



## Consumer Driven Health Plans surpass HMO's in popularity with employees.

### Nation's largest health plan survey sites key trends in employer health plans

Anchorage, AK, August 29, 2009 -- Consumer Driven Health Plans (CDHPs) in the U.S. have surpassed HMO plans in covered employees, according to preliminary results released by United Benefit Advisors (UBA) from their *2009 UBA Health Plan Survey*, the **nation's largest health plan benchmarking survey** with 17,655 plans from 12,316 employers reporting.

CDHPs grew at a rate of 33.9% this past year and now cover more employees (15.4%) than HMO plans (13.6%), according to Holly Zachman, VP Marketing & Business Development at The Wilson Agency. Alaska doesn't have HMOs, but the trend continued here nevertheless. CDHPs cover 12.3% of Alaskan employees versus only 6.1% last year.

The average cost increase for all CDHPs at 6.3% was slightly lower than that of the average of all plan types, which increased 7.3% this year. The high cost of health care is seriously felt in Alaska, which absorbed a 15.6% increase in all plan types for 2009.

Employers often offset the higher out-of-pocket costs of CDHPs by offering employees a health reimbursement account (HRA) or a health savings account (HSA) and contributing funds. The 2009 UBA Health Plan Survey found the average employer contribution to an HRA was \$1,310 (up from \$1,209 in 2008) for a single employee and \$2,502 for a family (up from \$2,274 in 2008).

"Across the board, we're seeing a trend toward employee empowerment and participation when it comes to health care," said Zachman. "They're taking more control over health care expenditures by increasing participation in CDHPs, and they are also realizing that there are financial benefits – in addition to health benefits – of participating in wellness programs. As we observe what is coming out of Washington these days, there is a strong movement by some to eliminate an employer's ability to have the flexibility to provide plan designs that incentivize employees to become good health care consumers and replace it with a one-size-fits-all mentality that is contrary to the overall consumerism movement at a time when there is progress in educating consumers of both the health and financial benefits of becoming good consumers of health care resources."

"Health care costs continue to increase and we have seen little or nothing in the proposals coming out of Washington to date that address the health care issues that can help control costs," said Zachman.

"The government's role in health care should be to provide a national information collection platform that will allow the private sector to provide tools that employees and employers can use to make decisions based upon quality and cost. Providing financial support for those without the resources to pay while establishing rules that create a level playing field for the private sector -- not to becoming a provider of health care -- is the appropriate role," Zachman said. "Access to these data could equitably generate revenue that could offset premium subsidies for the uninsured/underinsured and/or financially disadvantaged. This environment would allow for continual improvements in the health care system without removing incentives for innovation or eliminating the significant segments of the system that work very well today via the private marketplace."

Other key statistics from this year's Survey results:

- The average increase for all plan types was 7.3%; 15.6% in Alaska.
- PPO plans have nearly two-thirds of all enrolled employees (63.9%) and even more in Alaska (86.6%).
- The average employee contribution for plans with contributions for all plan types is \$105 for single and \$419 for family; in Alaska the contribution is \$129 for single and \$582 for family.

- More than three-fourths of all wellness plans (78.4%) offered a health risk assessment.
- More than two-thirds (67.2%) of all family plans without a deductible are located in the Northeast and West.
- Of all plans in the Northeast, 86.6% have 100% coinsurance.
- 52.7% of all covered employees also elected to cover their dependents; in Alaska, 77.6% made that choice.

As health care plan offerings become more complex, Zachman points out that benchmarking data like the annual UBA Health Plan Survey has become increasingly critical.

“The intent of the survey is to provide employers of all sizes with the data they need to manage their health care benefit programs effectively,” said Bill Stafford, UBA Vice President, Member Services. “Especially for the more than 99% of U. S. employers with fewer than 1,000 employees who have operations in multiple locations, this survey is the best source of reliable regional – and in many cases state – health plan benchmarks by employer size and industry categories.”

The 2009 UBA Health Plan Survey will be available to the public after Nov. 1. Only UBA Member Firms have access to the more granular state, region, and industry data. Stafford also said the analysis of the 2009 UBA Health Plan Survey data will continue over the next several months, and additional findings will be forthcoming. UBA has Member Firms in virtually every major U.S. market. To locate one and learn more about the 2009 UBA Health Plan Survey, visit [www.UBAbenefits.com](http://www.UBAbenefits.com).

**ABOUT THE 2009 UBA HEALTH PLAN SURVEY** – With responses from 17,655 health plans sponsored by 12,316 employers nationwide, the 2009 UBA Health Plan Survey is the nation’s largest and most comprehensive survey of plan design and plan costs. As the largest survey of its kind, the UBA Health Plan Survey defines benchmarks by a greater number of specific industries, regions, and employer size categories than is available from any other resource. The *2009 UBA Employer Benefit Perspectives* (which delineates employers’ positions and opinions on Employee Communications, Personal Health Management and Scope of Benefits Offered) and the *2008 UBA Employer Opinion Survey* (which addressed employers’ specific health care strategies, health benefits philosophy and opinion, health plan management, and Consumer Driven Health Care) serve as companion pieces to the *2009 UBA Health Plan Survey*.

**ABOUT UNITED BENEFIT ADVISORS** – United Benefit Advisors, is an alliance of nearly 140 premier independent benefit advisory firms with offices in more than 165 offices throughout the U.S, Canada and the U.K., and is one of the nation’s top five employee benefits advisory organizations. As trusted and knowledgeable advisors, UBA Members collaborate with more than 1,900 professionals to seek out ideas, insight, expertise and best-in-class solutions that positively impact employers and make a real difference in the lives of their employees and families.

#### **About The Wilson Agency**

The Wilson Agency, a charter member firm of UBA, is a full service strategic employee benefits consulting firm, helping Alaskan businesses to develop an organized approach to complex employee initiatives. We represent our client with products such as medical, dental, vision, life insurance, and 401(k) investments as well as provide services like wellness programs, and employee communication, education and advocacy. All products are offered through a strategic review of business’ current employee benefits and industry analysis to align business goals with employee compensation. The Wilson Agency is the exclusive UBA member in Alaska.

#### **CONTACT:**

Holly Zachman  
 VP Marketing & Business Development  
 The Wilson Agency, LLC  
 907-277-1616  
[hollyz@thwilsonagency.com](mailto:hollyz@thwilsonagency.com)  
[www.thewilsonagency.com](http://www.thewilsonagency.com)

OR  
 Bill Stafford  
 United Benefit Advisors  
 317-705-1440  
[bstafford@unitedbenefitadvisors.com](mailto:bstafford@unitedbenefitadvisors.com)