.9%	23	16.9%	13	6.5%	5
Colleges & Universities	0.0%	0	19.2%	5	61.5%	16	19.2%	5	0.0%	0
School Districts & ESCs	2.5%	18	41.7%	304	28.7%	209	20.4%	149	6.7%	49
Special Districts	1.8%	1	25.0%	14	30.4%	17	33.9%	19	8.9%	5

- ▶ Since the 2010 survey, there was a slight reduction in the percent of plans with 100%, though a third of plans statewide have no single deductible in 2011.
- ▶ 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 still have plans with no co-insurance requirement, and less than 20% of townships have plans where employees pay a coinsurance of 20% or more.
- ▶ Overall, frequencies within coinsurance categories have changed very little since the 2011 survey, with the majority of non-network expenses covered at 70% or more.

⁸Managed care plans (PPO, HMO, POS) cover the majority of public employees in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plan types statewide.

Out-of-Pocket Maximums for Medical Coverage- Managed Care Plans⁹

Tables 10.1 and 10.2 give the median, mean, minimum, and maximum out-of-pocket maximums for in and out-of-network family medical coverage by jurisdiction.

Table 10.1: 2011 In-Network Out-of-Pocket Maximums for Medical Coverage

Comparison Group	Single			Family			<i>n</i>
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$1,000	\$0	\$10,000	\$2,000	\$0	\$20,000	1,180
Counties	\$2,000	\$0	\$6,500	\$4,000	\$0	\$13,000	80
Cities	\$1,000	\$0	\$10,000	\$2,189	\$0	\$20,000	178
Townships	\$1,500	\$0	\$7,000	\$3,000	\$0	\$11,000	84
Colleges & Universities	\$1,500	\$0	\$3,000	\$3,150	\$0	\$6,000	30
School Districts & ESCs	\$900	\$0	\$6,000	\$1,725	\$0	\$11,500	734
Special Districts	\$2,000	\$0	\$5,000	\$4,000	\$0	\$12,000	71

Table 10.2: 2011 Out-of-Network Out-of-Pocket Maximums for Medical Coverage

Comparison Group	Single			Family			<i>n</i>
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$2,000	\$0	\$18,000	\$4,000	\$0	\$54,000	1,102
Counties	\$4,000	\$800	\$16,000	\$8,000	\$2,000	\$36,000	70
Cities	\$3,000	\$0	\$18,000	\$6,000	\$0	\$54,000	169
Townships	\$4,000	\$1,000	\$12,000	\$8,000	\$2,000	\$25,000	77
Colleges & Universities	\$2,500	\$925	\$12,000	\$5,000	\$1,350	\$36,000	60
School Districts & ESCs	\$1,600	\$0	\$15,000	\$3,000	\$0	\$30,000	695
Special Districts	\$4,000	\$800	\$12,000	\$8,500	\$2,000	\$36,000	60

- ▶ Out-of-network, out-of-pocket maximums are at least double the in-network, out-of-pocket maximums.
- ▶ Although Statewide medians, minimums and maximums did not change since last year's survey, median in-network out-of-pocket maximums increased for all jurisdictions except townships.
- ▶ Cities have the largest variation in out-of-network out-of-pocket maximums.

⁹Managed care plans (PPO, HMO, POS) cover the majority of public employees in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plan types statewide.

Fringe Benefits: Prescription, Dental & Vision

Prescription Drug

Table 11 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 11: 2011 Fringe Benefit Provisions

	Included in Premium	Carved-out	Not Offered
Prescription	91.5%	8%	50.0%
Dental	10%	83%	8%
Vision	13%	56%	31%

- ▶ Prescription coverage is provided by almost all jurisdictions; in 91% of jurisdictions reporting, the cost for prescription coverage is included as part of the medical premium. Most jurisdictions also offer some type of dental insurance coverage. Over two-thirds of jurisdictions offer some kind of vision coverage.
- ▶ In the roughly 8% of jurisdictions (84% of which are School Districts & ESCs) able to separate out the cost of prescription from the overall medical premium, the average premiums are \$105 for single coverage and \$259 for family coverage. Carve-out pharmaceutical plans reported have slightly lower premiums compared to last year’s survey.

Tables 12.1 and 12.2 provide statewide data on retail and mail order prescription plan design and copayments. 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 12.1 2011 Statewide Retail Prescription Copayments

Prescription Plan	# of plans	Dollars	# of plans	Percent
No Tiers	210	\$20	-	-
Two Tiers				
Generic	145	\$7	10	20%
Brand	144	\$15	10	20%
Three Tiers				
Generic	604	\$10	25	20%
Brand (formulary)	589	\$20	39	25%
Brand (non-formulary)	590	\$38	38	35%
Four Tiers				
Generic	73	\$10	-	-
Brand (formulary)	70	\$22.50	4	25%
Brand (non-formulary)	70	\$40	4	45%
Cosmetic/biologic	38	\$100	36	25%

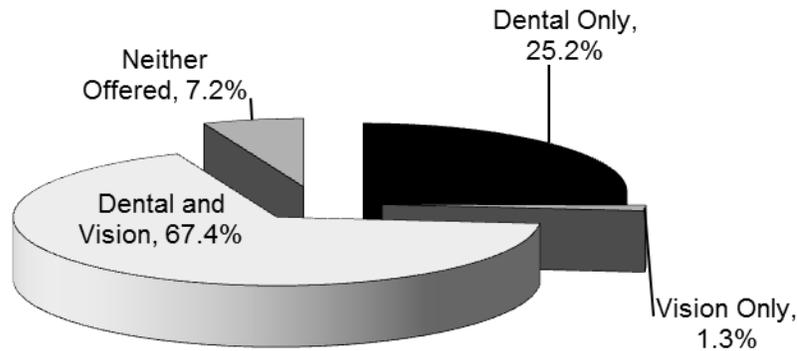
Table 12.2 2011 Statewide Mail Order Prescription Copayments

Prescription Plan	# of plans	Dollars	# of plans	Percent
No Tiers	28	\$10	175	20%
Two Tiers				
Generic	150	\$10	4	15%
Brand	149	\$20	4	22.5%
Three or Four Tiers				
Generic	595	\$20	16	20%
Brand (formulary)	581	\$40	30	22.5%
Brand (non-formulary)	586	\$70	25	35%
Four Tiers				
Generic	71	\$10	-	-
Brand (formulary)	70	\$20	-	-
Brand (non-formulary)	70	\$40	-	-
Cosmetic/biologic	19	\$80	35	25%

- ▶ Few jurisdictions report a flat rate payment for retail or mail-order prescriptions; almost two-thirds of plans have a three or four-tier prescription drug plan.
- ▶ For prescription drug plans that have only two tiers, the median copayment is twice as much as it was in 2010 for both retail and mail order prescription drugs.

Chart 4 provides another view of dental and vision coverage.

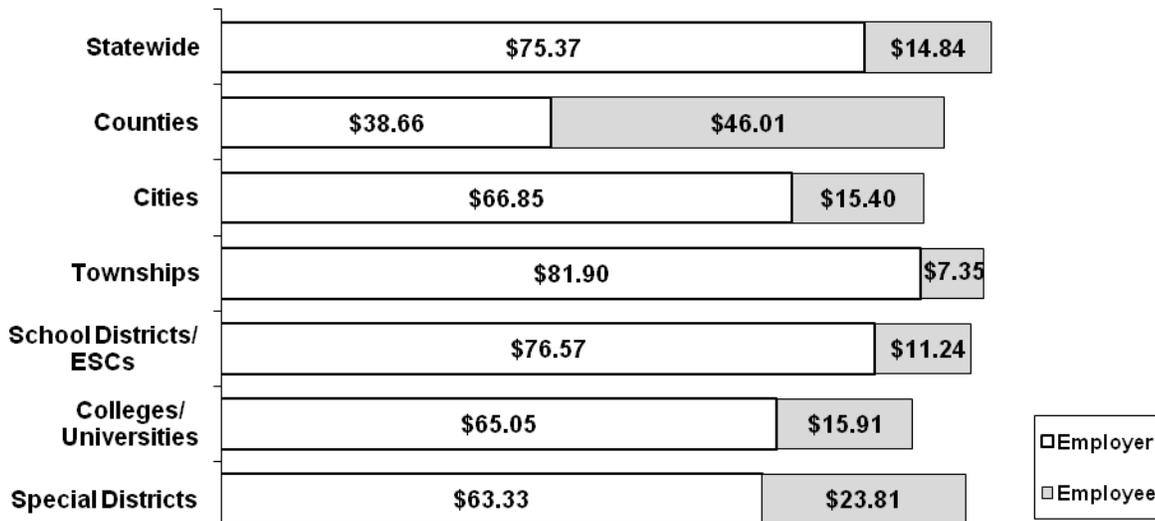
Chart 4: 2011 Percent of Jurisdictions Offering Dental and/or Vision Options



Please see tables 13 and 14 in the Appendix for more detailed cost information on dental and vision benefits.

Dental¹⁰

Chart 5: Employee and Employer Contributions to Family Dental Premiums



- ▶ For 2011, single and family dental premiums in Table 13 are divided into tiered plans and composite rates. Chart 5 includes both tiered and composite rates for family dental plans.
- ▶ The median cost for tiered dental coverage is \$29.13 for single plans and \$80.62 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 \$71.83.
- ▶ Compared to 2010, average premiums for carve-out dental plans have increased by 6.4% for family plans.

¹⁰ For a detailed breakdown of dental costs, please see Table 13 in the appendix. Dental numbers are for plans that are not included in the medical premium, or carve-outs.

- ▶ 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 10% the total premium on average.

Table 15 summarizes dental maximums by jurisdiction.

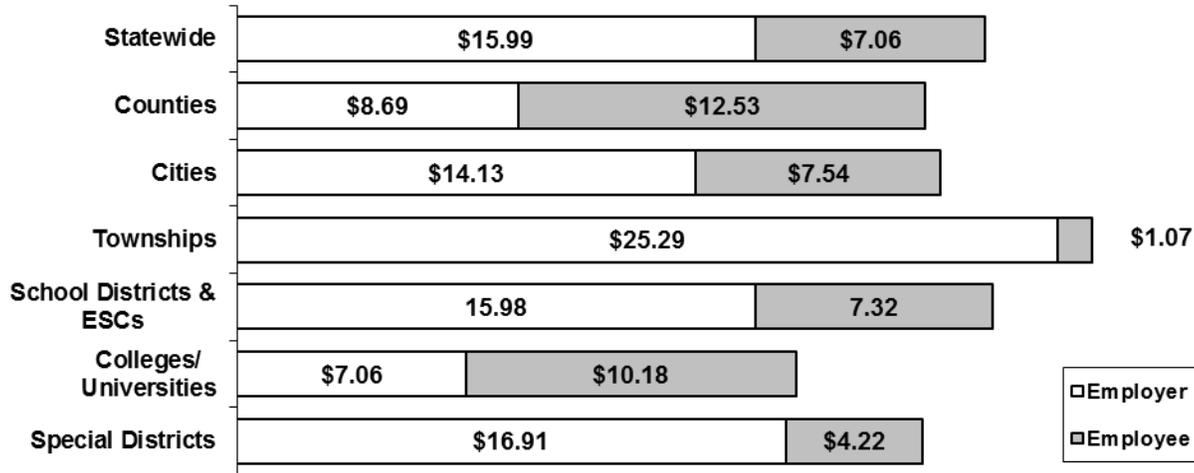
Table 15: 2011 Annual Dental Maximums

Comparison Group	\$500- 750	\$1,000	\$1,100- 1,400	\$1,500	\$1,600- 4,000
STATEWIDE	3%	36%	4%	28%	28%
Counties	5%	48%	7%	32%	9%
Cities	2%	58%	5%	21%	14%
Townships	0%	61%	3%	21%	15%
School Districts & ESCs	4%	25%	4%	30%	37%
Colleges & Universities	0%	50%	14%	21%	14%
Special Districts	5%	59%	3%	27%	5%

- ▶ 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).

Vision¹¹

Chart 6: 2011 Median Employer and Employee Contributions to Family Vision Premiums



- ▶ For 2011, single and family vision premiums in Table 14 are divided into tiered plans and composite rates. Chart 6 includes both tiered and composite rates for family dental plans.
- ▶ The median cost for tiered vision coverage is \$8.59 for single plans and \$20.72 for family plans. The median cost for vision 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 \$15.74.
- ▶ Compared to 2010, statewide average family premiums for carve-out vision have decreased slightly. Caution should be taken before concluding that vision premiums have decreased, due to the lower response rate this year.
- ▶ College and University employees pay the largest portion of family dental premiums, contributing more than half the premium on average.
- ▶ The average employer contribution to Township vision premiums is higher than the total average premium of other jurisdictions and Township employees pay a much lower portion of the vision premium compared to the statewide average.

¹¹ For a detailed breakdown of vision costs, please see Table 14 in the appendix. Vision numbers are for plans that are not included in the medical premium, or carve-outs.

Table 16 provides regional breakdowns of dental and vision composite rates by region.

Table 16: 2011 Dental and Vision Composite Rates by Region

	Dental	Vision
1 - Akron/Canton	\$68.68	\$8.03
2 - Cincinnati	\$76.26	\$15.19
3 - Cleveland	\$80.83	\$17.82
4 - Columbus	\$73.16	\$16.60
5 - Dayton	\$76.17	\$24.00
6 - Southeast Ohio	\$60.08	\$13.61
7 - Toledo	\$65.58	\$15.00
8 - Warren/Youngstown	\$69.36	\$10.00

- ▶ A sizable number of jurisdictions have composite rates for dental (n = 144) and vision (n=55) 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 or family plan.

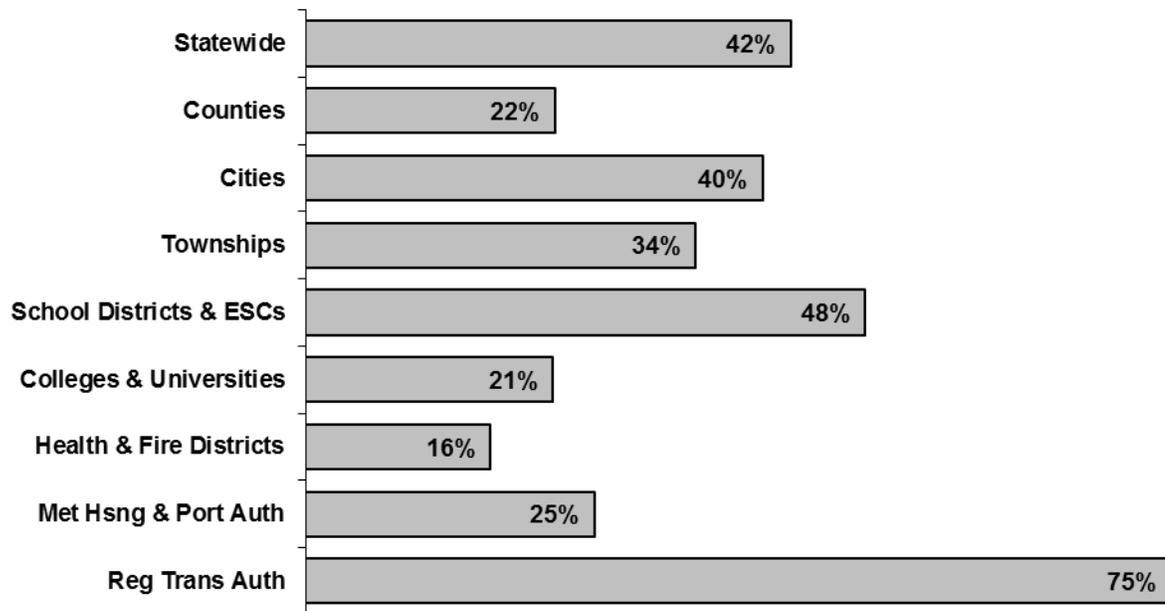
Methods to Lower Healthcare Costs

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 decreased slightly since last year's survey.

Chart 7: 2011 Opt-out Incentive Offered by Jurisdiction



The amount of the incentive may vary depending on whether the person is eligible for single or family coverage. Table 17 illustrates the distribution of average, median, and maximum incentive categories by coverage type.

Table 17: 2011 Incentive Offered to Employees for Opting Out of Medical Coverage

<i>Opt-out type</i>	Average Incentive	Median incentive	Maximum Incentive	Number of Employers
Single	\$1,382	\$1,200	\$7,167	305
Single + 1	\$1,607	\$1,250	\$4,000	61
Single & child	\$1,677	\$1,300	\$5,733	79
Single & spouse	\$1,843	\$1,500	\$6,064	79
Family	\$1,928	\$1,600	\$8,973	335

This year data was collected on opt-out incentives for five tiers of medical coverage.

Spousal Restrictions

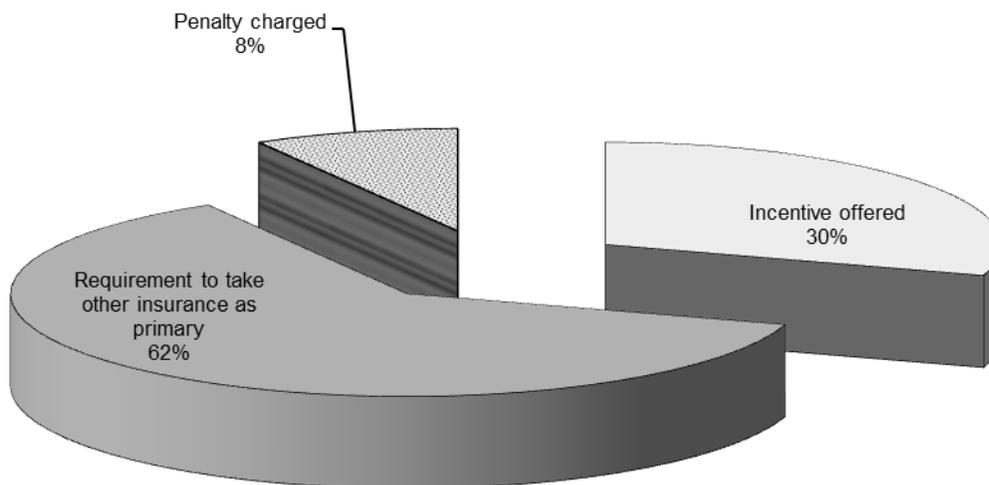
About one-quarter (298) of employers who completed the survey report they have some type of spousal stipulation for employees whose spouses have other means of medical coverage. Percentages remain virtually unchanged since last year's report. Jurisdictional breakdown is illustrated below in Chart 8.

Chart 8: 2011 Spousal Restrictions by Jurisdiction



Chart 9 illustrates the frequency of the type of spousal restriction for those jurisdictions that have such a stipulation.

Chart 9: 2011 Frequency of Types of Spousal Restrictions

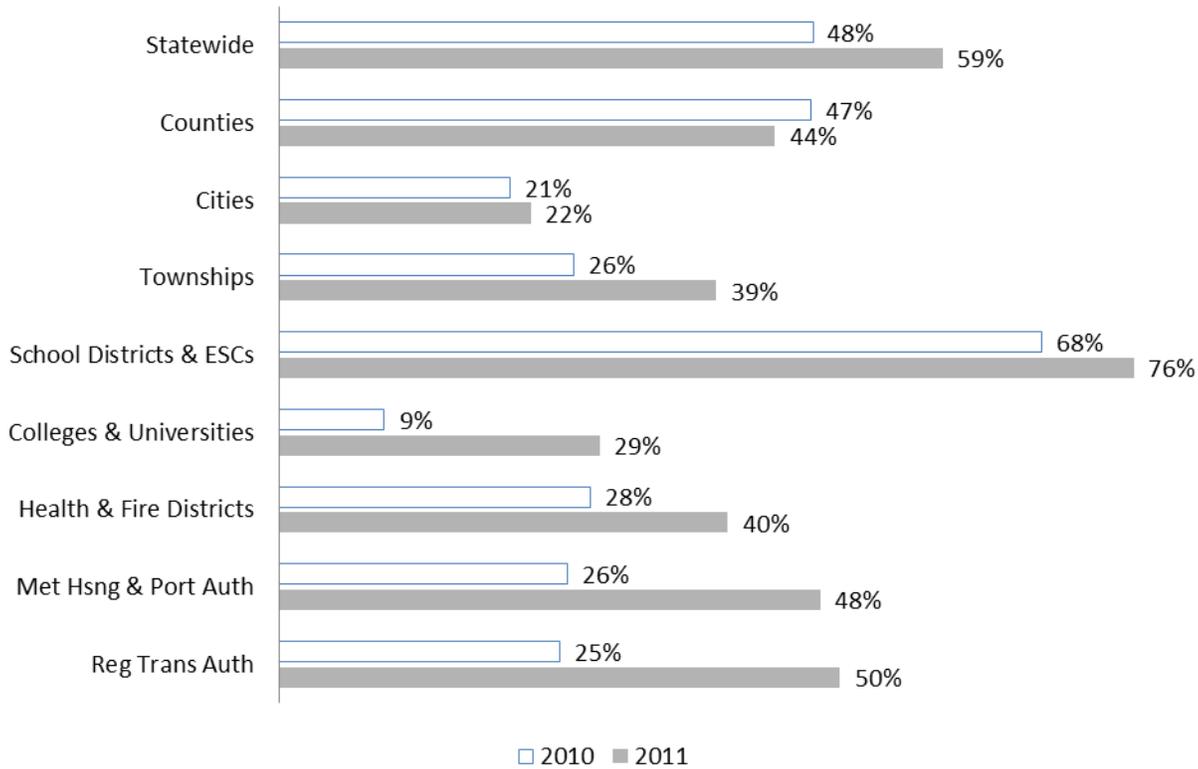


- ▶ The majority of jurisdictions that report having spousal restrictions stipulate that if an employee's spouse has medical coverage through their own employer, the spouse must use their employer's insurance as their primary form of coverage. The frequency of an incentive offered has decreased, which is made up for in the increase in the frequency of penalties charged for covering a spouse who has insurance through his/her employer.

Consortiums

A consortium is created when employers join together to purchase health insurance, usually to save money by increasing the risk pool. Chart 10 illustrates the wide jurisdictional variations in consortium membership, comparing the percent of employers indicating they have a joint purchasing arrangement, by jurisdiction.

Chart 10: 2011 and 2010 Percent of Employers Belonging to Consortiums



- ▶ Statewide, consortium membership increased by 23%.
- ▶ Cities have the lowest participation in consortiums; this group also extremely low growth in consortium membership compared to other jurisdictions. All other jurisdictions report fairly large increases in consortia membership.
- ▶ School districts by far have the highest. Joint purchasing is 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 (page 3), High Deductible Health Plans (HDHP) are growing in popularity 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 11 and 12 illustrate employer contributions to employee deductibles.

Chart 11: 2011 Employer Contributions to Employee Deductibles - Single Coverage

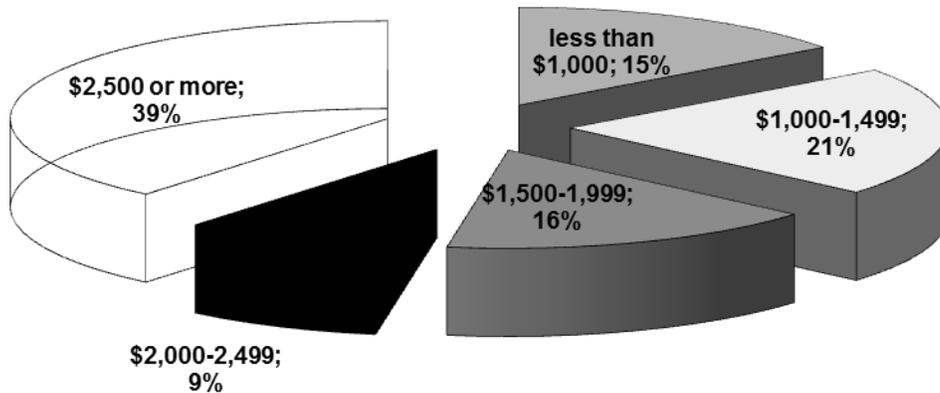
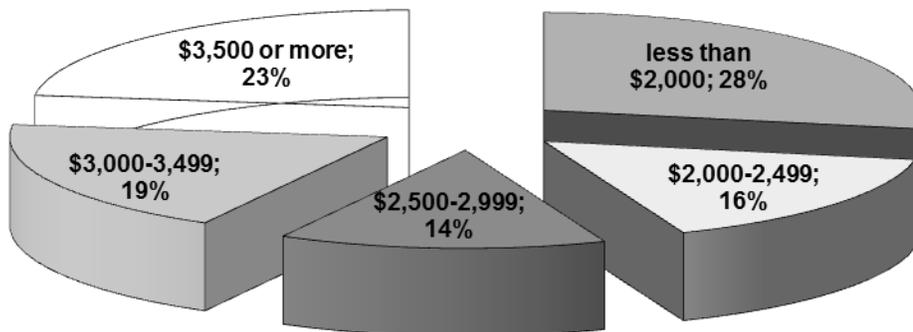


Chart 12: 2011 Employer Contributions to Employee Deductibles - Family Coverage

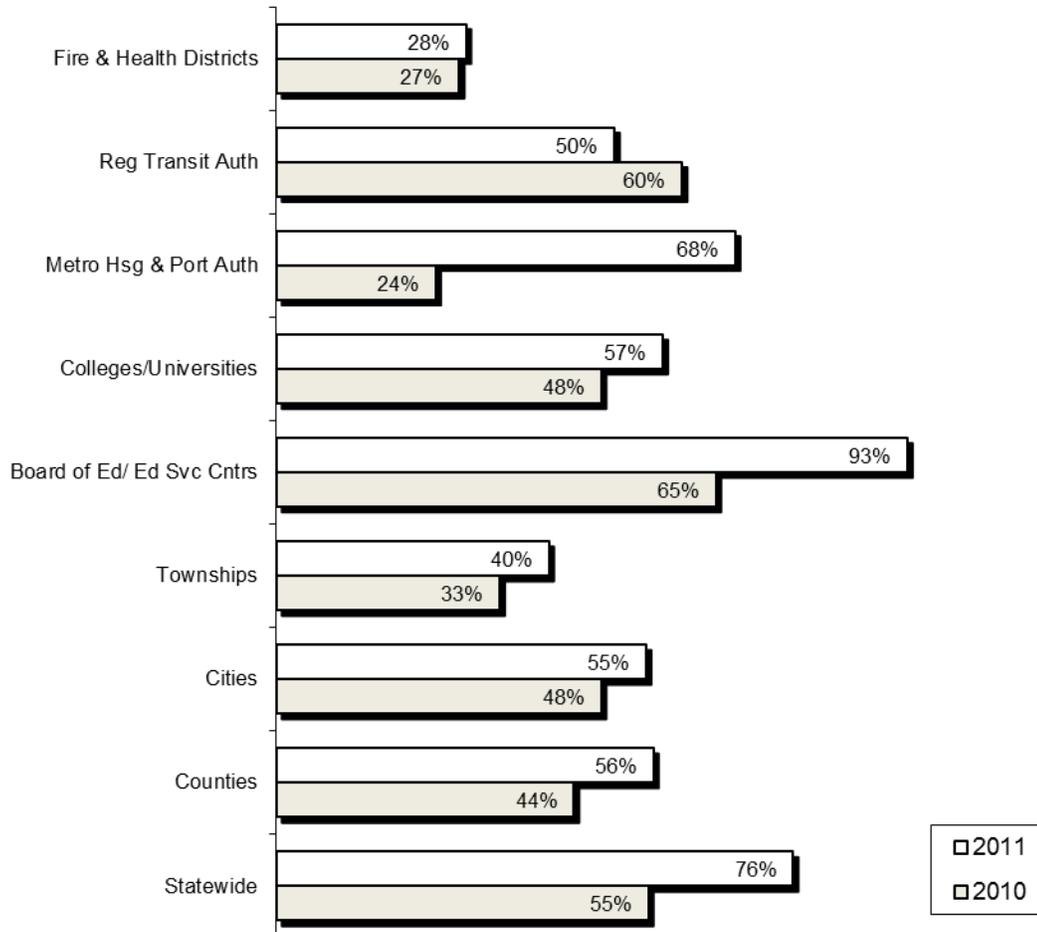


Dependent Eligibility Audits

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 13 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 last year’s report is also presented.

Chart 13: 2011 and 2010 Percent of Employers with Dependent Eligibility Audits in the Past 3 Years

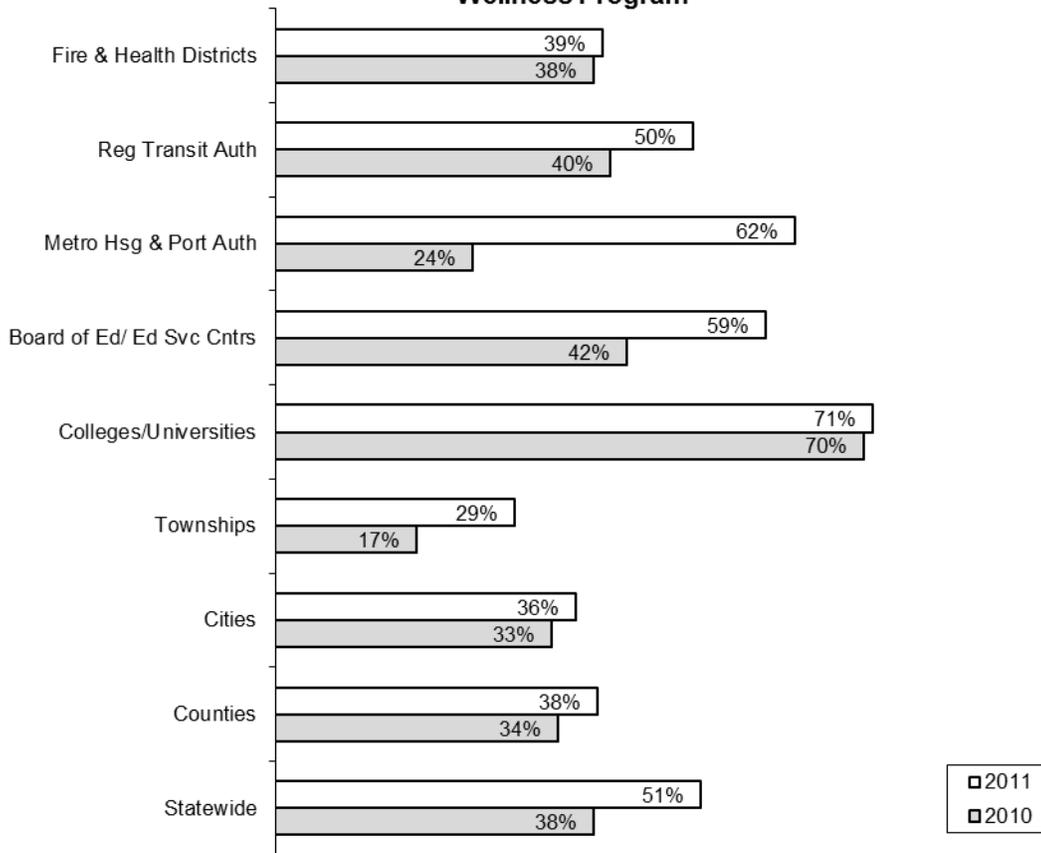


- ▶ Statewide, between 2010 and 2011, there was a 38% increase in the percent of employers conducting a dependent eligibility audit sometime over the past three years.
- ▶ School districts and ESCs are most likely to report having conducted a DEA; this is also part of the “Best Practices” adapted by the School Employees’ Health Care Board.
- ▶ School districts & ESCs exhibit the largest increase in DEAs in 2011, with a 43% increase in the percent reporting having an audit in the past three years, as compared to 2010.

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 14 illustrates the variability of these offerings by jurisdiction.

Chart 14: 2011 and 2010 Percent of Employers with a Worksite Wellness Program



- ▶ More than half of employers responding to the survey report having some type of worksite wellness program, which is a 31% increase in reporting of wellness programs since the 2010 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. Despite their small size, Townships did experience one of the largest percentage point increases in wellness program frequency.

Table 18 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 18: 2011 Frequency of Wellness Program Components *Percent*

Program Component	Examples	2010	2011
Health Education	Education or counseling opportunities relative to physical activity, workplace injury prevention	84%	81%
Supportive Social & Physical Work Environment	Policies against tobacco use, classes or counseling on nutrition or fitness	74%	80%
Integration of Worksite Program into Organization's Structure	Dedicated staff, office, or budget	35%	33%
Related Programs	Employee assistance, work/family, occupational safety and health programs, etc	59%	50%
Screening Programs	Blood pressure, blood cholesterol screening programs	82%	85%

- The frequency of different components of worksite wellness programs is quite variable. While only one-third of employers with wellness programs offering dedicated staff, office or budget, 85% offer screening programs, such as periodic blood sugar testing. Frequency of offering varying components may vary according to cost to implement each component, employee demographics, and employer size.

IV. APPENDIX

As referred to on page 5 in a footnote, Table 4.1 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 4.1: 2011 Average Monthly Employee Contributions to Medical Premiums When a Contribution is Required

Comparison Group	Single				Family			
	Dollar Amount	st. error	% of Premium	# of plans	Dollar Amount	st. error	% of Premium	# of plans
STATEWIDE	\$54	1.2	11%	1025	\$151	3.6	12%	1075
State of Ohio	\$72	3.0	17%	3	\$209	8.1	18%	3
Counties	\$70	6.6	14%	74	\$204	19.0	16%	74
Less than 50,000	\$83	13.3	15%	32	\$219	18.6	17%	32
50,000 - 149,999	\$60	6.0	13%	26	\$194	45.2	15%	26
150,000 or more	\$60	10.6	13%	16	\$192	33.8	15%	16
Cities	\$51	2.5	11%	131	\$123	5.4	10%	138
Less than 25,000	\$52	3.1	11%	95	\$125	6.6	10%	101
25,000 - 99,999	\$47	3.9	10%	33	\$120	9.8	9%	34
100,000 or more	\$46	10.9	9%	3	\$104	24.4	9%	3
Townships	\$41	5.7	9%	37	\$126	23.0	12%	39
Less than 10,000	\$40	4.8	10%	11	\$106	26.6	8%	14
10,000 - 29,999	\$43	12.0	9%	17	\$136	49.9	9%	16
30,000 or more	\$38	5.1	9%	9	\$139	13.2	21%	9
School Districts & ESCs	\$51	1.4	11%	630	\$144	4.4	12%	669
Less than 1,000	\$48	2.2	10%	148	\$134	7.3	11%	167
1,000 - 2,499	\$55	2.6	11%	279	\$154	6.7	12%	287
2,500 - 9,999	\$48	2.2	10%	184	\$135	8.8	11%	195
10,000 or more	\$55	6.9	11%	19	\$190	31.2	13%	20
Colleges & Universities	\$62	7.1	14%	29	\$160	20.1	13%	29
Health & Fire Districts	\$73	10.7	13%	24	\$211	29.5	15%	25
Metro Housing & Port Auth	\$49	4.9	11%	30	\$178	24.8	15%	30
Regional Transit Authorities	\$63	3.1	11%	5	\$179	10.6	11%	5
REGION								
1 - Akron/Canton	\$42	1.6	9%	212	\$98	3.4	9%	219
2 - Cincinnati	\$51	2.5	12%	120	\$162	11.8	14%	121
3 - Cleveland	\$52	3.0	11%	141	\$134	9.2	10%	144
4 - Columbus	\$68	3.6	13%	161	\$204	10.6	15%	175
5 - Dayton	\$62	3.0	13%	123	\$170	7.6	13%	133
6 - Southeast Ohio	\$63	4.7	12%	54	\$190	15.5	13%	57
7 - Toledo	\$58	4.5	12%	137	\$176	12.6	14%	148
8 - Warren/Youngstown	\$38	2.8	8%	77	\$90	6.4	8%	78
EMPLOYEES COVERED								
1 - 49	\$60	4.6	12%	122	\$173	13.1	14%	132
50 - 99	\$53	2.8	11%	142	\$148	8.9	13%	151
100 - 149	\$54	2.4	11%	188	\$148	6.6	11%	202
150 - 249	\$57	3.1	12%	210	\$159	8.8	12%	214
250 - 499	\$51	2.2	11%	209	\$144	8.2	12%	219
500 - 999	\$47	2.7	10%	102	\$123	8.6	10%	104
1,000 or more	\$60	5.1	12%	44	\$181	18.0	13%	45

Table 4.2 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 4.2 2011 Average Employer Contributions to Medical/Prescription Premiums

Comparison Group	Average Monthly Employer Contributions to Medical Premiums						Percent of Premium Paid By Employer	
	Single	<i>st. error</i>	# of plans	Family	<i>st. error</i>	# of plans	Single	Family
STATEWIDE	\$428	3.0	1112	\$1,117	7.9	1124	90.7%	90.4%
State of Ohio								
Counties	\$412	10.8	69	\$1,080	30.5	69	86.1%	85.2%
Less than 50,000	\$431	14.6	28	\$1,120	41.7	28	84.5%	82.9%
50,000 - 149,999	\$412	18.2	24	\$1,019	53.3	24	86.6%	86.6%
150,000 or more	\$382	25.6	17	\$1,099	70.2	17	88.1%	87.0%
Cities	\$427	8.5	162	\$1,182	22.7	161	92.6%	92.2%
Less than 25,000	\$421	10.3	126	\$1,176	28.5	125	91.7%	92.5%
25,000 - 99,999	\$457	12.7	34	\$1,215	24.9	34	95.8%	91.2%
100,000 or more	\$371	51.1	2	\$1,034	0.3	2	89.2%	96.3%
Townships	\$421	13.6	80	\$1,278	37.5	91	95.9%	96.1%
Less than 10,000	\$439	25.4	37	\$1,369	60.8	46	97.2%	97.7%
10,000 - 29,999	\$421	14.6	30	\$1,226	49.0	32	95.4%	95.4%
30,000 or more	\$371	24.0	13	\$1,083	56.8	13	93.6%	92.2%
School Districts & ESCs	\$434	3.9	640	\$1,087	8.6	640	90.7%	89.0%
Less than 1,000	\$437	9.9	160	\$1,068	19.0	161	91.8%	90.0%
1,000 - 2,499	\$438	5.9	262	\$1,094	13.6	261	89.6%	88.0%
2,500 - 9,999	\$423	5.2	196	\$1,081	13.0	196	91.2%	91.0%
10,000 or more	\$471	21.9	22	\$1,213	61.3	22	90.7%	88.0%
Colleges & Universities	\$390	14.8	26	\$1,106	46.8	26	86.8%	87.7%
Health Districts	\$435	29.8	23	\$1,139	74.3	22	85.5%	86.7%
Fire Districts	\$357	48.2	4	\$1,190	94.4	4	94.4%	95.8%
Metro Housing Authorities	\$393	17.3	32	\$1,100	64.6	31	91.1%	86.1%
Port Authorities	\$417	48.0	3	\$1,182	96.2	3	89.9%	90.2%
Regional Transit Authorities	\$557	69.8	5	\$1,636	321.9	5	89.4%	89.8%

Tables 13 and 14 in the Appendix 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.

Table 13: 2011 Dental Premiums - Median Total Premium and Employee and Employer Share

Comparison Group	<i>Single</i>				<i>Family</i>					
	Total Single Premium	Employee Share	Employer Share	# of plans	Total Premium	Employee Share	Employer Share	# of plans	Dental Composite Rate	# of plans
STATEWIDE	\$29.00	\$4.30	\$27.70	543	\$82.22	\$12.53	\$73.87	552	\$71.83	144
JURISDICTION										
State of Ohio	-	-	-	-	-	-	-	-	-	-
Counties	\$26.06	\$13.05	\$21.08	36	\$78.75	\$48.05	\$52.38	36	-	-
Cities	\$26.87	\$3.16	\$26.32	71	\$80.12	\$11.99	\$72.35	72	\$80.83	4
Townships	\$25.89	\$3.35	\$25.89	47	\$74.81	\$12.07	\$70.43	52	\$80.83	3
School Districts & ESCs	\$32.03	\$3.96	\$30.34	340	\$83.00	\$10.71	\$75.00	347	\$137.00	71
Colleges & Universities	\$26.16	\$4.00	\$24.31	12	\$76.67	\$21.40	\$65.00	12	-	-
Special Districts	\$26.00	\$13.85	\$23.47	36	\$80.78	\$38.84	\$72.69	32	-	-
REGION										
1 - Akron/Canton	\$41.05	\$4.70	\$39.67	94	\$109.51	\$13.41	\$102.04	35	\$68.68	6
2 - Cincinnati	\$28.59	\$4.50	\$26.94	58	\$86.32	\$13.96	\$83.02	24	\$76.26	23
3 - Cleveland	\$28.64	\$3.22	\$27.53	79	\$82.15	\$10.09	\$74.18	41	\$80.83	15
4 - Columbus	\$29.51	\$4.52	\$26.62	92	\$82.81	\$21.75	\$69.17	49	\$73.16	34
5 - Dayton	\$26.95	\$4.65	\$23.35	91	\$72.43	\$13.59	\$64.50	62	\$76.17	10
6 - Southeast Ohio	\$26.00	\$5.24	\$23.14	35	\$69.25	\$13.79	\$63.00	14	\$60.08	9
7 - Toledo	\$27.88	\$5.00	\$27.27	52	\$78.21	\$10.83	\$70.58	32	\$65.58	40
8 - Warren/Youngstown	\$33.92	\$3.12	\$33.39	42	\$89.02	\$7.26	\$81.44	14	\$69.36	7
EMPLOYEES COVERED										
1 - 49	\$25.89	\$18.81	\$25.89	91	\$75.93	\$43.28	\$70.10	33	\$74.07	5
50 - 99	\$27.90	\$4.26	\$27.07	77	\$81.27	\$12.74	\$74.15	48	\$65.12	28
100 - 149	\$29.24	\$3.70	\$27.00	88	\$80.35	\$11.92	\$72.40	36	\$74.09	39
150 - 249	\$30.15	\$4.42	\$27.12	103	\$82.39	\$12.09	\$71.27	63	\$70.43	37
250 - 499	\$31.02	\$4.00	\$28.96	114	\$81.90	\$11.16	\$73.81	62	\$76.26	21
500 - 999	\$34.28	\$2.89	\$32.27	50	\$89.19	\$8.39	\$85.66	20	\$64.38	9
1,000 or more	\$36.69	\$3.48	\$27.69	16	\$90.86	\$16.12	\$85.95	8	\$93.34	4

* Employee and employer contribution calculations only include plans that employees contribute to premium. The total premium will not be the additive factor of the employee plus employer contributions

Table 14: 2011 Vision Premiums - Median Total Premium and Employee and Employer Share

Comparison Group	<i>Single</i>				<i>Family</i>				Vision Composite Rate	# of plans
	Total Single Premium	Employee Share	Employer Share	# of plans	Total Premium	Employee Share	Employer Share	# of plans		
STATEWIDE	\$8.59	\$2.01	\$7.60	396	\$20.44	\$5.34	\$17.65	326	\$15.74	55
JURISDICTION										
State of Ohio	-	-	-	-	-	-	-	-	\$14.29	1
Counties	\$8.53	\$6.70	\$6.03	23	\$17.00	\$13.65	\$13.50	23	-	-
Cities	\$8.28	\$2.00	\$8.23	41	\$19.58	\$16.39	\$17.43	43	\$10.90	6
Townships	\$11.31	\$1.15	\$11.31	26	\$25.59	\$2.35	\$25.59	30	\$21.29	7
School Districts & ESCs	\$8.61	\$1.79	\$7.54	278	\$20.56	\$8.40	\$17.38	278	\$15.07	39
Colleges & Universities	\$7.24	\$1.90	\$4.86	7	\$18.03	\$8.85	\$9.40	7	\$12.00	1
Special Districts	\$6.17	\$3.37	\$6.17	21	\$15.45	\$4.90	\$13.23	19	\$15.74	1
REGION										
1 - Akron/Canton	\$11.45	\$1.15	\$10.80	50	\$28.37	\$2.91	\$26.68	52	\$8.03	5
2 - Cincinnati	\$7.85	\$6.44	\$6.91	32	\$22.06	\$14.98	\$16.65	32	\$15.19	7
3 - Cleveland	\$7.06	\$0.88	\$6.97	53	\$17.13	\$3.00	\$17.13	54	\$17.82	6
4 - Columbus	\$9.38	\$5.35	\$8.36	83	\$21.22	\$13.84	\$18.08	86	\$16.60	15
5 - Dayton	\$7.76	\$5.99	\$7.05	54	\$18.75	\$12.11	\$16.41	55	\$24.00	10
6 - Southeast Ohio	\$8.85	\$1.60	\$9.00	31	\$21.03	\$5.70	\$20.00	31	\$13.61	3
7 - Toledo	\$8.62	\$1.27	\$7.88	62	\$20.72	\$3.91	\$16.79	60	\$15.00	3
8 - Warren/Youngstown	\$4.82	\$1.47	\$4.82	31	\$11.56	\$1.79	\$11.94	30	\$10.00	6
EMPLOYEES COVERED										
1 - 49	\$10.39	\$5.57	\$9.50	56	\$25.42	\$12.32	\$23.13	60	\$20.00	7
50 - 99	\$7.85	\$1.42	\$7.82	59	\$19.25	\$3.46	\$17.80	58	\$16.43	10
100 - 149	\$8.85	\$2.00	\$8.23	77	\$19.88	\$3.70	\$18.08	78	\$19.76	13
150 - 249	\$7.98	\$1.46	\$7.03	85	\$19.82	\$6.06	\$15.87	85	\$13.37	12
250 - 499	\$8.34	\$5.44	\$7.25	73	\$21.28	\$13.84	\$16.90	73	\$16.24	8
500 - 999	\$7.21	\$1.90	\$5.66	30	\$18.07	\$8.98	\$14.36	30	\$12.98	2
1,000 or more	\$6.85	\$1.15	\$5.03	14	\$19.03	\$4.80	\$11.99	14	\$10.28	1

* Employee and employer contribution calculations only include plans that employees contribute to premium. Thus, the total premium will not be the additive factor of the employee plus employer contributions

V. DEFINITIONS AND CLARIFICATIONS

- Under Jurisdiction, reporting “Special Districts” include: housing authorities, port authorities, regional transit authorities, combined/regional health/emergency districts 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, copayment, or coinsurance 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 (\$1200 for single coverage and \$2400 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 (HDHP) 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.)

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VII. END NOTES

ⁱ For the 145 jurisdictions that we could not locate email addresses for, letters with links to the survey website were sent via postal mail.

ⁱⁱ Baruch, Yehuda and Brooks C. Holtum, 2008. "Survey response rate levels and trends in organizational research." *Human Relations*, 61 (8):1139-1160.

ⁱⁱⁱ The sample size needed to estimate p with a bound on error B was estimated using equation 3:

$$n = \frac{Npq}{(N-1)D + pq}$$

where $q = 1 - p$ 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 309. Sample sizes necessary for individual entities (i.e. cities, school districts) are available upon request.

^{iv} Information on single + one, single & spouse and single & child coverage is available upon request.

^{vi} In 91.5% of medical plans reported, prescription drug coverage is included in the medical premium cost.