

# Willis Towers Watson High Performance Insights in Health Care

## 2019 Health Care Financial Benchmarks

Washington State Health Care Authority

October 3, 2019

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# Survey Overview — Major Areas Included

<p><b>Cost Efficiency</b></p>	<p>Health plans are evaluated on how efficiently they perform by adjusting cost data for plan design, demographics and geographic cost differentials. This helps employers understand how well their plans are performing on an apples-to-apples basis.</p>
<p><b>Employee Cost-Sharing</b></p>	<p>How health plans are priced to employees is analyzed to determine the impact on net company costs. This is important because prior studies have shown that many employers create unintended incentives for employees — and increase company costs — by pricing options without a clear understanding of true costs.</p>
<p><b>Employee Incentives</b></p>	<p>An increasing number of employers are using arrangements such as HSAs, HRAs and wellness incentives to encourage responsible behavior among plan participants.</p>
<p><b>Dental</b></p>	<p>Dental plan costs are compared, as well as enrollment, administration and employee contributions.</p>

- This year’s database includes:

	Total	Washington Headquartered Companies
Number of companies	2,168 companies in 18 industry groups	40 companies in 13 industry groups
Annual medical premium-equivalent cost	\$132.3B from more than 10.4M enrollees	\$7.3B from more than 634.3k enrollees
Annual dental premium-equivalent cost	\$8.1B from more than 9.7M enrollees	\$563.3M from more than 632.0k enrollees

# Survey Overview — Specific Questions Addressed

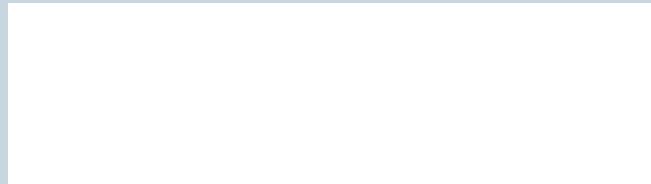
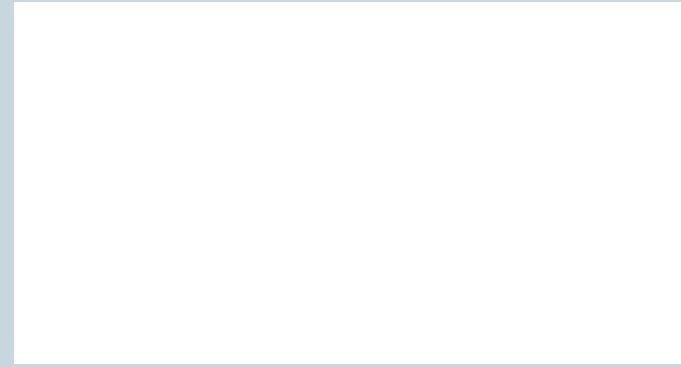
## Medical Benchmarks

- How do your plan costs compare to others in your industry, as well as to best performers?
- How does enrollment by plan type compare to the database?
- What is the cost impact of key factors in your population, including: age/gender, family size, geography, plan value?
- After adjustments, how efficient is your total plan overall? What is the financial impact of moving to benchmark or best practice performance?
- After adjustments, how efficient are each of your individual plans relative to benchmarks?
- How does the employer's contributions as a percentage of plan cost compare to employee contributions?
- How does your account funding for HRAs and/or HSAs compare to other employers?
- How do your incentives/wellness credits compare with the database?
- Where do your administrative fees fall within the range of other employers' fees?

## Dental Benchmarks

- How do your plan costs compare to others in your industry, as well as to best performers?
- How does enrollment by plan type compare to the database?
- How do employee contributions compare to the database?
- Where do your administrative fees fall within the range of other employers' fees?

## Medical Cost Benchmarks

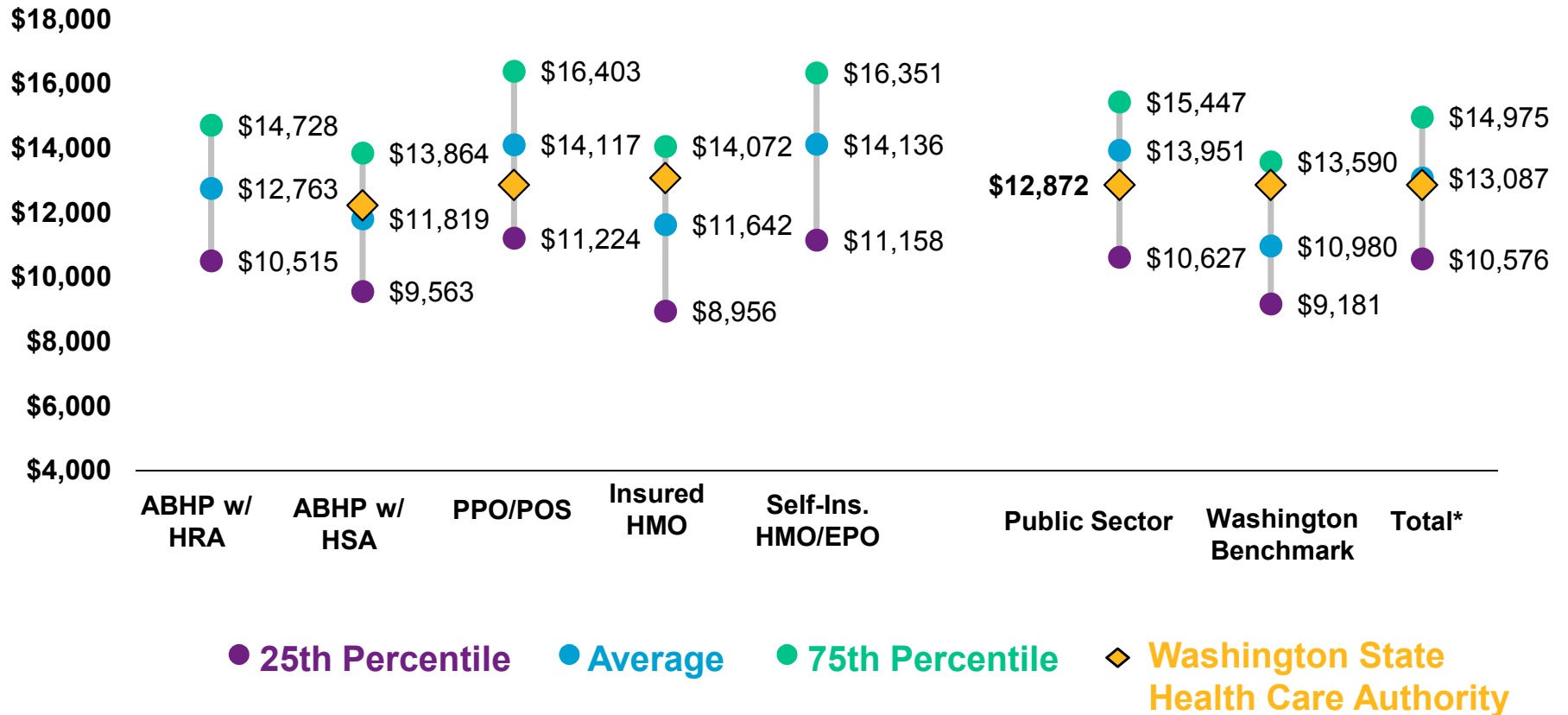


# Medical Cost Benchmarks

# Total Cost per Covered Employee per Year (Unadjusted)



How do your plan costs compare? How does enrollment across plan type impact the average cost? Even if total plan costs are favorable, are some plans more exposed to the excise tax?

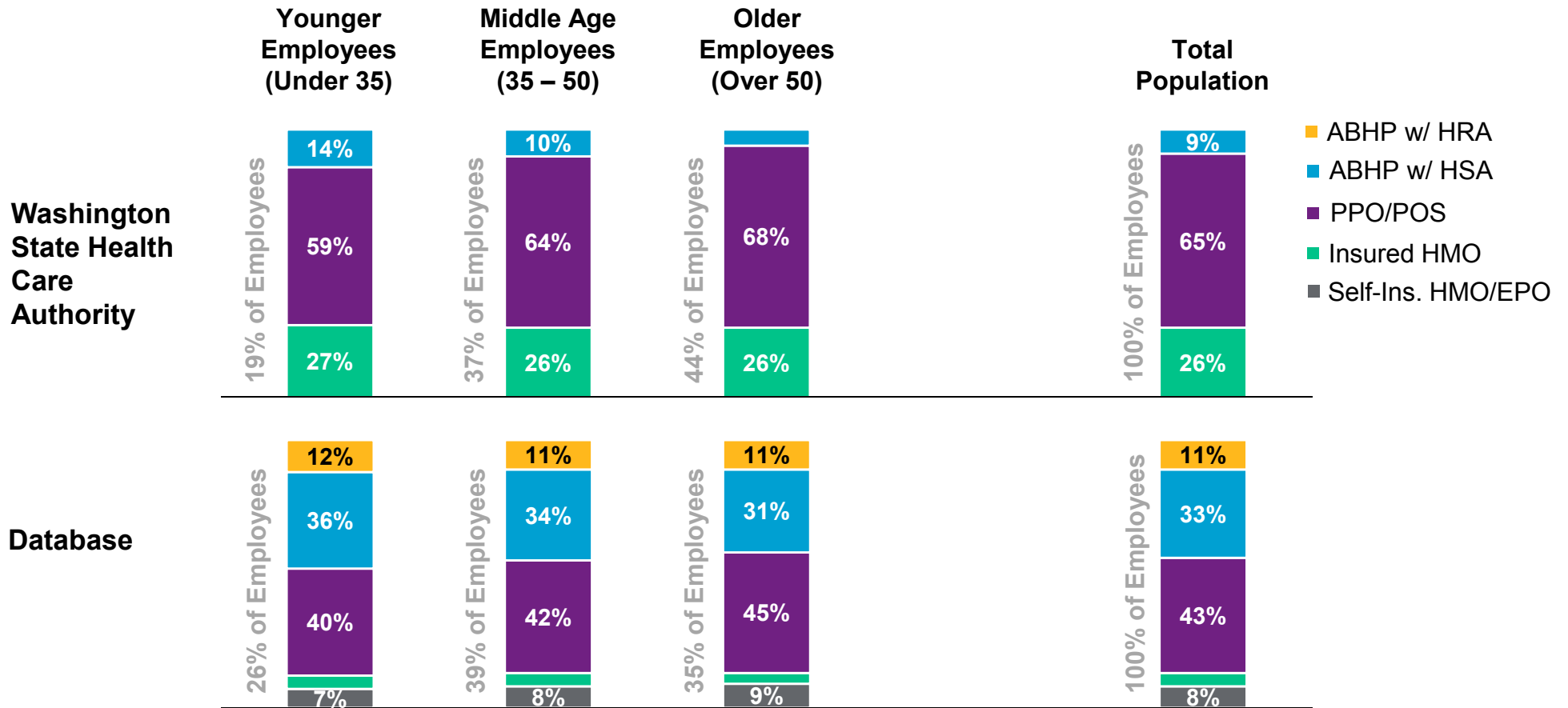


PEBB costs PEPY are 2% below the total database average, 17% above the Washington state average, and 8% below average public sector participants.

\*Total costs represent an enrollment weighted average of all plan types.



- How does enrollment by plan type compare to the database?
- Does the enrollment by age have implications for plan pricing?
- Is the plan enrollment by age influenced by employer funding of employees/dependents?



- As expected, older employees on PEBB plans show a somewhat stronger preference for the PPO plan
- Like the market, PEBB enrollment by type of plan has changed little from 2018

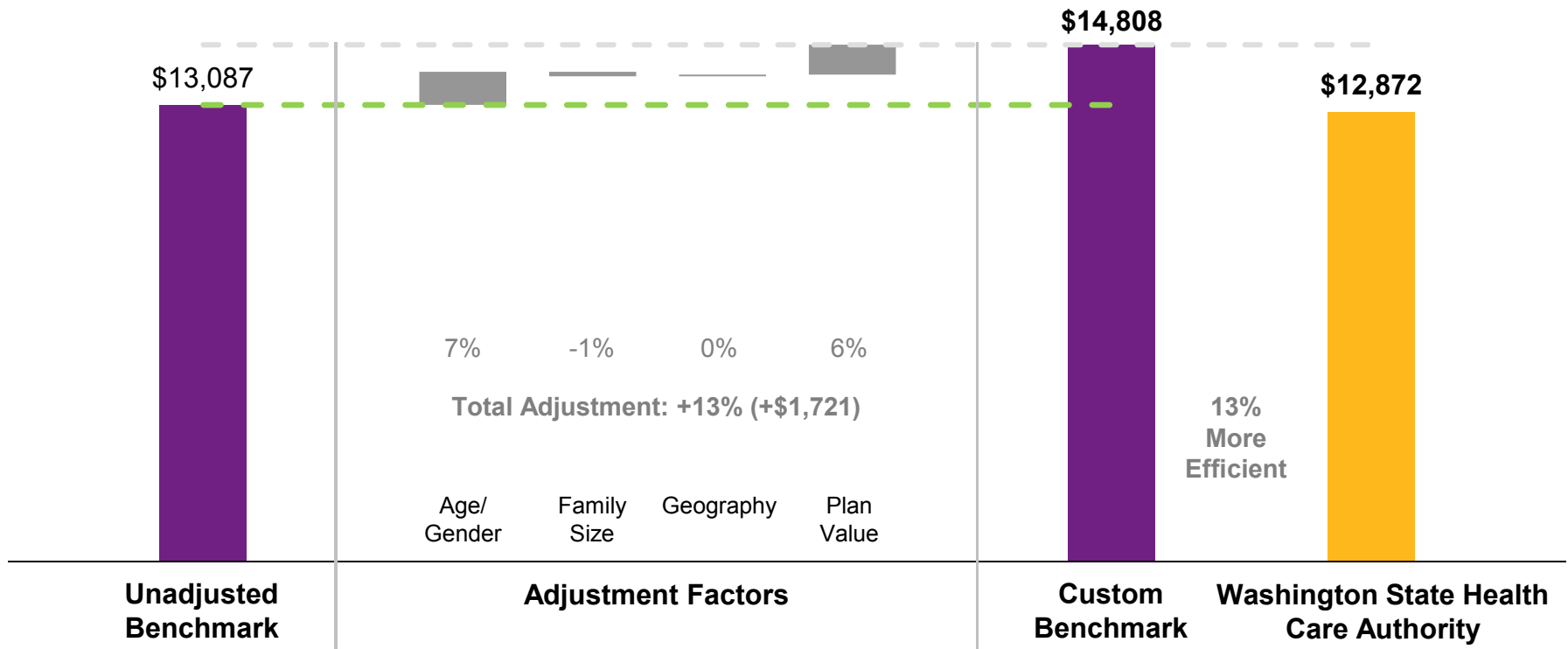
**The first step in understanding the cost benchmarks is to understand your population. The average cost for employers in the database is the benchmark.**

- The benchmark is adjusted to reflect differences between your organization and the database for each of four key criteria, noted below
- The result of these adjustments is a benchmark that is customized to your population (custom benchmark)
- The custom benchmark is the database cost if the database looked like your population with your plan designs

<b>Age/Gender</b>	The age/gender profile of the population — cost is directly correlated with age. The impact of gender on expected cost varies with age.
<b>Family Size</b>	The estimated number of members covered per employee, expressed in terms of adult cost equivalents — larger-than-average family size is expected to increase costs per employee.
<b>Geography</b>	The underlying cost for basic health care services in an area — provider competition and more prevalent managed care plans may reduce costs in some areas. More enrollment in higher costs areas is expected to increase costs.
<b>Plan Value</b>	The level of benefits covered under your medical plan — plans reimbursing a higher percentage of medical expenses than the database average are expected to increase costs.



- After adjustments, how efficient is your total plan overall?
- What is the financial impact of moving to benchmark performance?

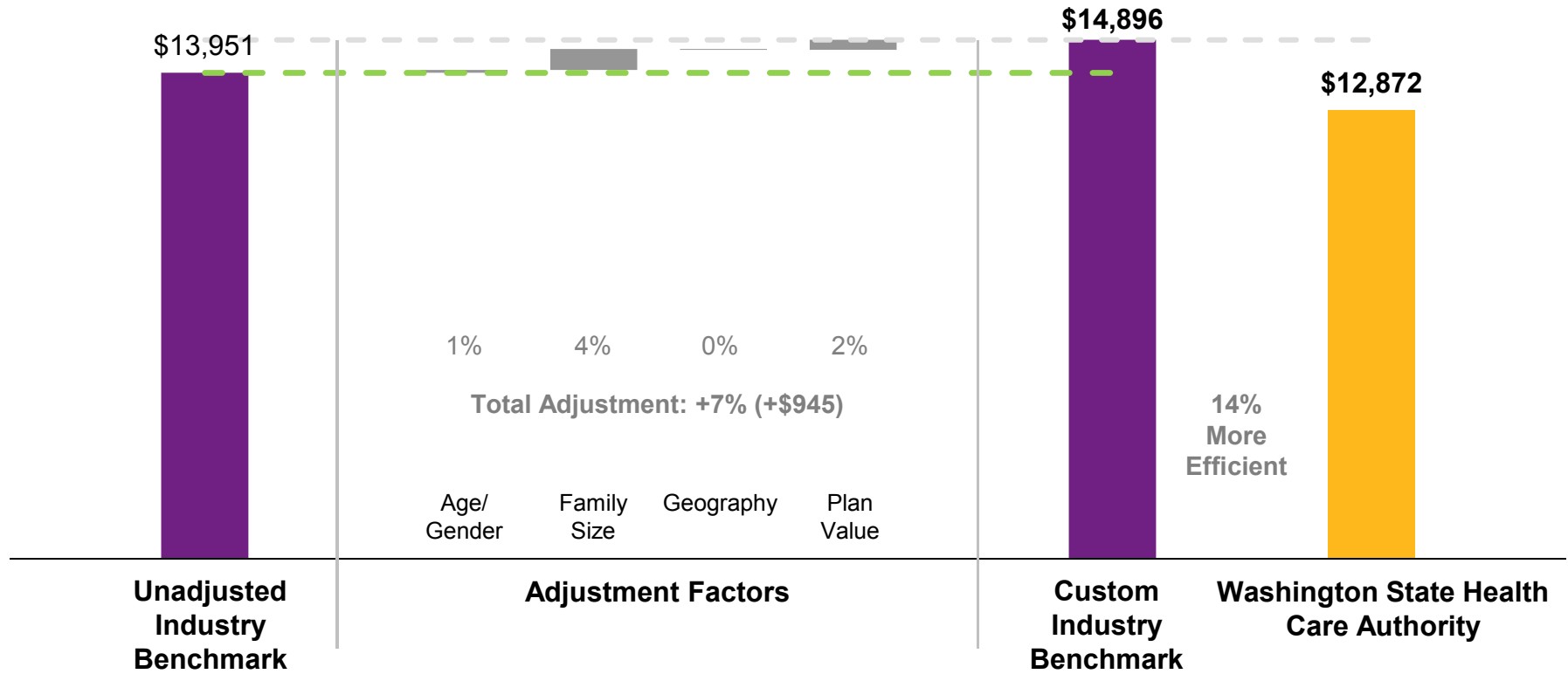


Your total program is 13% more efficient than the average database performance. This translates into a current savings of \$260.9 million. Relative to top quartile performers, your total program is 3% more efficient, translating into a current savings of \$43.9 million.





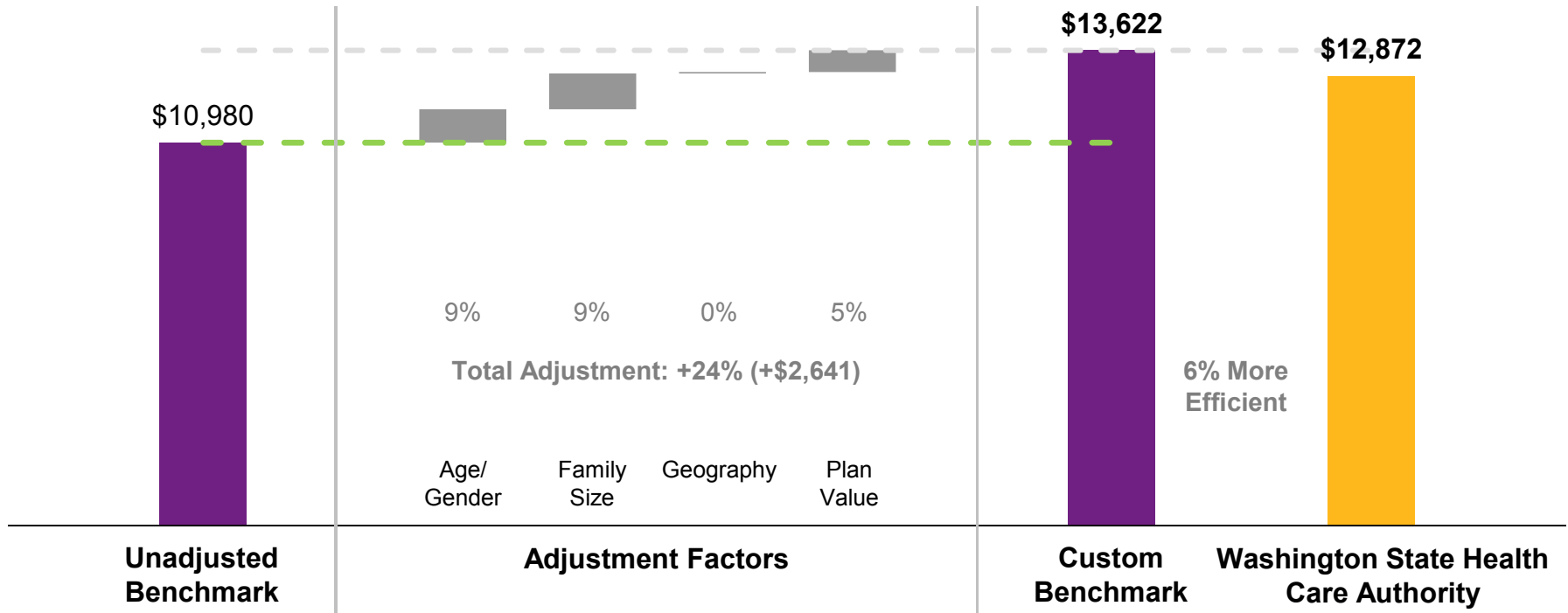
After adjustments, how efficient is your total plan compared to the government/public sector/education industry?



Your total program is 14% more efficient than your industry. This translates into a current savings of \$272.8 million.



- After adjustments, how efficient is your total plan overall?
- What is the financial impact of moving to benchmark performance?



Your total program is 6% more efficient than the average database performance. This translates into a current savings of \$101 million. Relative to top-quartile performers, your total program is 5% less efficient, translating into a potential cost avoidance of \$77.5 million.

**An important driver of overall cost results is how employers price different medical plan options to employees. This section shows how your company's employee contributions compare with the database averages and how contributions are structured for different delivery systems.**

**Included are:**

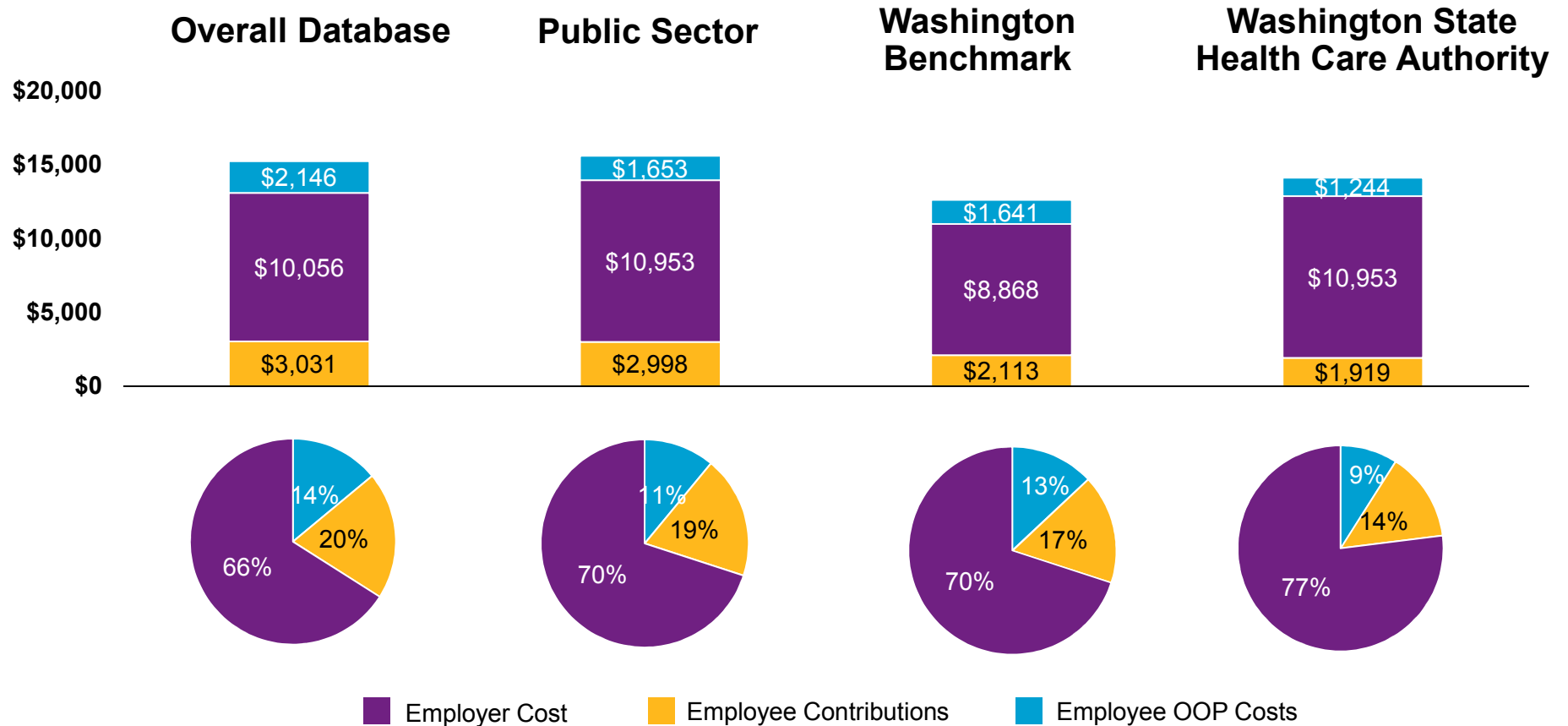
- Comparisons of employee vs. dependent subsidy levels
- Net cost analysis by plan type

# Medical Cost Benchmarks

## Total Cost and Contributions



How does your employees' share of total cost, including contributions and out-of-pocket expenses, compare to benchmarks?



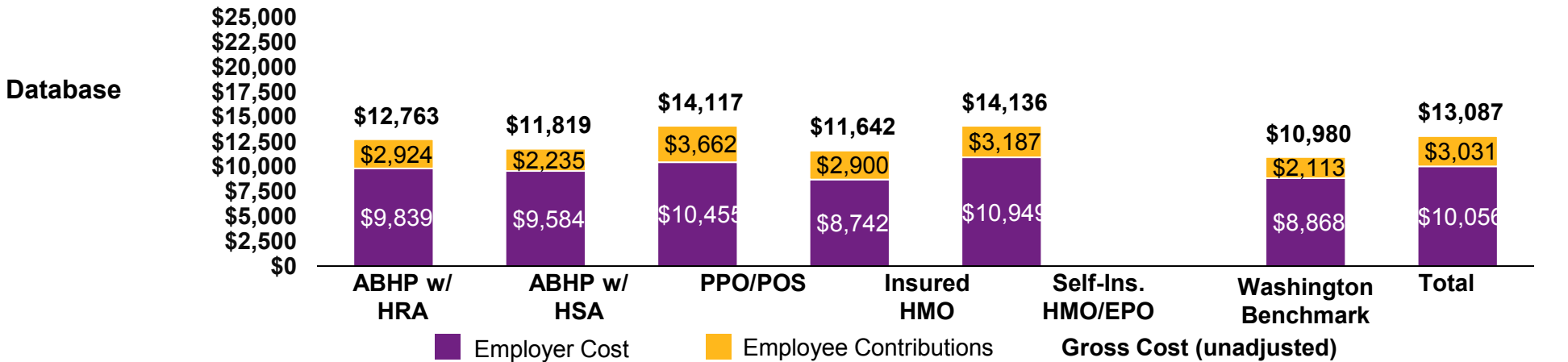
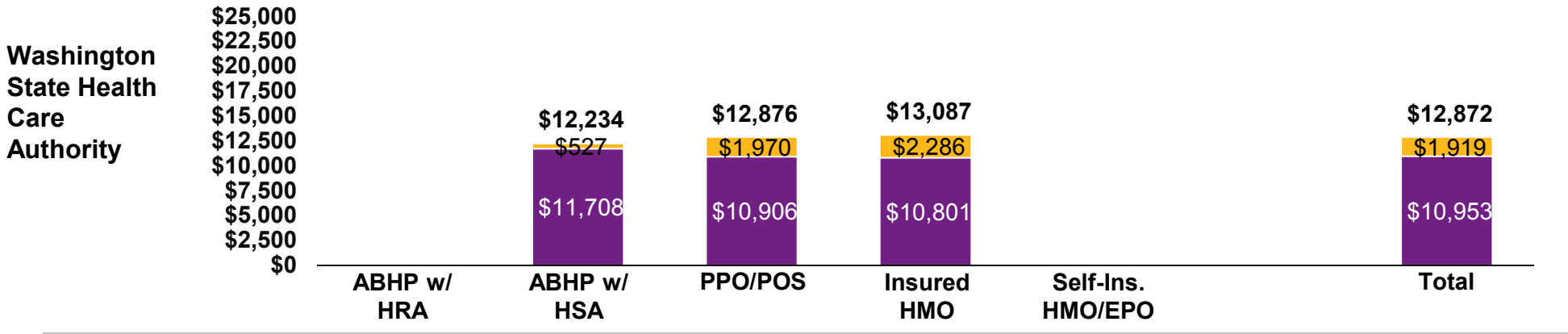
- Compared to the overall database, your employees' share of total costs is lower
- Compared to others in your industry, your employees' share of total costs is lower
- Compared to employers in Washington, your employees' share of total costs is lower

# Medical Cost Benchmarks

## Employee Cost-Sharing (Unadjusted)



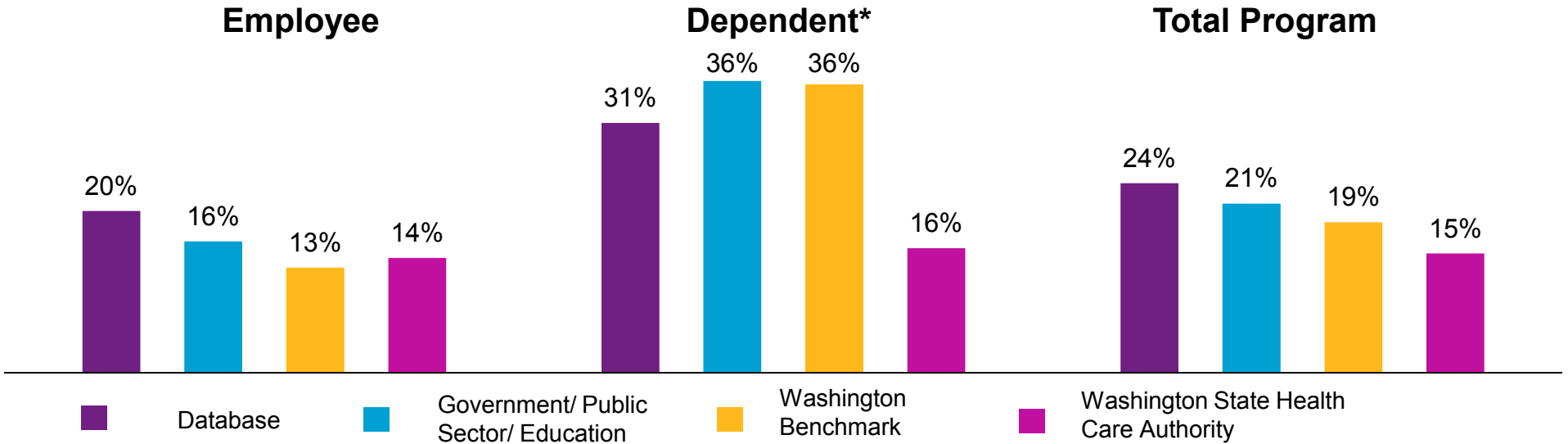
How do your employee payroll contributions vary across plans?



- On average, your employees pay \$1,112 less per year than the database
- On average, your employees pay \$194 less per year than the Washington benchmark



How does your cost-sharing, for employees and dependents, compare to benchmarks?



Employee Contributions as a % of Total Cost	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO
Washington State Health Care Authority	N/A	4%	15%	17%	N/A
Database	24%	20%	27%	25%	23%
Washington	21%	15%	23%	20%	19%



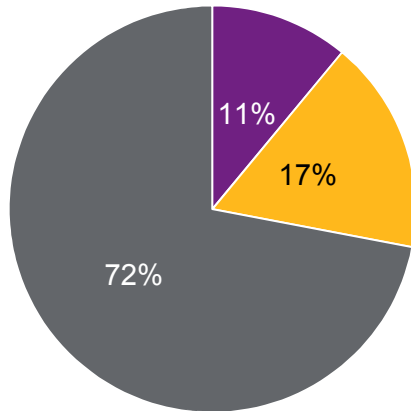
- Employees contribute less than the database and industry averages, but more than the Washington employer average
- Dependents are below the database, industry and Washington employer averages

\*Dependent includes spouse, children, family, etc.

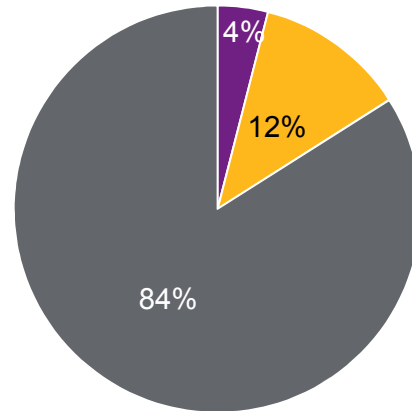


How does the company's approach compare to the database?

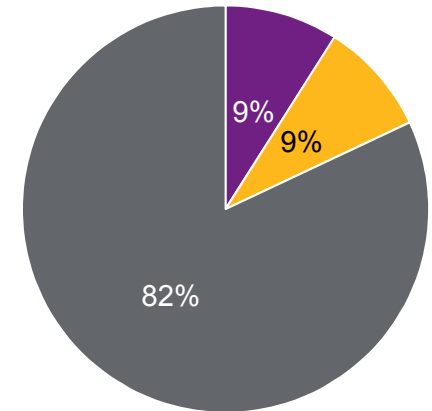
% of database with wellness credits



% of database with wellness credits deposited in HRA or HSA accounts



% of database with wellness credits applied to payroll contributions



■ Employee Only    
 ■ Employee and Spouse    
 ■ None



Your company provides wellness credits. You apply the credits to an HRA/HSA account.



- How does your funding of the HSA compare with the database?
- How does your net deductible (deductible minus guaranteed and earned incentives) compare with the database?

HSAs	WHCA	Database			Washington Benchmark		
		25 <sup>th</sup>	Average	75 <sup>th</sup>	25 <sup>th</sup>	Average	75 <sup>th</sup>
<b>Base Deductible</b>	\$1,400	\$1,500	\$2,320	\$2,700	\$1,500	\$2,073	\$2,068
▪ <b>Guaranteed Contribution</b>	\$700	\$11	\$448	\$600	\$315	\$623	\$816
▪ <b>Average Earned Incentive</b>	\$27	\$0	\$36	\$0	\$0	\$11	\$0
<b>Net Deductible Paid by Employees</b>	\$673	\$1,073	\$1,836	\$2,332	\$635	\$1,439	\$1,450



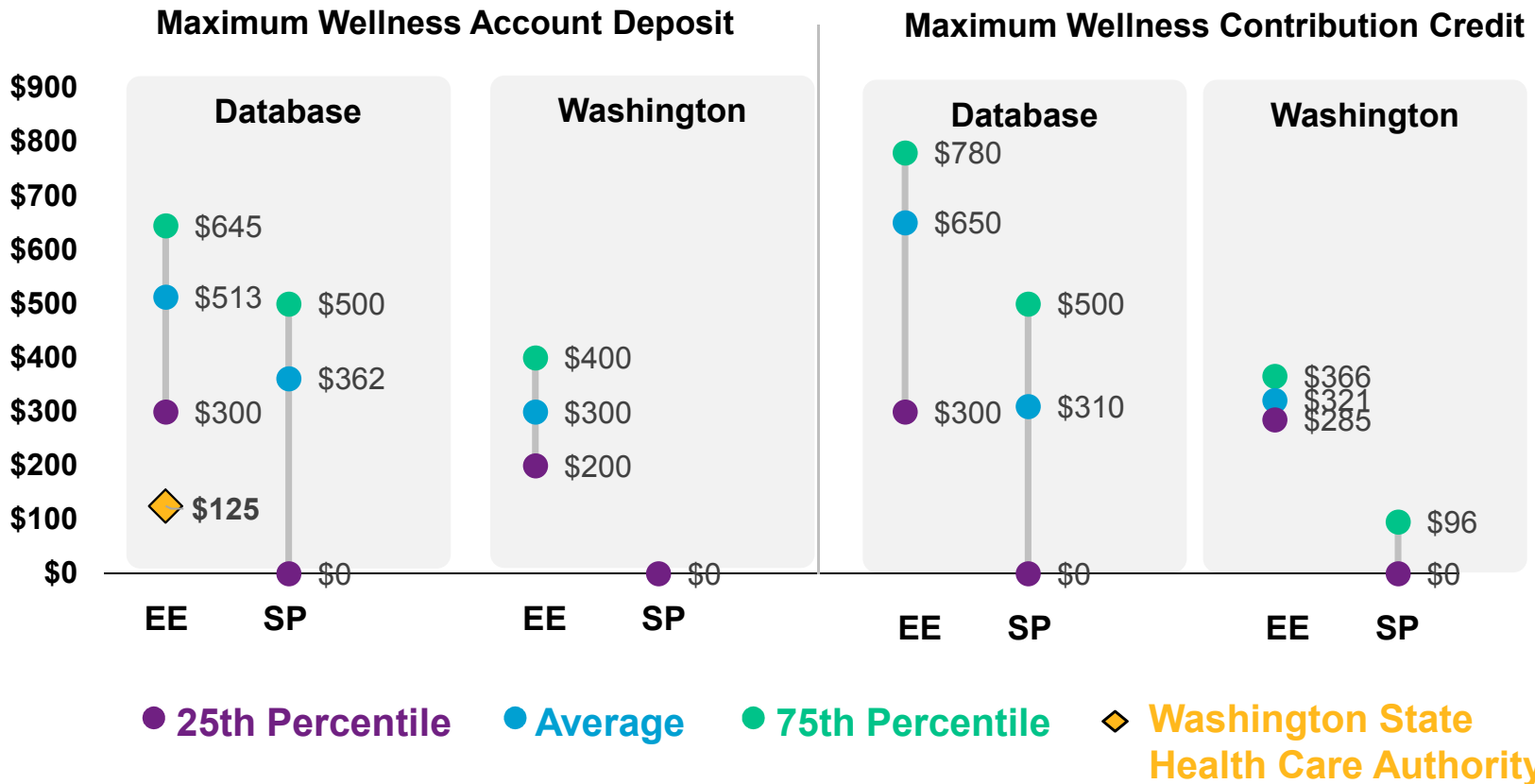
Your net deductible is \$1,163 less than the database average, and \$766 less than Washington State average.

\*Employee coverage only





- How does the company's maximum potential wellness credit compare with the database?
- How does the allocation between employee and spouse compare to the database?
- How does the approach for employees and spouses compare between contributions and wellness credits?



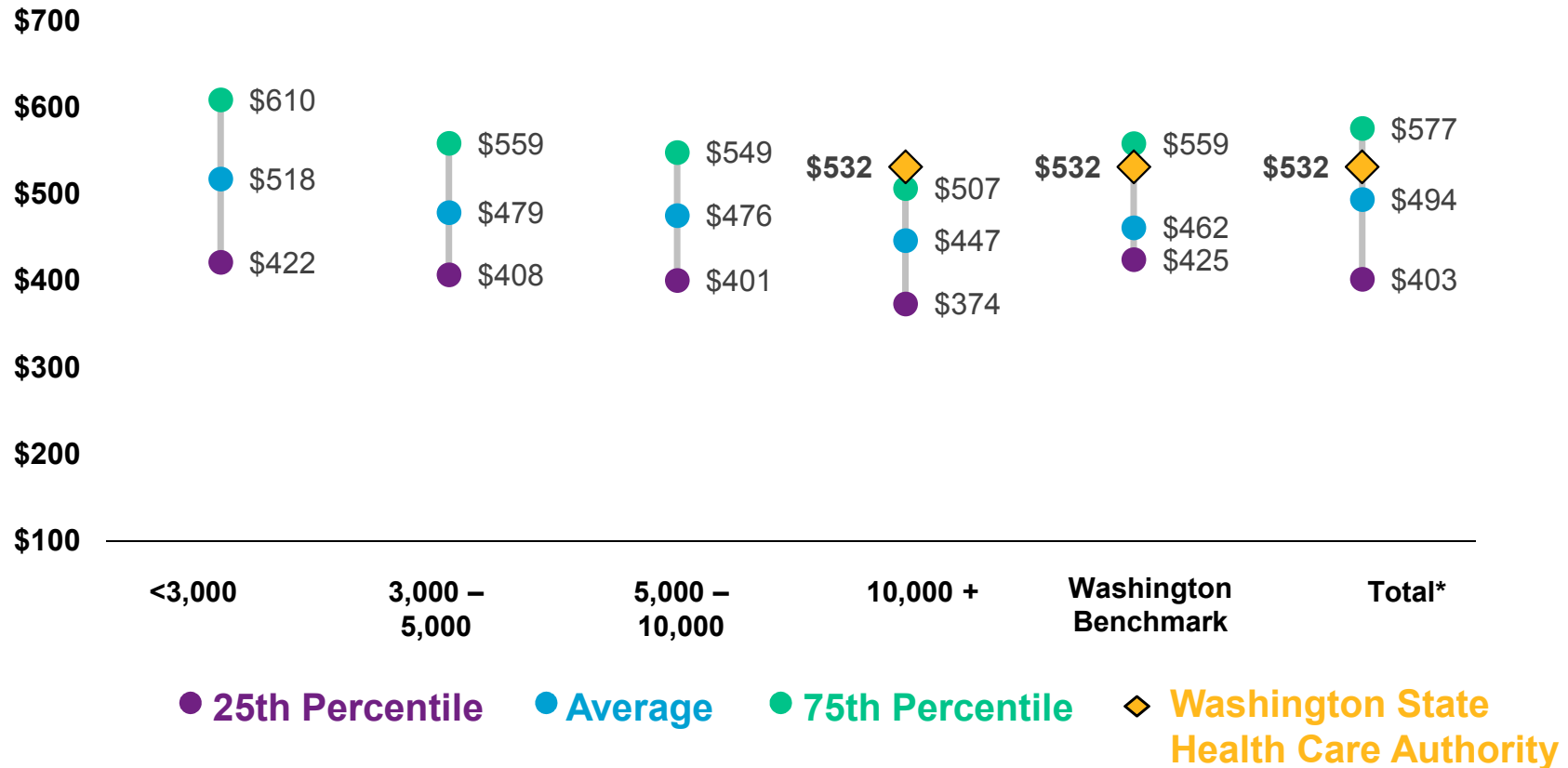
Maximum wellness account deposits and contribution credits average \$513 and \$650 for employees and \$362 and \$310 for spouses.

## Medical Cost Benchmarks

# Annual Self-Insured Administration Fees by Covered Employee by Employer Size\*



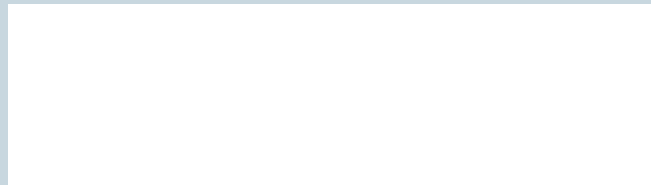
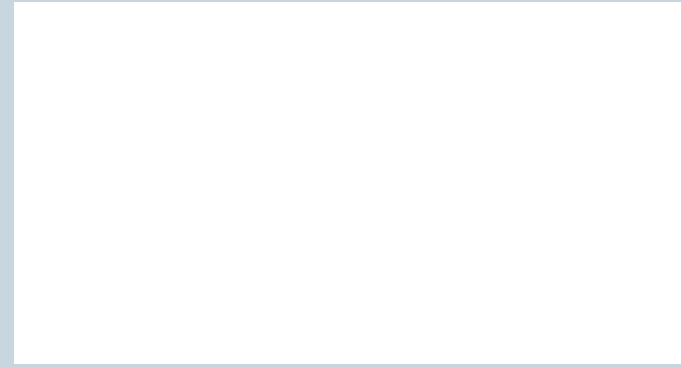
How do your administration fees compare to the database? What is contributing to the company's variance from average? What other variable fees are being paid to the vendor in addition to the monthly per employee administration fees?



- Your PEPM administration fees are 8% above the database average
- Additional fees, such as other variable fees for out-of-network provider fee reductions are typically paid separately and are not included in this comparison

\*Results by employer size for companies with self-insured arrangements.

## Plan Design Benchmarks





How do your plan designs compare to the database?

Medical* (Single/Family)	Washington State Health Care Authority			Database		
	UMP CDHP	Kaiser WA CDHP	Kaiser PNW CDHP	All Companies	Government / Public Sector / Education	Washington Benchmark
Account Funding	\$700 / \$1,400	\$700 / \$1,400	\$700 / \$1,400	\$500 / \$1,000	\$600 / \$1,200	\$750 / \$1,300
Deductible	\$1,400 / \$2,800	\$1,400 / \$2,800	\$1,400 / \$2,800	\$2,000 / \$4,000	\$2,000 / \$4,000	\$1,500 / \$3,350
Plan Coinsurance	85%	90%	85%	80%	80%	80%
Office Visit (OV) Copays**	N/A	N/A	\$20 / \$30	\$25 / \$40	\$30 / \$45	N/A
Inpatient (IP) Copay	N/A	N/A	N/A	\$250	\$250	N/A
Outpatient (OP) Copay	N/A	N/A	N/A	\$150	\$175	N/A
Emergency Room (ER) Copay	N/A	N/A	N/A	\$150	\$175	\$200
Out-of-Pocket Maximum	\$2,800 / \$5,600	\$3,700 / \$7,400	\$3,700 / \$7,400	\$2,000 / \$4,000	\$2,000 / \$3,850	\$2,000 / \$3,655

\*In-network benefits

\*\*Primary Care Physician / Specialty Care Physician copays (if applicable)



- All companies — copays are applicable in 5% (OV), 2% (IP), 2% (OP) and 5% (ER) of employers
- Industry — copays are applicable in 8% (OV), 4% (IP), 4% (OP) and 8% (ER) of employers
- Washington — copays are applicable in 0% (OV), 0% (IP), 0% (OP) and 3% (ER) of employers



How do your plan designs compare to the database?

Medical* (Single/Family)	Washington State Health Care Authority		Database		
	UMP Classic	UMP Plus	All Companies	Government / Public Sector / Education	Washington Benchmark
<b>Deductible</b>	\$250 / \$750	\$125 / \$375	\$750 / \$1,500	\$600 / \$1,500	\$500 / \$1,275
<b>Plan Coinsurance</b>	85%	85%	80%	85%	80%
<b>Office Visit (OV) Copays**</b>	N/A	N/A	\$25 / \$40	\$25 / \$35	\$25 / \$30
<b>Inpatient (IP) Copay</b>	\$200 per day, up to \$600	\$200 per day, up to 600	\$250 per stay	\$250 per stay	\$200 per stay
<b>Outpatient (OP) Copay</b>	N/A	N/A	\$150	\$150	\$100
<b>Emergency Room (ER) Copay</b>	N/A	N/A	\$150	\$150	\$150
<b>Out-of-Pocket Maximum</b>	\$1,750 / \$3,250	\$1,875 / \$3,625	\$2,500 / \$5,000	\$2,500 / \$5,000	\$2,500 / \$5,750

\*In-network benefits

\*\*Primary Care Physician / Specialty Care Physician copays (if applicable)



- All companies — copays are applicable in 89% (OV), 16% (IP), 15% (OP) and 71% (ER) of employers
- Industry — copays are applicable in 92% (OV), 25% (IP), 20% (OP) and 80% (ER) of employers
- Washington — copays are applicable in 94% (OV), 12% (IP), 9% (OP) and 73% (ER) of employers



How do your plan designs compare to the database?

Medical* (Single/Family)	Washington State Health Care Authority			Database		
	Kaiser WA Value	Kaiser WA Classic	Kaiser WA Sound Choice	All Companies	Government / Public Sector / Education	Washington Benchmark
<b>Deductible</b>	\$250 / \$750	\$175 / \$525	\$125 / \$375	\$500 / \$1,500	\$500 / \$1,000	\$475 / \$1,025
<b>Office Visit (OV) Copays**</b>	\$30 / \$50	\$15 / \$30	N/A	\$20 / \$30	\$20 / \$30	\$20 / \$33
<b>Inpatient (IP) Copay</b>	\$750	\$450	\$500	\$250	\$250	\$250
<b>Outpatient (OP) Copay</b>	\$200	\$150	N/A	\$50	\$100	\$100
<b>Emergency Room (ER) Copay</b>	\$300	\$250	N/A	\$100	\$100	\$150
<b>Out-of-Pocket Maximum</b>	\$2,750 / \$5,250	\$1,825 / \$3,475	\$1,875 / \$3,625	\$2,000 / \$4,500	\$2,000 / \$4,500	\$2,000 / \$4,500

\*In-network benefits

\*\*Primary Care Physician / Specialty Care Physician copays (if applicable)



- All companies — copays are applicable in 97% (OV), 56% (IP), 55% (OP) and 85% (ER) of employers
- Industry — copays are applicable in 100% (OV), 62% (IP), 61% (OP) and 91% (ER) of employers
- Washington — copays are applicable in 94% (OV), 47% (IP), 59% (OP) and 71% (ER) of employers

# Pharmacy Plan Design Benchmarks ABHP w/ HSA Plan Design



How do your plan designs compare to the database?

Pharmacy (Retail)	Washington State Health Care Authority			Database					
	UMP CDHP	Kaiser WA CDHP	Kaiser PNW CDHP	All Companies		Government / Public Sector / Education		Washington Benchmark	
<b>Deductible (Single / Family)</b>	Combined w/ medical	Combined w/ medical	Combined w/ medical	\$100 / \$2,850		Combined w/ medical		\$50 / \$125	
<b>Out-of-Pocket Maximum (Single / Family)</b>	Combined w/ medical	Combined w/ medical	Combined w/ medical	\$1,850 / \$3,700		\$2,200 / \$4,400		\$2,000 / \$4,200	
<b>Generic (Min / Max)</b>	85% (\$0 / \$0)	\$13	\$15	\$10	80% (\$0 / \$0)	\$10	80% (\$0 / \$0)	\$10	80% (\$3 / \$23)
<b>Formulary (Min / Max)</b>	85% (\$0 / \$0)	\$40	\$40	\$30	80% (\$0 / \$0)	\$30	80% (\$0 / \$0)	\$30	80% (\$20 / \$60)
<b>Non-Formulary (Min / Max)</b>	85% (\$0 / \$0)	50% (\$0 / \$250)	\$75	\$55	80% (\$0 / \$0)	\$50	80% (\$0 / \$0)	\$50	60% (\$35 / \$100)

\*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums.



- All companies — copays are applicable in 42% of employers
- Industry — copays are applicable in 42% of employers
- Washington — copays are applicable in 23% of employers

# Pharmacy Plan Design Benchmarks PPO/POS Plan Design



How do your plan designs compare to the database?

Pharmacy (Retail)	Washington State Health Care Authority		Database					
	UMP Classic	UMP Plus	All Companies		Government / Public Sector / Education		Washington Benchmark	
<b>Deductible (Single / Family)</b>	\$100 / \$300	N/A	\$100 / \$225		\$100 / \$300		\$50 / \$125	
<b>Out-of-Pocket Maximum (Single / Family)</b>	\$1,900 / \$5,700	\$2,000 / \$6,000	\$2,600 / \$4,850		\$2,350 / \$4,700		\$2,000 / \$4,200	
<b>Generic (Min / Max)</b>	90% (\$0 / \$25)	90% (\$0 / \$25)	\$10	80% (\$0 / \$5)	\$10	80% (\$0 / \$9)	\$10	80% (\$3 / \$23)
<b>Formulary (Min / Max)</b>	70% (\$0 / \$75)	70% (\$0 / \$75)	\$30	75% (\$20 / \$60)	\$30	75% (\$8 / \$65)	\$30	80% (\$20 / \$60)
<b>Non-Formulary (Min / Max)</b>	50%	50%	\$60	60% (\$35 / \$100)	\$55	60% (\$0 / \$100)	\$50	60% (\$35 / \$100)

\*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums.



- All companies — copays are applicable in 89% of employers
- Industry — copays are applicable in 93% of employers
- Washington — copays are applicable in 94% of employers



# Pharmacy Plan Design Benchmarks HMO/EPO Plan Design



How do your plan designs compare to the database?

Pharmacy (Retail)	Washington Health Care Authority			Database					
	Kaiser WA Value	Kaiser WA Classic	Kaiser WA Sound Choice	All Companies		Government / Public Sector / Education		Washington Benchmark	
<b>Deductible (Single / Family)</b>	\$100 / \$300	\$100 / \$300	\$100 / \$300	\$100 / \$250		\$100 / \$100		N/A	
<b>Out-of-Pocket Maximum (Single / Family)</b>	\$1,900 / \$5,700	\$1,900 / \$5,700	\$1,900 / \$5,700	\$2,875 / \$4,200		\$2,500 / \$4,200		\$2,675 / \$5,300	
<b>Generic (Min / Max)</b>	\$5 – \$25	\$5 – \$20	\$5 – \$15	\$10	80% (\$0 / \$20)	\$10	85% (\$0 / \$0)	\$10	80% (\$5 / \$25)
<b>Formulary (Min / Max)</b>	\$50	\$40	\$60	\$30	75% (\$10 / \$70)	\$30	70% (\$8 / \$75)	\$30	80% (\$0 / \$75)
<b>Non-Formulary (Min / Max)</b>	50% (\$0 / \$0)	50% (\$0 / \$250)	50% (\$0 / \$0)	\$40	60% (\$0 / \$75)	\$50	60% (\$0 / \$100)	\$35	55% (\$0 / \$38)

\*Out-of-pocket maximums shown are for database participants with separate medical and pharmacy out-of-pocket maximums.



- All companies — copays are applicable in 96% of employers
- Industry — copays are applicable in 97% of employers
- Washington — copays are applicable in 94% of employers



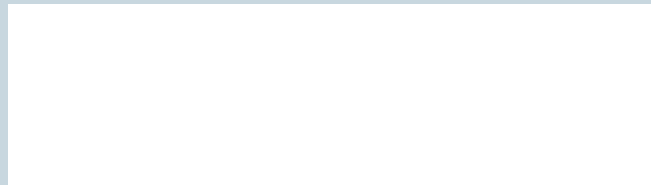
How do your plan designs compare to the database?

In-network Dental Plan Design	Client	Database		
	Uniform Dental Plan	All Companies	Government / Public Sector / Education	Washington Benchmark
<b>Deductible (Single / Family)</b>	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
<b>Annual Limit (per person)</b>	\$1,750	\$1,500	\$1,500	\$1,625
<b>Preventive Coinsurance</b>	100%	100%	100%	100%
<b>Basic Coinsurance</b>	80%	80%	80%	80%
<b>Major Restorative Coinsurance</b>	50%	50%	50%	50%
<b>Orthodontic Services</b>				
▪ <b>None</b>	N/A	35%	36%	55%
▪ <b>Children Only</b>	N/A	51%	46%	18%
▪ <b>Adult and Child</b>	Yes	47%	41%	66%
<b>Orthodontia Coinsurance</b>	50%	50%	50%	50%
<b>Orthodontia Lifetime Limit</b>	\$1,750	\$1,500	\$1,500	\$1,500



Dental PPOs are the most prevalent plan type. Dental plan designs tend to have similar design characteristics and to have less variation in plan value than medical plans. Annual limits tend to increase over time to maintain plan value as the cost of dental services increases.

## Dental Cost Benchmarks

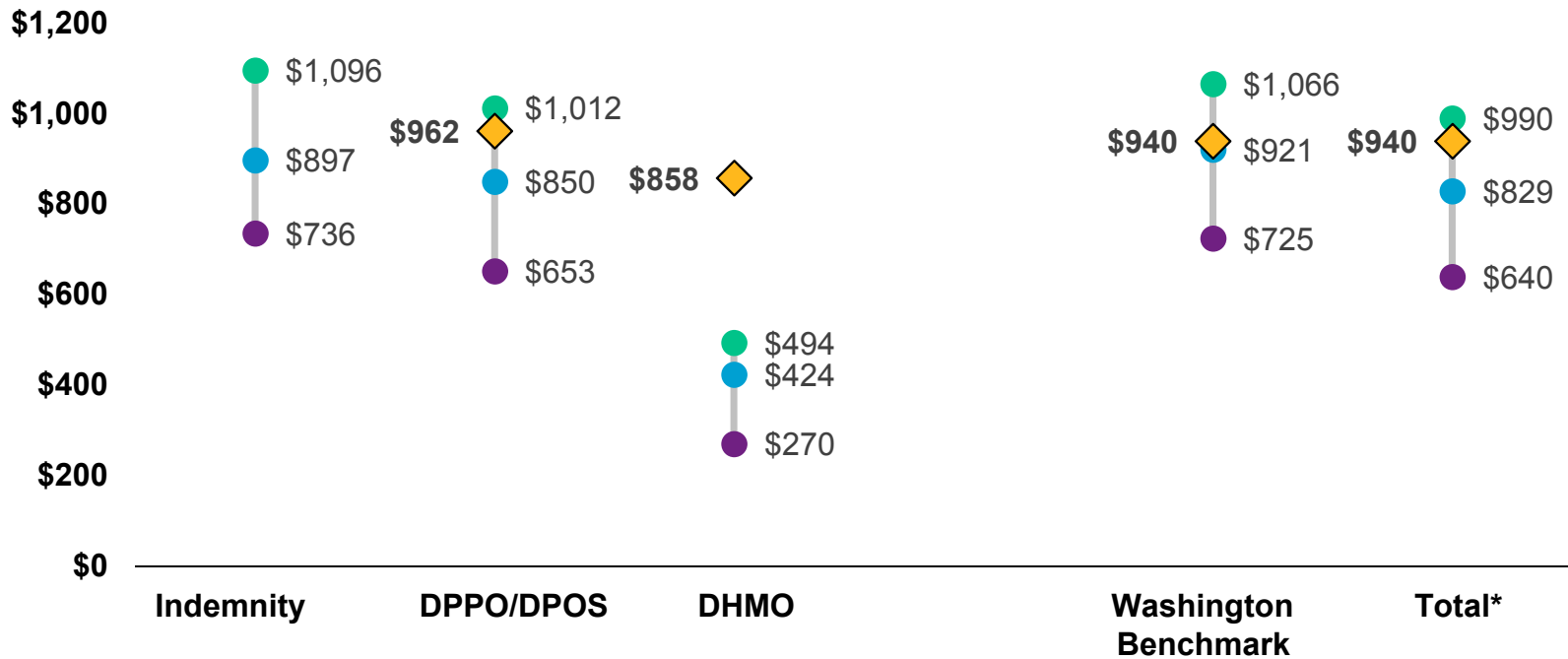


# Dental Cost Benchmarks

## Total Cost per Covered Employee per Year (Unadjusted)



- How do your plan costs compare to the database?
- How do costs vary by plan type?



● 25th Percentile   
 ● Average   
 ● 75th Percentile   
 ◆ Washington State Health Care Authority

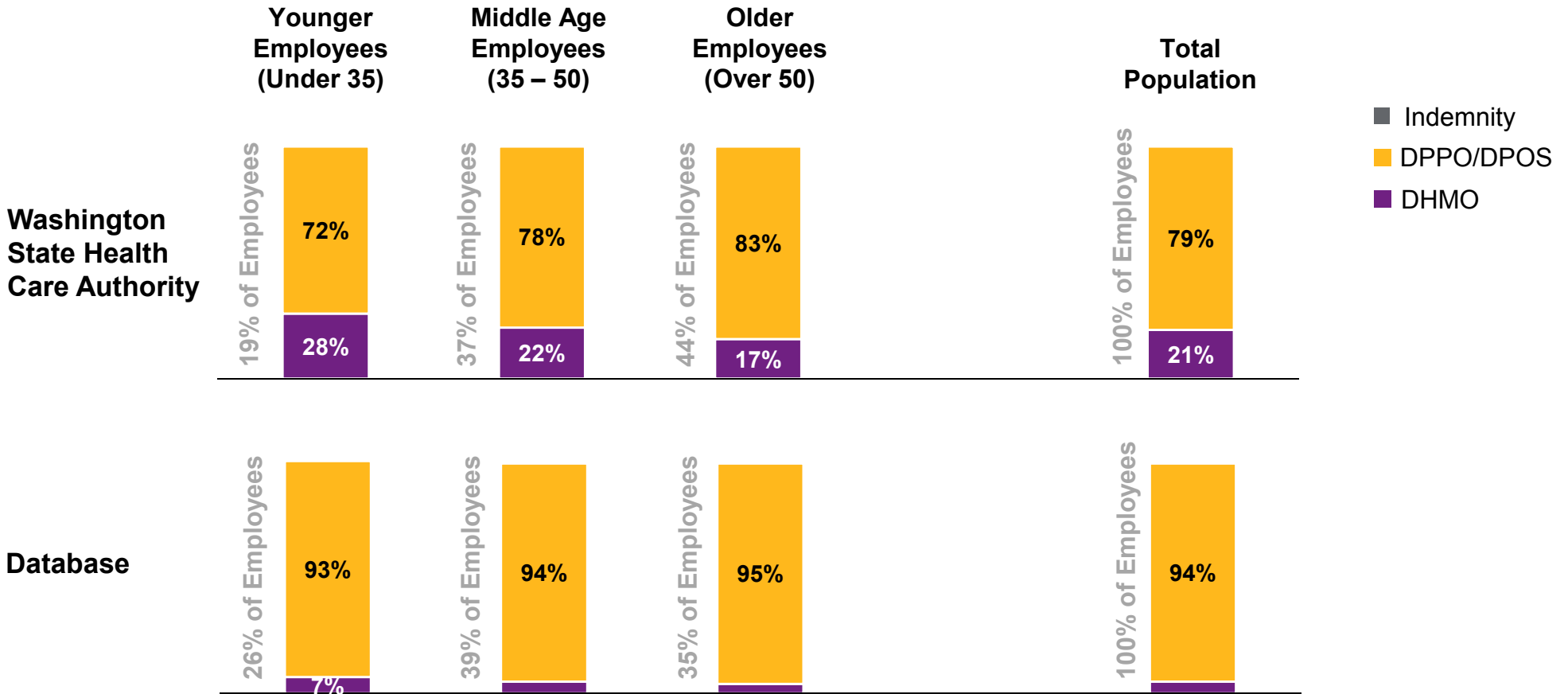


Your dental costs are 13% higher than the overall database average, but only 2% higher than the Washington employer benchmark. Dental costs in the PNW tend to be higher than other parts of the country.

\*Total costs represent an enrollment weighted average of plan types.



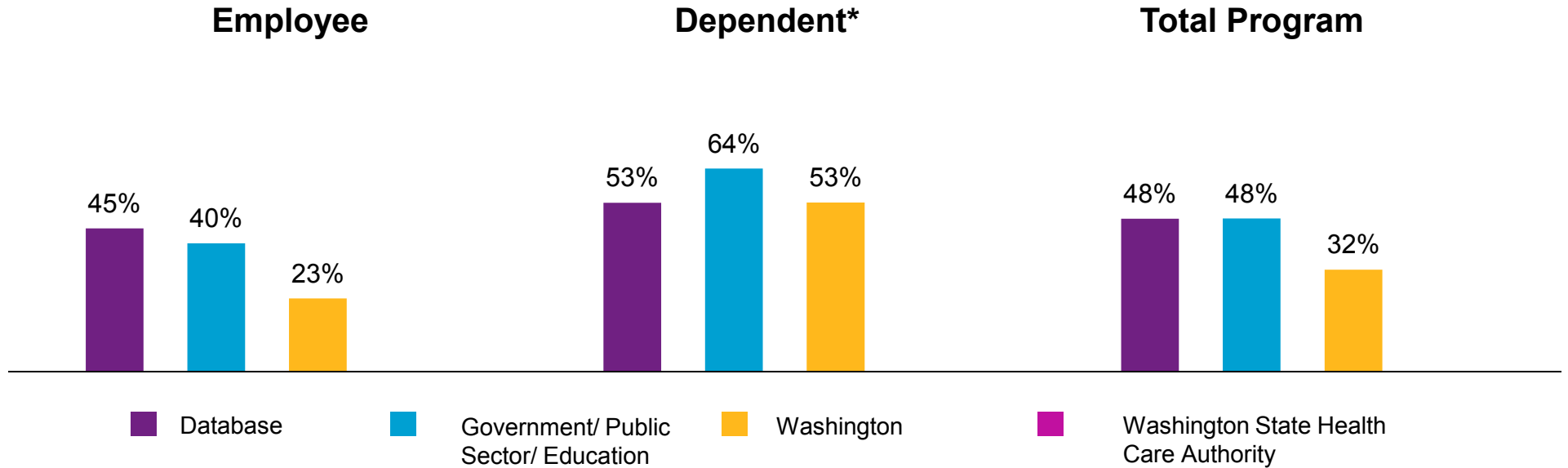
How is enrollment distributed by age and plan?



The majority of employees in the database are enrolled in DPPO/DPOS dental plans.



How do employee contributions as a percentage of plan cost compare to the database benchmarks?



Employee Contributions as a % of Total Cost	Indemnity	DPPO	DHMO
Washington State Health Care Authority	N/A	0%	0%
Database	43%	48%	47%

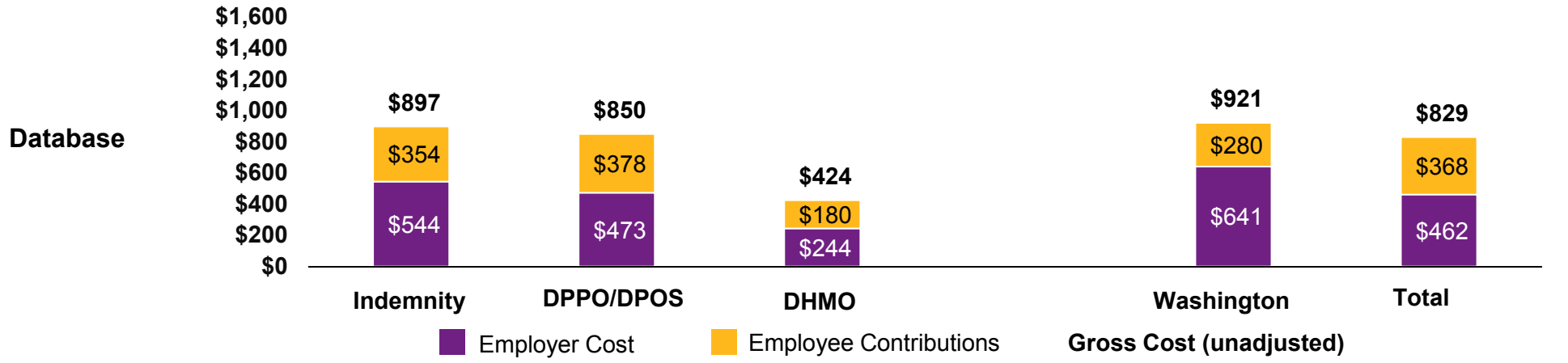
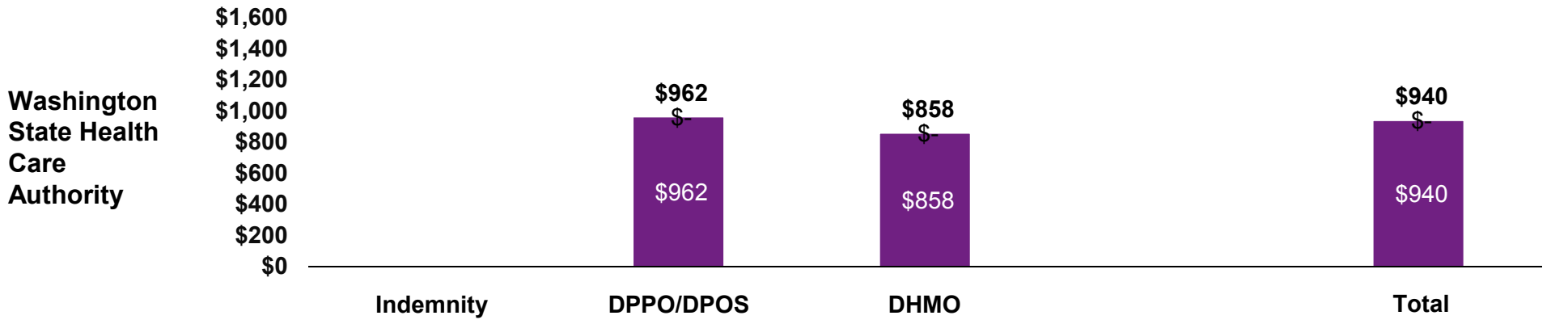


Across your total program, contributions as a percentage of total cost are less than the database and industry averages.

\*Dependent includes spouse, children, family, etc.



How do your employees' payroll contributions vary across plans?



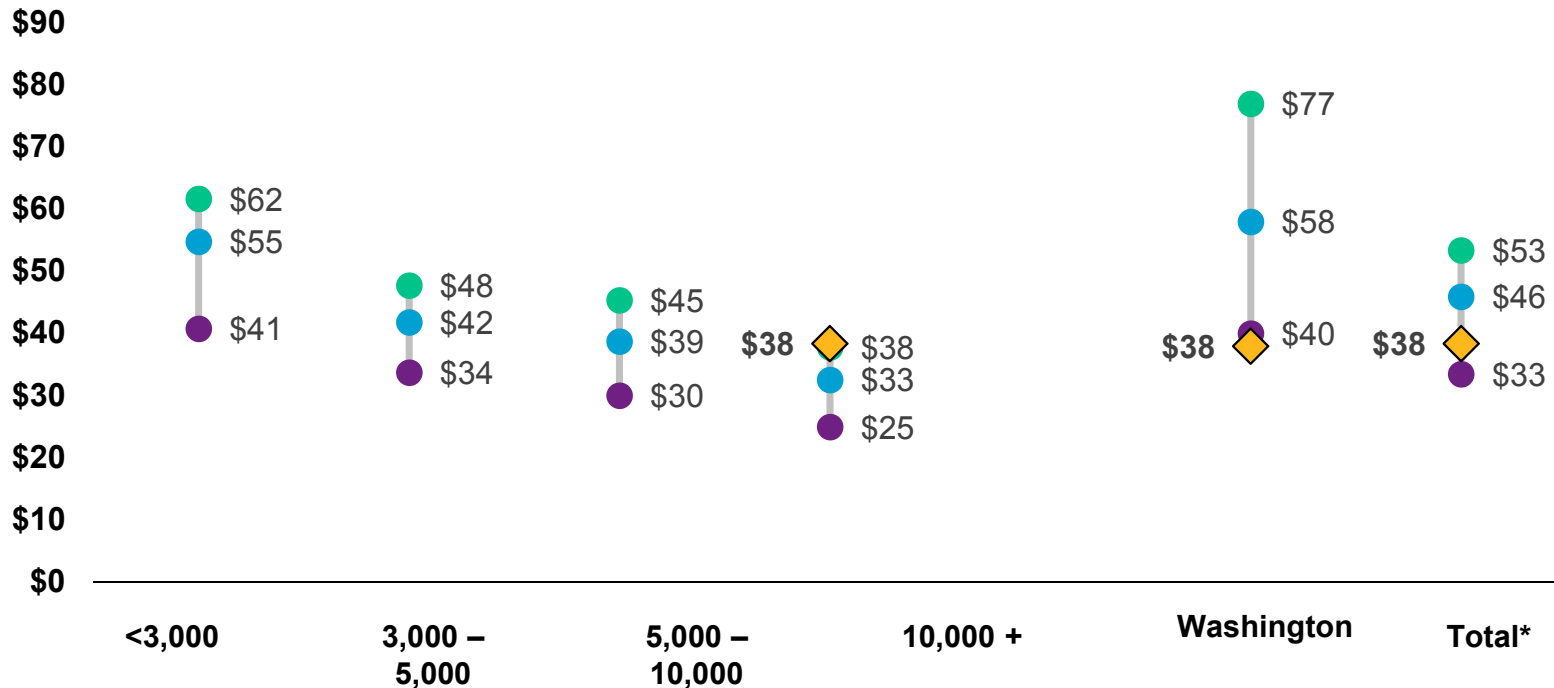
On average, your employees pay \$368 less per year than the database.

# Dental Cost Benchmarks

## Annual Self-Insured Administration Fees per Covered Employee by Employer Size\*



How do administration costs compare to the database benchmarks?



● 25th Percentile   
 ● Average   
 ● 75th Percentile   
 ◆ Washington State Health Care Authority

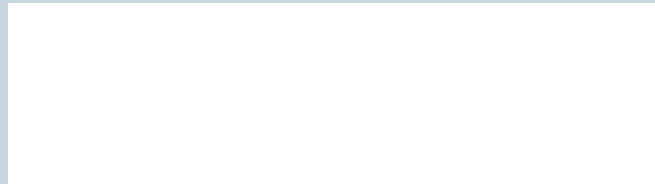
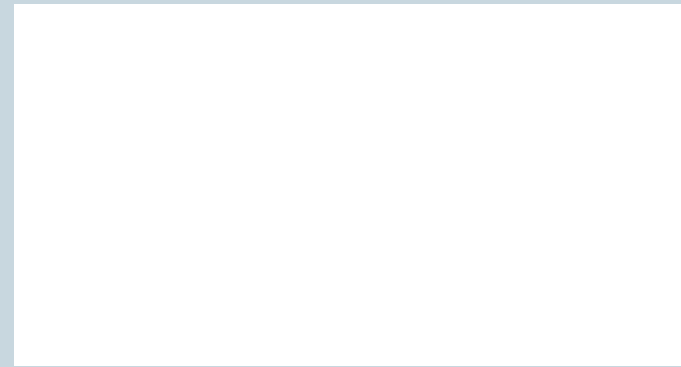


Your dental administration fees are 17% below the database average.

\*Results by employer size for companies with self-insured arrangements.



## Appendix

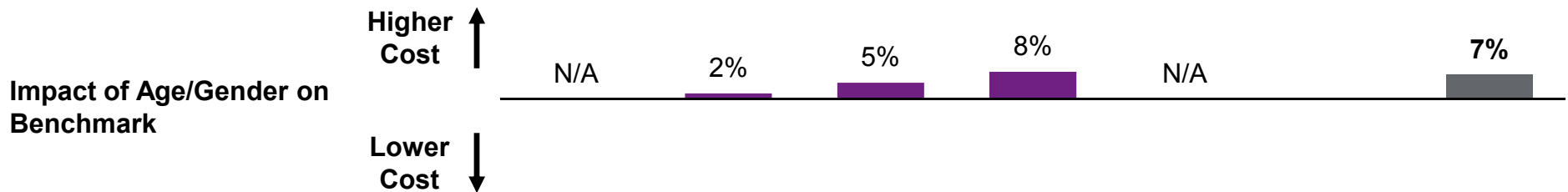


# Medical Cost Benchmarks

## Adjusting for Age/Gender



- What is the cost impact of age/gender in your population?
- How different is the impact of demographics by plan?
- If it is significant, why do company averages have a different pattern across plans than the database?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
Average Age — Database	45.6	42.9	46.3	44.0	45.4	44.9
Average Age — Your Company	N/A	43.0	48.2	47.3	N/A	47.5
% Female — Database	45%	39%	42%	44%	48%	42%
% Female — Your Company	N/A	53%	59%	53%	N/A	57%



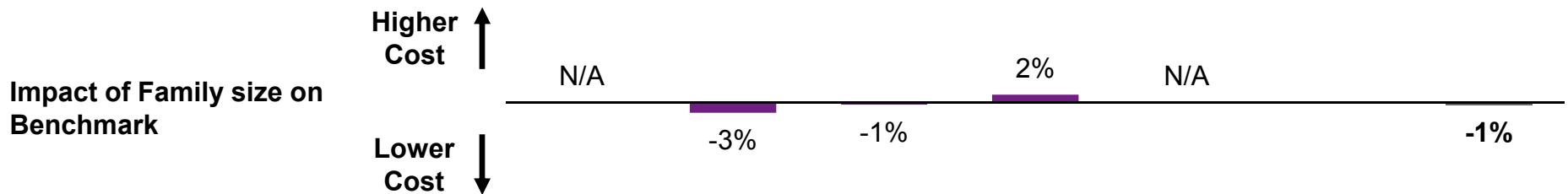
The custom benchmark will be increased by 7% due to age and gender demographics.

# Medical Cost Benchmarks

## Adjusting for Family Size



- How different is the impact of family size by plan?
- If it is significant, why do company averages have a different pattern across plans than the database?
- How has this been impacted by contribution strategies of the company?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
Dependents (%) — Database	50%	48%	51%	46%	52%	50%
Dependents (%) — Your Company	N/A	47%	53%	52%	N/A	52%



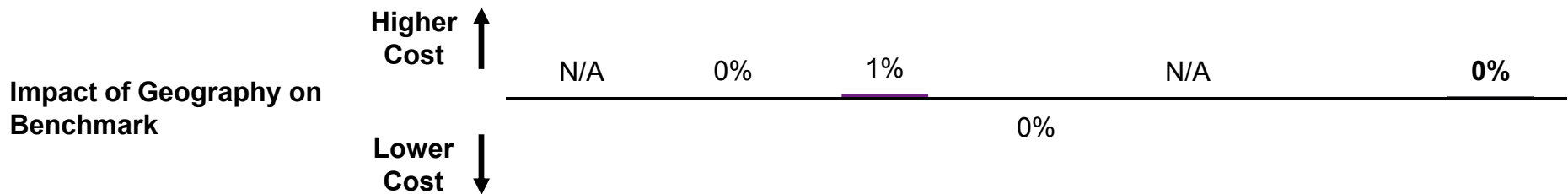
The custom benchmark will be decreased by 1% due to family size.

# Medical Cost Benchmarks

## Adjusting for Geography



- How does the geographic footprint of your covered population impact your costs?
- Does the geographic impact vary by plan?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
Geographic Factors — Database	1.00	1.00	1.00	1.00	1.00	1.00
Geographic Factors — Your Company	N/A	1.00	1.01	0.99	N/A	1.00

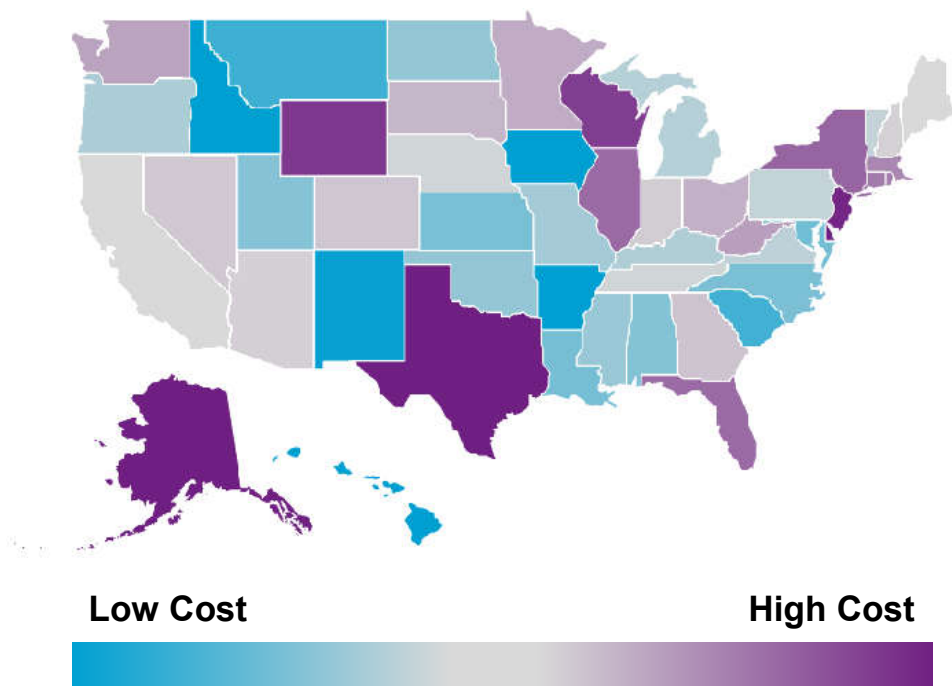


Your population's geography will have no impact on the custom benchmark.



How do overall health care costs vary by state?

### Health Care Costs by State



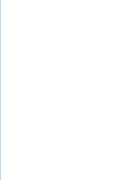
### Your Top States for Enrollment

Rank	State	Your Enrollees	% of Total
1	WA	134,732	100%
2			
3			
4			
5			
Total — Top 5 States		134,732	100%



Understanding the impact of the geographic footprint of your employees is important to understand your relative cost position.

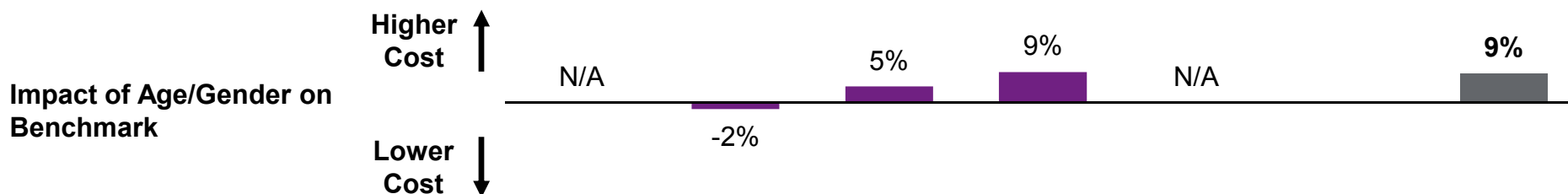
# Appendix — Washington



# Medical Cost Benchmarks Adjusting for Age/Gender



- What is the cost impact of age/gender in your population?
- How different is the impact of demographics by plan?
- If it is significant, why do company averages have a different pattern across plans than the database?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
<b>Average Age — Database</b>	40.3	42.4	44.5	43.3	41.5	42.8
<b>Average Age — Your Company</b>	N/A	43.0	48.2	47.3	N/A	47.5
<b>% Female — Database</b>	63%	44%	49%	47%	54%	51%
<b>% Female — Your Company</b>	N/A	53%	59%	53%	N/A	57%

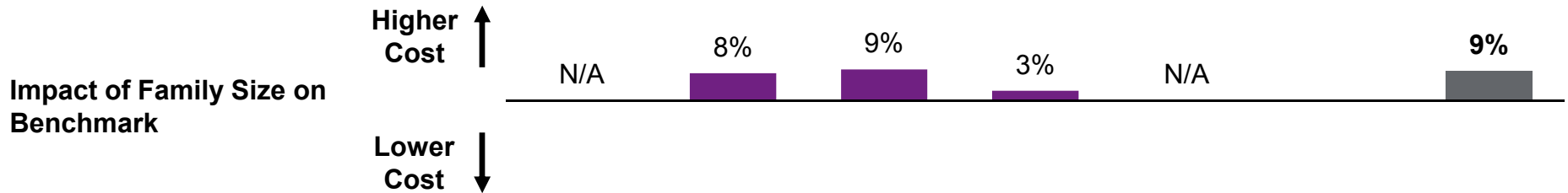


The custom benchmark will be increased by 9% due to age and gender demographics.

# Medical Cost Benchmarks Adjusting for Family Size



How different is the impact of family size by plan?  
 If it is significant, why do company averages have a different pattern across plans than the database? How has this been impacted by contribution strategies of the company?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
<b>Dependents (%) — Database</b>	44%	39%	42%	47%	44%	42%
<b>Dependents (%) — Your Company</b>	N/A	47%	53%	52%	N/A	52%



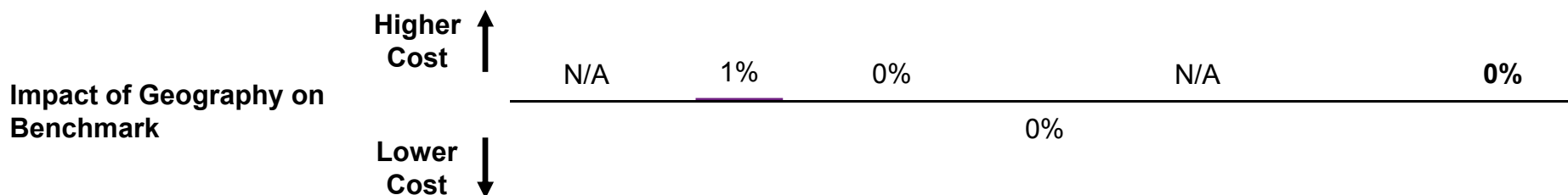
The custom benchmark will be increased by 9% due to family size.



# Medical Cost Benchmarks Adjusting for Geography



- How does the geographic footprint of your covered population impact your costs?
- Does the geographic impact vary by plan?



	ABHP w/ HRA	ABHP w/ HSA	PPO/POS	Insured HMO	Self-Ins. HMO/EPO	Total
Geographic Factors — Database	0.99	0.99	1.00	0.99	1.02	1.00
Geographic Factors — Your Company	N/A	1.00	1.01	0.99	N/A	1.00



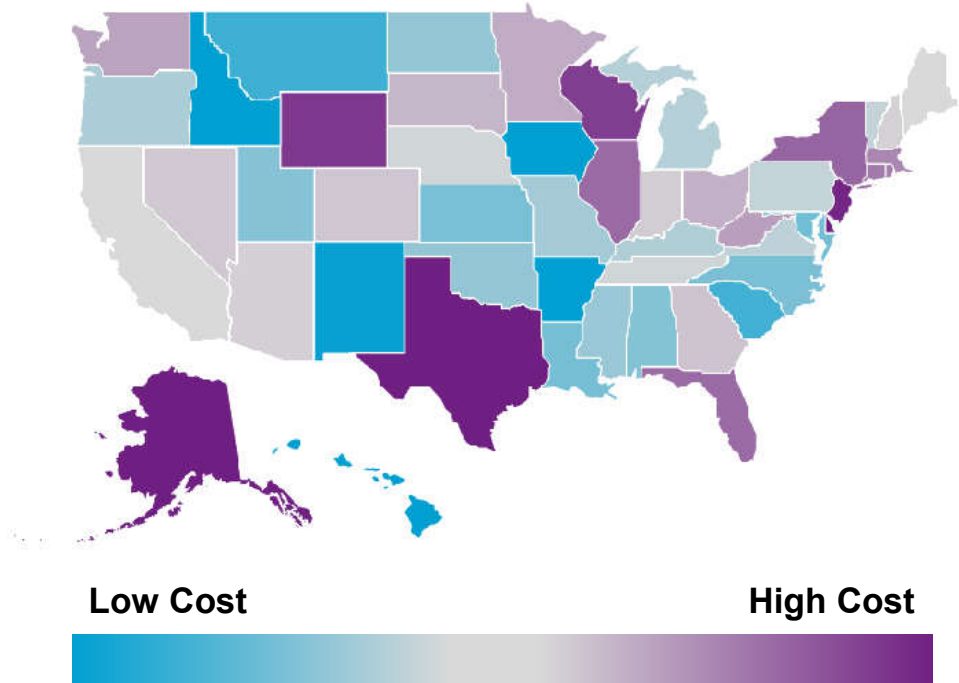
Your population's geography will have no impact on the custom benchmark.

**Medical Cost Benchmarks**

**Adjusting for Geography — Additional Details**

**?** How do overall health care costs vary by state?

**Health Care Costs by State**



**Your Top States for Enrollment**

Rank	State	Your Enrollees	% of Total
1	WA	134,732	100%
2			
3			
4			
5			
Total — Top 5 States		134,732	100%

**✓** Understanding the impact of the geographic footprint of your employees is important to understand your relative cost position.