

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

**2014**

**22<sup>nd</sup> 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 (2014 Report). In its 22<sup>nd</sup> year, the purpose of this project is to provide data on various aspects of health insurance, plan design, and cost for government entities. Our goal is to provide constituents with statistics that may be useful for the employer and employee organizations, and to promote orderly and constructive relationships between public employers and their employees.

The original 2014 health insurance survey was web-based, although 5.1% (n=63) of respondents completed a paper form. The on-line survey was designed by SERB utilizing Novi Survey On Demand Edition ([www.novisurvey.com](http://www.novisurvey.com)). Pre-testing was conducted to ensure reliability of the survey instrument with regard to question and response wording and overall format. Survey question content alterations from the 2013 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 2014 Health Insurance Survey was created and dispersed using Novi Survey, an on-line survey tool. SERB emailed or mailed links of the 2014 Health Insurance Survey to 1,327 governmental jurisdictions via email or postal mail<sup>i</sup> on or around January 13, 2014, requesting completion of the survey by March 1, 2014. The target survey population included:

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

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

Just under ninety-three percent (n=1,231) of public employers that received a survey submitted a completed response. Fifteen employers responded that they did not offer insurance. Statistics in this report represent about 392,304 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 308.<sup>ii</sup> With a response rate of 92.8%, statistics presented in this report are representative of various aspects of public employee medical care in the State of Ohio.

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

Data are presented in several tables that are found throughout the body of the report. All benefit information is presented for single and family coverage. Data have been collected on other coverage types (single + 1, single & child, and single & spouse). Due to the sparse distribution of these coverage types, these categories will not be presented this year in all tables.<sup>iii</sup> Please keep in mind that the survey is representative of public sector medical insurance plans in effect on January 1, 2014.

## SUMMARY OF KEY FINDINGS

- ▶ Statewide, the average monthly premium for medical and prescription coverage, when prescription is included in the medical premium<sup>iv</sup>, is \$546 for single coverage and \$1,432 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, 2013 and January 1, 2014 is 5.0% for single coverage and 4.5% for family coverage (Table 3.2).
- ▶ Average monthly employee contributions to bundled medical premiums, including prescription drug coverage, are \$66 for single coverage and \$187 for family coverage. Employee premium contributions for single coverage rose 11.9% from last year and employee contributions for family coverage rose 12.7% 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 \$480 for single coverage and \$1,247 for family coverage. Employer premium contributions for single coverage increased 4.1% from last year and employer contributions for family premiums increased 4.0% (Table 16.2 found in the appendix).
- ▶ The average annual total cost per employee for medical coverage, when prescription drug is included in the premium, is \$13,200. This is a 3.5% increase from the average total cost in 2013<sup>1</sup> (Table 6).
- ▶ For medical plans where prescription drug is purchased separately from medical coverage, the average monthly medical and prescription premiums increase to \$610 for single and \$1,481 for family coverage. This is a 1.8% increase for single and a 4.4% increase for family over last year.
- ▶ For plans that have prescription coverage included as part or separate from the medical premium, the average annual cost for medical and prescription coverage is \$11,460, which is a 3.1% increase from 2013<sup>2</sup> (Table 3.1 Statewide PEPM x 12).
- ▶ The vast majority of medical plans require employees to contribute a portion of the medical premium cost. For 2014, only 11.7% of single medical plans and 9.6% 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 \$72 for single and \$199 for family coverage. This represents an increase in premium cost to employees of 9.1% for single coverage and 8.2% for employees with family coverage from 2013. Calculations exclude employees who contribute \$0 towards the medical premium (Table 16.1 found in the appendix).
- ▶ The vast majority of medical premiums (89.0%) include prescription benefits. In 9.0% of plans, prescription benefits are carved-out (Table 10).
- ▶ In some cases, dental (10.7%) or vision (12.0%) benefits are included in the medical premium package (Table 10).

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

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

- ▶ Statewide median co-payments are \$15 for office visits (non-specialist), \$50 for emergency room visits (sometimes waived if admitted), and \$25 for urgent care visits.
- ▶ The vast majority of plans (89.7%) require a deductible before cost-sharing of out-of-pocket medical expenses begins.
- ▶ Only 7.5% (n=138) of plans do not require employees to pay a deductible or co-insurance for medical coverage.
- ▶ Most jurisdictions (93.3%) offer an option for dental benefits. The majority of jurisdictions that offer dental coverage (82.6%) do so via a carve-out plan separate from the medical premium (Table 10).
- ▶ Dental maximums range widely - from \$450 to \$6,000. The majority (63.9%) of jurisdictions with dental coverage have dental maximums between \$1,000 and \$1,500 per person covered.
- ▶ Over three quarters (77.0%) of jurisdictions offer some level of vision coverage. Of the jurisdictions offering vision coverage, most jurisdictions (65.0%) do so via a separate, carve-out plan (Table 10).

## SUMMARY TABLES

### Survey Population Response Rates

Table 1 shows the percent of entities that completed and returned surveys for 2014 by jurisdiction. The response rate of the number of surveys completed and returned to SERB for 2013 are also included for comparison.

**Table 1**

Survey Response Rates by Jurisdiction						
	2013			2014		
	Surveys Sent	Surveys Completed	Response Rate	Surveys Sent	Surveys Completed	Response Rate
Counties	88	80	90.9%	88	81	92.0%
Cities	249	217	87.1%	251	226	90.0%
Townships	152	124 (4)	81.6%	152	122 (4)	80.3%
School Districts & Ed Svc Centers	720	700 (4)	97.2%	720	696 (5)	96.7%
Colleges & Universities	37	34	91.9%	37	34	91.9%
Fire Districts	18	16 (5)	88.9%	18	17 (5)	94.4%
Metropolitan Housing Authorities	40	37	92.5%	40	38	95.0%
Port Authorities	5	5	100.0%	5	3	60.0%
Regional Transit Authorities	15	12 (1)	80.0%	15	13 (1)	86.7%
State of Ohio	1	1	100.0%	1	1	100.0%
Overall Response Rate	1,325	1,226 (14)	92.5%	1,327	1,231 (15)	92.8%

Note: Number of surveys that do not offer insurance are in parenthesis. These values are included in the total number of surveys completed.

Note: Health Districts were not surveyed this year, since past surveys found majority were included in county submitted surveys.

The response rate for 2014 included 92.8% of all public jurisdictions responding to the health insurance survey. More than four-fifths of all jurisdictional sub-categories responded to the survey.

This year SERB received 1,231 completed surveys. The surveys collected data on 1,858 insurance plans. Twenty-two of these insurance plans stated a medical plan type of “other” during the survey and are omitted from all tables related to medical insurance plan types in this report. Fifteen employers reported that they do not offer insurance and are also omitted from all tables in this report.

**Table 1.1**

Total Insurance Plans Submitted by Plan Type		
	2013	2014
Traditional	28	26
Preferred Provider Organization (PPO)	1,302	1,230
Point of Service (POS)	42	36
Health Maintenance Organization (HMO)	76	62
High Deductible Health Plan (HDHP)	351	467
Other	10	22
No Insurance Offered	14	15
Total Plans	1,823	1,858

## Health Plans by Jurisdiction

**Table 2**

Percentage of Plan Types by Jurisdiction <sup>†</sup>								
	TRADITIONAL	PPO	POS	HMO	HDHP (no HSA)	HDHP (w/ HSA)	% Self-funded	n
STATEWIDE	1.4%	67.6%	2.0%	3.4%	10.5%	15.1%	68.3%	1,821
State of Ohio	-	100.0%	-	-	-	-	100.0%	1
Counties	-	65.5%	4.2%	5.6%	11.3%	13.4%	75.4%	142
Cities	1.2%	57.2%	0.3%	4.0%	10.8%	26.5%	47.4%	325
Townships	3.8%	40.5%	5.3%	1.5%	31.3%	17.6%	23.7%	131
School Districts & ESCs	1.4%	76.0%	1.6%	2.7%	6.9%	11.4%	82.5%	1,070
Colleges & Universities	-	65.7%	2.9%	7.1%	1.4%	22.9%	65.7%	70
Special Districts	2.4%	46.3%	3.7%	6.1%	30.5%	11.0%	26.8%	82
% Self-funded	69.2%	76.3%	55.5%	32.2%	42.1%	54.5%		
n	26	1,230	36	62	192	275		

<sup>†</sup> Plan types -Traditional; PPO: Preferred Provider Organization; POS: Point of Service; HMO: Health Maintenance Organization; HDHP: High Deductible Health Plan; HSA: Health Savings Account; n: number of plans  
 Note: Total number of plans excludes 15 plans stating no insurance offered and 22 plans stating plan type "other"

- ▶ Preferred Provider Organizations (PPOs) continue the status of most utilized plan type. PPOs represent 67.6% of all medical plans statewide.
- ▶ In jurisdictions that offer only one plan to employees, over three-quarters (75.9%) (564 of 743 plans) have PPOs.
- ▶ The frequency of high deductible health plans (HDHPs) has increased since the 2013 survey. HDHPs now make up 25.6% of plans statewide, compared to 21.0% in 2013. School districts remain the least likely to offer HDHPs to employees in 2014.
- ▶ Self-funded plans have increased 3.6% 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- 3.4.

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

<sup>3</sup> Of all plans statewide, 10.7% include dental benefits in the medical premium; 12.0% include vision (Table 10).



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

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

**Table 3.1**

<b>Average Monthly Medical and Prescription Premiums and Employer PEPM Costs <sup>†</sup></b>						
<b>Comparison Group</b>	<b>Average Medical &amp; Prescription Drug Premiums including separate drug plans</b>				<b>Total Employer Cost Per Month for Bundled Medical and Prescription</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Cost</b>	<b># of plans</b>
STATEWIDE	\$554	1,797	\$1,438	1,797	\$955	1,710
State of Ohio	\$511	1	\$1,413	1	\$936	1
Counties	\$566	141	\$1,510	140	\$873	142
Less than 50,000	\$601	49	\$1,630	48	\$858	50
50,000 - 149,999	\$561	55	\$1,482	55	\$900	55
150,000 or more	\$527	37	\$1,395	37	\$852	37
Cities	\$551	317	\$1,473	316	\$1,023	315
Less than 25,000	\$544	229	\$1,486	228	\$1,011	230
25,000 - 99,999	\$554	77	\$1,453	77	\$1,064	74
100,000 or more	\$683	11	\$1,347	11	\$1,002	11
Townships	\$534	119	\$1,426	121	\$1,019	125
Less than 10,000	\$551	64	\$1,412	66	\$1,004	69
10,000 - 29,999	\$531	42	\$1,482	42	\$1,074	43
30,000 or more	\$462	13	\$1,311	13	\$917	13
School Districts <sup>††</sup>	\$555	925	\$1,411	926	\$953	846
Less than 1,000	\$530	222	\$1,346	222	\$906	203
1,000 - 2,499	\$567	406	\$1,432	406	\$977	367
2,500 - 9,999	\$552	270	\$1,411	271	\$951	250
10,000 or more	\$619	27	\$1,624	27	\$1,001	26
Colleges & Universities	\$565	69	\$1,490	69	\$885	68
Fire Districts	\$397	10	\$1,417	11	\$962	12
Metro Districts	\$558	44	\$1,526	44	\$869	48
Port Authorities	\$423	3	\$1,279	3	\$743	3
Regional Transit Authority	\$614	16	\$1,717	14	\$923	16

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

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

Note: Statewide total number of plans is different for PEPM category because some plans did not report number of participants in the plan.

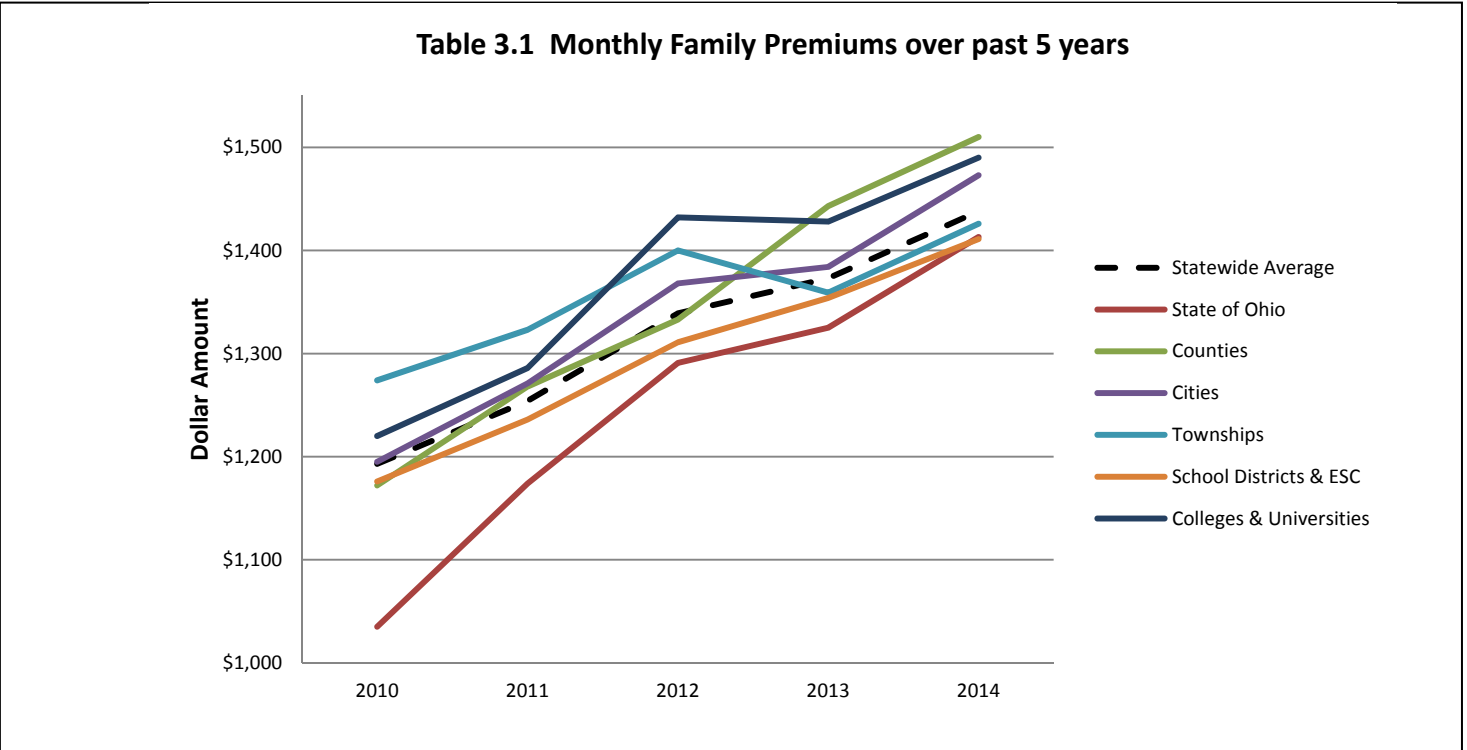
Note: Includes plan type "other"

Note: Excluded plans that have one rate.

- ▶ Fire Districts reported the lowest average single premiums. The single premium is 39.5% below the statewide average. Port Authorities reported the lowest average family premiums. The family premium is 12.4% below the statewide average.
- ▶ Regional Transit Authorities reported the highest average premiums. The single premium is 10.8% above the statewide average. The family premium is 19.4% above the statewide average.

Chart 1 displays the monthly family premiums found in table 3.1 over the past five years. In 2014 the monthly premiums have increased for all jurisdictions by 4.0% to 6.2% respectively. The State of Ohio had the largest increase in monthly family premiums at 6.2%.

**Chart 1**



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

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

**Table 3.2**

<b>Average Monthly Medical/Prescription Premiums and Employee Contributions</b>										
<b>Comparison Group</b>	<b>Average Medical Premium</b>				<b>Average Employee Contribution<sup>†</sup></b>				<b>Percent of Premium Paid By Employee</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b>Family</b>
STATEWIDE	\$546	1,595	\$1,432	1,598	\$66	1,595	\$187	1,598	11.9%	12.7%
State of Ohio	\$511	1	\$1,413	1	\$77	1	\$223	1	15.0%	15.8%
Counties	\$564	128	\$1,520	127	\$79	128	\$226	127	13.8%	14.5%
Less than 50,000	\$604	48	\$1,635	47	\$98	48	\$284	47	16.3%	17.4%
50,000 - 149,999	\$547	50	\$1,492	50	\$73	50	\$209	50	12.9%	13.5%
150,000 or more	\$526	30	\$1,388	30	\$59	30	\$164	30	11.0%	11.6%
Cities	\$551	297	\$1,469	296	\$59	300	\$159	299	10.8%	10.6%
Less than 25,000	\$541	214	\$1,478	213	\$57	216	\$158	215	10.4%	10.5%
25,000 - 99,999	\$557	74	\$456	74	\$67	75	\$162	75	12.2%	10.9%
100,000 or more	\$720	9	\$1,359	9	\$59	9	\$139	9	8.8%	10.6%
Townships	\$503	109	\$1,397	112	\$36	108	\$116	112	6.7%	7.2%
Less than 10,000	\$510	58	\$1,364	61	\$26	58	\$93	61	5.5%	6.4%
10,000 - 29,999	\$508	38	\$1,480	38	\$50	37	\$145	38	7.5%	7.5%
30,000 or more	\$462	13	\$1,311	13	\$44	13	\$136	13	9.5%	9.8%
School Districts <sup>††</sup>	\$547	797	\$1,401	798	\$70	797	\$193	798	12.4%	13.4%
Less than 1,000	\$511	194	\$1,307	194	\$62	194	\$173	194	11.7%	12.9%
1,000 - 2,499	\$562	349	\$1,431	349	\$72	349	\$198	349	12.5%	13.4%
2,500 - 9,999	\$548	229	\$1,408	230	\$73	229	\$197	230	13.0%	13.7%
10,000 or more	\$618	25	\$1,636	25	\$70	25	\$227	25	11.8%	14.0%
Colleges & Universities	\$561	63	\$1,512	63	\$78	63	\$228	63	14.0%	15.3%
Fire Districts	\$401	9	\$1,447	10	\$29	9	\$115	10	9.2%	8.5%
Metro Housing Authorities	\$557	43	\$1,518	43	\$74	43	\$242	43	13.0%	15.9%
Port Authorities	\$423	3	\$1,279	3	\$50	3	\$148	3	11.8%	11.6%
Regional Transit Authorities	\$622	14	\$1,767	12	\$67	14	\$176	12	11.0%	10.4%

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

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

Note: Includes plans where prescription is included in medical

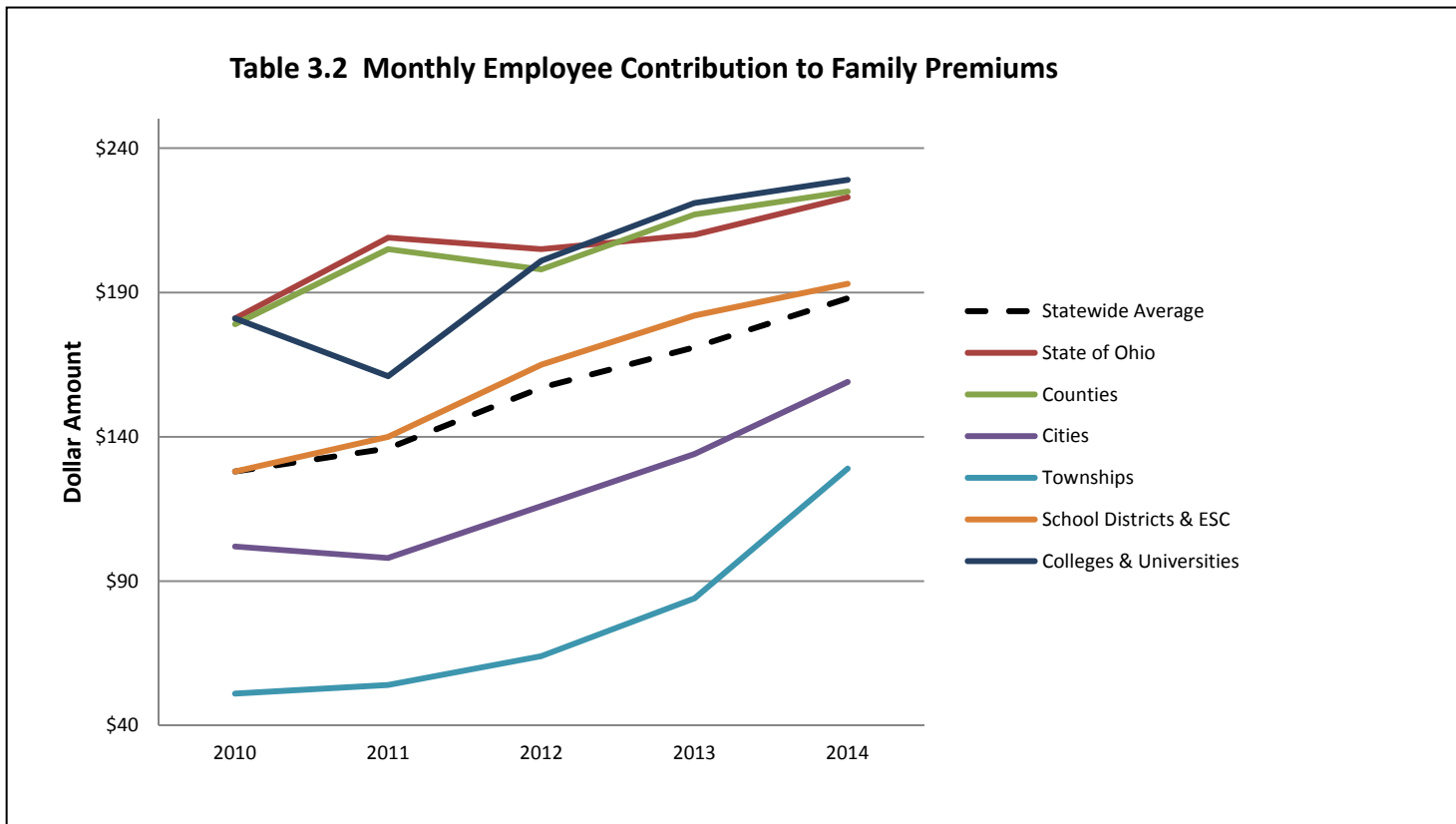
Note: Excluded plans that have one rate and plan type "other"

- ▶ Bundled medical/prescription premiums for the State of Ohio are 6.5% lower for single coverage and 1.3% lower for family coverage compared to the statewide average.
- ▶ Regional Transit Authorities have the largest average premiums. Single premiums are 13.9% higher than the statewide average and family premiums are 23.4% higher.

- ▶ Fire Districts average lower medical premiums at 26.6% below the statewide average for single premiums. Port Authorities average lower family medical premiums at 10.7% below the statewide average for family premiums.
- ▶ The average Township employee contribution to the single premium is 45.5% less for single and 25.7% less for family medical premiums than the statewide average.
- ▶ The average employee contribution to single and family premiums is below 10% for Townships and Fire Districts.
- ▶ The average employee contribution to family premiums is between 10.5% and 15.5% for Counties, Cities, School Districts, and Colleges & Universities.
- ▶ State of Ohio employees contribute 15.8% towards the family medical premium. College & University employees contribute 15.3% towards the family medical premium. The statewide average employee contribution for family medical coverage is 12.7%.
- ▶ Considering jurisdiction size, single premiums for cities with more than 100,000 people are 31.9% higher than the statewide average. Family premiums are 5.1% lower than the statewide average for this category.

Chart 2 displays the monthly employee contribution to family premiums found in table 3.2 over the past five years. The chart illustrates that monthly family contributions have continued to increase over that last few years. Township Employees contribution towards the family medical premium increased 38.0% over last year.

**Chart 2**



## Regions

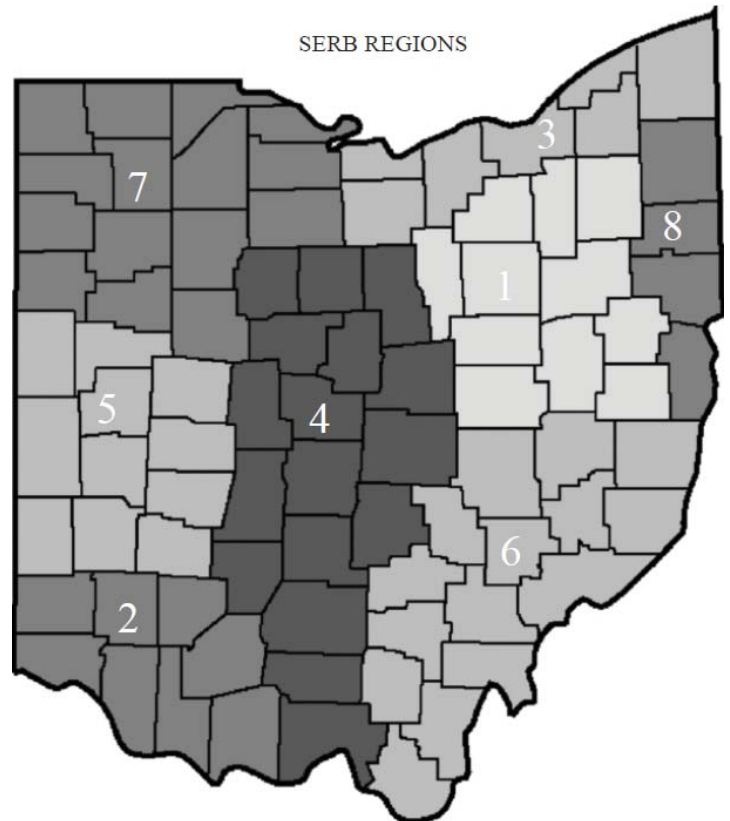
SERB divides the State into eight major regions. Insurance premiums may vary by region based on health care availability, proximity to larger metropolitan areas, economic, and other factors.

**Table 3.3**

Average Monthly Medical/Prescription Premiums by Region									
Comparison Group	Average Medical & Prescription Drug Premium including carve-out prescription plans				Average Employee Contribution <sup>†</sup>		Percent of Premium Paid By Employee		
	Single	# of plans	Family	# of plans	Single	Family	Single	Family	
STATEWIDE	\$546	1,595	\$1,432	1,598	\$66	\$187	11.9%	12.7%	
1 - Akron/Canton	\$513	203	\$1,313	205	\$52	\$130	10.0%	9.9%	
2 - Cincinnati	\$530	197	\$1,421	198	\$72	\$208	13.4%	14.3%	
3 - Cleveland	\$558	209	\$1,446	206	\$60	\$157	10.6%	10.5%	
4 - Columbus	\$595	271	\$1,545	272	\$80	\$234	13.3%	14.7%	
5 - Dayton	\$519	215	\$1,410	216	\$77	\$217	14.3%	15.1%	
6 - Southeast Ohio	\$639	122	\$1,633	122	\$73	\$214	11.4%	13.0%	
7 - Toledo	\$513	260	\$1,368	258	\$66	\$197	12.4%	14.0%	
8 - Warren/Youngstown	\$524	118	\$1,349	121	\$37	\$89	7.2%	6.8%	

<sup>†</sup> Average employee contribution in this table includes all plans reporting, thus does include plans where employees contribute \$0 to the medical premium.  
 Note: Includes plans where prescription is included in medical  
 Note: Excluded plans that have one rate and plan type "other"

- ▶ Compared to statewide averages, medical premiums in Southeast Ohio average 17.0% higher for single coverage and 14.0% higher for family coverage.
- ▶ Average single medical premiums in the Akron/Canton region is 6.0% lower than the statewide average. Average family premiums in the Akron/Canton region is 8.3% lower for family coverage.
- ▶ Employees in the Columbus region contribute 21.2% more than the statewide average for single medical premiums and 25.1% more than the statewide average for family medical premiums. Employees in the Columbus region also pay the largest percentage of the family premium.
- ▶ Compared to statewide averages, employees in the Warren/Youngstown region contribute 43.9% less for single medical coverage and 52.4% less for family medical coverage. Employees in the Warren/Youngstown region contribute the lowest percentage to the medical premium.



## Number of Employees

Table 3.4 shows how insurance premiums vary by number of employees covered by the plan. Table includes plans where prescription is included in the medical.

**Table 3.4**

Average Monthly Medical/Prescription Premiums by Number of Employees Covered								
Comparison Group	Average Medical Premium				Average Employee Contribution <sup>†</sup>		Percent of Premium Paid By Employee	
	Single	# of plans	Family	# of plans	Single	Family	Single	Family
STATEWIDE	\$546	1,595	\$1,432	1,598	\$66	\$187	11.9%	12.7%
1 - 49	\$537	272	\$1,481	275	\$57	\$177	10.4%	11.4%
50 - 99	\$518	290	\$1,386	289	\$64	\$178	11.9%	12.6%
100 - 149	\$544	319	\$1,402	319	\$63	\$177	11.3%	12.3%
150 - 249	\$570	271	\$1,455	271	\$72	\$197	12.5%	13.3%
250 - 499	\$555	273	\$1,429	274	\$71	\$193	12.6%	13.2%
500 - 999	\$547	87	\$1,412	88	\$78	\$204	14.3%	14.4%
1,000 or more	\$575	83	\$1,513	82	\$74	\$213	13.3%	14.7%

<sup>†</sup> Average employee contribution in this table includes all plans reporting, thus does include plans where employees contribute \$0 to the medical premium.  
 Note: Includes plans where prescription is included in medical  
 Note: Excluded plans that have one rate and plan type "other"

## Plan & Funding Type

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

**Table 4.1**

Average Premium Cost by Plan Type							
	TRADITIONAL	PPO	POS	HMO	HDHP (no HSA)	HDHP (with HSA)	All Plans <sup>†</sup>
Single	\$492	\$574	\$550	\$539	\$499	\$566	\$546
Family	\$1,315	\$1,474	\$1,498	\$1,479	\$1,377	\$1,487	\$1,432
Total cost per person	\$13,434	\$13,854	\$12,937	\$13,145	\$12,023	\$13,315.54	\$13,221
Number of plans	23	1,060	32	54	165	264	1,598

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

- ▶ Point of Service (POS) plans are the most costly family plan type reported this year. POS family plans average 4.6% higher than the average of all family plan types.
- ▶ Preferred Provider Organization (PPO) plans have the highest average cost per person. PPO plans average cost per person is 4.8% 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 the lowest total cost per person.

**Table 4.2**

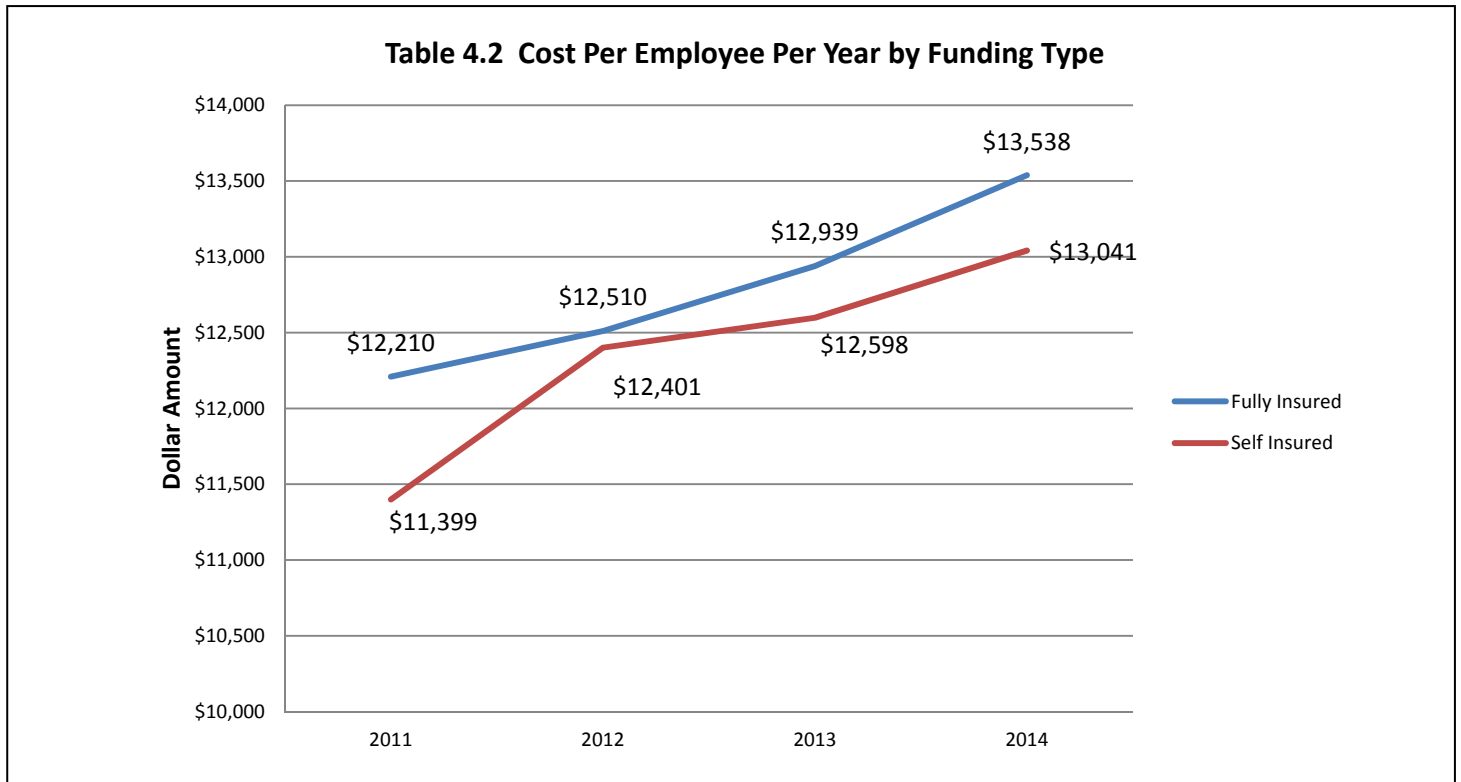
<b>Average Premium Cost by Funding Type</b>		
	<b>Fully-insured</b>	<b>Self-insured</b>
Single	\$547	\$546
Family	\$1,508	\$1,395
Annual cost per person (PEPY)	\$13,538	\$13,041
Number of plans	538	1,060

Note: Excluded plans that have one rate and plan type "other"

- ▶ Self-insured plans are composed of 66.3% of all plans reported this year.
- ▶ Fully-insured plans increased 5.8% for single and 6.0% for family from last year. Annual cost per person increased 4.6%.
- ▶ Self-insured plans increased 4.6% for single and 4.3% for family from last year. Annual cost per person increased 3.5%.
- ▶ Single and family premiums and annual cost per person rates are lower for self-insured benefits. Statistically significant differences in funding/premium rates is only found for family medical rates ( $t=6.677$ ,  $df=1589$ ,  $p=.000$ ).

Chart 3 displays the average cost per employee per year for fully and self insured medical plans found in table 4.2 over the past four years. The chart illustrates that on average self insured plans cost less per employee. Fully insured medical plans cost per employee increased 4.6% while self-insured medical plans cost per employee increased 3.8%.

**Chart 3**



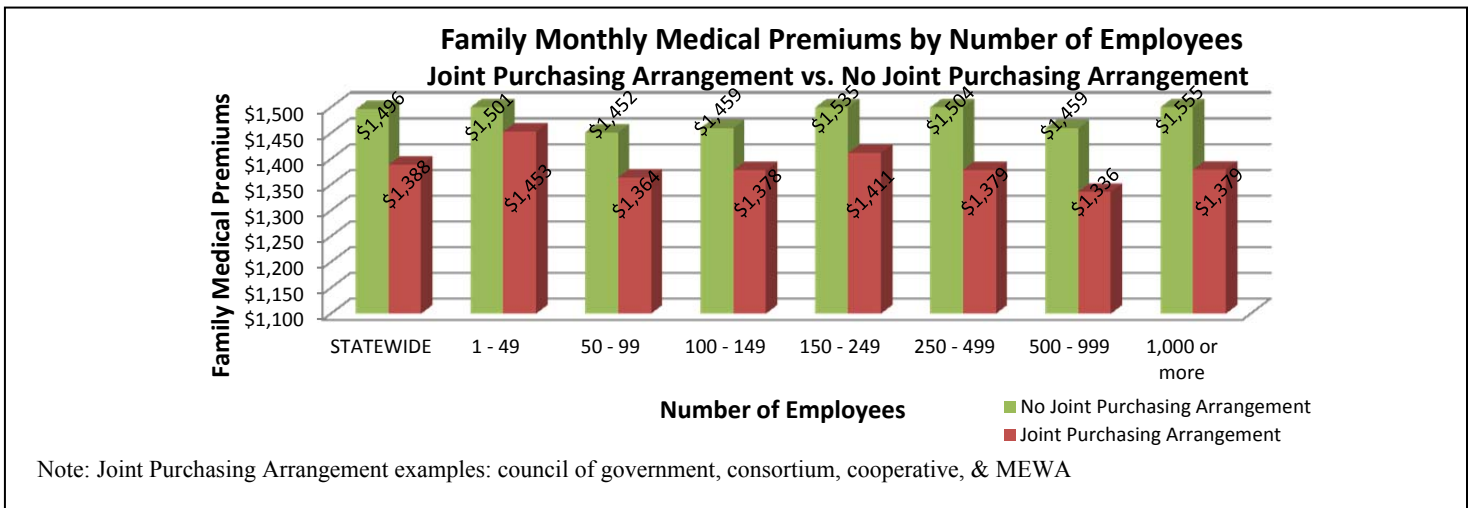
**Table 4.3**

<b>Average Premium Cost by Joint Purchasing Arrangement</b>		
	<b>Joint Purchasing Arrangement</b>	<b>No Joint Purchasing Arrangement</b>
Single	\$534	\$564
Family	\$1,386	\$1,496
Annual cost per person (PEPY)	\$12,911	\$13,600
Number of plans	922	676
Note: Joint Purchasing Arrangement examples: council of government, consortium, cooperative, & MEWA		
Note: Excluded plans that have one rate and plan type "other"		

- ▶ Joint purchasing membership contributes to 57.7% of all plan types reported this year.
- ▶ Joint purchasing participant plans increased 5.1% for single and increased 4.7% for family from last year. Annual cost per person increased 3.7%.
- ▶ Independently procured plans increased 5.4% for single and 4.9% for family from last year. Annual cost per person increased 4.1%.
- ▶ The number of plans where employers purchasing medical benefits via a joint purchasing arrangement increased slightly from 2013.
- ▶ Medical plans purchased through a consortium are significantly lower in cost compared to those plans that are not. This trend holds true for single ( $t= 0.194$ ,  $df=1,588$ ,  $p=.000$ ), family ( $t= 6.677$ ,  $df=1,589$ ,  $p=.000$ ), and annual cost per person, or PEPY ( $t= 2.669$ ,  $df=1,489$ ,  $p=.000$ ).

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

**Chart 4**



- ▶ Family monthly medical premiums for organizations with 1,000 or more employees who participate in a joint purchasing arrangement are 12.8% less than organizations with 1,000 or more employees who do not participate in a joint purchasing arrangement.
- ▶ Statewide, organizations that participate in a joint purchasing arrangement have family medical premiums that average 7.7% less than organizations that do not participate in a joint purchasing arrangement.



## Premium Change

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

**Chart 5**

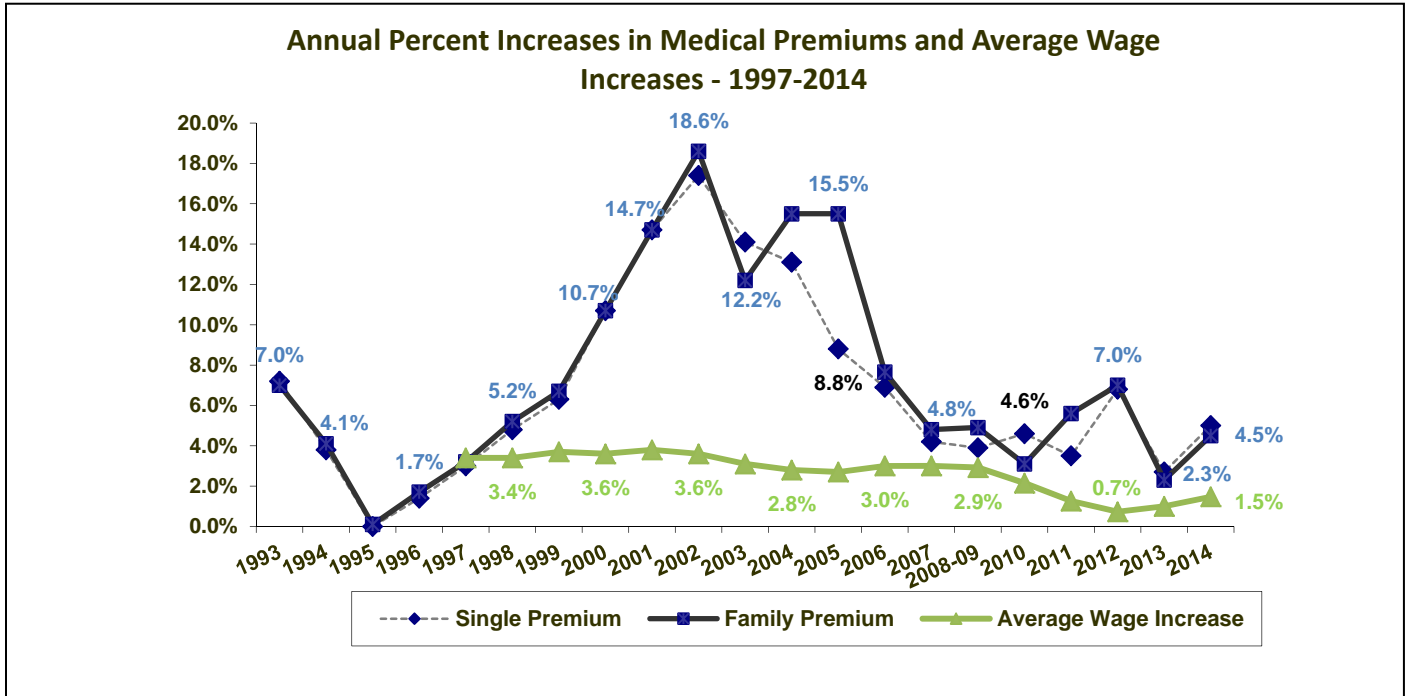


Chart 6 illustrates the diverging path of medical premium and worker salary increases since 1997. Over the seventeen year period presented, medical premiums rose more than three times faster than the average worker salary.

**Chart 6**

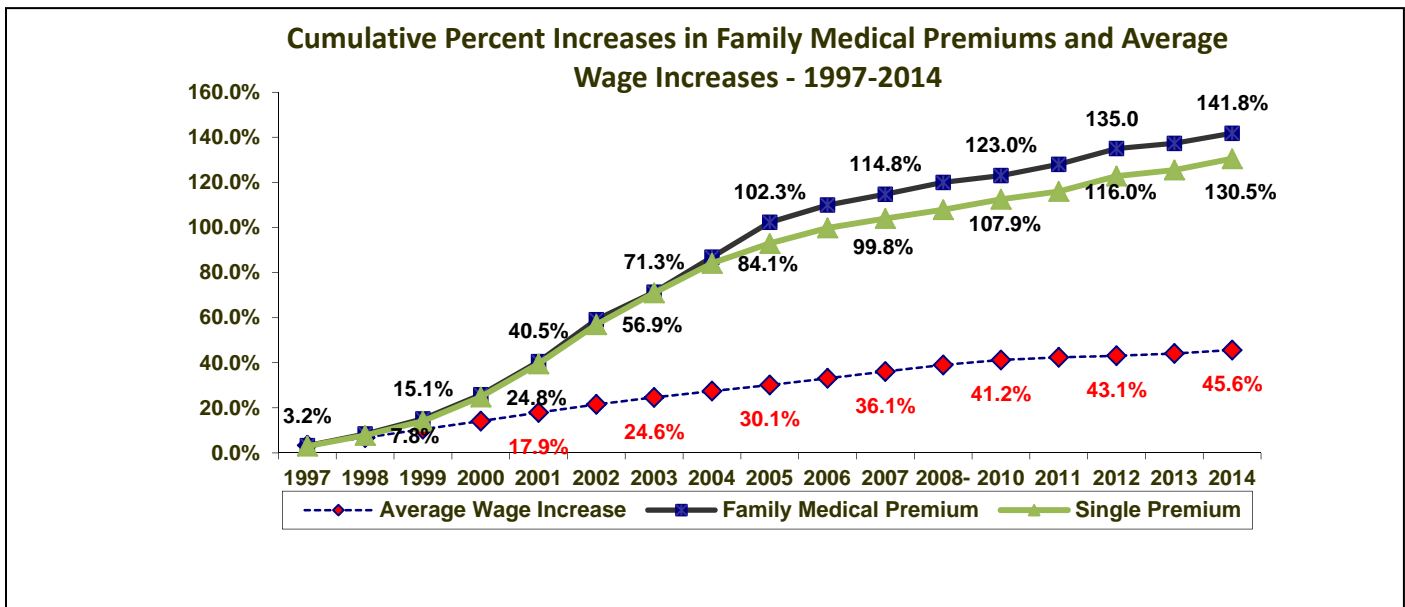


Table 5 compares percent change in insurance premiums over the past 21 years to the national overall inflation and medical care inflation rates. Premium rates for public employees in the State of Ohio rose slightly more than the overall inflation and medical care inflation rates for 2013.

**Table 5**

<b>Annual Change in Medical Care Costs, Inflation, and Medical Care Inflation Rates</b>							
<b>Report Year</b>	<b>Single Premium</b>	<b># of Plans</b>	<b>Family Premium</b>	<b># of Plans</b>	<b>Inflation Rate †</b>	<b>Medical Care †</b>	
1993	7.2%	557	7.0%	536	2.7%	5.4%	
1994	3.8%	437	4.1%	441	2.7%	4.9%	
1995	0.0%	416	0.1%	415	2.5%	3.9%	
1996	1.4%	492	1.7%	497	3.3%	3.0%	
1997	3.0%	625	3.2%	631	1.7%	2.8%	
1998	4.8%	457	5.2%	463	1.6%	3.4%	
1999	6.3%	617	6.7%	622	2.7%	3.7%	
2000	10.7%	596	10.7%	601	3.4%	4.2%	
2001	14.7%	617	14.7%	617	1.6%	4.7%	
2002	17.4%	655	18.6%	655	2.4%	5.0%	
2003	14.1%	895	12.2%	895	1.9%	3.7%	
2004	13.1%	909	15.5%	909	3.3%	4.2%	
2005	8.8%	642	15.5%	642	3.4%	4.3%	
2006	6.9%	1,387	10.1%	1,381	2.5%	3.6%	
2007	4.2%	1,313	4.8%	1,330	4.1%	5.2%	
2008-09	4.9%	1,258	4.9%	1,263	0.1%	2.6%	
2010	4.6%	1,353	3.1%	1,395	2.7%	3.4%	
2011	3.5%	1,135	5.6%	1,109	1.5%	3.3%	
2012	6.8%	1,493	7.0%	1,499	3.0%	3.5%	
2013	2.8%	1,552	2.3%	1,552	1.7%	3.2%	
2014	5.0%	1,595	4.5%	1,598	1.5%	2.0%	

† Bureau of Labor Statistics, Consumer Price Index, December 2013 (<http://www.bls.gov/cpi/cpid1312.pdf>)  
 Note: The single and family premium annual change percentage includes medical plans with prescription only. This figure is the annual change in the statewide total from Table 3.2.  
 Note: The number of plans is the total number of single and family plans submitted; therefore this number includes plans that do not include prescription.

## Cost of Medical and Ancillary Benefits

Table 6 exhibits the 2014 annual cost per employee for medical, prescription, vision, and dental benefits.<sup>4</sup>

**Table 6**

Average Annual Cost per Employee for Medical, Prescription, Dental, and Vision Carve-outs <sup>†</sup>								
Comparison Group	Medical & Prescription Drug <sup>††</sup>	# of Plans	Prescription Drug	# of Plans	Dental	# of Plans	Vision	# of Plans
STATEWIDE	\$13,200	1,530	\$2,828	155	\$898	788	\$204	604
State of Ohio	\$13,297	1	-	-	\$946	1	\$274	1
Counties	\$12,276	130	\$2,532	10	\$673	49	\$160	37
Cities	\$13,789	301	\$3,061	9	\$796	112	\$188	74
Townships	\$13,029	116	-	-	\$921	74	\$295	45
School Districts & ESCs	\$13,281	843	\$2,848	130	\$957	486	\$206	403
Colleges & Universities	\$12,717	63	\$2,681	4	\$730	27	\$155	22
Special Districts <sup>†††</sup>	\$12,206	76	\$2,292	2	\$807	39	\$162	22
REGION								
1 - Akron/Canton	\$12,783	163	\$2,643	40	\$1,156	127	\$233	67
2 - Cincinnati	\$12,651	209	-	-	\$901	94	\$199	72
3 - Cleveland	\$13,541	214	\$2,582	42	\$848	117	\$205	87
4 - Columbus	\$14,226	256	\$2,550	7	\$910	131	\$227	119
5 - Dayton	\$12,960	208	\$3,446	24	\$796	117	\$200	77
6 - Southeast Ohio	\$15,078	122	\$3,247	12	\$746	53	\$193	50
7 - Toledo	\$11,965	256	\$2,295	7	\$802	86	\$196	87
8 - Warren/Youngstown	\$13,038	102	\$2,983	23	\$874	63	\$142	45
EMPLOYEES COVERED								
1 - 49	\$12,471	284	\$2,399	7	\$814	136	\$239	99
50 - 99	\$12,898	273	\$3,084	26	\$877	135	\$216	98
100 - 149	\$13,277	300	\$2,982	31	\$898	153	\$198	118
150 - 249	\$14,131	245	\$2,916	32	\$945	135	\$207	119
250 - 499	\$13,425	263	\$2,541	31	\$938	138	\$183	109
500 - 999	\$13,386	81	\$2,761	19	\$979	56	\$178	35
1,000 or more	\$12,770	84	\$2,712	9	\$807	35	\$165	26

<sup>†</sup> Monthly and yearly premiums plus ancillary benefit amounts are figured by giving equal weight to each medical plan, regardless of the number of employees receiving coverage. "-" indicates there is not enough data to report an average.

<sup>††</sup> Includes cost of: prescription in 89.0% of plans, dental in 10.7% and vision in 12.0% (Table 10)

<sup>†††</sup> Includes, Fire Districts, Metropolitan Housing Authorities, Port Authorities and Regional Transit Authorities

Note: Excluded plans that have one rate and plan type "other"

<sup>4</sup> Average yearly cost per employee for medical, prescription carve-out, dental, and vision benefits are figured with the following formula:

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

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

## Deductibles for Medical Coverage – Managed Care Plans<sup>5</sup>

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

**Table 7.1**

<b>Deductible Categories for Single In-Network Medical Coverage</b>										
<b>Comparison Group</b>	<b>\$0</b>	<b># of plans</b>	<b>\$1-\$100</b>	<b># of plans</b>	<b>\$125-\$400</b>	<b># of plans</b>	<b>\$500-1199</b>	<b># of plans</b>	<b>\$1200 or more</b>	<b># of plans</b>
STATEWIDE	10.3%	190	16.4%	301	22.9%	420	24.1%	442	26.3%	484
State of Ohio	-	-	-	-	100.0%	1	-	-	-	-
Counties	5.7%	8	3.6%	5	22.9%	32	41.4%	58	26.4%	37
Cities	13.7%	45	9.4%	31	25.2%	83	14.9%	49	36.8%	121
Townships	10.6%	14	6.8%	9	10.6%	14	19.7%	26	52.3%	69
Colleges & Universities	8.5%	6	12.7%	9	31.0%	22	23.9%	17	23.9%	17
School Districts & ESCs	10.1%	109	22.4%	242	23.4%	253	25.3%	273	18.9%	204
Special Districts	9.6%	8	6.0%	5	18.1%	15	22.9%	19	43.4%	36

Note: Excluded plans where single deductible was blank or missing

**Table 7.2**

<b>Deductible Categories for Family In-Network Medical Coverage</b>										
<b>Comparison Group</b>	<b>\$0</b>	<b># of plans</b>	<b>\$1-\$200</b>	<b># of plans</b>	<b>\$200-\$800</b>	<b># of plans</b>	<b>\$900-2399</b>	<b># of plans</b>	<b>\$2400 or more</b>	<b># of plans</b>
STATEWIDE	10.4%	191	15.5%	285	23.4%	431	24.1%	444	26.7%	491
State of Ohio	-	-	-	-	100.0%	1	-	-	-	-
Counties	5.6%	8	3.5%	5	22.4%	32	39.2%	56	29.4%	42
Cities	13.7%	45	9.4%	31	25.2%	83	14.6%	48	37.1%	122
Townships	10.6%	14	6.8%	9	11.4%	15	18.9%	25	52.3%	69
Colleges & Universities	8.5%	6	8.5%	6	31.0%	22	25.4%	18	26.8%	19
School Districts & ESCs	10.2%	110	21.2%	230	24.3%	263	25.6%	277	18.7%	203
Special Districts	9.6%	8	4.8%	4	18.1%	15	24.1%	20	43.4%	36

Note: Excluded plans where family deductible was blank or missing

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

<sup>5</sup> Managed care plans (PPO, HMO, POS) cover the majority of public employers in the State of Ohio. Data on traditional medical plans is not presented because there are very few of these plans statewide.

- The portion of plans statewide with no deductible decreased one percentage point since the 2013 survey. Over 25% of all plans have deductibles high enough to make them eligible for an HSA, though not all of these plans have an employer funded (or partially employer funded) savings account (see Table 4.1).

## Co-Insurance for Medical Coverage – Managed Care Plans<sup>6</sup>

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

**Table 8.1**

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	33.3%	605	30.8%	560	2.2%	40	31.1%	585	2.6%	47
State of Ohio	-	-	-	-	-	-	100.0%	1	-	-
Counties	22.4%	32	17.5%	25	1.4%	2	44.1%	63	14.7%	21
Cities	49.8%	164	16.1%	53	1.8%	6	30.4%	100	1.8%	6
Townships	64.6%	84	9.2%	12	1.5%	2	24.6%	32	-	-
Colleges & Universities	22.5%	16	40.8%	29	1.4%	1	33.8%	24	1.4%	1
School Districts & ESCs	25.1%	271	39.7%	429	2.6%	28	30.8%	333	1.8%	19
Special Districts	45.8%	38	14.5%	12	1.2%	1	38.6%	32	-	-

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

**Table 8.2**

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	0.8%	13	26.6%	456	33.0%	566	32.7%	560	6.9%	118
State of Ohio	-	-	-	-	-	-	100.0%	1	-	-
Counties	-	-	14.9%	20	23.1%	31	39.6%	53	22.4%	30
Cities	0.7%	2	22.4%	68	38.8%	118	33.9%	103	4.3%	13
Townships	-	-	34.8%	40	24.3%	28	35.7%	41	5.2%	6
Colleges & Universities	-	-	6.3%	4	54.7%	35	31.3%	20	7.8%	5
School Districts & ESCs	1.0%	10	30.8%	314	32.2%	329	30.5%	311	5.6%	57
Special Districts	1.4%	1	13.5%	10	33.8%	25	41.9%	31	9.5%	7

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

- Since the 2013 survey, the percent of plans Statewide that pay 100% of deductible remains unchanged at just over thirty-three percent.

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

- ▶ Counties continue to have the lowest percentage of single medical plans with no co-insurance requirement, and the highest percentage of single plans with an 80/20 split.
- ▶ The majority of townships (64.6%) have plans with no in-network co-insurance requirement.

### Out-of-Pocket Maximums for Medical Coverage- Managed Care Plans<sup>7</sup>

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

**Table 9.1**

In-Network Out-of-Pocket Maximums for Medical Coverage							
Comparison Group	Single			Family			n
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$1,500	\$0	\$10,000	\$3,000	\$0	\$20,000	1,811
State of Ohio	\$1,500	\$1,500	\$1,500	\$3,000	\$3,000	\$3,000	1
Counties	\$2,500	\$0	\$7,000	\$5,000	\$0	\$14,000	142
Cities	\$1,500	\$0	\$10,000	\$3,000	\$0	\$20,000	325
Townships	\$2,500	\$0	\$6,350	\$5,000	\$0	\$18,000	125
Colleges & Universities	\$2,000	\$0	\$8,000	\$4,200	\$0	\$16,000	71
School Districts & ESCs	\$1,095	\$0	\$7,350	\$2,200	\$0	\$14,000	1,066
Special Districts	\$2,500	\$0	\$6,000	\$5,000	\$0	\$15,000	81

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

**Table 9.2**

Out-of-Network Out-of-Pocket Maximums for Medical Coverage							
Comparison Group	Single			Family			n
	Median	Minimum	Maximum	Median	Minimum	Maximum	
STATEWIDE	\$3,000	\$0	\$45,000	\$6,000	\$0	\$90,000	1,701
State of Ohio	\$3,000	\$3,000	\$6,000	\$6,000	\$6,000	\$6,000	1
Counties	\$4,500	\$500	\$18,000	\$9,000	\$1,500	\$32,000	125
Cities	\$4,000	\$100	\$45,000	\$8,000	\$200	\$90,000	303
Townships	\$7,000	\$0	\$30,000	\$14,000	\$0	\$90,000	117
Colleges & Universities	\$4,000	\$600	\$10,000	\$8,400	\$1,200	\$20,000	60
School Districts & ESCs	\$2,100	\$100	\$18,000	\$4,300	\$200	\$32,000	1,020
Special Districts	\$6,000	\$900	\$30,000	\$12,000	\$2,000	\$90,000	75

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

- ▶ Out-of-network, out-of-pocket maximums are at least double the in-network, out-of-pocket maximums for all jurisdictions except Colleges and Universities

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

- ▶ Statewide average in-network out-of-pocket maximums increased 11.3% for single and 1.1% for family.
- ▶ Statewide average out-of-network out-of-pocket maximums increased 7.8% for single and 8.3% for family.

## Fringe Benefits: Prescription, Dental & Vision

### Prescription Drug

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

**Table 10**

<b>Fringe Benefit Provisions</b>			
	<b>Included in Premium</b>	<b>Carved-out</b>	<b>Not Offered</b>
Prescription	89.0%	9.0%	2.0%
Dental	10.7%	82.6%	6.7%
Vision	12.0%	65.0%	23.0%

- ▶ Prescription coverage is provided by 98.0% of all jurisdictions. In 89.0% of jurisdictions reporting, the cost for prescription coverage is included as part of the medical premium. Some type of dental coverage is provided by 93.3% of jurisdictions. Vision coverage is offered by 77% of jurisdictions.

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

**Table 11.1**

<b>Statewide Retail Prescription Co-payments</b>				
<b>Prescription Plan</b>	<b>Dollars</b>	<b># of plans</b>	<b>Percent Co-insurance</b>	<b># of plans</b>
<b>No Tiers</b>	\$10	30	20.0%	159
<b>Two Tiers</b>				
Generic	\$7	162	20.0%	131
Brand	\$20	160	20.0%	136
<b>Three Tiers</b>				
Generic	\$10	944	20.0%	19
Brand (formulary)	\$25	944	25.0%	31
Brand (non-formulary)	\$40	931	35.0%	45
<b>Four Tiers</b>				
Generic	\$10	221	20.0%	10
Brand (formulary)	\$30	220	30.0%	10
Brand (non-formulary)	\$55	180	35.0%	39
Cosmetic/biologic	\$100	173	25.0%	50
Note: Excluded plans where retail prescription co-payments was blank or missing				

**Table 11.2**

<b>Statewide Mail Order Prescription Co-payments</b>				
<b>Prescription Plan</b>	<b>Dollars</b>	<b># of plans</b>	<b>Percent Co-insurance</b>	<b># of plans</b>
<b>No Tiers</b>	\$18	34	20.0%	150
<b>Two Tiers</b>				
Generic	\$10	155	20.0%	125
Brand	\$25	153	20.0%	131
<b>Three Tiers</b>				
Generic	\$20	923	30.0%	17
Brand (formulary)	\$40	924	30.0%	25
Brand (non-formulary)	\$75	908	35.0%	36
<b>Four Tiers</b>				
Generic	\$20	218	30.0%	7
Brand (formulary)	\$75	218	30.0%	7
Brand (non-formulary)	\$120	178	35.0%	36
Cosmetic/biologic	\$150	157	25.0%	46
Note: Excluded plans where mail order prescription co-payments was blank or missing				

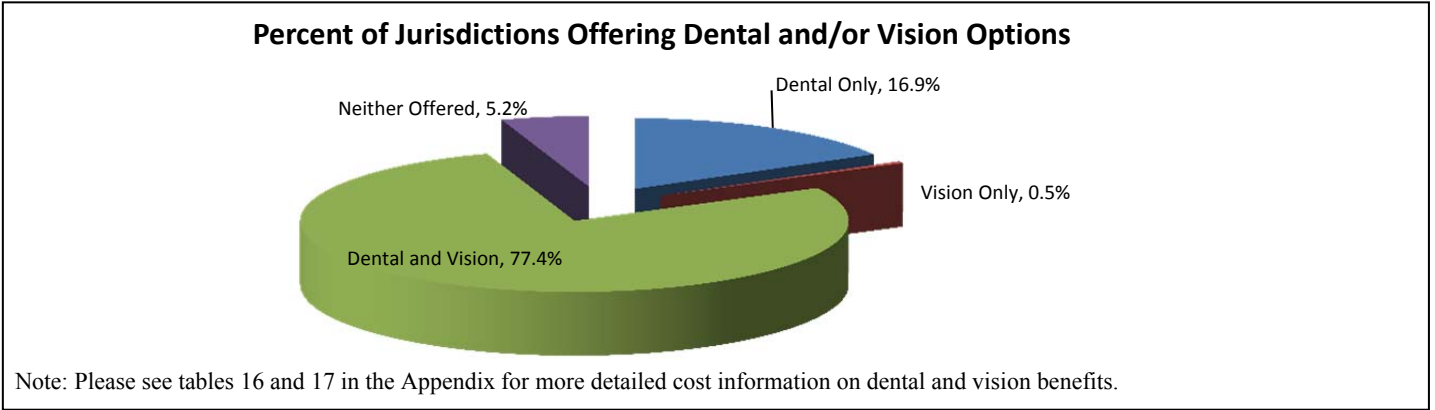
- Few jurisdictions report a flat rate payment for retail or mail-order prescriptions; over 60%<sup>8</sup> have a three or four-tier prescription drug plan.

<sup>8</sup> 1,165 out of 1,843 insurance plans submitted offer a three or four-tier prescription drug plan



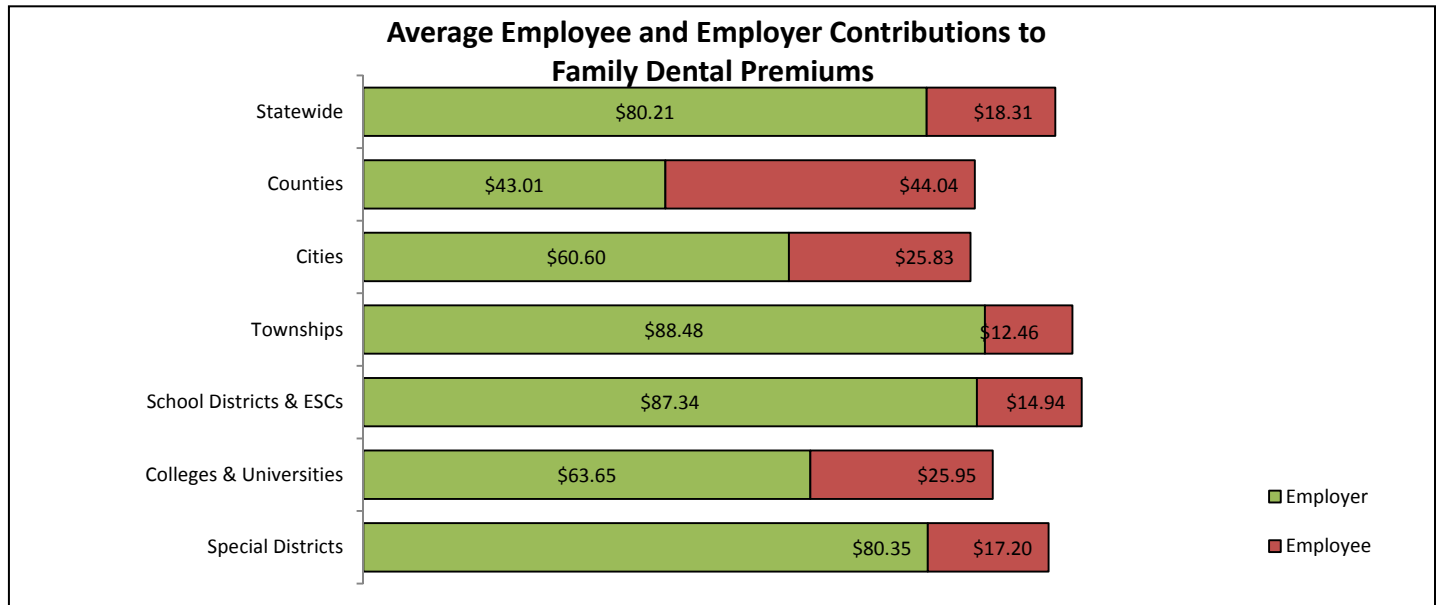
Chart 7 provides another view of dental and vision coverage.

**Chart 7**



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

**Chart 8**



For 2014, single and family dental premiums in Table 17 are divided into tiered plans and composite rates. Chart 8 includes tiered rates for family dental plans.

- ▶ County employees pay the highest portion of the family dental premium, contributing over half the premium on average.
- ▶ Township employees contribute the least to family dental premiums, contributing 12.3% of the total premium on average.

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

Table 12 summarizes dental maximums by jurisdiction.

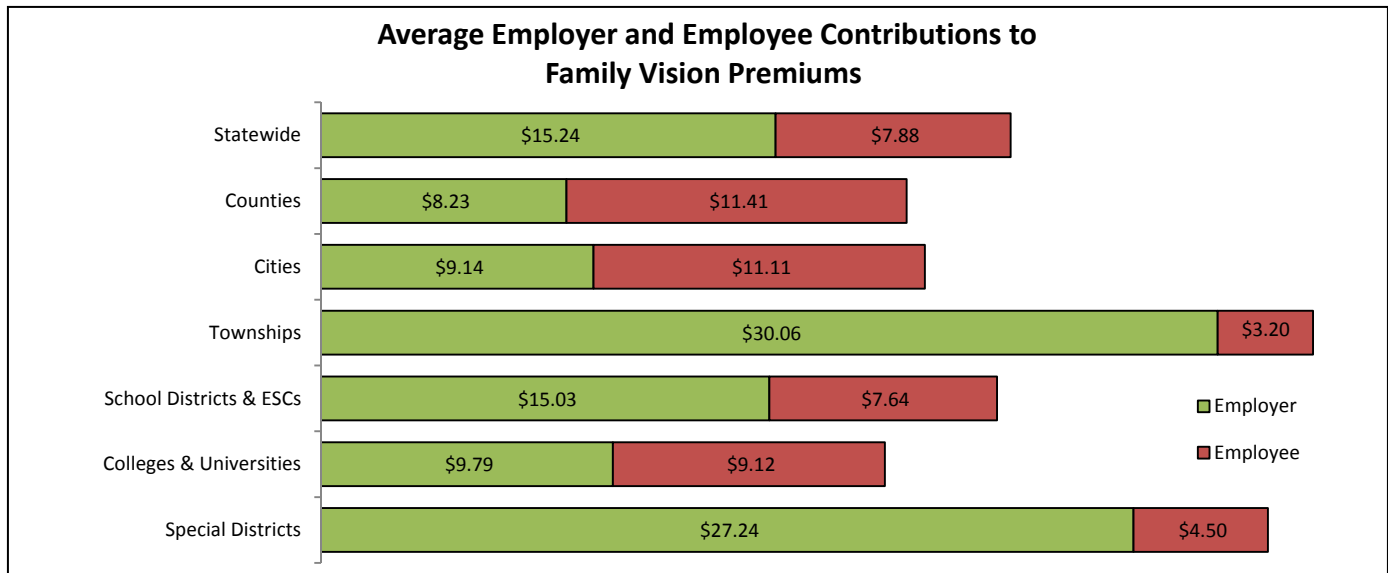
**Table 12**

Comparison Group	Annual Dental Maximums				
	\$500-750	\$1,000	\$1,100-1,400	\$1,500	\$1,600-4,000
STATEWIDE	2.6%	30.4%	5.4%	28.1%	33.5%
State of Ohio	-	-	-	100.0%	-
Counties	6.3%	55.6%	7.9%	23.8%	6.3%
Cities	2.1%	51.6%	5.9%	24.5%	16.0%
Townships	1.0%	48.5%	8.2%	22.7%	19.6%
School Districts & ESCs	2.4%	18.6%	4.5%	30.4%	44.1%
Colleges & Universities	5.9%	41.2%	17.6%	14.7%	20.6%
Special Districts	4.3%	44.7%	-	31.9%	19.1%

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

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

**Chart 9**



For 2014, single and family vision premiums in Table 18, which is found in the appendix, are divided into tiered plans and composite rates. Chart 9 includes tiered rates for family vision plans.

- ▶ County employees pay the largest portion of family vision insurance, contributing 58.1% of the premium on average.
- ▶ Township employees pay a much lower portion of the vision premium compared to the statewide average.

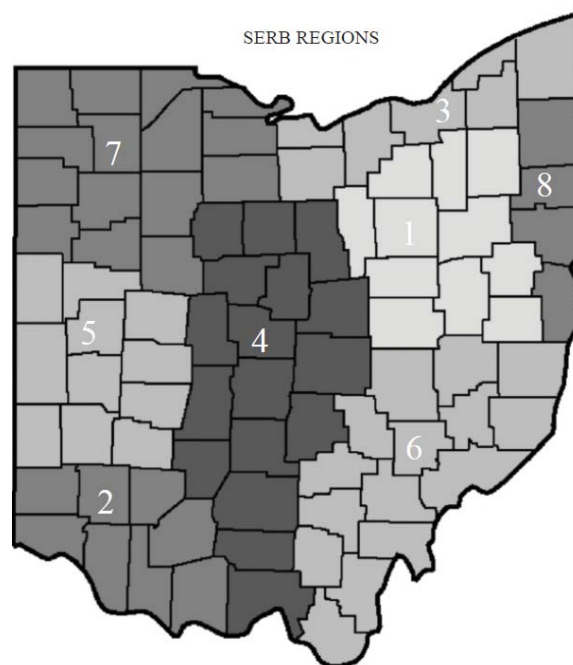
<sup>10</sup> For a detailed breakdown of vision costs, please see Table 18 in the appendix. Vision numbers are for plans that are not included in the medical premiums.

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

**Table 13**

<b>Median Monthly Dental and Vision Composite Rates by Region</b>		
<b>Region</b>	<b>Dental</b>	<b>Vision</b>
1 - Akron/Canton	\$64.03	\$10.02
2 - Cincinnati	\$78.40	\$16.00
3 - Cleveland	\$76.94	\$7.51
4 - Columbus	\$73.45	\$17.16
5 - Dayton	\$86.55	\$22.07
6 - Southeast Ohio	\$61.95	\$18.51
7 - Toledo	\$78.00	\$16.05
8 - Warren/Youngstown	\$72.08	\$8.03

- ▶ A sizable number of jurisdictions have composite rates for dental (n = 185) and vision (n=88) premiums. In these jurisdictions, the premiums for dental or vision coverage are one rate, regardless of whether the employee has single, single + 1, or family coverage.
- ▶ Composite rates typically fall somewhere in between the cost for a single plan and family plan.



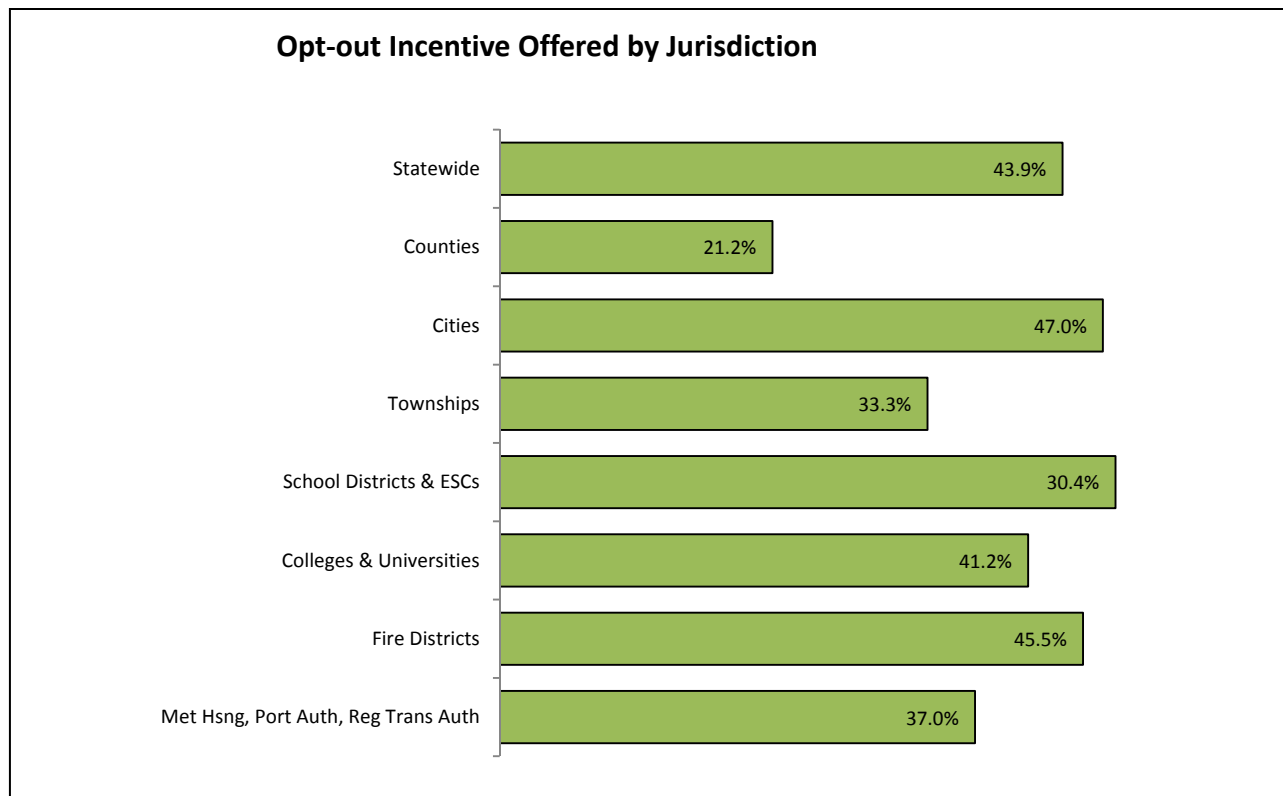
## Methods to Lower Healthcare Costs

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

### Incentive for Opting out of the Medical Plan

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

**Chart 10**



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

**Table 14**

<b>Annual Incentive Offered to Employees for Opting Out of Medical Coverage</b>				
<b>Opt-out group</b>	<b>Average Incentive</b>	<b>Median Incentive</b>	<b>Maximum Incentive</b>	<b>Number of Employers</b>
Single	\$1,466	\$1,200	\$6,000	462
Single + 1	\$1,853	\$1,500	\$7,200	170
Single & child	\$1,885	\$1,500	\$7,200	215
Single & spouse	\$1,971	\$1,500	\$7,200	224
Family	\$2,098	\$1,800	\$2,098	505

## Spousal Restrictions

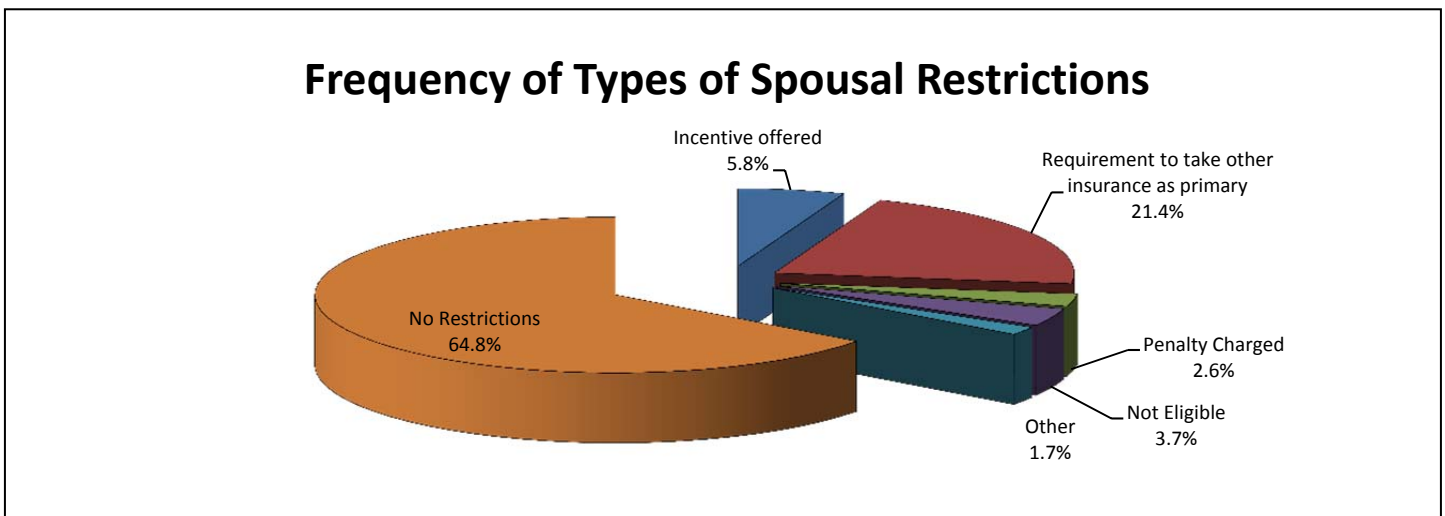
Thirty-five percent<sup>11</sup> of employers who completed the survey report they have some type of spousal stipulation for employees whose spouses have other means of medical coverage. Spousal Restrictions have increased slightly since last year's report. Jurisdictional breakdown is illustrated below in Chart 11.

**Chart 11**



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

**Chart 12**



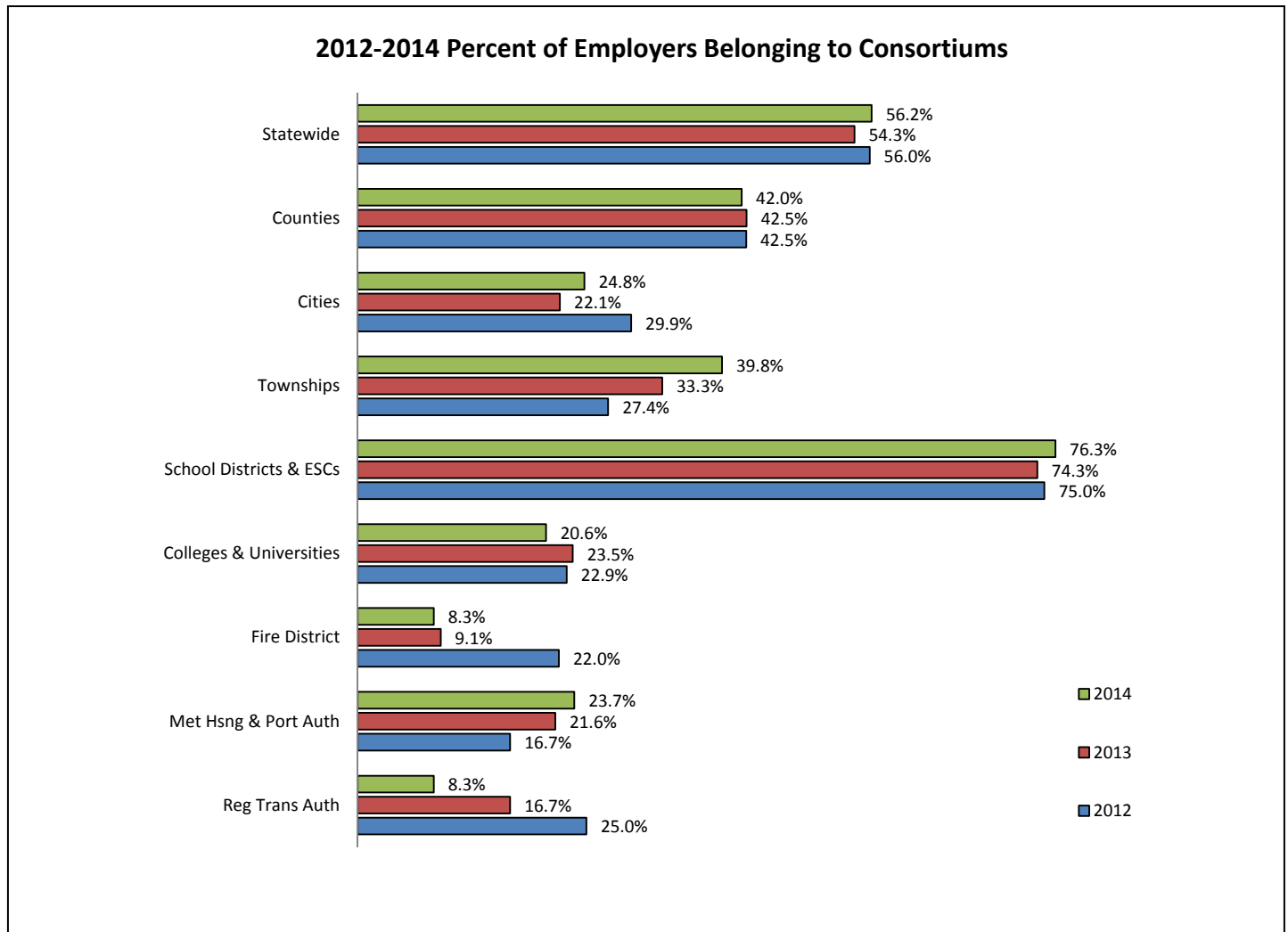
- ▶ The majority of jurisdictions that report having spousal restrictions stipulate that if an employee's spouse has medical coverage through their own employer, the spouse must use their employer's insurance as their primary form of coverage.

<sup>11</sup> 430 out of 1,231 employers reported having spousal restrictions

## Joint Purchasing Arrangements

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

**Chart 13**



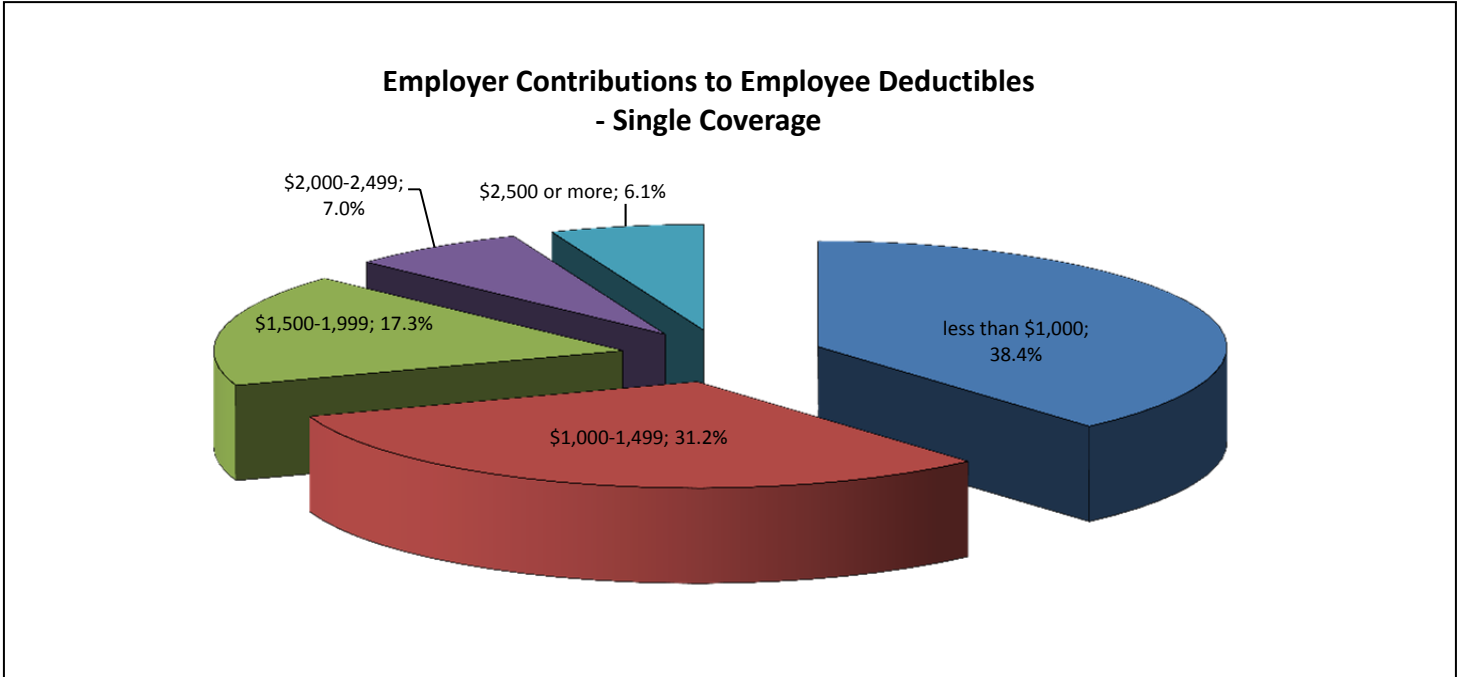
- ▶ Statewide, consortium membership increased by almost two percentage points.
- ▶ Fire Districts have the lowest participation in consortiums. Only one of the eleven that responded with offering medical insurance participated in a consortium.
- ▶ School districts continue to have the highest consortia 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

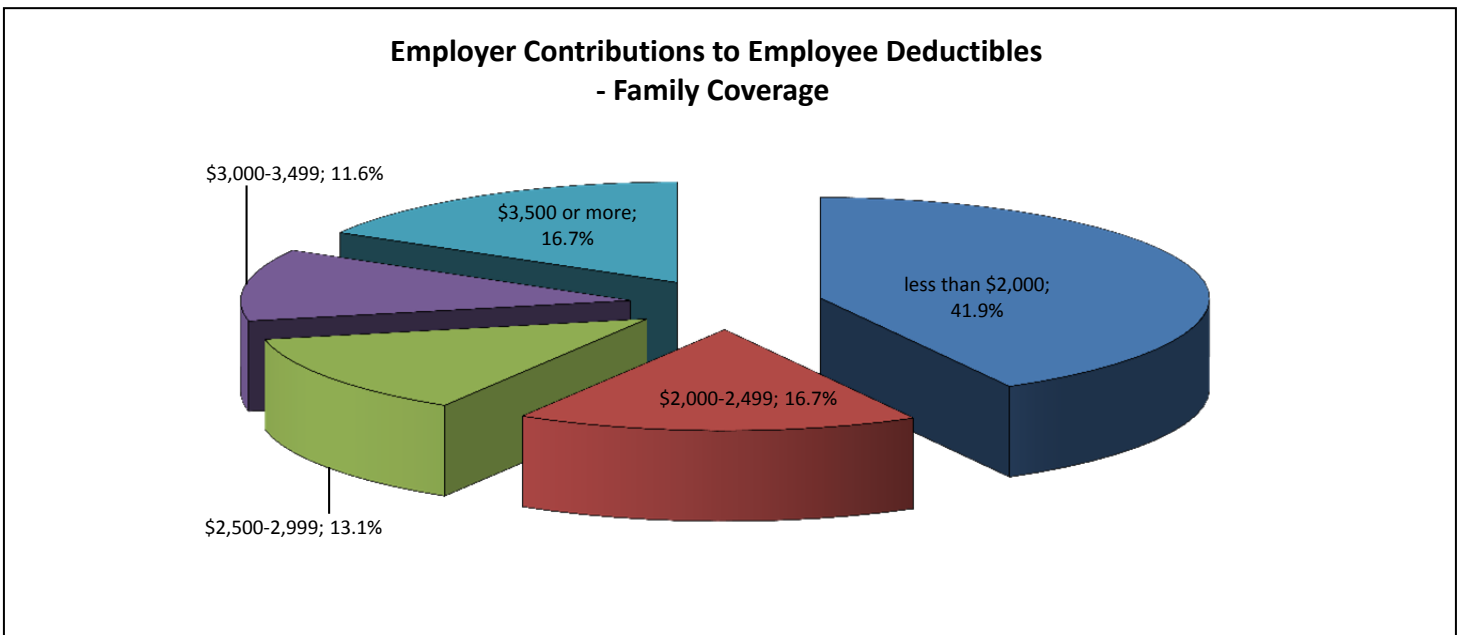
As illustrated in Table 2, High Deductible Health Plans (HDHP) are growing in popularity (25.6% of medical plans) as they feature lower premiums compared to other managed care and traditional indemnity plans.

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

**Chart 14**



**Chart 15**

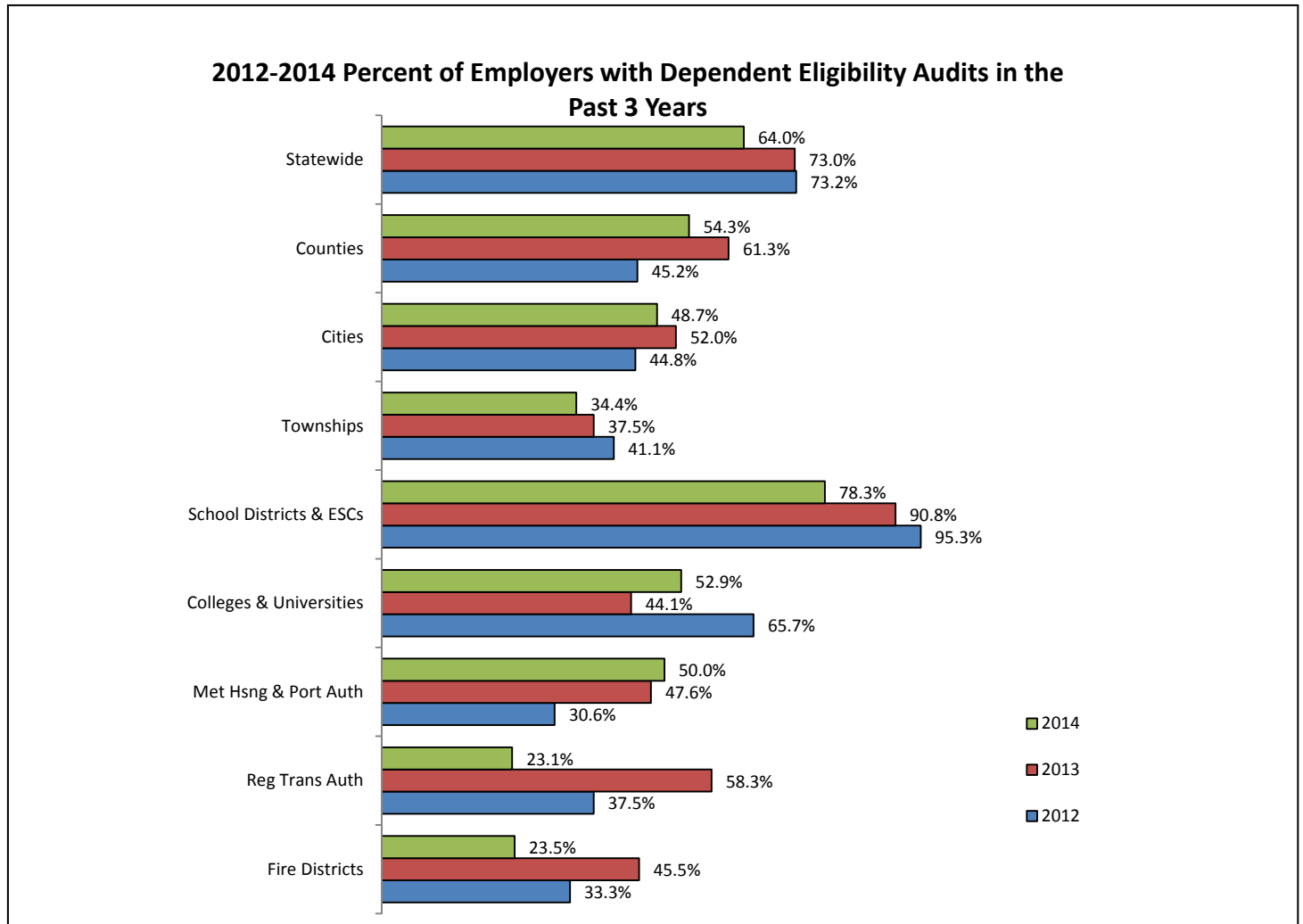


## Dependent Eligibility Audits

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

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

**Chart 16**



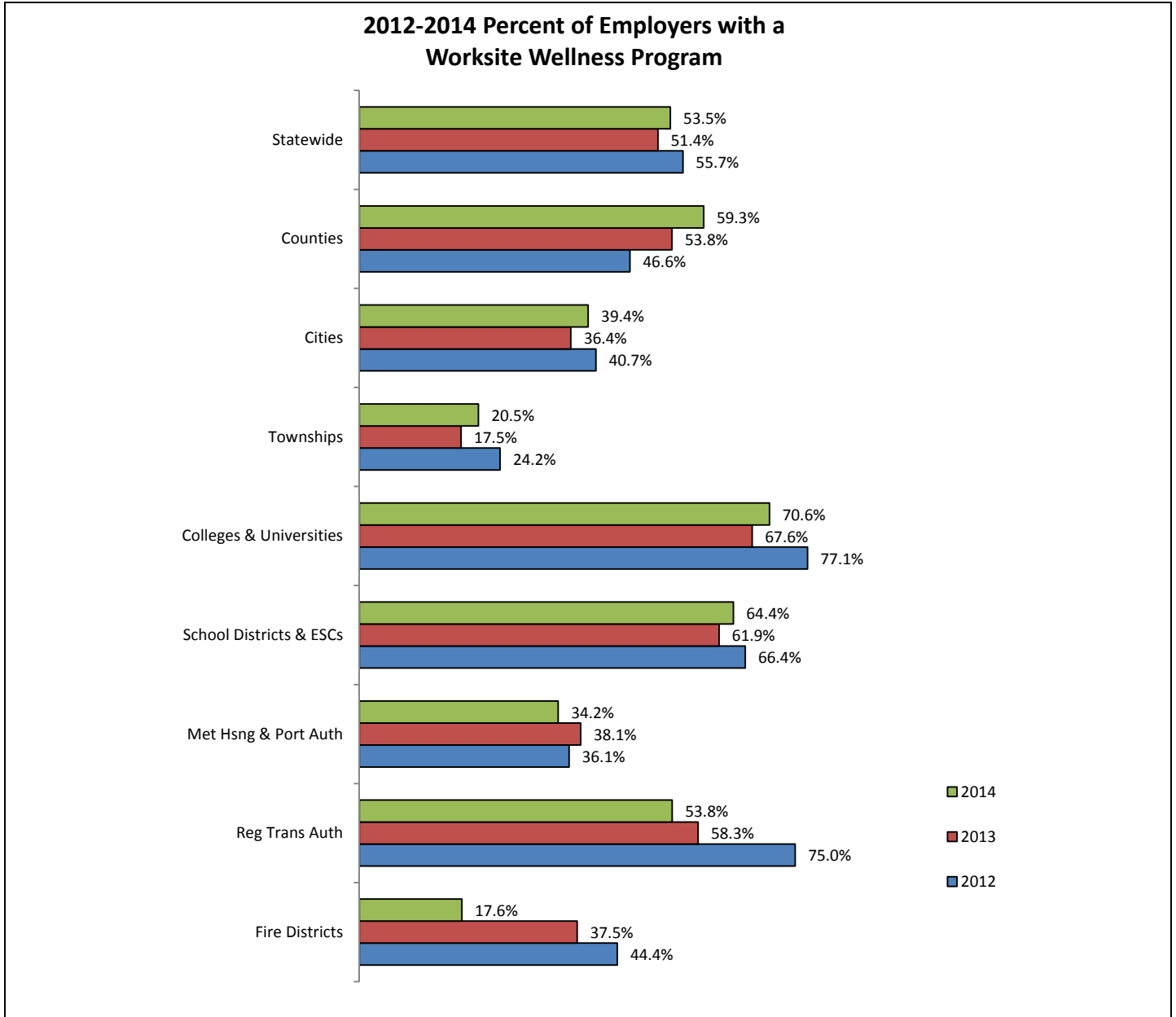
- ▶ Statewide, between 2013 and 2014, the percent of employers reporting that their organization conducted a dependent eligibility audit sometime over the past three years decreased nine percent.
- ▶ School districts and ESCs are most likely to report having conducted a DEA; this is also part of the “Best Practices” adapted by the School Employees’ Health Care Board.
- ▶ Metro Housing Authorities have shown continued increases in the usage of Dependent Eligibility Audits



## Worksite Wellness

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

**Chart 17**



- ▶ More than half (53.5%) of employers responding to the survey report having some type of worksite wellness program, which is a 2.1 percentage point increase since the 2013 report.
- ▶ Colleges & Universities have the highest frequency of worksite wellness programs.
- ▶ Townships remain as the jurisdiction with the lowest incidence of worksite wellness programs, probably due to their small size.

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

**Table 15**

<b>2013 Frequency of Wellness Program Components</b>				
<b>Program Component</b>	<b>Examples</b>	<b>2012</b>	<b>Percent 2013</b>	<b>2014</b>
Health Education	Education or counseling opportunities relative to physical activity, workplace injury prevention	73%	83%	81%
Supportive Social & Physical Work Environment	Policies against tobacco use, classes or counseling on nutrition or fitness	68%	69%	68%
Integration of Worksite Program into Organization's Structure	Dedicated staff, office, or budget	29%	36%	39%
Related Programs	Employee assistance, work/family, occupational safety and health programs, etc	50%	57%	53%
Screening Programs	Blood pressure, blood cholesterol screening programs	86%	76%	74%

## APPENDIX

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

**Table 16.1**

<b>Average Monthly Employee Contributions to Medical Premiums When a Contribution is Required</b>							
<b>Comparison Group</b>	<b>Single</b>			<b>Family</b>			
	<b>Dollar Amount</b>	<b>% of Premium</b>	<b># of plans</b>	<b>Dollar Amount</b>	<b>% of Premium</b>	<b># of plans</b>	
STATEWIDE	\$72	13.1%	1,617	\$199	13.7%	1,637	
State of Ohio	\$77	15.1%	1	\$223	15.8%	1	
Counties	\$82	14.4%	132	\$231	15.0%	132	
Less than 50,000	\$101	17.0%	48	\$288	17.8%	48	
50,000 - 149,999	\$75	13.3%	53	\$210	13.9%	53	
150,000 or more	\$65	12.2%	31	\$178	12.4%	31	
Cities	\$68	12.4%	274	\$179	12.1%	277	
Less than 25,000	\$67	12.3%	193	\$184	12.3%	196	
25,000 - 99,999	\$71	13.0%	70	\$171	11.6%	70	
100,000 or more	\$59	9.7%	11	\$135	10.6%	11	
Townships	\$54	10.0%	74	\$182	10.9%	83	
Less than 10,000	\$45	9.4%	35	\$182	11.4%	42	
10,000 - 29,999	\$63	9.7%	30	\$177	9.4%	32	
30,000 or more	\$64	13.7%	9	\$197	14.2%	9	
School Districts <sup>†</sup>	\$72	13.0%	860	\$196	13.8%	870	
Less than 1,000	\$69	13.1%	190	\$185	13.8%	197	
1,000 - 2,499	\$72	12.7%	388	\$186	13.6%	389	
2,500 - 9,999	\$74	13.4%	256	\$198	14.1%	260	
10,000 or more	\$72	12.2%	26	\$244	15.3%	24	
Colleges & Universities	\$81	14.8%	66	\$233	16.1%	67	
Fire Districts	\$42	12.7%	8	\$179	13.5%	7	
Metro Housing, Port Auth, & Reg Trans Auth	\$87	14.7%	59	\$236	15.4%	56	
REGION							
1 - Akron/Canton	\$55	10.8%	230	\$139	10.8%	230	
2 - Cincinnati	\$78	14.5%	194	\$224	15.4%	197	
3 - Cleveland	\$65	11.9%	232	\$170	12.0%	230	
4 - Columbus	\$85	14.0%	264	\$243	15.4%	265	
5 - Dayton	\$85	15.9%	219	\$234	16.3%	224	
6 - Southeast Ohio	\$78	12.1%	123	\$216	13.3%	128	
7 - Toledo	\$73	13.7%	245	\$213	15.0%	250	
8 - Warren/Youngstown	\$50	9.7%	110	\$119	9.2%	113	
EMPLOYEES COVERED							
1 - 49	\$72	12.9%	238	\$213	13.7%	247	
50 - 99	\$71	13.3%	287	\$194	13.7%	290	
100 - 149	\$70	12.6%	310	\$192	13.4%	316	
150 - 249	\$74	12.9%	294	\$199	13.7%	297	
250 - 499	\$73	13.1%	293	\$195	13.6%	295	
500 - 999	\$76	14.1%	103	\$204	14.8%	104	
1,000 or more	\$75	13.8%	92	\$214	14.7%	88	

<sup>†</sup> ESCs are not included in this category because they do not have a population size. They are included in the statewide total.  
 Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.  
 Note: Excludes plans where employee contribution is zero.  
 Note: Includes medical insurance plan type "other"

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

**Table 16.2**

<b>Average Employer Contributions to Medical/Prescription Premiums</b>						
<b>Comparison Group</b>	<b>Average Monthly Employer Contributions to Medical Premiums</b>				<b>Percent of Premium Paid By Employer</b>	
	<b>Single</b>	<b># of plans</b>	<b>Family</b>	<b># of plans</b>	<b>Single</b>	<b>Family</b>
STATEWIDE	\$480	1,591	\$1,247	1,593	88.1%	87.3%
State of Ohio	\$434	1	\$1,190	1	84.9%	84.2%
Counties	\$485	129	\$1,295	128	86.3%	85.5%
Less than 50,000	\$507	49	\$1,351	48	83.8%	82.7%
50,000 - 149,999	\$474	50	\$1,283	50	87.1%	86.5%
150,000 or more	\$467	30	\$1,224	30	88.9%	88.4%
Cities	\$492	295	\$1,313	294	89.2%	89.3%
Less than 25,000	\$484	214	\$1,320	213	89.6%	89.4%
25,000 - 99,999	\$492	72	\$1,304	72	87.8%	89.1%
100,000 or more	\$660	9	\$1,220	9	91.2%	89.4%
Townships	\$472	107	\$1,299	113	93.4%	92.9%
Less than 10,000	\$484	58	\$1,281	62	94.5%	93.7%
10,000 - 29,999	\$472	36	\$1,373	38	92.5%	92.6%
30,000 or more	\$418	13	\$1,174	13	90.5%	90.2%
School Districts <sup>†</sup>	\$478	798	\$1,208	798	87.6%	86.6%
Less than 1,000	\$450	195	\$1,134	194	88.5%	87.1%
1,000 - 2,499	\$490	349	\$1,233	349	87.5%	86.6%
2,500 - 9,999	\$476	229	\$1,211	230	87.0%	86.3%
10,000 or more	\$548	25	\$1,409	25	88.2%	86.0%
Colleges & Universities	\$484	63	\$1,285	63	85.9%	84.7%
Fire Districts	\$372	9	\$1,332	10	90.8%	91.5%
Metro Housing Authorities	\$483	43	\$1,276	43	86.9%	84.1%
Port Authorities	\$373	3	\$1,131	3	88.2%	88.4%
Regional Transit Authorities	\$554	14	\$1,591	12	89.0%	89.6%

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

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

Note: Includes all plans where prescription is included in medical

Note: Excluded plans that have one rate and medical insurance plan type "other"

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

**Table 17**

<b>Dental Premiums - Median Total Premium and Employee and Employer Share</b>										
<b>Comparison Group</b>	<b>Single</b>				<b>Family</b>				<b>Dental Composite</b>	
	<b>Total Single Premium</b>	<b>Employee Share</b>	<b>Employer Share</b>	<b># of plans</b>	<b>Total Premium</b>	<b>Employee Share</b>	<b>Employer Share</b>	<b># of plans</b>	<b>Rate</b>	<b># of plans</b>
STATEWIDE	\$32.75	\$5.54	\$30.22	833	\$88.84	\$15.01	\$80.00	841	\$77.30	185
State of Ohio	\$24.23	-	\$24.23	1	\$99.19	-	\$99.19	1	-	-
Counties	\$28.00	\$12.88	\$23.30	49	\$82.76	\$43.50	\$62.27	49	-	-
Cities	\$28.17	\$5.10	\$26.00	112	\$84.80	\$15.29	\$75.49	112	\$65.52	23
Townships	\$27.03	\$4.63	\$27.03	70	\$94.83	\$15.02	\$91.99	74	\$77.42	6
School Districts & ESCs	\$36.42	\$5.38	\$32.90	535	\$88.96	\$14.20	\$80.54	538	\$77.38	153
Colleges & Universities	\$28.23	\$8.46	\$23.71	28	\$87.04	\$23.18	\$73.08	28	\$60.22	3
Special Districts	\$28.58	\$6.33	\$25.58	38	\$91.05	\$16.22	\$84.72	39	-	-
REGION										
1 - Akron/Canton	\$62.63	\$6.33	\$53.23	167	\$150.24	\$15.45	\$131.02	168	\$56.00	10
2 - Cincinnati	\$31.58	\$5.23	\$30.43	92	\$92.68	\$15.08	\$83.64	94	\$78.40	30
3 - Cleveland	\$31.37	\$4.73	\$28.43	115	\$87.50	\$12.66	\$80.98	116	\$74.90	13
4 - Columbus	\$33.48	\$6.89	\$29.99	137	\$90.88	\$20.39	\$76.08	137	\$73.73	43
5 - Dayton	\$27.61	\$5.38	\$25.00	120	\$79.54	\$14.98	\$66.50	121	\$86.55	12
6 - Southeast Ohio	\$27.62	\$4.02	\$25.05	53	\$73.66	\$12.24	\$64.56	54	\$61.95	25
7 - Toledo	\$32.21	\$7.98	\$29.70	84	\$84.29	\$13.13	\$75.05	85	\$78.00	42
8 - Warren/Youngstown	\$33.14	\$3.53	\$31.09	65	\$84.93	\$8.49	\$84.93	66	\$72.08	10
EMPLOYEES COVERED										
1 - 49	\$27.63	\$7.60	\$26.34	130	\$86.34	\$23.44	\$82.65	133	\$74.20	12
50 - 99	\$30.72	\$5.76	\$29.70	145	\$88.01	\$15.00	\$81.14	148	\$77.46	41
100 - 149	\$33.00	\$5.21	\$29.61	157	\$86.19	\$14.14	\$76.91	158	\$75.00	43
150 - 249	\$35.54	\$6.39	\$32.89	150	\$87.33	\$15.27	\$78.17	151	\$77.38	48
250 - 499	\$35.89	\$5.38	\$32.07	152	\$89.29	\$13.83	\$80.11	152	\$75.53	27
500 - 999	\$36.84	\$6.26	\$33.20	63	\$100.11	\$15.80	\$91.18	63	\$78.40	8
1,000 or more	\$31.51	\$5.85	\$29.11	36	\$90.78	\$16.12	\$78.22	36	\$71.44	6
Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.										
Note: Includes all plans where dental is included in medical.										
Note: Excludes dental plans that have a composite rate										

**Table 18**

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

Comparison Group	Single				Family				Vision Composite Rate	# of plans
	Total Single Premium	Employee Share	Employer Share	# of plans	Total Premium	Employee Share	Employer Share	# of plans		
STATEWIDE	\$8.19	\$2.47	\$7.25	636	\$20.56	\$6.54	\$17.03	634	\$16.85	88
State of Ohio	\$10.04	-	\$10.04	1	\$27.61	-	\$27.61	1	-	-
Counties	\$7.29	\$5.11	\$6.40	37	\$19.10	\$12.42	\$13.86	37	-	-
Cities	\$7.25	\$5.69	\$6.38	74	\$17.95	\$16.23	\$14.82	74	\$16.83	19
Townships	\$7.99	\$1.76	\$7.99	45	\$25.22	\$7.22	\$22.95	46	\$20.82	12
School Districts & ESCs	\$8.58	\$2.00	\$7.52	435	\$21.19	\$5.00	\$16.93	435	\$14.58	53
Colleges & Universities	\$6.89	\$2.92	\$5.64	22	\$18.20	\$9.78	\$13.39	22	\$17.29	3
Special Districts	\$6.41	\$2.68	\$5.61	22	\$17.52	\$6.00	\$16.43	19	\$12.00	1
REGION										
1 - Akron/Canton	\$11.10	\$1.59	\$11.09	87	\$27.75	\$3.91	\$27.31	78	\$10.02	8
2 - Cincinnati	\$7.25	\$6.36	\$6.31	71	\$17.68	\$16.50	\$16.43	38	\$16.00	10
3 - Cleveland	\$6.69	\$0.99	\$6.24	86	\$15.65	\$3.04	\$14.45	73	\$7.51	7
4 - Columbus	\$8.77	\$5.50	\$7.76	127	\$22.57	\$13.54	\$17.97	85	\$17.16	30
5 - Dayton	\$8.09	\$4.41	\$7.25	80	\$19.62	\$11.50	\$16.90	53	\$22.07	7
6 - Southeast Ohio	\$8.58	\$1.12	\$7.72	50	\$19.74	\$4.21	\$16.24	44	\$18.51	14
7 - Toledo	\$8.61	\$1.89	\$7.52	87	\$20.26	\$5.00	\$16.79	74	\$16.05	3
8 - Warren/Youngstown	\$5.98	\$0.75	\$5.63	48	\$14.68	\$2.07	\$13.64	42	\$8.03	9
EMPLOYEES COVERED										
1 - 49	\$8.62	\$3.76	\$7.99	100	\$23.94	\$10.88	\$20.69	80	\$20.17	10
50 - 99	\$9.21	\$1.99	\$8.13	103	\$21.62	\$4.67	\$18.98	83	\$16.89	22
100 - 149	\$8.50	\$2.49	\$7.25	124	\$19.20	\$5.81	\$16.70	97	\$17.11	25
150 - 249	\$8.39	\$2.74	\$7.57	132	\$20.13	\$7.00	\$16.90	101	\$17.39	14
250 - 499	\$7.45	\$2.84	\$6.66	114	\$18.99	\$9.47	\$15.45	79	\$11.88	10
500 - 999	\$6.46	\$2.55	\$5.43	36	\$15.88	\$9.05	\$13.84	26	\$10.17	2
1,000 or more	\$6.48	\$1.26	\$5.14	27	\$18.54	\$3.94	\$13.76	21	\$9.36	5

Note: Number of plans may vary if employer does not have single or family coverage being utilized or values were not reported for the plan.  
 Note: Includes all plans where vision is included in medical.  
 Note: Excludes vision plans that have a composite rate

## DEFINITIONS AND CLARIFICATIONS

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

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



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## END NOTES

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

<sup>iii</sup> The sample size needed to estimate  $p$  with a bound on error  $B$  was estimated using equation 3: ( $N$ = total number of surveys sent)

$$n = \frac{Npq}{(N-1)D + pq} \quad N=1327, p=.5, B=.05$$

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

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 308. Sample sizes necessary for individual entities (i.e. cities, school districts) are available upon request.

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

<sup>iv</sup> In 89.0% of medical plans reported, prescription drug coverage is included in the medical premium cost.

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