

### UBA National Benchmarks

## Health, Employer Surveys Help Benefit Plans Stay Cost-Effective, Competitive

**A**VERAGE PREMIUMS increased 8.6% for all plans (after any plan adjustments) vs. 9.6% percent last year, according to United Benefit Advisors' (UBA) second-annual health plan benchmark survey. Consumer Driven Plans (CDP) had the lowest increases at 5.7%. The overwhelming majority of the increased adoption of CDPs (5.8% vs. 2.6% last year) have come from employers with under 1,000 employees, with the highest sub-segment being employers with less than 100 employees, according to the health plan survey.



In addition, the average annual health plan cost per employee is \$6,629 (medical/Rx coverage), with an average

employee cost of \$2,031 and an average employer cost per employee of \$4,592. Average monthly premiums for all plans were \$331 for single coverage and \$817 for family (a weighted average of all non-single coverages), according to the health plan survey.

"With employer health plan information reported for over 2,700 cities from virtually every state in the country, differences in plan design and plan costs between various regions and industry groups become apparent," says David LoCascio, UBA Co-Founder. "This unique level of additional

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## Small, Midsize Employers

### Wellness Programs Offer Promising Results



SINCE MOST working Americans are part of small employer groups, there's a unique opportunity for this market segment to have a significant impact on employee wellness. "The challenge for employers is to identify ways of getting people who have no idea

that they are borderline diabetics and others with similar health conditions that would respond favorably to lifestyle changes interested in participating in wellness programs," says Susan O'Connor, assistant vice president, managed care operations, Guardian Life Insurance Company of America. "We're all trainable and able to respond to both positive and negative feedback," she says.

Her suggestion: develop the right incentives that at the very least encourage smaller employee populations to complete a health risk assessment and eventually commit to altering harmful behavioral patterns. This suggestion supports results from United Benefit Advisors' 2006 Employer Opinion Survey on Healthcare which indicate that the focus for many employers has clearly shifted to preventing and managing employee health rather than solely cutting benefits and/or increasing employee contributions.

Nonetheless, large employers who were early adopters of disease management programs have produced enough credible results through years of tweaking the most effective practices that small and midsize companies are now benefitting from their experiences. For example, the use of information technology, such as predictive modeling tools, enables more small and midsize employers to move forward with more meaningful programs designed to improve employee health and productivity, especially in the coming age of healthcare consumerism.

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## Saving for Retirement

### DC Plans to Dominate Workplace in 10 Years



MOST U.S. ADULTS (88%) say the government should "do something" to ensure that Americans have enough to live on in retirement, according to a recent Wall Street Journal Online/Harris Interactive Personal-Finance Poll. Because securing adequate funding for

retirement is critical to the future standard of living of so many in the U.S., President Bush signed the Pension Protection Act (PPA) last month.

As a result, many experts believe there will be a significant shift toward defined contribution (DC) plans, such as 401(k)s, which will have a huge

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information provides important factors in determining not just what is happening with health plan costs, but why it's happening." For example, the survey data confirm that the often reported health plan premium cost difference for plans in the Northeast (~13% above the national average) is largely attributable to those plans having richer benefits than any other region of the country. Specifically, 74.6% of plans in the Northeast have no single deductible, and an amazing 83.3% have no in-network coinsurance vs. roughly 25% for plans in other regions.

### **IN A RECENT companion**

employer opinion survey on healthcare, the most prevalent cost-containment strategies used by employers continue to be reducing plan benefits and/or increasing employee premium cost-sharing. However, employers now believe wellness programs that incorporate individual health risk assessments and expanded disease management programs to help employees manage chronic health conditions are equally effective at cost-containment.

"The focus for many employers has clearly shifted to preventing and managing employee health rather than solely cutting benefits and/or increasing employee contributions," says LoCascio.

Among additional survey findings, three clear responses emerge: (1) almost all responsibility for controlling healthcare costs has been ceded to intermediaries: insurers/health plans, government, and employers; (2) an overwhelming majority of employers believe the federal government has a definite role to play regarding health care; and (3) costs will shift more to employees within the next five years, with CDP dominating the future. ■

## Small, Midsize Employers. . . *(Continued from page 1)*

Increasingly, however, employers—large and small—are embracing wellness with the goal of reducing health insurance and workers' compensation claims and keeping the lid on escalating insurance costs. "I think the switch in the last five to 10 years is the realization that wellness is not just fluff," says Dr. Steven Marks, chief medical officer, PacificSource Health Plans. "It's a major contributor to peoples' health on the job, their ability to manage their own wellness over time to keep medical expenses down, and to even prevent the ravages of chronic disease." ■



## Saving for Retirement . . .

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impact on a large number of workers, especially younger workers and future workers, who cannot depend on Social Security and Medicare to the same extent as their parents and grandparents did to support them in retirement. As defined benefit plans dry up, 401(k) plans are becoming the norm, according to the National Center for Policy Analysis.

It cannot be overstated how important the passage of the PPA is, according to David L. Wray, President, Profit Sharing/401(k) Council of America (PCSA). "It will lead to dramatic expansion of employer-sponsored defined contribution programs, and there will be a dramatic shift in companies moving to automatic [401(k)] enrollment," Wray says. "I believe that within five years, as many as half the companies sponsoring defined contribution plans will have changed their plan philosophy from opt-in to opt-out. The result will be a dramatic increase in 401(k) plan participation and overall retirement savings."

At the same time, Wray notes that plan designs will be highly customized, and employees will see a re-introduction of cash and deferred profit-sharing plans. As companies and individuals continue to recognize the importance of saving for retirement, participation in these programs will grow significantly. Within 10 years, participation in defined contribution plans will approach 90 percent. "The defined contribution system will become a universal aspect of the workplace," says Wray. ■

## Team Gemini Debut a Winner



At Gemini Group, Inc., we have long advocated wellness as a way of life. Now we're putting our advocacy into action with the creation of "Team Gemini". Simply put, Team Gemini is a collection of people interested in participating in fitness events together – and committed to having fun in the process. All Gemini Group, Inc. clients, staff, friends and family are welcome to join.

As a first step in this new mission, Team Gemini debuted August 26 at The Kaiser Permanente Moonlight Classic – a late-night bike ride through the streets of Denver. As intrepid team captain and Gemini Group, Inc. benefits consultant Michael Jolie noted, "A bit of rain baptized the event, but never dampened our spirits." An enthusiastic throng of Team Gemini

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*Do you have part-time or non-eligible employees not covered on your group health plan? Gemini Group, Inc. can help!*

Recent changes to Colorado insurance law have made it easier to get these workers health insurance coverage. Gemini Group, Inc. can show you how to best use these changes to your advantage.

**Benefits at no cost to the employer-**

Under the new guidelines, a company can now help workers obtain affordable individual health insurance coverage at no cost to the employer.

**Helps eliminate COBRA problems-**

An employer can now help terminated employees obtain an option to COBRA that usually will cost less and move them off the group plan.

**Cover dependants no longer eligible for a group health plan-**

When a dependant graduates or reaches an age where they are no longer eligible for a group plan, an employer can help by contacting Gemini Group, Inc. to get them covered on an individual health plan. It's easy to apply for individual health coverage at [www.geminigrp.com](http://www.geminigrp.com).

Call Gemini Group, Inc. at (303) 757-1234 to find out how our team of consultants can help find exciting new solutions to all your benefit needs. ■

The HRinsider SM bulletin is brought to you each month courtesy of **Gemini Group Inc.**, a UBA member.

For more information, contact us at [info@geminigrp.com](mailto:info@geminigrp.com)

Or visit our website:  
<http://www.geminigrp.com>

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participants enjoyed the company of others with similar interests and positive attitudes – and now they're clamoring for more. In that spirit, Gemini Group, Inc. is developing a list of upcoming Team Gemini events, taking advantage of the many active opportunities Colorado offers – hiking, snowshoeing, running, cycling, walking and more. The next scheduled event is the Mile High United Way Turkey Trot (7K run/walk and 2-mile family fun run) on November 23 at Washington Park in Denver. In January, Team Gemini plans to go snowshoeing and in February ice skating. Keep an eye out for information on the schedule of events here. To get on the official Team Gemini communications list, please send an e-mail to [Michael.Jolie@GeminiGrp.com](mailto:Michael.Jolie@GeminiGrp.com). ■

**Bulletin Briefs**

◆ *Minimum Wage Laws Multiply in States*

Legislatures in 10 states have enacted laws mandating a higher minimum wage than federal law requires, bringing 23 states and the District of Columbia above the threshold. On Nov. 7, voters in Arizona, Colorado, Ohio, Nevada, Missouri, and Montana will decide whether to raise the minimum wage to as much as \$6.85/hour, with automatic adjustments for inflation.

◆ *Higher Copays Don't Deter Use of High-Cost Medication*

Cost-sharing has relatively little impact on the use of expensive new specialty pharmacy drugs, often found in a so-called "fourth tier" of health plan formularies, according to *Health Affairs*. Some health plans are struggling to pay for drugs which can cost as much as \$10,000 per month.

◆ *Provider Stops Offering Nexium*

UnitedHealth Group will stop offering the acid reflux drug Nexium to its 15 million customers due to the restructuring of its Tier 2 category of drugs, which will include five proton pump inhibitor alternatives. ■

*Voluntary Products to Complement Your Core Package*

Find out how Gemini Group can help you implement a voluntary benefits package that will complement your company's core benefits. Three of the most important objectives for an employer in managing personnel issues are:

- -Attracting and retaining loyal workers
- -Providing employees choice and security in their benefits package
- -Managing the organizations dollars

Voluntary benefits have proven to be important offerings that address each of the three objectives. Selecting the right benefits, communicating them properly and administering them efficiently is the Gemini advantage.

Gemini is licensed with over 20 of the largest voluntary companies in the country thus allowing us to pick the carrier and product to fit your company's needs. We seek to achieve the right balance that ultimately helps your organization better manage costs and attract and retain loyal workers. ■

