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News Release

INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES REPORT:

Government Employees with Family Health Insurance Coverage are paying 14% more annually out-of-pocket in 2009 than national benchmark average

Alexandria, VA: 11 November 2009 – Premiums for government employer-sponsored health insurance rose to \$13,392 annually for family coverage this year – with employees on average paying \$4,068 and employers paying \$9,324, according to the benchmark 2009 International Public Management Association for Human Resources (IPMA-HR) Benefits Survey released today by SHERRILL MORGAN, a national information and benefits consulting firm.

The national benchmark 2009 Kaiser/HRET Employer Health Benefits Survey, released on Sept. 15, 2009, reported that premiums for all employer-sponsored health insurance were \$13,375 annually for family coverage and in line with the 2009 IPMA-HR Benefits Survey. Notably, the 2009 Kaiser/HRET Employer Health Benefits Survey reported employees' average annual out-of-pocket premium as \$3,515 whereas the 2009 IPMA-HR Benefits Survey reports \$4,068 representing a 14% increase over this national benchmark average.

"The increase in the employee premium contribution for family coverage in the government sector is likely attributed to the desire for lower out-of-pocket costs in the plan design and may have some correlation to wages," noted Mark Morgan, President, SHERRILL MORGAN. The 2009 Kaiser/HRET Employer Health Benefits Survey reported that wages for workers nationwide increased 3.1 percent while inflation fell by almost .7 percent during the same period.

The inaugural 2009 IPMA-HR Benefits Survey was conducted online and invitations were sent to over 1,000 government employers across the nation to complete information on their employer-sponsored group health insurance plans as well as their retirement and ancillary insurance benefit plans. The survey encompassed over 217,000 government employees nationwide with 462 employer-sponsored health plans reporting and representing 238 separate government entities. Survey data was collected and reported through August 10, 2009.

The survey examined the percentage of governments offering employer-sponsored life, disability, dental, and vision insurance coverage for employees. It also examined Flexible Spending Accounts, Health Reimbursement Arrangements (HRA) and Health Savings Accounts (HSA). In addition, it examined retirement and pharmacy benefit programs.

The major emphasis of the 2009 IPMA-HR Benefits Survey was placed on examining the health insurance benefits for the government arena nationwide. The survey reports 36% of government health plans responding are self-funding their employer-sponsored health insurance programs. It was also noted that 11% of governments are offering HRAs and 5% are offering HSAs to their employees.

Health insurance plan designs were also examined including copays, coinsurance, deductible and out-of-pocket maximums. The most commonly occurring deductible was noted as \$500 for single and \$1,000 for family. Morgan commented, "The most common plan designs in the government employer-sponsored health insurance arena are reflecting lower deductibles than we are seeing in the private sector."

Comparison of Survey Benefits, Benchmark Data

2009 IPMA-HR Benefits Survey

Most common plan design	2009	2010 (Trended)
Employee Deductible	\$500	\$1,000
Family Deductible	\$1,000	\$2,000
Coinsurance	80%/20%	80%/20%
Office Visits	\$20	\$25
Emergency Room Visit	\$100	\$200
Employee out-of-pocket max.	\$2,500	\$3,000
Family out-of-pocket max.	\$3,000	\$5,000
Prescriptions	\$10/\$35/\$50	\$10/\$35/\$60

Self-funded plans reported lower average premiums for both employers and employees in the 2009 IPMA-HR Benefits Survey. "There are ways to improve premiums for government employer-sponsored health insurance programs while keeping rich plan designs. By peeling apart the health insurance methodology, examining the value in plan designs and including full pass-through, transparent pricing models with all vendors, we can begin to drill down and find ways to improve these numbers nationwide," commented Morgan.

The online benefits survey was hosted, calculated and compiled by SHERRILL MORGAN on behalf of IPMA-HR. Summary data of results may be requested.

About International Public Management Association for Human Resources

Headquartered in Alexandria, VA, the International Public Management Association for Human Resources (IPMA-HR) is an organization that represents the interests of human resource professionals at the federal, state and local levels of government. IPMA-HR members include all levels of public sector HR professionals. Our goal is to provide information and assistance to help HR professionals increase their job performance and overall agency function by providing cost effective products, services and educational opportunities.

About SHERRILL MORGAN

Founded in 1969, SHERRILL MORGAN is a national information and benefits consulting firm helping governments and private sector employers manage their health care and ancillary benefit costs. SHERRILL MORGAN is dedicated to ensuring that its clients achieve the greatest possible value from their benefit programs. SHERRILL MORGAN believes in implementing full pass-through, transparent benefit programs customized and tailored to each employer's needs.

SHERRILL MORGAN has been engaged to conduct benefit surveys throughout the South and Midwest for seven years and is proud to have recently hosted, compiled and reported the inaugural nationwide 2009 International Public Management Association for Human Resources (IPMA-HR) Benefits Survey. SHERRILL MORGAN currently represents 77 separate government entities and over 150 private sector employers for healthcare and ancillary group benefits. SHERRILL MORGAN employs an experienced staff including licensed insurance agents and consultants, as well as a licensed CPA, staff attorney, registered pharmacist and registered health underwriter.

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Source: 2009 International Public Management Association for Human Resources Benefit Survey
Source: Kaiser/HRET Employer Health Benefits Survey, 2009