



Northeast Ohio Colleges

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

Number of participants

All Schools - Average	9
Loraine County	1
Youngstown	1
Cleveland State	1

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	Loraine County	Youngstown	Cleveland State
Average employee age	47	48	47	48
% of female employees	56%	63%	55%	52%
% of employees electing dependent coverage	65%	57%	72%	59%

MEDICAL PLAN PREVALENCE

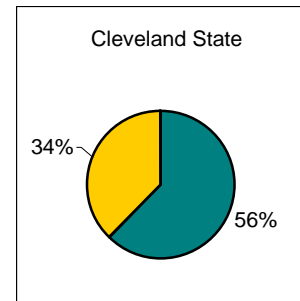
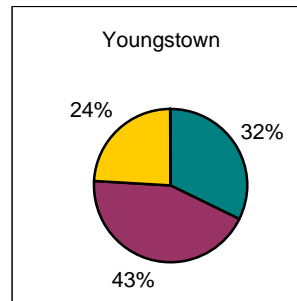
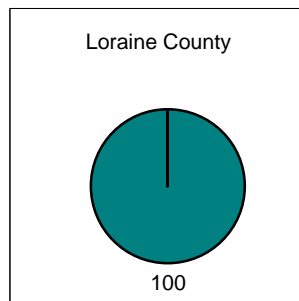
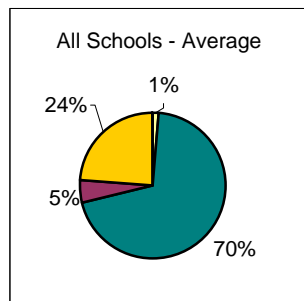
Prevalence and enrollment, by medical plan type

Percent of employers offering each type of medical plan

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Indemnity	33%	No	No	No
PPO	100%	Yes	Yes	Yes
POS	11%	No	Yes	No
HMO	67%	No	Yes	Yes
Consumer-directed health plan (CDHP)	0%	No	No	No

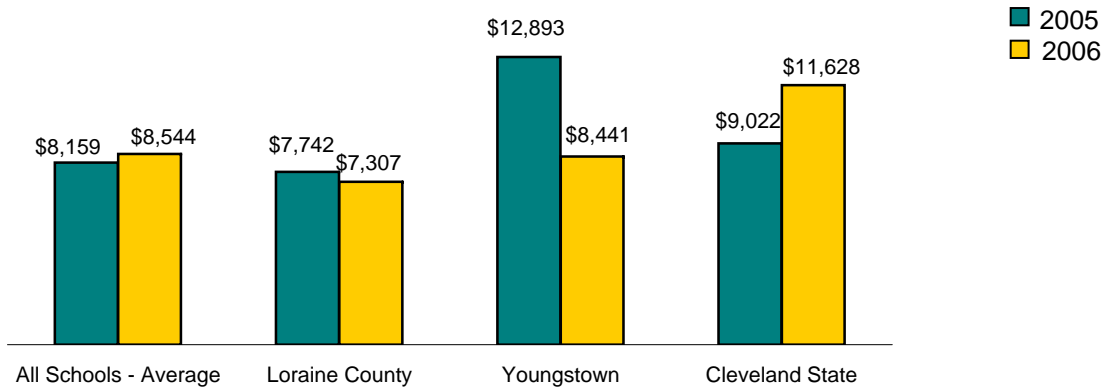
Percent of all covered employees enrolled in each type of medical plan

■ Indemnity
 ■ PPO
 ■ POS
 ■ HMO
 ■ CDHP



TOTAL HEALTH BENEFIT COST

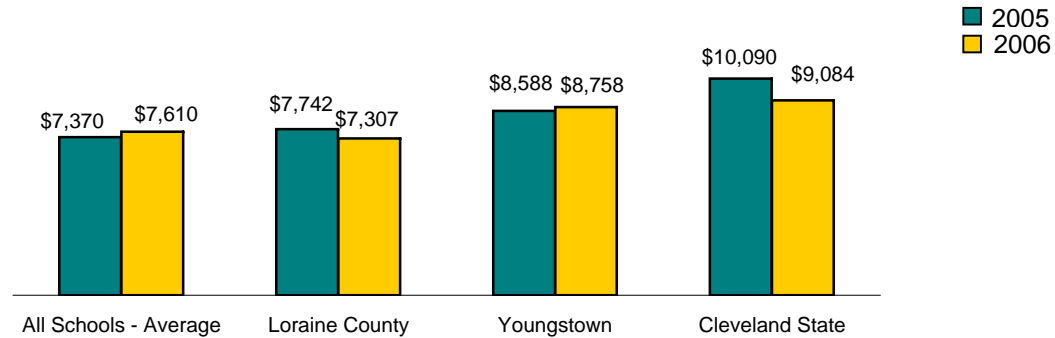
Average total health benefit cost* per employee



*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	Loraine County	Youngstown	Cleveland State
Employee-only coverage				
% requiring a contribution	89%	Yes	Yes	Yes
Average contribution as a percent of premium	13%	13%	ID	20%
Average monthly contribution amount	\$45	\$35	\$26	\$94

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Family coverage				
% requiring a contribution	89%	Yes	Yes	Yes
Average contribution as a percent of premium	14%	20%	ID	20%
Average monthly contribution amount	\$125	\$128	\$48	\$242

Physician visit cost-sharing

	All Schools - Average	Loraine County	Youngstown	Cleveland State
In-network physician visit cost-sharing				
% requiring copay	78%	Yes	Yes	No
Average copay amount	\$14	\$15	\$10	\$0

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Out-of-network physician visit cost-sharing				
% requiring coinsurance	89%	Yes	No	Yes
Average coinsurance percentage	26%	30%	N/A	20%

Deductibles

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Individual deductible				
Average in-network deductible	\$242	\$250	\$200	\$0
Average out-of-network deductible	\$343	\$500	\$200	\$250

Family deductible

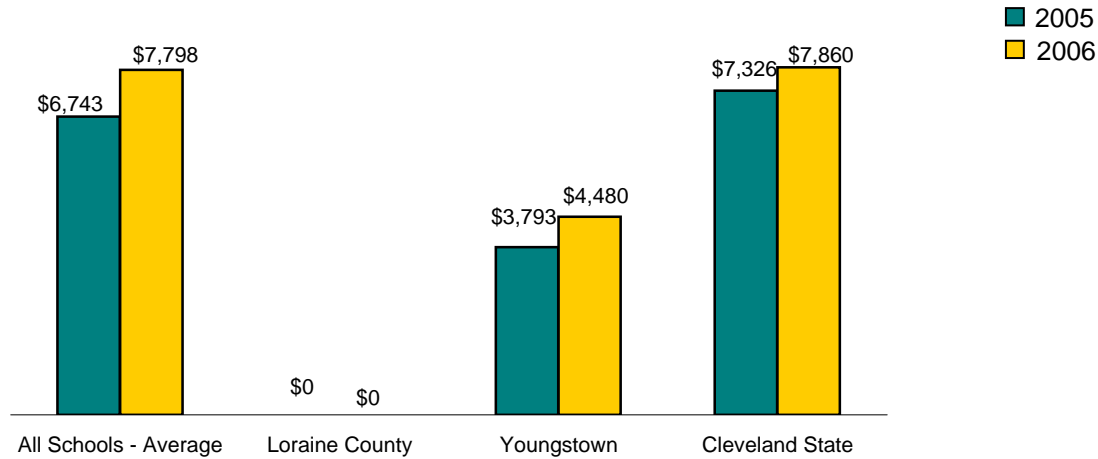
Average in-network deductible	\$526	\$750	\$400	\$0
Average out-of-network deductible	\$741	\$1,500	\$400	\$500

PPO out-of-pocket maximums for individuals

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Average for in-network services	\$967	\$1,750	\$225	\$0
Average for out-of-network services	\$2,145	\$3,500	\$725	\$1,200

HEALTH MAINTENANCE ORGANIZATION (HMO)

Average HMO cost per employee, for active employees



Employee contributions

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Employee-only coverage				
% requiring a contribution	100%	N/A	Yes	Yes
Average contribution as a percent of premium	14%	N/A	ID	5%
Average monthly contribution amount	\$51	N/A	\$23	\$16
Family coverage				
% requiring a contribution	100%	N/A	Yes	Yes
Average contribution as a percent of premium	15%	N/A	ID	5%
Average monthly contribution amount	\$139	N/A	\$72	\$42

HMO copays and deductibles

Physician copay

% requiring physician copay
Average copay amount

All Schools - Average	Loraine County	Youngstown	Cleveland State
100%	N/A	Yes	Yes
\$12	N/A	\$10	\$5

Hospital deductible

% requiring hospital deductible
Average deductible amount

All Schools - Average	Loraine County	Youngstown	Cleveland State
0%	N/A	No	No
N/A	N/A	N/A	N/A

PRESCRIPTION DRUG (RX) BENEFITS*

Offer a prescription drug card plan

	All Schools - Average	Loraine County	Youngstown	Cleveland State
% offering	89%	Yes	Yes	Yes

Copayments in retail prescription drug card plans

Average copayments among employers with three-tier payment structure

	All Schools - Average	Loraine County	Youngstown	Cleveland State
Retail card				
Generic	\$10	N/A	\$2	\$10
Brand-name formulary	\$23	N/A	\$17	\$20
Brand-name non-formulary	\$46	N/A	\$32	\$30

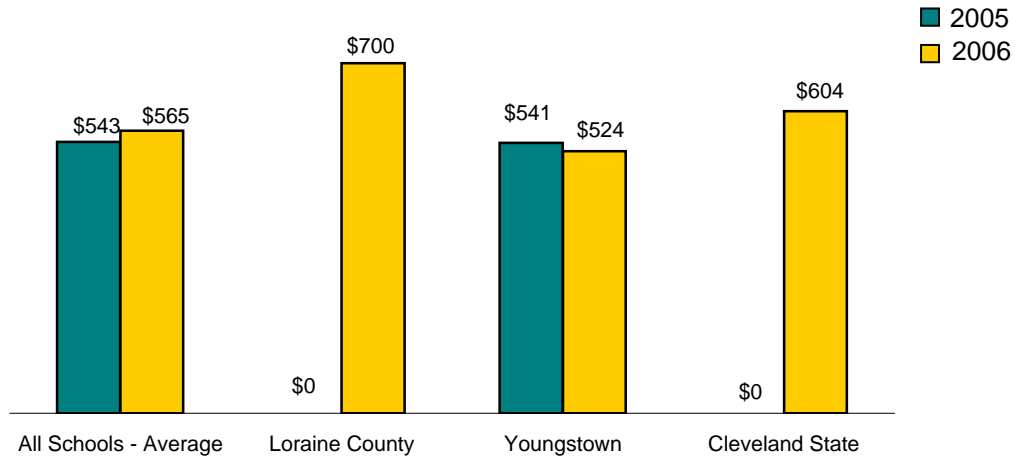
*Offered to employees enrolled in the largest medical plan of any type

DENTAL BENEFITS

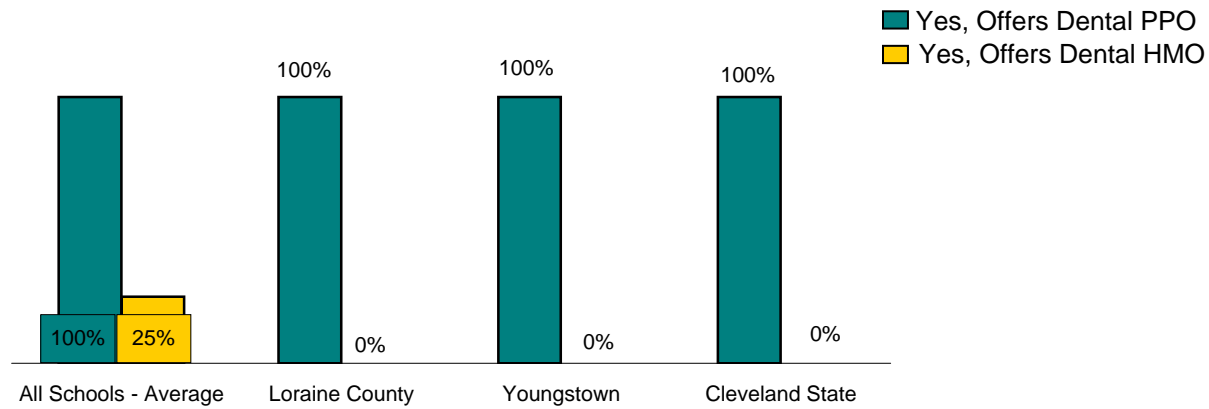
Offer dental benefits

	All Schools - Average	Loraine County	Youngstown	Cleveland State
% offering	100%	Yes	Yes	Yes

Average cost of dental coverage, per employee



Type of dental plan offered



Dental deductible

	All Schools - Average	Loraine County	Youngstown	Cleveland State
% requiring deductible	89%	Yes	Yes	No
Average deductible amount	\$41	\$50	\$50	N/A

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.