

A banner image showing several smooth, dark stones floating on a calm body of water, with the word "benefitNEWS" in a white, lowercase serif font on the right side.  
benefitNEWS

## Large Employers Expect Higher Premiums

With the cost of employer-provided healthcare benefits expected to rise, large employers are also expected to ask workers to pay a greater portion of premiums. But at the same time, corporate leaders are sharply boosting financial rewards to engage employees in healthy lifestyles, according to the National Business Group on Health, a nonprofit coalition of large U.S. employers. A year end 2012 survey, based on responses from 82 of the nation's largest corporations, revealed some startling results:

- 60% of respondents expect to increase the percentage of the premium paid by employees in 2013, although most indicated that the increase would be less than 5%
- 40% expect to increase in-network deductibles
- 33% expect to increase out-of-network deductibles
- 32% expect to increase out-of-pocket maximums

In addition, many respondents now consider consumer-directed health plans and wellness initiatives to be more effective at stemming costs than shifting costs to employees. Forty-three of respondents cited consumer-directed health plans as the most effective cost-control tactic, while 19% identified wellness programs as the most effective tactic. Just 9% reported increased employee cost-sharing as the most effective tactic, whereas a year earlier, cost-shifting was the top choice for effectiveness in controlling costs.

### Targeting Wellness Initiatives

While 48 percent of respondents use incentives to encourage participation in wellness programs, more employers are basing incentives on specific behaviors and health outcomes:

- 44% provide an incentive based on tobacco-use status.
- 29% base awards on achievement of outcomes such as improving body mass index or cholesterol levels.
- 22% apply surcharges to employees for not participating in certain programs

Conner Strong & Buckelew is a member of the National Business Group on Health and uses their data and benchmarking materials to assist clients in making informed decisions. For more information about these results or other tactics for cost containment, please contact your Conner Strong & Buckelew account representative.





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