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## Press Release

### TENNESSEE PERSONNEL MANAGEMENT ASSOCIATION REPORTS:

Tennessee governments report employee health insurance monthly premium contributions for families higher than the national average

Nashville, TN: 24 August 2009 – TN government employee health insurance monthly premium contributions paid by those choosing family coverage are higher than reported in the 2008 Kaiser/HRET Employer Health Benefits Survey, according to the Tennessee Personnel Management Association Annual Benefits Study released today by SHERRILL MORGAN, an information and benefits consulting firm located in Covington, Kentucky.

This inaugural benefits study was conducted online and invitations were sent to over 300 government employers in Tennessee to complete information on their employer sponsored group health insurance plans as well as their retirement and ancillary insurance benefit plans. 127 separate governments responded and completed the benefits study which represented over 175 employer sponsored health plans covering over 27,000 TN government employees. Survey data was collected and reported through April 9, 2009.

The study examined the percentage of TN governments offering employer sponsored life, disability, dental and vision coverage for employees. It also examined flexible spending accounts, Health Reimbursement Arrangements (HRA) and Health Savings Accounts (HSA). In addition, retirement and pharmacy programs were examined.

The major emphasis of the Tennessee Personnel Management Association Annual Benefits Study was placed on examining the health insurance benefits for the TN government arena. The study reports 54% of governments with more than 100 employees are partially self-funding their employer sponsored health insurance programs. It was also noted that 7.4% of TN governments are not offering any employer sponsored health insurance to their employees.

Health insurance plan designs were also examined including co-pays, coinsurance, deductible and out of pocket maximums. The most commonly occurring deductible was noted as \$500 for single and \$1,000 for family. Mark Morgan, President, SHERRILL MORGAN, commented, "The average deductibles for Tennessee government health insurance programs are reflecting lower than the average we are seeing in other states."

### Comparison of Survey Benefits, Benchmark Data

#### TPMA Annual 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

Although employer premiums for health insurance coverage were on par with the national average reported in the 2008 Kaiser/HRET Employer Health Benefits Survey, employee premium contributions (their portion) for family coverage is noted higher for TN government employees in this study. The 2008 Kaiser/HRET Employer Health Benefits Survey has reported, "The average family monthly employee premium is \$280," whereas the Tennessee Personnel Management Association Annual Benefits Study is reporting the average family monthly employee premium contribution is \$368.

"The increase in the employee premium contribution for family coverage in Tennessee is likely attributed to the desire for richer health insurance plan designs, cost of care and employee demographics specific to our region. As premiums have generally trended higher, it will be interesting to see how these numbers compare to the 2009 Kaiser Survey to be released later this year," noted Richard Stokes, PHR, Executive Director – TPMA and employed with The University of TN – MTAS. Noted Mark Morgan, President, SHERRILL MORGAN, "There is room for improvement here. By peeling apart the health insurance methodology, examining plan designs and including full pass-through, transparent pricing models, we can begin to drill down and find ways to improve these numbers for Tennessee governments."

The online benefits survey was hosted, calculated and compiled by SHERRILL MORGAN, an information and benefits consulting firm based in Covington, KY. Summary data of results may be requested.

#### About Tennessee Personnel Management Association

Headquartered in Nashville, TN, the Tennessee Personnel Management Association (TPMA) is a chapter of the International Public Management Association for Human Resources (IPMA-HR). Any person working in a professional capacity in local government or in a quasi-governmental agency who is a member of the IPMA-HR and resides in Tennessee is eligible for membership. This includes city or county governments, school boards, public hospitals, public utilities, elected officials and other persons interested in public personnel administration. TN Chapter membership, with no IPMA-HR privileges, is also available on an individual basis for those who support the objectives and programs of the chapter and globally of the IPMA-HR.

#### About SHERRILL MORGAN

Founded in 1969, SHERRILL MORGAN is a leading 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 on behalf of their employees. SHERRILL MORGAN believes in implementing full pass-through, transparent benefit programs customized and tailored to each employer's needs in order to balance the cost of the programs with the need to attract and retain a strong workforce.

SHERRILL MORGAN has been engaged to conduct benefit surveys throughout Kentucky and Ohio for six (6) years and is currently engaged to host, compile and report the inaugural nationwide International Public Management Association for Human Resources (IPMA-HR) Annual Benefits Survey which is to be released in September 2009. SHERRILL MORGAN currently represents 77 government entities and over 100 private employers representing over 25,000 employees throughout Ohio, Kentucky and Tennessee for healthcare and ancillary group benefits. SHERRILL MORGAN employs an experienced staff including licensed insurance agents and consultants, licensed CPA, staff attorney, registered pharmacist and registered health underwriter.

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[www.SHERRILLMORGAN.com](http://www.SHERRILLMORGAN.com)

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008

Source: Tennessee Personnel Management Association Annual Benefits Study

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Chart extracted from this press release must be accompanied by a statement identifying SHERRILL MORGAN as the publisher and the Tennessee Personnel Management Association Annual Benefits Study as the source. No advertising or other promotional use can be made of the information in this press release without the expressed prior written consent of the Tennessee Personnel Management Association and SHERRILL MORGAN.