

## Benefit Cost Control = Plan Redesign

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It may make sense to take the time and effort to revise your health plan rather than just stand pat year to year. A study from PwC rather emphatically endorses making plan changes. Findings from ERA's annual health and welfare survey support this conclusion and the value of scrutinizing your current offerings.

The consulting firm gathered data from 1,150 U.S. employers to produce its 2015 Health and Well-being Touchstone report. It sought information about plan design, cost and related issues.

When asked about cost increases between 2014 and 2015, those who simply offered the same package said they experienced about an 8 percent cost increase. Those who made design changes reported an average increase of 4.5 percent.

The study revealed a number of trends among these employers, including:

- A strong movement toward **offering only a high deductible plan** rather than a choice of plans, with 25 percent saying that was the only plan offered this year, and another 37 percent saying they intended to make that shift.
- Of the 83 percent that reported offering an HDHP as part of their package, 56 percent **included a health savings account** and 18 percent included a health reimbursement component.
- **Medical plan options grew**, from 3.6 plans per employer in the previous survey to 5.7 in the current one.
- Employers showed a **strong preference for including wellness programs** in their health benefits package, although participation rates continue to be unimpressive, at less than 30 percent on average.
- **Private exchanges continue to be a potential offering** with 28 percent saying they would consider shifting employees to a private exchange, only 2 percent saying they had already done so.

The full report can be found [here](#).

ERA members just completed the 2015 Annual Health and Welfare Benefits Survey which, among other considerations, assessed year over year cost and plan design changes. Some highlights from this recently published survey include:

- HDHP and PPO plan offerings are equally popular (44% of plans are HDHP, while 43% are PPO).
- 35% of member companies reported an increase of less than 3% in overall premiums.
- Companies who reported a decrease in premiums typically attributed the decrease to a change in carriers.

- 60% of employers offer a wellness program, of which less than half offer some type of incentive to participate.
- To curb cost in the next 12 months, 29% of employers plan on increasing the employee contribution to the premium while 20% intend to conduct a utilization review of their plans.

If you would like to learn more about how ERA is helping our membership control benefit spend or receive a copy of the ERA 2015 Health and Welfare Benefits Survey Report, contact Monique Kahkonen, SHRM-SCP, SPHR, Director of Compensation and Benefit Services at [mkahkonen@hrxperts.org](mailto:mkahkonen@hrxperts.org).