



More Companies Increased Existing Contributions to Help Employees Pay Premiums This Year Compared to Past Two Years

Survey Finds 44 Percent of Companies Anticipate Employee Healthcare Costs Will Increase During the Next 24-36 Months

LOS ANGELES – December 8, 2015 – Companies are more likely to have added or increased contributions to their employees’ premiums this year compared to the last two years, according to a new [study](#) commissioned by the Transamerica Center for Health Studies ([TCHS](#)) that was conducted by Harris Poll between August 14 - September 3, 2015, among 1,500 employer decision-makers within the United States. The third annual survey found that 44 percent of companies anticipate that their healthcare costs will increase in the next 24 to 36 months.

Most employers say they will attempt to keep constant their contribution to the cost of employees’ premiums (57 percent), deductibles (60 percent), and co-pays/coinsurance (58 percent) and three in 10 employers want to maximize their contributions to employees’ premiums to help manage health insurance costs.

“The anticipated increase in healthcare costs correlates to improved quality for many employers: two in five companies (40 percent) anticipate the quality of health insurance they offer employees will improve in the next 12 to 36 months, and only 10 percent expect the quality to decline,” said TCHS Executive Director Hector De La Torre. “Companies are most concerned about their ability to manage healthcare costs related to cancer (71 percent), drug expenses (69 percent), and diabetes and obesity (68 percent).”

Wellness Programs Improve Health, Reduce Costs

Sixty-one percent of employers offer workplace wellness programs for their employees and half (49 percent) of employers that implemented a wellness program in the last 12 months cite saving money as the motivation. Among companies with workplace wellness programs, 82 percent say their program had a positive impact on workers’ health, 80 percent say it had a positive impact on productivity and performance, and 71 percent say it had a positive impact on healthcare costs.

“Providing the best healthcare benefits package possible remains the top healthcare-related priority for employers,” De La Torre said. “Interestingly, employers that offer healthcare benefits are more likely than those that do not to anticipate profitability, hiring and wage increases in the next two years.”

Cadillac Tax Implications and SHOP Awareness

More than four in five employers (82 percent) offer at least one healthcare plan, and companies of all sizes are offering more options for healthcare plans – but among the 45 percent of companies that report being at risk for paying a “Cadillac Tax” for high-end health plans (in 2018), 84 percent plan to change their health benefits to avoid the tax.

As for small businesses (companies with less than 50 employees), 55 percent say they are aware of the Small Business Health Options Program (SHOP) Marketplaces, compared to 50 percent last year, and a third say they know how to access SHOP coverage for their employees.

Other key findings include:

Affordable Care Act (ACA)

- As many as 84 percent of employers say the ACA has had a positive or neutral impact on their business, yet two-thirds (65 percent) of companies say the reporting requirements are burdensome.
- Twenty-three percent of small businesses (less than 50 employees) are more likely to believe the ACA has had a negative impact on their business compared to 11 percent of mid-sized employers and 10 percent of large companies, even though the reporting requirements have hit medium and large companies the hardest.
- A majority of employers (84 percent) agree that healthcare benefits are important for attracting and retaining employees and most employees (88 percent) agree healthcare benefits are important for overall job satisfaction.

Health Insurance and Workplace Wellness

- There has been a steady increase of high-deductible health plans (HDHPs) and consumer-directed health plans (CDHPs) over the past two years – nearly two in three employers offer one of these types of plans along with a health savings account (HSA).
- The majority of employed adults believe their employers should play an active role in their employees’ health (57 percent) and 68 percent feel lower health insurance premiums should be offered for participation in health promotion programs.
- Of those employers who indicated their company increased health insurance options, added the availability of other benefits or a workplace wellness program, approximately two in five said the change was due to pressure from employees.
- When it comes to wellness, employees are most likely to take advantage of preventative screenings and vaccinations (46 percent), a health risk appraisal (38 percent), health goals/biometrics monitoring (36 percent), healthy food options (30 percent) and ergonomic workstations (30 percent).

- Employers that report a positive impact on healthcare costs are more likely to offer screenings (69 percent vs. 57 percent), website links to employee services (53 percent vs. 39 percent) and integrate health promotion into their culture (48 percent vs. 37 percent).
- Of the employers that offer wellness programs, 65 percent say they have complete leadership commitment and support, but only 45 percent say they have integrated health promotion into their organization's culture.

For more information, please see the [full report](#).

ABOUT THE SURVEY

The employer survey was conducted online within the United States by Harris Poll between August 14 - September 3, 2015, on behalf of the Transamerica Center for Health Studies. The employer survey was a 20-minute questionnaire among 1,500 employer decision-makers, ages 18 and up. Qualified respondents were primary decision-makers of employee benefits at their company, employed by or the proprietor of a for-profit (non-educational) organization, and owner, CEO/Chairman, Director of HR, Benefits Manager, other HR professional responsible for employee benefits, or other professional responsible for employee benefits.

ABOUT THE TRANSAMERICA CENTER FOR HEALTH STUDIES®

The [Transamerica Center for Health Studies](#)® is a division of the [Transamerica Institute](#),® a nonprofit, private foundation. TCHS informs the national health care conversation by bringing clarity to the complex decision-making regarding health coverage and personal health and wellness. TCHS is focused on empowering consumers and employers so that they can achieve the best value and protection from their health coverage, as well as the best outcomes in their personal health and wellness. Through its broad-based analysis and research findings, the Transamerica Center for Health Studies offers consumers and employers a guide to navigate the financial implications of the healthcare decisions they are facing.

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