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Mercer's National Survey of Employer-Sponsored Health Plans 2010

Maricopa County

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About the Survey

- The largest and most comprehensive annual survey on the subject
- Established in 1986, national probability sample used since 1993
- 2,833 employers with 10 or more employees completed the survey in 2010
- The national, regional and major industry group results are weighted to represent all US employers. However, results for smaller groups -- city, state and other special employer groups -- are unweighted and represent only the respondents in the group.



Employer profile

About the Survey

- The employer groups shown in this presentation are:

Employers	Number of participants
Maricopa County	1
Government 500+	222
County 500+	106
State of Arizona	1
City of Phoenix (Office & Clerical)	1

- The map below shows which states fall into each of the four major geographic regions:





Employee demographics

Employee demographics

	Maricopa County	Government 500+	County 500+	State of Arizona	City of Phoenix
Average EE Age	44	43	44	ID	ID
Average % Female EEs	53%	47%	56%	ID	ID
Average % of EES who Waive Coverage	11%	7%	8%	ID	ID
Average % of EES electing Dependent Coverage	60%	50%	58%	ID	ID

ID refers to insufficient data or incomplete data.



Employee contributions

Employee contribution for individual coverage

Average monthly contribution (\$)

	2011 Maricopa County	2010 Government 500+	2010 County 500+	2011 State of Arizona	2011 City of Phoenix
PPO / POS	\$46*	\$70	\$81	\$155	\$104
HMO	\$26/\$44**	\$67	\$67	\$40	\$94/\$92
HSA-eligible CDHP	\$0	ID	\$32	\$26	NA
HRA-based CDHP	NA	ID	\$50	NA	N/A
Dental	\$15/\$25***	\$20	\$18	\$31	\$0

*OAP High Plan (27% of ees)

**CMG High/OAPIN (43% / 16% of ees)

H.S.A. plan accounts for 8% of ees. Remaining 6% of ees are split between CMG Low and OAP Low plans.

***CIGNA/Delta Dental (enrollments are split approx 50%/50% between 2 dental options)

Maricopa County Rates include: EE costs for Medical, Rx Coinsurance Plan Option, Behavioral Health. Wellness incentive discounts are included (contributions above assume member was awarded all wellness incentives. Wellness incentives vary between a \$10 - \$60/month discount and over 70% of employees achieve full wellness incentive discount.

Employee contribution for individual coverage

Average contribution as a % of premium

	2011 Maricopa County	2010 Government 500+	2010 County 500+	2011 State of Arizona	2011 City of Phoenix
PPO / POS	8%*	14%	14%	17%	20%
HMO	6%/8%**	16%	14%	7%	20%/20%
HSA-eligible CDHP	0%	ID	10%	5%	N/A
HRA-based CDHP	NA	ID	13%	NA	NA
Dental	46%/60%***	56%	49%	86%	0%

*OAP High Plan

** CMG High/OAPIN

***CIGNA/Delta Dental (enrollments are split approx 50%/50% between 2 dental options)

Rates include: EE costs for Medical, Rx Coinsurance Plan Option, Behavioral Health. Wellness incentive discounts are included (contributions above assume member was awarded all wellness incentives. Wellness incentives vary between a \$10 - \$60/month discount and over 70% of employees achieve full wellness incentive discount.

Employee contribution for family coverage¹

Average monthly contribution (\$)

	2011 Maricopa County	2010 Government 500+	2010 County 500+	2011 State of Arizona	2011 City of Phoenix
PPO / POS	\$267*	\$321	\$289	\$486	\$299
HMO	\$127/\$262**	\$261	\$296	\$221	\$271/\$264
HSA-eligible CDHP	\$0	ID	\$243	\$193	NA
HRA-based CDHP	NA	ID	\$188	NA	NA
Dental	\$45/\$78***	\$54	\$47	\$123	\$36

*OAP High Plan

** CMG High/OAPIN

***CIGNA/Delta Dental (enrollments are split approx 50%/50% between 2 dental options)

Rates include: EE costs for Medical, Rx Coinsurance Plan Option, Behavioral Health. Wellness incentive discounts are included (contributions above assume member was awarded all wellness incentives. Wellness incentives vary between a \$10 - \$60/month discount and over 70% of employees achieve full wellness incentive discount.

¹Family coverage is defined as coverage for employee, spouse and two children

Employee contribution for family coverage¹

Average contribution as a % of premium

	2011 Maricopa County	2010 Government 500+	2010 County 500+	2011 State of Arizona	2011 City of Phoenix
PPO / POS	18%*	28%	25%	20%	20%
HMO	10%/18%**	22%	24%	14%	20%/20%
HSA-eligible CDHP	0%	ID	29%	13%	NA
HRA-based CDHP	NA	ID	19%	NA	NA
Dental	46%/60%***	57%	57%	90%	25%

*OAP High Plan

** CMG High/OAPIN

***CIGNA/Delta Dental (enrollments are split approx 50%/50% between 2 dental options)

Rates include: EE costs for Medical, Rx Coinsurance Plan Option, Behavioral Health. Wellness incentive discounts are included (contributions above assume member was awarded all wellness incentives. Wellness incentives vary between a \$10 - \$60/month discount and over 70% of employees achieve full wellness incentive discount.

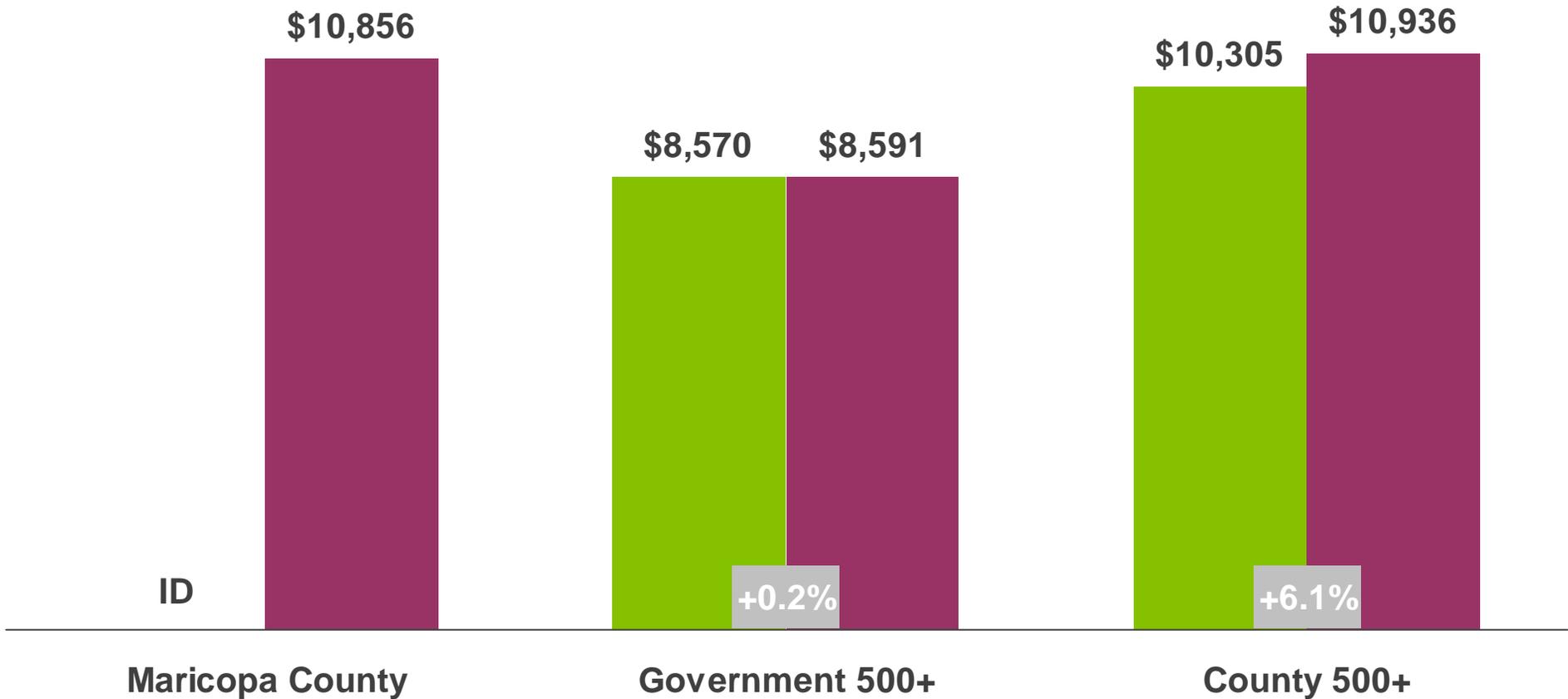
¹Family coverage is defined as coverage for employee, spouse and two children



Preferred Provider Organizations / Point-Of- Service plans (PPO / POS)

Average PPO / POS cost per employee, for active employees

■ 2009
 ■ % Change
 ■ 2010



Maricopa County costs are based on OAP High plan premium equivalent rates set for July 1 to June 30 of each year.

PPO / POS in-network physician visit cost-sharing

	Maricopa County	Government 500+	County 500+	State of Arizona
% requiring copay	Yes	83%	88%	Yes
% requiring coinsurance	No	19%	17%	No
No cost-sharing is required	No	3%	1%	No
Median copay amount	\$35	\$20	\$20	\$15

Maricopa County based on OAP High plan design effective 7/1/2011.

Data for City of Phoenix is not available.

PPO / POS out-of-network physician visit cost-sharing

	Maricopa County	Government 500+	County 500+	State of Arizona
% requiring copay	No	18%	15%	No
% requiring coinsurance	Yes	79%	84%	Yes
No cost-sharing is required	No	5%	2%	No
Median coinsurance amount	30%	30%	30%	50%

Maricopa County based on OAP High plan design effective 7/1/2011.

PPO / POS deductibles

Individual deductible	Maricopa County	Government 500+	County 500+	State of Arizona
% requiring for in-network services	Yes	68%	65%	Yes
Median in-network deductible	\$350	\$300	\$300	\$500
% requiring for out-of-network services	Yes	98%	98%	Yes
Median out-of-network deductible	\$700	\$500	\$500	\$1,000
Family deductible				
% requiring for in-network services	Yes	68%	65%	Yes
Median in-network deductible	\$700	\$900	\$900	\$1,000
% requiring for out-of-network services	Yes	97%	96%	Yes
Median out-of-network deductible	\$1,400	\$1,000	\$1,075	\$2,000

Maricopa County based on OAP High plan design effective 7/1/2011.

PPO / POS out-of-pocket maximums for individuals

	Maricopa County	Government 500+	County 500+	State of Arizona
Median for in-network services	\$2,000	\$2,000	\$2,000	\$1,000
Median for out-of-network services	\$4,000	\$3,250	\$3,000	\$4,000

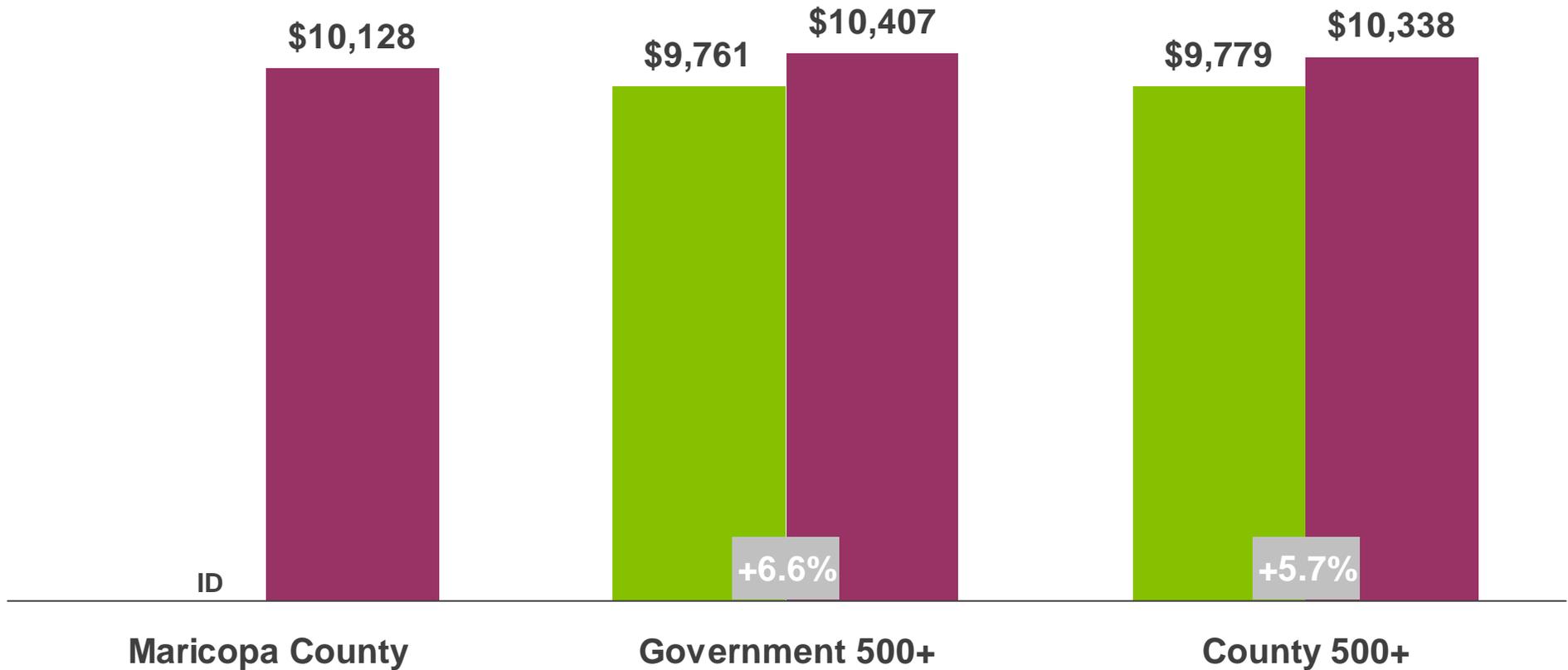
Maricopa County based on OAP High plan effective 7/1/2011.



Health Maintenance Organizations (HMO)

Average HMO cost per employee, for active employees

■ 2009 ■ % Change ■ 2010



Maricopa County costs are based on CMG High/OAP IN premium equivalents set for July 1 to June 30 of each year.

HMO physician and emergency room copays

	Maricopa County	Government 500+	County 500+	State of Arizona
PCP office visit copay				
Median copay amount	\$25/\$30*	\$15	\$15	\$15
Emergency room visit copay				
% requiring emergency room visit copay	Yes/Yes*	84%	95%	Yes
Median copay amount	\$175/\$175*	\$75	\$75	\$125

* CMG High/OAPIN

HMO inpatient hospital and outpatient surgery deductibles

Inpatient hospital deductible	Maricopa County	Government 500+	County 500+	State of Arizona
% requiring hospital deductible	Yes/Yes*	56%	48%	Yes
Median deductible amount	\$50 per day up to 5 days/ \$200/admit*	\$250	\$250	\$150
Outpatient surgery deductible				
% requiring outpatient surgery deductible	Yes/Yes*	46%	30%	Yes
Median deductible amount	\$100/\$100*	\$100	\$100	\$50

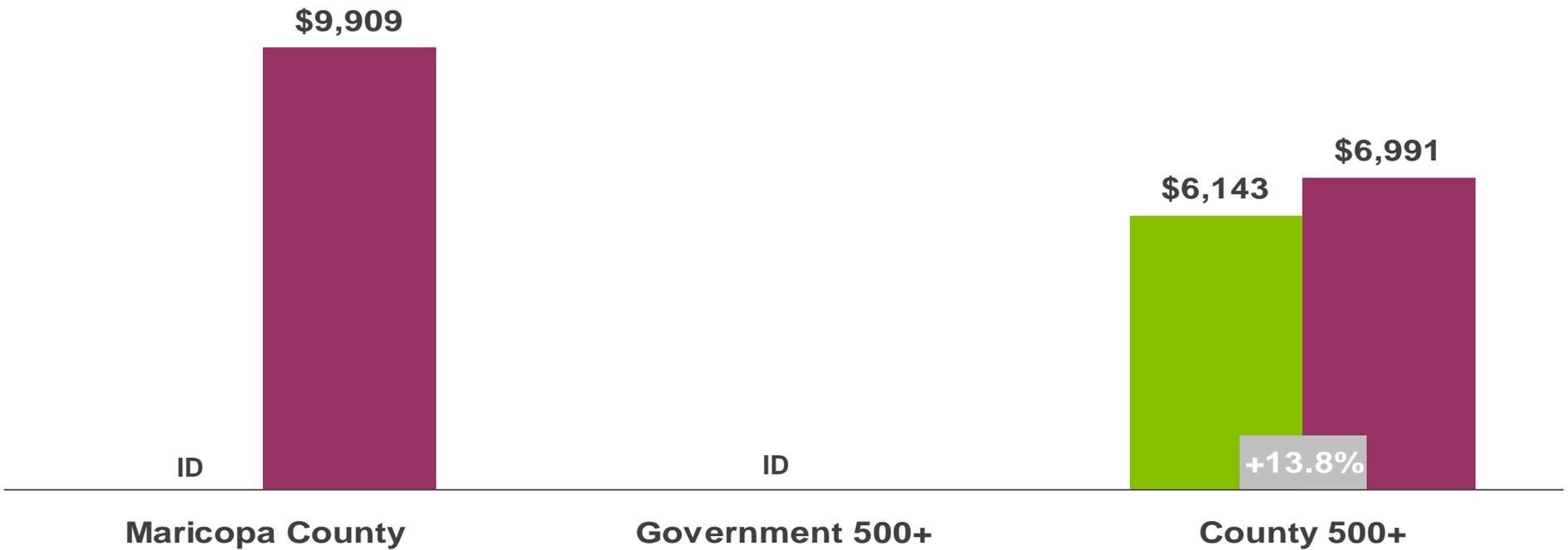
* CMG High/OAPIN



HSA-eligible Consumer-Directed Health Plans (CDHP)

Average annual HSA-eligible CDHP cost per employee*, for active employees

■ 2009
 ■ % Change
 ■ 2010



*Includes employer account contribution, if any (Maricopa cost would have been \$9,096/year excluding ER H.S.A. funding)

Please NOTE: Relatively few employers offer CDHP plans. This produces survey results that have a wider margin of error than for other medical plans. Margin of error is magnified when comparing data across years.

Maricopa County costs are based on premium equivalent rates set for July 1 to June 30 of each year.

HSA-eligible CDHP plan design

Employee-only coverage	Maricopa County	Government 500+	County 500+	State of Arizona
% of employers making an account contribution	Yes	75%	79%	Yes
Median employer contribution to account*	\$500	ID	\$600	\$504
Median deductible for overlaying insurance	\$1,200	\$1,500	\$1,750	\$1,200
Median out-of-pocket maximum	\$2,000	\$3,000	\$3,000	\$2,000
Family coverage				
Median employer contribution to account*	\$1,000	ID	\$800	\$996
Median deductible for overlaying insurance	\$2,400	\$3,000	\$3,500	\$2,400
Median out-of-pocket maximum	\$4,000	\$6,000	\$6,000	\$4,000

*Among employers making an account contribution

HSA-eligible CDHP in-network physician visit cost-sharing

	Maricopa County	Government 500+	County 500+	State of Arizona
% requiring copay	No	5%	8%	No
% requiring coinsurance	Yes	76%	69%	Yes
Median coinsurance amount	10%	ID	20%	10%



Prescription drug benefits

Copayments in prescription drug plans

Average copayment among employers with three payment levels

Retail (30 Days)	Maricopa County	Government 500+	County 500+	State of Arizona
Generic	\$2/\$12*	\$9	\$9	\$10
Brand-name formulary	\$5/\$40*	\$25	\$26	\$20
Brand-name non-formulary	\$40/50%*	\$41	\$42	\$40
Specialty	\$50			
Mail-order (91 Days)				
Generic	\$6/\$28*	\$16	\$17	\$20
Brand-name formulary	\$15/\$70*	\$47	\$49	\$40
Brand-name non-formulary	\$60/50%*	\$77	\$82	\$80
Specialty	NA**			

*Minimum/Maximum

**Specialty Rx only available in 30 day quantities.

Maricopa County based on "Coinsurance Benefit" Rx plan with 25%Generic/30% Preferred Brand/50% Non-Preferred Brand subject to limits shown above. Out-of-pocket limit is \$1,500/\$3,000. 69% of employees have elected this Rx plan.

Maricopa County also offers a "Consumer Choice" Rx plan where ER funds first \$300 Ind/\$500 Fam then EE funds next \$300 Ind/\$500 Fam and then EE pays 20% of cost up to \$1,500/\$3,000 out-of-pocket limit.



Health management programs

Disease management programs offered*

	Maricopa County	Government 500+	County 500+
Asthma / COPD	No	57%	62%
Cancer	No	38%	50%
Congestive heart failure	Yes	49%	53%
Coronary artery disease	Yes	47%	54%
Depression	No	32%	39%
Diabetes	No	72%	76%
Hypertension	No	48%	55%
Low-back pain	No	27%	30%
Obesity	No	32%	37%
Rare disease	No	26%	24%
Any disease management program(s)	Yes	74%	76%

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

Other health management programs offered*

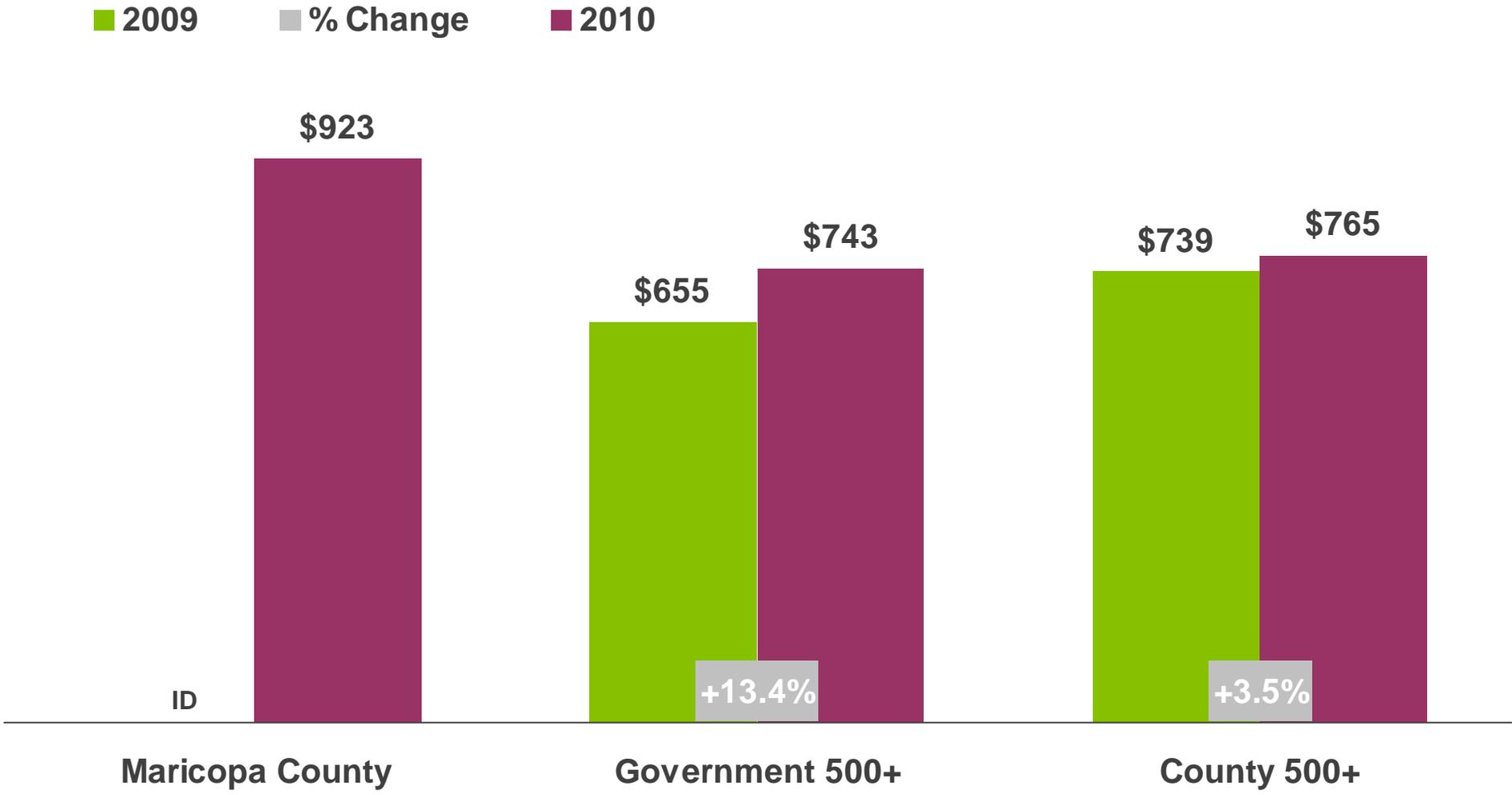
	Maricopa County	Government 500+	County 500+
Behavior modification	Yes	51%	58%
Case management	Yes	87%	89%
End-of-life case management	No	49%	53%
Health advocate services	No	42%	51%
Health risk assessment (HRA)	Yes	80%	85%
Health website	Yes	88%	94%
Nurse advice line	Yes	81%	82%

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



Dental benefits

Average annual cost of dental coverage, per employee



Maricopa County cost based on combined CIGNA & Delta Dental premium equivalent rates set for July 1 to June 30 of each year.

Dental plan design*

	Maricopa County	Government 500+	County 500+	State of Arizona
Median deductible	\$50	\$50	\$50	\$50
Median maximum annual benefit	\$2,000	\$1,200	\$1,250	\$2,000
Includes orthodontic lifetime max (% of employers)	Yes	92%	87%	Yes
Median lifetime annual Orthodontic Maximum	\$3,000	\$1,250	\$1,250	\$1,500

Design elements noted above are the same for both the CIGNA and Delta Dental plans.

*Among employers with dental PPOs or fee-for-service plans



Other benefits

Voluntary insurance benefits offered

	Maricopa County	Government 500+	County 500+	State of Arizona
Vision	Yes	64%	57%	Yes
Disability	Yes	81%	80%	Yes
Accident	Yes	52%	48%	No
Whole / Universal life	Yes	60%	47%	No
Cancer / Critical illness	Yes	51%	46%	No
Hospital indemnity	No	27%	20%	No
Long-term care	Yes	39%	34%	No
Auto / Homeowners	Yes	5%	7%	Yes
Travel	No	4%	3%	No

Vision offered through EyeMed; Disability offered via third party administrator; Accident offered through AFLAC; Whole Life offered through ING; Critical Illness offered through ING; Long-Term Care through ING-offered as a rider via Whole Life insurance; Auto/Homeowners offered through Liberty Mutual.

Flexible spending accounts (FSA)

Health care FSA	Maricopa County	Government 500+	County 500+	State of Arizona
% offering health care FSA	Yes	84%	89%	Yes
Average employee participation		21%	19%	
Average annual contribution		\$1,492	\$1,325	
Dependent care FSA				
% offering dependent care FSA	Yes	81%	83%	Yes
Average employee participation		5%	5%	
Average annual contribution		\$2,837	\$2,840	

Definitions

- A **consumer-directed health plan eligible for a Health Savings Account** is a high-deductible health plan with an employee-controlled account. Employer contributions are optional. Account funds roll over at year end and are portable.
- A **consumer-directed health plan with a Health Reimbursement Account** is a health plan with an employer-funded spending account. Account funds may roll over at year end, but are not portable.
- **Total health benefit cost** is the total gross cost for all medical, dental, prescription drug, MH / SA, vision and hearing benefits for all covered active employees and their dependents divided by the number of enrolled employees. Total gross annual cost includes employer contributions to a Health Savings Account. Employee contributions are also included but not employee out-of-pocket expenses.
- **Medical plan cost** is the total gross cost for medical plans divided by the number of enrolled 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.

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