

**One Year In: Businesses Respond to the Affordable Care Act**  
*Transamerica Center for Health Studies<sup>SM</sup> Survey*

September 2014

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# About Transamerica Center for Health Studies<sup>SM</sup>

The Transamerica Center for Health Studies<sup>SM</sup> (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, TCHS offers consumers and employers a guide to navigate the financial implications of the health care decisions they are facing.

TCHS engages with the American public through national surveys, its website, research findings and consumer guidance. TCHS also collaborates with health care experts and organizations that are equally focused on health coverage and personal health and wellness.

A division of the Transamerica Institute<sup>SM</sup>, a nonprofit, private foundation, TCHS is dedicated to identifying, researching and analyzing the most relevant health care issues facing consumers and employers nationwide.

The Transamerica Institute<sup>SM</sup> is funded by contributions from Transamerica Life Insurance Company and its affiliates (not a major medical insurer) and may receive funds from unaffiliated third parties.

# About The Survey

- In September 2013, TCHS released findings of its inaugural national survey of the U.S. General Adult Population and Employers regarding their attitudes toward health care. The overall goals for the study were to illuminate emerging trends, promote awareness and help educate the public.
- This new 2014 survey seeks to understand the perspective of US businesses on:
  - The role health care benefits play in employee satisfaction,
  - Their engagement with their employees as it relates to health care benefits,
  - Their expectations of the ACA and their anticipated actions resulting from it, and
  - How informed businesses feel about the ACA as well as health insurance in general.
- The results of the most recent study represent the third wave of research:
  - Wave 1 (Benchmark Wave): July 2013 (n=758)
  - Wave 2 (Pulsecheck Wave): April 2014 (n=303)
  - Wave 3: July 2014 (n=751)

# Method

- A 15-minute online survey was conducted from July 8 - 30, 2014 among a sample of 751 employer decision makers ages 18+.

*Harris Poll maintains a panel of millions of people worldwide who have agreed to participate in survey research. Panelists are recruited through more than 100 different sources and campaigns, and all panelists have completed a "confirmed" or "double" opt-in process. We typically use this panel as the sample frame for online research.*

*While telephone RDD (Random-Digit-Dialing) was once considered the "gold standard" in the past with regard to representativeness, this is no longer the case as telephone response rates have declined over time (caller ID, 'do not call lists'), as has the proportion of U.S. adults who have a landline in their home (more cell phone only or cell phone dominant households).*

*High levels of internet penetration and strong quality standards of data collection make an online a valid method data collection and one that is deemed acceptable for public release by most mainstream media outlets.*

- 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.
- The following sub-samples were achieved:
  - Businesses with 1-49 full-time employees: 301
  - Businesses with 50-499 full-time employees: 259
  - Businesses with 500+ full-time employees: 191

# Method

- Data were weighted (statistically adjusted) on employer size (by number of employees) to be representative of U.S. businesses.
- Percentages were rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.
- When comparing to the 2013 benchmark study, please note that qualification criteria were adjusted in the 2014 surveys (waves 2 and 3). In the 2013 Benchmark study:
  - Respondents with at least *shared* decision making responsibility (as opposed to primary responsibility) for employee benefits; and
  - Those with titles other than Owner, CEO/Chairman, Director of HR, or Benefits Manager were able to qualify for the survey as long as they met the other qualification criteria.
- Terminology:
  - ACA: Patient Protection and Affordable Care Act
  - Terms “companies,” “employers,” and “businesses” (etc.) are used interchangeably and refer to for-profit and non-educational institutions.
  - When shown by employer size, labels (i.e., “1-49 Employees,” etc.) refer to the number of full-time employees.
  - “†” refers to data available in the *Transamerica Center for Health Studies<sup>SM</sup> Survey: Health Care Reform Initiative – General Population* report.
  - “\*” denotes a proportion between 0% and 0.5% unless otherwise noted.

# Executive Summary

**Nine in ten (91 percent) employers believe that their employees are satisfied with the health insurance options offered to them.** <Page 15>

- This is not far off from what employees actually reported this year – three-quarters (76 percent) are satisfied with the health insurance plan available through work.†

**More businesses in 2014 anticipate increasing employee headcount and offering health insurance to all employees than in 2013; only 11 percent expect reductions.** <Page 28>

- In 2014, 33 percent of employers said they expect their companies to increase headcount in the next two years, while accounting for the ACA, compared to 20 percent in 2013. <Page 28>
  - Only 11 percent said they expect the number of employees at their company while accounting for the ACA. <Page 28>
  - The increases are anticipated primarily among businesses with over 50 employees that are impacted by the employer mandate, with 44 percent indicating a likely increase in headcount while accounting for the ACA. <Page 29>
- With the individual mandate taking effect in 2014 and the employer mandate looming in 2015, employers are placing more priority on offering health insurance to all employees and less priority on minimizing health care costs.
  - In 2014, 12 percent of employers indicated that offering health insurance to all employees was the top benefits-related priority compared to 6 percent in 2013. <Page 17>
  - In 2014, only 6 percent of employers said minimizing health care costs was their top benefits related priority compared to 18 percent in 2013. <Page 17>

# Executive Summary

## Little consensus exists among businesses on the impact the ACA will have on the quality of health care offered.

- Although a majority do not anticipate the ACA will impact the quality of the health insurance employers are able to offer their employees, the rest are split on whether the ACA will result in an improvement (28 percent) or a decline (21 percent) in quality. <Page 30>
- On the whole, businesses appear to be somewhat more optimistic about the impacts of the ACA. In July 2013, 36 percent of businesses said the ACA will provide no improvements the company is interested in, but just 28 percent say the same in 2014. <Page 32>
- The biggest concern raised about the ACA remains potentially increased costs for a company to continue subsidizing or completely paying for employee health benefits (32 percent), down from 38 percent in 2013. <Page 33>
- Regardless of expected effects of the ACA, companies are overwhelmingly satisfied (88 percent) with current options to offer employee health insurance, with no employer size group less than 79 percent satisfied. <Page 25>

## Despite the lack of consensus on the effects of the ACA, businesses generally feel informed about the ACA as well as health care offerings and changes in the industry. Many businesses anticipate making health coverage-related changes in the next 1-2 years.

- A growing number of employers are staying informed on health industry changes (88 percent in 2014 v. 79 percent in 2013) and the ACA (86 percent in 2014 v. 70 percent in 2013). <Page 37,36>
- A majority of employers anticipate making changes to their health benefit offerings in the next 1-2 years. <Page 40>
  - 25 percent expect to make changes to their plan options.
  - 19 percent expect to add health insurance.



# Executive Summary

**Nearly all businesses with 50 or more employees that will be subject to the employee coverage mandate already offer health insurance (98 percent) while only 51 percent of small businesses with fewer than 50 employees offer health coverage.** <Page 19>

- For those businesses not offering health coverage, the most commonly cited reasons include “company is not big enough” (64 percent) and “employee coverage mandate does not apply to my company” (34 percent). <Page 26>
- Only half of small businesses with less than 50 employees are aware of the SHOP Marketplace which gives these businesses the opportunity to provide coverage for their employees (and potential for tax credits). <Page 42>

**Although they are engaging their employees more frequently, businesses could do a better job informing their employees of relevant content about their health care options.**

- Overall, employers are more likely to offer education and/or advice to employees on health related topics than they were a year ago. Over four in ten (42 percent) provide an employee benefits advisor (up ten percent from July 2013), and three in ten offer one-on-one counseling (29 percent in July 2014 up from 15 percent in 2013). <Page 46>
- In July 2013, 62 percent of employers engaged with their employees for education/advice on health-related topics at least annually, and in July 2014, 69 percent do so at least annually. <Page 47>
- There still appears to be a misalignment in the information employers are providing and what employees need to make informed decisions. In 2014, over half of employees say they need a description of what benefits are available to make an informed decision<sup>†</sup>, but only 38 percent of employers provide information on the benefits available. <Page 45>
  - Further, only 22 percent of employers say they provided their employees with the notice of the new health insurance marketplace options and health coverage as required by the US Department of Labor. <Page 45>

# Executive Summary

**Businesses are aware of the importance health care plays in employee satisfaction, but they may overestimate the importance and quality perceived by potential employees.**

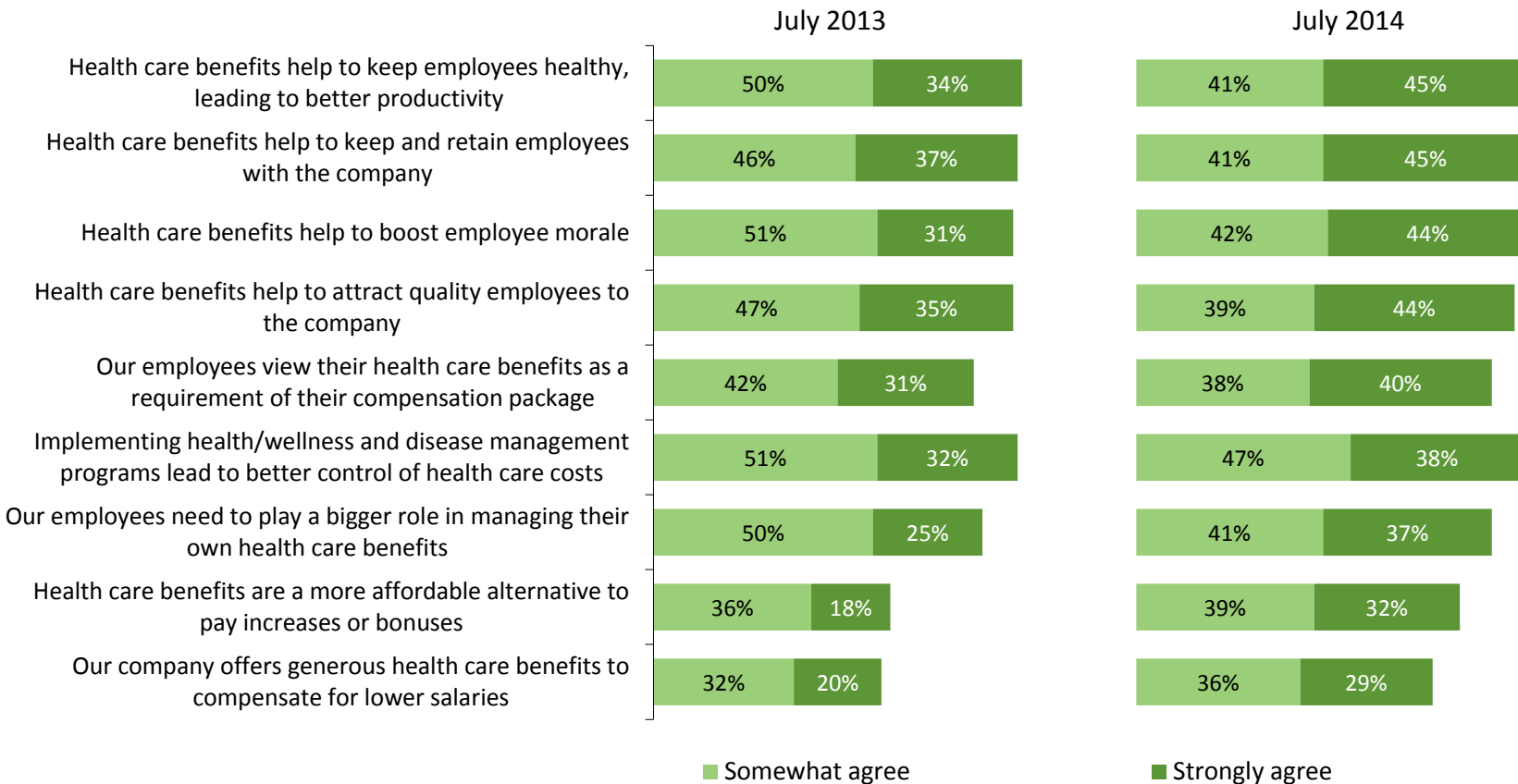
- More employers (56 percent) in 2014 rated health benefits as very important to attracting/retaining employees than in 2013 (48 percent). <Page 13>
  - Employees, however, did not indicate that health benefits are more important in 2014 (52 percent) than in 2013 (55 percent), despite being required to have health coverage by the individual mandate.<sup>†</sup>
- Over two-thirds (68 percent) believe their employees would prefer receiving health insurance benefits through the company as part of a package. Again, this is in line with what employees actually prefer (73 percent of employees would prefer receiving benefits directly through employers versus a subsidy).<sup>†</sup> <Page 15>

# Detailed Findings: Importance of Health Care Benefits

# Employee health and morale are important motivating factors for employers to offer health benefits.

Employers increasingly see the value of health benefits in keeping employees healthy, leading to better productivity and keeping and retaining employees. Across the board, employers were more likely to strongly agree with the importance of each health benefit listed compared to 2013.

**Importance of Health Care Benefits**  
Top 2 Box: Somewhat/Strongly Agree



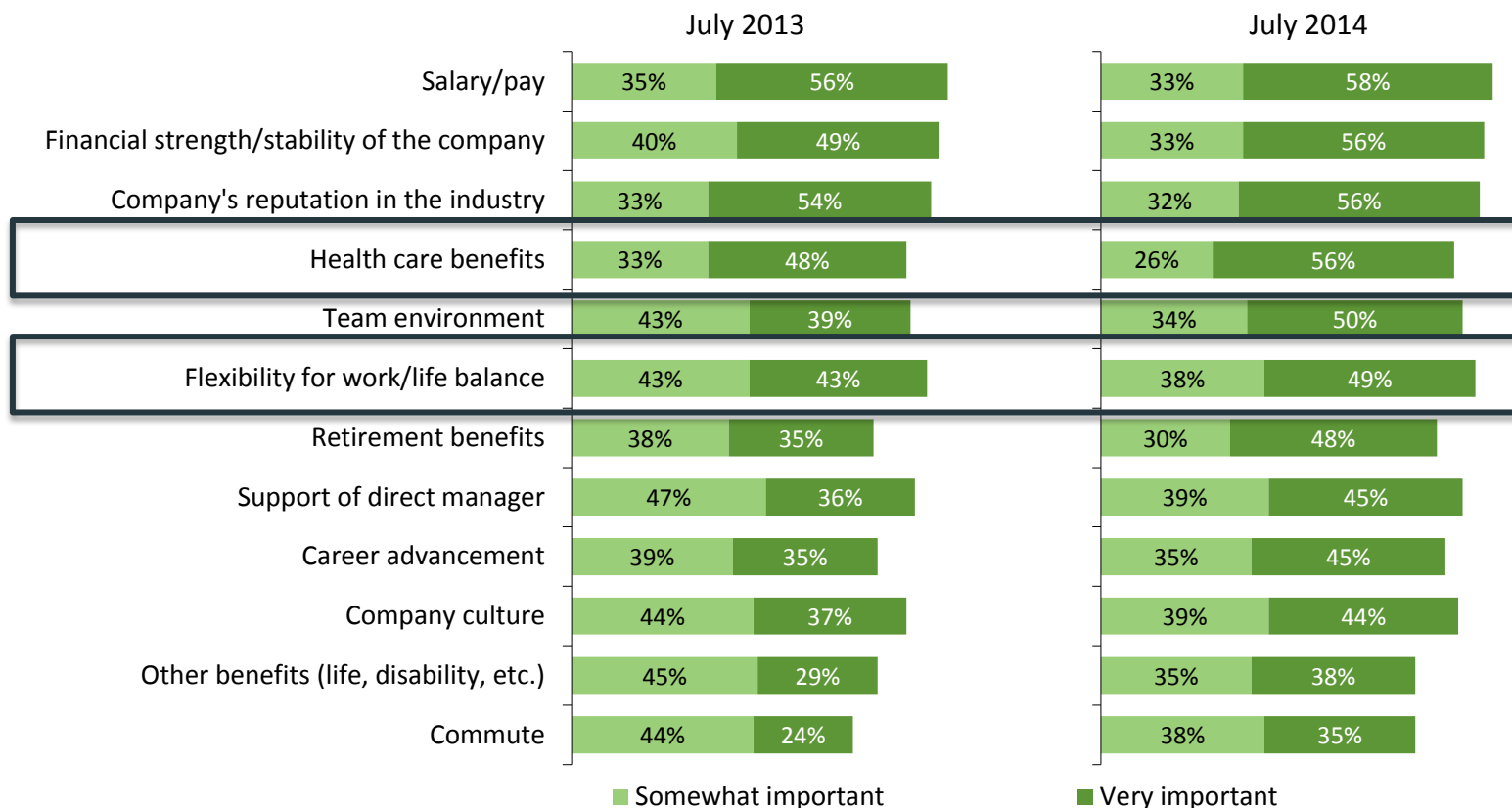
BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)  
Q832. How much do you agree or disagree with the following statements?

# Employers see more value in health benefits for attracting and retaining talent compared to 2013, but salary remains most important.

Similarly, employees see salary/pay as the most important factor in job satisfaction, and health benefits and work/life balance are very important among employees as well.†

## Attributes Most Important to Attract/Retain Employees

Top 2 Box: Somewhat/Very Important

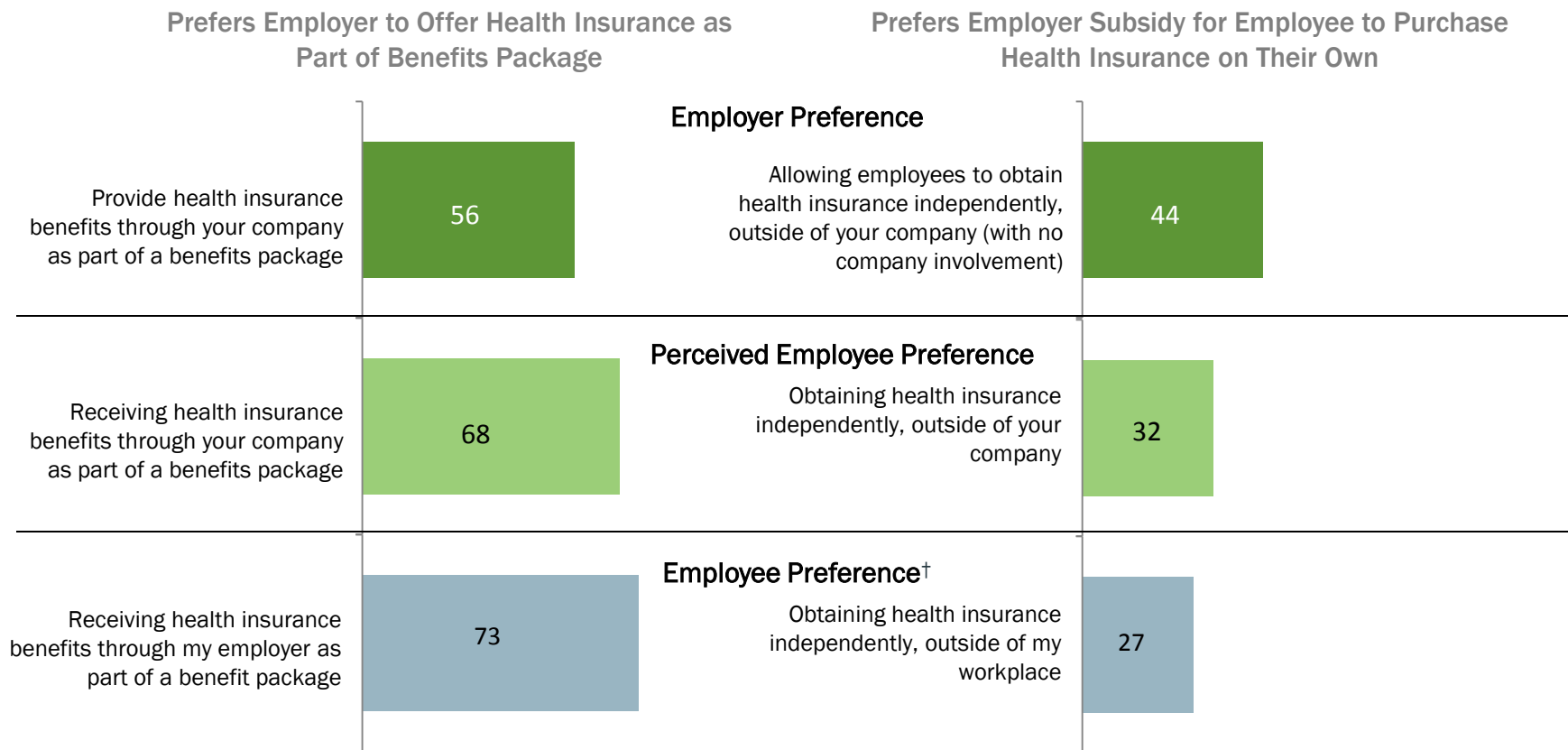


BASE: All Qualified Respondents: Total (July 2013 n=758, July 2014 n=751)

Q716. How important are each of the following attributes in your company's ability to attract and retain employees?

# Employers are expected to provide health insurance as part of a benefits package, as opposed to providing a subsidy to employees.

Both a majority of employees (73 percent) and employers (56 percent) would prefer benefits be offered to employees through their employer, as opposed to a subsidy system in which employees purchase health insurance on their own.



BASE: All Qualified Respondents (July 2014: Total n=751)/General Population Qualified and Full-time/Part-time (n=1380)

Q918/Q1145. Thinking about your employees, which of the following methods of obtaining health insurance do you think your employees would prefer assuming the costs to them were the same? Which of the following methods of obtaining health insurance would you prefer, assuming the cost to you were the same?

BASE: All Qualified Respondents (July 2014: Total n=751)

Q919. Now as a company, how would you prefer your employees obtain health insurance assuming the cost of the company is the same?

# Almost all employers report that their employees are satisfied with their health plan and other health benefits.

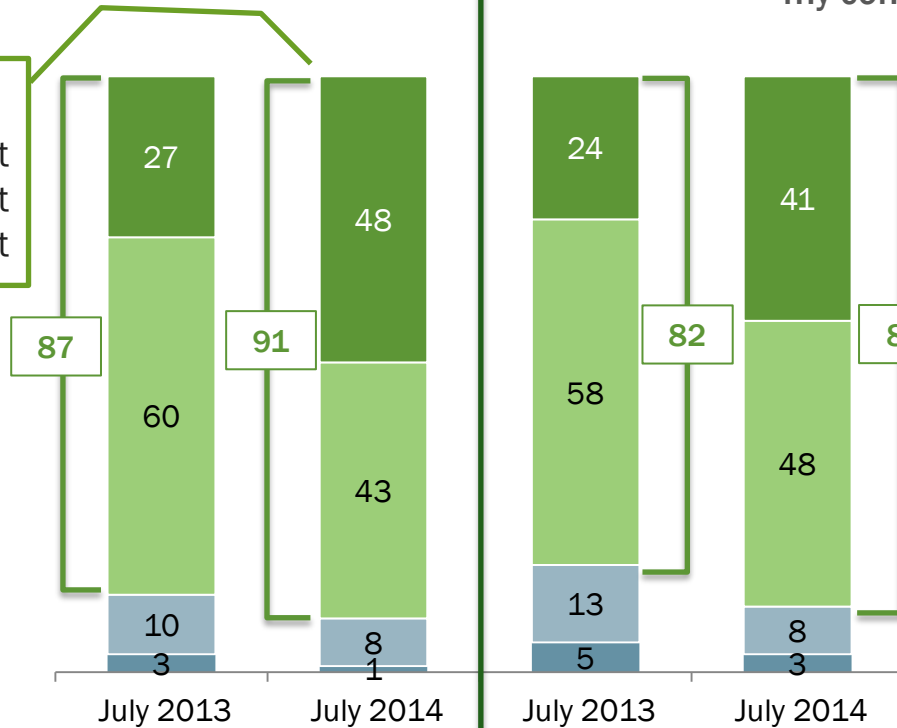
Over three-fourths (78 percent) of employees report that they are satisfied with the health plan and other health benefits available through their employer (76 percent).<sup>†</sup>

My company's employees are satisfied with the health insurance plan my company offers

My company's employees are satisfied with the health benefits other than health insurance that my company offers

Strongly/Somewhat Agree:  
 1-49: 87 percent  
 50-499: 91 percent  
 500+: 93 percent

Strongly/Somewhat Agree:  
 1-49: 82 percent  
 50-499: 89 percent  
 500+: 93 percent

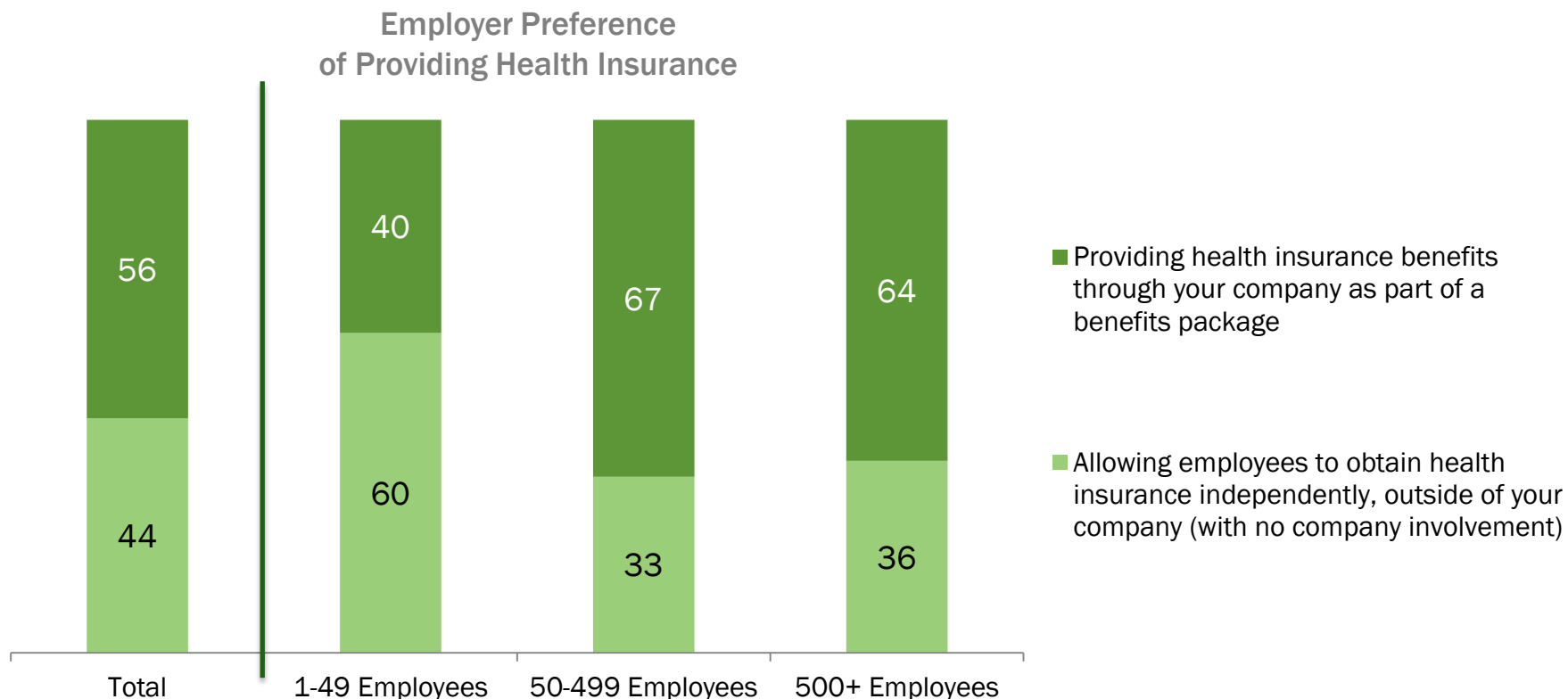


- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

BASE: Company Provides health care Benefits (Total: July 2013 n=640, July 2014 n=626)  
 Q906. How much do you agree or disagree with the following statements?

# Smaller employers are more likely to prefer their employees to obtain health insurance independently than to provide health insurance through their company.

Two-thirds of larger business prefer to provide health insurance benefits through their company as part of a benefits package, whereas the majority of smaller businesses prefer their employees to obtain health insurance independently.



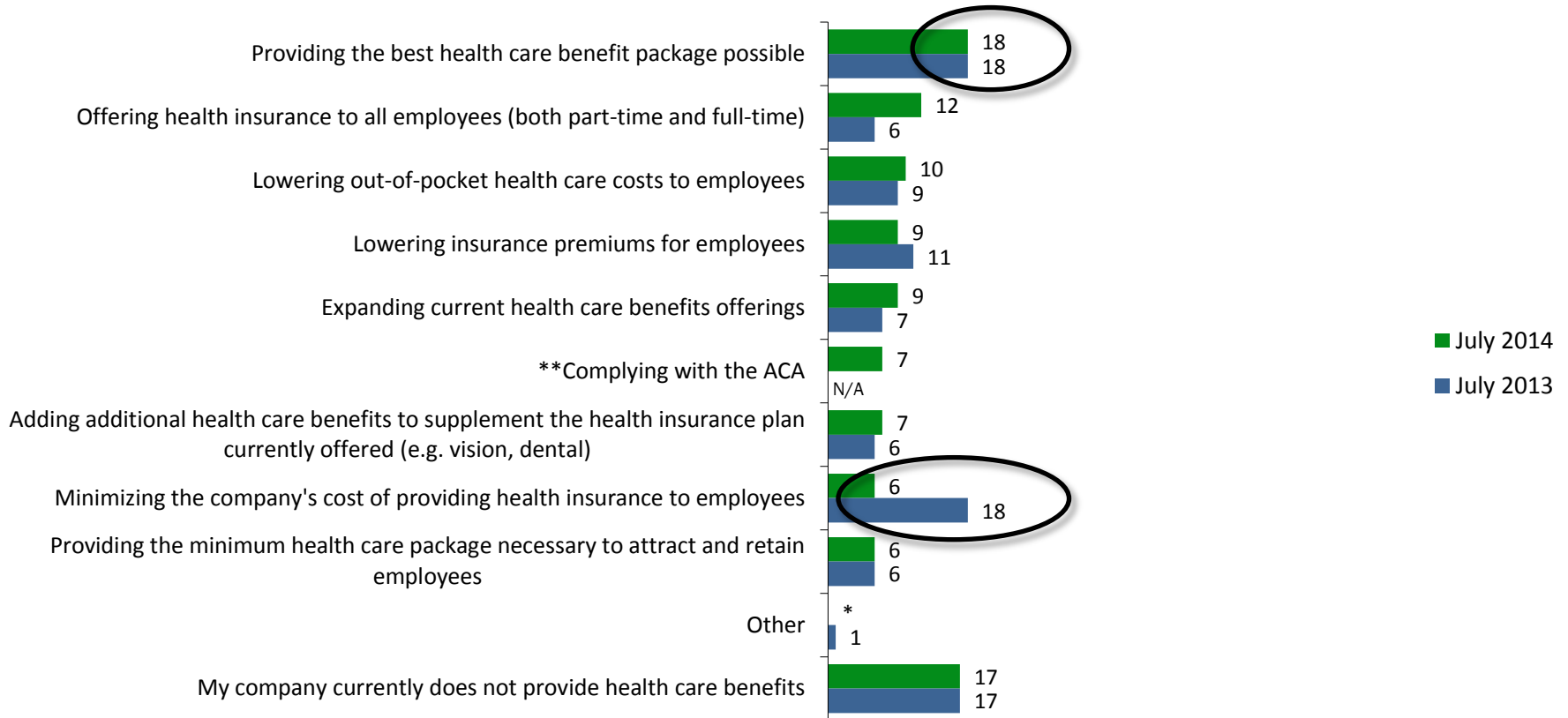
BASE: All Qualified Respondents (July 2014: Total n=751, 1-49 Employees n=301, 50-499 Employees n= 259, 500+ Employees n= 191)  
Q919. Now as a company, how would you prefer your employees obtain health insurance assuming the cost of the company is the same?



# While employers' priorities with health benefits are varied, *providing the best health benefit package possible* remains the most commonly cited priority.

Being able to offer health insurance to all employees – full and part time – has increased as a priority in 2014, up from 6 percent in 2013. By comparison, cost minimization has now dropped 12 percent.

Most Important Health Care Benefit-related Priority



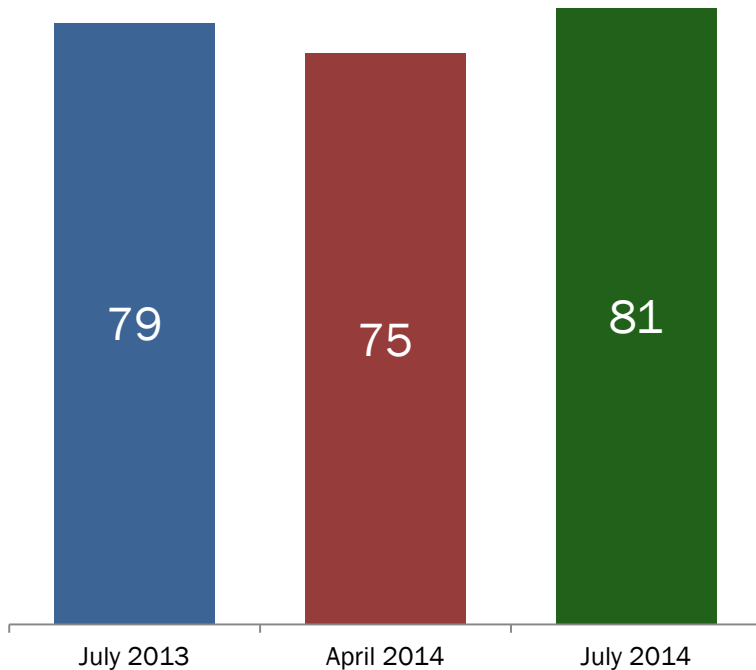
\*\*= New in 2014

BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)  
 Q825. Which one of the following is your company's most important health care benefit-related priority right now?

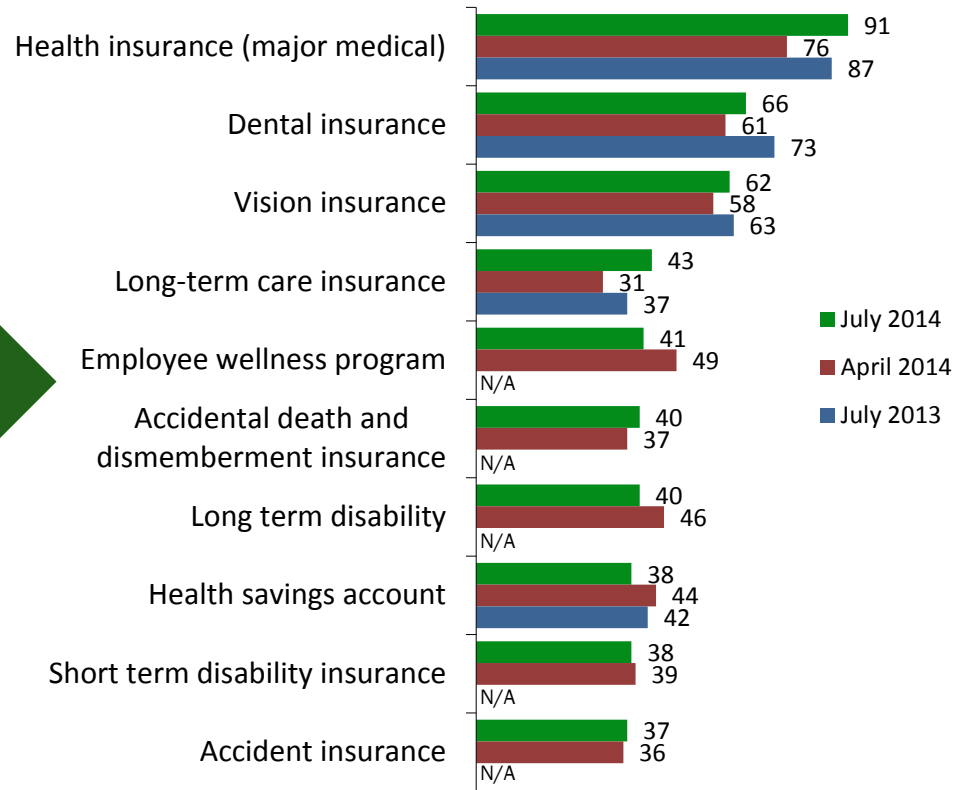
# Companies continue to offer an array of benefits to their employees.

Among those offering health benefits, nearly all offer health insurance, while a majority offer dental and vision.

Offers Benefits to F/T and P/T Employees (NET)



Benefits Offered (Among Employers Offering Benefits)



Only Top Ten Benefits Shown

BASE: All Qualified Respondents: (Total: July 2013 n=758, April 2014 n=303, July 2014 n=751)

Q800. Does your company provide health care benefits to any of your employees?

BASE: Company Provides health care Benefits (Total: July 2014 n=626, April 2014 n=222, July 2013 n=640)

Q810. Which of the following health care benefits does your company offer to employees?

# Only half of small companies (fewer than 50 employees) offer health benefits.

98 percent of larger companies with 50 or more employees offer health benefits, while only about half of companies with fewer than 50 employees offer health care benefits to their employees.

## Provide Health Benefits to Employees by Company Size

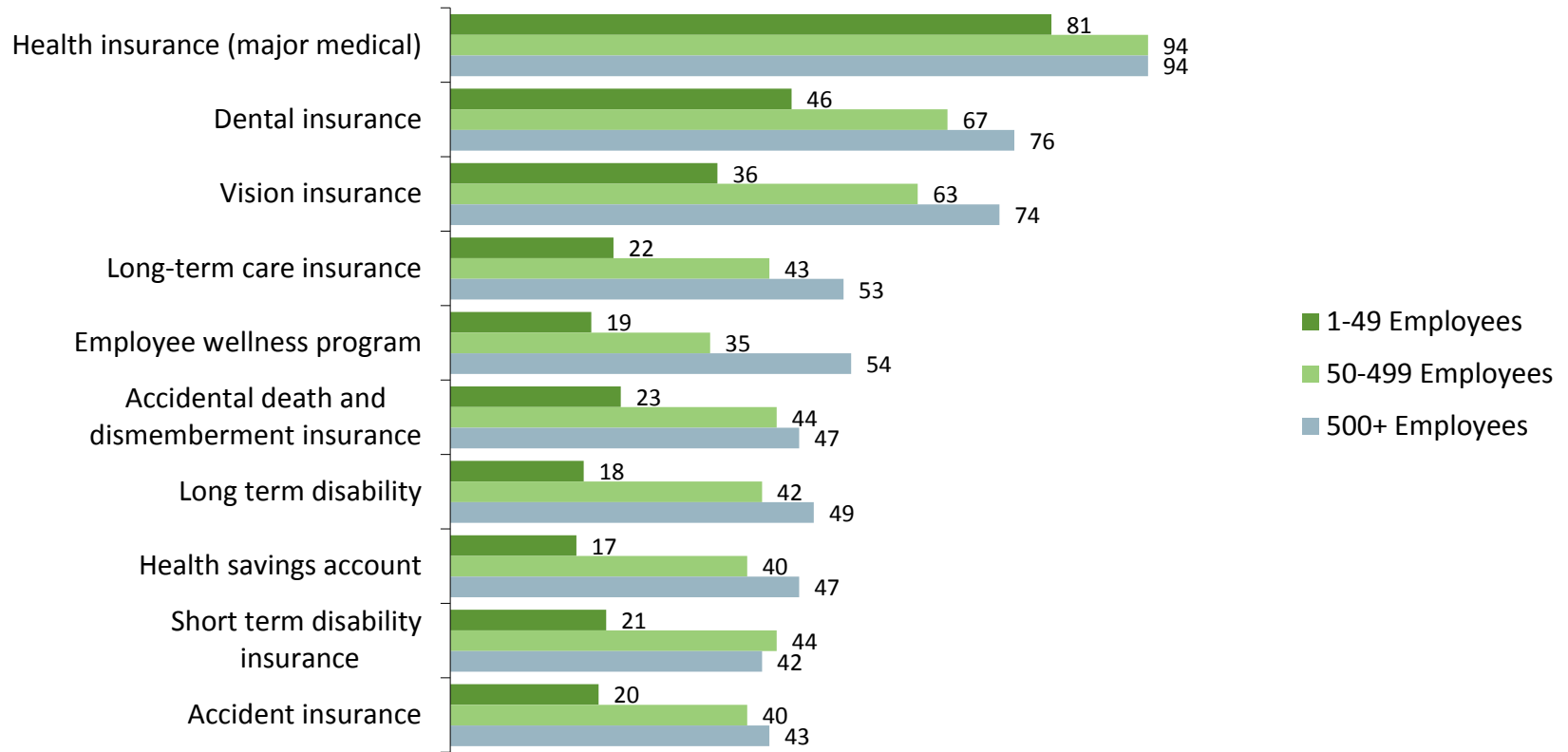
	1-49 Employees	50-499 Employees	500+ Employees
Offers benefits (Net)	51	98	99
<i>Offers to full-time</i>	50	98	99
<i>Offers to part-time</i>	6	20	28
Does not offer benefits	49	2	1

BASE: All Qualified Respondents (July 2014:1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)  
Q800. Does your company provide health care benefits to any of your employees?

# Companies with 50 or more employees are more likely to offer a variety of health benefits to employees.

All companies, regardless of employee size, are likely to offer health insurance while less than half of companies with fewer than 50 employees report that they offer dental and vision insurance.

**Benefits Offered (Among Employers Offering Benefits)**



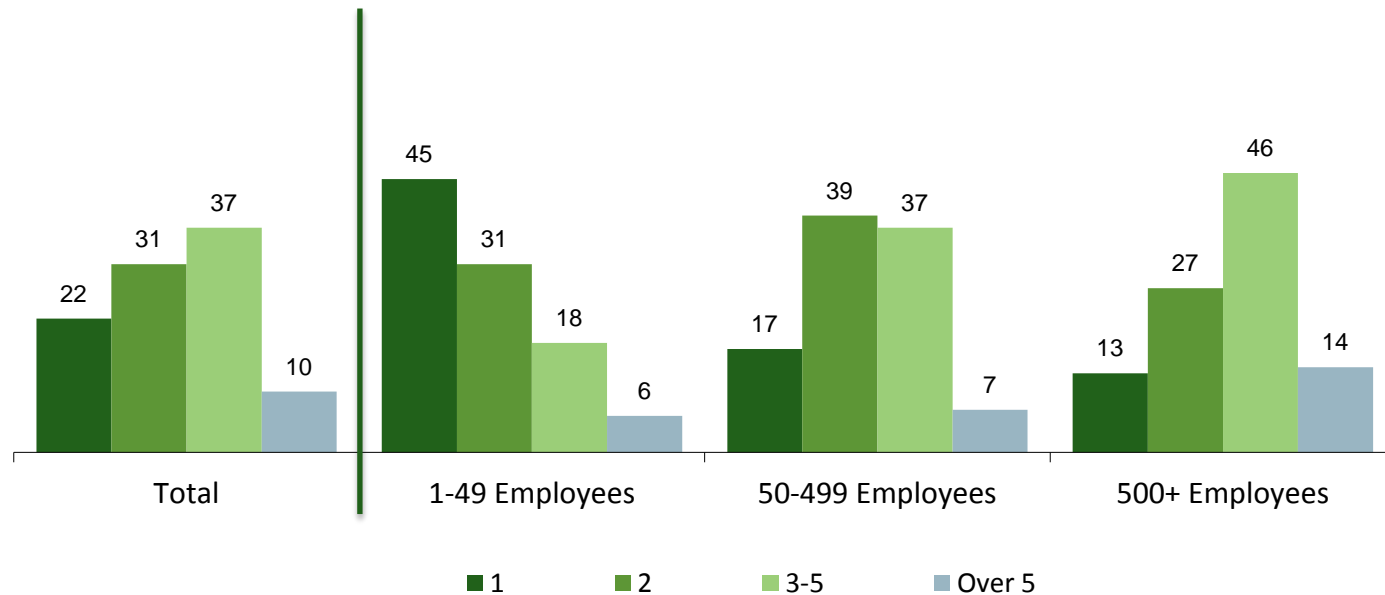
Only Top Ten Benefits Shown

BASE: Company Provides Health Care Benefits (July 2014: 1-49 Employees n=183, 50-499 Employees n=254, 500+ Employees n=189)  
 Q810. Which of the following health care benefits does your company offer to employees?

# Among companies offering health insurance, larger companies tend to offer more health plans in their health coverage options.

Businesses with fewer than 50 employees are more likely to offer only one or two types of health plans to choose from, while companies with 50-499 employees are more likely to offer two or more.

Number of Health Plans Offered  
(Among Employers Offering Benefits)



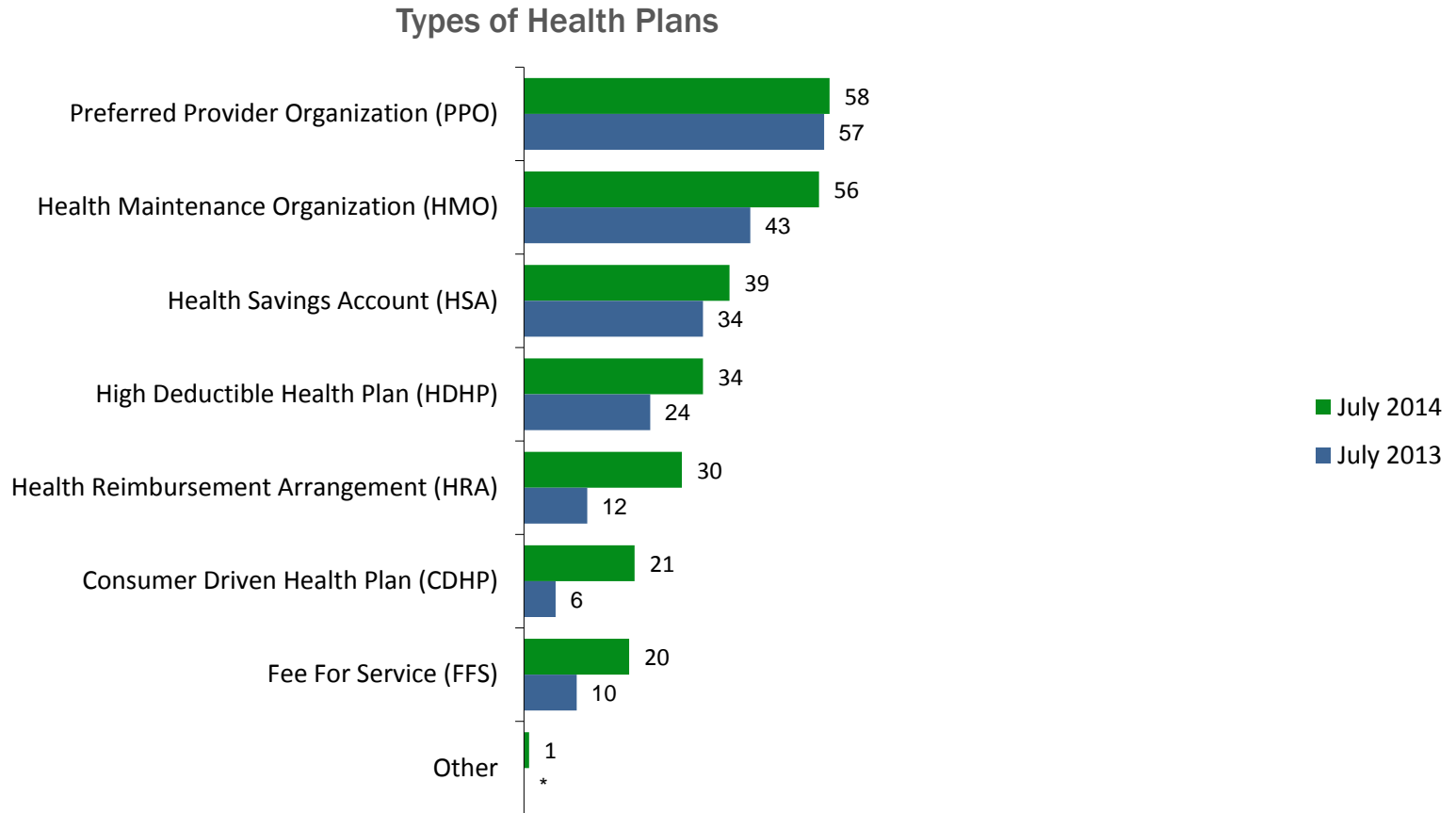
New in July 2014

BASE: Company Provides Health Care (Total: July 2014 n=626; 1-49 Employees n=183, 50-499 Employees n=254, 500+ Employees n=189)

Q815. How many types of health care plans are included in your health insurance coverage options?

# PPO's and HMO's continue to be the most popular types of health plans offered by employers.

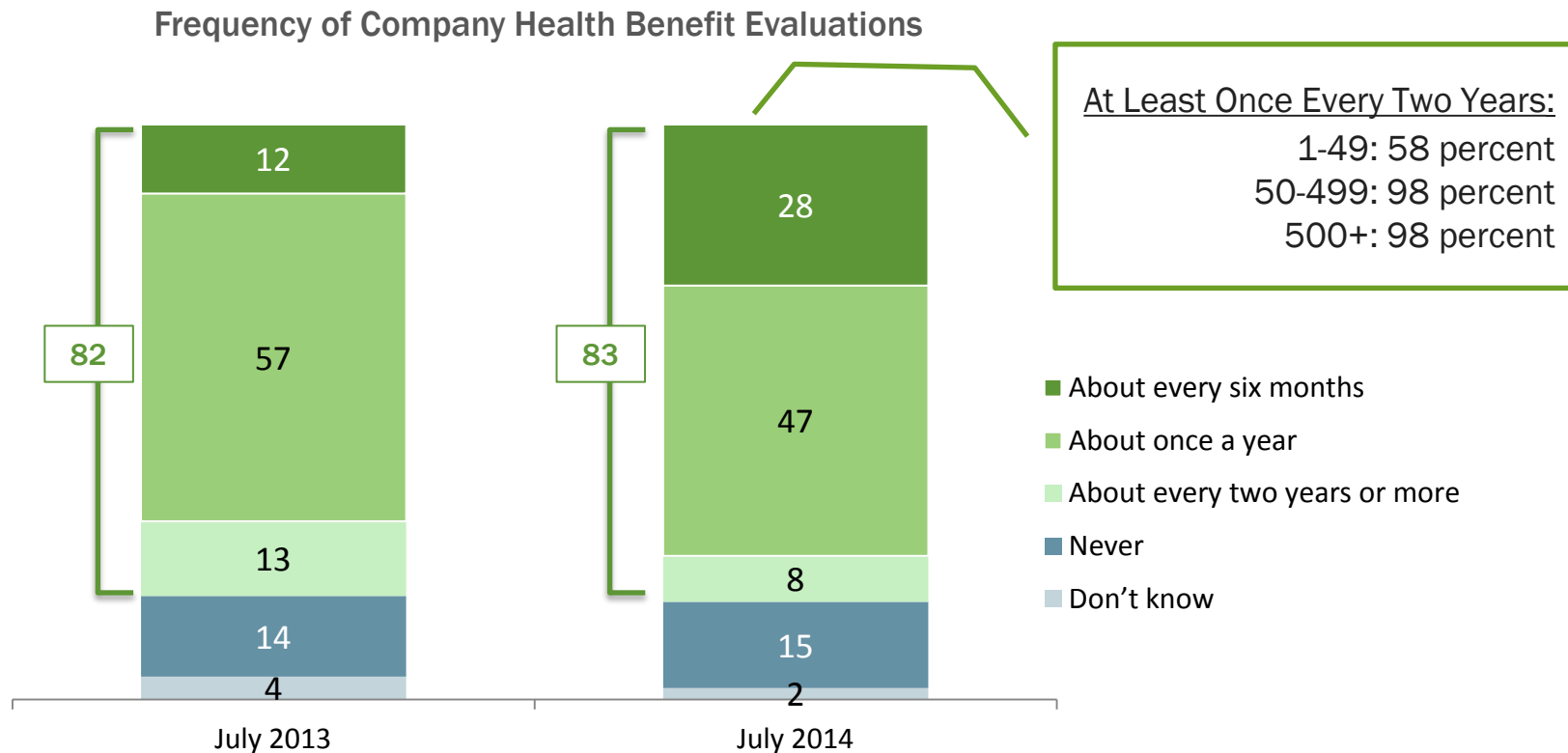
Although over half of employers offer PPO's and HMO's, HRA's and CDHP's are gaining in popularity.



BASE: Company Provides Health Care (Total: July 2014 n=626, July 2013 n=640)  
Q820. Which types of health plans are included in your health insurance coverage?

# Companies are evaluating their health benefit offerings more frequently.

More than a quarter of all businesses say they review their health benefit offerings every six months – up considerably compared to a year ago.

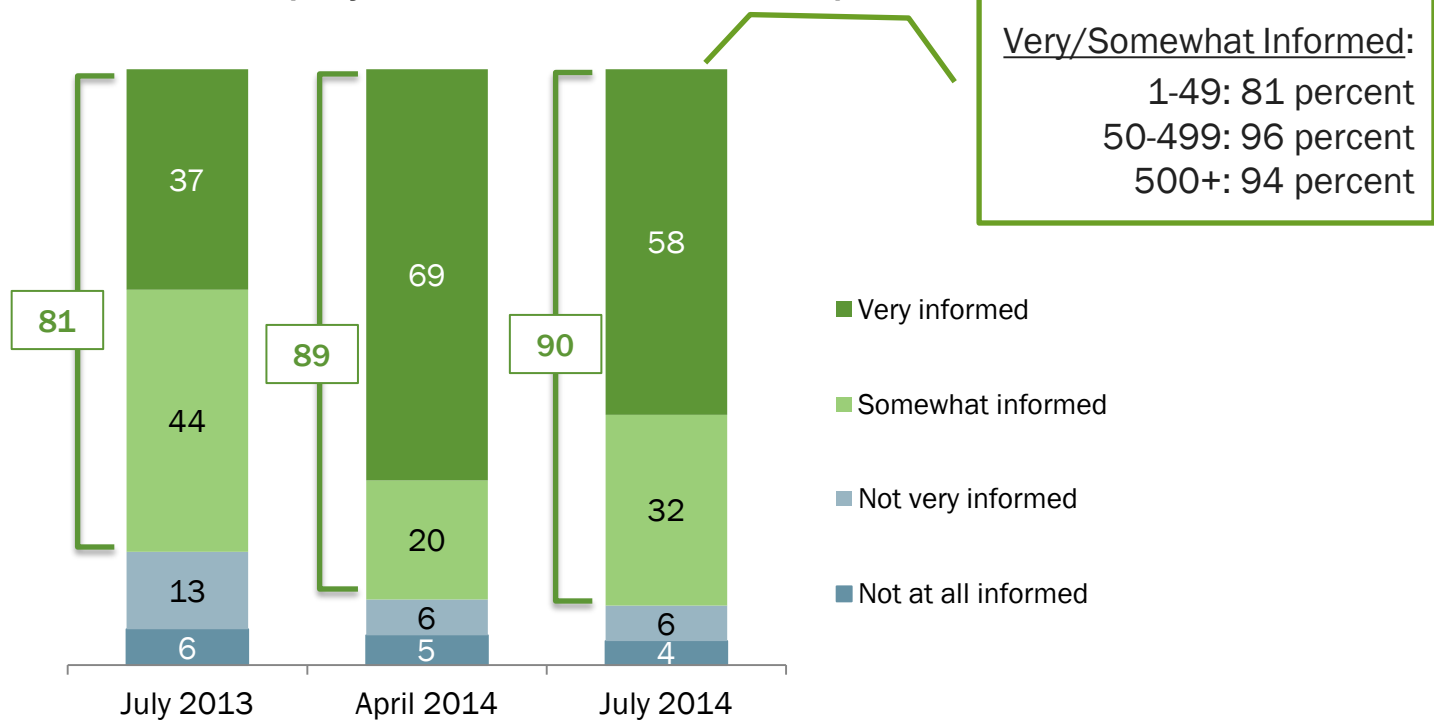


BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)  
 Q1000. How frequently does your company evaluate the health care benefits offered to employees?

# Employers continue to feel well informed about their company's current health insurance options.

Employers who feel at least somewhat informed has directionally increased since July 2013.

Informed About Company's Current Health Insurance Options



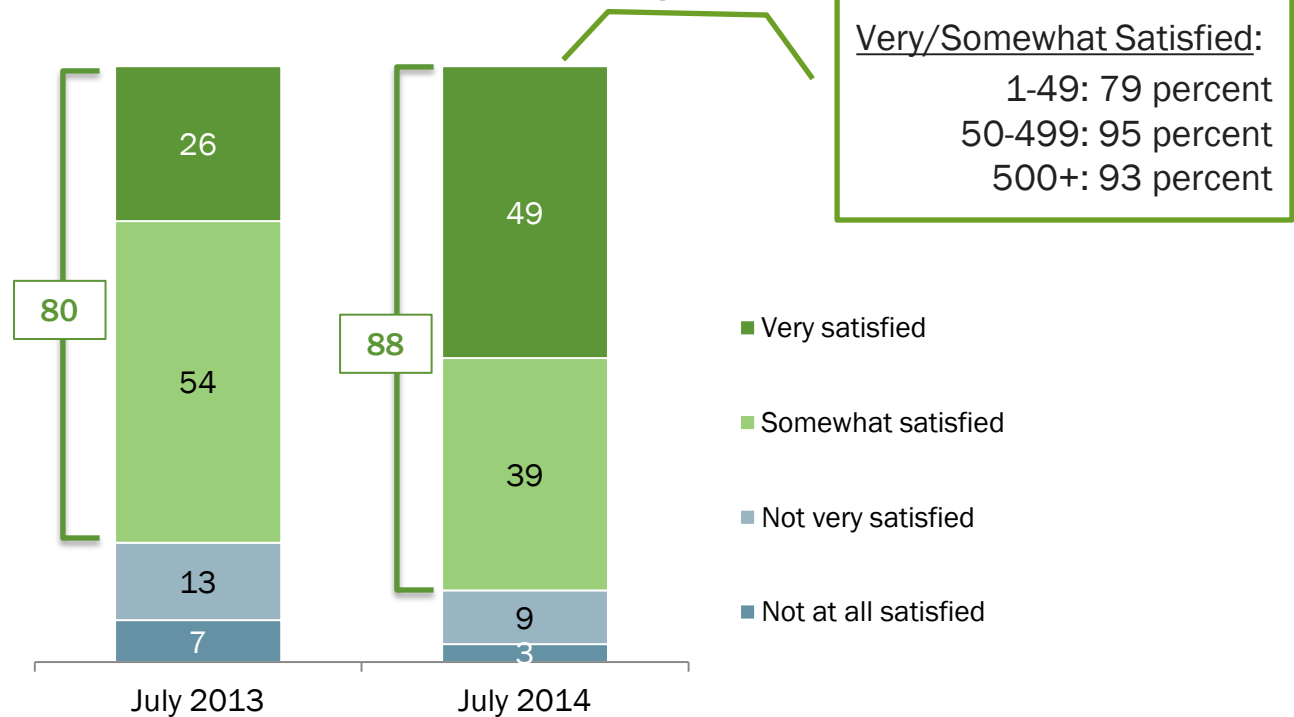
BASE: All Qualified Respondents (Total: July 2013 n=758, April 2014 n=303, July 2014 n=751)  
 Q1005. Regardless of whether you offer insurance, how informed do you feel about your company's current options for health insurance (i.e., major medical health insurance)?



# Company satisfaction with current health insurance options has improved since 2013.

Among employers, satisfaction with their current health insurance options has risen since 2013—almost half are “very satisfied” with their company’s current health insurance options compared to a quarter in 2013.

## Satisfaction with Current Health Insurance Options



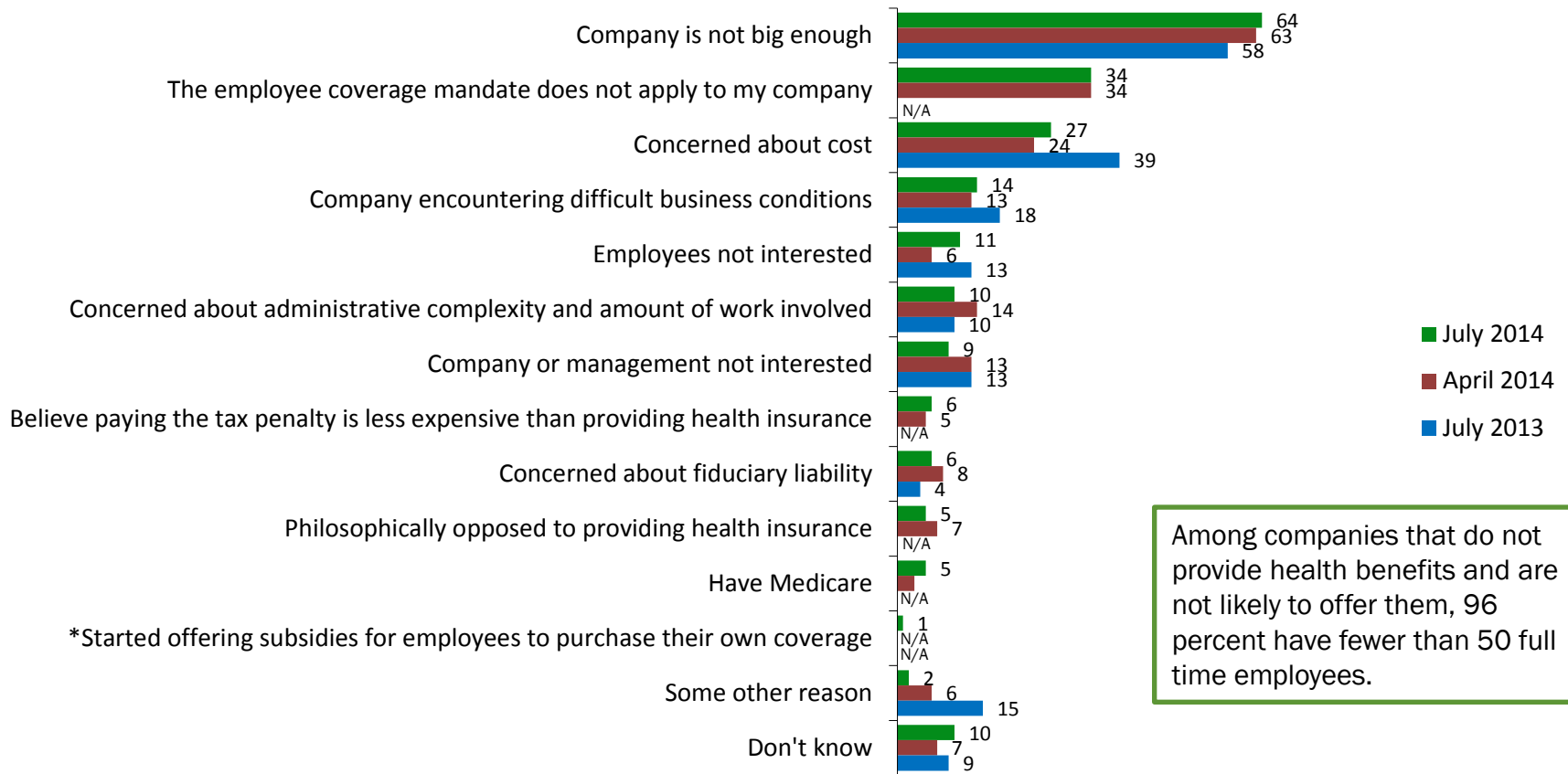
BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)

Q1007. Regardless of whether your company offers health insurance, how satisfied is your company with its current health insurance options?

# Among companies not offering health insurance, overall company size remains the top reason why employers are not likely to offer health insurance to its employees in the next 1-2 years.

Concern about cost is less commonly cited as a reason for not offering health insurance than it was in July 2013.

## Not Likely to Offer a Health Insurance Plan in the Next 1-2 Years Because:



Among companies that do not provide health benefits and are not likely to offer them, 96 percent have fewer than 50 full time employees.

BASE: Company Doesnt Provide Health Care Benefits and Not Likely to Offer and Does Not Offer Coverage or Health Insurance as a Result of the ACA

(Total: July 2014 n=113, April 2014 n=75, July 2013 n=94)

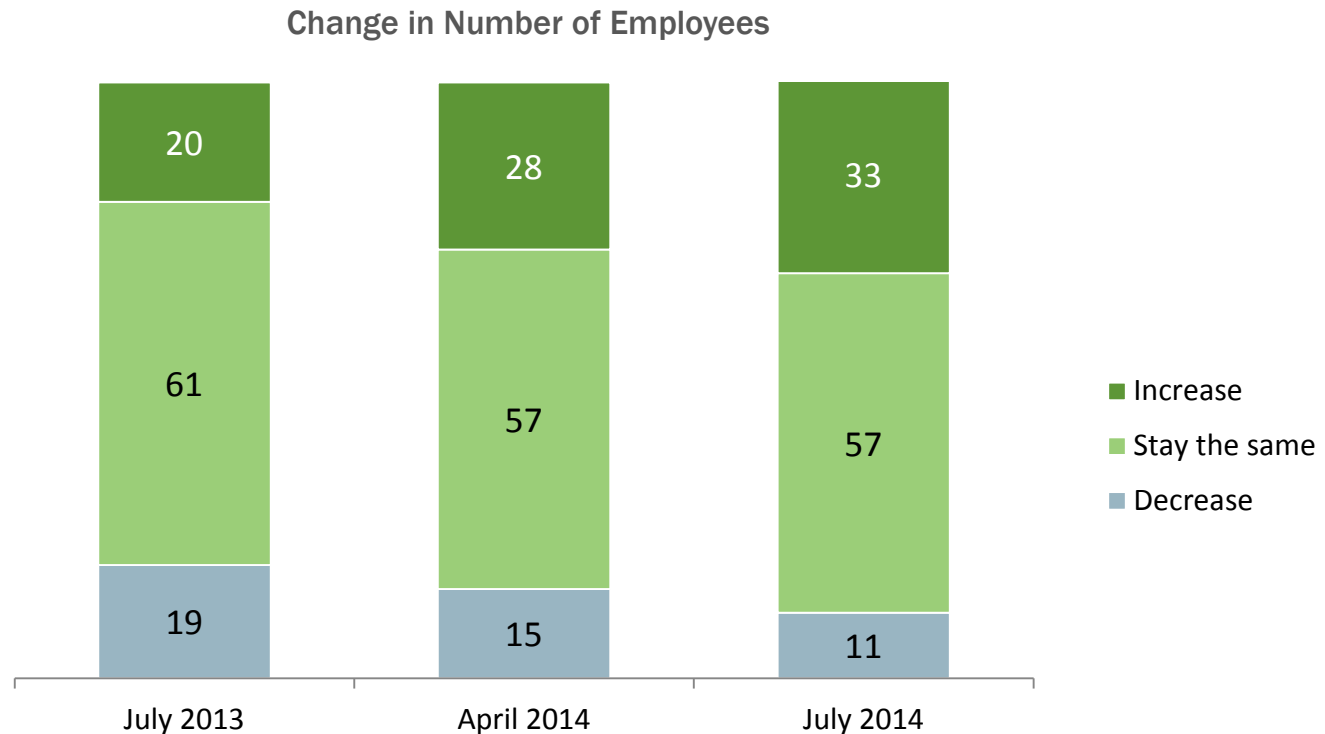
Q1030. What are the reasons that your company is not likely to offer a health insurance plan?

\*=New in 2014

# Detailed Findings: Impact of the ACA

# Employers are increasingly likely to believe that their employee headcount will increase while accounting for the ACA.

Although more than half still feel that the ACA will have no impact on their headcount, employers are more likely to believe that their headcount will increase than they were a year ago.



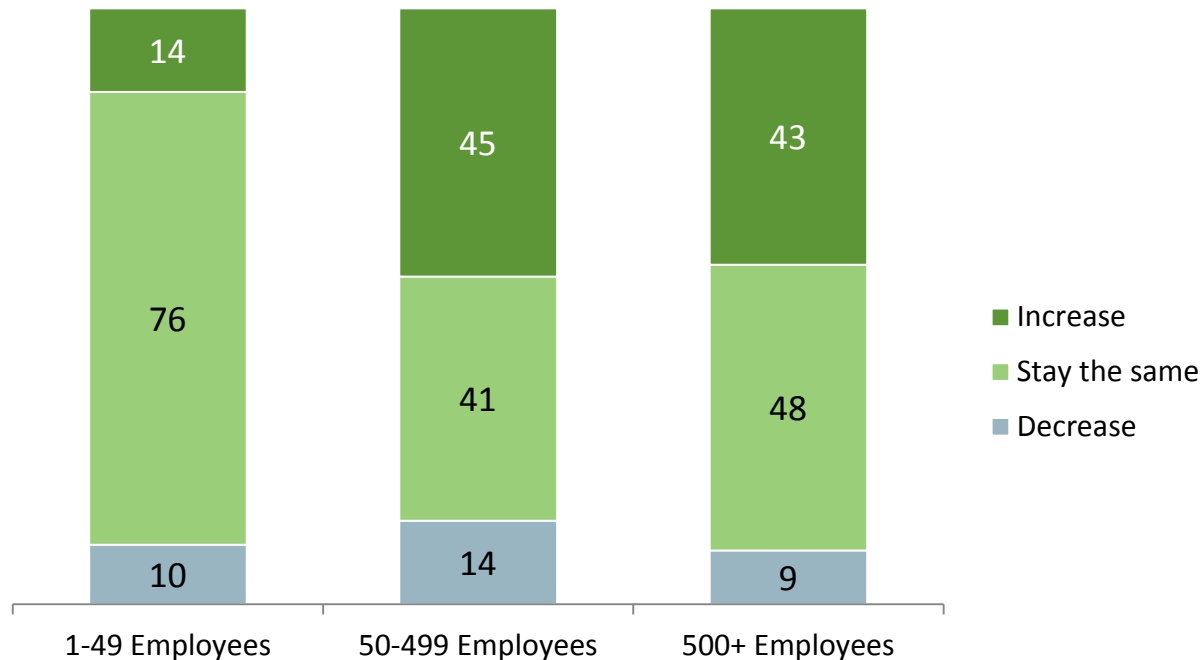
BASE: All Qualified Respondents (Total: July 2013 n=758, April 2014 n=303, July 2014 n=751)

Q1332. Over the next 2 years, do you anticipate your company will increase, decrease, or have no changes in its number of employees as a result of the ACA?

# While larger businesses (50 or more employees) are split on their headcount projections, only a few businesses believe they will see a reduction in staff while accounting for the ACA.

Three-quarters of companies with fewer than 50 employees do not anticipate any changes in their headcount while accounting for the ACA.

Changes in Number of Employees by Company Size (Accounting for the ACA)

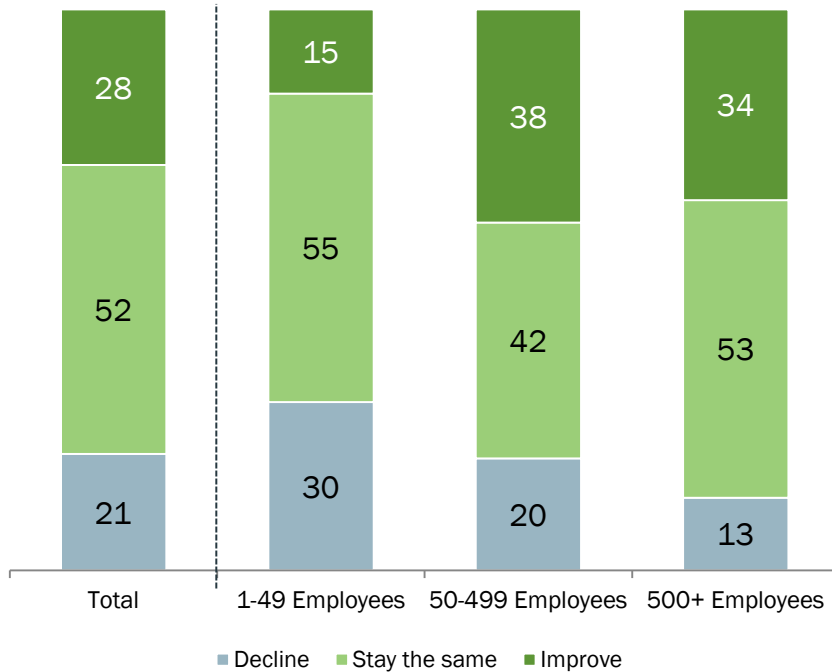


BASE: All Qualified Respondents (July 2014: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)  
Q1332. Over the next 2 years, do you anticipate your company will increase, decrease, or have no changes in its number of employees as a result of the ACA?

# The majority of businesses feel that the ACA will have no impact on the quality of health insurance they are able to offer their employees.

Employers of all company sizes are divided on whether or not the ACA will result in more costs to the company.

### Quality of Health Insurance by Company Size



### Cost to the Company to Provide Health Insurance to Employees



New in July 2014

BASE: All Qualified Respondents (Total n= 751, 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)

Q1323. Given what you know about the ACA, do you think the quality of health insurance you are able to offer employees will improve, decline, or stay the same?

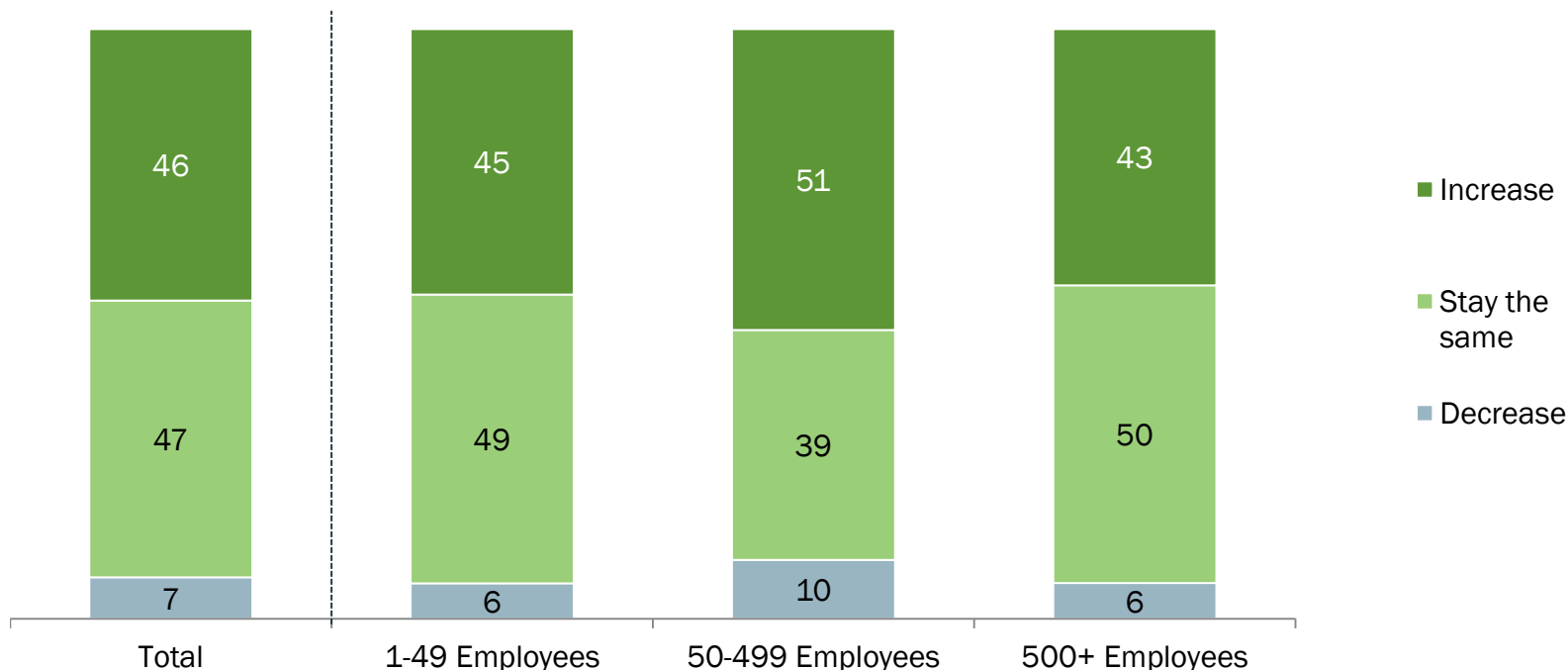
BASE: All Qualified Respondents (July 2014: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)

Q1320. Given what you know about the ACA, do you expect that costs for each of the following will increase, decrease, or stay the same?

# Employers of all company sizes are divided on whether the ACA will result in more costs their employees.

Companies with 50-499 employees are slightly more concerned than companies of other sizes that the ACA will result in an increase in the out-of-pocket costs of health care for their employees.

Out-of-Pocket Costs of Health Care for our Employees



New in July 2014

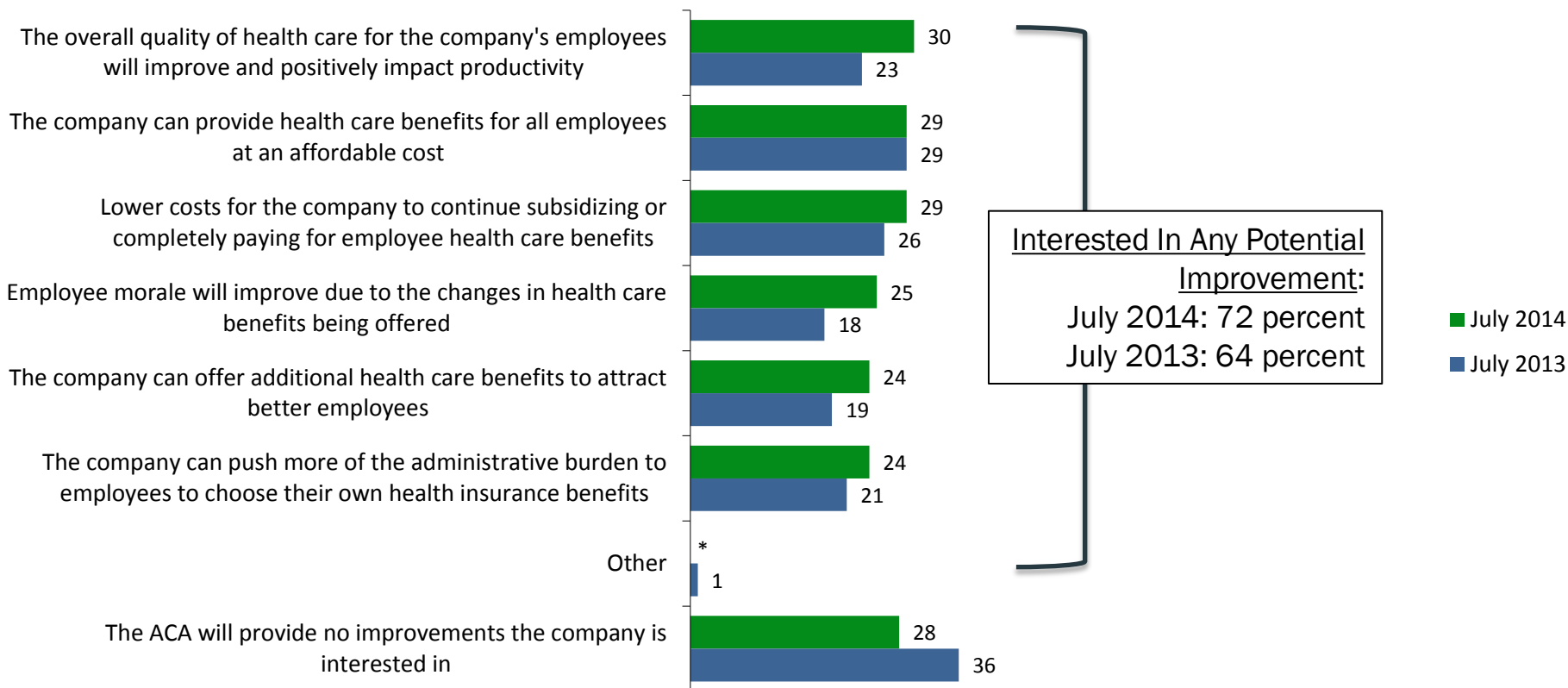
BASE: All Qualified Respondents (July 2014: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)

Q1320. Given what you know about the ACA, do you expect that costs for each of the following will increase, decrease, or stay the same?

# Of the potential positive ACA impacts, employers are most interested in improved overall quality of health care for their employees.

Employers are more optimistic that the ACA will provide improvements to their company's interests—in 2013, more than one-third felt that the ACA would provide no improvements. This view dropped 8 percentage points in 2014.

Most Interested in the Following Potential ACA Improvements



BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)

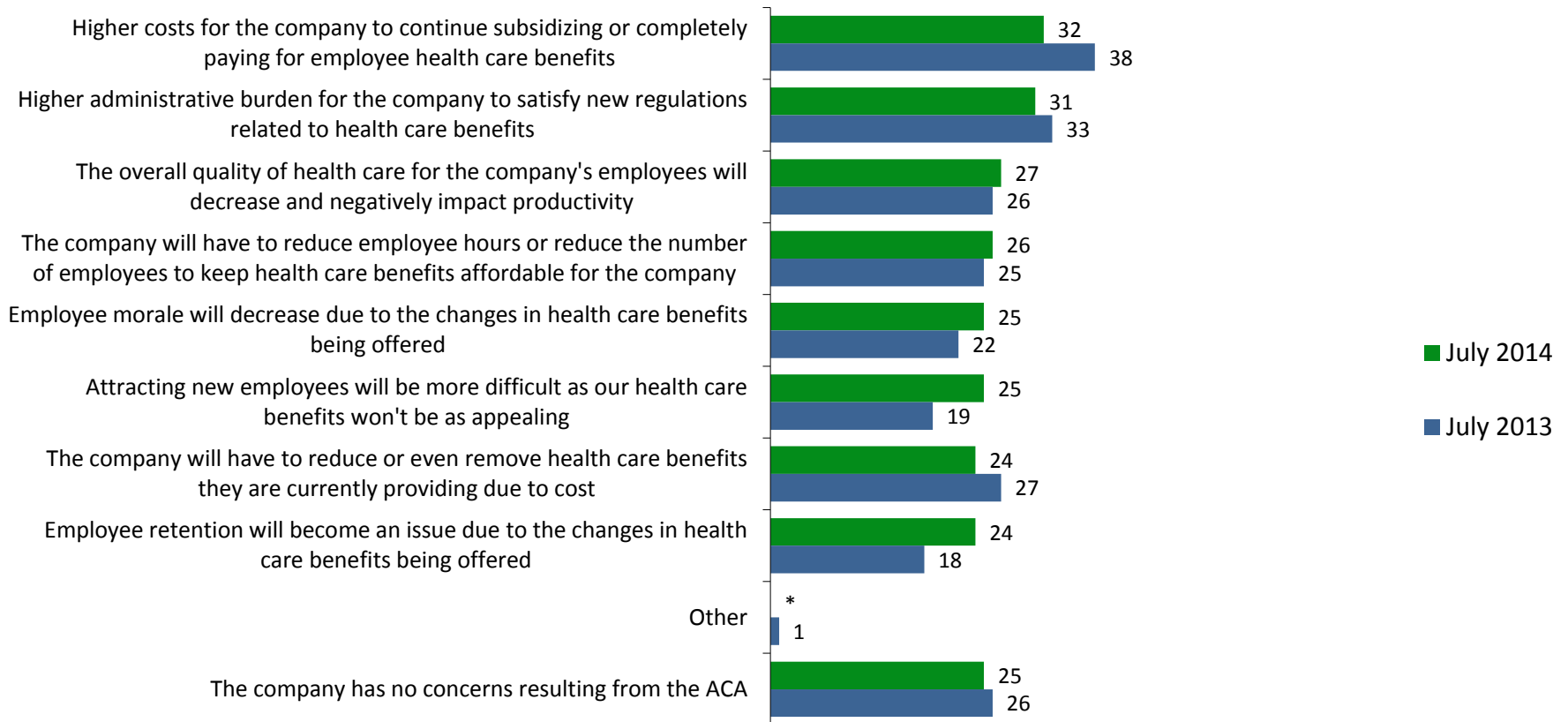
Q1315. Below is a list of hypothetical improvements resulting from the ACA. Please select the improvements that your company is most interested in. Please select all that apply.



# Employers still have concerns about the ACA.

Although reduced since the benchmark study, higher costs for the company to continue subsidizing or completely paying for employee health benefits remains the biggest concern about the ACA, followed by a higher administrative burden due to new health benefit regulations.

Biggest Concern About the ACA



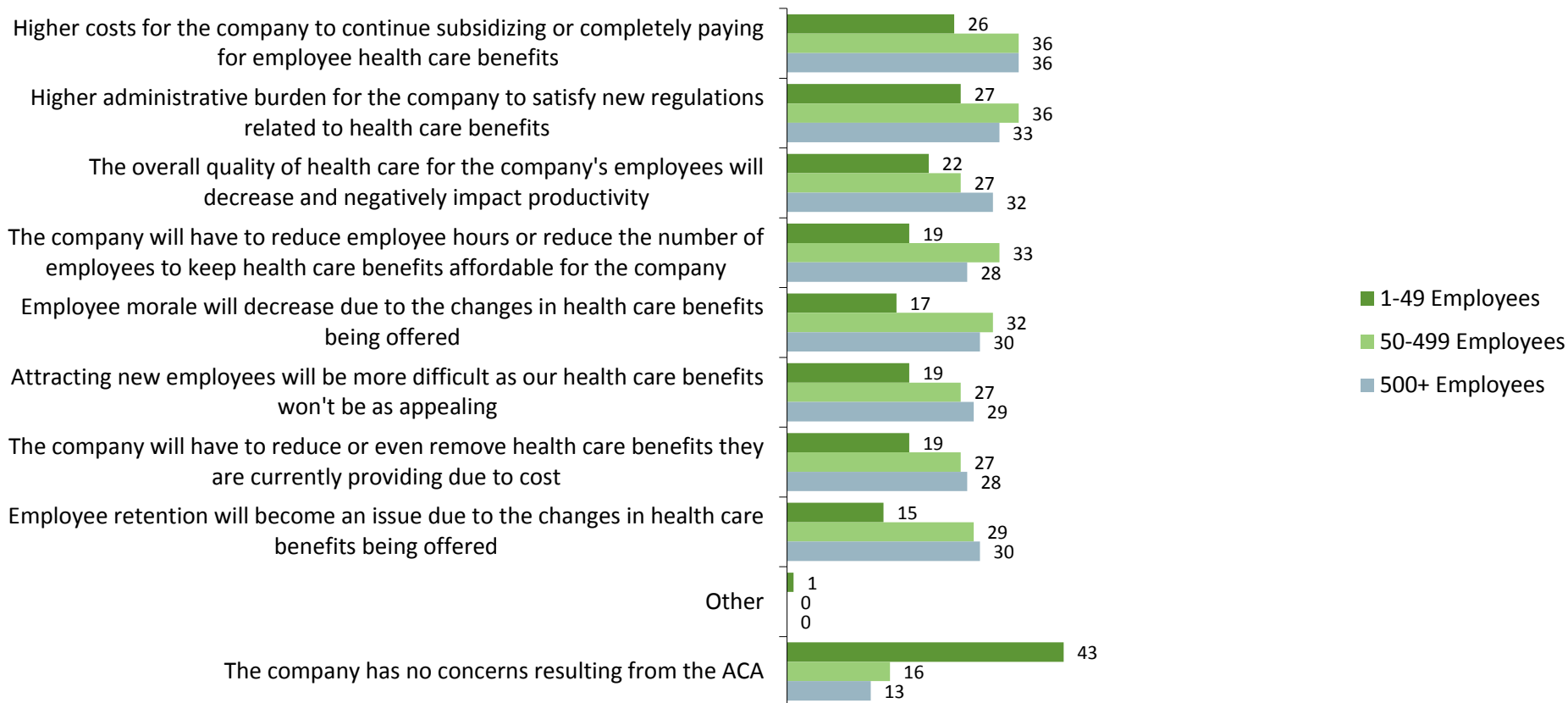
■ July 2014  
■ July 2013

BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)  
Q1310. Please indicate your company's biggest concerns about the ACA. Please select all that apply.

# Among larger companies, higher costs to continue subsidizing or completely paying for employee health benefits is the biggest concern about the ACA.

Almost half of companies with fewer than 50 employees do not have any concerns about the ACA.

Biggest Concern About the ACA by Company Size

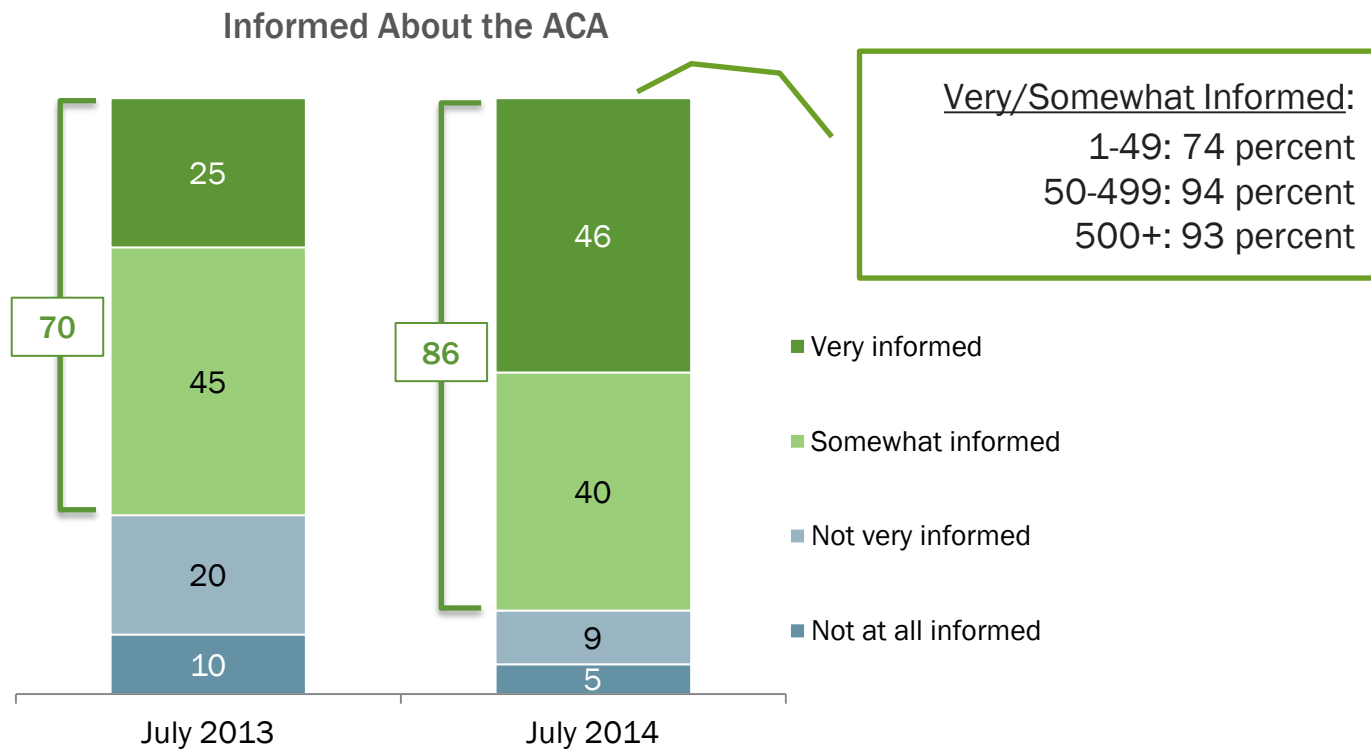


BASE: All Qualified Respondents (July 2014: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191) Q1310. Please indicate your company's biggest concerns about the ACA. Please select all that apply.

# Detailed Findings: Informed About the ACA and Health Care Industry

# Most employers are at least somewhat informed about the ACA.

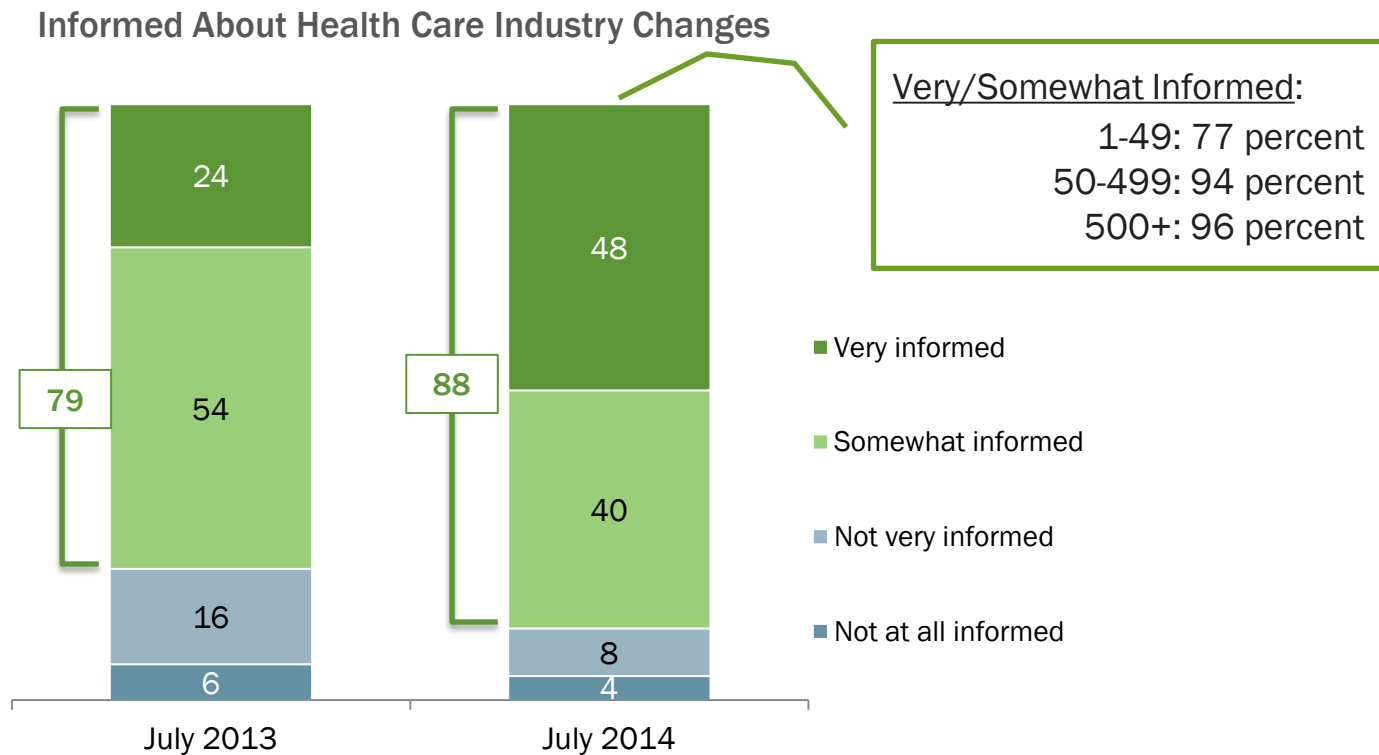
Employers are more likely to be informed about the ACA than in 2013. Nearly half of employers are “very” informed – up from 25 percent a year ago.



BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)  
Q1300. How informed are you about the Patient Protection and Affordable Care Act, also known as health care reform or the ACA?

# Employers are more informed about health care industry changes than they were a year ago.

Compared to July 2013, twice as many employers in 2014 feel they are “very” informed about health care industry changes that impact their company.

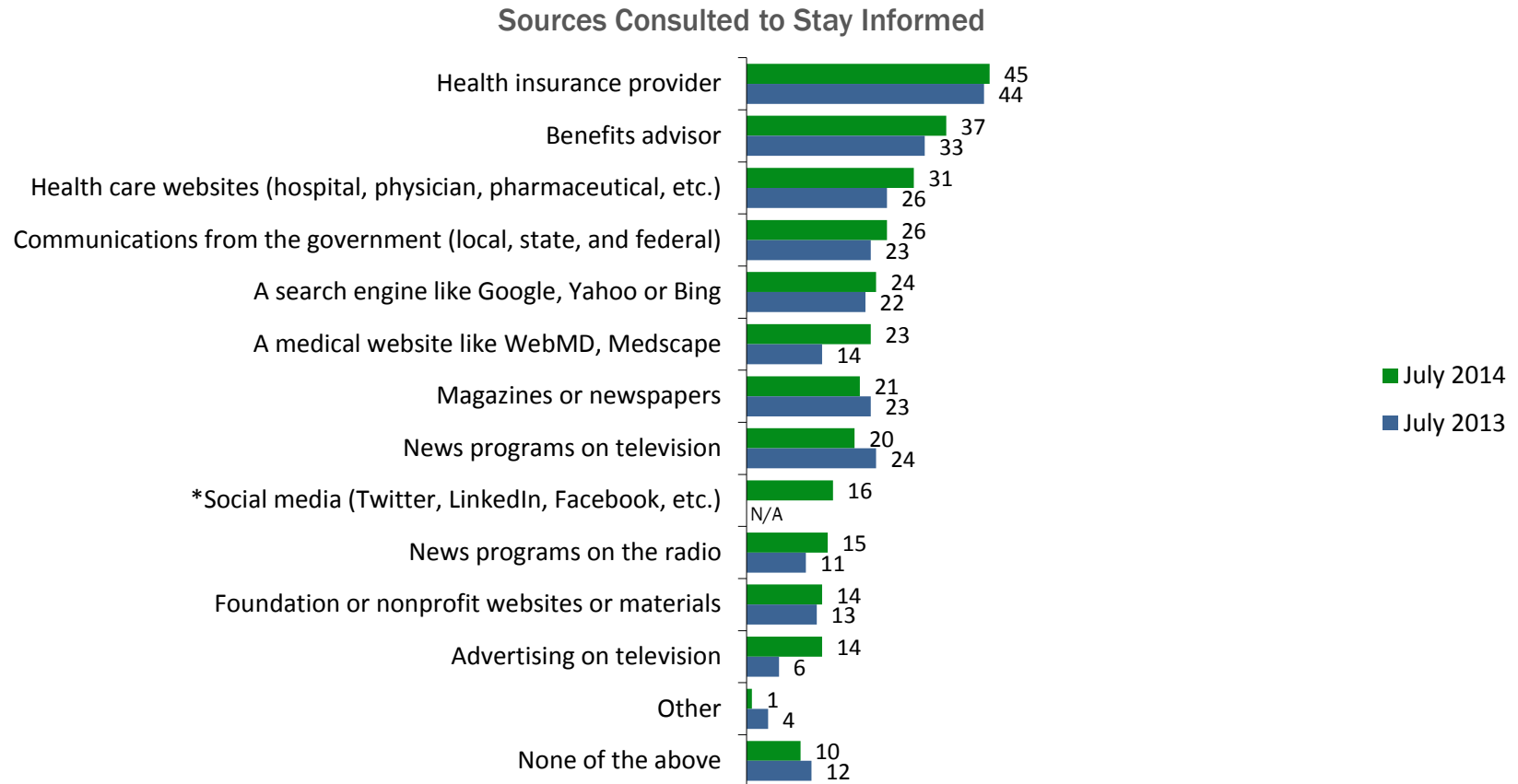


BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)

Q1200. In general, how informed do you consider yourself to be on the health care industry changes that impact your company's health care benefit options, including changes to health insurance?

# Employers continue to rely on health insurance providers as their leading source of information for health care industry news.

While health insurance providers and benefits advisors remain the most used sources to stay informed about health care industry news, employers' use of sources such as newspapers or television has declined slightly since last year.



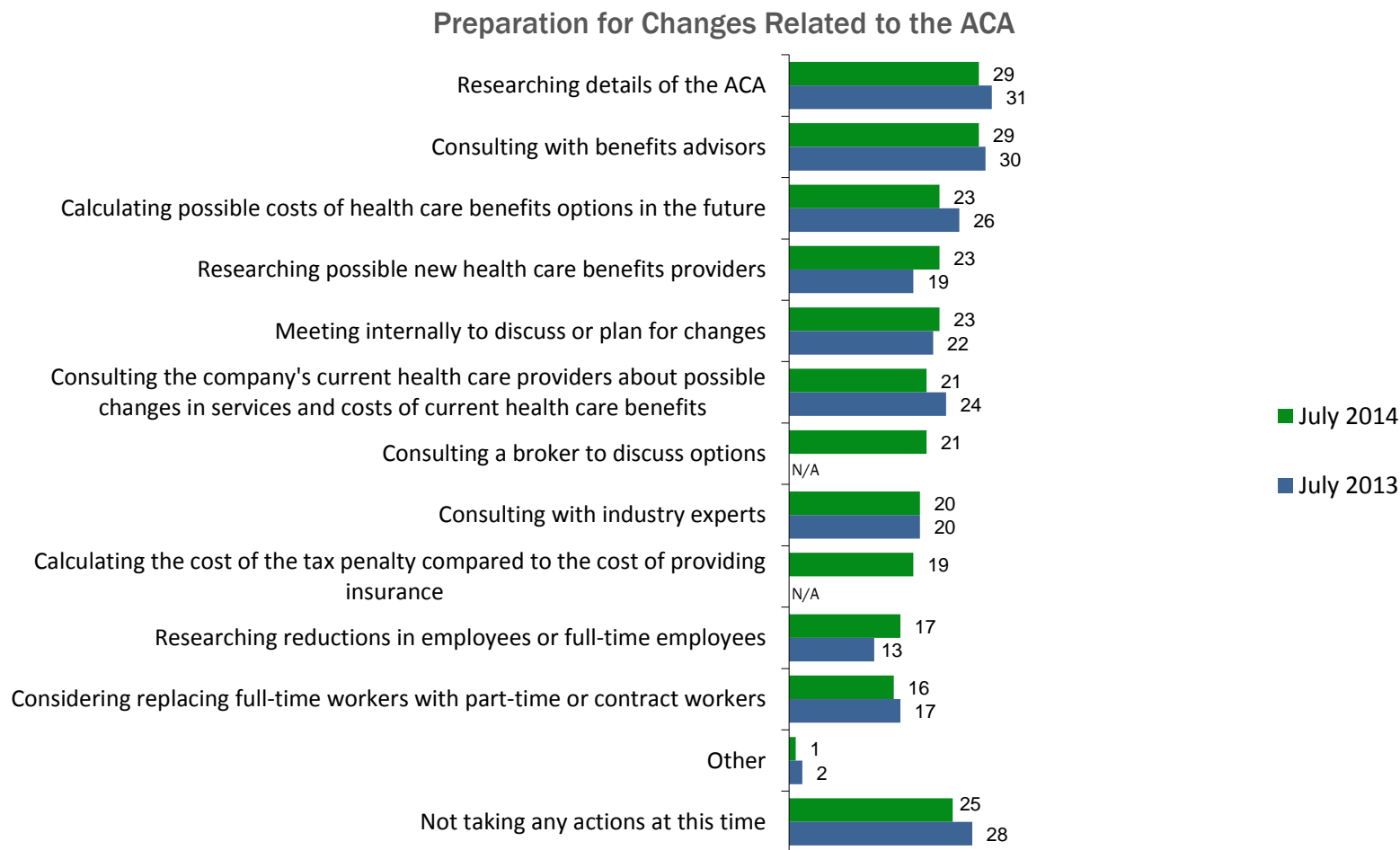
BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)

Q1205. Which of the following sources do you consult to keep informed about health care industry news? Please select all that apply.

\*=New in 2014

# Compared to 2013, employers are slightly less likely to calculate possible future costs of health benefits options and consult their company's current health providers about possible changes.

Employers were more likely to research new health benefits providers and to research reductions in employees.



BASE: All Qualified Respondents (Total: July 2014 n=751, April 2014 n=303, July 2013 n=758)

Q1325. What actions is your company taking in preparation for changes related to the ACA? Please select all that apply.

# Changing plan options or adding health insurance are the top two changes that were made or are expected to be made to employers' health benefit offerings in the next 1–2 years.

	Made Changes by July 2014	Expecting Changes after July 2014
Changed plan options	15	25
Added health insurance	12	19
Offered coverage to employees through the Small Business Health Options Program (SHOP) marketplace	11	21
Tightened requirements for employees to be eligible for health care benefits	10	17
Changed insurers	9	15
Added health care benefits other than health insurance	8	17
Implemented a wellness program	8	13
Loosened requirements for employees to be eligible for health care benefits	8	15
Added or increased company contribution to cover costs for health insurance	7	14
Removed health insurance	6	7
Added or increased company contribution to cover costs for health care benefits other than health insurance benefits	5	9
Added dependent coverage to employee health plans	4	6
Reduced or removed health care benefits other than health insurance	4	6
Reduced or eliminated company contribution to cover costs for health care benefits other than health insurance	4	5
Eliminated dependent coverage on employee health plans	3	4
Reduced or eliminated company contribution to cover costs for health insurance	3	7
Company is now directly paying employee health costs (self-insured employee health coverage)	3	6
Added an independent third party administrator of health plans	1	3
Other	*	*
Has not made any changes	64	30

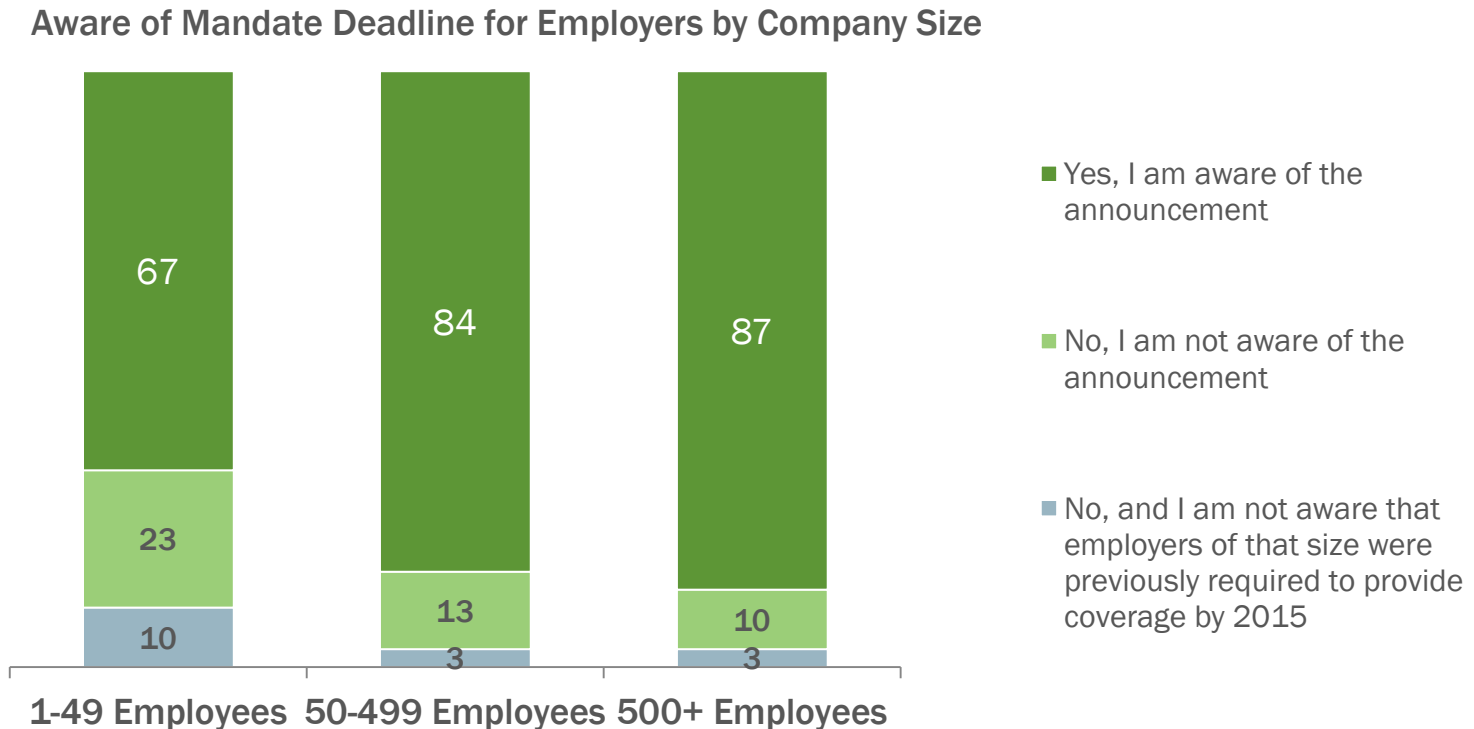
BASE: All Qualified Respondents (n=751)

Q1015/Q1025 What changes were made to the health care benefits your company offers?/What changes, if any, do you expect will be made to your company's health care benefits in the next 1 – 2 years?



# The vast majority of employers with 50 or more employees are aware of the extended health insurance mandate deadline compared to only two-thirds of smaller businesses.

84 percent of companies with 50-499 employees are aware of the extended deadline for employers with 50-99 employees (to 2016).

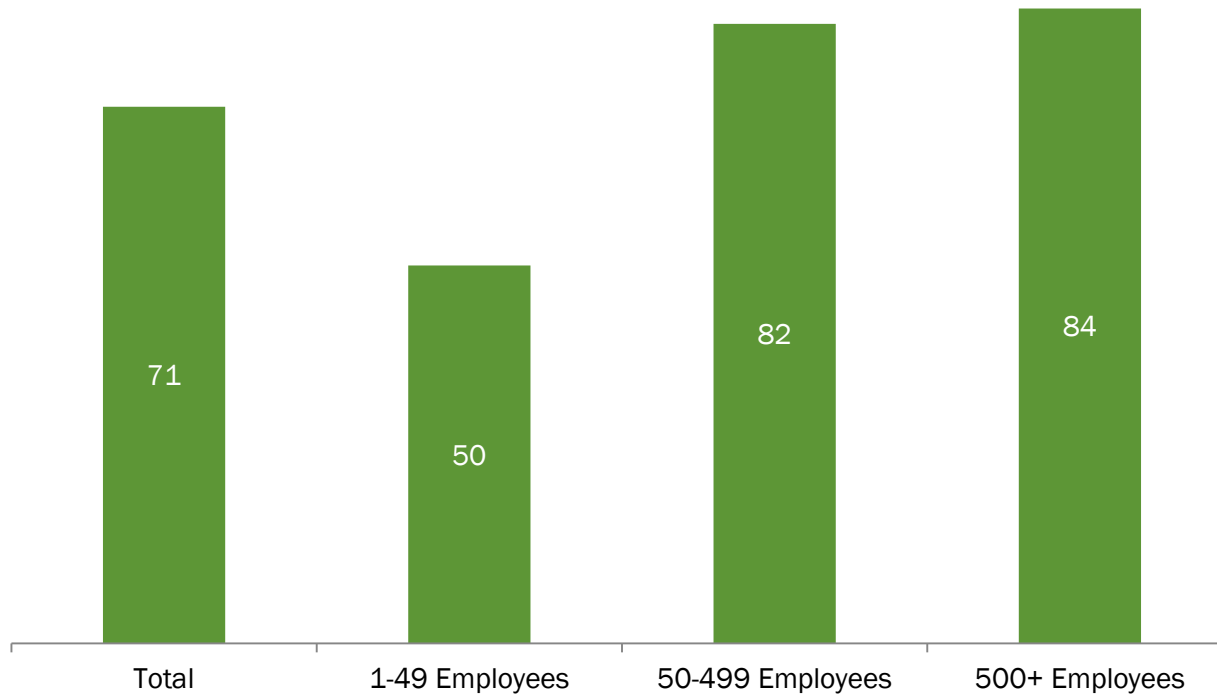


BASE: All Qualified Respondents (Total: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)  
Q1322. As you may know, the ACA insurance mandate for businesses will go into effect in January 2015 and January 2016. Until recently, employers with 50 or more employees would have been required to provide health insurance for all full-time employees as of January 2015. Employers with less than 50 employees are not required to provide health insurance. Were you aware that in February, the federal government extended the mandate deadline for employers with 50 to 99 employees until January 2016? (The ACA still mandates that in January 2015, employers with 100 or more employees provide health insurance.)

# Half of businesses with fewer than 50 employees say they are *not* aware of the Small Business Health Options Program (SHOP) Marketplace.

More than eight in ten companies with 50 or more employees *are* aware of SHOP marketplace. Only companies with less than 50 employees can purchase coverage in SHOP.

Percent Aware of the SHOP Marketplaces



New in July 2014

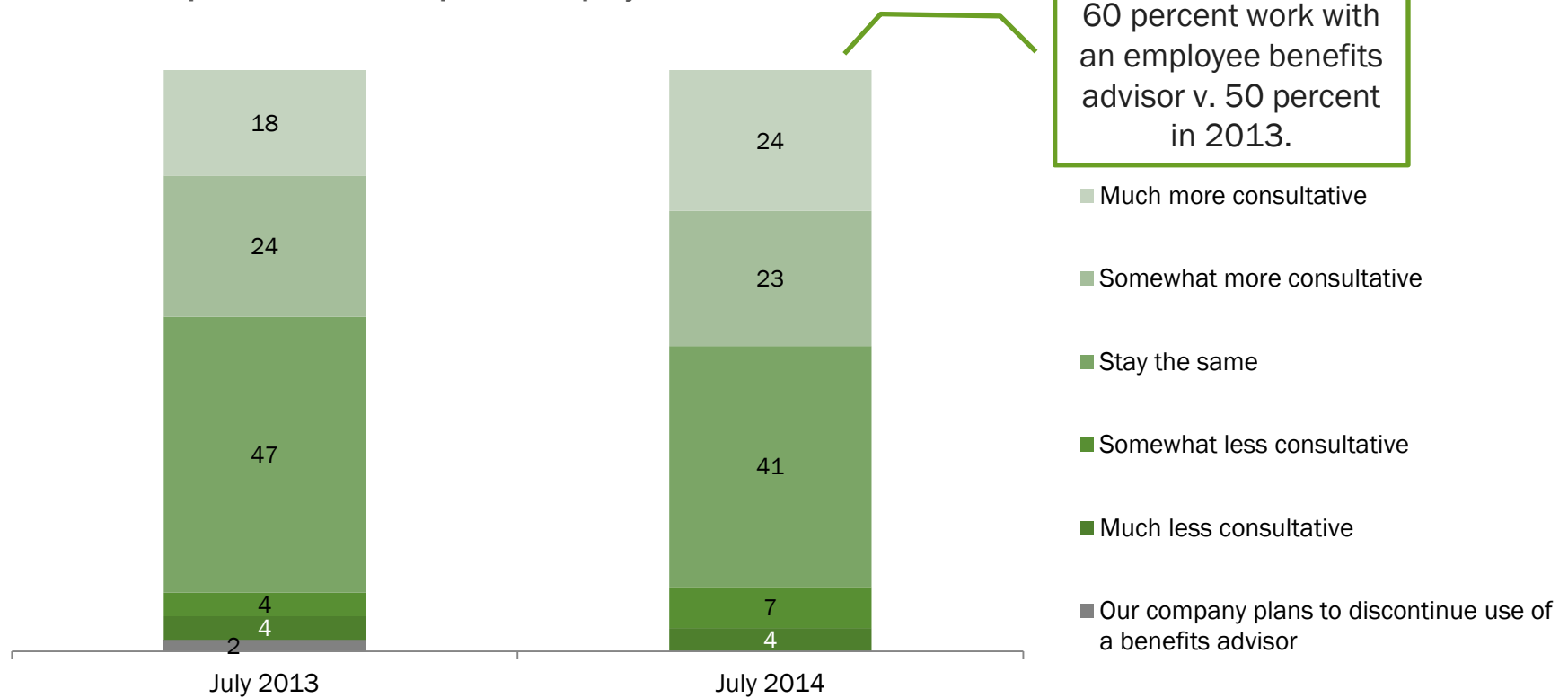
BASE: All Qualified Respondents: Total n= 751, 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191)

Q1355. Even though businesses with under 50 employees are not required to provide health insurance, the Small Business Health Options Program (SHOP) Marketplace allows employers with under 50 employees the opportunity to provide coverage for their employees with some businesses eligible to qualify for tax credits. Are you aware of the SHOP Marketplaces?

# Compared to a year ago, employers are more likely to use a benefits advisor and anticipate that relationship to become somewhat more consultative.

More employers anticipate their relationship to become at least somewhat more consultative compared to 2013.

Anticipated Relationship with Employee Benefits Advisor



BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751)  
 Q1340. Does your company currently work with an employee benefits advisor?

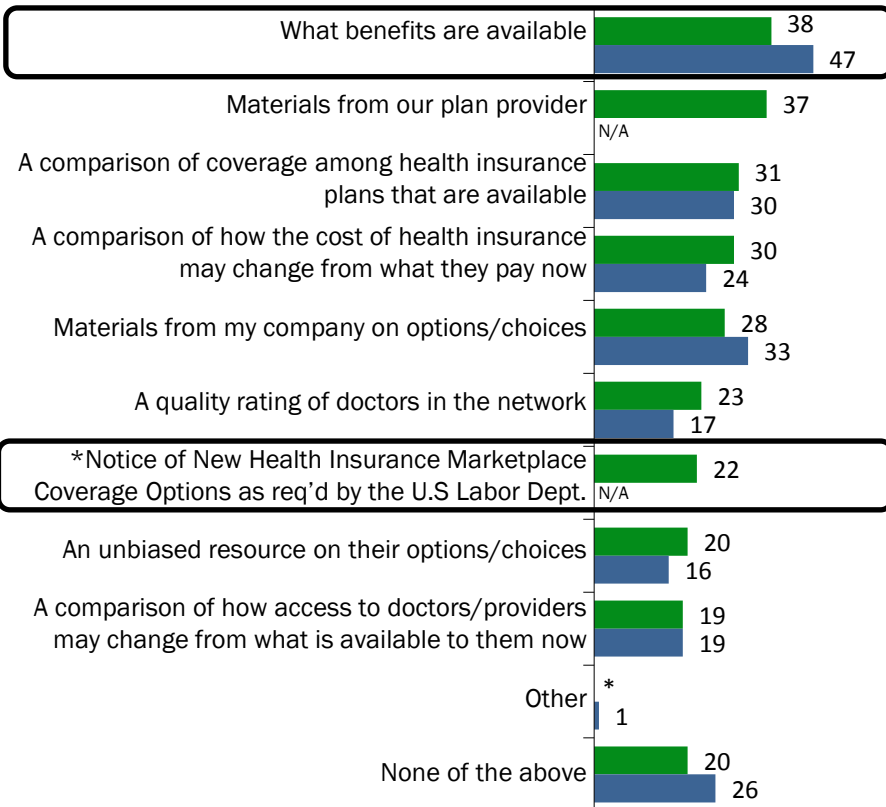
BASE: All Qualified Respondents (Total: July 2013 n=457, July 2014 n=445)  
 Q1345. Over the next 2 years, how do you anticipate your relationship with your employee benefits advisor to change, if at all? Our employee benefits advisor will become...

# Detailed Findings: Actions Taken to Educate Employees on Health Care Benefits, Costs and Saving

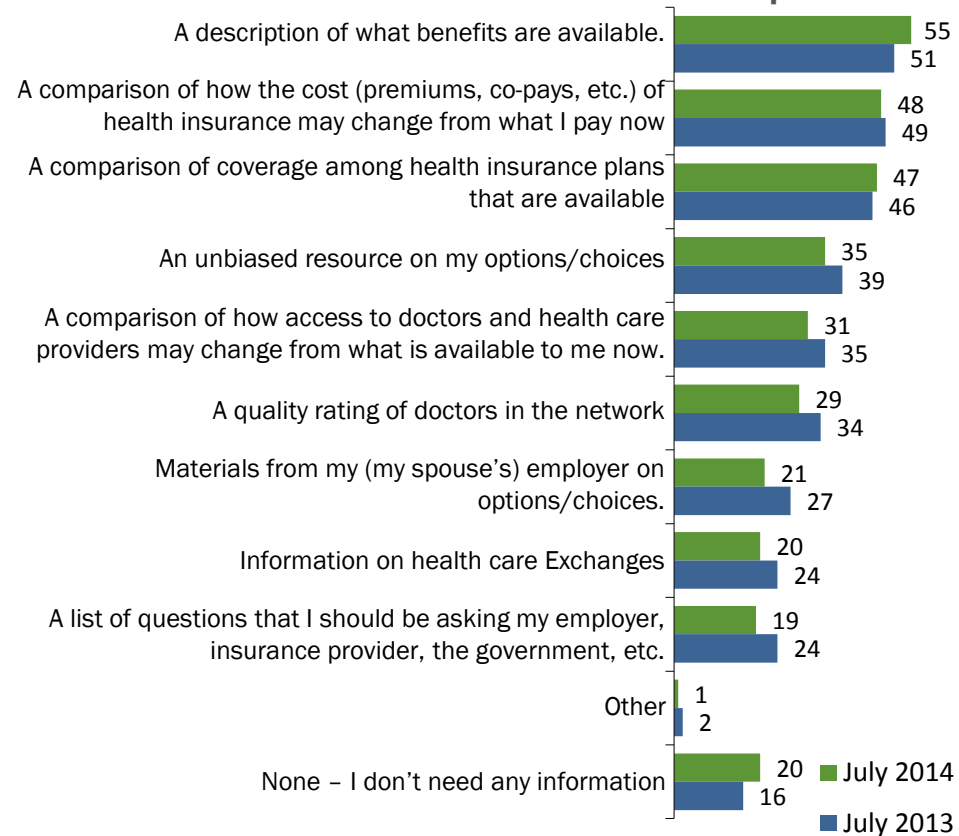
# Although down from a year ago, employers are still likely to provide employees information regarding what benefits are available.

Only two in ten provided employees with the notice of the new Health Insurance Marketplace Coverage Options and Health Coverage, which is required by the US Department of Labor.

## Information Provided by Employers



## Information Needed by Employees to Make Informed Decision on Health Insurance Options<sup>†</sup>



\*\*=New in 2014

BASE: All Qualified Respondents (Total: July 2014 n=751, April 2014 n=303, July 2013 n=758)

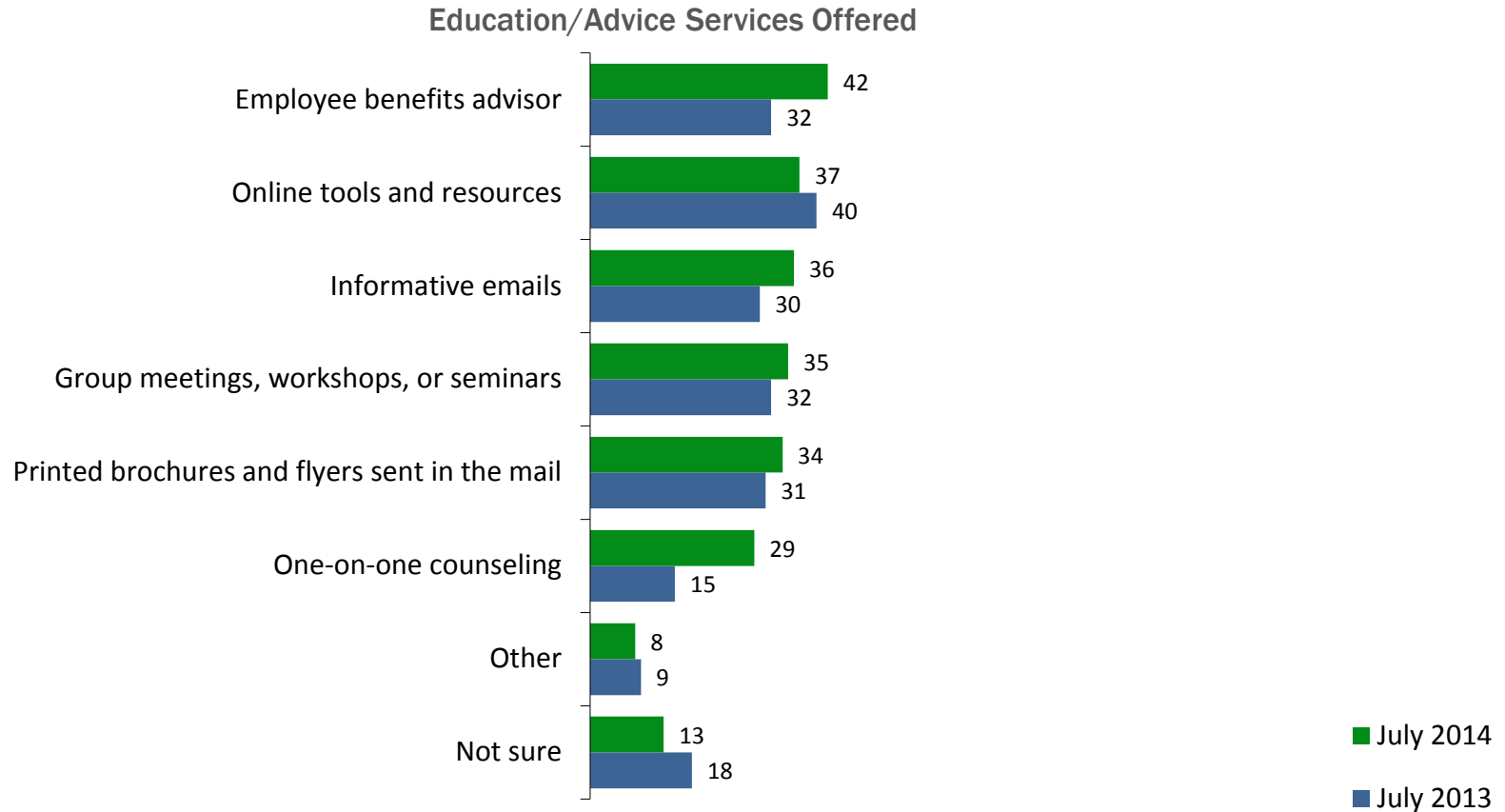
Q1102. What information, if anything, do you provide so that your employees can make informed choices about their health insurance options?

BASE: All Qualified Respondents (July n=2505, July n=2624)

Q1025. What information do you need to make an informed decision regarding your health insurance options in the next 1 – 2 years?

# More employers are offering an employee benefits advisor than a year ago, and the amount of one-on-one counseling has nearly doubled since 2013.

More health care education and advice services are offered by employers this year overall.

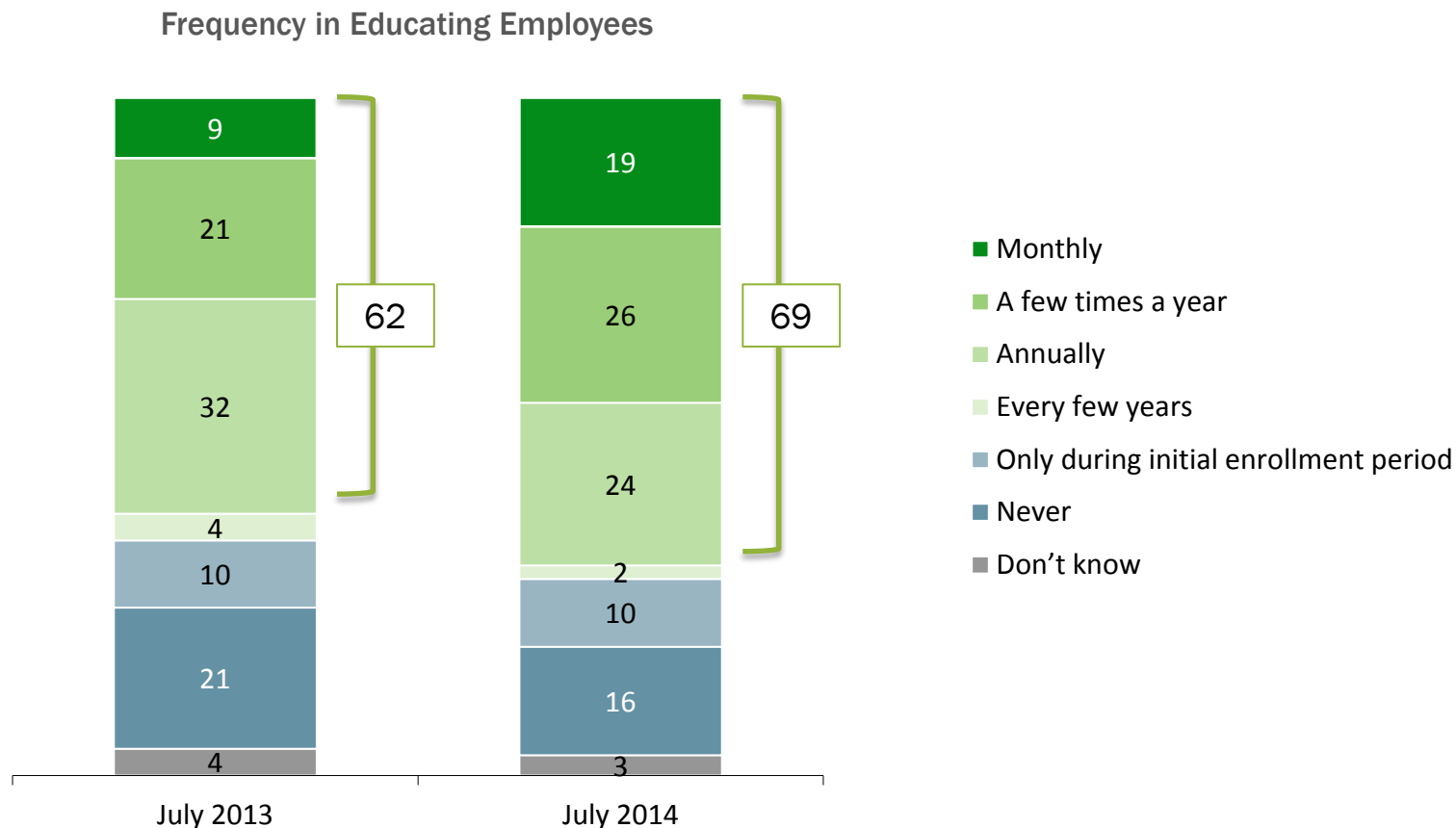


BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)

Q1100. Which of the following options does your company, insurance plan provider or benefits advisor offer to your employees regarding education and/or advice about health care benefits, saving for health care costs, or planning for health care costs?

# Frequency in engagement in educating and/or advising employees about health benefits has increased.

Businesses are more likely to offer education and/or advice on a monthly basis or a few times a year in 2014 than they were in July 2013.



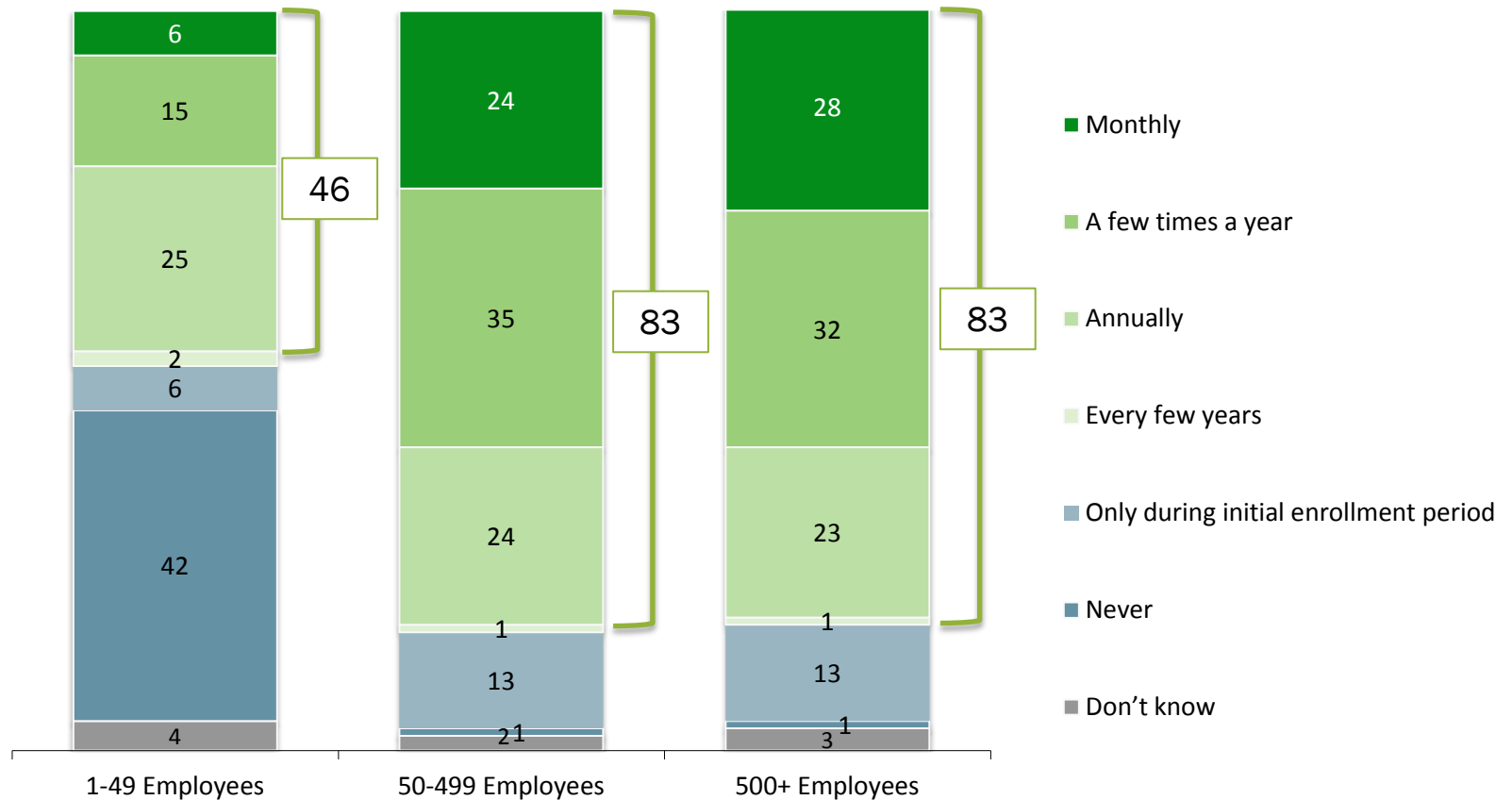
BASE: All Qualified Respondents (Total: July 2014 n=751, July 2013 n=758)

Q1105. How often does your company proactively engage employees in education and/or advice about the health care benefits your company offers?

# Larger companies are more likely to engage employees in education and/or advice about health care than smaller companies.

Forty-two percent of employers from companies with fewer than 50 employees report that their company *never* engages employees in education/advice about the health benefits that the company offers.

Frequency in Educating Employees by Company Size



BASE: All Qualified Respondents: July 2014: 1-49 Employees n=301, 50-499 Employees n=259, 500+ Employees n=191  
 Q1105. How often does your company proactively engage employees in education and/or advice about the health care benefits your company offers?



# Demographics

# Demographics

Gender	July 2013 (n=758)	April 2014 (n=303)	July 2014 (n=751)
Male	63	63	61
Female	37	37	39
Employment Status	(n=758)	(n=303)	(n=751)
Employed full time	81	78	76
Self-employed	19	22	24
Primary Business	(n=758)	(n=303)	(n=751)
Manufacturing	14	21	20
Agriculture, mining or construction	5	2	6
Transportation, communications, or utilities	5	5	2
Professional services, including finance, legal, engineering, and health care	32	32	32
Service industries such as retail trade, hospitality, or administration	13	9	10
Some other type of business	31	31	30

Employee Title	July 2013 (n=758)	April 2014 (n=303)	July 2014 (n=751)
Owner	27	42	44
CEO/Chairman	4	8	14
President	6	12	4
Director of HR	15	16	20
Benefits Manager	12	12	12
Other HR professional responsible for employee benefits	N/A	3	2
Other professional responsible for employee benefits	N/A	7	4
Other	36	N/A	N/A
Age	(n=758)	(n=303)	(n=751)
18-34	22	29	34
35-49	33	33	34
50-59	23	15	15
60+	22	23	17

# Demographics

Employer Size (Full-time Only)	July 2013 (n=758)	April 2014 (n=303)	July 2014 (n=751)
1 - 24	34	34	31
25 - 50	9	7	9
51 - 99	6	9	8
100 - 499	14	16	12
500+	37	35	40
Owners of Company	N/A	(n=303)	(n=751)
Female	N/A	37	33
Black or African American	N/A	13	11
Non-white Latino	N/A	16	15
Asian or Pacific Islander	N/A	10	10
Native American or Alaskan Native	N/A	6	4
Mixed Race	N/A	12	11
Some other non-white race	N/A	4	2
None of these	N/A	39	37
Not sure	N/A	4	4
Decline to answer	N/A	2	4

Company Revenue	July 2013 (n=758)	April 2014 (n=303)	July 2014 (n=751)
Less than \$500,000	22	21	20
\$500,000 to less than \$1 million	5	3	7
\$1 million to less than \$5 million	12	15	11
\$5 million to less than \$10 million	7	9	9
\$10 million to less than \$50 million	10	10	11
\$50 million to less than \$200 million	10	13	10
\$200 million to less than \$500 million	6	5	9
\$500 million to less than \$1 billion	4	11	9
\$1 billion or more	12	9	8
Don't know	7	1	2
Decline to answer	5	3	4