



## Northeast Ohio Colleges

A special report  
from the Mercer  
National Survey of  
Employer-Sponsored  
Health Plans 2006

### Number of participants

All Schools - Average	9
Colleges & Universities <500	17
Colleges & Universities 500+	74
National All	2930

### Geographic regions used in survey



Total health benefit cost rose by 6.1% in 2006, the same pace as last year, to an average of \$7,523 per employee. This represents the end of a three-year period in which employers succeeded in reducing the rate of growth in health benefit costs, which hit a 12-year high of 14.7% in 2002 and slowed to 6.1% by 2005. Employers with fewer than 500 employees saw costs rise by 7.0% in 2006, however, which was a faster rate than last year. Employers predict another 6.1% increase in average cost for 2007.

In 2006, cost-shifting to employees was less of a factor in reducing health benefit cost increases than in past years. Average deductibles, copays and out-of-pocket maximums, which rose rapidly from 2000–2005, showed only modest growth last year. However, employers applied downward pressure in other areas. Prescription drug benefit cost increases for large employers continued to slow in response to provisions encouraging employees to buy generic or preferred brand-name drugs. In addition, enrollment in consumer-directed account-based health plans, the least expensive type of medical plan by far, is increasing. Finally, employers continued to add care management features to their plans in 2006—and to add incentives for employees to use the program. Asked to rate the importance of six cost management strategies to their organization over the next five years, care management and consumerism were each rated important or very important by 43% of all employers (and about two-thirds of those with 500 or more employees).

Using a scientific random sample and supplemental convenience sample, we collected data from 2,930 employers with 10 or more employees. The national and regional results are based on the random sample only and are weighted to be projectable. However, results from city, state and other special employer groups include the convenience sample and are unweighted.

## EMPLOYER PROFILE

### Demographics

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
Average employee age	47	43	45	38
% of female employees	56%	60%	56%	44%
% of employees electing dependent coverage	65%	48%	55%	51%

## MEDICAL PLAN PREVALENCE

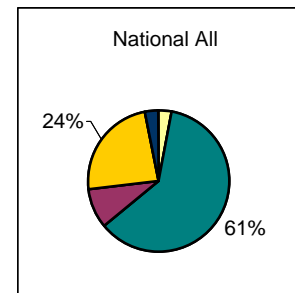
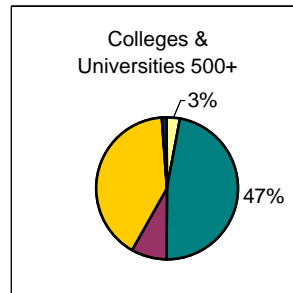
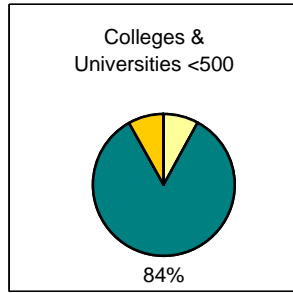
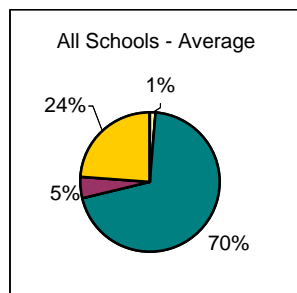
### Prevalence and enrollment, by medical plan type

#### Percent of employers offering each type of medical plan

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
Indemnity	33%	18%	19%	7%
PPO	100%	82%	89%	63%
POS	11%	0%	22%	13%
HMO	67%	24%	57%	32%
Consumer-directed health plan (CDHP)	0%	6%	7%	6%

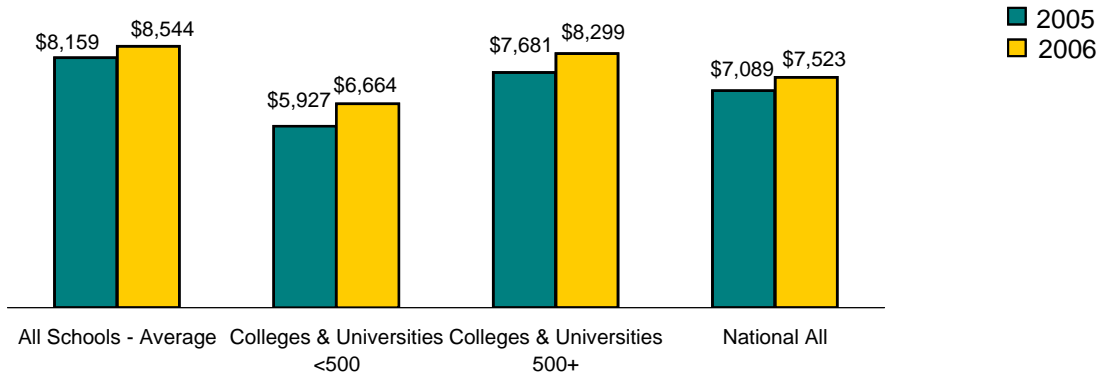
#### Percent of all covered employees enrolled in each type of medical plan

■ Indemnity 
 ■ PPO 
 ■ POS 
 ■ HMO 
 ■ CDHP



## TOTAL HEALTH BENEFIT COST

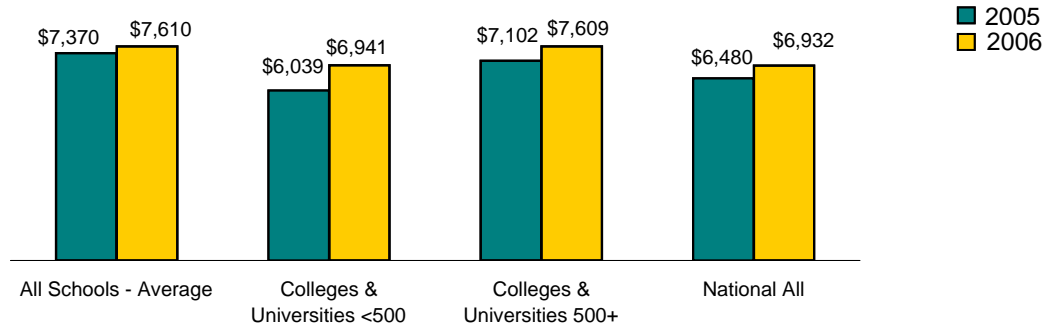
### Average total health benefit cost\* per employee



\*Total health benefit cost includes medical, dental, Rx, and specialty benefits

## PREFERRED PROVIDER ORGANIZATION (PPO)

### Average PPO cost per employee, for active employees



### Employee contributions

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Employee-only coverage</b>				
% requiring a contribution	89%	64%	76%	59%
Average contribution as a percent of premium	13%	18%	18%	30%
Average monthly contribution amount	\$45	\$77	\$63	\$98

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Family coverage</b>				
% requiring a contribution	89%	100%	92%	79%
Average contribution as a percent of premium	14%	50%	30%	52%
Average monthly contribution amount	\$125	\$339	\$302	\$439

### Physician visit cost-sharing

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>In-network physician visit cost-sharing</b>				
% requiring copay	78%	71%	71%	87%
Average copay amount	\$14	\$18	\$15	\$20

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Out-of-network physician visit cost-sharing</b>				
% requiring coinsurance	89%	77%	90%	60%
Average coinsurance percentage	26%	30%	30%	30%

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**Deductibles**

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Individual deductible</b>				
Average in-network deductible	\$242	\$400	\$250	\$500
Average out-of-network deductible	\$343	\$500	\$500	\$1,000

**Family deductible**

Average in-network deductible	\$526	\$1,000	\$600	\$1,500
Average out-of-network deductible	\$741	\$1,000	\$1,000	\$2,000

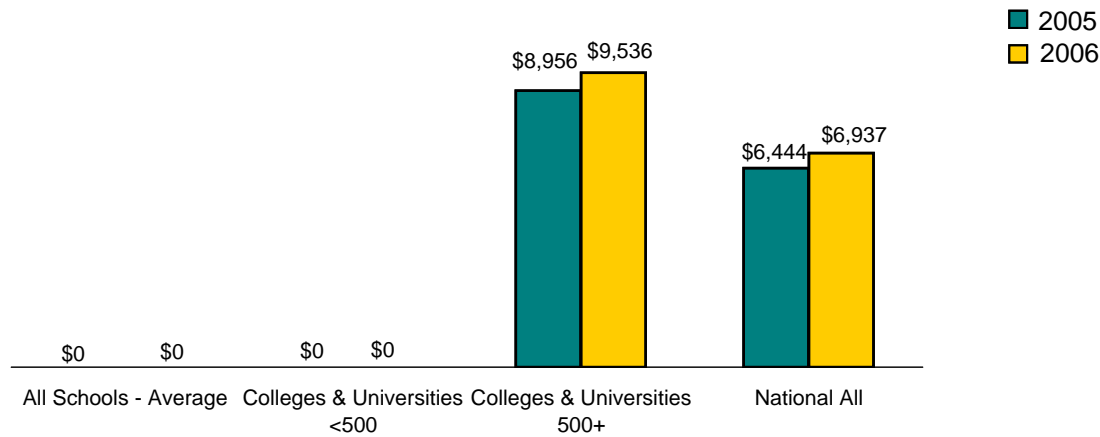
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**PPO out-of-pocket maximums for individuals**

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
Average for in-network services	\$967	\$2,000	\$1,700	\$2,000
Average for out-of-network services	\$2,145	\$2,000	\$3,000	\$3,000

## POINT-OF-SERVICE PLANS (POS)

### Average POS plan cost per employee, for active employees



### Employee contributions

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Employee-only coverage</b>				
% requiring a contribution	N/A	ID	75%	65%
Average contribution as a percent of premium	N/A	ID	15%	35%
Average monthly contribution amount	N/A	ID	\$74	\$145

### Family coverage

% requiring a contribution	N/A	ID	75%	82%
Average contribution as a percent of premium	N/A	ID	21%	58%
Average monthly contribution amount	N/A	ID	\$278	\$367

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## Physician visit cost-sharing

	All Schools Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>In-network physician visit cost-sharing</b>				
% requiring copay	N/A	ID	100%	92%
Average copay amount	N/A	ID	\$13	\$20

### Out-of-network physician visit cost-sharing

% requiring coinsurance	N/A	ID	94%	51%
Average coinsurance percentage	N/A	ID	25%	30%

## POS plan deductibles

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Individual deductible</b>				
Average in-network deductible	N/A	ID	\$175	\$500
Average out-of-network deductible	N/A	ID	\$300	\$500
<b>Family deductible</b>				
Average in-network deductible	N/A	ID	\$400	\$1,000
Average out-of-network deductible	N/A	ID	\$750	\$1,000

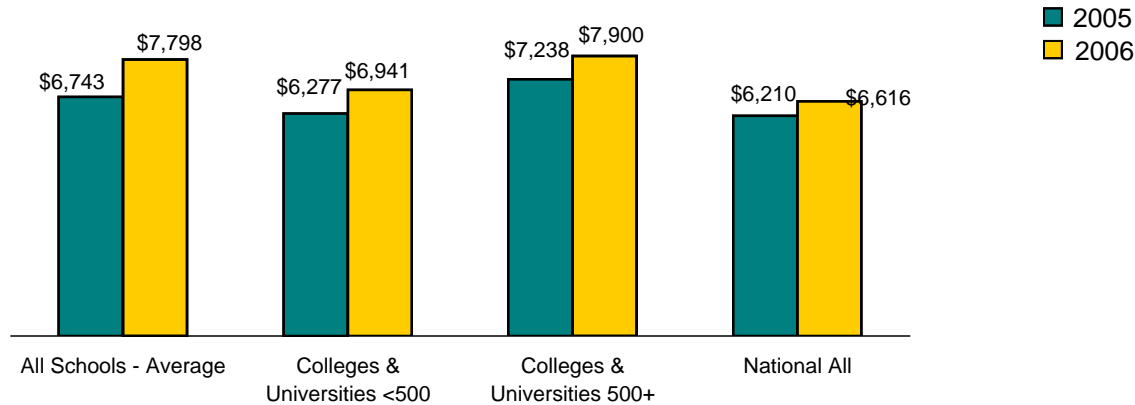
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## Out-of-pocket maximums for individuals

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
Average for in-network services	N/A	ID	\$1,500	\$2,000
Average for out-of-network services	N/A	ID	\$2,750	\$3,000

## HEALTH MAINTENANCE ORGANIZATION (HMO)

### Average HMO cost per employee, for active employees



### Employee contributions

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Employee-only coverage</b>				
% requiring a contribution	100%	75%	71%	66%
Average contribution as a percent of premium	14%	28%	14%	32%
Average monthly contribution amount	\$51	\$65	\$56	\$95
<b>Family coverage</b>				
% requiring a contribution	100%	100%	86%	85%
Average contribution as a percent of premium	15%	34%	25%	53%
Average monthly contribution amount	\$139	\$417	\$251	\$360

## HMO copays and deductibles

### Physician copay

% requiring physician copay  
Average copay amount

All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
100%	100%	88%	97%
\$12	\$10	\$15	\$20

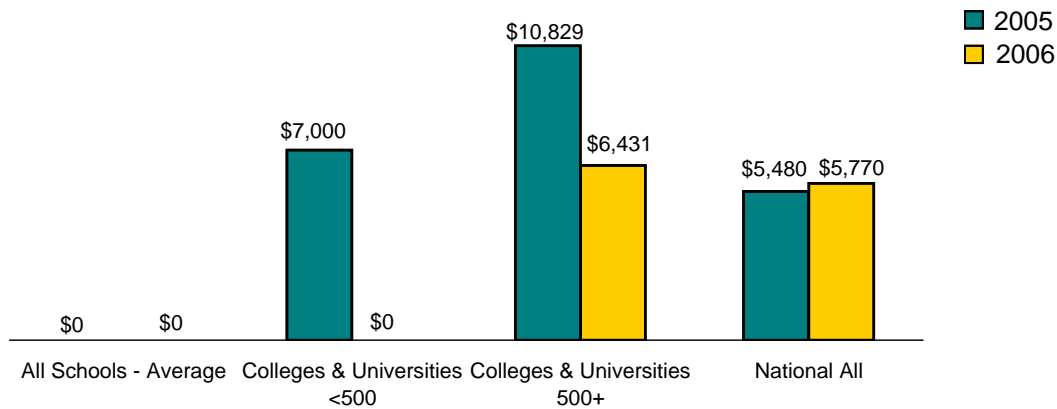
### Hospital deductible

% requiring hospital deductible  
Average deductible amount

All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
0%	25%	48%	55%
N/A	\$500	\$163	\$300

## CONSUMER-DIRECTED HEALTH PLANS (CDHP)

### Average CDHP cost per employee, for active employees



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## Employee contributions

### Employee-only coverage

% requiring a contribution

Average contribution as a percent of premium

Average monthly contribution amount

All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
N/A	100%	40%	ID
N/A	50%	12%	ID
N/A	\$125	\$49	ID

### Family coverage

% requiring a contribution

Average contribution as a percent of premium

Average monthly contribution amount

All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
N/A	100%	67%	ID
N/A	ID	30%	ID
N/A	ID	\$273	ID

## PRESCRIPTION DRUG (RX) BENEFITS\*

### Offer a prescription drug card plan

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
% offering	89%	76%	70%	59%

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### Copayments in retail prescription drug card plans

Average copayments among employers with three-tier payment structure

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
<b>Retail card</b>				
Generic	\$10	\$13	\$10	\$11
Brand-name formulary	\$23	\$27	\$23	\$26
Brand-name non-formulary	\$46	\$44	\$41	\$42

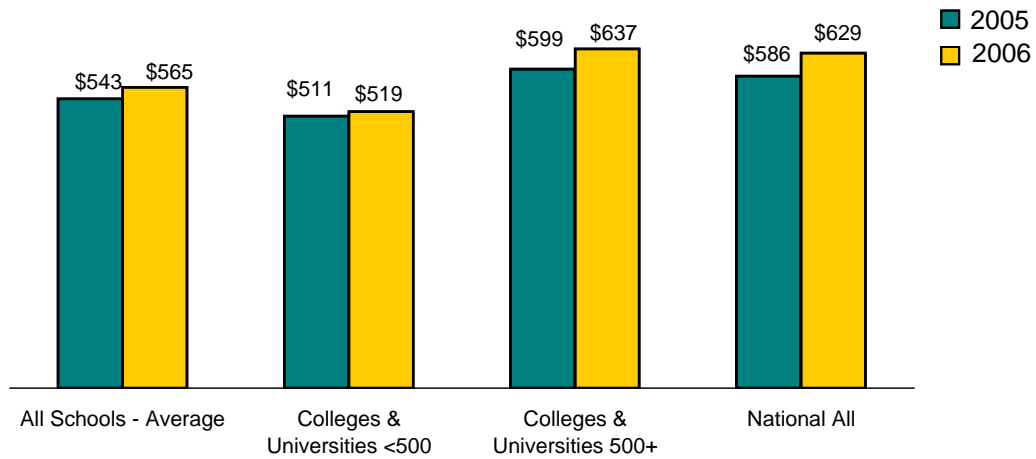
\*Offered to employees enrolled in the largest medical plan of any type

## DENTAL BENEFITS

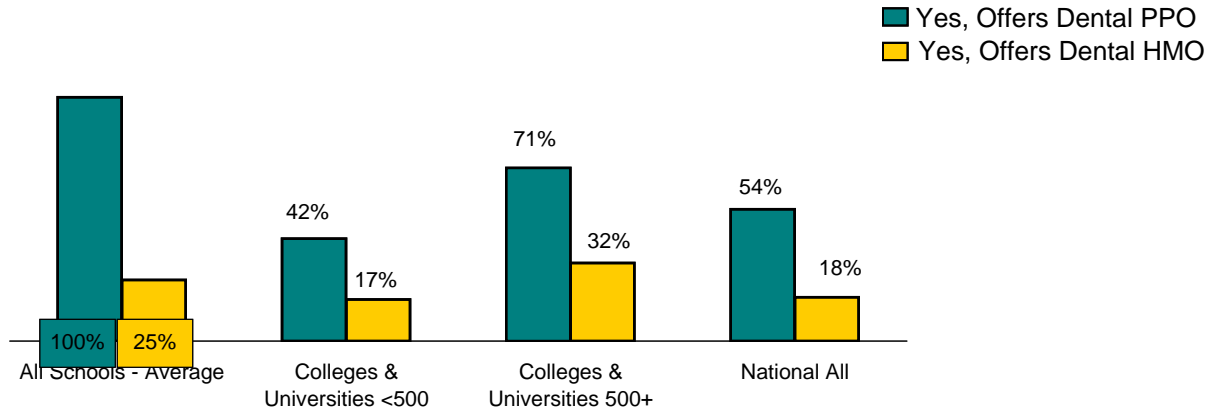
### Offer dental benefits

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
% offering	100%	71%	100%	71%

### Average cost of dental coverage, per employee



## Type of dental plan offered



## Dental deductible

	All Schools - Average	Colleges & Universities <500	Colleges & Universities 500+	National All
% requiring deductible	89%	43%	76%	67%
Average deductible amount	\$41	\$50	\$50	\$50

## Definitions

1 **Total health benefit cost per employee** is the total gross cost for all medical, dental, prescription drug, MH/SA, vision and hearing benefits for all active employees and their covered dependents, divided by the total number of covered employees only. Total gross annual cost includes employee contributions but not employee out-of-pocket expenses.

2 **Medical plan cost per employee** is the total gross cost for medical plans, divided by the total number of covered employees. Prescription drug, mental health, vision and hearing benefits for all active employees and their covered dependents are included if part of the plan. Dental benefits, even if a part of the plan, are not included in these costs.

3 In a **Consumer-Directed Health Plan**, employees use spending accounts (a Health Reimbursement Account or Health Savings Account) to purchase routine health care services directly. Non-routine expenses are covered by traditional insurance after members meet a generally high deductible. Online health and financial tools are generally provided. In this report, unless otherwise specified, CDHP results include both HRA- and HSA-based CDHPs.