

News You Can Use – September 2010

NATIONAL BUSINESS GROUP ON HEALTH ANNUAL PLAN DESIGN SURVEY FOCUSES ON PPACA

The National Business Group on Health conducted its annual plan design survey this past spring following the passage of the Patient Protection and Affordable Care Act (PPACA). In total, 72 members completed the survey.

In addition to usual questions regarding changes to overall health benefit programs, the survey asked questions related to the passage of PPACA:

- Related to grandfather status, 53% of respondents were planning to make changes to their plan designs, but 19% were scaling back the changes they planned to make.
- Another 19% had decided to make no changes as a result of the new law, and the remaining 9% were waiting on the regulations to come out. (Note: this question was asked prior to release of the final regulations defining requirements for keeping grandfathered status.)
- Many employers said they would need to make changes in order to comply with the legislation:
 - 70% said they would need to remove lifetime dollar limits on overall benefits
 - 37% said they would need to make changes to annual or lifetime limits on specific benefits
 - 26% said that they would need to remove annual dollar limits on overall benefits
 - 13% said that they would need to remove pre-existing conditions exclusion clauses for children

Of the 37% of employers who are making changes to limits for specific benefits, the particular benefits impacted include:

- Chemical dependency
- Dental
- Durable medical equipment
- Hearing aids
- Home health care/ hospice
- Infertility benefits
- Mental health
- Occupational therapy
- Out-of-network limits
- Physical therapy
- Prosthetic devices
- Speech therapy

Medical Plan Costs

- Employers estimated an average increase in health care costs of 8.9% in 2011 compared to 7.0% in 2010.
- In 2011, 63% of employers will be increasing the employee percentage contribution to premium costs, and 46% will increase out-of-pocket maximums, while 44% will increase in-network deductibles.
- When asked for the top three most effective steps they have taken or will take to control health care cost increases, the tactic most often reported as the most effective was offering a consumer-directed health plan (21%), followed by wellness initiatives (20%), and increased employee cost-sharing (17%).
- Of the respondents, 61% will offer a CDHP in 2011. Of those offering a CDHP, 20% indicated that they will or have moved to a full replacement plan, up from 10% in 2010. The most common type of CDHP employers will offer in 2011 is a high-deductible health plan (HDHP) with a health savings account (HSA) (64%).

To read the complete survey, visit:

<http://www.businessgrouphealth.org/pdfs/Plan%20Design%20Survey%20Report%20Public.pdf>