

Health Care Reform Issues

ERC Survey & Review of Current Trends

August 2010

Conducted by ERC

6700 Beta Drive, Suite 300, Mayfield Village, OH 44143
440/684-9700 | 440/684-9760 (fax)
www.ercnet.org



Overview

In July of 2010, ERC conducted a survey on organizations in Northeast Ohio to determine trends in how employers are dealing with specific health care reform issues. The survey's objective was to provide a snapshot perspective of the most current issues and trends surrounding health care reform among Northeast Ohio employers.

Key findings in the survey

- Fifty-two percent of employers report attempting to maintain grandfathered status of their health plans.
- Thirty-eight percent of respondents believe it's beneficial to maintain grandfathered status.
- Few employers plan to make significant changes to their health benefits, however many (36%) plan to adjust their medical benefits to keep pace with medical inflation.
- While several organizations are aware of the Early Retiree Reinsurance Act, many (76%) do not offer retirees health care coverage.
- According to some employers (30%), a few employees have already taken advantage of the expanded health care coverage for dependents up to age 28 (under Ohio law).
- Nearly all organizations (90%) have not created a policy to comply with the provisions of the health care reform law that deal with providing breaks to nursing mothers

Grandfathered Plans

Most organizations (52%) report attempting to maintain grandfathered status of their health plans. Some (28%) have not decided if they will attempt to maintain grandfathered status. Organizations have varied perspectives on whether or not they feel that it's beneficial to maintain grandfathered status, with 48% not sure, 38% believing it's beneficial, and 14% believing it's not beneficial.

Figure 1 | Is your organization attempting to maintain grandfathered status of its health plan(s)?

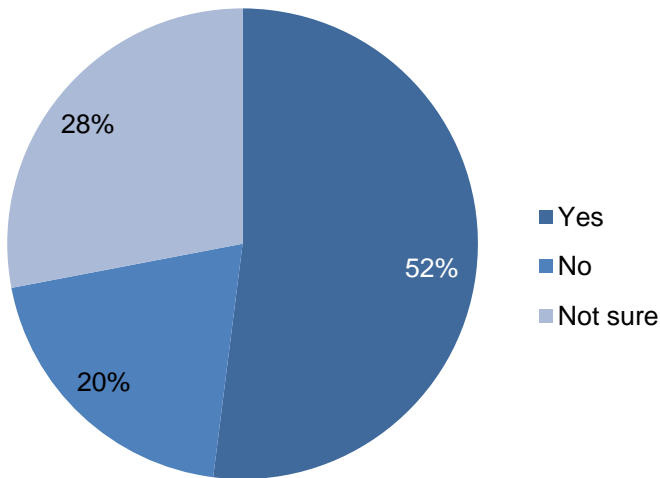
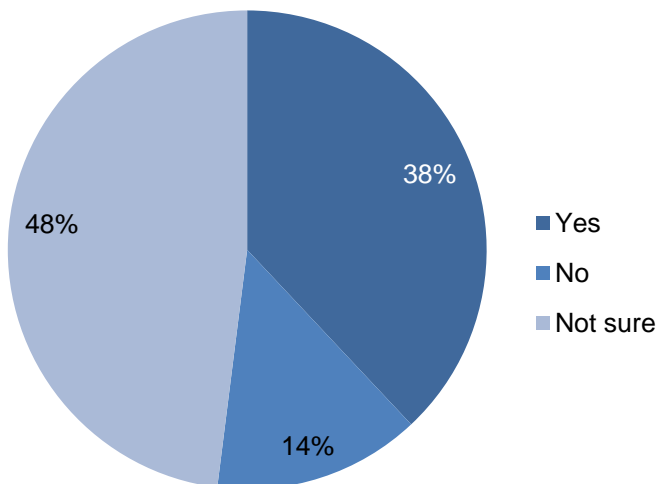
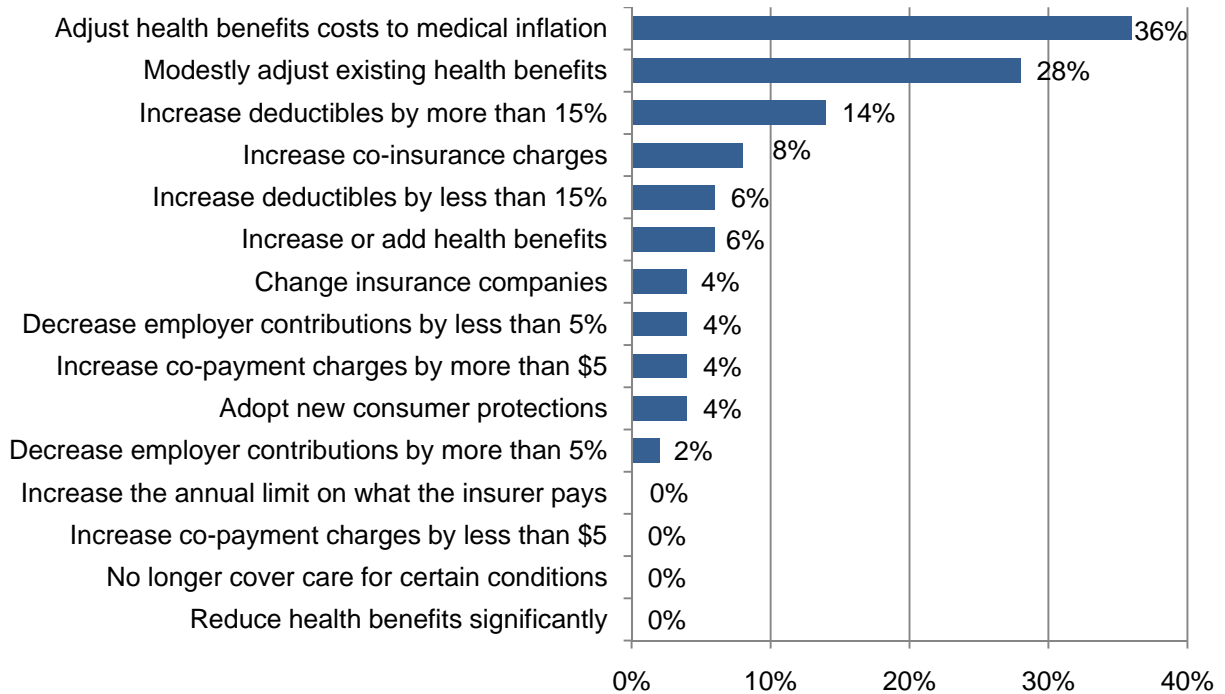


Figure 2 | Does your organization believe that it's beneficial to maintain grandfathered status?



Few organizations plan to make changes to their health insurance plans in 2010. Thirty-six percent say they will adjust benefits costs to medical inflation and 28% of employers say they will modestly adjust existing health benefits. Very few employers plan to increase co-insurance charges, deductibles, or health benefits. Even fewer (4%) plan to change insurance companies.

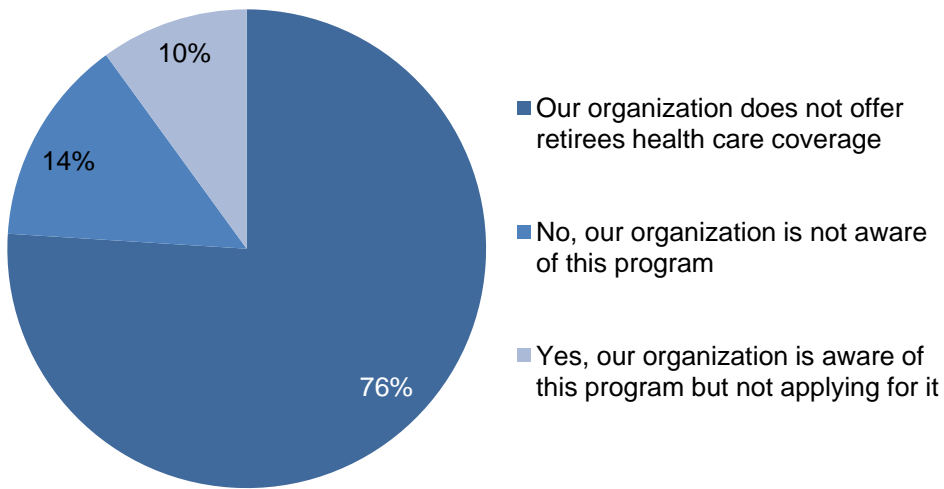
Figure 3 | What changes is your organization planning to make to health insurance plans in 2010, if any?



Early Retiree Reinsurance Program

Seventy-six percent of employers say that their organizations do not offer retirees health care coverage. No employers surveyed are applying for the Early Retiree Reinsurance Program, even though they are aware of the program’s availability. A few (10%) are aware of the program, but not applying for it.

Figure 4 | Is your organization aware of the Early Retiree Reinsurance Program?



Expanded Coverage for Dependents

Most organizations (70%) report that their employees have not taken advantage of the expanded health coverage for dependents up to age 28 (under Ohio law). Thirty-percent of respondents said their employees have taken advantage of this coverage. Employers report, on average, that only 1-2 employees have taken advantage of this coverage. In response to the extension of coverage for dependents up to age 28, some employers (15%) are paying for the cost of dependent's health coverage; however, 33% are requiring employees to pay for the cost of the dependent's health coverage. Of those that indicated "other" in Figure 6, many are undecided about how they will account for the coverage and some are continuing to split the cost or "cost-share" with their employees.

Figure 5 | Have any of your employees taken advantage of the expanded health coverage for dependents up to age 28 (under Ohio law)?

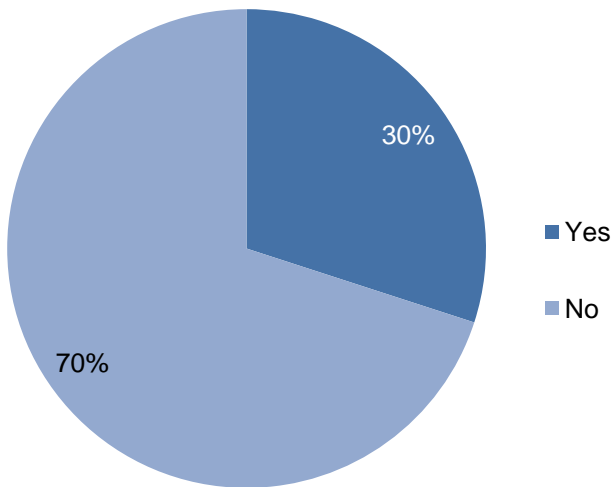
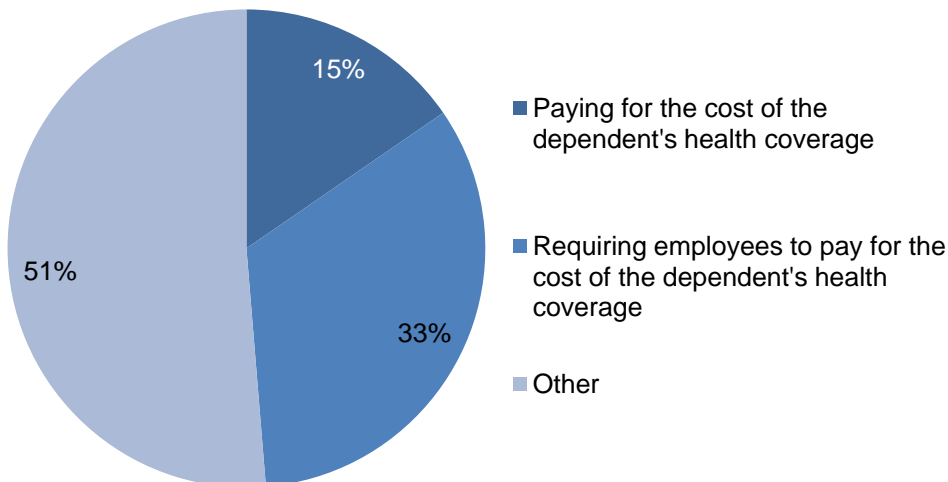


Figure 6 | In response to the extension of coverage for dependents up to age 28 (under Ohio law) is your organization doing either of the following?



The majority of employers (56%) say their insurance carrier provided an early extension of coverage for dependents to age 28 who otherwise would have lost eligibility. Thirty-two percent have taken advantage of the early extension of coverage provided by their carriers and 36% have not.

Figure 7 | Did your insurance carrier provide an early extension of coverage for dependents to age 28 who otherwise would have lost eligibility?

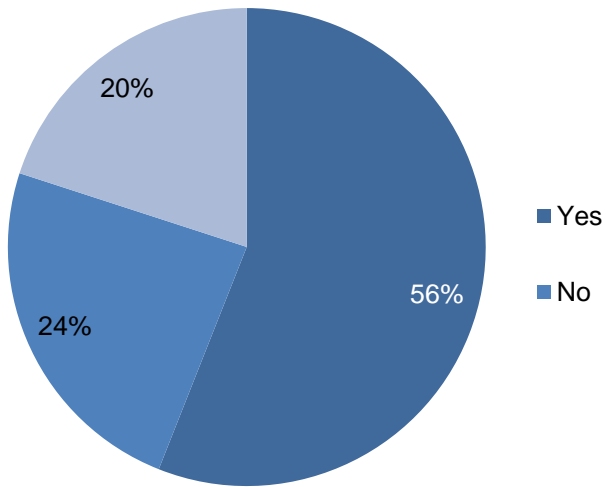
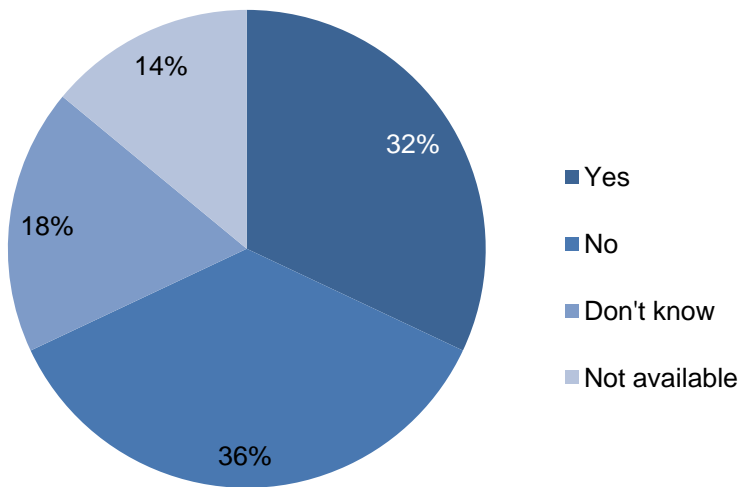


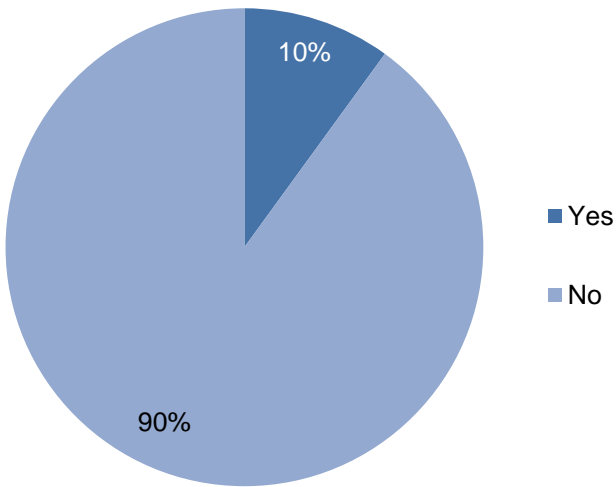
Figure 8 | Did your organization take advantage of the early extension of coverage to age 28 provided by your carrier?



Breaks for Nursing Mothers

Ninety percent of employers have not created a policy to comply with the provisions of the health care reform law that deal with providing breaks to nursing mothers. Only 10% of respondents indicated creating policies for this purpose.

Figure 9 | Has your organization created a policy to comply with the provisions of the health care reform law that deal with providing breaks to nursing mothers?



Respondent Demographics

Fifty (50) organizations in Northeast Ohio participated in the survey; a breakdown of the industries and sizes they represent is provided below.

Figure 10 | Respondent demographics by industry and organizational size

	Percent
Industry	
Manufacturing	58%
Non-Manufacturing	30%
Non-Profit	12%
Organizational size	
1-50	12%
51-200	72%
201-500	10%
501+	6%

About ERC

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit www.ercnet.org.

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