

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



2012
20th Annual
Report on the
Cost of Health Insurance
in Ohio's Public Sector

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PROJECT DESIGN AND RESPONSE RATE

The State Employment Relations Board (SERB), as mandated by section 4117.02 of the Ohio Revised Code, is pleased to present the Annual Report on the Cost of Health Insurance in Ohio's Public Sector (2012 Report). In its 20th year, the purpose of this project is to provide data on various aspects of health insurance plan design and cost for government entities. Our goal is to provide constituents with statistics that may be useful for the employer and employee organizations, and to promote orderly and constructive relationships between public employers and their employees.

The original 2012 health insurance survey was web-based, although 2.3% (n=26) of respondents completed a paper form. The on-line survey was designed by SERB utilizing Novi Survey On Demand Edition (www.novisurvey.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 2011 survey are minimal, but a few new questions were added to reflect the ever-changing arena of health care plan design and cost-management strategies.

The 2012 Health Insurance Survey was created and dispersed using Novi Survey, an on-line survey tool. SERB emailed or mailed links of the 2012 Health Insurance Survey to 1,363 governmental jurisdictions via email or postal mailⁱ on or around February 6, 2012, requesting completion of the survey by March 23, 2012. The target survey population included:

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

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

Just under eighty-four percent (n=1140) of public employers that received a survey submitted a completed response. Statistics in this report represent about 372,944 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 310.ⁱⁱ With a response rate of 83.6%, statistics presented in this report are representative of various aspects of public employee medical care in the State of Ohio.

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

Data are presented in several tables that are found throughout the body of the report. All benefit information is presented for single and family coverage. Data have been collected on other coverage types (single + 1, single & child, and single & spouse). Due to the sparse distribution of these coverage types, these categories will not be presented this year in all tables.ⁱⁱⁱ Please keep in mind that the survey is representative of public sector medical insurance plans in effect on January 1, 2012.

SUMMARY OF KEY FINDINGS^{iv}

- ▶ Statewide, the average monthly premium for medical and prescription coverage, when prescription is included in the medical premium^v, is \$506 for single coverage and \$1,339 for family coverage. Calculations include employee contributions of \$0 towards the medical premium (Table 3.2).
- ▶ The one-year increase in medical premiums, when prescription is included in the medical premium, between January 1, 2011 and January 1, 2012 is 6.8% for single coverage and 7.0% for family coverage (Table 3.2).
- ▶ Average monthly employee contributions to bundled medical premiums, including prescription drug coverage, are \$55 for single coverage and \$157 for family coverage. Employee premium contributions for single coverage rose 19.6% from last year and employee contributions for family coverage rose 15.4% from last year. Calculations include employee contributions of \$0 towards the medical premium (Table 3.2).
- ▶ Average monthly employer contributions to medical premiums, including prescription drug coverage, are \$451 for single coverage and \$1,181 for family coverage. Employer premium contributions for single coverage increased 5.4% from last year and employer contributions for family premiums rose 5.7% (Table 4.2 found in the appendix).
- ▶ The average annual total cost per employee for medical coverage, when prescription drug is included in the premium, is \$12,455. This is a 6.4% increase from the average total cost in 2011. (Table 7.1)¹
- ▶ For medical plans where prescription drug is purchased separately from medical coverage, the average monthly medical and prescription premiums increase to \$537 for single and \$1,377 for family coverage. This is a 2.0% increase for single and a 7.3% increase for family over last year.
- ▶ For plans that have prescription coverage included as part or separate from the medical premium, the average annual cost for medical and prescription coverage is \$10,848, which is a 2.6% increase from 2011² (Table 3.1 Statewide PEPM x 12).
- ▶ The vast majority of medical plans require employees to contribute a portion of the medical premium cost. For 2012, only 13.3% of single medical plans and 11.8% of family medical premiums were paid 100% by the employer.
- ▶ When employees pay a portion of the medical premium, the average employee monthly contribution is \$63 for single and \$173 for family coverage. This represents an increase in premium cost to employees of 16.6% for single coverage and 14.6% for employees with family coverage from 2011. Calculations exclude employees who contribute \$0 towards the medical premium (Table 4.1 found in the appendix).
- ▶ The vast majority of medical premiums (88.6%) include prescription benefits. In 11.4% of plans, prescription benefits are carved-out.
- ▶ In some cases, dental (11.3%) or vision (18.8%) benefits are included in the medical premium package.
- ▶ Statewide average co-payments are \$20 for office visits (non-specialist), \$100 for emergency room visits (sometimes waived if admitted), and \$35 for urgent care visits.

¹ The average yearly cost per employee is calculated by multiplying the amount paid by the employer and employee for each single, single + 1, single & child, single & spouse, and family plan by the number of people electing each, then dividing by the total number of people covered. See page 16 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 16 for more detail.

- ▶ The vast majority of plans (85.7%) require a deductible before cost-sharing of out-of-pocket medical expenses begins.
- ▶ Only 10.8% of plans do not require employees to pay a deductible or co-insurance for medical coverage.
- ▶ Most jurisdictions (93.6%) offer an option for dental benefits. The majority of jurisdictions that offer dental coverage (88.6%) do so via a carve-out plan separate from the medical premium.
- ▶ Dental maximums range widely - from \$100 to \$6,000. The majority (70.5%) of jurisdictions with dental coverage have dental maximums between \$1,000 and \$1,500 per person covered.
- ▶ A little over two-thirds (70.9%) of jurisdictions offer some level of vision coverage. Of the jurisdictions offering vision coverage, most jurisdictions (78.8%) do so via a separate, carve-out plan.

SUMMARY TABLES

Survey Population Response Rates

Table 1 shows the percent of entities that completed and returned surveys for 2012 by jurisdiction. The response rate of the number of surveys completed and returned to SERB for 2011 are also included for comparison.

Table 1

| 2011 and 2012 Response Rates by Jurisdiction | | | | | | |
|---|---------------------|--------------------------|----------------------|---------------------|--------------------------|----------------------|
| | 2011 | | | 2012 | | |
| | Surveys Sent | Surveys Completed | Response Rate | Surveys Sent | Surveys Completed | Response Rate |
| Counties | 88 | 56 | 64% | 88 | 73 | 83% |
| Cities | 248 | 151 | 61% | 248 | 194 | 78% |
| Townships | 147 | 84 | 57% | 138 | 95 | 69% |
| School Districts & Ed Svc Centers | 719 | 531 | 74% | 719 | 649 | 90% |
| Colleges & Universities | 38 | 16 | 42% | 37 | 35 | 95% |
| Health Districts | 44 | 22 | 50% | 61 | 40 | 66% |
| Fire Districts | 16 | 4 | 25% | 13 | 9 | 69% |
| Metropolitan Housing Authorities | 39 | 26 | 67% | 38 | 32 | 84% |
| Port Authorities | 5 | 3 | 60% | 5 | 4 | 80% |
| Regional Transit Authorities | 14 | 4 | 29% | 15 | 8 | 53% |
| State of Ohio | 1 | 1 | 100% | 1 | 1 | 100% |
| Overall Response Rate | 1,359 | 898 | 66% | 1,363 | 1,140 | 84% |

The response rate for 2012 included 84% of all public jurisdictions responding to the health insurance survey. More than two-thirds of nearly all jurisdictional sub-categories responded. The response rate for 2011 was on track to reaching an 80% response rate but ended up lower due to loss of data by our third party data collection software.

Health Plans by Jurisdiction

Table 2

| 2012 Percentage of Plan Types by Jurisdiction* | | | | | | | | |
|--|-------------|--------|-------|-------|------------------|------------------|-------------------|-------|
| | TRADITIONAL | PPO | POS | HMO | HDHP (no HSA) | HDHP (w/ HSA) | % Self- funded | n |
| STATEWIDE | 1.5% | 68.5% | 2.8% | 4.4% | 9.8% | 12.5% | 58.4% | 1,596 |
| State of Ohio | - | 100.0% | - | - | - | - | 100.0% | 1 |
| Counties | - | 63.6% | 5.1% | 5.9% | 14.4% | 9.3% | 61.0% | 118 |
| Cities | 1.1% | 56.4% | 1.9% | 5.3% | 9.8% | 25.2% | 36.5% | 266 |
| Townships | 3.8% | 40.4% | 4.8% | 1.9% | 31.7% | 16.3% | 11.5% | 104 |
| School Districts & ESCs | 1.7% | 78.6% | 2.2% | 3.4% | 5.8% | 8.1% | 72.7% | 915 |
| Colleges & Universities | - | 64.1% | 7.7% | 10.3% | - | 17.9% | 57.7% | 78 |
| Special Districts | 0.9% | 49.1% | 2.6% | 7.0% | 24.6% | 14.0% | 34.2% | 114 |
| % Self-funded | 66.7% | 66.7% | 53.3% | 31.4% | 36.7% | 36.4% | | |

*Plan types -Traditional; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; HSA: Health Savings Account; n: number of plans

- ▶ Preferred Provider Organizations (PPOs) continue the status of most utilized plan type. PPOs represent 68.5% of all medical plans statewide.
- ▶ In jurisdictions that offer only one plan to employees, almost three-quarters (74%) have PPOs.
- ▶ The frequency of high deductible health plans (HDHPs) has risen since the 2011 survey. HDHPs now make up 22.3% of plans statewide, compared to 17% in 2011. School districts remain the least likely to offer HDHPs to employees in 2012.
- ▶ Self-funded plans have decreased 5.6% since last year. Townships remain the least likely of all jurisdictions to be self-funded, as many townships have few employees. Schools and Counties are the most likely to be self-funded as a large portion are members of consortiums.

Medical Premiums

Please note the following when reading Tables 3.1- 4.1:

- 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.
- 3) 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, 11.3% include dental benefits in the medical premium; 18.8% include vision.

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

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

Table 3.1

| 2012 Average Monthly Medical and Prescription Premiums and Employer PEPM Costs * | | | | | | |
|---|---|-------------------|---------------|-------------------|---|-------------------|
| Comparison Group | Average Medical & Prescription Drug Premiums including separate drug plans | | | | Total Employer Cost Per Month for Bundled Medical and Prescription | |
| | Single | # of plans | Family | # of plans | Cost | # of plans |
| STATEWIDE | \$510 | 1,546 | \$1,339 | 1,554 | \$904 | 1,444 |
| State of Ohio | \$466 | 1 | \$1,291 | 1 | \$853 | 1 |
| Counties | \$484 | 115 | \$1,333 | 114 | \$808 | 115 |
| Less than 50,000 | \$501 | 40 | \$1,360 | 39 | \$799 | 39 |
| 50,000 - 149,999 | \$479 | 43 | \$1,304 | 43 | \$794 | 43 |
| 150,000 or more | \$469 | 32 | \$1,341 | 32 | \$836 | 33 |
| Cities | \$514 | 251 | \$1,368 | 255 | \$994 | 232 |
| Less than 25,000 | \$514 | 189 | \$1,364 | 194 | \$980 | 172 |
| 25,000 - 99,999 | \$503 | 55 | \$1,386 | 54 | \$1,053 | 53 |
| 100,000 or more | \$610 | 7 | \$1,310 | 7 | \$925 | 7 |
| Townships | \$487 | 92 | \$1,400 | 100 | \$1,058 | 85 |
| Less than 10,000 | \$524 | 48 | \$1,456 | 54 | \$1,111 | 45 |
| 10,000 - 29,999 | \$442 | 34 | \$1,349 | 36 | \$1,024 | 31 |
| 30,000 or more | \$462 | 10 | \$1,281 | 10 | \$895 | 9 |
| School Districts & ESCs | \$515 | 839 | \$1,311 | 840 | \$894 | 784 |
| Less than 1,000 | \$514 | 224 | \$1,292 | 224 | \$885 | 199 |
| 1,000 - 2,499 | \$523 | 368 | \$1,330 | 369 | \$912 | 343 |
| 2,500 - 9,999 | \$501 | 221 | \$1,290 | 221 | \$874 | 216 |
| 10,000 or more | \$527 | 26 | \$1,392 | 26 | \$887 | 26 |
| Colleges & Universities | \$516 | 74 | \$1,432 | 76 | \$845 | 73 |
| Health Districts | \$514 | 48 | \$1,410 | 48 | \$820 | 40 |
| Fire Districts | \$394 | 7 | \$1,204 | 6 | \$789 | 6 |
| Metro Districts | \$496 | 42 | \$1,325 | 39 | \$751 | 35 |
| Port Authorities | \$536 | 4 | \$1,506 | 4 | \$1,024 | 4 |
| Regional Transit Authority | \$566 | 11 | \$1,587 | 11 | \$1,023 | 11 |

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

- ▶ Fire Districts reported the lowest average premiums. The single premium is 22.7% below the statewide average. The family premium is 10.1% below the statewide average.
- ▶ Regional Transit Authorities reported the highest average premiums. The single premium is 11.0% above the statewide average. The family premium is 18.5% above the statewide average.

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

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

Table 3.2

| 2012 Average Monthly Medical/Prescription Premiums and Employee Contributions | | | | | | | | | | |
|--|--------------------------------|-------------------|---------------|-------------------|---------------------------------------|-------------------|---------------|-------------------|--|---------------|
| Comparison Group | Average Medical Premium | | | | Average Employee Contribution* | | | | Percent of Premium Paid By Employee | |
| | Single | # of plans | Family | # of plans | Single | # of plans | Family | # of plans | Single | Family |
| STATEWIDE | \$506 | 1,343 | \$1,339 | 1,351 | \$55 | 1,327 | \$157 | 1,348 | 10.7% | 11.5% |
| State of Ohio | \$466 | 1 | \$1,291 | 1 | \$70 | 1 | 205 | 1.0 | 15.1% | 15.8% |
| Counties | \$494 | 99 | \$1,350 | 98 | \$67 | 100 | \$198 | 99 | 13.1% | 14.3% |
| Less than 50,000 | \$507 | 38 | \$1,372 | 37 | \$72 | 39 | \$213 | 38 | 14.2% | 15.5% |
| 50,000 - 149,999 | \$485 | 38 | \$1,318 | 38 | \$68 | 38 | \$202 | 38 | 13.3% | 14.4% |
| 150,000 or more | \$487 | 23 | \$1,369 | 23 | \$55 | 23 | \$168 | 23 | 11.2% | 12.3% |
| Cities | \$517 | 228 | \$1,375 | 230 | \$43 | 231 | \$116 | 234 | 8.4% | 8.2% |
| Less than 25,000 | \$518 | 169 | \$1,375 | 172 | \$43 | 171 | \$116 | 175 | 8.3% | 8.1% |
| 25,000 - 99,999 | \$504 | 54 | \$1,382 | 53 | \$43 | 55 | \$117 | 54 | 8.4% | 8.4% |
| 100,000 or more | \$642 | 5 | \$1,309 | 5 | \$53 | 5 | \$120 | 5 | 10.0% | 9.2% |
| Townships | \$486 | 89 | \$1,395 | 97 | \$25 | 78 | \$64 | 96 | 5.5% | 4.7% |
| Less than 10,000 | \$524 | 46 | \$1,450 | 52 | \$22 | 39 | \$62 | 52 | 5.2% | 4.5% |
| 10,000 - 29,999 | \$440 | 33 | \$1,343 | 35 | \$19 | 30 | \$48 | 34 | 4.3% | 3.6% |
| 30,000 or more | \$462 | 10 | \$1,281 | 10 | \$54 | 9 | \$127 | 10 | 10.9% | 9.6% |
| School Districts / ESCs | \$507 | 700 | \$1,304 | 701 | \$57 | 692 | \$165 | 693 | 11.1% | 12.3% |
| Less than 1,000 | \$496 | 190 | \$1,270 | 190 | \$54 | 188 | \$160 | 188 | 10.5% | 12.1% |
| 1,000 - 2,499 | \$518 | 305 | \$1,327 | 306 | \$58 | 300 | \$165 | 302 | 10.9% | 12.1% |
| 2,500 - 9,999 | \$495 | 180 | \$1,286 | 180 | \$60 | 179 | \$168 | 178 | 11.9% | 12.8% |
| 10,000 or more | \$526 | 25 | \$1,392 | 25 | \$51 | 25 | \$189 | 25 | 10.5% | 13.6% |
| Colleges & Universities | \$515 | 67 | \$1,436 | 69 | \$71 | 67 | \$201 | 69 | 13.7% | 13.8% |
| Health Districts | \$514 | 48 | \$1,410 | 46 | \$72 | 47 | \$235 | 46 | 13.6% | 17.2% |
| Fire Districts | \$416 | 6 | \$1,234 | 5 | \$22 | 8 | \$67 | 7 | 5.4% | 5.3% |
| Metro Housing Authorities | \$481 | 37 | \$1,303 | 36 | \$57 | 35 | \$157 | 36 | 11.7% | 12.1% |
| Port Authorities | \$536 | 4 | \$1,506 | 4 | \$61 | 4 | \$167 | 4 | 11.2% | 11.0% |
| Regional Transit Authorities | \$572 | 9 | \$1,638 | 9 | \$53 | 9 | \$132 | 9 | 9.2% | 8.0% |

* 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 7.9% lower for single coverage and 3.6% lower for family coverage compared to the statewide average.
- ▶ Regional Transit Authorities have the largest average premiums. Single premiums are 13.0% higher than the statewide average and family premiums are 22.3% higher.

- ▶ Fire Districts average lower medical premiums at 17.8% below the statewide average for single and 7.8% lower for family premiums.
- ▶ The average Township employee contribution to both single and family medical premiums is less than half of the statewide average.
- ▶ The average employee contribution to single and family premiums is below 10% for Cities, Townships, Fire Districts, and Regional Transit Authorities.
- ▶ The average employee contribution to family premiums is between 11.0% and 14.3% for Counties, School Districts, College & Universities, and Metro Housing Authorities.
- ▶ State of Ohio employees contribute 15.8% towards the family medical premium. Health District employees contribute 17.2% towards the family medical premium. The statewide average employee contribution for family medical coverage is 11.5%.
- ▶ Considering jurisdiction size, single premiums for cities with more than 100,000 people are 26.9% higher than the statewide average. Family premiums are 2.2% lower than the statewide average for this category.

Regions

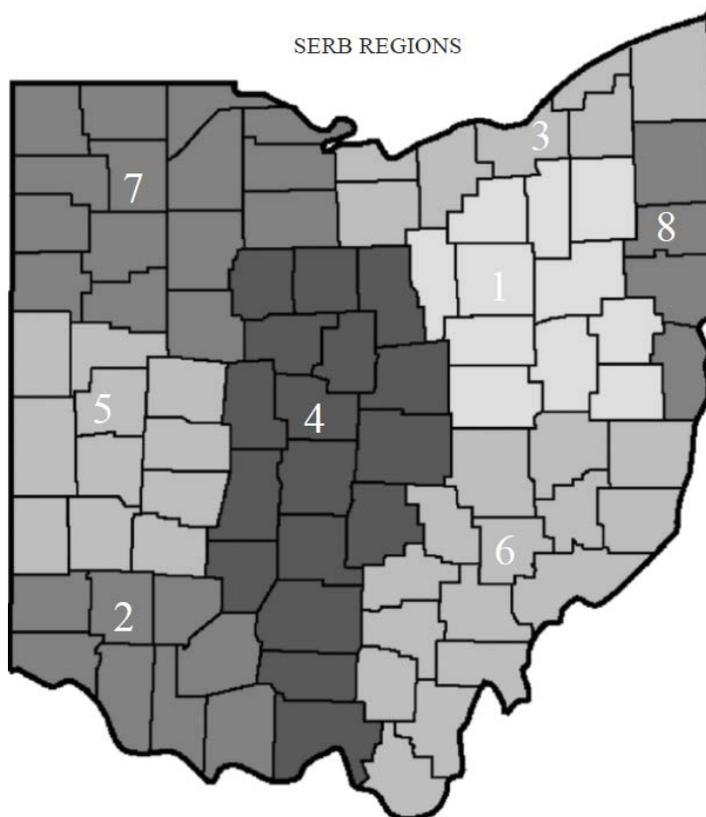
SERB divides the State into eight major regions. Insurance premiums may vary by region based on health care availability, proximity to larger metropolitan areas, and economic and other factors.

Table 3.3

| 2012 Average Monthly Medical/Prescription Premiums by Region | | | | | | | | | |
|--|--|------------|---------|------------|--------------------------------|--------|-------------------------------------|--------|--|
| Comparison Group | Average Medical & Prescription Drug Premium including carve-out prescription plans | | | | Average Employee Contribution* | | Percent of Premium Paid By Employee | | |
| | Single | # of plans | Family | # of plans | Single | Family | Single | Family | |
| STATEWIDE | \$506 | 1,343 | \$1,339 | 1,351 | \$55 | \$157 | 10.7% | 11.6% | |
| 1 - Akron/Canton | \$477 | 138 | \$1,221 | 140 | \$44 | \$111 | 9.3% | 9.4% | |
| 2 - Cincinnati | \$478 | 175 | \$1,282 | 178 | \$55 | \$154 | 11.6% | 11.9% | |
| 3 - Cleveland | \$497 | 193 | \$1,311 | 192 | \$45 | \$113 | 8.8% | 8.3% | |
| 4 - Columbus | \$557 | 230 | \$1,466 | 230 | \$68 | \$206 | 12.3% | 13.9% | |
| 5 - Dayton | \$484 | 182 | \$1,308 | 182 | \$65 | \$189 | 12.9% | 14.2% | |
| 6 - Southeast Ohio | \$591 | 104 | \$1,548 | 106 | \$67 | \$196 | 11.4% | 13.1% | |
| 7 - Toledo | \$477 | 220 | \$1,279 | 221 | \$54 | \$166 | 10.9% | 12.6% | |
| 8 - Warren/Youngstown | \$514 | 101 | \$1,334 | 102 | \$34 | \$85 | 6.5% | 6.3% | |

* 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 15.6% higher for family coverage.
- ▶ Average single medical premiums in the Akron/Canton and Toledo regions are 5.7% lower than the statewide average. Average family premiums in the Akron/Canton region are 8.8% lower for family coverage.
- ▶ Employees in the Columbus region contribute 23.6% more than the statewide average for single medical premiums and 31.2% 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 38.2% less for single medical coverage and 45.9% less for family medical coverage. Employees in the Warren/Youngstown region pay the lowest percentage to the medical premium.



Number of Employees

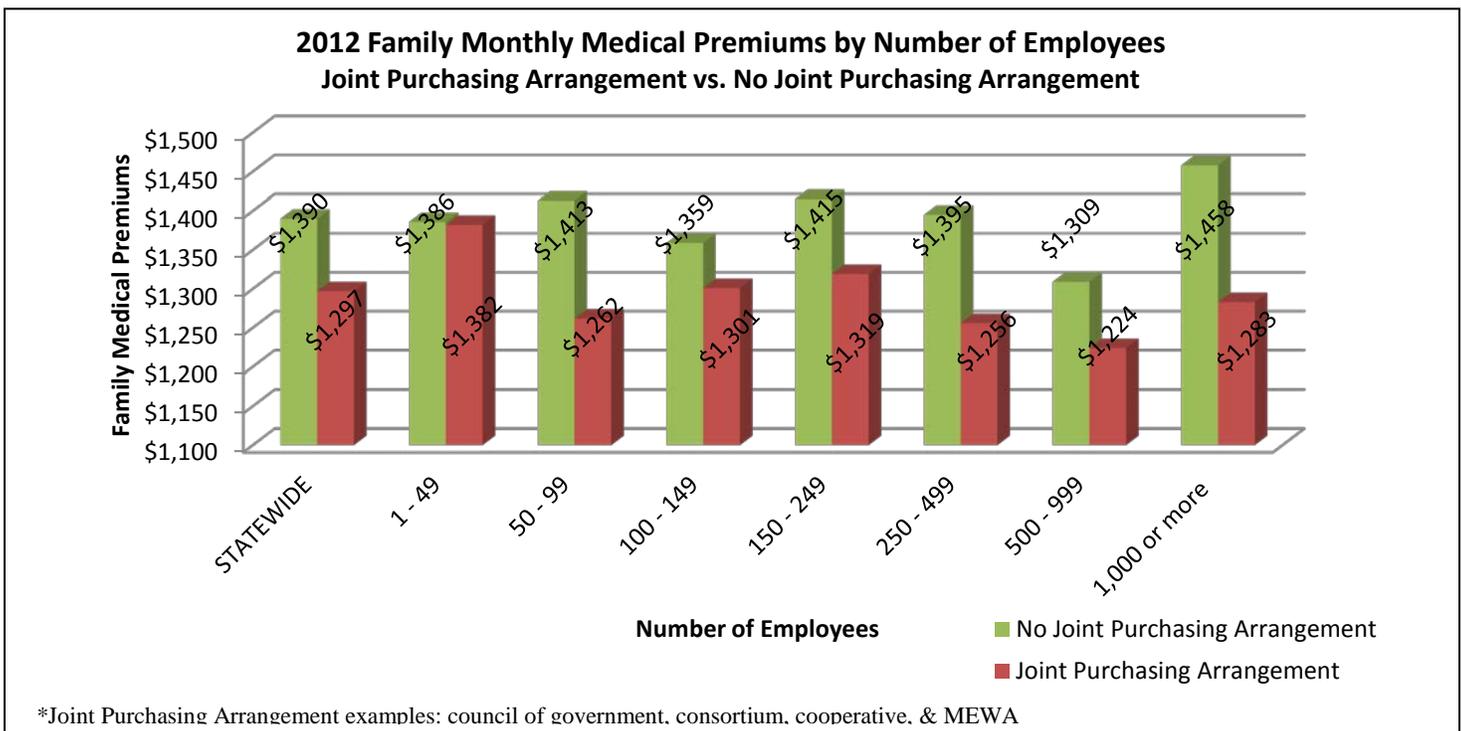
Table 3.4

| 2012 Average Monthly Medical Premiums by Number of Employees Covered | | | | | | | | |
|--|-------------------------|------------|---------|------------|--------------------------------|--------|-------------------------------------|--------|
| Comparison Group | Average Medical Premium | | | | Average Employee Contribution* | | Percent of Premium Paid By Employee | |
| | Single | # of plans | Family | # of plans | Single | Family | Single | Family |
| STATEWIDE | \$506 | 1,343 | \$1,339 | 1,351 | \$55 | \$157 | 10.7% | 11.6% |
| 1 - 49 | \$495 | 241 | \$1,385 | 246 | \$52 | \$151 | 10.4% | 10.9% |
| 50 - 99 | \$488 | 223 | \$1,311 | 222 | \$50 | \$146 | 9.8% | 10.8% |
| 100 - 149 | \$513 | 246 | \$1,320 | 249 | \$53 | \$149 | 10.1% | 11.0% |
| 150 - 249 | \$530 | 236 | \$1,353 | 237 | \$61 | \$173 | 11.3% | 12.6% |
| 250 - 499 | \$506 | 240 | \$1,325 | 239 | \$56 | \$157 | 10.9% | 11.6% |
| 500 - 999 | \$488 | 87 | \$1,279 | 88 | \$61 | \$165 | 12.4% | 12.6% |
| 1,000 or more | \$520 | 70 | \$1,411 | 70 | \$62 | \$187 | 12.3% | 13.2% |

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

Chart 1 compares family monthly medical premiums, by number of employees, for organizations who participate in a joint purchasing arrangement and organizations that do not participate in a joint purchasing arrangement.

Chart 1



- ▶ Family monthly medical premiums for organizations with 1,000 or more employees who participate in a joint purchasing arrangement are 12.0% less than organizations with 1,000 or more employees who do not participate in a joint purchasing arrangement.
- ▶ Statewide, organizations that participate in a joint purchasing arrangement have family medical premiums that average 6.7% less than organizations that do not participate in a joint purchasing arrangement.

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

| 2012 Average Premium Cost by Plan Type | | | | | | | |
|--|-------------|----------|----------|----------|------------------|--------------------|----------------|
| | TRADITIONAL | PPO | POS | HMO | HDHP (no HSA) | HDHP (with HSA) | All Plans * |
| Single | \$562 | \$525 | \$505 | \$517 | \$470 | \$534 | \$506 |
| Family | \$1,414 | \$1,362 | \$1,407 | \$1,431 | \$1,304 | \$1,499 | \$1,339 |
| Total cost per person | \$13,681 | \$12,888 | \$12,704 | \$13,124 | \$11,262 | \$12,839 | \$12,464 |
| Number of plans | 13 | 881 | 41 | 60 | 115 | 196 | 1,339 |
| *Average is for all plans; Plan types - TRADITIONAL; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; HSA: Health Savings Account | | | | | | | |

- ▶ HMO family plans are the most costly family plan type reported this year. HMO family plans average 6.9% higher than the average of all family plan types.
- ▶ Traditional plans have the highest average cost per person. Traditional plan average cost per person is 9.8% higher than the average cost per person of all plan types.
- ▶ Employees enrolled in High Deductible Health Plans (HDHP) with no Health Savings Account (HSA) contribution by the employer have lower average premiums than any other plan type for both single and family coverage.

Table 5.2

| 2012 Average Premium Cost by Funding Type | | |
|--|----------------------|---------------------|
| | Fully-insured | Self-insured |
| Single | \$499 | \$511 |
| Family | \$1,365 | \$1,317 |
| Annual cost per person (PEPY) | \$12,510 | \$12,401 |
| Number of plans | 577 | 715 |
| * Excluded plans that have one rate | | |

- ▶ Self-insured plans are composed of 58.4% of all plans reported this year.
- ▶ Fully-insured plans increased 3.5% for single and 2.6% for family from last year. Annual cost per person increased 2.5%.
- ▶ Self-insured plans increased 9.0% for single and 9.5% for family from last year. Annual cost per person increased 8.8%.
- ▶ The percent of employers self-funding medical benefits remains relatively stable. The 2011 survey found the percent to be up slightly from 2010; however, in 2012, the percentage of self-funded plans is the same as in 2010, at 58%. In past years, self-insured funding rates were lower than fully-insured premium rates for both single and family benefits. In 2012, only family funding and per person per year rates are lower for self-insured benefits. Statistically significant differences in funding/premium rates is only found for family medical rates ($t=2.947$, $df=1332$, $p=.003$).

Table 5.3

| 2012 Average Premium Cost by Joint Purchasing Arrangement | | |
|--|-------------------------------------|--|
| | Joint Purchasing Arrangement | No Joint Purchasing Arrangement |
| Single | \$499 | \$520 |
| Family | \$1,284 | \$1,370 |
| Annual cost per person (PEPY) | \$12,230 | \$12,788 |
| Number of plans | 628 | 490 |
| * Excluded plans that have one rate | | |
| *Joint Purchasing Arrangement examples: council of government, consortium, cooperative, & MEWA | | |

- ▶ Joint purchasing membership contributes to 56.2% of all plan types reported this year.
- ▶ Joint purchasing participant plans increased 7.1% for single and 7.3% for family from last year. Annual cost per person increased 8.7%.
- ▶ Independently procured plans increased 6.6% for single and 2.6 % for family from last year. Annual cost per person increased 3.2%.
- ▶ The percent of employers purchasing medical benefits via a joint purchasing arrangement decreased slightly from 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 ($t=2.947$, $df=1331$, $p=.003$), family ($t=5.939$, $df=1339$, $p=.000$), and annual cost per person, or PEPY ($t=3.073$, $df=1304$, $p=.002$).

Premium Change

Chart 2 graphs the percent change in single and family medical premiums compared to the average negotiated wage increase for public employees from SERB's Annual Wage Settlement report. The relatively flat line represents the average wage increases for public sector employees over the past 15 years, all ranging between 0.7% and 3.8%. Comparatively, medical insurance premiums have risen at a much faster rate.

Chart 2

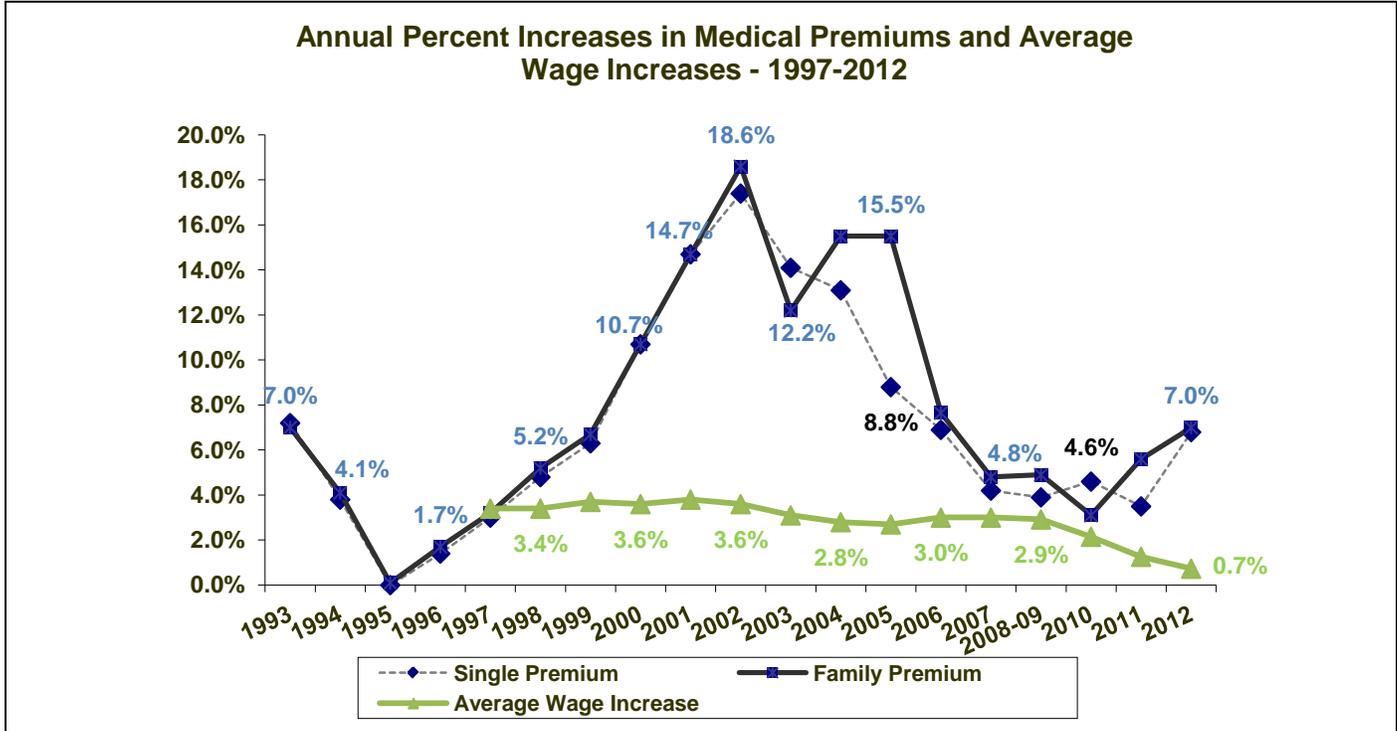


Chart 3 illustrates the diverging path of medical premium and worker salary increases since 1997. Over the fifteen year period presented, medical premiums rose more than three times faster than the average worker salary.

Chart 3

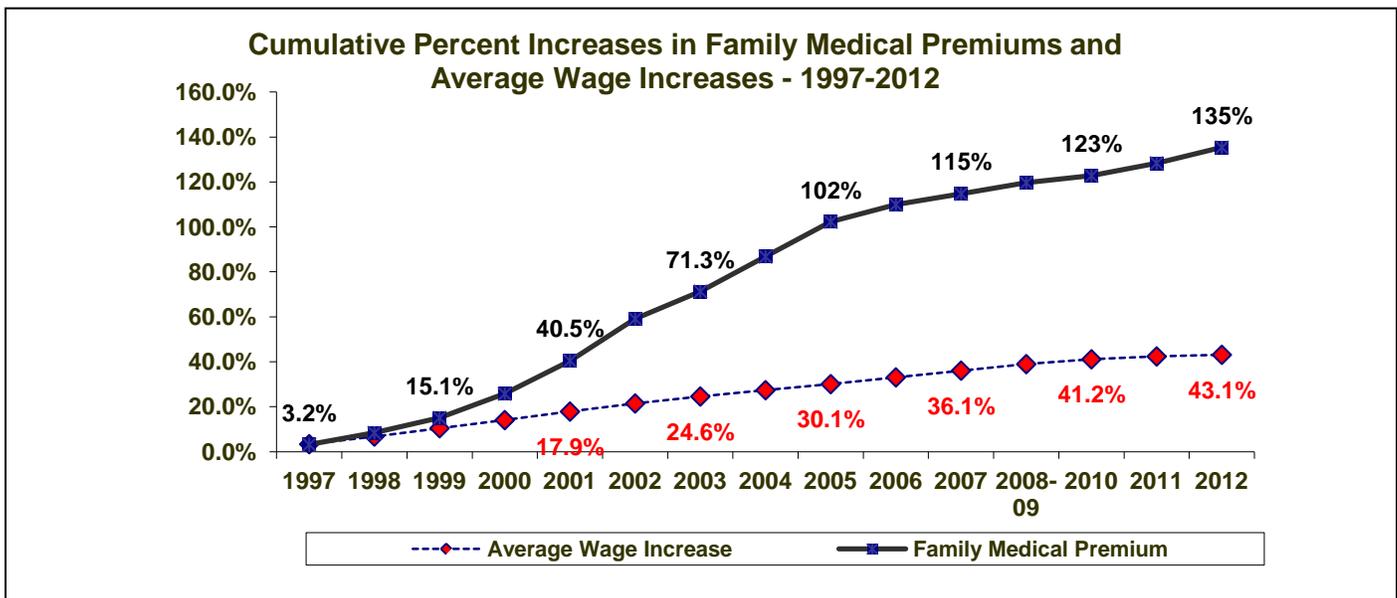


Table 6 compares percent change in insurance premiums over the past 19 years to the national overall inflation and medical care inflation rates. Due to economic factors, the overall inflation and medical care inflation rates had dropped by the close of 2008, where they continued to stagger in the first 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 2011, the inflation rate had leveled off at 3% while the medical care inflation hit 3.5%. Premium rates for public employees in the State of Ohio rose much faster than both the overall inflation and medical care inflation rate for 2011.

Table 6

| 2012 Annual Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates | | | | | | |
|--|---------------------------|-------------------|---------------------------|-------------------|-----------------------------|---------------------------|
| | Single Premium | # of Plans | Family Premium | # of Plans | 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% | 1,387 | 10.1% | 1,381 | 2.5% | 3.6% |
| 2007 | 4.2% | 1,313 | 4.8% | 1,330 | 4.1% | 5.2% |
| 2008-09 | 4.9% | 1,258 | 4.9% | 1,263 | 0.1% | 2.6% |
| 2010 | 4.6% | 1,353 | 3.1% | 1,395 | 2.7% | 3.4% |
| 2011 | 3.5% | 1,135 | 5.6% | 1,109 | 1.5% | 3.3% |
| 2012 | 6.8% | 1,552 | 7.0% | 1,560 | 3.0% | 3.5% |

* Bureau of Labor Statistics, Consumer Price Index, December 2011 (<http://www.bls.gov/cpi/cpid1112.pdf>)

Cost of Medical and Ancillary Benefits

Table 7.1 exhibits the 2012 annual cost per employee for benefits for medical, prescription, vision, and dental.⁴

Table 7.1

| 2012 Average Annual Cost per Employee for Medical, Prescription, Dental, and Vision Carve-outs* | | | | | | | | |
|---|--|------------|-------------------|------------|---------|------------|--------|------------|
| Comparison Group | Medical & Prescription Drug [†] | # of Plans | Prescription Drug | # of Plans | Dental | # of Plans | Vision | # of Plans |
| STATEWIDE | \$12,455 | 1,314 | \$2,659 | 158 | \$842 | 907 | \$201 | 610 |
| State of Ohio | \$12,122 | 1 | - | - | \$891 | 1 | \$249 | 1 |
| Counties | \$11,540 | 99 | \$2,182 | 12 | \$643 | 48 | \$168 | 33 |
| Cities | \$13,294 | 229 | \$3,222 | 6 | \$791 | 115 | \$187 | 76 |
| Townships | \$13,295 | 97 | - | - | \$830 | 66 | \$222 | 44 |
| School Districts & ESCs | \$12,422 | 719 | \$2,714 | 130 | \$888 | 600 | \$209 | 397 |
| Colleges & Universities | \$11,800 | 68 | \$2,553 | 4 | \$700 | 29 | \$173 | 24 |
| Special Districts [‡] | \$11,314 | 101 | \$1,895 | 6 | \$681 | 48 | \$159 | 35 |
| REGION | | | | | | | | |
| 1 - Akron/Canton | \$11,849 | 140 | \$2,690 | 39 | \$1,020 | 116 | \$224 | 65 |
| 2 - Cincinnati | \$11,653 | 174 | - | - | \$861 | 119 | \$183 | 69 |
| 3 - Cleveland | \$12,398 | 190 | \$2,521 | 37 | \$845 | 126 | \$178 | 91 |
| 4 - Columbus | \$13,551 | 213 | \$2,264 | 20 | \$825 | 162 | \$215 | 128 |
| 5 - Dayton | \$12,339 | 183 | \$3,349 | 16 | \$771 | 117 | \$208 | 69 |
| 6 - Southeast Ohio | \$14,140 | 108 | \$2,881 | 18 | \$687 | 75 | \$203 | 60 |
| 7 - Toledo | \$11,495 | 215 | \$2,078 | 9 | \$809 | 130 | \$209 | 85 |
| 8 - Warren/Youngstown | \$12,971 | 91 | \$2,764 | 19 | \$896 | 62 | \$169 | 43 |
| EMPLOYEES COVERED | | | | | | | | |
| 1 - 49 | \$11,968 | 249 | \$2,114 | 12 | \$735 | 140 | \$192 | 110 |
| 50 - 99 | \$12,302 | 210 | \$3,064 | 16 | \$815 | 142 | \$209 | 89 |
| 100 - 149 | \$12,711 | 235 | \$2,836 | 29 | \$882 | 164 | \$221 | 110 |
| 150 - 249 | \$13,014 | 228 | \$2,682 | 37 | \$857 | 185 | \$196 | 125 |
| 250 - 499 | \$12,539 | 234 | \$2,541 | 40 | \$859 | 170 | \$202 | 113 |
| 500 - 999 | \$12,114 | 88 | \$2,558 | 18 | \$959 | 68 | \$192 | 34 |
| 1,000 or more | \$12,109 | 70 | \$2,765 | 6 | \$802 | 38 | \$156 | 29 |

* 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 88.6% of plans, dental in 11.3% and vision in 18.8%

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

⁴ Average yearly cost per employee for medical, prescription carve-out, dental, and vision 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 Plans⁵

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

Table 8.1

| 2012 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 | 14.4% | 226 | 15.9% | 250 | 29.3% | 460 | 19.7% | 309 | 20.7% | 324 |
| State of Ohio | - | - | - | - | 100.0% | 1 | - | - | - | - |
| Counties | 6.0% | 7 | 9.5% | 11 | 28.4% | 33 | 33.6% | 39 | 22.4% | 26 |
| Cities | 20.3% | 48 | 12.3% | 29 | 29.2% | 69 | 13.6% | 32 | 36.0% | 85 |
| Townships | 24.0% | 23 | 4.2% | 4 | 14.6% | 14 | 18.8% | 18 | 38.5% | 37 |
| Colleges & Universities | 18.7% | 14 | 9.3% | 7 | 34.7% | 26 | 17.3% | 13 | 20.0% | 15 |
| School Districts & ESCs | 13.5% | 122 | 21.3% | 193 | 31.6% | 286 | 19.6% | 178 | 14.0% | 127 |
| Special Districts | 10.7% | 12 | 5.4% | 6 | 27.7% | 31 | 25.9% | 29 | 30.4% | 34 |

Table 8.2

| 2012 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 | 14.3% | 226 | 14.6% | 231 | 29.3% | 463 | 20.1% | 317 | 21.6% | 341 |
| State of Ohio | - | - | - | - | 100.0% | 1 | - | - | - | - |
| Counties | 5.9% | 7 | 8.5% | 10 | 28.0% | 33 | 33.1% | 39 | 24.6% | 29 |
| Cities | 18.3% | 48 | 9.9% | 26 | 27.4% | 72 | 10.6% | 28 | 33.8% | 89 |
| Townships | 23.5% | 23 | 5.1% | 5 | 14.3% | 14 | 14.3% | 14 | 42.9% | 42 |
| Colleges & Universities | 18.4% | 14 | 6.6% | 5 | 34.2% | 26 | 19.7% | 15 | 21.1% | 16 |
| School Districts & ESCs | 13.4% | 122 | 19.9% | 181 | 31.2% | 284 | 21.3% | 194 | 14.1% | 128 |
| Special Districts | 10.6% | 12 | 3.5% | 4 | 29.2% | 33 | 23.9% | 27 | 32.7% | 37 |

- ▶ 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.
- ▶ Counties have a much lower percentage of plans with no deductible, compared to other jurisdictions.
- ▶ The portion of plans statewide with no deductible decreased 1.2 percentage points since the 2011 survey. Over 20% of all plans have deductibles high enough to make them eligible for an HSA, though not all of these plans have an employer funded (or partially employer funded) savings account (see Table 5.1).

^{5, 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.

Co-Insurance for Medical Coverage – Managed Care Plans⁶

Tables 9.1 and 9.2 show the distribution of co-insurance splits between the plan and employees for family medical coverage. Co-insurance is the arrangement by which the insurance provider and the insured individual share a percentage of covered expenses after the deductible is met.

Table 9.1

| 2012 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 | 33.7% | 532 | 31.2% | 492 | 1.8% | 28 | 30.1% | 474 | 3.2% | 51 |
| State of Ohio | - | - | - | - | - | - | 100.0% | 1 | - | - |
| Counties | 19.7% | 23 | 23.1% | 27 | 1.7% | 2 | 44.4% | 52 | 11.1% | 13 |
| Cities | 50.8% | 134 | 20.1% | 53 | 1.1% | 3 | 25.4% | 67 | 2.7% | 7 |
| Townships | 59.8% | 61 | 9.8% | 10 | 1.0% | 1 | 27.5% | 28 | 2.0% | 2 |
| Colleges & Universities | 32.1% | 25 | 37.2% | 29 | 1.3% | 1 | 29.5% | 23 | - | - |
| School Districts & ESCs | 27.2% | 246 | 38.8% | 350 | 2.2% | 20 | 28.9% | 261 | 2.9% | 26 |
| Special Districts | 38.4% | 43 | 20.5% | 23 | 0.9% | 1 | 37.5% | 42 | 2.7% | 3 |

Table 9.2

| 2012 Co-Insurance Categories for Out-of-Network Medical Coverage | | | | | | | | | | |
|--|-------------------|------------|-------------|------------|-------------|------------|------------------|------------|-----------------|------------|
| Comparison Group | Plan pays 90-100% | # of plans | 80/20 Split | # of plans | 70/30 Split | # of plans | Plan pays 60-69% | # of plans | Plan pays < 60% | # of plans |
| STATEWIDE | 1.9% | 28 | 26.9% | 394 | 34.3% | 502 | 29.1% | 427 | 7.8% | 114 |
| State of Ohio | - | - | - | - | - | - | 100.0% | 1 | - | - |
| Counties | 0.9% | 1 | 12.3% | 13 | 27.4% | 29 | 36.8% | 39 | 22.6% | 24 |
| Cities | 1.2% | 3 | 29.9% | 72 | 35.7% | 86 | 27.0% | 65 | 6.2% | 15 |
| Townships | 5.7% | 5 | 36.8% | 32 | 29.9% | 26 | 19.5% | 17 | 8.0% | 7 |
| Colleges & Universities | 2.8% | 2 | 9.9% | 7 | 59.2% | 42 | 25.4% | 18 | 2.8% | 2 |
| School Districts & ESCs | 1.4% | 12 | 29.0% | 249 | 34.3% | 295 | 29.5% | 253 | 5.8% | 50 |
| Special Districts | 5.0% | 5 | 21.0% | 21 | 24.0% | 24 | 34.0% | 34 | 16.0% | 16 |

- ▶ Since the 2011 survey, the percent of plans Statewide that pay 100% of deductible remains unchanged at thirty-three percent.
- ▶ 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 (59.8%) and cities (50.8%) have plans with no in-network co-insurance requirement.

⁶Managed 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 Plans⁷

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

Table 10.1

| 2012 In-Network Out-of-Pocket Maximums for Medical Coverage | | | | | | | |
|---|---------|---------|----------|---------|---------|----------|-------|
| Comparison Group | Single | | | Family | | | n |
| | Median | Minimum | Maximum | Median | Minimum | Maximum | |
| STATEWIDE | \$1,225 | \$0 | \$12,000 | \$2,500 | \$0 | \$24,000 | 1,521 |
| State of Ohio | \$1,500 | - | - | \$3,000 | - | - | 1 |
| Counties | \$2,000 | \$0 | \$12,000 | \$4,000 | \$0 | \$24,000 | 117 |
| Cities | \$1,400 | \$0 | \$6,000 | \$3,000 | \$0 | \$10,000 | 243 |
| Townships | \$2,000 | \$0 | \$8,000 | \$4,000 | \$0 | \$12,000 | 86 |
| Colleges & Universities | \$2,000 | \$0 | \$5,000 | \$4,000 | \$0 | \$12,000 | 77 |
| School Districts & ESCs | \$1,000 | \$0 | \$6,000 | \$2,000 | \$0 | \$12,000 | 891 |
| Special Districts | \$1,800 | \$0 | \$6,000 | \$3,400 | \$0 | \$12,000 | 104 |

Table 10.2

| 2012 Out-of-Network Out-of-Pocket Maximums for Medical Coverage | | | | | | | |
|---|---------|---------|----------|----------|---------|----------|-------|
| Comparison Group | Single | | | Family | | | n |
| | Median | Minimum | Maximum | Median | Minimum | Maximum | |
| STATEWIDE | \$2,500 | \$200 | \$22,000 | \$5,000 | \$200 | \$66,000 | 1,420 |
| State of Ohio | \$3,000 | - | - | \$6,000 | - | - | 1 |
| Counties | \$4,250 | \$400 | \$16,000 | \$9,000 | \$800 | \$36,000 | 103 |
| Cities | \$3,000 | \$250 | \$18,000 | \$6,000 | \$400 | \$54,000 | 238 |
| Townships | \$5,000 | \$750 | \$18,000 | \$9,000 | \$1,000 | \$54,000 | 81 |
| Colleges & Universities | \$3,500 | \$600 | \$12,000 | \$6,400 | \$1,100 | \$30,000 | 69 |
| School Districts & ESCs | \$2,000 | \$200 | \$15,000 | \$4,000 | \$200 | \$30,000 | 829 |
| Special Districts | \$5,000 | \$900 | \$22,000 | \$10,000 | \$1,800 | \$66,000 | 96 |

- ▶ Out-of-network, out-of-pocket maximums are at least double the in-network, out-of-pocket maximums for all jurisdictions except Colleges & Universities.
- ▶ Statewide median in-network out-of-pocket maximums increased 22.5% for single and 25% for family.
- ▶ Statewide maximum in-network out-of-pocket maximums increased 20% for single and 20% for family.
- ▶ Statewide median out-of-network out-of-pocket maximums increased 25.0% for single and 25% for family.
- ▶ Statewide maximum out-of-network out-of-pocket maximums increased 22.2% for single and 22.2% for family.
- ▶ Special districts have the largest variation in out-of-network out-of-pocket maximums.

⁷Managed 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; data is available upon request from SERB.

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

| 2012 Fringe Benefit Provisions | | | |
|---------------------------------------|----------------------------|-------------------|--------------------|
| | Included in Premium | Carved-out | Not Offered |
| Prescription | 86.8% | 11.1% | 2.1% |
| Dental | 10.6% | 83.1% | 6.3% |
| Vision | 13.3% | 57.6% | 29.1% |

- ▶ Prescription coverage is provided by 97.9% of all jurisdictions. In 86.8% of jurisdictions reporting, the cost for prescription coverage is included as part of the medical premium. Some type of dental coverage is provided by 93.7% of jurisdictions. Almost 71% of jurisdictions offer some kind of vision coverage.

Tables 12.1 and 12.2 provide statewide data on retail and mail order prescription plan design and co-payments. The median dollar amount and percentages are given within three tier options. Retail prescriptions are for a 30-day supply; mail order prescriptions are typically for a 90-day supply.

Table 12.1

| 2012 Statewide Retail Prescription Co-payments | | | | |
|---|-------------------|----------------|-------------------|----------------|
| Prescription Plan | # of plans | Dollars | # of plans | Percent |
| No Tiers | 35 | \$10 | 82 | 20.0% |
| Two Tiers | | | | |
| Generic | 158 | \$8 | 14 | 20.0% |
| Brand | 154 | \$15 | 17 | 20.0% |
| Three Tiers | | | | |
| Generic | 921 | \$10 | 45 | 20.0% |
| Brand (formulary) | 912 | \$20 | 63 | 25.0% |
| Brand (non-formulary) | 904 | \$40 | 69 | 35.0% |
| Four Tiers | | | | |
| Generic | 129 | \$10 | 9 | 20.0% |
| Brand (formulary) | 129 | \$30 | 9 | 30.0% |
| Brand (non-formulary) | 128 | \$50 | 10 | 42.5% |
| Cosmetic/biologic | 68 | \$100 | 57 | 25.0% |

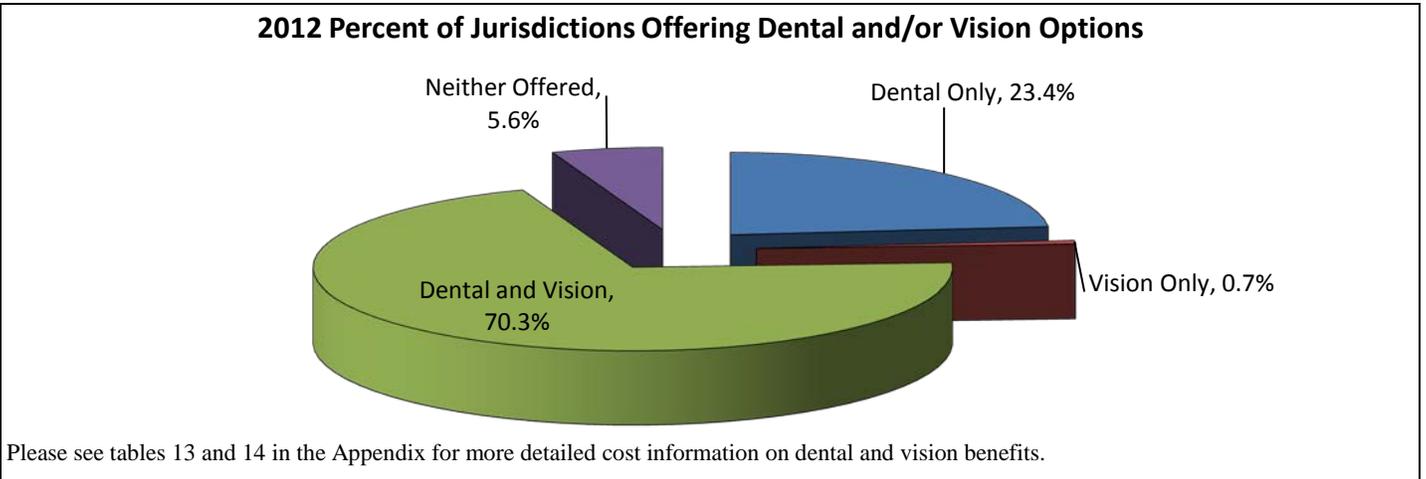
Table 12.2

| 2012 Statewide Mail Order Prescription Co-payments | | | | |
|---|-------------------|----------------|-------------------|----------------|
| Prescription Plan | # of plans | Dollars | # of plans | Percent |
| No Tiers | 35 | \$10 | 74 | 20.0% |
| Two Tiers | | | | |
| Generic | 152 | \$10 | 8 | 20.0% |
| Brand | 152 | \$25 | 10 | 20.0% |
| Three Tiers | | | | |
| Generic | 901 | \$20 | 35 | 20.0% |
| Brand (formulary) | 891 | \$40 | 49 | 25.0% |
| Brand (non-formulary) | 888 | \$70 | 49 | 35.0% |
| Four Tiers | | | | |
| Generic | 128 | \$20 | - | - |
| Brand (formulary) | 130 | \$65 | - | - |
| Brand (non-formulary) | 129 | \$120 | - | - |
| Cosmetic/biologic | 40 | \$150 | 54 | 25.0% |

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

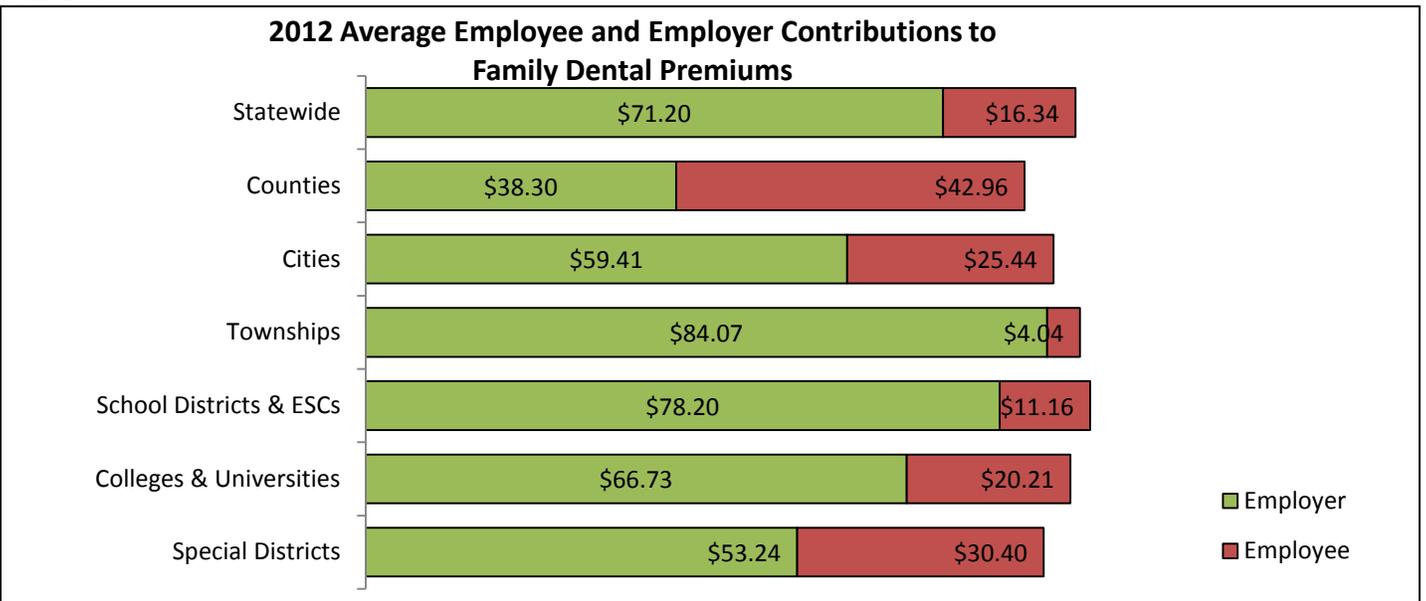
Chart 4 provides another view of dental and vision coverage.

Chart 4



Dental⁸

Chart 5



For 2012, single and family dental premiums in Table 13 are divided into tiered plans and composite rates. Chart 5 includes tiered rates for family dental plans.

- ▶ County employees pay the highest portion of the family dental premium, contributing over half the premium on average.
- ▶ Township employees contribute the least to family dental premiums, paying less than 10% of the total premium on average.
- ▶ The statewide median cost for tiered dental coverage is \$29.70 for single plans and \$83.90 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 \$73.54 (Table 13 found in the appendix).

⁸ 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.

Table 15 summarizes dental maximums by jurisdiction.

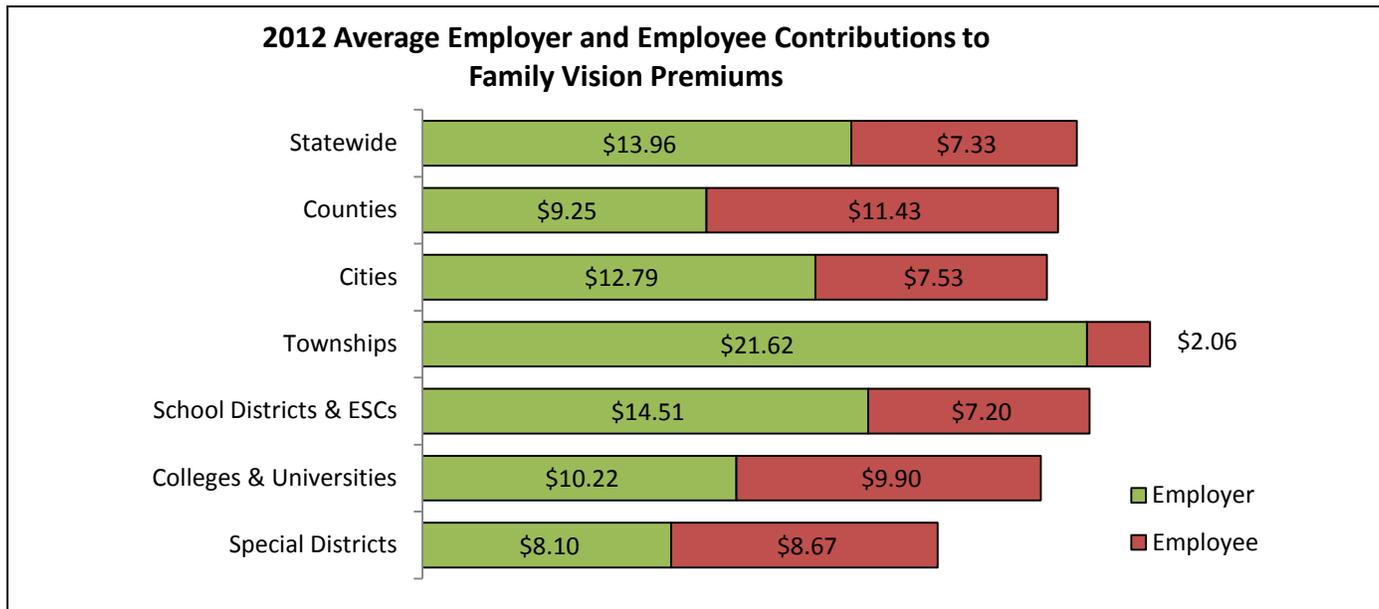
Table 15

| 2012 Annual Dental Maximums | | | | | |
|-----------------------------|-----------|---------|---------------|---------|---------------|
| Comparison Group | \$500-750 | \$1,000 | \$1,100-1,400 | \$1,500 | \$1,600-4,000 |
| STATEWIDE | 3.2% | 36.3% | 6.0% | 28.3% | 26.3% |
| State of Ohio | - | - | - | 100.0% | - |
| Counties | 5.3% | 57.9% | 12.3% | 19.3% | 5.3% |
| Cities | 1.9% | 55.9% | 4.3% | 23.0% | 14.9% |
| Townships | 0.0% | 57.1% | 12.9% | 20.0% | 10.0% |
| School Districts & ESCs | 3.5% | 25.3% | 4.3% | 31.4% | 35.4% |
| Colleges & Universities | 6.3% | 40.6% | 21.9% | 18.8% | 12.5% |
| Special Districts | 3.0% | 49.3% | 6.0% | 31.3% | 10.4% |

- ▶ 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).

Vision⁹

Chart 6



For 2012, single and family vision premiums in Table 14, which is found in the appendix, are divided into tiered plans and composite rates. Chart 6 includes tiered rates for family vision plans.

- ▶ Counties' employees pay the largest portion of family vision insurance, contributing 55.3% of the premium on average.

⁹ 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.

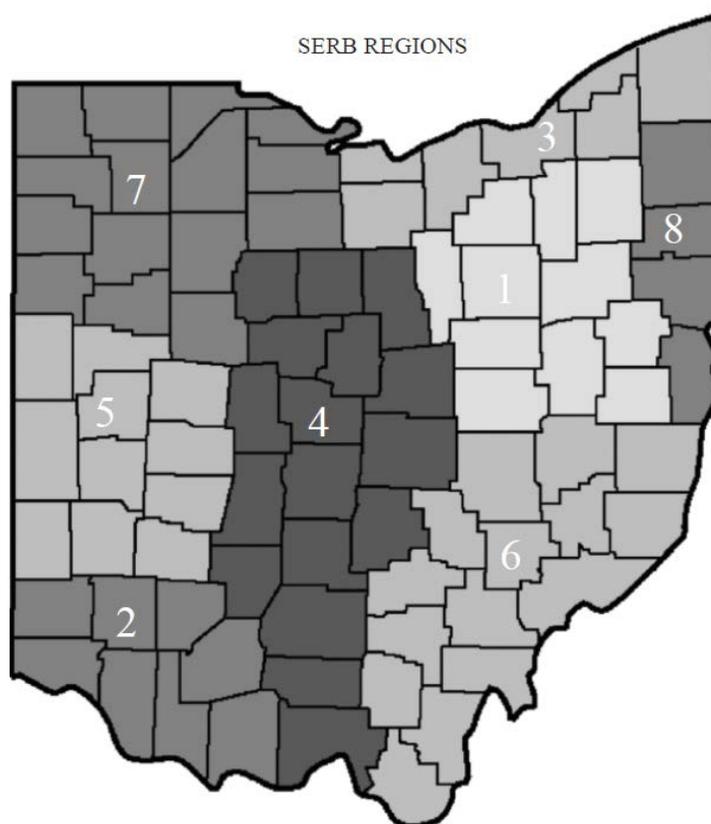
- ▶ The employer contribution to Township vision premiums is higher than the total premium of other jurisdictions and Township employees pay a much lower portion of the vision premium compared to the statewide average.
- ▶ The statewide median cost for tiered vision coverage is \$8.03 for single plans and \$20.13 for family plans. The median cost for vision coverage when there is a composite rate (i.e. there is one rate of vision coverage regardless of the employee being a single, single & child, family, etc.) is \$16.81 (Table 14).

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

Table 16

| 2012 Median Monthly Dental and Vision Composite Rates by Region | | |
|--|---------------|---------------|
| Region | Dental | Vision |
| 1 - Akron/Canton | \$64.57 | \$10.00 |
| 2 - Cincinnati | \$75.00 | \$15.19 |
| 3 - Cleveland | \$74.90 | \$16.73 |
| 4 - Columbus | \$74.00 | \$17.37 |
| 5 - Dayton | \$72.53 | \$23.14 |
| 6 - Southeast Ohio | \$56.82 | \$16.04 |
| 7 - Toledo | \$70.77 | \$16.05 |
| 8 - Warren/Youngstown | \$72.93 | \$8.03 |

- ▶ A sizable number of jurisdictions have composite rates for dental (n = 219) and vision (n=95) premiums. In these jurisdictions, the premiums for dental or vision coverage are one rate, regardless of whether the employee has single, single + 1, or family coverage.
- ▶ Composite rates typically fall somewhere in between the cost for a single plan and family plan.



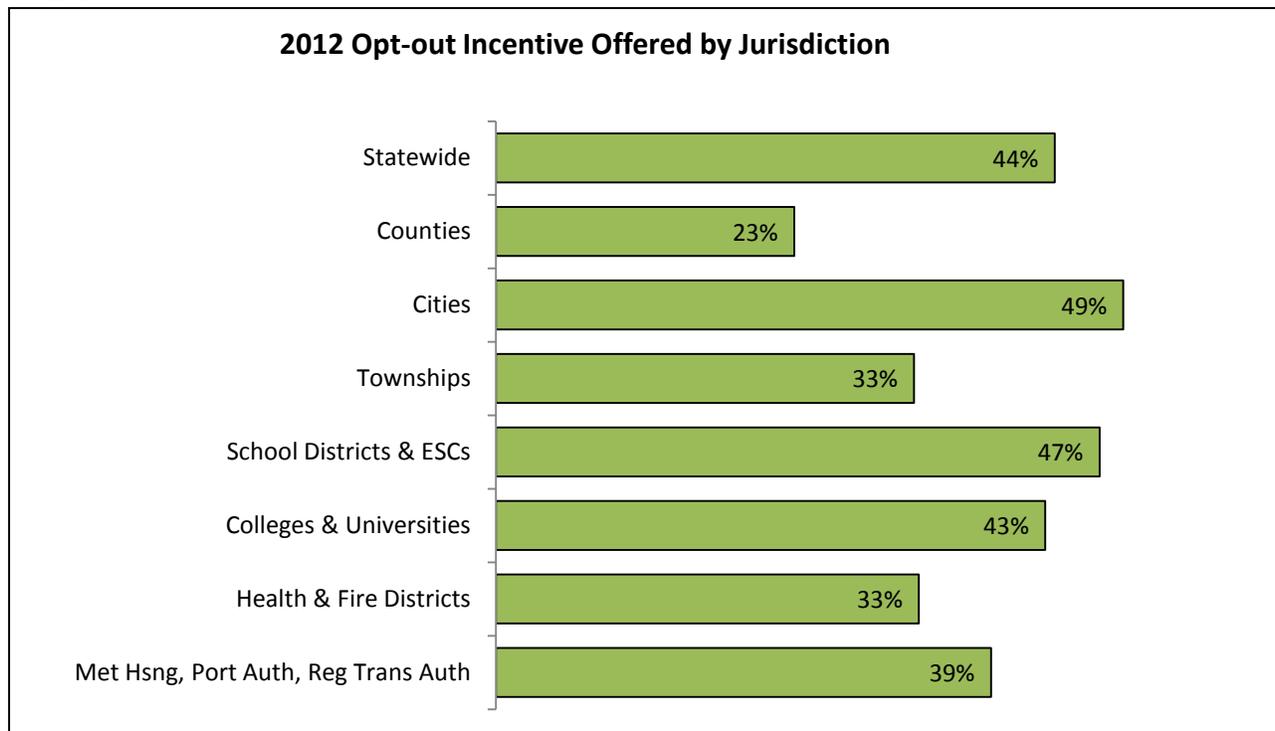
Methods to Lower Healthcare Costs

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

Incentive for Opting out of the Medical Plan

- ▶ The average number of jurisdictions statewide offering monetary incentives to employees that waive medical coverage increased two percentage points statewide since last year's survey.

Chart 7



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

| 2012 Annual Incentive Offered to Employees for Opting Out of Medical Coverage | | | | |
|--|--------------------------|-------------------------|--------------------------|----------------------------|
| Opt-out group | Average Incentive | Median Incentive | Maximum Incentive | Number of Employers |
| Single | \$1,392 | \$1,200 | \$5,511 | 416 |
| Single + 1 | \$1,624 | \$1,200 | \$9,600 | 146 |
| Single & child | \$1,646 | \$1,444 | \$9,600 | 169 |
| Single & spouse | \$1,768 | \$1,500 | \$9,600 | 171 |
| Family | \$1,990 | \$1,600 | \$10,837 | 474 |

Spousal Restrictions

About 37% (n = 425) of employers who completed the survey report they have some type of spousal stipulation for employees whose spouses have other means of medical coverage. Spousal Restrictions have increased since last year's report. Jurisdictional breakdown is illustrated below in Chart 8.

Chart 8

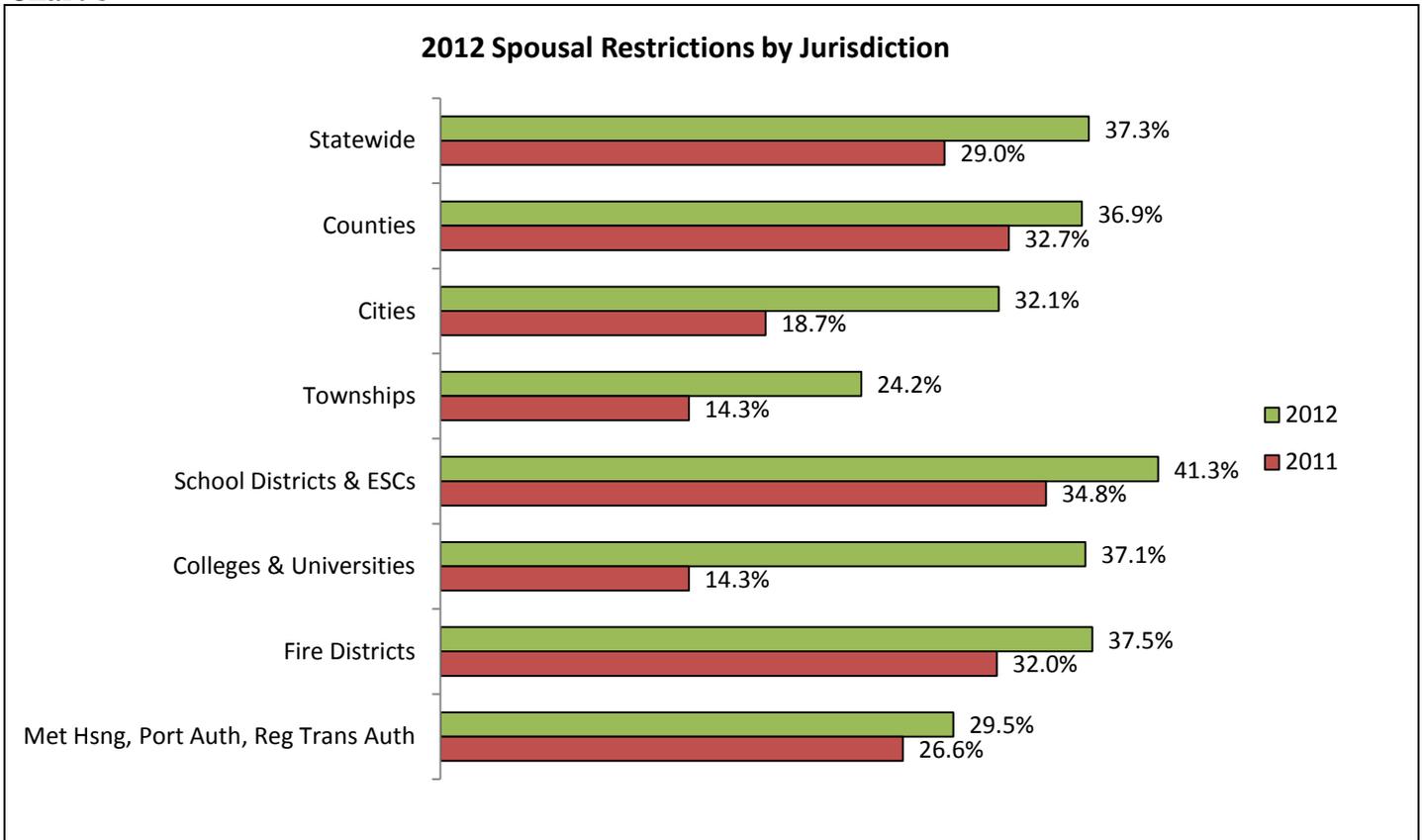
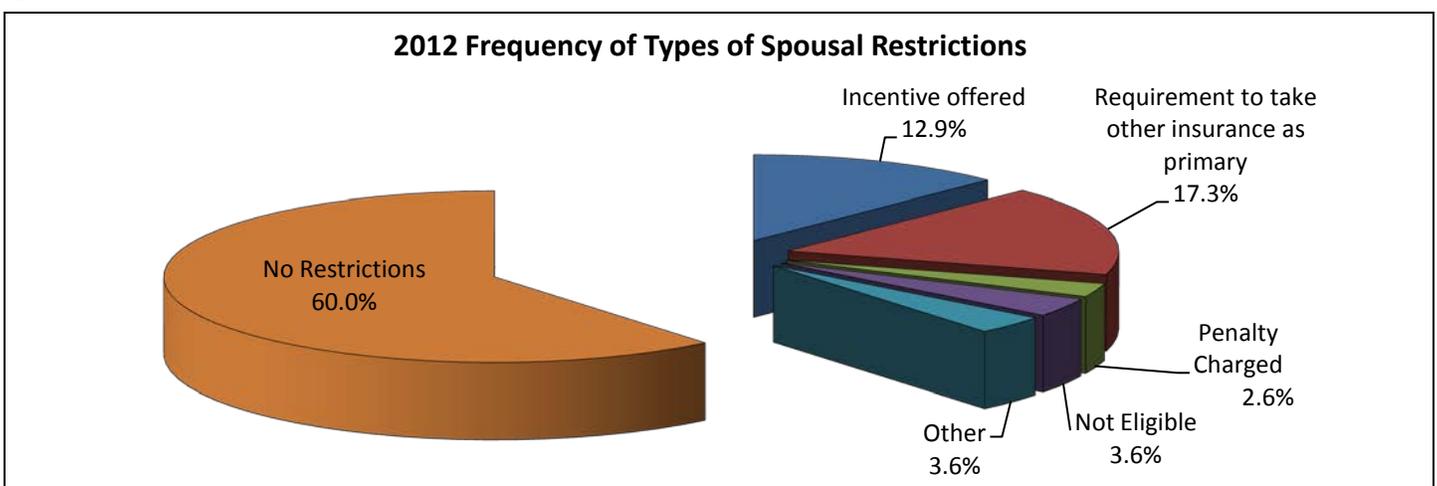


Chart 9 illustrates the frequency of the type of spousal restriction for those jurisdictions that have spousal restrictions.

Chart 9

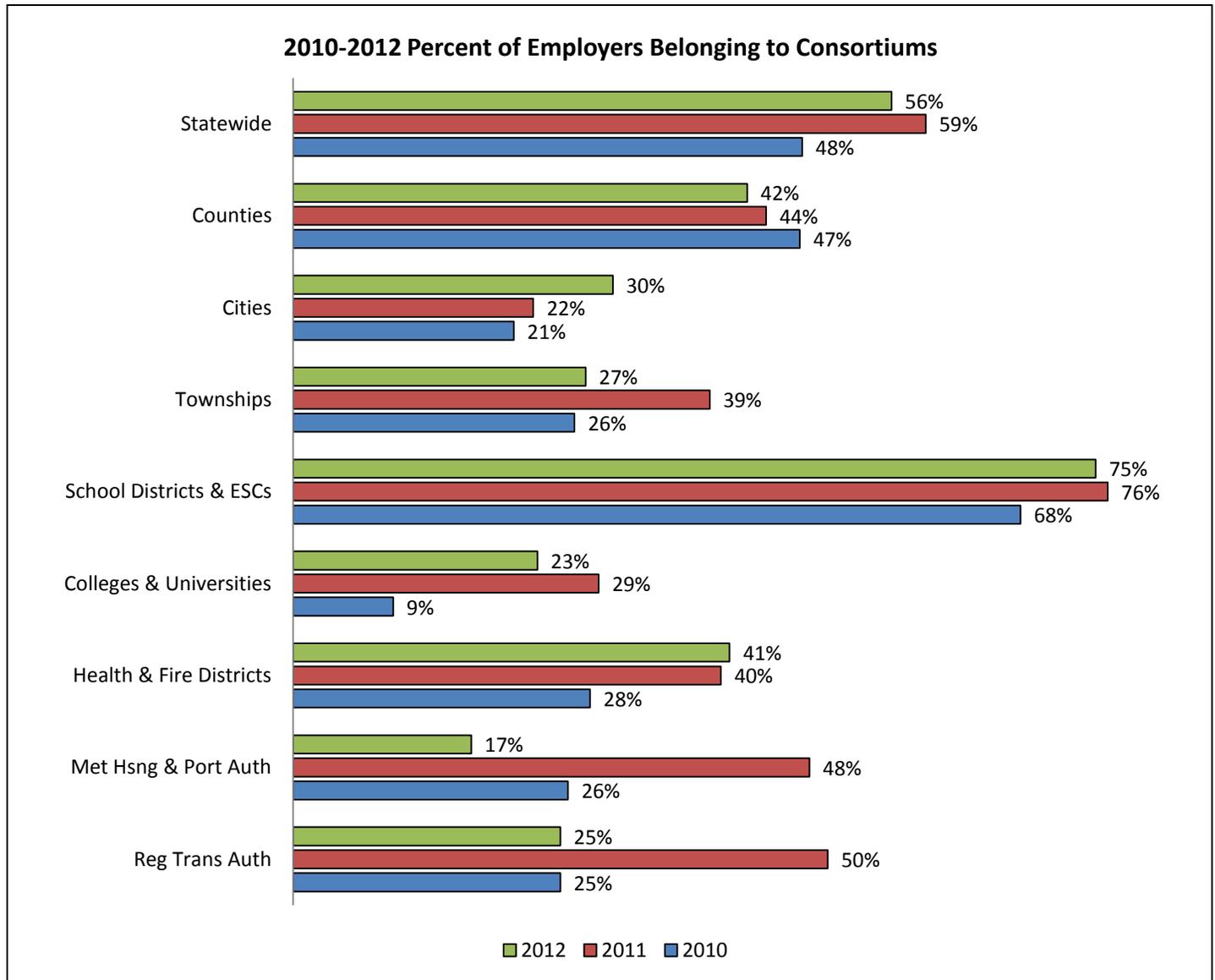


- ▶ The majority of jurisdictions that report having spousal restrictions stipulate that if an employee's spouse has medical coverage through their own employer, the spouse must use their employer's insurance as their primary form of coverage.

Joint Purchasing Arrangements

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

Chart 10



- ▶ Statewide, consortium membership decreased by three percentage points.
- ▶ Cities have the lowest participation in consortiums; however, the largest increase in consortiums between 2011 and 2012 is in this group.
- ▶ School districts still have the highest consortia membership. Joint purchasing was part of the School Employees' Health Care Board's "Best Practices," explaining the much higher frequency of consortium membership for schools and ESCs.

High Deductible Health Plans

As illustrated in Table 2, High Deductible Health Plans (HDHP) are growing in popularity (22.3% of medical plans) as they feature lower premiums compared to other managed care and traditional indemnity plans.

Many HDHPs are coupled with Health Savings Accounts (HSAs) or Health Reimbursement Arrangements (HRAs) that the employer partially or fully funds. Charts 11 and 12 illustrate employer contributions to employee deductibles for HSA eligible medical plans.

Chart 11

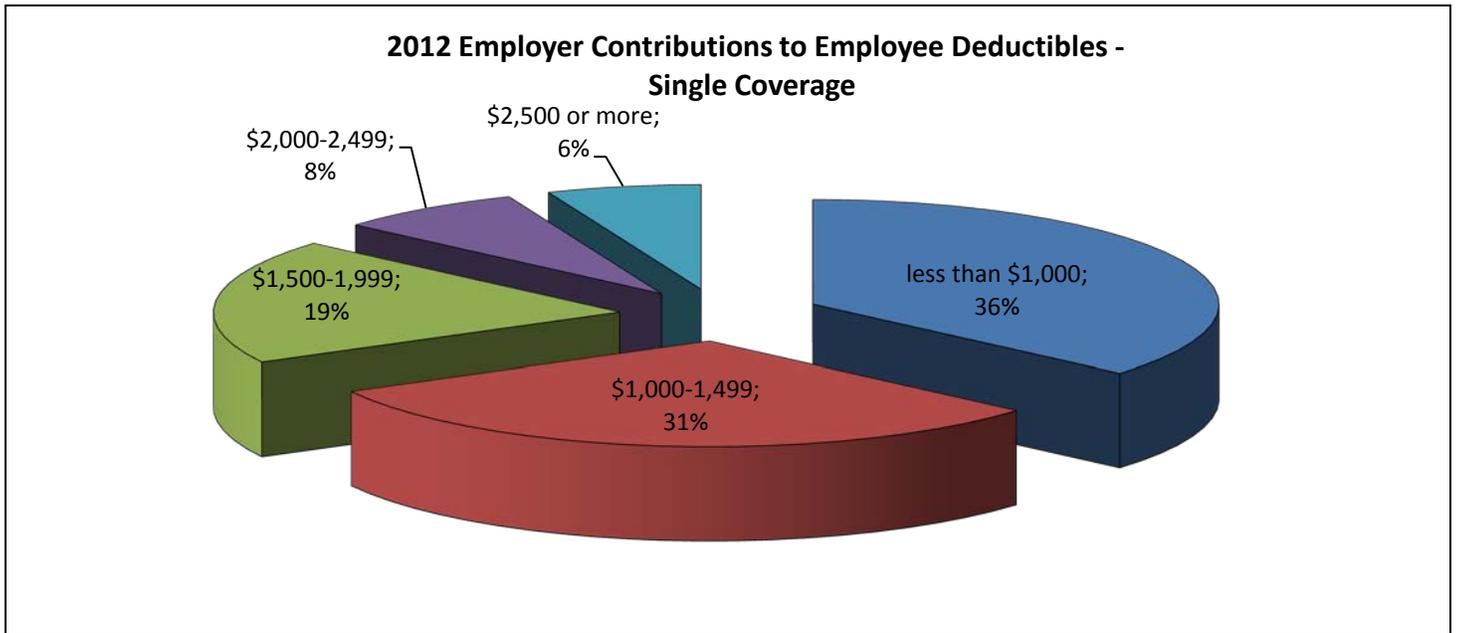
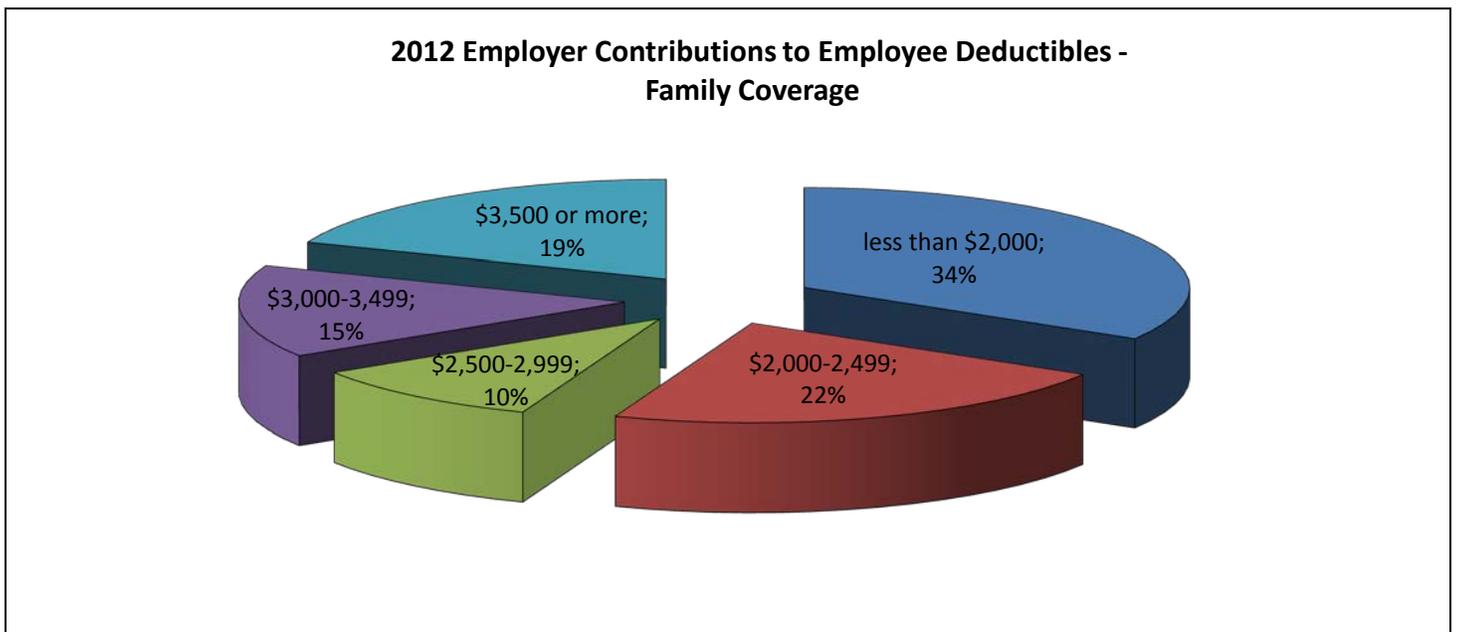


Chart 12

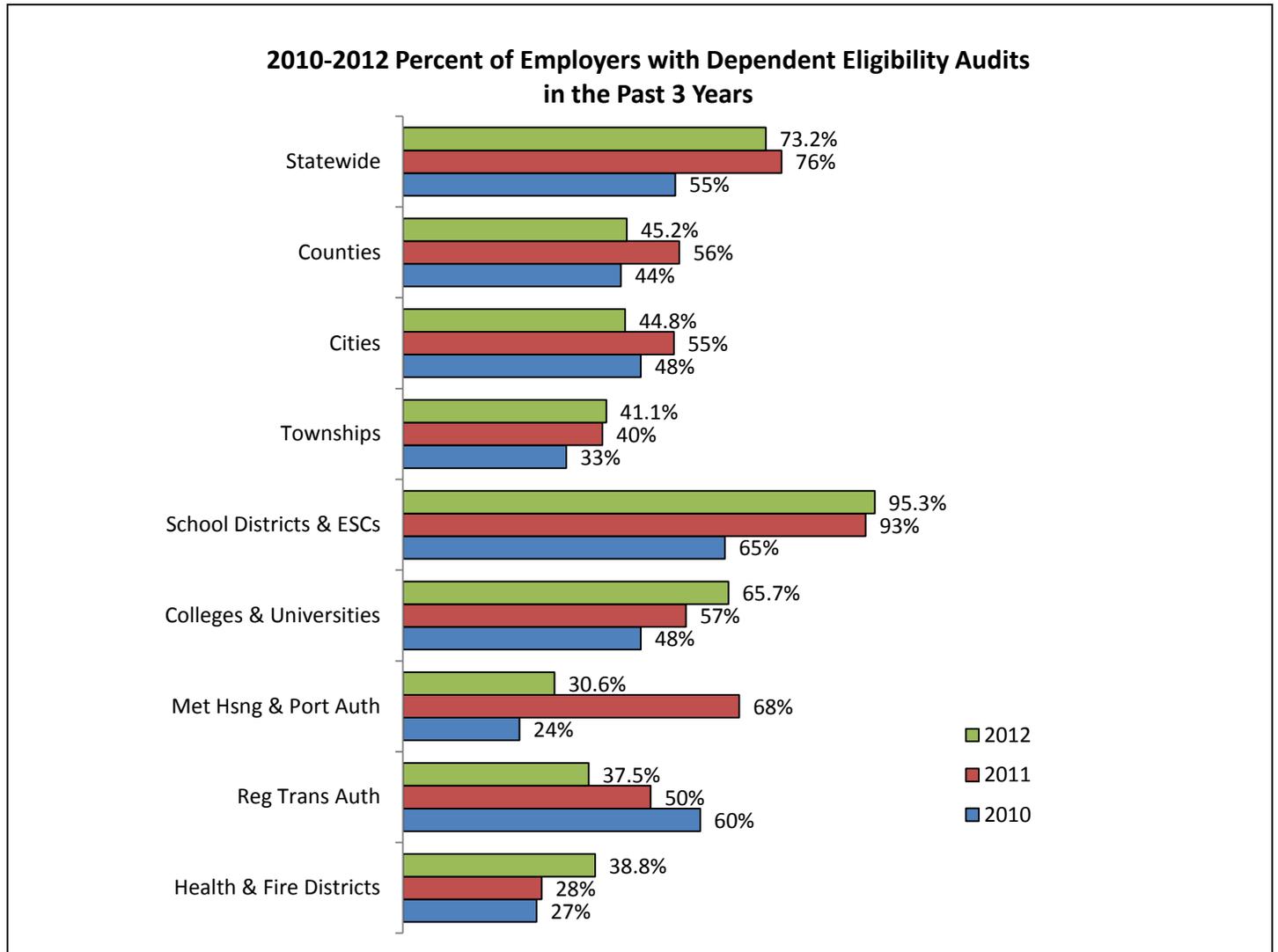


Dependent Eligibility Audits

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 the last two years’ reports are also presented.

Chart 13

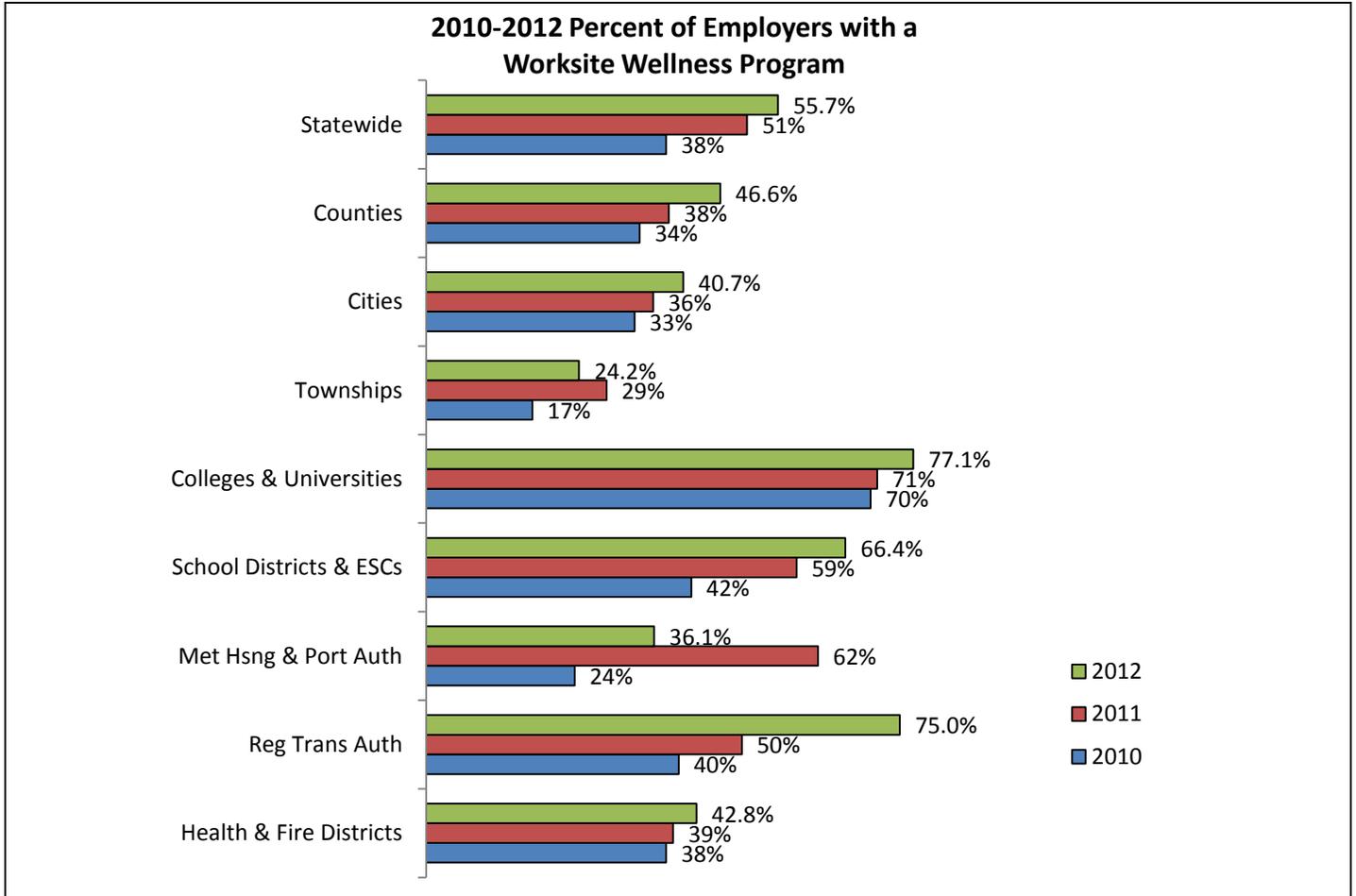


- ▶ Statewide, between 2011 and 2012, there was a 2.8 percentage point decrease in the percent of employers conducting a dependent eligibility audit sometime over the past three years.
- ▶ School districts and ESCs are most likely to report having conducted a DEA; this is also part of the “Best Practices” adapted by the School Employees’ Health Care Board.
- ▶ Fire and Health Districts exhibit the largest increase in DEAs in 2012, with a 10.8 percentage point increase in the percent reporting having an audit in the past three years, as compared to 2011.

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



- ▶ More than half (55.7%) of employers responding to the survey report having some type of worksite wellness program, which is a 4.7 percentage point increase since the 2011 report.
- ▶ Colleges & Universities have the highest frequency of worksite wellness programs.
- ▶ Townships remain as the jurisdiction with the lowest incidence of worksite wellness programs, probably due to their small size.

Table 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

| 2012 Frequency of Wellness Program Components | | | | |
|---|--|----------------|-------------|-------------|
| Program Component | Examples | Percent | | |
| | | 2010 | 2011 | 2012 |
| Health Education | Education or counseling opportunities relative to physical activity, workplace injury prevention | 84% | 81% | 73% |
| Supportive Social & Physical Work Environment | Policies against tobacco use, classes or counseling on nutrition or fitness | 74% | 80% | 68% |
| Integration of Worksite Program into Organization's Structure | Dedicated staff, office, or budget | 35% | 33% | 29% |
| Related Programs | Employee assistance, work/family, occupational safety and health programs, etc | 59% | 50% | 50% |
| Screening Programs | Blood pressure, blood cholesterol screening programs | 82% | 85% | 86% |

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

| 2012 Average Monthly Employee Contributions to Medical Premiums When a Contribution is Required | | | | | | | |
|--|----------------------|---------------------|-------------------|----------------------|---------------------|-------------------|--|
| Comparison Group | Single | | | Family | | | |
| | Dollar Amount | % of Premium | # of plans | Dollar Amount | % of Premium | # of plans | |
| STATEWIDE | \$63 | 12.3% | 1,322 | \$173 | 12.9% | 1,368 | |
| State of Ohio | \$70 | 15.0% | 1 | \$205 | 15.8% | 1 | |
| Counties | \$69 | 13.9% | 107 | \$202 | 15.0% | 108 | |
| Less than 50,000 | \$77 | 15.5% | 38 | \$227 | 16.9% | 38 | |
| 50,000 - 149,999 | \$69 | 13.9% | 41 | \$201 | 14.7% | 41 | |
| 150,000 or more | \$59 | 12.0% | 28 | \$170 | 12.7% | 29 | |
| Cities | \$57 | 11.0% | 197 | \$150 | 10.8% | 206 | |
| Less than 25,000 | \$57 | 10.9% | 148 | \$152 | 10.8% | 156 | |
| 25,000 - 99,999 | \$59 | 11.5% | 42 | \$149 | 10.8% | 43 | |
| 100,000 or more | \$55 | 11.5% | 7 | \$120 | 10.0% | 7 | |
| Townships | \$42 | 9.3% | 46 | \$114 | 8.4% | 54 | |
| Less than 10,000 | \$46 | 10.6% | 19 | \$125 | 9.0% | 26 | |
| 10,000 - 29,999 | \$30 | 6.7% | 19 | \$81 | 6.1% | 20 | |
| 30,000 or more | \$61 | 12.2% | 8 | \$159 | 12.0% | 8 | |
| School Districts & ESCs | \$61 | 12.0% | 750 | \$168 | 12.8% | 775 | |
| Less than 1,000 | \$63 | 12.2% | 183 | \$167 | 12.8% | 198 | |
| 1,000 - 2,499 | \$61 | 11.9% | 339 | \$167 | 12.6% | 346 | |
| 2,500 - 9,999 | \$60 | 12.1% | 206 | \$166 | 12.9% | 209 | |
| 10,000 or more | \$58 | 11.9% | 22 | \$214 | 15.4% | 22 | |
| Colleges & Universities | \$73 | 14.0% | 70 | \$205 | 14.2% | 72 | |
| Health & Fire Districts | \$75 | 14.7% | 45 | \$236 | 17.6% | 46 | |
| Metro Housing, Port Auth, & Reg Trans Auth | \$65 | 12.9% | 48 | \$170 | 12.5% | 48 | |
| REGION | | | | | | | |
| 1 - Akron/Canton | \$48 | 10.3% | 167 | \$120 | 10.5% | 169 | |
| 2 - Cincinnati | \$60 | 12.6% | 157 | \$178 | 13.7% | 161 | |
| 3 - Cleveland | \$53 | 10.7% | 202 | \$134 | 10.3% | 202 | |
| 4 - Columbus | \$76 | 13.9% | 228 | \$221 | 15.1% | 231 | |
| 5 - Dayton | \$78 | 15.4% | 172 | \$207 | 15.6% | 187 | |
| 6 - Southeast Ohio | \$73 | 12.5% | 103 | \$204 | 13.9% | 110 | |
| 7 - Toledo | \$62 | 12.4% | 203 | \$177 | 13.4% | 214 | |
| 8 - Warren/Youngstown | \$44 | 8.8% | 90 | \$110 | 8.5% | 94 | |
| EMPLOYEES COVERED | | | | | | | |
| 1 - 49 | \$65 | 13.2% | 196 | \$192 | 14.1% | 210 | |
| 50 - 99 | \$62 | 12.0% | 208 | \$167 | 12.5% | 217 | |
| 100 - 149 | \$61 | 11.8% | 234 | \$164 | 12.3% | 246 | |
| 150 - 249 | \$66 | 12.5% | 246 | \$178 | 13.3% | 252 | |
| 250 - 499 | \$60 | 11.8% | 262 | \$163 | 12.3% | 265 | |
| 500 - 999 | \$60 | 12.4% | 101 | \$163 | 12.9% | 103 | |
| 1,000 or more | \$65 | 13.3% | 75 | \$192 | 13.8% | 75 | |

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

| 2012 Average Employer Contributions to Medical/Prescription Premiums | | | | | | |
|---|---|-------------------|---------------|-------------------|--|---------------|
| Comparison Group | Average Monthly Employer Contributions to Medical Premiums | | | | Percent of Premium Paid By Employer | |
| | Single | # of plans | Family | # of plans | Single | Family |
| STATEWIDE | \$451 | 1,336 | \$1,181 | 1,342 | 89.5% | 88.5% |
| State of Ohio | \$395 | 1 | \$1,087 | 1 | 84.9% | 84.2% |
| Counties | \$431 | 100 | \$1,146 | 99 | 86.9% | 85.7% |
| Less than 50,000 | \$443 | 39 | \$1,144 | 38 | 85.8% | 84.5% |
| 50,000 - 149,999 | \$417 | 38 | \$1,116 | 38 | 86.7% | 85.6% |
| 150,000 or more | \$432 | 23 | \$1,201 | 23 | 88.8% | 87.7% |
| Cities | \$474 | 230 | \$1,256 | 231 | 91.5% | 91.7% |
| Less than 25,000 | \$475 | 171 | \$1,256 | 173 | 91.6% | 91.7% |
| 25,000 - 99,999 | \$460 | 54 | \$1,263 | 53 | 91.4% | 91.5% |
| 100,000 or more | \$589 | 5 | \$1,188 | 5 | 90.0% | 90.7% |
| Townships | \$468 | 90 | \$1,318 | 97 | 95.8% | 95.3% |
| Less than 10,000 | \$512 | 47 | \$1,376 | 53 | 96.8% | 95.6% |
| 10,000 - 29,999 | \$422 | 33 | \$1,276 | 34 | 96.1% | 96.4% |
| 30,000 or more | \$413 | 10 | \$1,154 | 10 | 90.2% | 90.4% |
| School Districts & ESCs | \$450 | 693 | \$1,137 | 693 | 89.2% | 87.6% |
| Less than 1,000 | \$441 | 188 | \$1,110 | 188 | 89.5% | 87.9% |
| 1,000 - 2,499 | \$461 | 301 | \$1,161 | 301 | 89.4% | 87.9% |
| 2,500 - 9,999 | \$438 | 179 | \$1,116 | 179 | 88.5% | 87.0% |
| 10,000 or more | \$474 | 25 | \$1,203 | 25 | 89.5% | 86.4% |
| Colleges & Universities | \$444 | 67 | \$1,235 | 69 | 86.0% | 86.0% |
| Health Districts | \$444 | 48 | \$1,211 | 46 | 86.7% | 86.1% |
| Fire Districts | \$392 | 6 | \$1,150 | 5 | 93.7% | 93.6% |
| Metro Housing Authorities | \$427 | 37 | \$1,146 | 36 | 88.9% | 87.9% |
| Port Authorities | \$475 | 4 | \$1,339 | 4 | 88.8% | 89.0% |
| Regional Transit Authorities | \$519 | 9 | \$1,506 | 9 | 90.8% | 92.0% |

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

Table 13

| 2012 Dental Premiums - Median Total Premium and Employee and Employer Share | | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-------------------|----------------------|-----------------------|-----------------------|-------------------|------------------------------|-------------------|
| Comparison Group | Single | | | | Family | | | | Dental Composite Rate | |
| | Total Single Premium | Employee Share | Employer Share | # of plans | Total Premium | Employee Share | Employer Share | # of plans | Rate | # of plans |
| STATEWIDE | \$29.70 | \$4.50 | \$27.31 | 691 | \$83.90 | \$13.70 | \$76.23 | 693 | \$73.54 | 219 |
| State of Ohio | \$31.26 | - | \$31.26 | 1 | 90.57 | - | \$90.57 | 1 | - | - |
| Counties | \$24.71 | \$15.28 | \$21.04 | 47 | \$78.51 | \$48.04 | \$57.82 | 47 | \$51.80 | 1 |
| Cities | \$27.26 | \$5.77 | \$25.84 | 100 | \$81.97 | \$32.00 | \$72.67 | 100 | \$75.00 | 18 |
| Townships | \$25.89 | \$2.90 | \$25.89 | 60 | \$84.88 | \$9.72 | \$84.86 | 62 | \$77.67 | 5 |
| School Districts & ESCs | \$31.29 | \$4.00 | \$29.39 | 410 | \$85.00 | \$11.30 | \$76.95 | 410 | \$74.00 | 189 |
| Colleges & Universities | \$27.40 | \$4.16 | \$23.89 | 27 | \$82.63 | \$19.00 | \$76.29 | 27 | \$70.77 | 3 |
| Special Districts | \$26.92 | \$15.04 | \$25.25 | 46 | \$82.74 | \$41.28 | \$75.98 | 46 | \$38.50 | 3 |
| REGION | | | | | | | | | | |
| 1 - Akron/Canton | \$38.87 | \$5.82 | \$37.63 | 107 | \$97.56 | \$13.33 | \$96.90 | 108 | \$64.57 | 12 |
| 2 - Cincinnati | \$29.00 | \$4.80 | \$27.84 | 82 | \$85.33 | \$14.79 | \$80.11 | 83 | \$75.00 | 36 |
| 3 - Cleveland | \$29.46 | \$3.70 | \$27.84 | 107 | \$86.06 | \$10.94 | \$80.17 | 107 | \$74.90 | 19 |
| 4 - Columbus | \$29.34 | \$5.92 | \$26.60 | 119 | \$83.51 | \$24.71 | \$66.50 | 119 | \$74.00 | 44 |
| 5 - Dayton | \$26.95 | \$4.90 | \$24.82 | 103 | \$77.05 | \$13.40 | \$67.00 | 103 | \$72.53 | 15 |
| 6 - Southeast Ohio | \$25.21 | \$3.25 | \$25.18 | 50 | \$69.06 | \$12.28 | \$61.81 | 50 | \$56.82 | 25 |
| 7 - Toledo | \$29.78 | \$5.00 | \$26.90 | 70 | \$88.13 | \$17.67 | \$76.36 | 70 | \$70.77 | 60 |
| 8 - Warren/Youngstown | \$31.17 | \$2.93 | \$30.61 | 53 | \$89.02 | \$8.10 | \$81.97 | 53 | \$72.93 | 8 |
| EMPLOYEES COVERED | | | | | | | | | | |
| 1 - 49 | \$25.89 | \$13.07 | \$25.84 | 124 | \$81.35 | \$32.00 | \$73.71 | 126 | \$69.93 | 16 |
| 50 - 99 | \$28.27 | \$4.22 | \$26.80 | 103 | \$82.74 | \$12.48 | \$74.18 | 103 | \$70.77 | 38 |
| 100 - 149 | \$30.00 | \$4.51 | \$27.52 | 116 | \$85.04 | \$13.33 | \$76.21 | 116 | \$74.66 | 49 |
| 150 - 249 | \$29.91 | \$4.32 | \$27.54 | 129 | \$80.77 | \$11.85 | \$70.02 | 129 | \$74.66 | 55 |
| 250 - 499 | \$32.00 | \$4.06 | \$28.82 | 134 | \$85.66 | \$11.99 | \$77.20 | 134 | \$73.00 | 39 |
| 500 - 999 | \$32.60 | \$3.91 | \$31.19 | 55 | \$89.62 | \$10.57 | \$84.84 | 55 | \$74.00 | 13 |
| 1,000 or more | \$30.04 | \$4.48 | \$27.70 | 30 | \$86.16 | \$16.72 | \$79.31 | 30 | \$82.71 | 9 |

Table 14

| 2012 Vision Premiums - Median Total Premium and Employee and Employer Share | | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-------------------|----------------------|-----------------------|-----------------------|-------------------|-------------------------|-------------------|
| Comparison Group | Single | | | | Family | | | | Vision Composite | |
| | Total Single Premium | Employee Share | Employer Share | # of plans | Total Premium | Employee Share | Employer Share | # of plans | Rate | # of plans |
| STATEWIDE | \$8.03 | \$2.48 | \$7.25 | 516 | \$20.13 | \$8.06 | \$16.90 | 517 | \$16.81 | 95 |
| State of Ohio | - | - | - | - | - | - | - | - | \$20.77 | 1 |
| Counties | \$8.01 | \$5.61 | \$6.41 | 31 | \$18.20 | \$13.00 | \$15.21 | 31 | \$9.07 | 2 |
| Cities | \$7.69 | \$5.35 | \$6.75 | 62 | \$18.56 | \$15.44 | \$16.64 | 63 | \$16.78 | 14 |
| Townships | \$7.83 | \$6.22 | \$7.83 | 35 | \$25.22 | \$13.70 | \$24.64 | 36 | \$20.00 | 9 |
| School Districts & ESCs | \$8.50 | \$1.78 | \$7.25 | 335 | \$20.59 | \$4.53 | \$16.75 | 337 | \$15.19 | 63 |
| Colleges & Universities | \$7.27 | \$1.78 | \$6.25 | 22 | \$18.49 | \$11.61 | \$13.45 | 22 | \$19.17 | 2 |
| Special Districts | \$6.17 | \$5.96 | \$5.95 | 31 | \$15.64 | \$14.28 | \$12.34 | 28 | \$19.37 | 4 |
| REGION | | | | | | | | | | |
| 1 - Akron/Canton | \$9.54 | \$1.65 | \$9.01 | 58 | \$25.22 | \$4.04 | \$22.23 | 59 | \$10.00 | 7 |
| 2 - Cincinnati | \$7.25 | \$6.42 | \$6.30 | 54 | \$17.52 | \$16.64 | \$15.20 | 57 | \$15.19 | 13 |
| 3 - Cleveland | \$6.87 | \$0.85 | \$6.32 | 82 | \$17.42 | \$2.06 | \$15.51 | 81 | \$16.73 | 11 |
| 4 - Columbus | \$8.89 | \$5.77 | \$7.66 | 95 | \$22.30 | \$14.06 | \$16.90 | 94 | \$17.37 | 34 |
| 5 - Dayton | \$7.25 | \$2.10 | \$7.25 | 59 | \$18.69 | \$7.09 | \$16.00 | 59 | \$23.14 | 10 |
| 6 - Southeast Ohio | \$8.18 | \$1.75 | \$7.68 | 48 | \$19.93 | \$5.18 | \$15.68 | 48 | \$16.04 | 12 |
| 7 - Toledo | \$8.95 | \$1.94 | \$7.79 | 82 | \$20.72 | \$5.00 | \$17.26 | 81 | \$16.05 | 3 |
| 8 - Warren/Youngstown | \$7.20 | \$0.92 | \$6.78 | 38 | \$18.74 | \$2.24 | \$17.50 | 38 | \$8.03 | 5 |
| EMPLOYEES COVERED | | | | | | | | | | |
| 1 - 49 | \$8.03 | \$5.95 | \$7.83 | 98 | \$21.61 | \$13.12 | \$20.10 | 97 | \$18.66 | 12 |
| 50 - 99 | \$8.72 | \$1.94 | \$7.43 | 71 | \$21.72 | \$4.19 | \$18.26 | 71 | \$16.25 | 17 |
| 100 - 149 | \$8.72 | \$2.01 | \$8.01 | 87 | \$19.94 | \$4.68 | \$17.20 | 88 | \$18.36 | 23 |
| 150 - 249 | \$8.09 | \$1.86 | \$7.00 | 108 | \$19.13 | \$5.71 | \$15.42 | 108 | \$15.00 | 19 |
| 250 - 499 | \$7.28 | \$3.51 | \$6.93 | 97 | \$18.83 | \$9.47 | \$15.35 | 98 | \$16.30 | 16 |
| 500 - 999 | \$7.60 | \$2.19 | \$5.30 | 31 | \$18.08 | \$5.64 | \$12.52 | 31 | \$9.36 | 3 |
| 1,000 or more | \$6.18 | \$1.34 | \$4.81 | 24 | \$18.05 | \$8.12 | \$11.75 | 24 | \$10.28 | 5 |

BOARD OF DEVELOPMENTAL DISABILITIES INSURANCE REPORT

This was the first year that the Board of Developmental Disabilities was surveyed to provide their insurance information. Sixty-two Board of Developmental Disability employers completed the survey. Statistics in this section represent 7,297 public employees. When analyzing the data, it was determined that many of the Board of Developmental Disability insurance plans were also reported in the county survey responses. Therefore, the Board of Developmental Disability comparison tables have been excluded from this report. Additional data is available upon request.

The following statistics directly relate to Board of Developmental Disabilities.

- ▶ Statewide, the average monthly premium for medical and prescription coverage, when prescription is included in the medical premium^{vi}, is \$525 for single coverage and \$1,441 for family coverage.
- ▶ Average employee contributions to bundled medical premiums, that include prescription drug coverage, are \$62 for single coverage and \$199 for family coverage.
- ▶ For plans that have prescription coverage included as part of the medical premium, the average total annual premium for medical and prescription coverage only is \$11,941.
- ▶ For medical plans where prescription drug is purchased separately from medical coverage, the average medical and prescription premiums increase to \$527 for single and \$1,445 for family coverage.
- ▶ The average annual cost to employers per employee for medical coverage, when prescription drug is included in the premium, is \$10,404.
- ▶ When employees pay a portion of the premium, the average employee monthly contribution is \$68 for single and \$214 for family coverage.
- ▶ The vast majority of medical premiums (95.0%) include prescription benefits. In 5.0% of plans, prescription benefits are carved-out.
- ▶ In some cases, dental (4.5%) or vision (10.5%) benefits are included in the medical premium package.
- ▶ Statewide average co-payments are \$20 for office visits (non-specialist), \$100 for emergency room visits (sometimes waived if admitted), and \$35 for urgent care visits.
- ▶ The vast majority of plans (96.7%) require a deductible before cost-sharing of out-of-pocket medical expenses begins.
- ▶ Most jurisdictions (95.6%) offer an option for dental benefits. The majority of jurisdictions that offer dental coverage (95.5%) do so via a carve-out plan separate from the medical premium.
- ▶ Dental maximums range widely - from \$750 to \$4,000. The majority (61.0%) of jurisdictions with dental coverage have dental maximums of \$1,000 per person covered.
- ▶ A little over three-quarters (82.6%) of jurisdictions offer some level of vision coverage. Of the jurisdictions offering vision coverage, most jurisdictions (81.6%) do so via a separate, carve-out plan.

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, co-payment, or co-insurance associated with use of non-panel providers.” (National Center for Health Statistics, Center for Disease Control. <http://www.cdc.gov/nchs/datawh/nchsdefs/hmo.htm>. Retrieved on 6 February 2008).
- **Point of Service (POS):** “A point-of-service plan (POS) is a type of managed care plan that is a hybrid of HMO and PPO plans. Like an HMO, participants designate an in-network physician to be their primary care provider. But like a PPO, patients may go outside of the provider network for health care services. When patients venture out of the network, they'll have to pay most of the cost, unless the primary care provider has made a referral to the out-of-network provider. Then the medical plan will pick up the tab.” (California Healthcare Foundation. <http://www.healthcoverageguide.org/ReferenceGuide/Coverage-Types/Point-of-Service-Plan-POS.aspx>. Retrieved on 6 February 2008).
- **Consumer-Driven Health Plan (CDHP):** Also sometimes referred to as High Deductible Health Plans (HDHPs). These are health plans with high deductibles (\$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 (HDHPs) to help pay for unreimbursed medical expenses. Contributions to HSAs may be received from employers, individuals or any combination of both. Employer contributions are excludable from income and individual contributions are deductible, regardless of whether or not a taxpayer itemizes deductions. Annual contributions are limited to a statutory level and out-of-pocket maximums are limited, but individuals age 55 and over with accounts can make additional contributions. HSAs are portable and funds carry over to subsequent years.” (National Association of Health Underwriters. <http://www.nahu.org/legislative/MSAs/HSAs-HSSAs/index.cfm> Retrieved 13 May 2009.)
- **Health Reimbursement Account (HRA):** Like an HSA, an HRA is a tax-advantaged personal savings account where monies can be used to pay for medical expenses prior to the deductible being met and for any other out-of-pocket medical expenses. Unlike HSAs, an employee does not have to be enrolled in a CDHP/HDHP to qualify for an HRA, though they typically are. HRAs can only be funded by the employer, and they are not portable should the employee change health plans and/or employers. (Internal Revenue Service. “Health Savings Accounts and Other Tax-Favored Health Plans.” <http://www.irs.ustreas.gov/pub/irs-pdf/p969.pdf> Retrieved 13 May 2009.)

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END NOTES

ⁱ For the 19 jurisdictions that we could not locate email addresses for, letters with links to the survey website were sent via postal mail.

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

$$n = \frac{Npq}{(N-1)D + pq} \quad N=1383, p=.5, B=.05$$

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

The bound (B) utilized was .05, while p was replaced with the most conservative estimate, .5. Solving for n results in a necessary sample size of 310. Sample sizes necessary for individual entities (i.e. cities, school districts) are available upon request.

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

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