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CCI BENEFIT SOLUTIONS

HEALTH • WEALTH • WISDOM

\$6,881 Annual Cost Per Employee for Health Insurance

Annual Survey finds median deductible for single is \$500 in 2007



This past month, CCI Benefit Solutions, Inc. along with United Benefit Advisors, an alliance of 142 of the nation's premier independent benefit advisory firms, released the results of its third annual employer-sponsored health plan benchmark survey.

With responses from 16,485 health plans sponsored by 11,723 employers nationwide who employ nearly 1.9 million people, the 2007 UBA Health Plan Survey is the nation's largest and most comprehensive survey of plan design and plan costs.

Among the survey's numerous findings:

- The average annual health plan cost per employee is \$6,881 (medical only coverage), with an average employee cost of \$3,110 and an average employer cost of \$3,771 per employee.
- Average premiums for all plans were \$347 for single coverage and \$848 for family (a weighted average of all non-single coverages).
- 32.7% of all plans required no employee contributions, and 8.3% required no family contributions. Of plans requiring contributions, employees contributed an average of 26.6% of premium or \$90 for single coverage and 46.8% or \$385 for family coverage.
- Average premiums increased 7.2% for all plans (after any plan adjustments) versus 8.6% last year.
- Consumer Driven Plans (plans with an HRA or HSA) now represent 8.8% of all plans offered by employers versus 5.8% last year; with 6.0% of all covered employees now enrolled in such plans (notably up from 3.4% last year).
- The average employer contribution to an HRA increased to \$1,138 for single and \$2,105 for family, while average employer contributions to an HSA were \$688 single and \$1,089.
- The majority of the increased adoption of Consumer Driven Plans continues to come from employers with under 1,000 employees, with the highest sub-segment being employers with 25-100 employees.

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Annual Cost Per Employee *(Continued from Page 1)*

“With employer health plan information reported for over 3,100 cities from virtually every state in the country, differences in plan design and plan costs among various regions and industry groups become quite clear,” says Brian Waterhouse, Benefit Advisor and Principal of CCI Benefit Solutions.



Other important findings include:

- The median single PPO deductible of \$500 remained the same as 2006, as did the in-network and out-of-network coinsurance at 80% and 60%, respectively.
- 7.4% of all employers now offer comprehensive, non-insurance company-based wellness programs, mirroring the increasing trend toward consumer empowerment in healthcare.
- 74.9% of all prescription drug plans utilize three copays, with median copays being \$10/\$25/\$50.
- While 18.4% of plans provide coverage for same-sex domestic partners, regional differences are pronounced (53.7% of plans in the West; 22.4% in the Northeast; and an average of 2.1% in the rest of the country).



Brian Waterhouse

For more information about this survey, contact your Benefit Advisor or Account Manager at CCI Benefit Solutions.

WELLNESS PLAN LOWERS RENEWAL INCREASES FOR CCI CLIENTS

As proof that wellness programs can impact costs and change behavior, CCI Benefit Solutions along with ERC Health is pleased to announce that many of our participating clients received low single-digit increases or no rate increase after slight plan adjustments.



Scott Miller

Highlights of the rate renewals are as follows:

- ERC Health’s projected 2007/2008 annual cost per employee is 17% below the 2007/2008 projected national average.
- For the last two years, 75% of the ERC Health Pool of participating organizations received single-digit rate adjustments or better. In addition, 20% of the participating companies received no rate increase or a rate reduction.
- This is the seventh year in a row that the ERC Health average rate renewals have significantly beat the market average.

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Wellness Plan *(continued from Page 2)*

“We are delighted to deliver such good news to our customers,” says Scott Miller, Benefit Advisor, “This program is quickly becoming a national model of how to do wellness right. ERC Health really works! The focus has been on reducing claims through health education, risk reduction, wellness and proper plan designs. It is truly coming together and we believe over the next few years, we will be delivering even better news to our clients.”

For more information on how your company can enroll in ERC Health, contact CCI Benefit Solutions at (614) 799-1404. January 1st adopters will receive an 18-month rate guarantee and will not renew until July 1, 2009.

401(k) Enrollment Vital To Plan Success

Automatic Enrollment Becoming a Trend



Employers who sponsor 401(k) plans often worry about how to get more workers to participate in the plan and ways to increase the amount that current participants contribute to the plan. With only about 7 in 10 eligible workers contributing to employer sponsored plans, this concern seems well founded.

Traditionally, employers have addressed this issue with education and enhancements to plan design. “There is really no substitution for the value of educational enrollment meetings with employees,” said Richard

Ritter, Retirement Specialist at CCI Benefit Solutions, Inc. “However, results from this effort are incremental and must be part of an ongoing educational effort.”

Plan design is also an important factor to growing participation in a 401(k) program. One of the biggest factors determining participant contribution is the employer match. In most plans a direct relationship exists between the average contribution rate and the amount of dollars the employer is willing to match.

Today, employers have a new tool to address participation in the form of **automatic enrollment** and **automatic escalation programs**. When employers choose these features, workers are automatically enrolled in the 401(k) plan and their contribution is automatically increased each year. A recent survey by Hewitt Associates indicates that 58% of large companies plan to automatically enroll employees by next year and 33% of these firms will add the automatic increase feature at some point in the future.

“Smaller employers are beginning to look at automatic enrollment. Not only for increased participation, but also for ease of administration.” added Ritter.



Richard Ritter

For more information about 401(k) plans and new features like automatic enrollment, contact Richard Ritter at CCI Benefit Solutions, or e-mail Richard at ritter@ccibenefitsolutions.com.



As we enjoy this holiday season, we wish to give thanks by making a donation to the following local charitable organizations:

ALS Association (www.alsohio.org)

OSU Medical Center (www.powertochange.osu.edu)

The Childhood League (www.childhoodleague.org)

The Open Shelter (www.theopenshelter.org)

*Happy Holidays from all of us at
CCI Benefit Solutions!*

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