

ERC Health Care & Wellness Practices Survey

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Conducted by ERC

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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.



Introduction & Methodology

This report summarizes the results of ERC's survey of organizations in Northeast Ohio, conducted in December of 2010, on practices related to health care and wellness. This survey was co-sponsored by the ERC Health Academy. The survey reports trends in:

- Health insurance premiums
- Increases to co-pays, deductibles, and employee contributions
- Eligibility for health insurance
- Health insurance cost-control
- Wellness programs
- Wellness program administration

All ERC members were invited to participate in the survey in early December via email invitation and other promotions, and participated in the survey throughout the month. The survey officially closed on December 31, 2010. In order to provide the most reliable and accurate information, data was cleaned and duplicate records were removed. Any outliers or invalid data were also eliminated, yielding a final data set of 90 participating organizations, only from Northeast Ohio. Qualitative data was coded where applicable or analyzed according to commonality or major themes, and all quantitative data was analyzed using statistical software to ensure data validity and reliability.

This report shows several frequencies and response distributions. Frequencies of data responses may not total 100% exactly in some cases due to rounding of decimals or the ability for participating organizations to select multiple response options. In some cases, industry and organizational size breakouts are not included due to quantity of data or insufficient sample (i.e. over 500 employees breakout is not included due to small sample). These breakouts are, however, available upon request at surveys@ercnet.org, as is additional or more specific analysis, should your organization's needs pertain.

Health insurance premiums

The average percent of health insurance premium that employers plan to contribute in 2011 is 75%, and the average percent of health insurance premium that employees will be required to contribute in 2011 is 26%. On average, employers' health insurance premiums rose 15.2% in 2010.

Average percent of employer and employee contributions to health insurance premiums and average percent increase in premium

	Average employer contribution (%)	Average employee contribution (%)	Average % increase in premium
All Organizations	75%	26%	15.2%
Industry			
Manufacturing	77%	25%	15.8%
Non-Manufacturing	70%	29%	13.1%
Non-Profit	79%	21%	12.9%
Organizational Size			
1-50	74%	26%	16.0%
51-200	75%	26%	15.1%
201-500	78%	22%	9.2%

Increases to co-pays, deductibles, and employee contributions

Some employers increased co-pay amounts (19%), annual deductibles (31%), and employee contributions to the health insurance premium (32%) for 2011. Many employers (43%), however, indicate that they did not increase co-pays or deductibles. The average percentage increase in co-pay amounts was 31%, while the average increase in annual deductibles was 83%. The average percent increase in employee contribution to the health insurance premium was 13%. There was, however, significant variability in average percentage increases across co-pay amounts, annual deductibles, and employee contributions.

Percentage of employers that increased co-pays, deductibles, and employee contributions to premium in 2010 and did not increase co-pays or deductibles

	Co-pay amount	Annual deductible	Employee contribution	Did not increase
All Organizations	19%	31%	32%	43%
Industry				
Manufacturing	21%	28%	37%	42%
Non-Manufacturing	10%	27%	27%	47%
Non-Profit	27%	46%	36%	36%
Organizational Size				
1-50	14%	36%	36%	32%
51-200	20%	26%	26%	50%
201-500	18%	27%	46%	55%

Average percentage increase in co-pays, deductibles, and employee contributions to premium in 2010

	Average % increase
Co-pay amount	31%
Annual deductible	83%
Employee contribution to premium	13%

*Industry and size breakouts not reported due to insufficient sample

Eligibility for health insurance

The average number of health plans offered to employees is 2, and this was consistent across all breakout groups. Typically, employees must work an average of 31 hours to be eligible for health insurance, according to employers. Additionally, 92% of employers require a waiting period before employees are eligible for health insurance. Waiting periods typically vary in length, with no widespread trend among employers, however, the most commonly cited lengths of waiting periods were 90 days (27%), first of month following 30 days (19%), and 30 days (17%).

Average number of hours required to work in order to be eligible for health insurance benefits

	Average
All Organizations	31
Industry	
Manufacturing	34
Non-Manufacturing	31
Non-Profit	26
Organizational Size	
1-50	32
51-200	32
201-500	30

Percentage of employers that impose a waiting period before an employee is eligible to receive health insurance benefits

	Percent
All Organizations	92%
Industry	
Manufacturing	98%
Non-Manufacturing	87%
Non-Profit	90%
Organizational Size	
1-50	86%
51-200	96%
201-500	91%

Percentage of employers' providing certain waiting periods to receive health insurance benefits that is imposed by employers

	Percent
90 days	27%
1st of month following 30 days	19%
30 days	17%
1st of month following hire date	14%
60 days	13%
1st of month following 60 days	5%
1st of month following 90 days	5%
1st of month following 45 days	1%

*Industry and size breakouts not reported due to quantity of data; available upon request

Health insurance cost-control

Only 9% of employers charge smokers more for health insurance, with the average dollar amount more being \$14. Only 28% of employers have a spousal carve-out provision. The average dollar amount that employers spend on health insurance each year is \$876,579, however wide variation in costs was observed. The most common ways employers try to manage health insurance costs is by educating employees on becoming better health-care consumers (60%), creating wellness programs (58%), changing plan design (56%), and increasing cost to employees (51%).

Percentage of employers that charge smokers more for health insurance and have a spousal carve-out provision

	Charge smokers more	Spousal carve-out provision
All Organizations	9%	28%
Industry		
Manufacturing	13%	26%
Non-Manufacturing	3%	31%
Non-Profit	0%	27%
Organizational Size		
1-50	5%	0%
51-200	7%	35%
201-500	0%	36%

Average and median total dollar amounts that employers spend on health insurance annually

	Average	Median
All Organizations	\$876,579	\$375,000
Industry		
Manufacturing	\$637,620	\$382,500
Non-Manufacturing	\$400,717	\$221,500
Non-Profit	\$450,800	\$500,000
Organizational Size		
1-50	\$133,644	\$127,000
51-200	\$556,252	\$362,500
201-500	\$1,321,667	\$915,000

*Note that outliers were removed from the analysis

Percentage of employers using various methods of coping with increasing health insurance costs

	Percent
Educating employees in becoming better health care consumers	60%
Creating wellness programs	58%
Changing the plan design	56%
Increasing cost to employees (raising contributions, etc.)	51%
Switching vendors	23%
Utilizing an employee assistance program	18%
Shifting to consumer-driven health care	12%
Imposing limitations on spousal or dependent coverage	11%

*Industry and size breakouts not reported due to quantity of data; available upon request

Wellness programs

The majority of employers (59%) have a wellness program in place, with 24% planning to implement one this year. Over 60% of employers pay for various wellness activities including health screenings (80%), health risk assessments (74%), general health education (70%), annual flu shots (68%), smoking cessation (64%), and an annual health fair (62%). Fifty-seven percent (57%) of organizations have incentives in place for participation in wellness programs. Most employers (68%) are unsure if wellness programs have reduced their health insurance costs.

Percentage of employers with a wellness program in place

	Yes, wellness program is in place	No, but plan to implement one in the this year	No, and do not plan to implement one
All Organizations	59%	24%	18%
Industry			
Manufacturing	63%	21%	16%
Non-Manufacturing	57%	23%	20%
Non-Profit	55%	27%	18%
Organizational Size			
1-50	50%	23%	27%
51-200	57%	26%	17%
201-500	73%	18%	9%

Percentage of employers having wellness programs that pay for various wellness activities

	Percent
Health screenings (cholesterol, blood pressure)	80%
Health risk assessment	74%
General health education (seminars, workshops, lunch-n-learns)	70%
Annual flu shots	68%
Smoking cessation	64%
Annual health fair	62%
General health education (paper information)	56%
General health education (online information)	54%
Wellness coaching (telephone or onsite)	50%
Healthy food options offered on-site and in meetings	48%
Weight management programs	48%
Walking or physical activity programs	46%
Disease management	42%
Nutrition education	40%
On-site fitness programs/classes/activities	34%
Access to fitness trainers	32%
Healthy food vending machines	28%
Access to dieticians	26%
Stress management	24%
Fitness center reimbursement	22%
Immunizations	22%
On-site fitness center/equipment	18%

*Industry and size breakouts not reported due to quantity of data; available upon request

Percentage of employers having wellness programs that offer incentives for participation in wellness programs

	Percent
All Organizations	57%
Industry	
Manufacturing	62%
Non-Manufacturing	59%
Non-Profit	33%
Organizational Size	
1-50	55%
51-200	64%
201-500	38%

Percentage of employers indicating that wellness programs have reduced their organization's health insurance costs

	Yes	No	Not sure
All Organizations	20%	12%	68%
Industry			
Manufacturing	15%	7%	78%
Non-Manufacturing	24%	24%	53%
Non-Profit	33%	0%	67%
Organizational Size			
1-50	0%	36%	64%
51-200	31%	8%	62%
201-500	13%	0%	88%

Wellness program administration

Employers report that internal staff (43%), insurance brokers (32%), and wellness vendors (23%) are typically used to develop wellness programs. The average percentage of wellness activities facilitated by in-house staff is 51%, by online methods is 17%, and by external carriers/vendors is 46%. The most common vendors cited as being used by employers include:

- BeWell Solutions
- Ceridian LifeWorks
- Coleman Wellness
- Concentra
- Ease@Work
- ERC Health Academy
- Healthways
- Healthy Choice Screenings
- Humility of Health Partners Corporate Care
- Insurance plans (United Healthcare, Anthem, etc.)
- Oswald companies
- Principal Wellness Group
- Quantum Coordinated Health
- Summacare
- Wellness Consultants LLC
- YMCA

In terms of resources employers need to create a successful program, organizations commonly report needing a dedicated committee or individual to drive the program, management buy-in, more resources (larger budget, time), quality vendors, and more participation or motivation from employees.

Percentage of employers that use staff or external resources to develop wellness programs

	Internal staff	Insurance broker	Wellness consultant	Wellness vendors
All Organizations	43%	32%	13%	23%
Industry				
Manufacturing	54%	37%	14%	28%
Non-Manufacturing	40%	37%	17%	17%
Non-Profit	36%	18%	9%	36%
Organizational Size				
1-50	32%	36%	9%	5%
51-200	46%	30%	17%	28%
201-500	64%	55%	18%	46%

Average percentage of wellness activities facilitated by in-house staff, online, or via external carriers/vendors

	Internal staff	Online	External carriers/vendors
All Organizations	51%	17%	46%
Industry			
Manufacturing	46%	10%	54%
Non-Manufacturing	59%	25%	36%
Non-Profit	45%	16%	44%
Organizational Size			
1-50	41%	20%	59%
51-200	53%	14%	41%
201-500	51%	22%	42%

Respondent demographics

Below is a breakdown of the industries and sizes that respondents represent.

	Percent
Industry	
Manufacturing	51%
Non-Manufacturing	36%
Non-Profit	13%
Organizational Size	
1-50	27%
51-200	55%
201-500	13%
Over 500	5%

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