



**REPRESENTING OVER 75 GOVERNMENTS ACROSS THE MIDWEST**



***TPMA FIRST ANNUAL  
BENEFITS SURVEY***



***PRESENTED APRIL 16, 2009  
ANNUAL CONFERENCE  
KNOXVILLE, TN***

**TPMA SURVEY TEAM**

**MARK T. MORGAN, LUTCF**  
***PRESIDENT, SHERRILL MORGAN***

**RICHARD L. STOKES, IPMA-CP, PHR**  
***EXECUTIVE DIRECTOR, TN CHAPTER IPMA***

**MICHELLE MIDDENDORF, CPA**  
***SHERRILL MORGAN***

**SHANNON MASON, RHU, REBC**  
***SHERRILL MORGAN***

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Welcome to the TPMA benefits survey!

This survey is sponsored by the Tennessee Chapter of International Public Management Association for Human Resources (TPMA) and prepared by SHERRILL MORGAN, an information and consulting firm, specializing in government sponsored benefit programs.

This survey is open to all government employers in Tennessee. The purpose of this survey is to communicate current government employee benefit statistics and health plan trends in the Tennessee marketplace.

Survey results will be presented at the TPMA Annual Conference and other Tennessee conferences (TAMCAR, TML and TCMA). Results will also be made available and sent to all participants in the survey and links to the survey results will be available at the TPMA, Sherrill Morgan and UT/MTAS website. Upon completion, certain survey fields will be calculated and shown immediately. Your participation is key - the greater the participation, the more useful the information!

**The deadline for survey completion is Tuesday, March 31st.**

If you have general questions about the survey, please contact Richard Stokes at: 615-532-6827 or e-mail [richard.stokes@tennessee.edu](mailto:richard.stokes@tennessee.edu).

If you need technical support, please contact Michelle Middendorf at: 1-800-291-4222 or e-mail [michelle@sherrillmorgan.com](mailto:michelle@sherrillmorgan.com).

Thanks!

Survey Team

To begin either sign in using the credentials from your previous visit or please register if it is your first time visiting.

E-mail address:  Password:   [First time here?](#) [Forgot your password?](#)

Done

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## **EXPLANATION OF SURVEY**

- **121 PLAN SPONSORS**
- **175 PLANS**
- **OVER 27,000 EMPLOYEES**
- **SURVEY DATA REPORTED THROUGH APRIL 9, 2009**
- **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.**

*To Receive Side by Side Data Must be a Survey Participant*

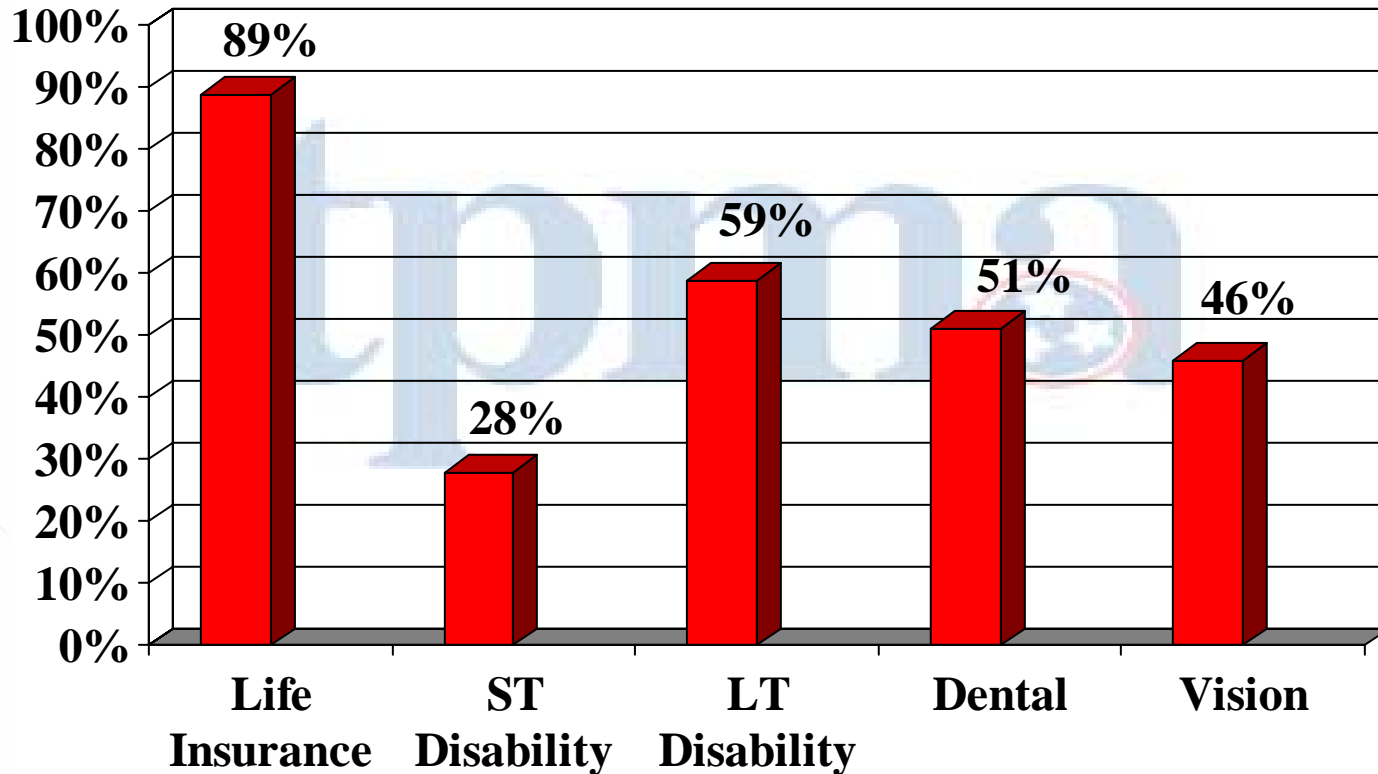
See accountant's compilation report.

# **PLAN SPONSOR INFORMATION**

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# EMPLOYERS OFFERING ANCILLARY BENEFITS



**OF THOSE WHO OFFER LIFE INSURANCE:**

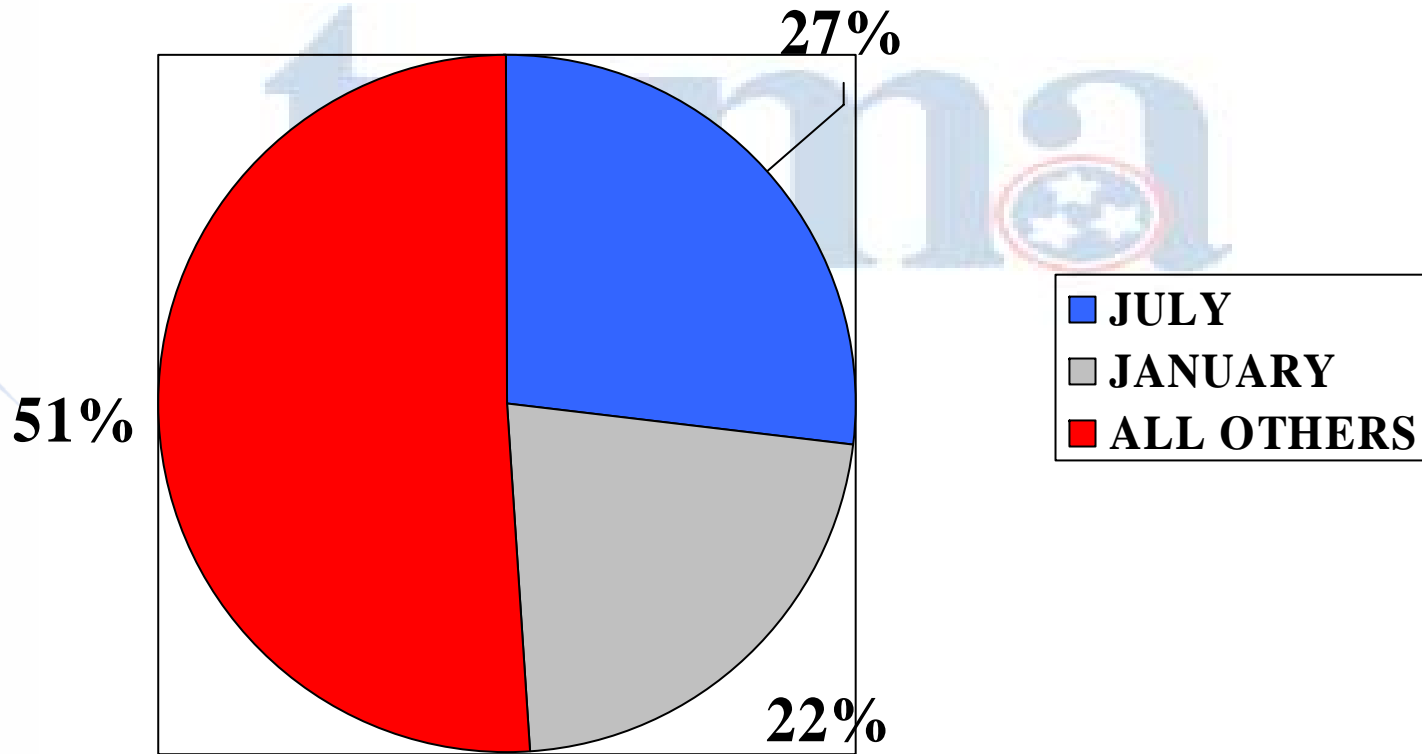
- A FLAT \$28,000 AVERAGE BENEFIT IS OFFERED BY 43%
- MULTIPLE OF PAY OFFERED BY 57% OF EMPLOYERS.

**What percentage of plan sponsors do not offer health benefits?**

**7.4%**

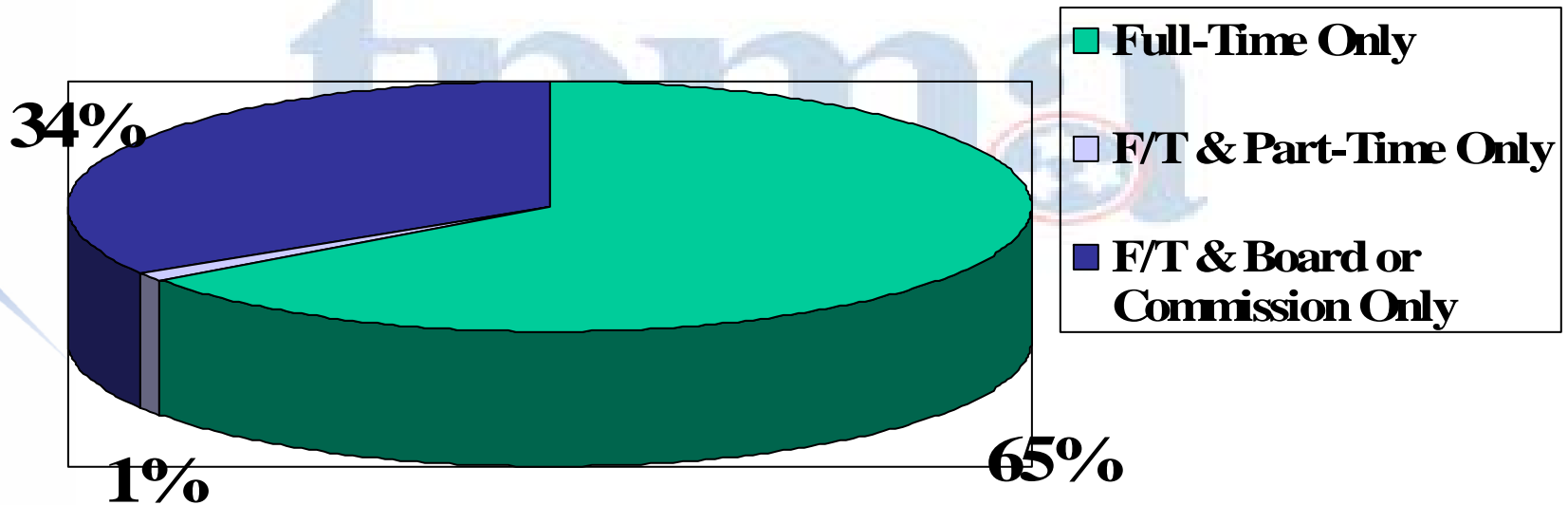


# PLAN RENEWAL MONTH



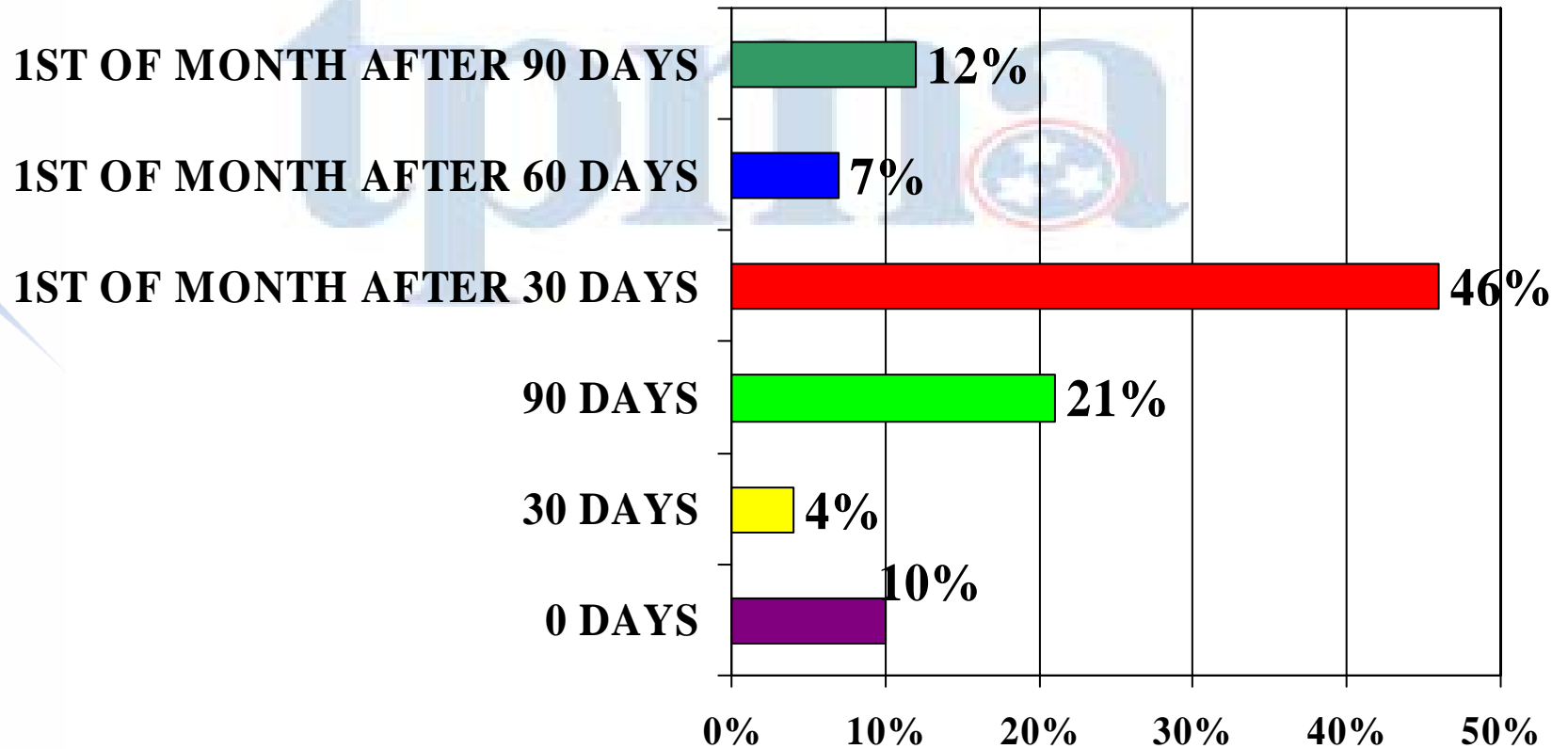
See accountant's compilation report.

# HEALTH BENEFITS OFFERED TO PART-TIME EMPLOYEES OR TO A SPECIAL CLASS



See accountant's compilation report.

# PLAN SPONSOR WAITING PERIOD



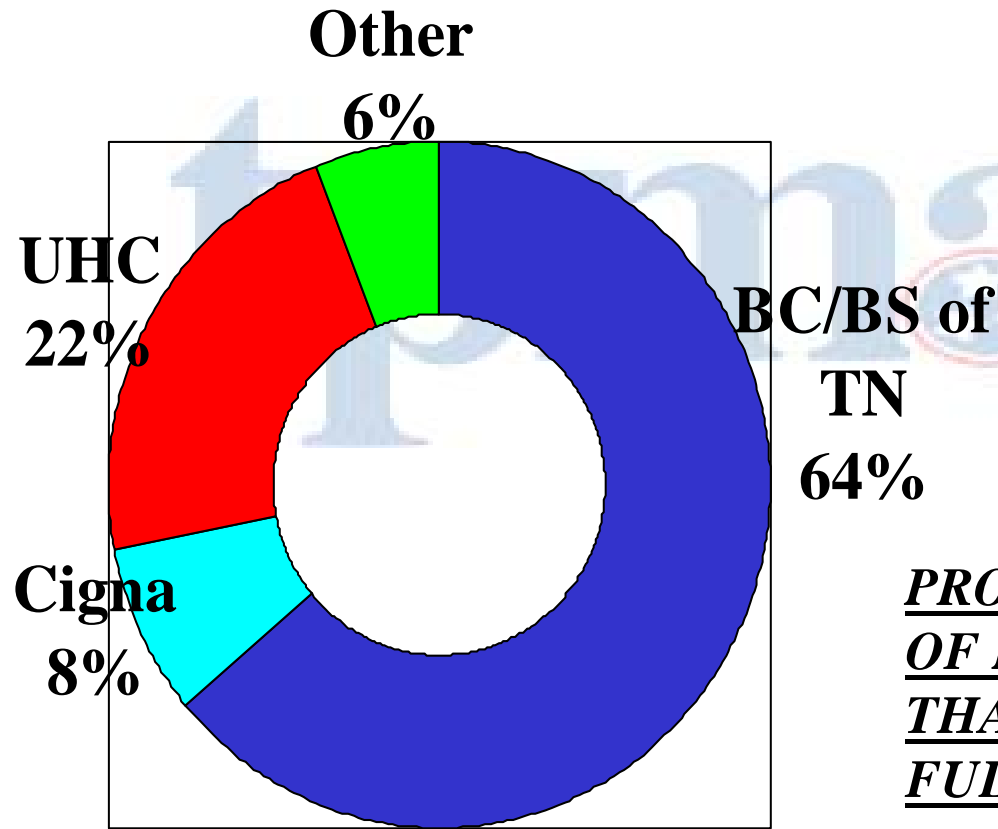
See accountant's compilation report.

# **SELF-FUNDED vs. FULLY INSURED**

**54% OF PLAN SPONSORS ARE SELF-FUNDED**

**(does not include the state plan)**

# FULLY INSURED PLANS

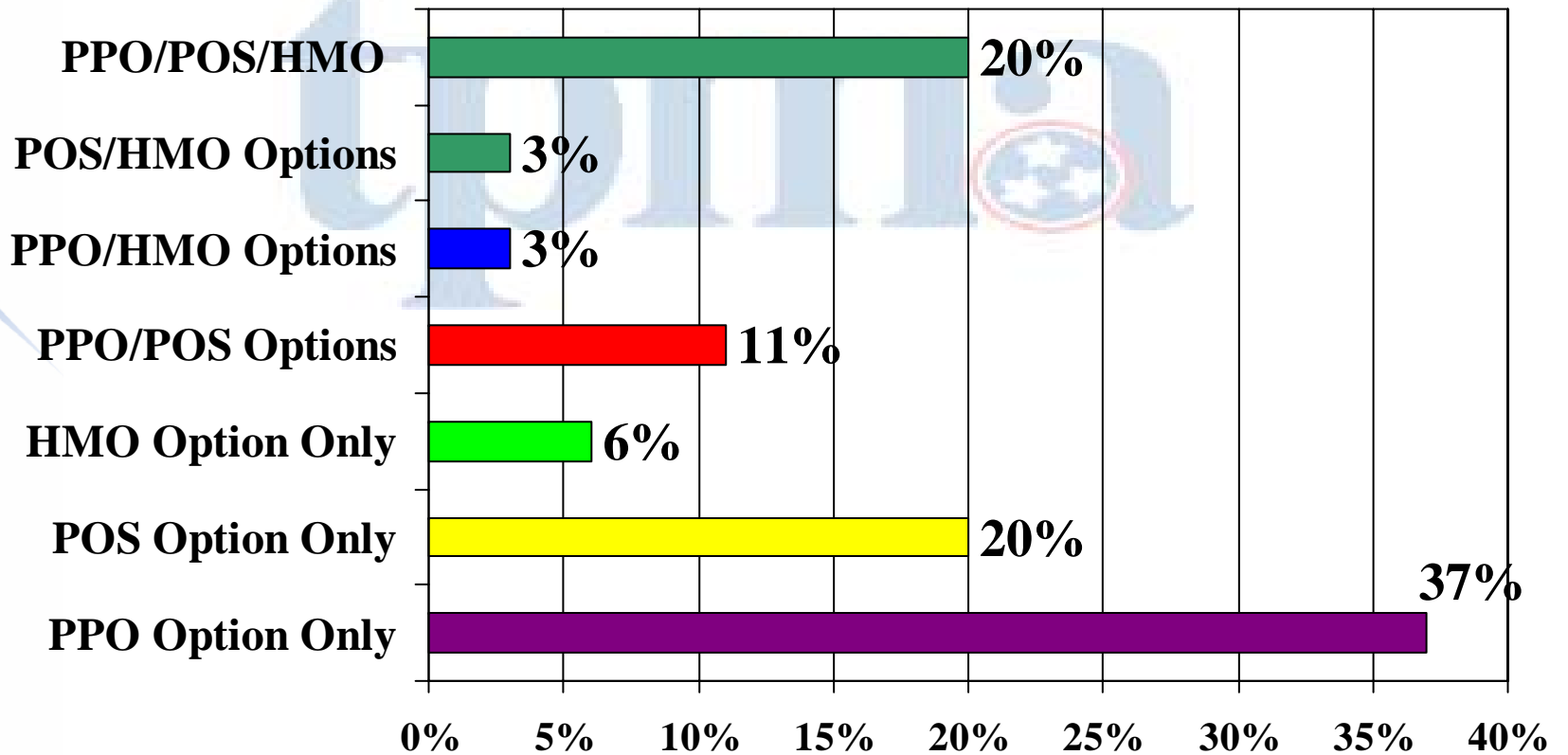


**PROVIDER %  
OF PLAN SPONSORS  
THAT ARE  
FULLY INSURED**

See accountant's compilation report.

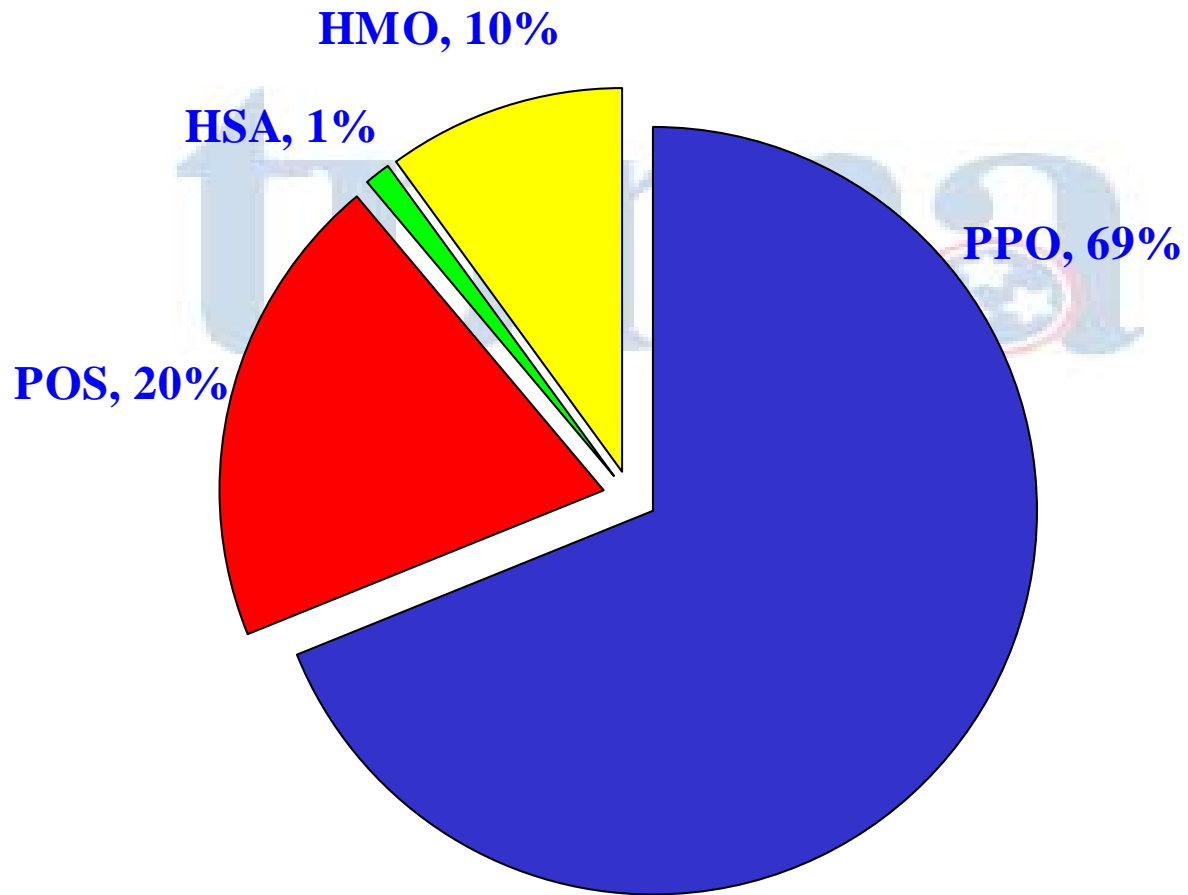
# STATE OF TENNESSEE GROUP INSURANCE PROGRAM

- **27% OF PLAN SPONSORS OFFER THE STATE PLAN**
- **OF THOSE THAT OFFER THE STATE PLAN:**



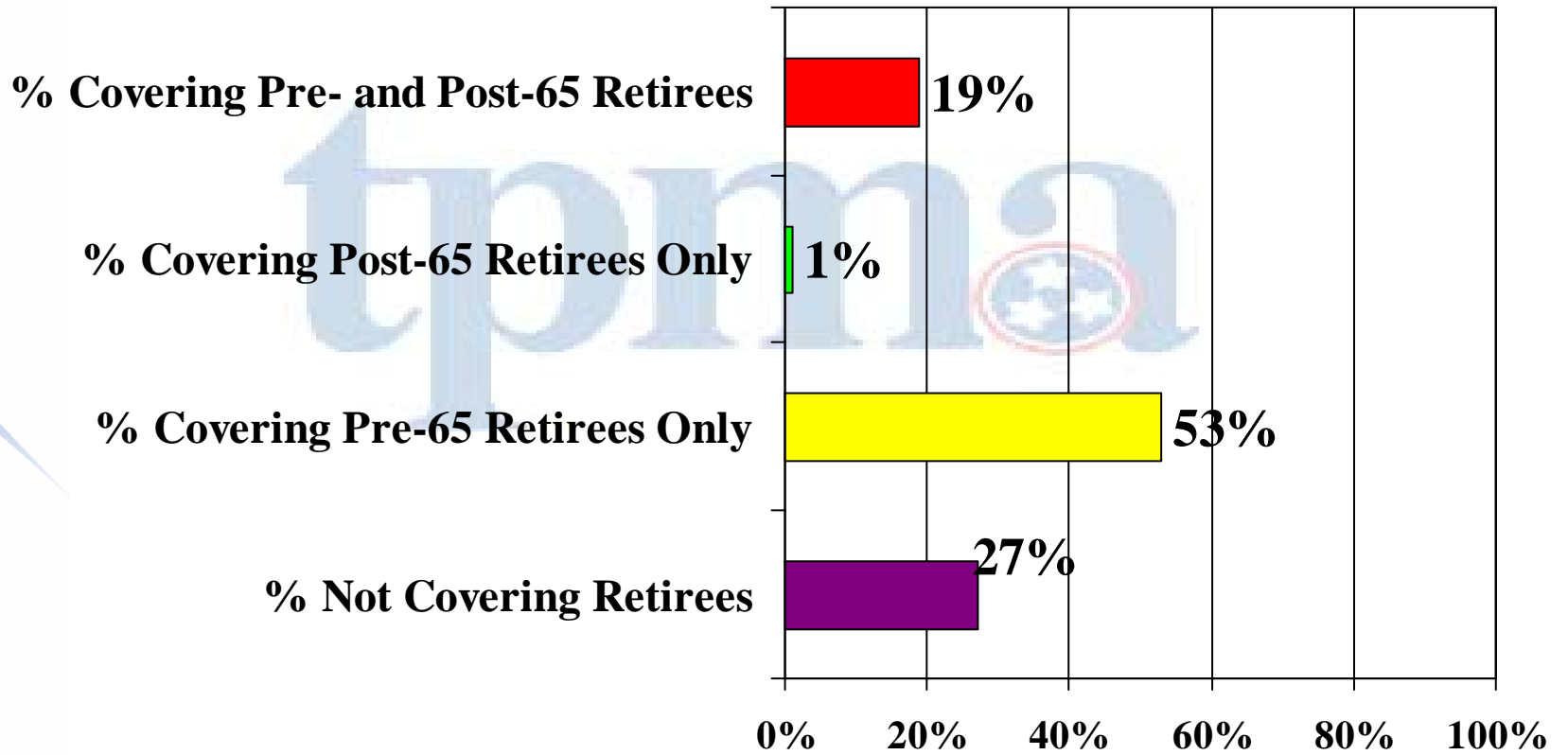
See accountant's compilation report.

# PERCENT OF PLAN TYPES OFFERED



See accountant's compilation report.

# RETIREE BENEFITS

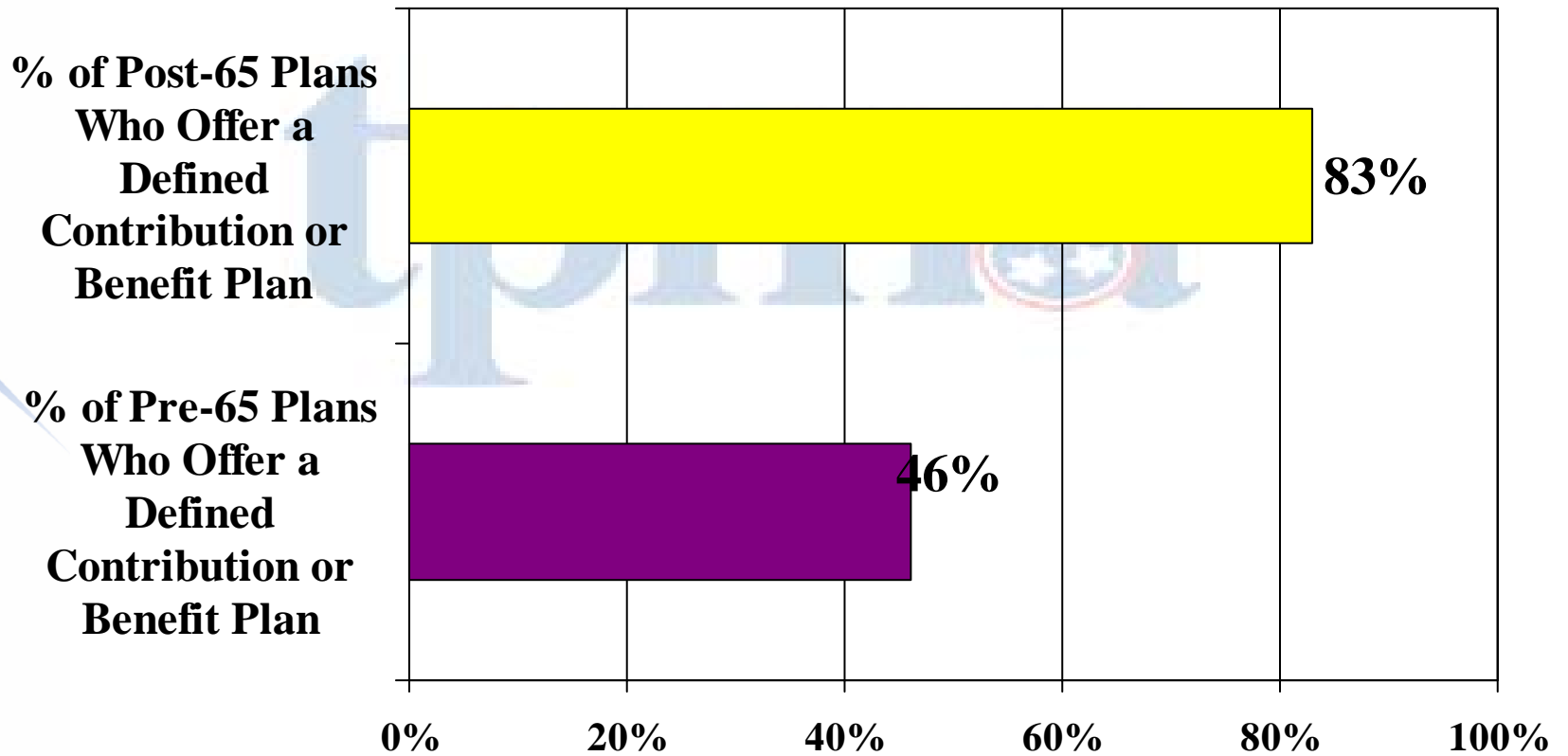


***NOTE: percentage is reflective of those who responded***



# RETIREE BENEFITS

## Defined Contribution or Defined Benefit Plans:



**NOTE: percentages are reflective of those who responded**

# **RETIREE BENEFITS**

**Plans who Report Pursuing the  
Retiree Drug Subsidy for CMS:**

**13%**

***NOTE:***

***percentage is reflective of those who responded***

# ***Consumer-Driven Plan Options***

***Employee's Plan Election***

***Flex Plans***

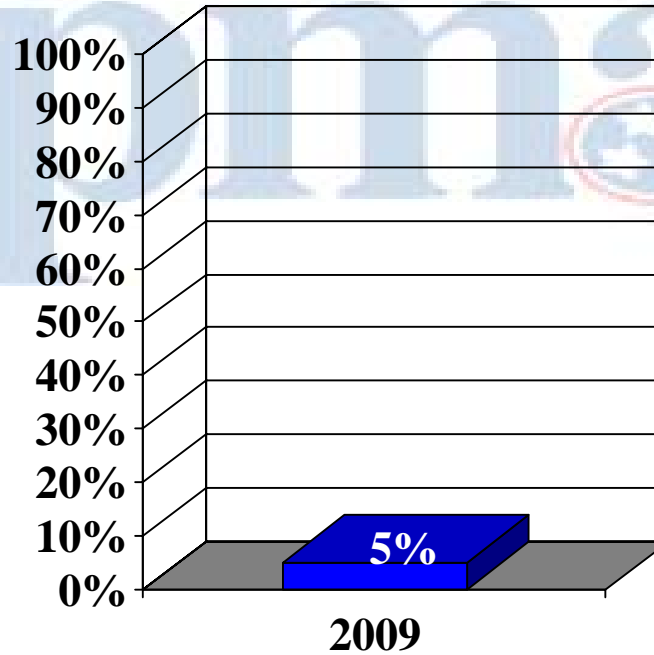
***HRA***

***HSA***



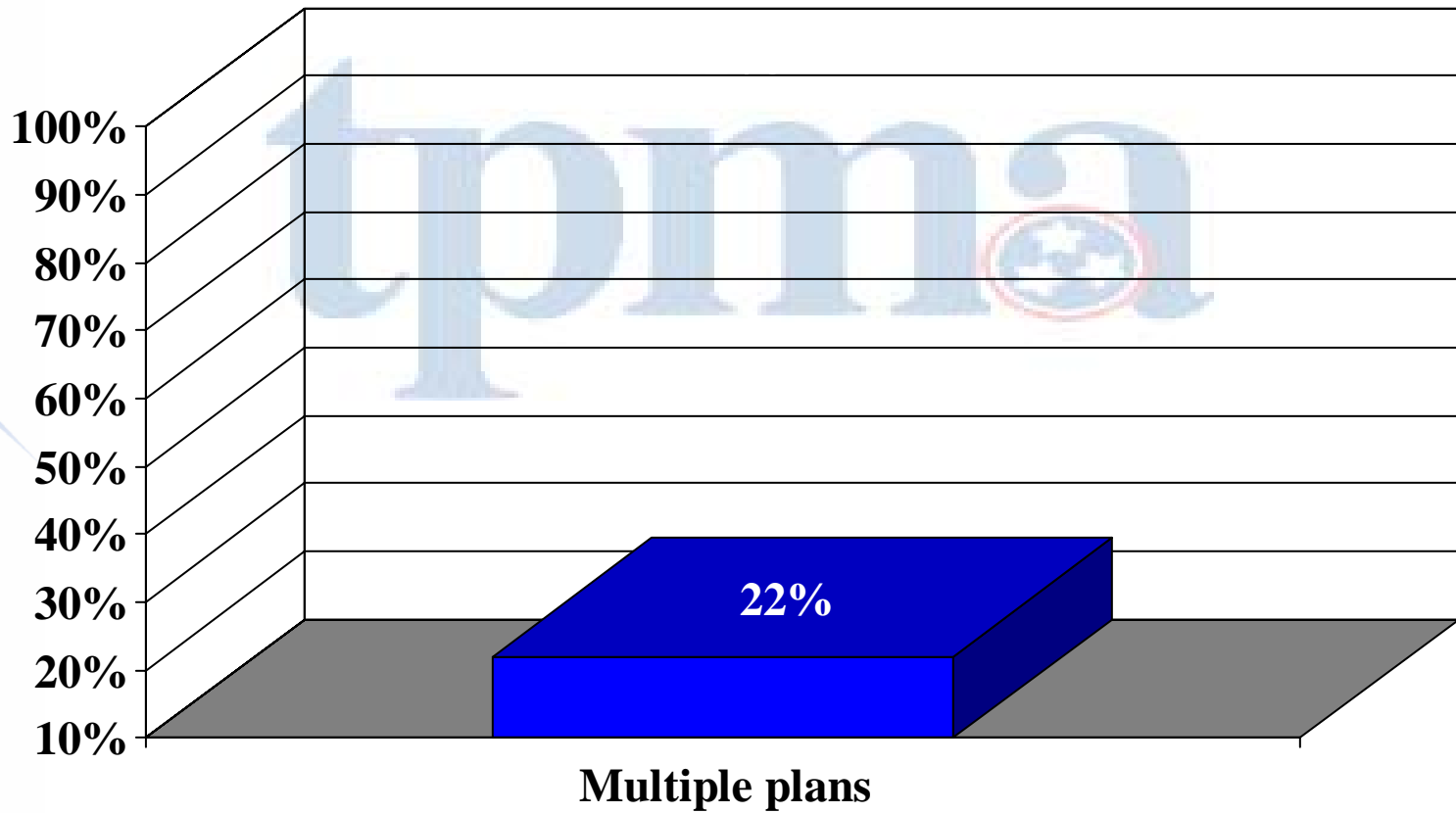
# WAIVER BENEFITS

*PERCENT OF PLAN SPONSORS OFFERING*



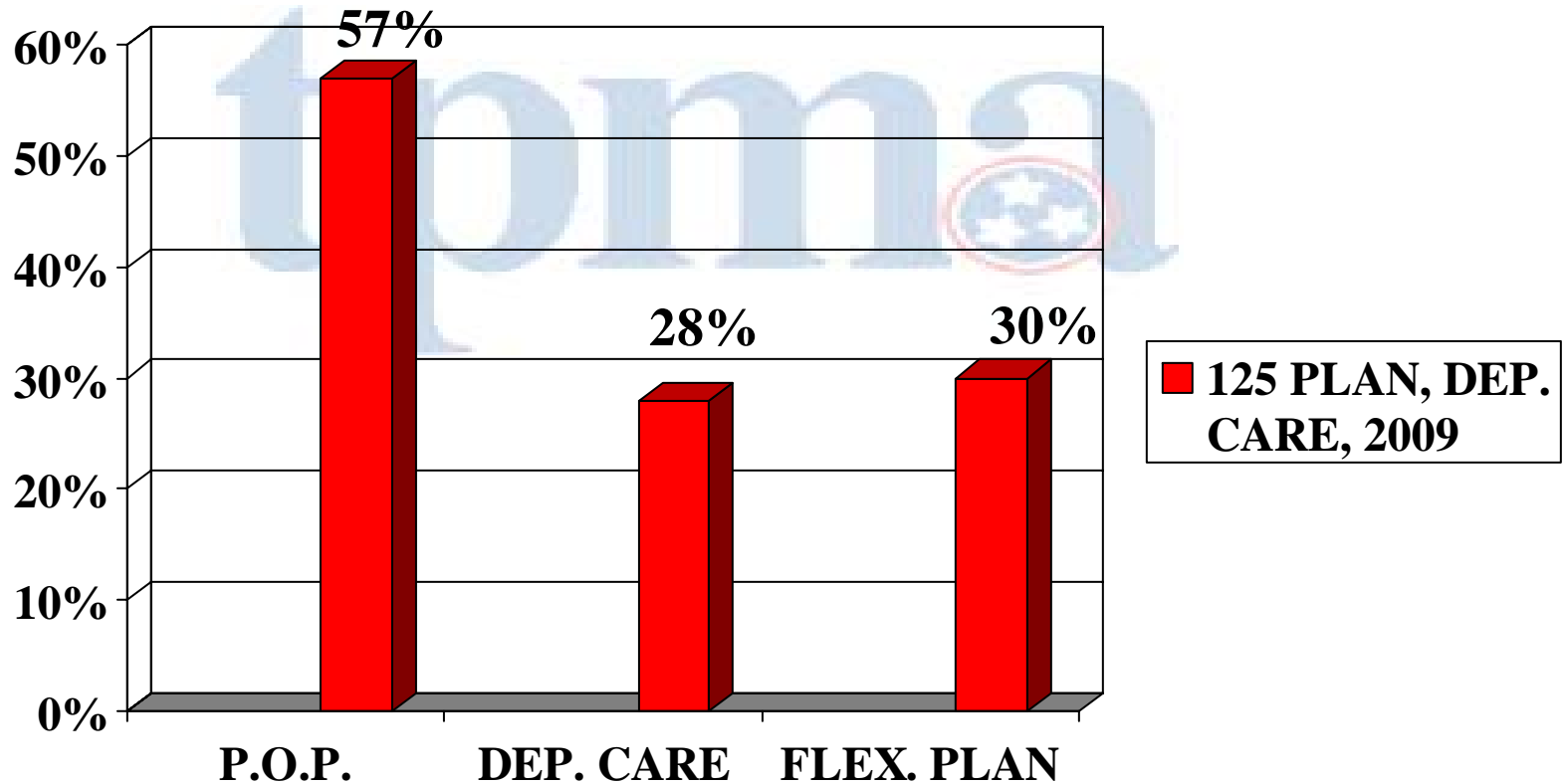
See accountant's compilation report.

# MULTIPLE PLANS



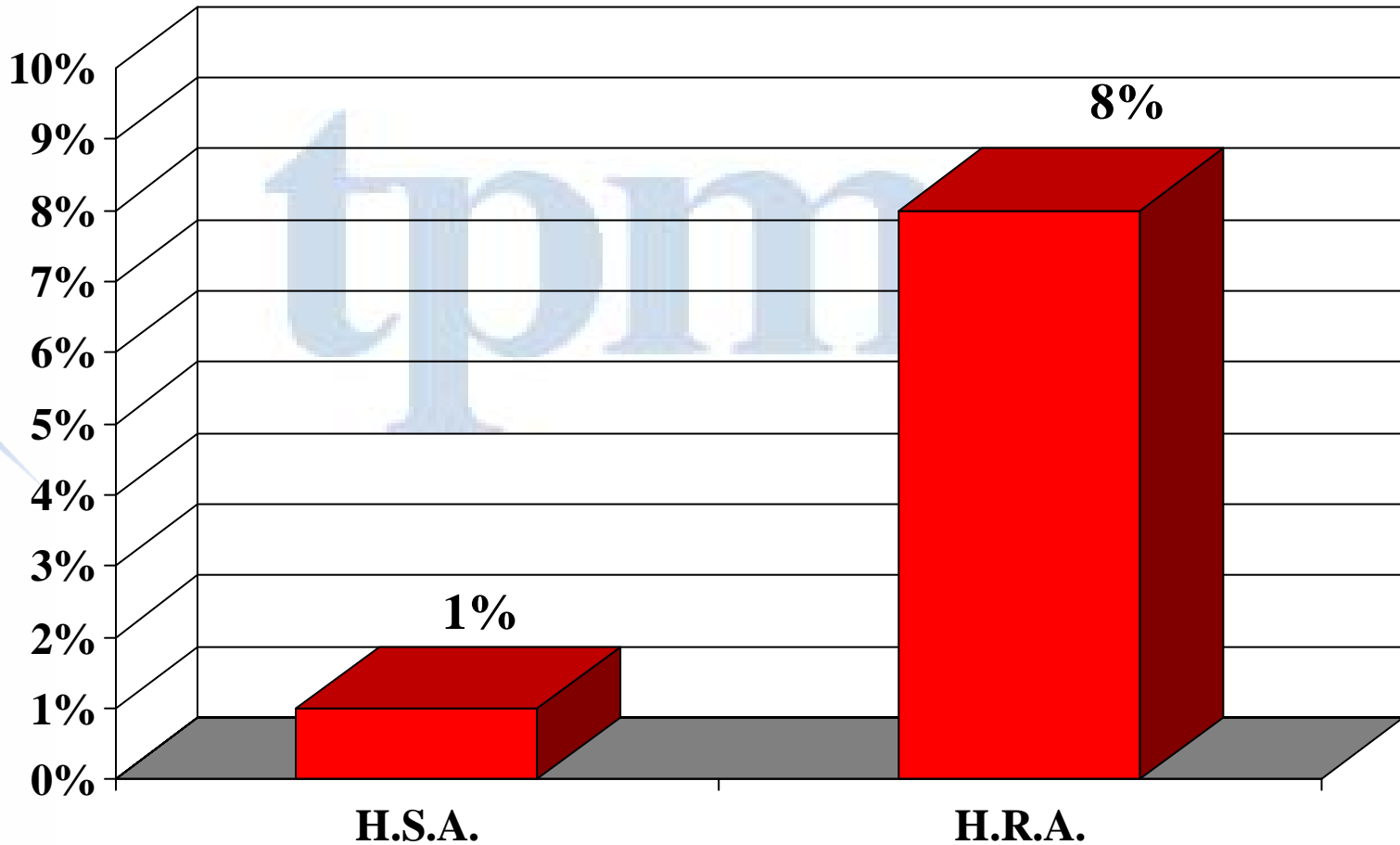
See accountant's compilation report.

# SECTION 125 PLAN & DEPENDENT CARE SPONSOR PARTICIPATION



See accountant's compilation report.

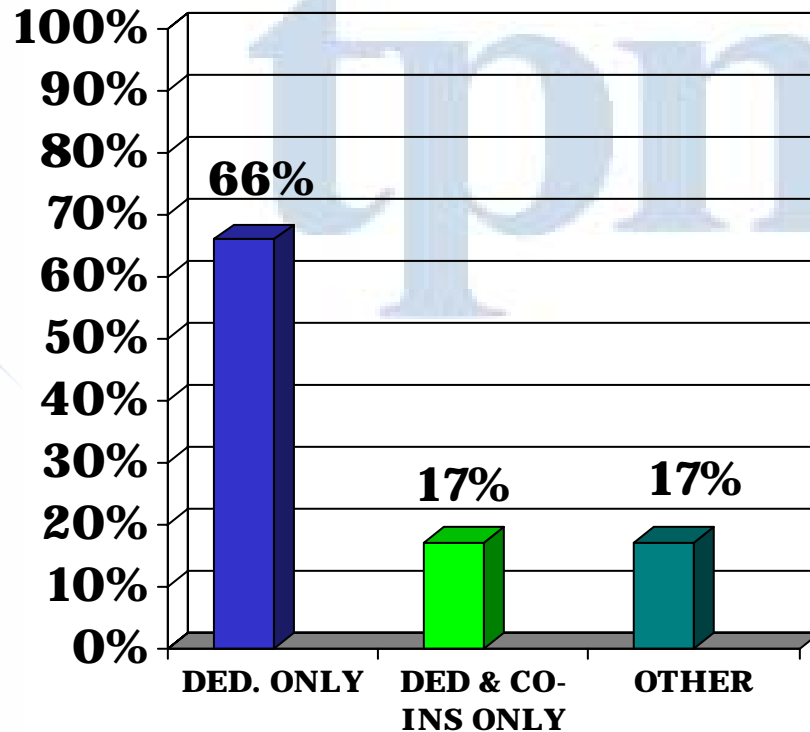
# PLAN SPONSOR HRA /HSA UTILIZATION



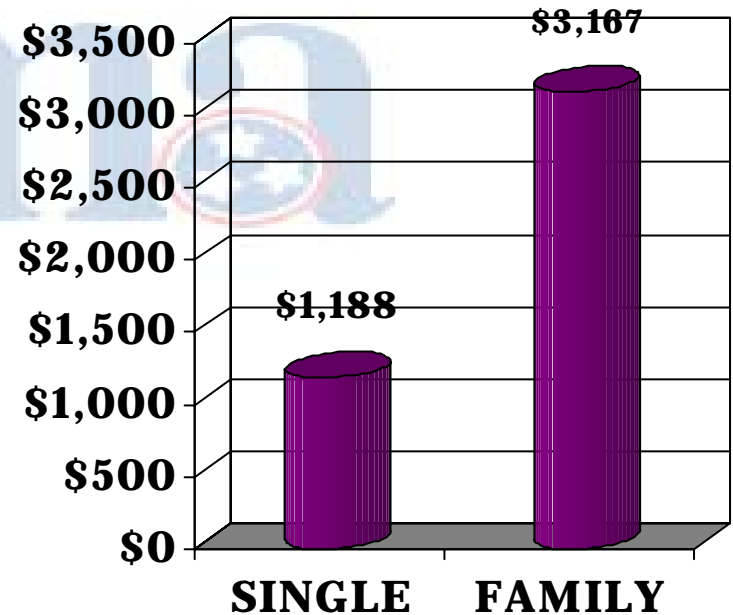
See accountant's compilation report.

# HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs)

**ELIGIBLE REIMBURSEMENTS**



**BENEFIT LEVEL**

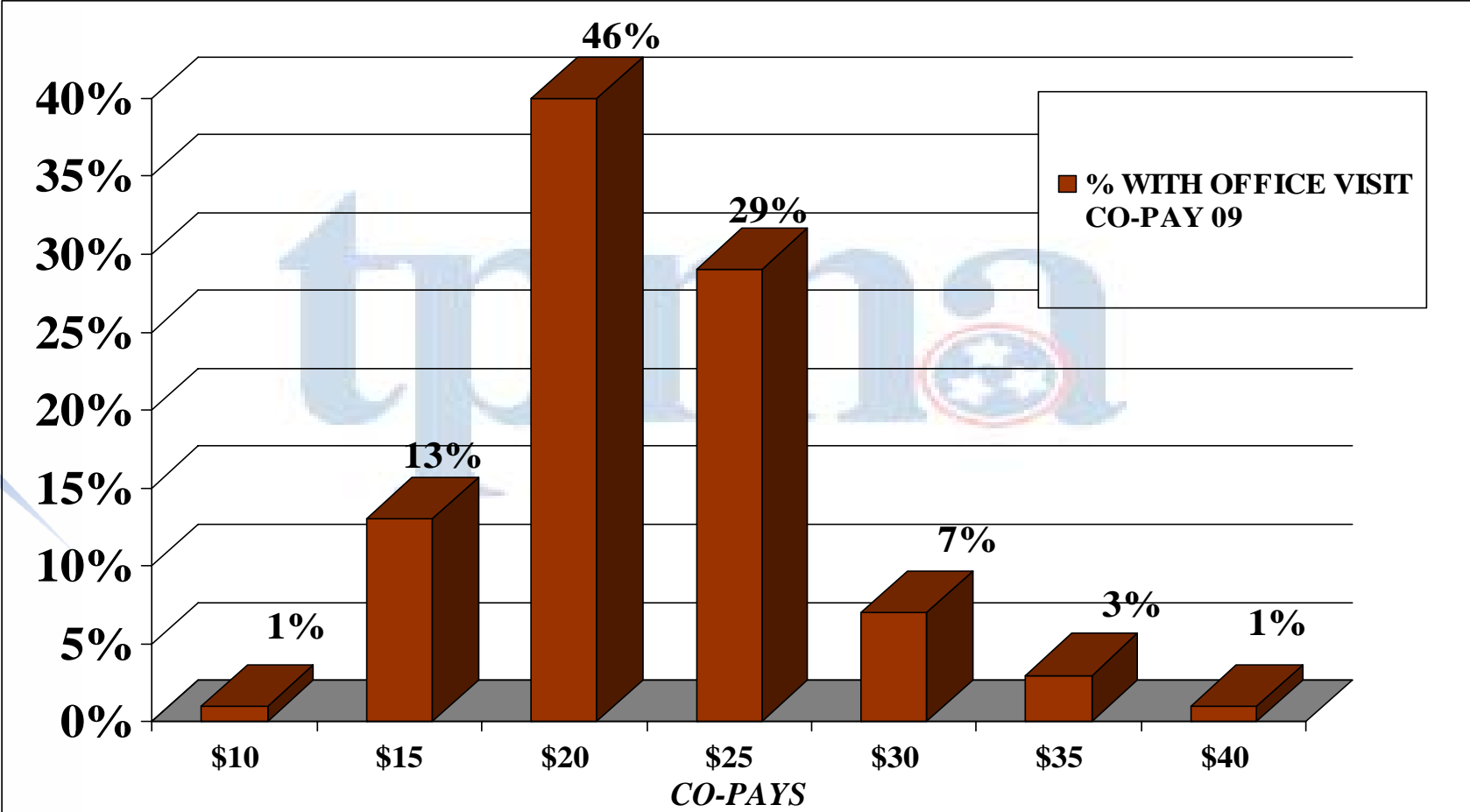


**17% OF HRAs HAVE ROLLOVER**

See accountant's compilation report.



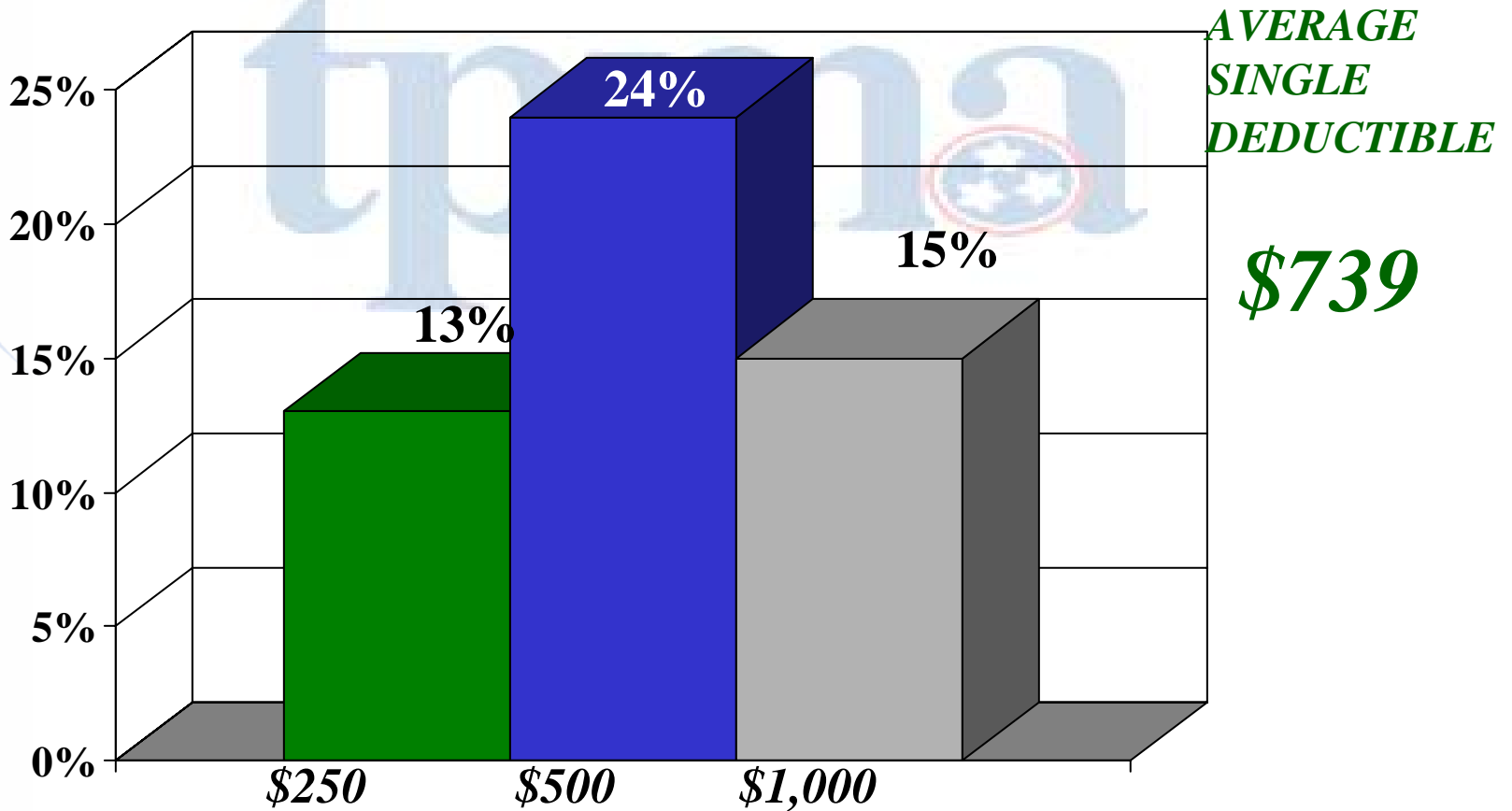
# OFFICE CO-PAYS



**Average Specialist Office Co-pay Difference, \$12**  
**Percent With Higher Specialist Office Co-pays, 57%**

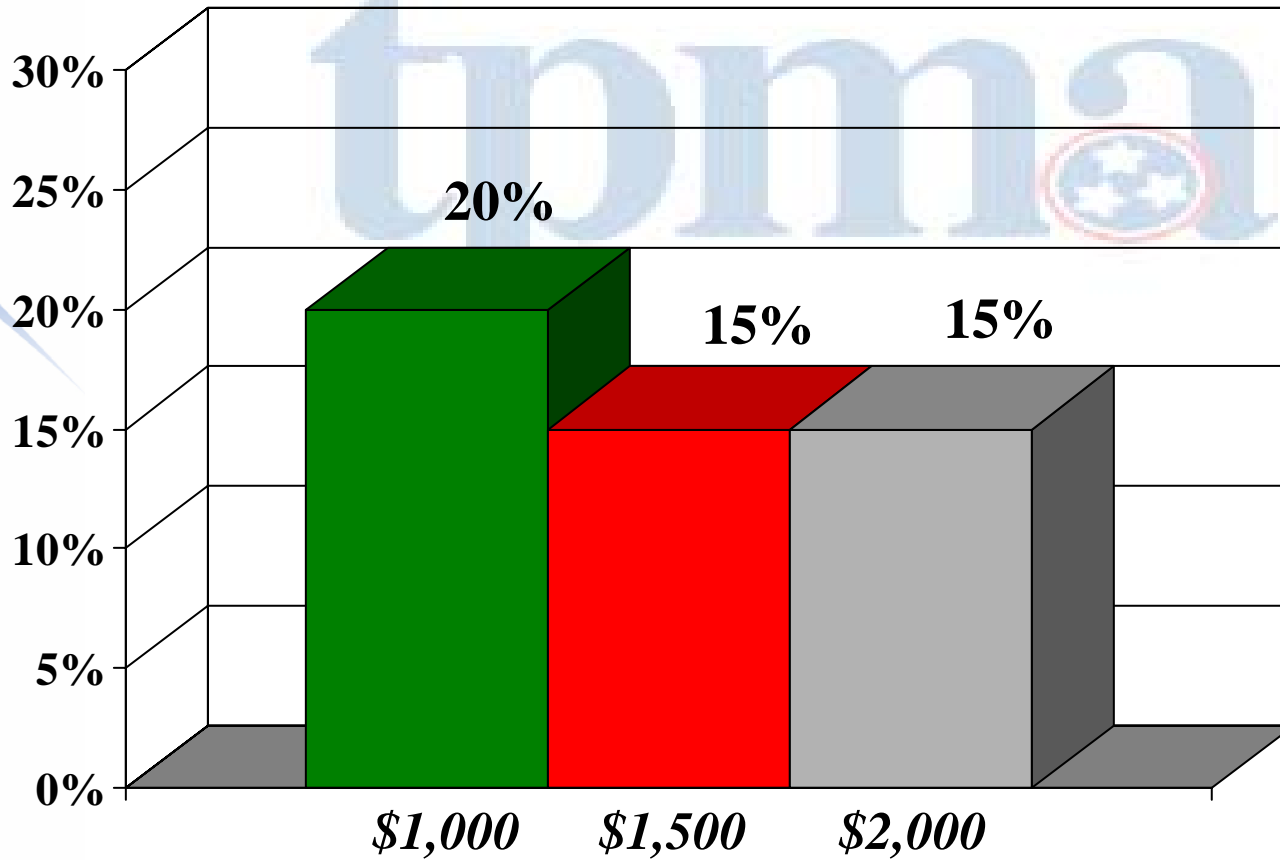
See accountant's compilation report.

# **MOST COMMONLY OCCURRING SINGLE DEDUCTIBLES**



See accountant's compilation report.

# **MOST COMMONLY OCCURRING FAMILY DEDUCTIBLES**



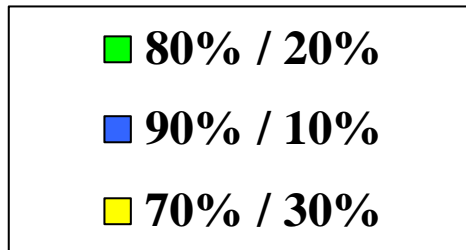
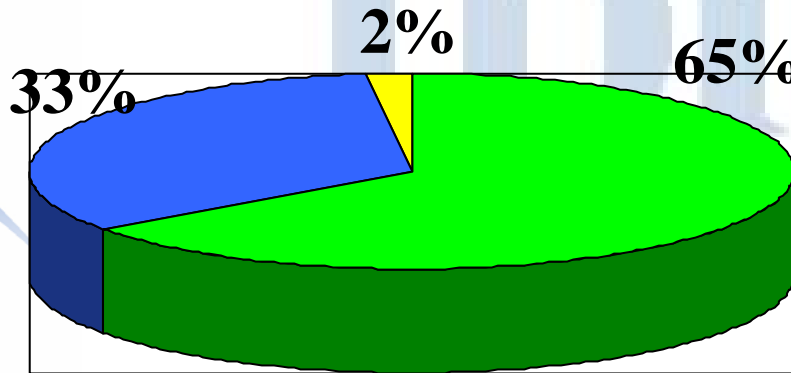
***AVERAGE FAMILY DEDUCTIBLE***

***\$1,502***

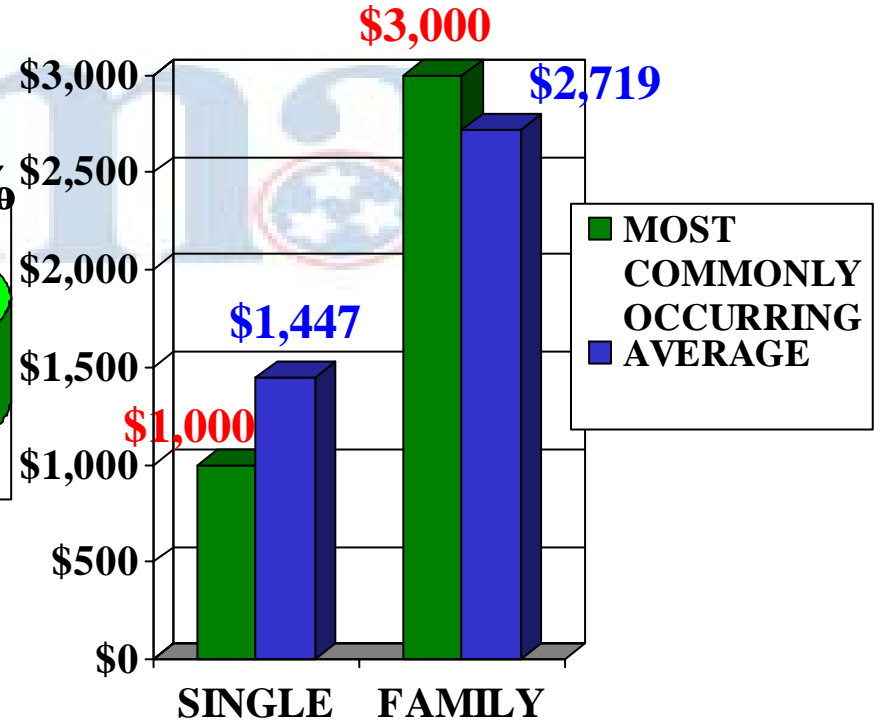
See accountant's compilation report.

# CO-INSURANCE / PLAN MAXIMUMS

***MOST COMMONLY OCCURRING  
CO-INSURANCE***



***CO-INSURANCE MAXIMUMS***



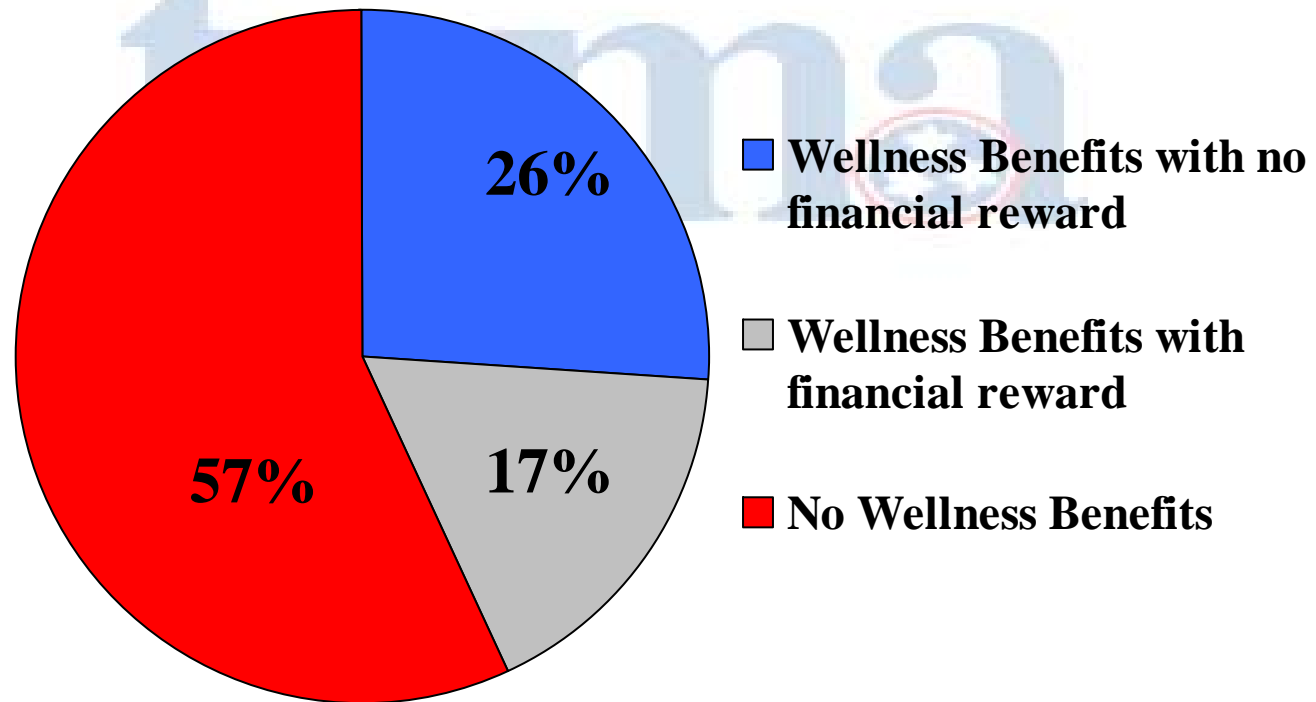
See accountant's compilation report.

# Comparison of Survey Benefits, Benchmark Data

## TPMA Benefits Survey

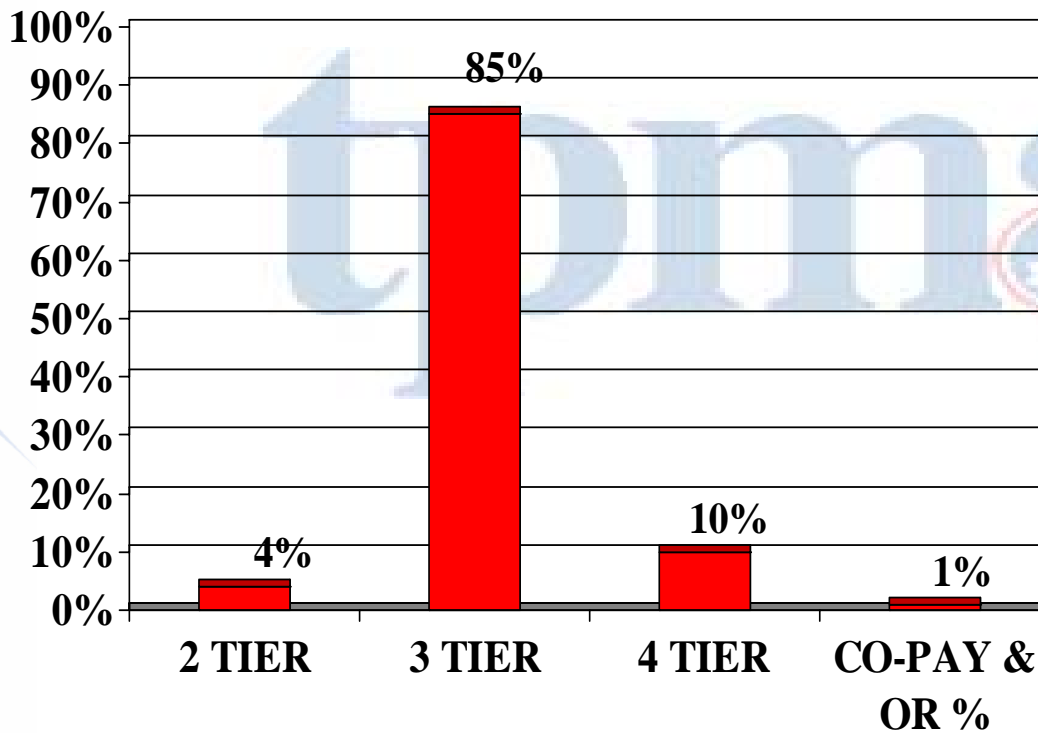
	<b>2009</b>	<b>Trended</b>
<b>Employee Deductible</b>	<b>\$500</b>	<b>\$1,000</b>
<b>Family Deductible</b>	<b>\$1,000</b>	<b>2,000</b>
<b>Coinsurance</b>	<b>80%/20%</b>	<b>80%/20%</b>
<b>Office Visits</b>	<b>\$20</b>	<b>\$25</b>
<b>Emergency Room Visit</b>	<b>\$100</b>	<b>\$200</b>
<b>Employee out-of-pocket max.</b>	<b>\$2,500</b>	<b>\$3,000</b>
<b>Family out-of-pocket max.</b>	<b>\$3,000</b>	<b>\$5,000</b>
<b>Prescriptions</b>	<b>\$10/\$35/\$50</b>	<b>\$10/\$35/\$60</b>

# **PLAN SPONSORS OFFERING WELLNESS PROGRAMS**



See accountant's compilation report.

# TYPE OF PRESCRIPTION BENEFITS

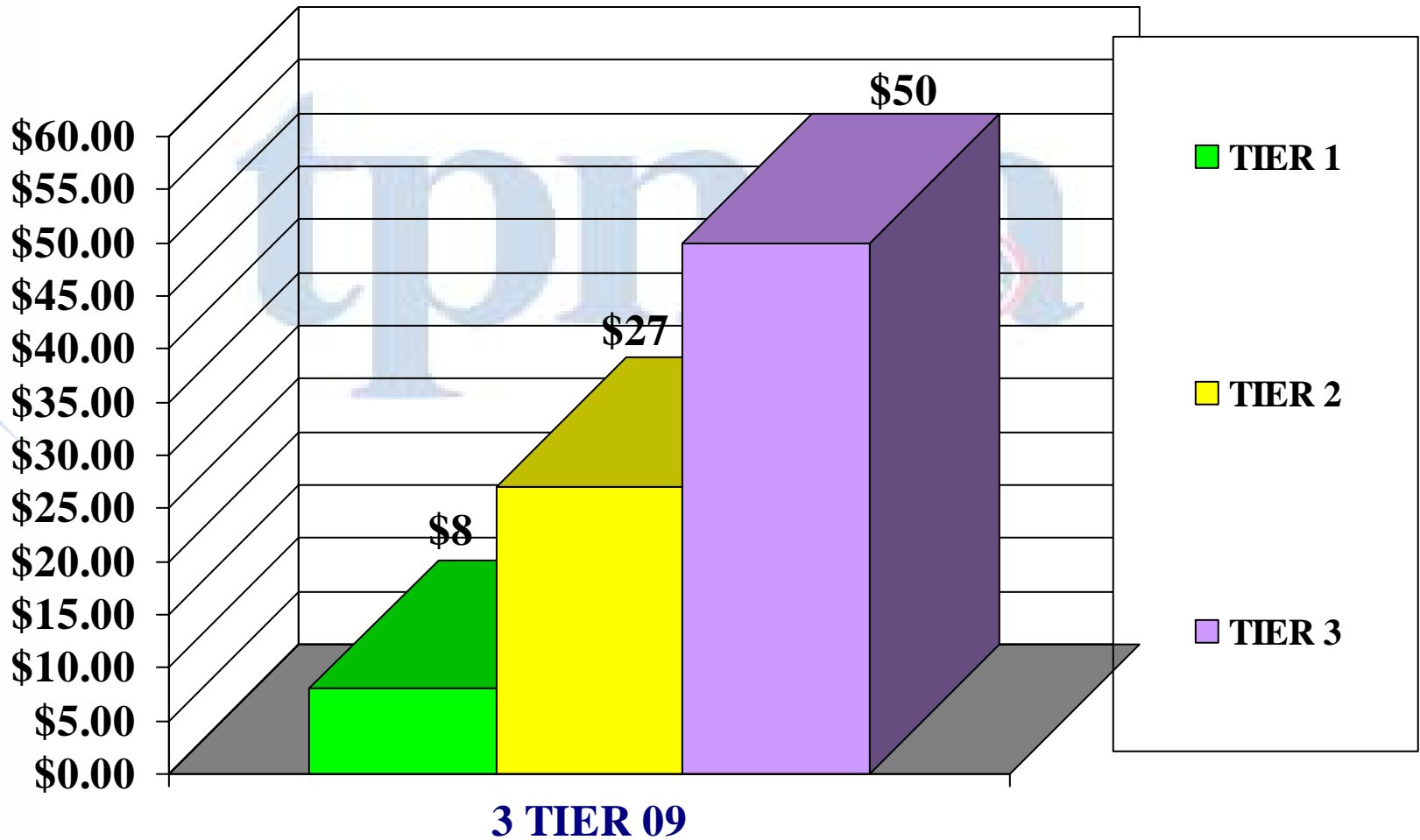


- 2 TIER= GENERIC & BRAND CO-PAYS
- 3 & 4 TIER= PREFERRED DRUG CO-PAYS
- CO-PAY & %= COST SHARING IN COST OF RX

- *The most common co-pay & or % structure is \$10/\$35/\$50*
- *One group has a plan copay structure of \$60/\$60*

See accountant's compilation report.

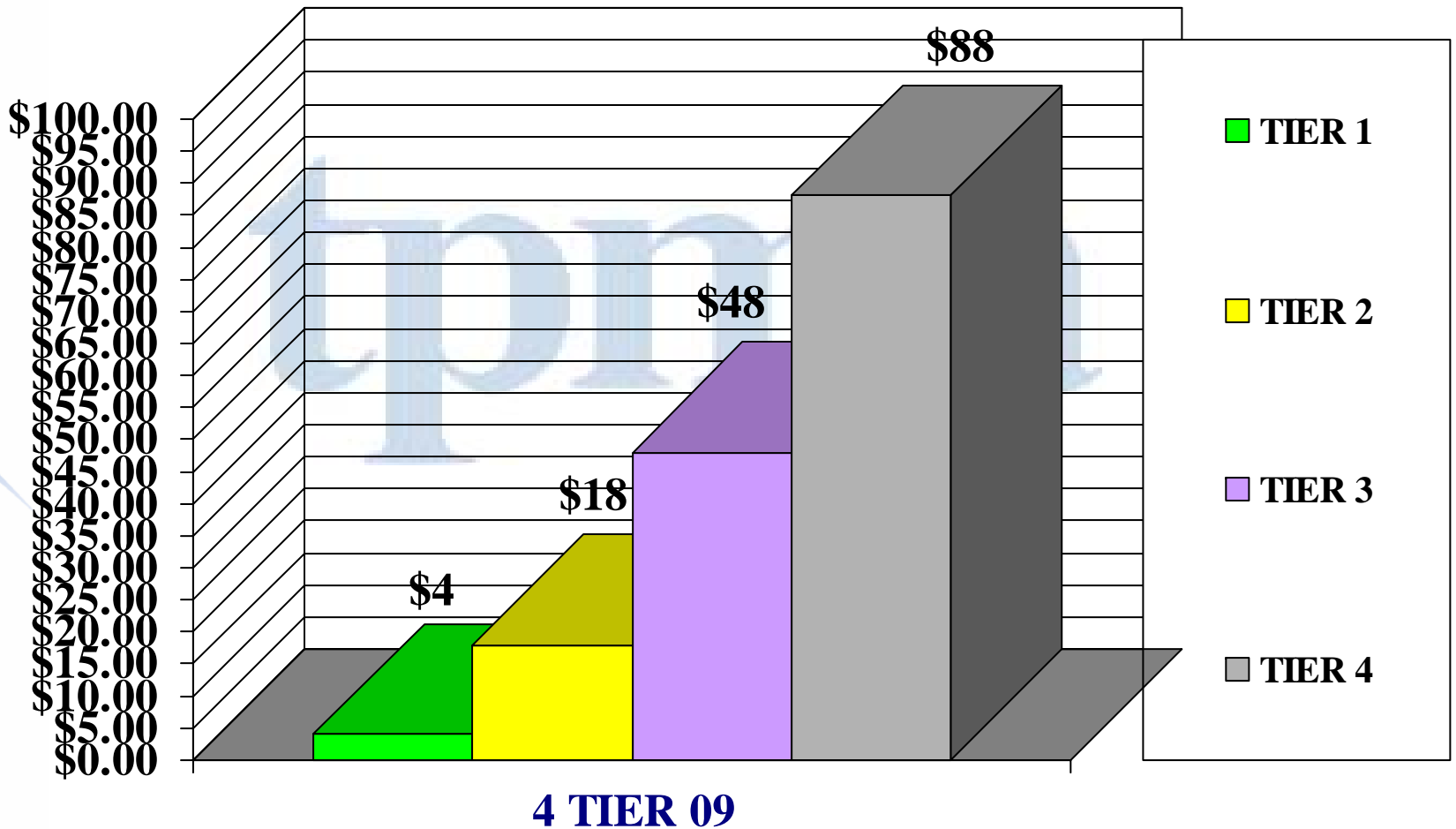
# PRESCRIPTION BENEFITS AVERAGE CO-PAY 3 TIER



See accountant's compilation report.



# PRESCRIPTION BENEFITS AVERAGE COPAY 4 TIER



**Note: Some 4<sup>TH</sup> TIER copays are based on % of drug cost**

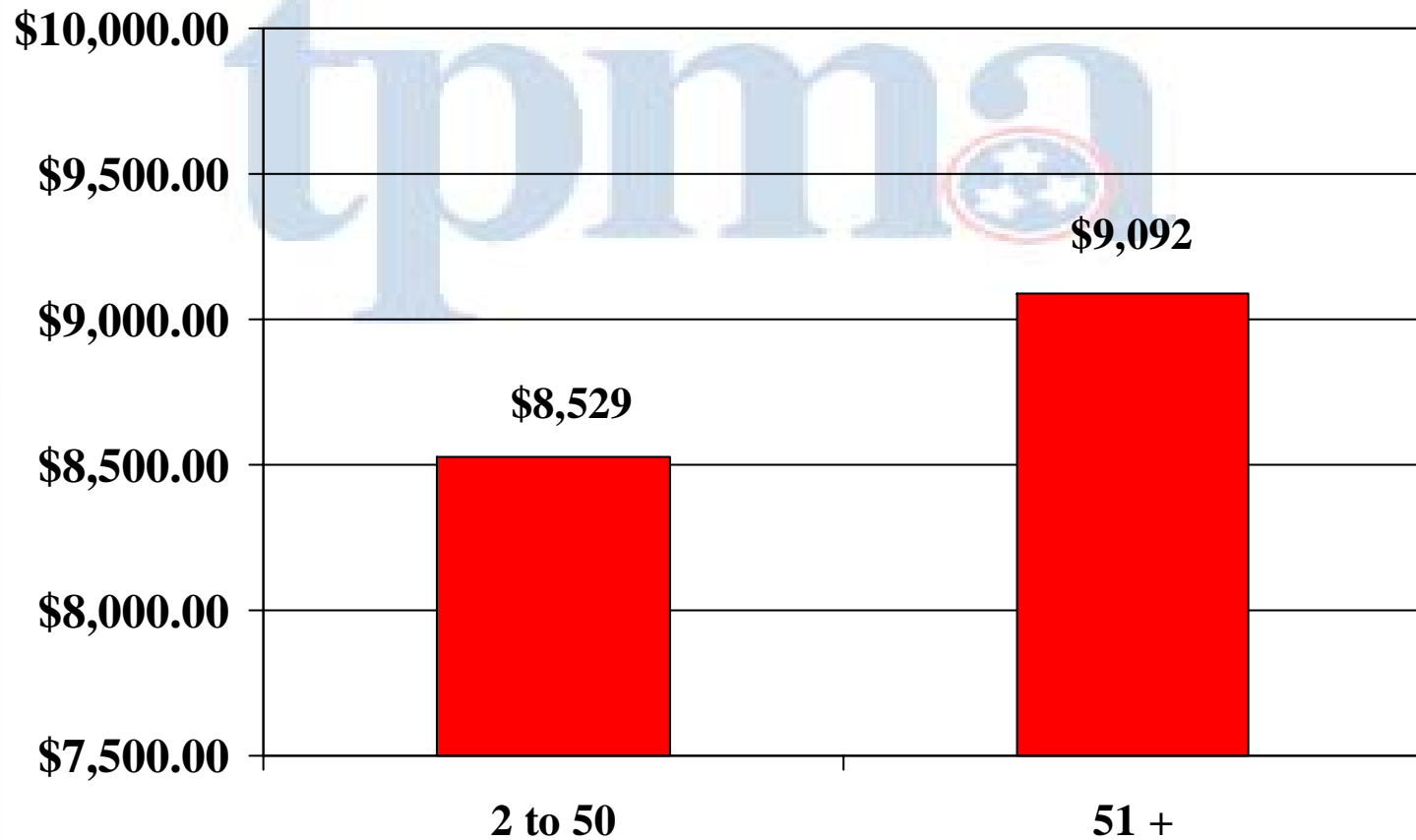
See accountant's compilation report.

# **Cost Shifting or Sharing**

## ***Employee Contribution***

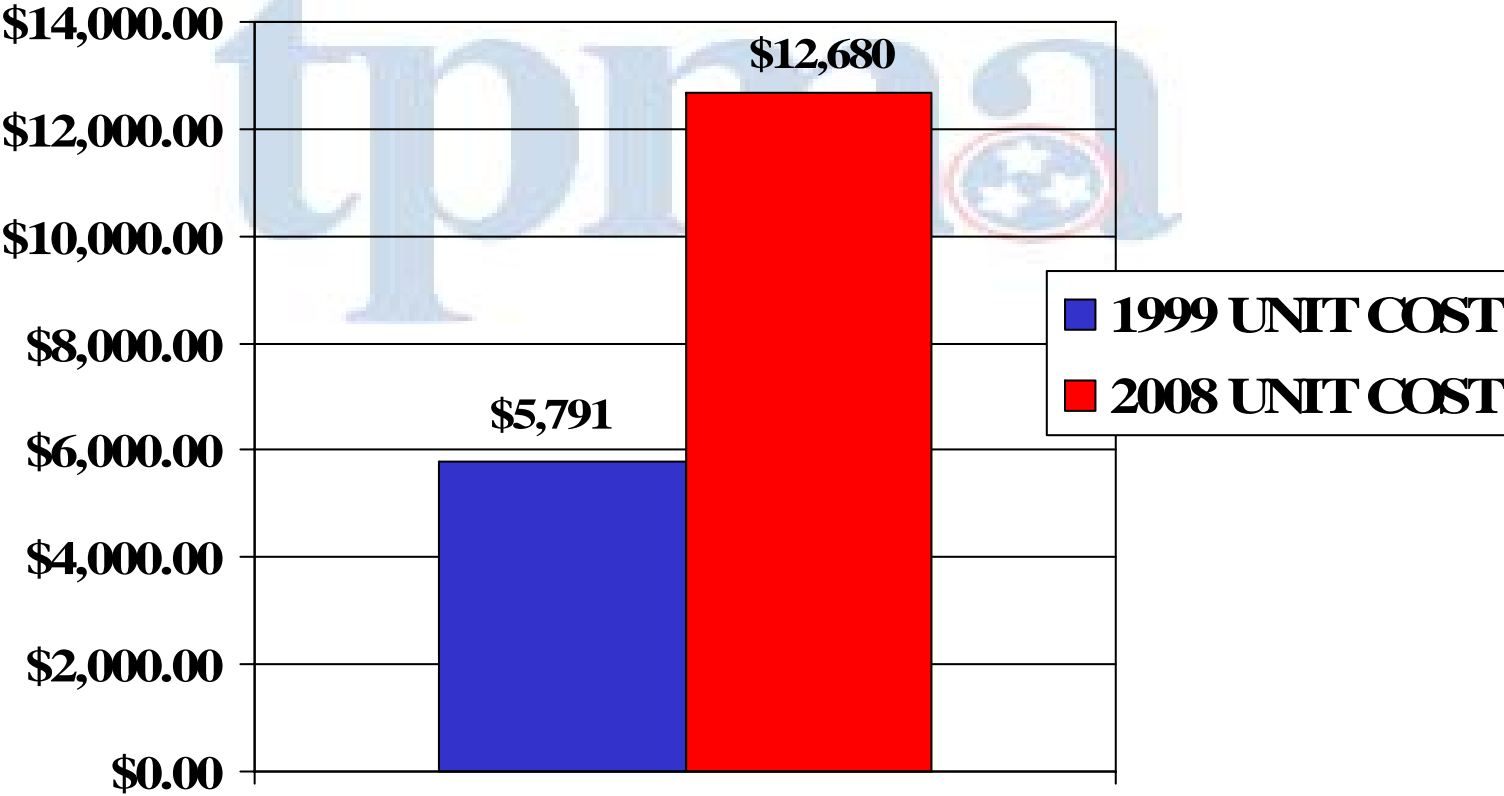


# ANNUAL UNIT COST COMPARISON BY SIZE & TOTAL POPULATION



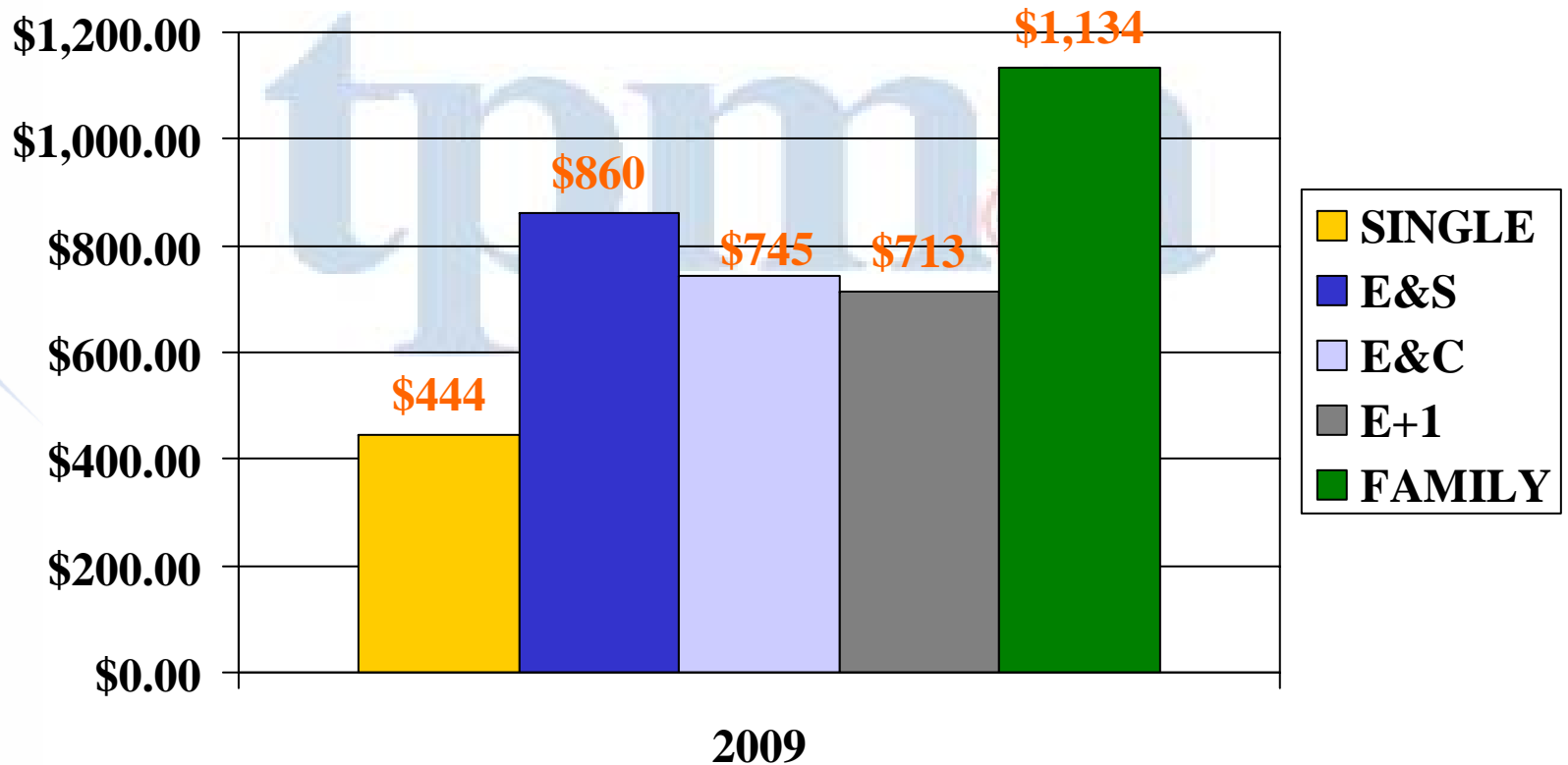
See accountant's compilation report.

# ANNUAL UNIT COST COMPARISON BY SIZE & TOTAL POPULATION



*Kaiser Employer Health Benefits Survey*

# TIERED MONTHLY EMPLOYER PREMIUMS

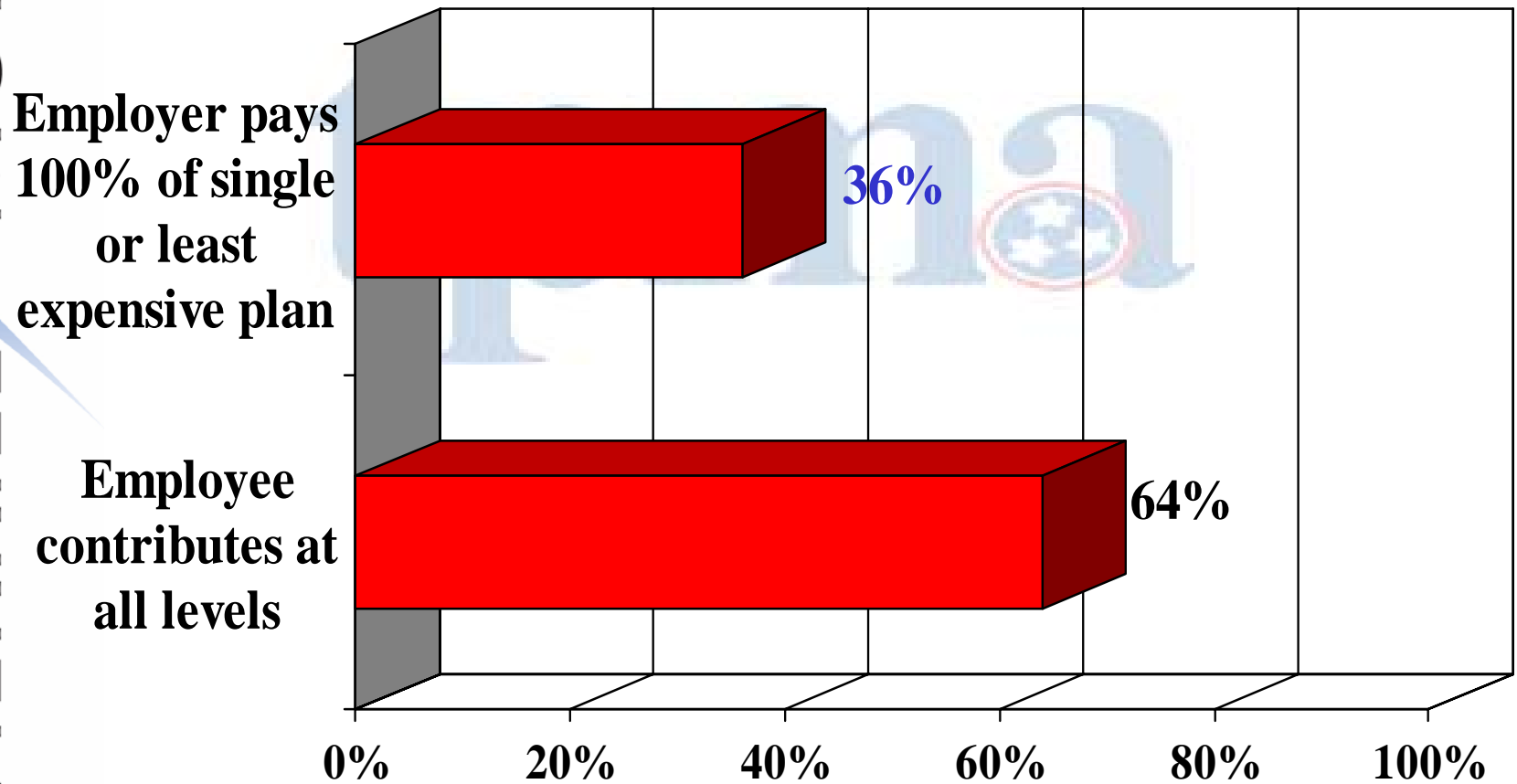


***Kaiser Family Foundation (2008):***  
***Avg. Single Monthly Premium was \$392***  
***Avg. Family Monthly Premium was \$1,057***

See accountant's compilation report.

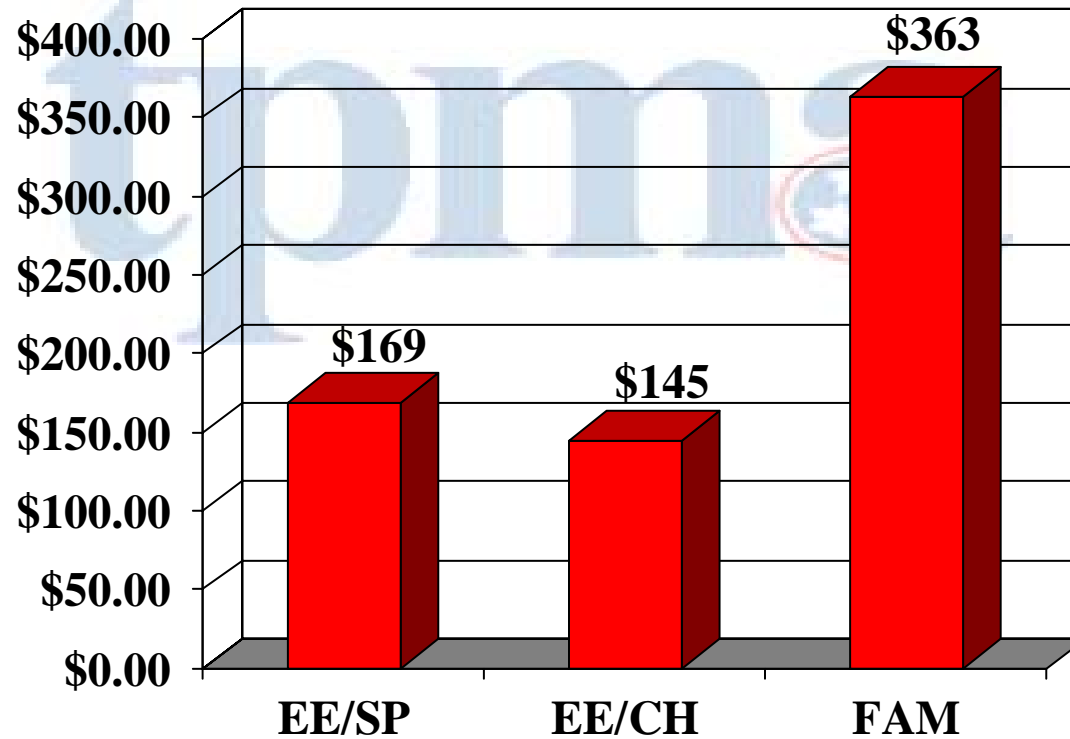
# PLAN SPONSOR CONTRIBUTION

*(How and when is premium valuable?)*



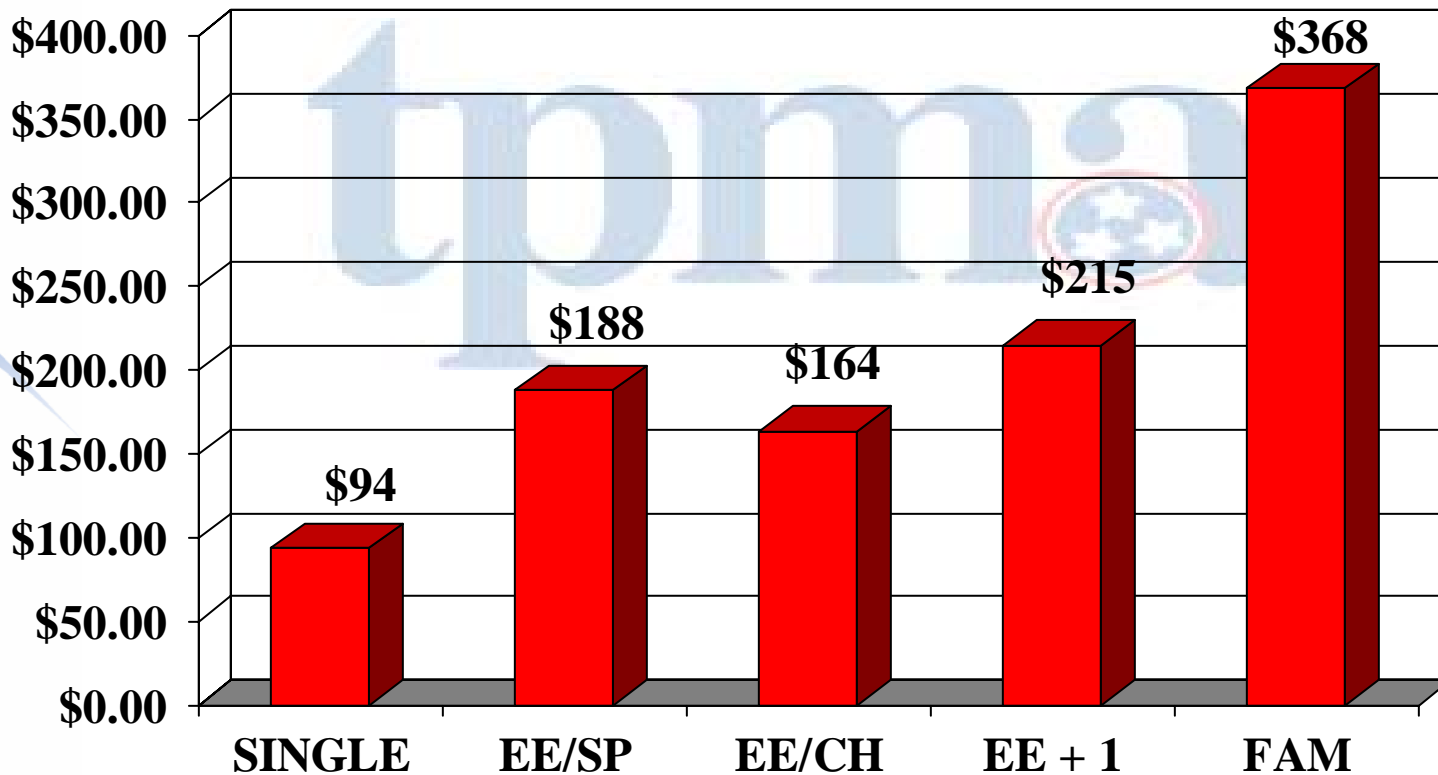
See accountant's compilation report.

# **EMPLOYEES' MONTHLY CONTRIBUTION WHEN EMPLOYER PAYS 100% OF A SINGLE PLAN**



See accountant's compilation report.

# EMPLOYEES' MONTHLY CONTRIBUTIONS TO ALL LEVELS OF COVERAGE



***Kaiser Family Foundation (2008):***  
***Avg. Single Monthly Employee Premium was \$60***  
***Avg. Family Monthly Employee Premium was \$280***

See accountant's compilation report.



## **EMPLOYEE COST-SHARING\***

**For those groups that charge employees premium, those premiums represents **25%** of total plan costs**

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

# QUESTIONS ?

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# Specializing in Tennessee Governments



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