

SHERRILL  MORGAN

2010 Kentucky Government Benefits Survey



Sponsored by
KPHRA and KACTFO

SHERILL MORGAN

Specializing in Kentucky Governments



City of Newport



City of Maysville



Frankfort Plant Board



City of Bardstown

& OVER 75 OTHER GOVERNMENTS



Survey Team

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Survey Data Available by:

- State Region
- Selected Cities/Counties
- Zip Code
- Employer Size
- Employer Type

Comparison of Survey Benefits, Sample Kentucky Government Benefits Survey

	Entity A	Entity B	Entity C
Employee Deductible	\$500	\$750	\$1,500
Family Deductible	\$1,000	\$1,500	\$3,000
Coinsurance	80%/20%	70%/30%	80%/20%
Office Visits	\$20	\$30	\$40
Emergency Room Visit	\$75	\$100	\$150
Employee out-of-pocket max. (includes deductible)	\$1,500	\$1,500	\$2,000
Family out-of-pocket max. (includes deductible)	\$3,000	\$3,000	\$4,000
Prescriptions	\$10/\$25/\$40	\$10/\$30/\$50	\$20/\$40/\$60

Note: To Receive Side by Side Data Must be a Survey Participant

Explanation of Survey

- 46 Plan Sponsors
- 71 Plans
- Over 5,200 Employees
- Survey data reported through November 1, 2010
- Plan information not adjusted for HRA, HSA or Flex Reimbursements but calculated separately
- Rounding used
- See Explanation of Survey in handout for participants and additional information.

Plan Sponsor Information



Self-Funded vs. Fully Insured

Plan Sponsors with 100 or More Employees:

84% of Plans are
Self-Funded

Excluding State Plan

State of Kentucky Plan Sponsors

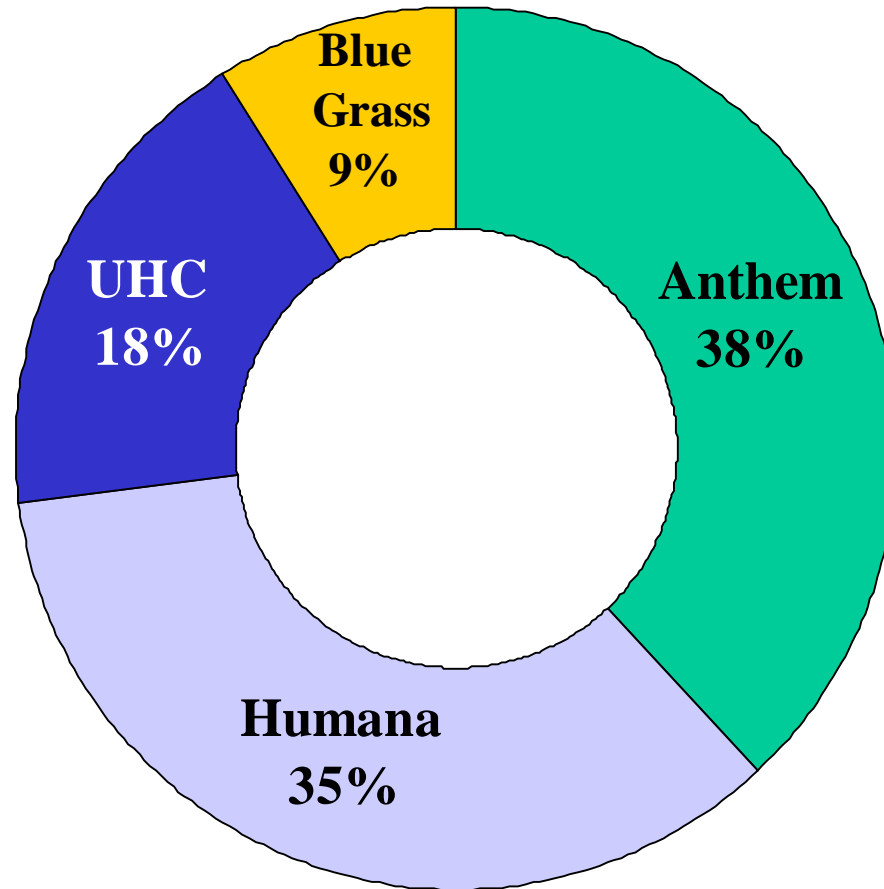
Of All the Plan Sponsors that are Fully Insured:

2010 – 7% are through the State of
Kentucky

2009 – 12%

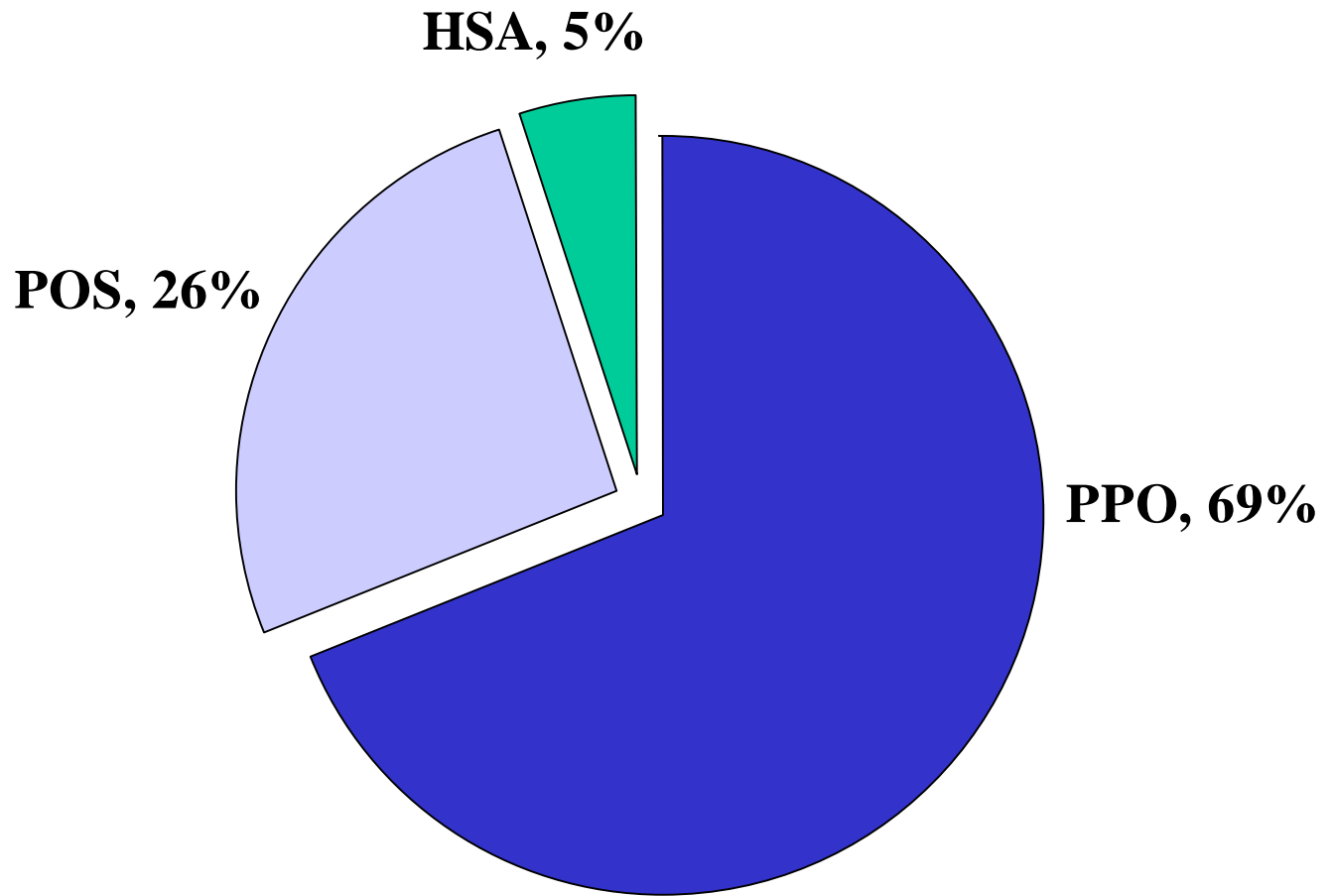
2008 – 12%

Fully Insured Plans

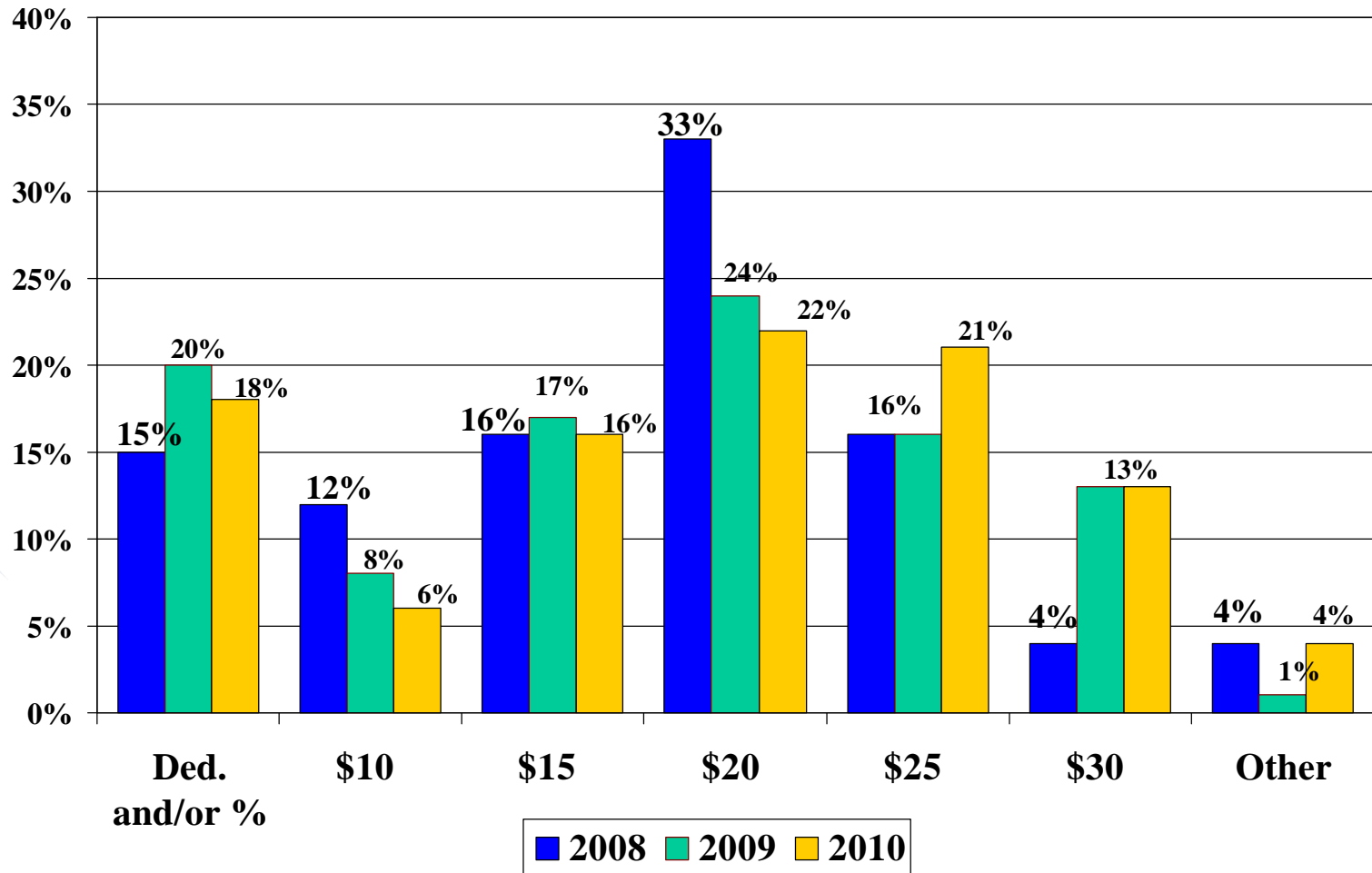


Provider % of Plan Sponsors that are Fully Insured

Percent of Plan Types Offered

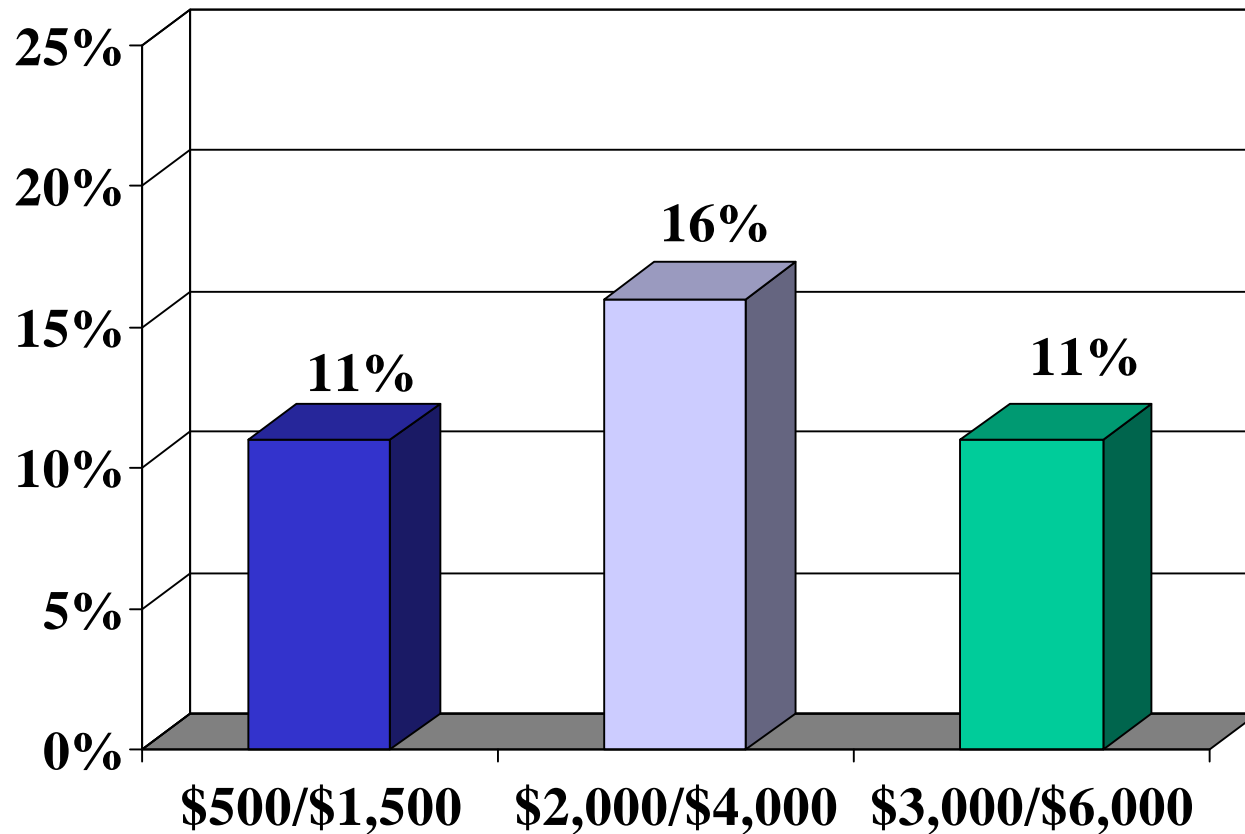


Office Copays



Average Specialist Office Copay Difference: \$17
 Percent With Higher Specialist Office Copays: 44%

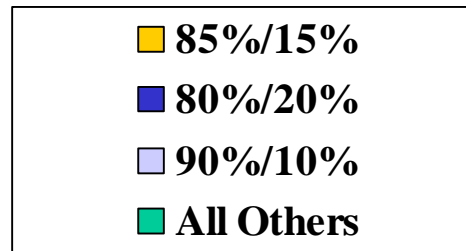
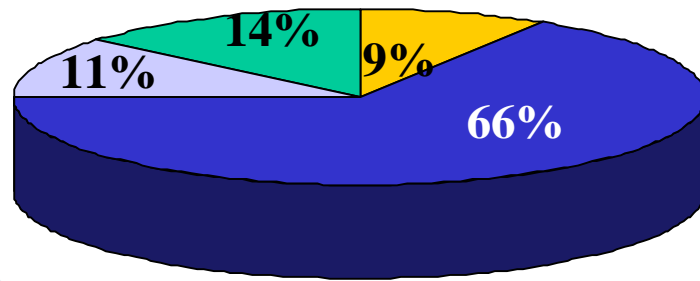
Most Commonly Occurring Single/Family Deductibles



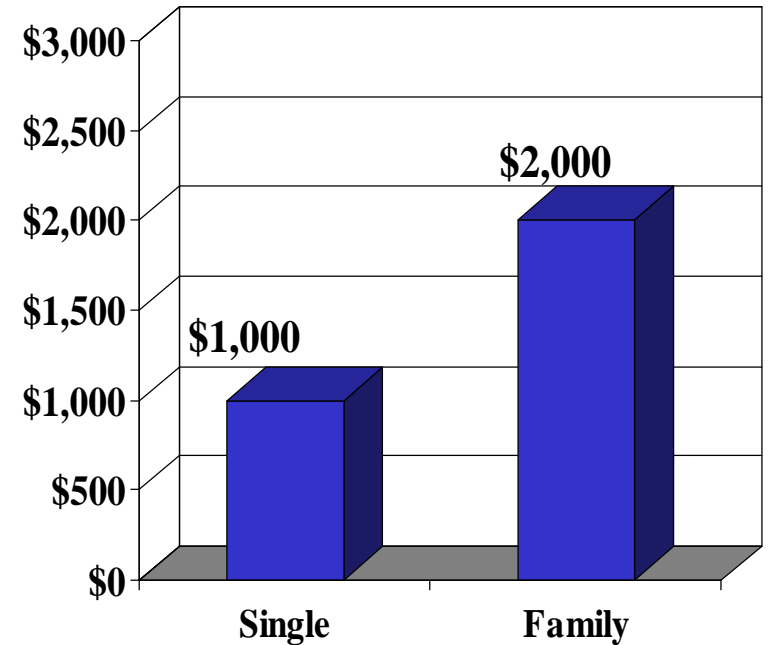
Average Single/Family Deductible: \$1,409/\$3,153

Coinsurance

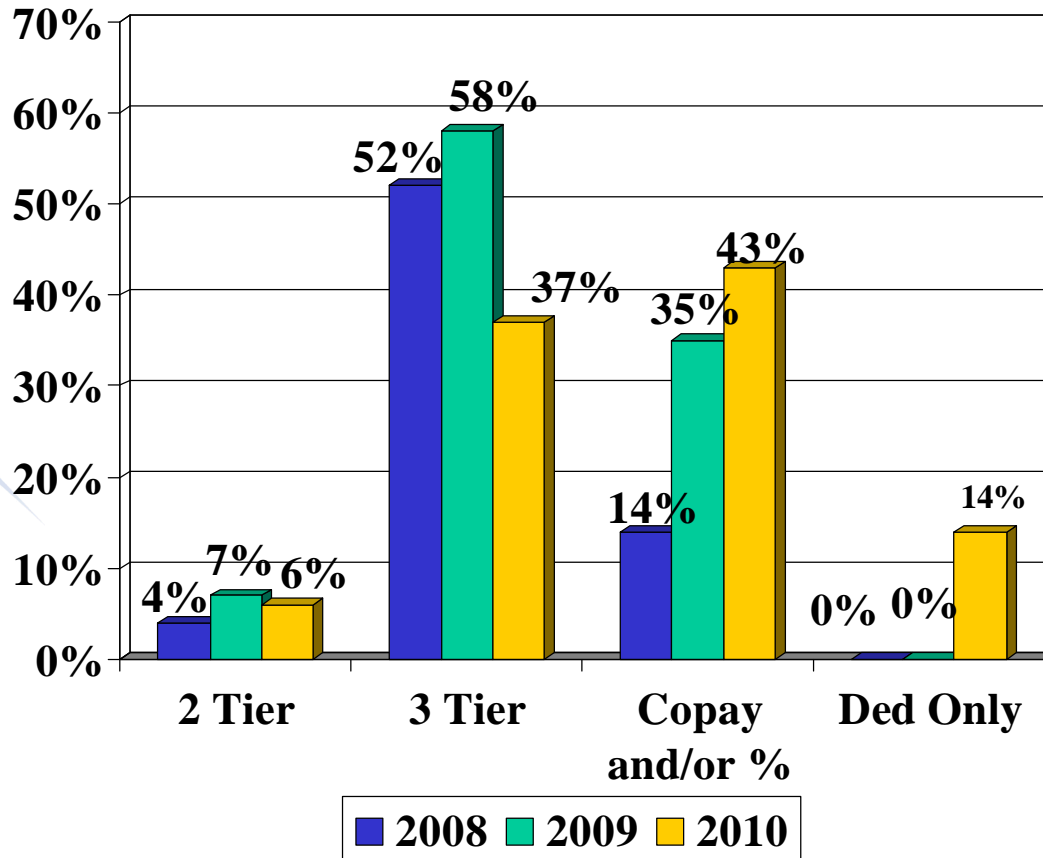
Most Commonly Occurring
Coinsurance %



Most Commonly Occurring
Coinsurance Amount



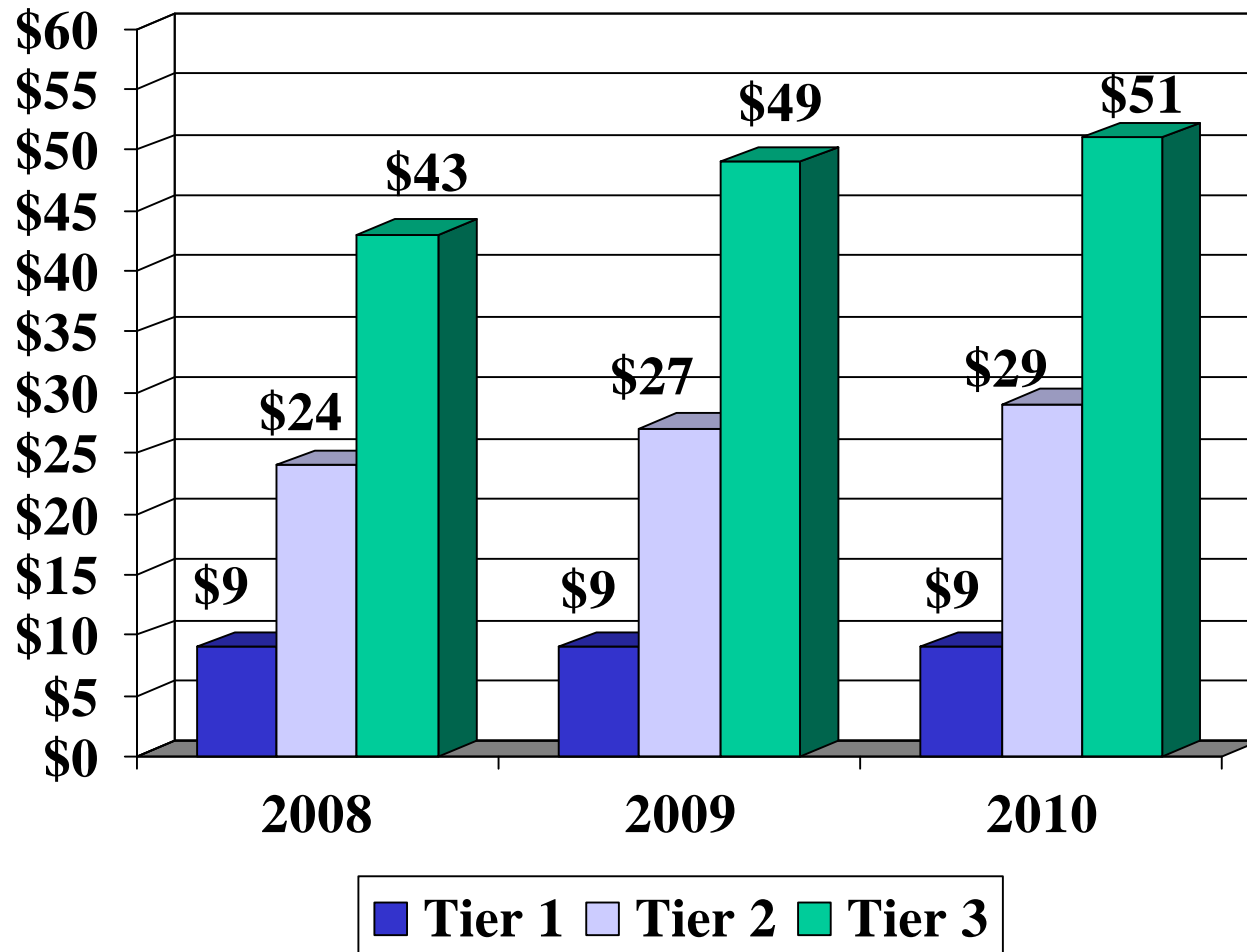
Type of Prescription Benefits



- 2 Tier = Generic & Brand Copays
- 3 Tier = Preferred Drug Copays
- Copay and/or % = Cost Sharing in Cost of Rx
- Ded Only = member pays 100% and applies to deductible (2010 data only)

The most common copay and/or % structure is \$10/\$30/\$60

Prescription Benefits Average Copay 3 Tier



Consumer-Driven Plan Options

Employee's Plan Election

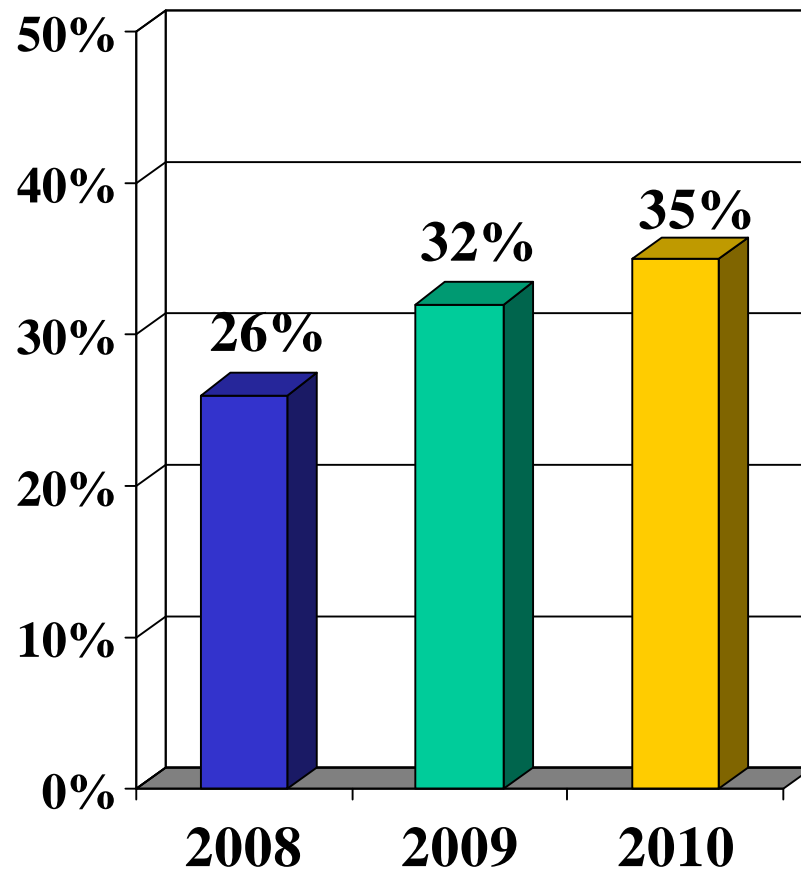
Flex Plans

HRA

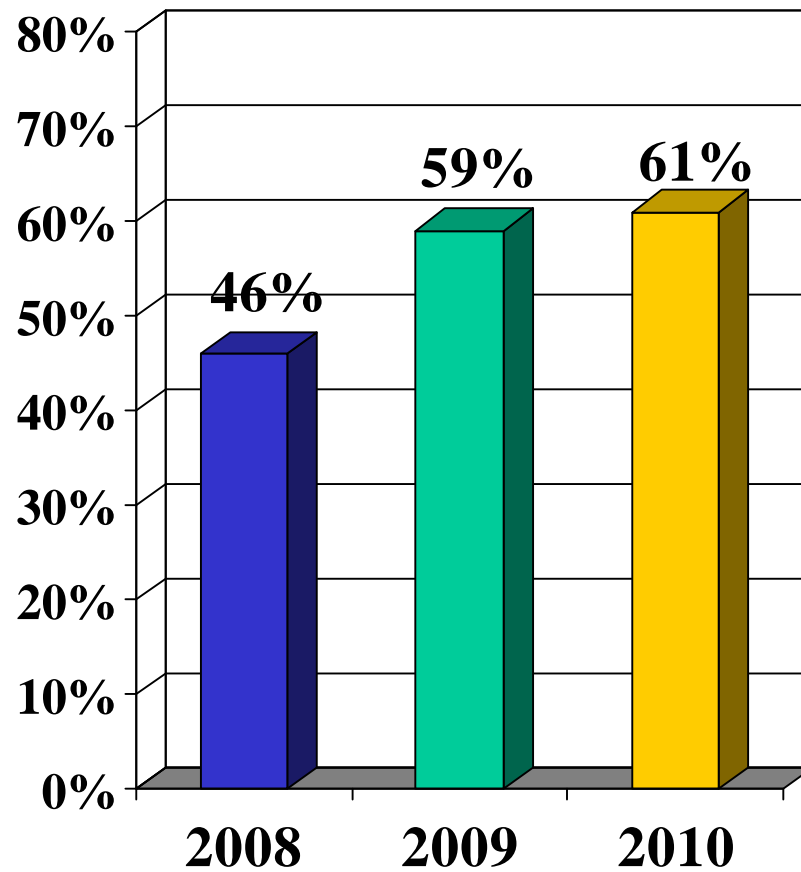
HSA



Plan Sponsors Offering Multiple Plans

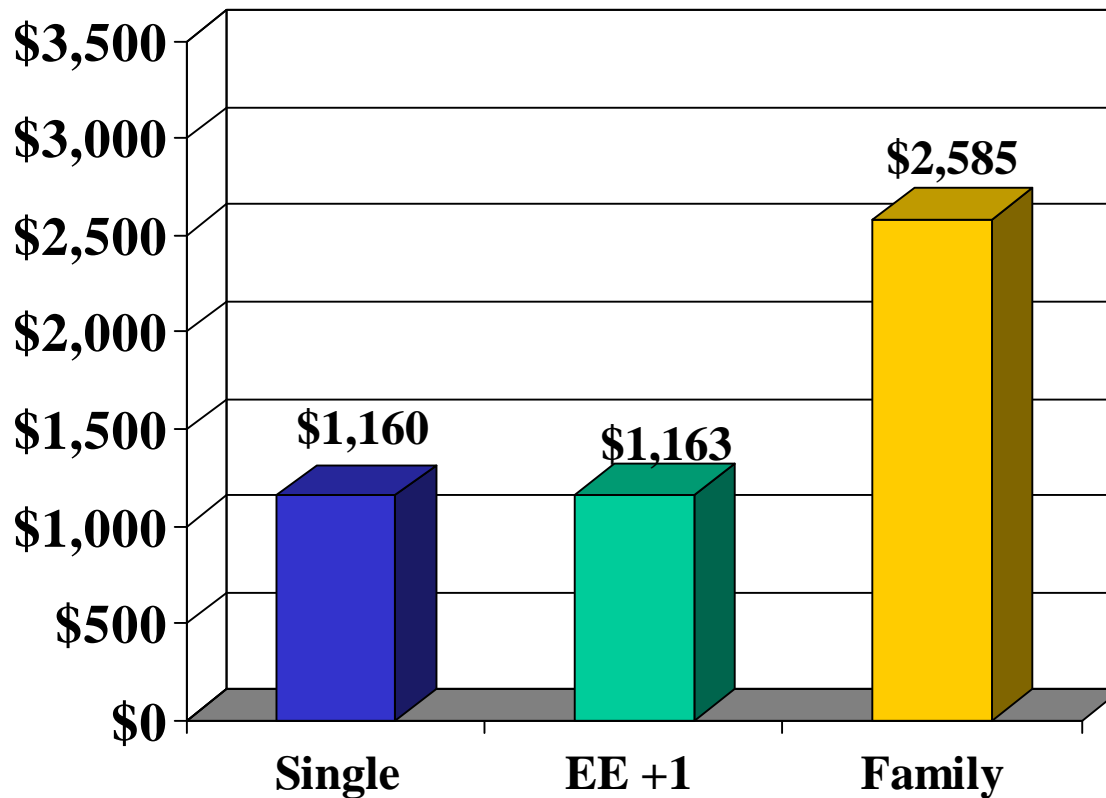


Plan Sponsors HRA Utilization



Health Reimbursement Arrangements (HRAs)

Average Benefit Level

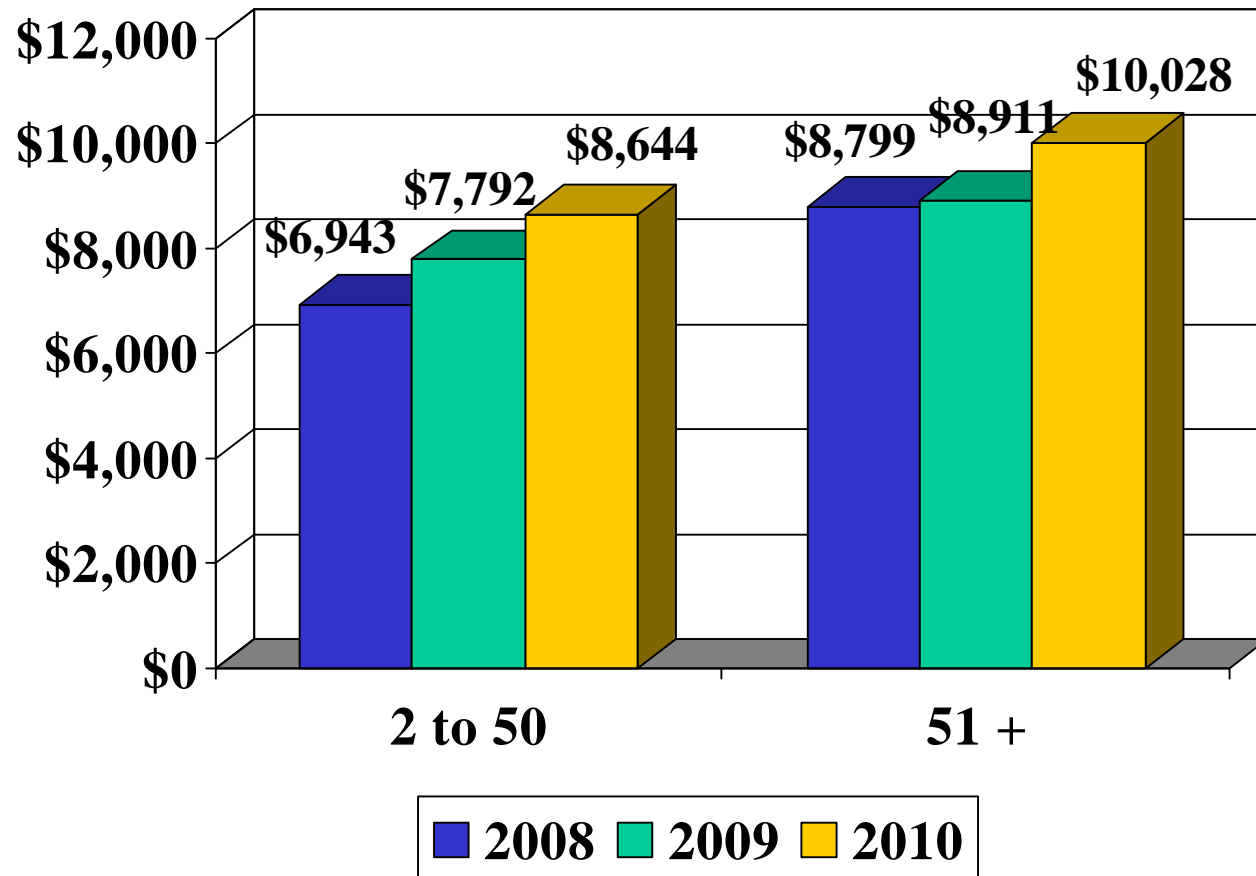


Cost Shifting or Sharing

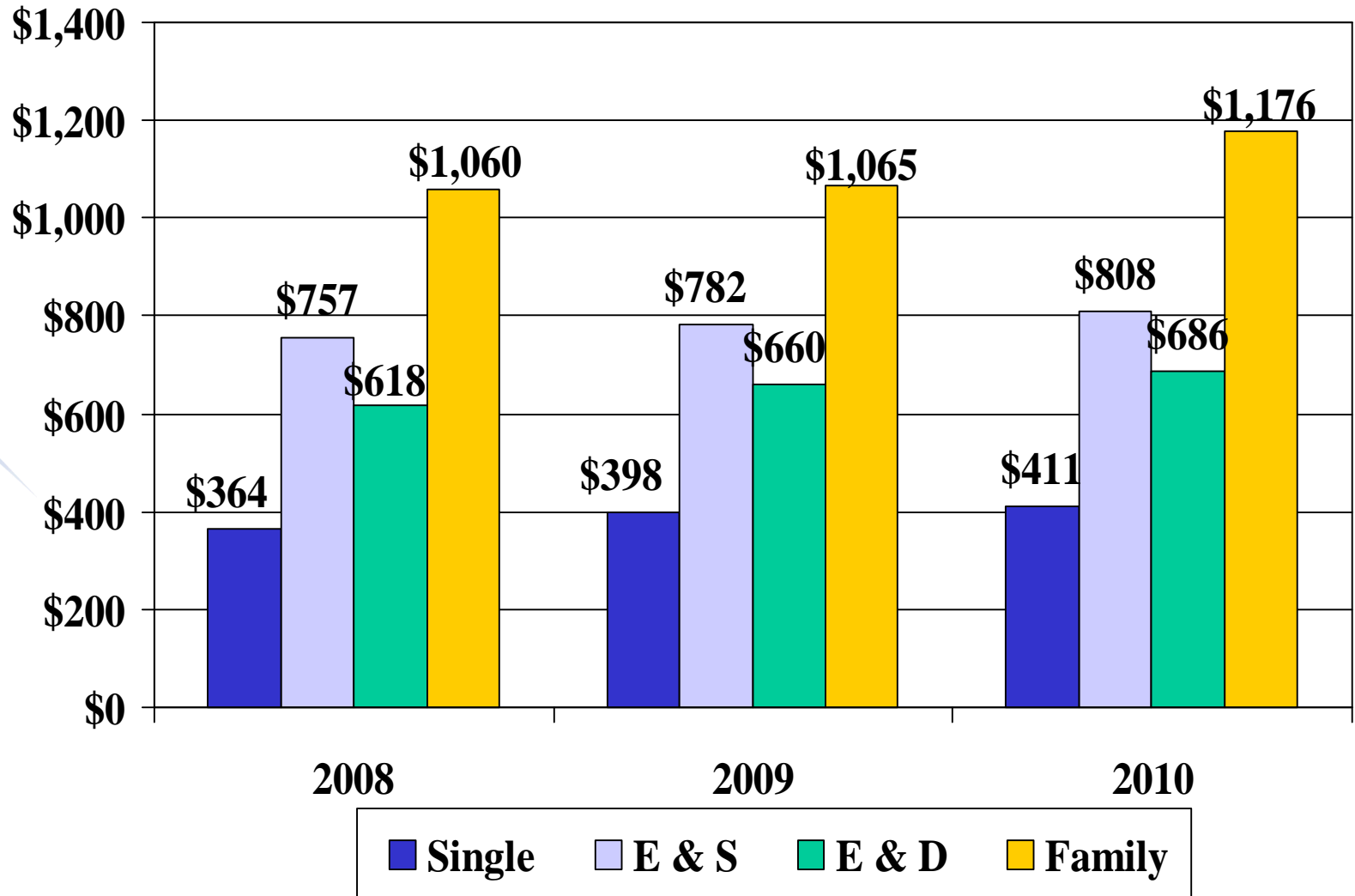
Employee Contribution



Annual Unit Cost Comparison by Size & Total Population

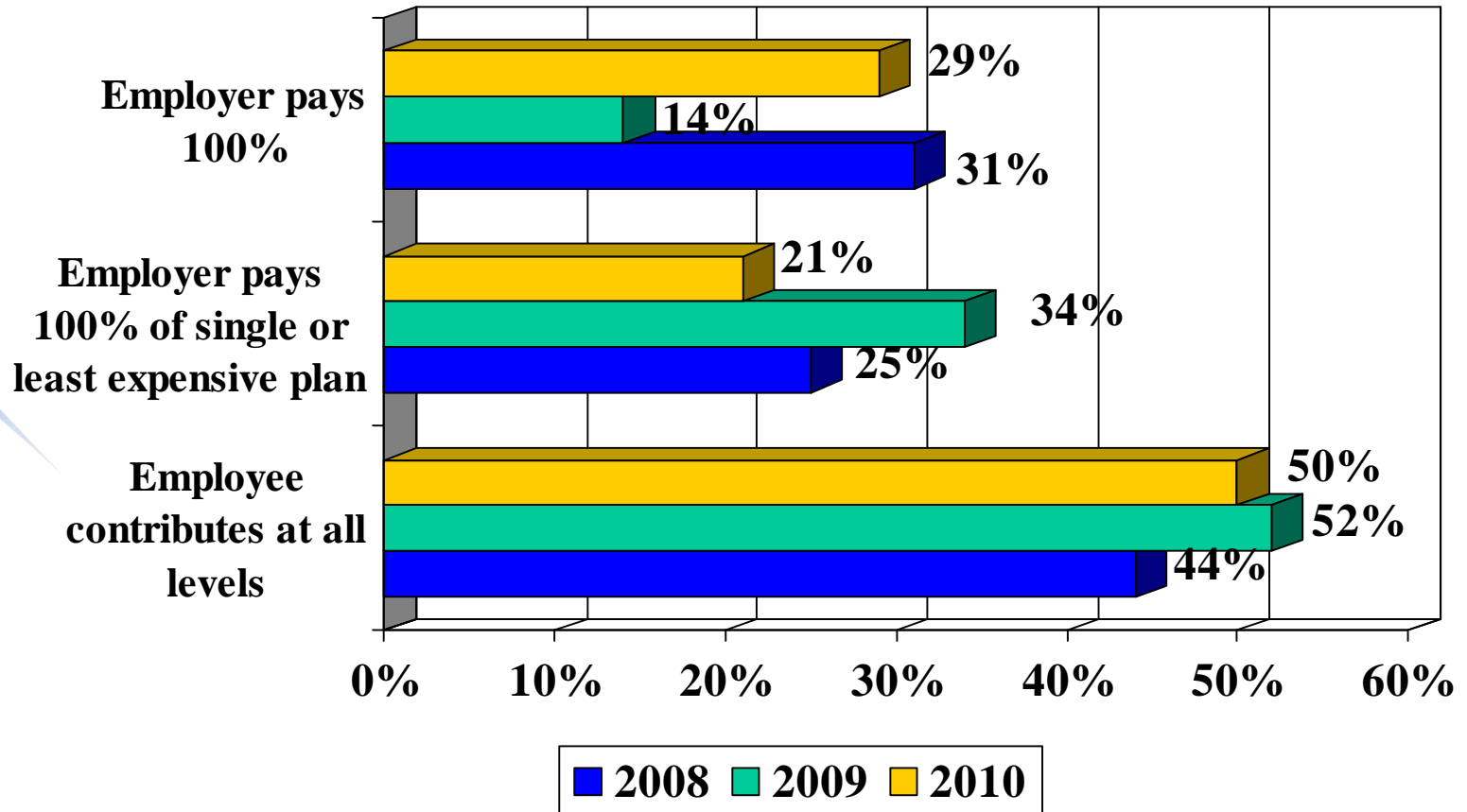


Four Tiered Monthly Premiums

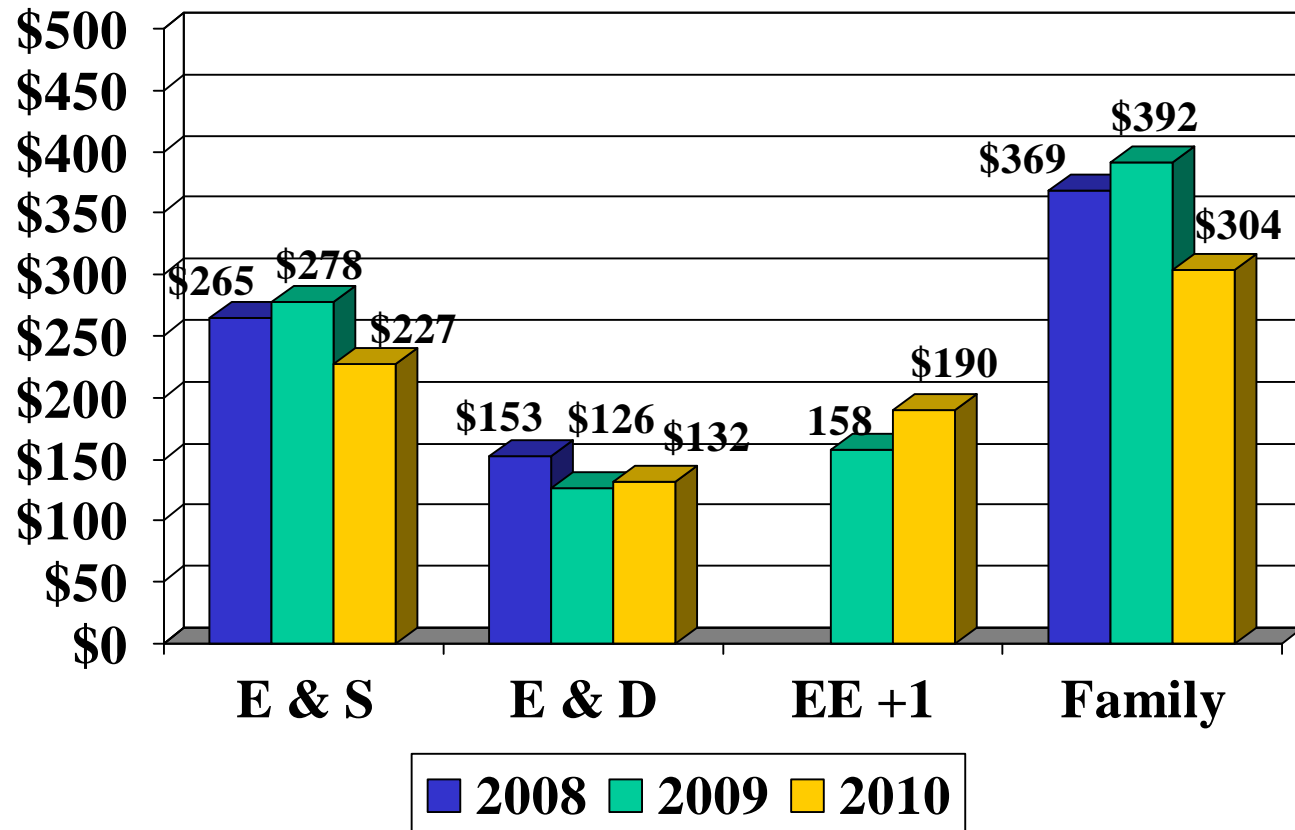


Plan Sponsor Contribution

(How and when is premium valuable?)

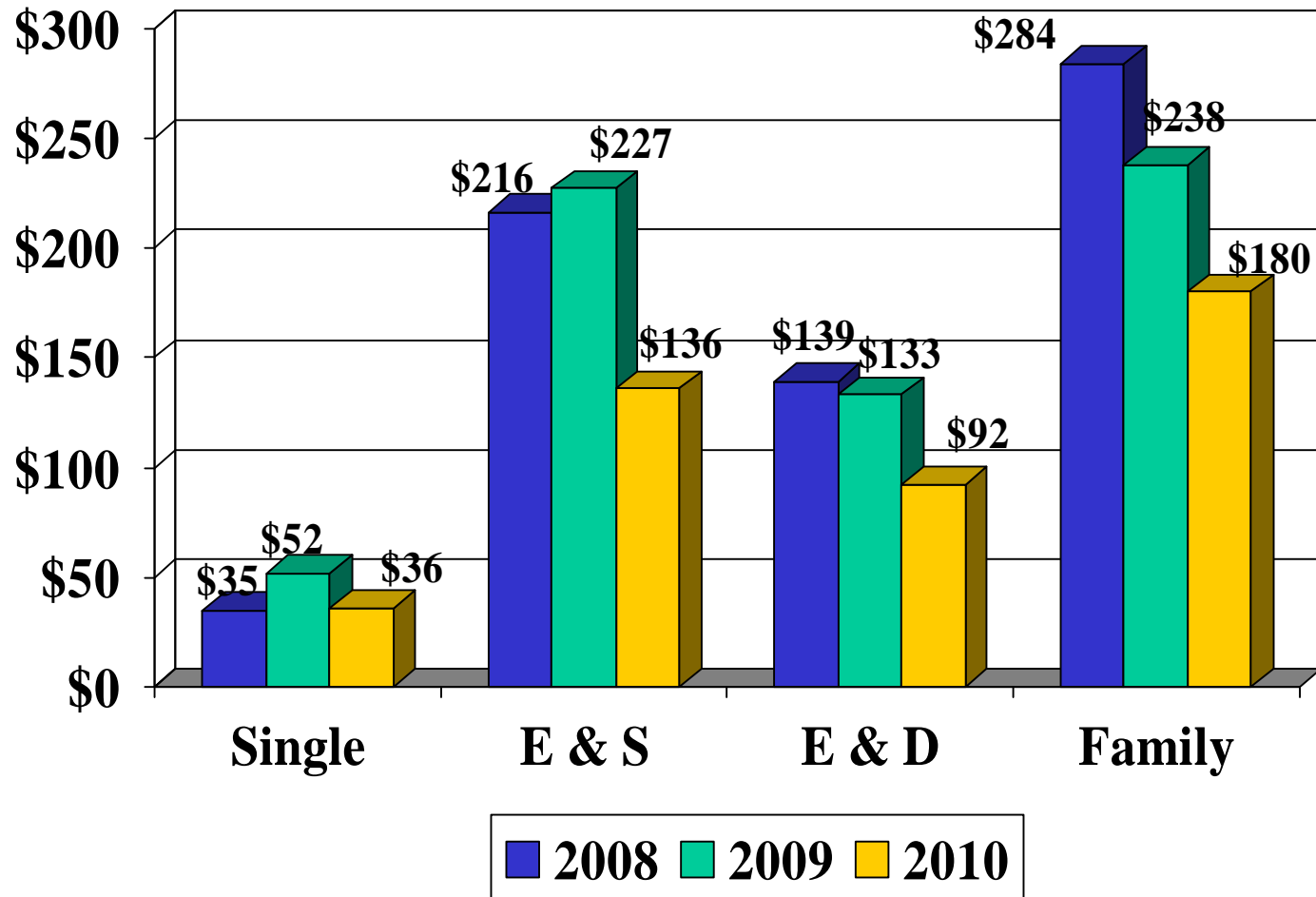


Employees' Monthly Contribution When Employer Pays 100% of a Single Plan



Note: Data for EE +1 rate not available for 2008.

Employees' Monthly Contributions to All Levels of Coverage



Employee Cost-Sharing*

For those groups that charge employees premium, those premiums represent **10%** of total plan costs

* Does not include other forms of cost-sharing, such as deductibles, coinsurance, copays, etc.

Comparison of Survey Benefits, Benchmark Data

Kentucky Government Benefits Survey

	2008	2009	2010	Trended
Employee Deductible	\$1,000	\$1,000	\$2,000	\$3,000
Family Deductible	\$3,000	\$3,000	\$4,000	\$6,000
Coinsurance	80%/20%	80%/20%	80%/20%	80%/20%
Office Visits	\$20	\$20	\$20	\$25
Emergency Room Visit	\$150	\$150	\$150	\$150 + ded. and/or coins.
Employee out-of-pocket max. (includes deductible)	\$1,000	\$2,000	\$3,000	\$5,000
Family out-of-pocket max. (includes deductible)	\$2,000	\$4,000	\$6,000	\$10,000
Prescriptions	\$10/\$30/\$60	\$10/\$30/\$60	\$10/\$30/\$60	\$10/\$35/\$55/ 25%



Questions?

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