



**Transamerica Center for Health Studies® Survey:
*Companies Navigate the Health Coverage Mandate***

December 2015

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About the Transamerica Center for Health Studies®

The Transamerica Center for Health Studies® (TCHS) informs the national healthcare conversation, bringing clarity to the complex decision-making regarding health coverage and 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 healthcare decisions they are facing.

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

A division of the Transamerica Institute, a nonprofit, private foundation, TCHS is dedicated to identifying, researching and analyzing the most relevant healthcare issues facing consumers and employers nationwide.

The Transamerica Institute 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 conducted the inaugural national survey of the U.S. General Adult Population and Employers regarding their attitudes toward healthcare. The overall goals for the study were to illuminate emerging trends, promote awareness and help educate the public.
- The 2015 survey seeks to understand the perspective of US businesses on:
 - The current healthcare offerings,
 - Anticipated changes to offerings in the future,
 - The role healthcare benefits play in employee satisfaction,
 - Their engagement with their employees as it relates to healthcare benefits, and;
 - Their experiences and attitudes towards ACA.
- The results of the most recent study represent the third wave of annual research:
 - Wave 1 (Benchmark Wave): July 2013 (n=758)
 - Wave 2: July 2014 (n=751)
 - Wave 3: August/September 2015 (n=1500)

Method

- A 20-minute online survey was conducted from August 14 - September 3, 2015 among a sample of 1500 employer decision makers ages 18+. 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: 795
 - Businesses with 50-499 full-time employees: 395
 - Businesses with 500+ full-time employees: 310
- Data were weighted (statistically adjusted) on employer size (by number of employees) to be representative of U.S. businesses.
 - In comparison to the weighted data in previous waves, the weighted data for 2015 reflects a lower mean number of employees, more owners, less HR directors, and a shift towards manufacturing and fewer companies in the professional services industry.
- 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 subsequent surveys. 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

Employers

Terms “companies” and “businesses” (etc.) are used interchangeably and refer to for-profit and non-educational institutions.

Employer Size

When shown by employer size, labels (i.e., “1-49 Employees,” etc.) refer to the number of full-time employees.

Executive Summary

Companies are more likely to have added coverage or increased premium contributions this year compared to the past two years. (Slide 19)

- More than four in five (82%) employers offer at least one healthcare plan, and companies of all sizes are offering more healthcare plans across the board. **(Slide 11)**
- PPOs and HMOs remain the most common types of healthcare plans offered. **(Slide 16)**

Of companies who say they are at risk for paying a “Cadillac Tax,” for high-end health plans, more than eight in ten (84%) report planning to change their benefits to avoid it. (Slide 20)

- Currently, nearly two in three employers (62%) say they buy a health plan and provide it directly to employees, but one in ten (10%) report they anticipate that they will subsidize employees buying health coverage on private exchanges in the future (compared to 6% currently subsidizing plans). **(Slide 14)**
- Providing the best healthcare benefits package possible remains the top health benefit-related priority for employers. Two in five employers (40%) anticipate the quality of health insurance they offer to employees will improve in the next 12 to 36 months, and only 10% expect the quality to decline. **(Slide 12, 31)**

Over 80% of both employers and employees agree that healthcare benefits are important for attracting/retaining employees and for overall employee job satisfaction, and over 90% of employers and employees say a flexible work/life balance is important for the overall employee experience. (Slides 44, 45)

- However, employers are more likely to think employees are satisfied with the company’s health plan (95% vs. 77%) and other benefits (93% vs. 78%) than employees actually report. **(Slide 48)**
- Of those employers who indicated their company increased insurance, other benefits, or added a wellness program, around two in five reported the reason for the change was due to pressure from employees. **(Slide 32)**

Executive Summary

Most employers say they try to keep their health coverage premiums, deductibles, and co-pays/coinsurance constant, however three in ten employers want to maximize their employees' share of premiums. (Slide 35)

- Employers are most likely to be concerned about their company's ability to manage healthcare costs associated with cancer (71%) drug expenses (69%), as well as diabetes and obesity (68%). Self-insured employers are more likely to report being concerned about healthcare costs compared to companies that purchase or subsidize plans. (Slide 37, 39)
- More than two in five (44%) companies say they anticipate their employees healthcare costs to the company will increase in the next 24 to 36 months. (Slide 40)

Employers offering healthcare benefits are more likely than those who do not offer benefits to say they anticipate profitability, hiring and wages to increase in the next 1 to 2 years. (Slide 36)

- Half of employers who implemented a wellness program in the past 12 months cite saving money as motivation for change. (Slide 32)
- Of those employers who work with a benefits advisor (61%), over half expect the relationship to become more consultative (59%), especially companies that are self-insured (65% reporting the relationship will become more consultative in the future). (Slide 56, 67)

Executive Summary

84% of employers say the Affordable Care Act had a positive-neutral impact on their business, but reporting requirements are burdensome for two-thirds of employers. (Slide 52)

- 55% of small businesses are now aware of the SHOP marketplaces, compared with 50% of small business awareness last year. (Slide 53)

Most companies report offering wellness programs that they believe have a positive impact. But while the majority of employers (84%) say their leaders are committed to taking care of the health of their employees, only a third of employees (33%) agree. (Slide 27, 26)

- Three in five (61%) employers report offering wellness programs. But, less than half (45%) of employees with employer coverage say they work for an employer who offers a wellness program. (Slide 23)
- Most companies report that the wellness programs they offer have had a positive impact on workers' health (82%), productivity and performance (80%), and healthcare costs (71%). (Slide 27)
- 50% of employers report they engage employees in education and/or advice about the healthcare benefits their company offers more than once a year. (Slide 49)
- Employers reporting that their health promotion plan has had a positive impact on healthcare costs are more likely than those reporting a neutral or negative impact to say they offer screenings (69% vs. 57%), links to services (53% vs. 39%) and integration of the program into their culture (48% vs. 37%). (Slide 28)

Healthcare Offerings

Healthcare Benefits

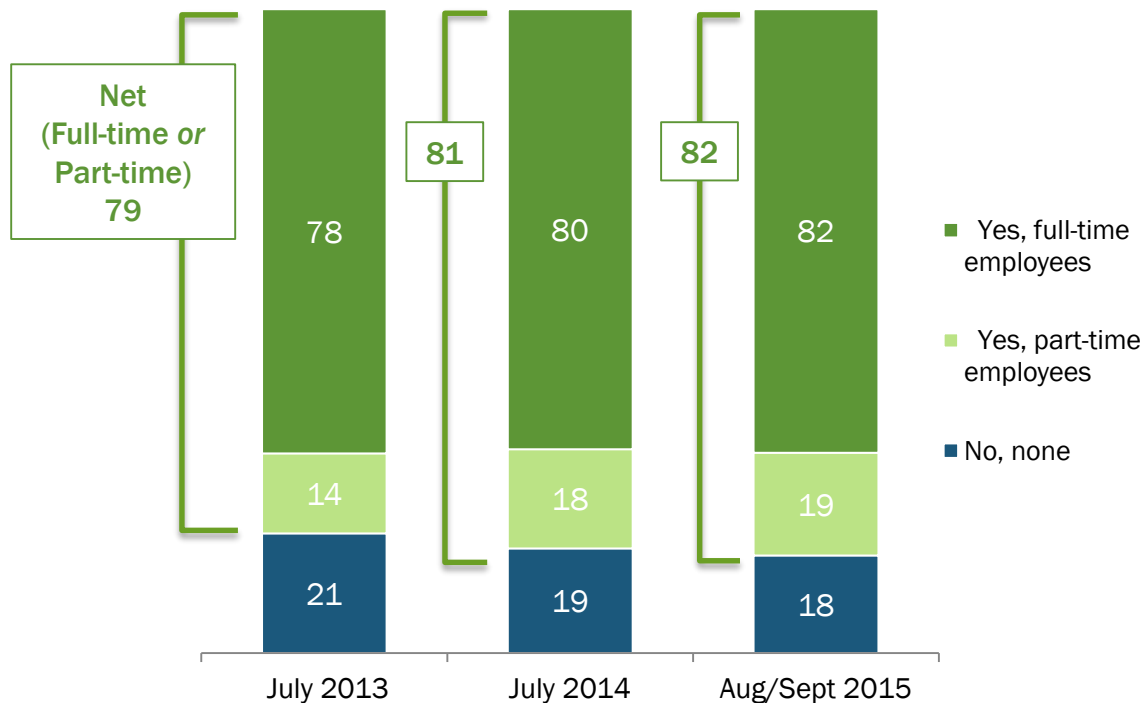
Wellness Programs

Future Changes

More Employers Offer Insurance

The percentage of employers not offering insurance to employees dropped to 18%, the lowest since this was first asked in July 2013.

% Providing Any Healthcare Benefit



% Providing Healthcare by Company Size

	Less than 50 Employees (n=795)	50-499 Employees (n=395)	500+ Employees (n=310)
Yes, Full-time or Part-time	61	99	99
Yes, Full-time	60	99	99
Yes, Part-time	8	26	30
No, none	39	1	1

The percentage of small businesses reporting they provide insurance has increased significantly since July 2013 (61% vs. 51%).

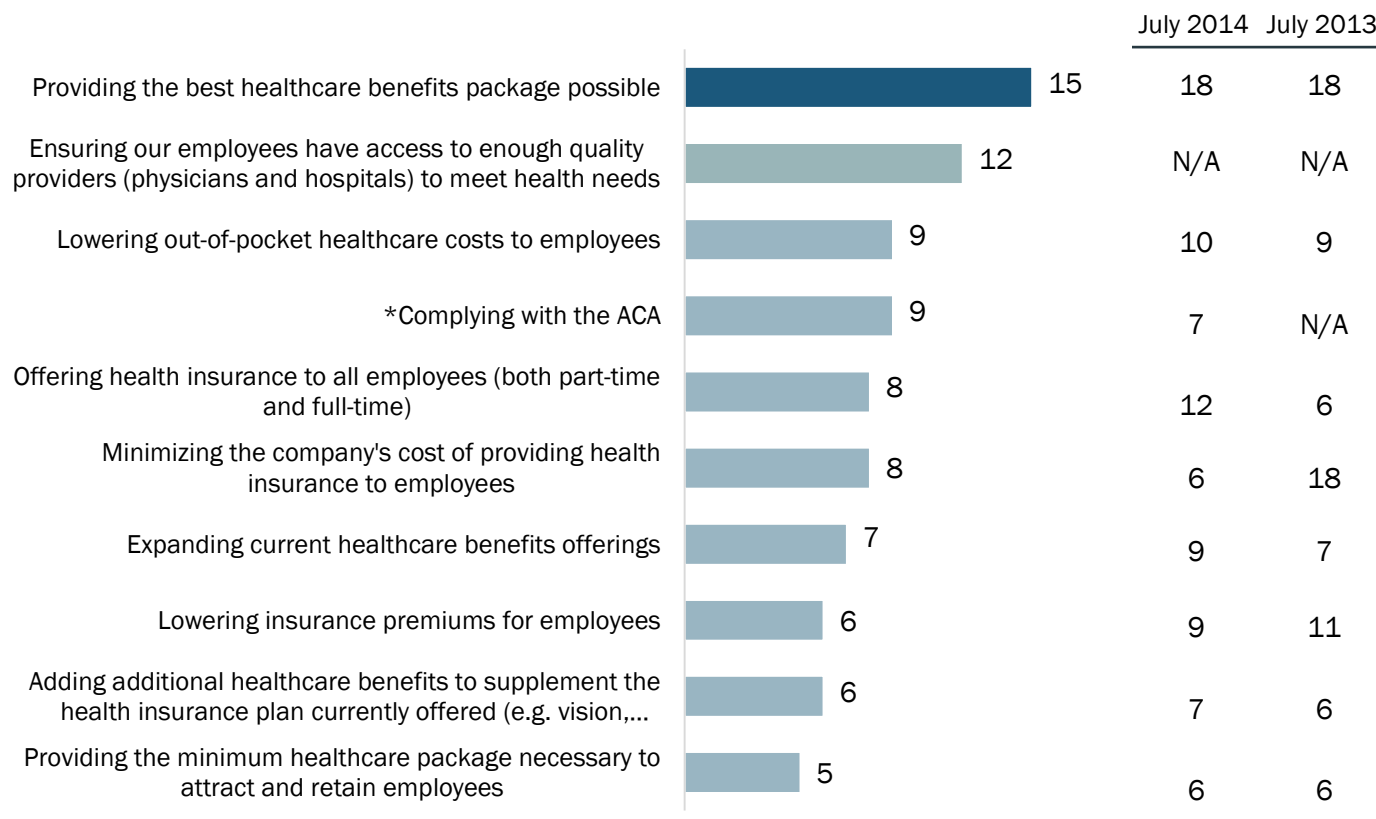
BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

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

Providing Best Benefits Package Remains Priority

When asked to identify their company's most important healthcare benefit-related priority, employers most commonly selected providing the best benefits package possible.

Most Important Healthcare Benefit-Related Priority 2015



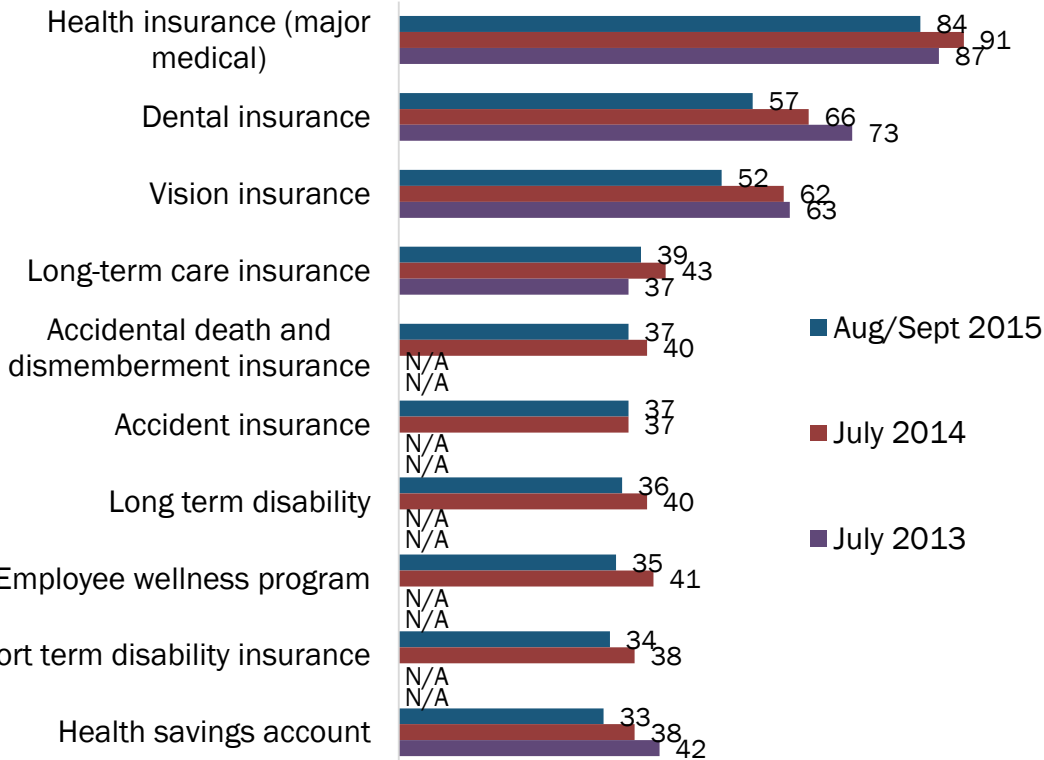
BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

Q825. Which one of the following is your company's most important healthcare benefit-related priority right now?

Major Health, Dental, and Vision Offerings Drop

This year's employers are less likely to be offering dental and vision insurance compared to July 2014 and are slightly less likely to be offering major medical.

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



Only most commonly offered benefits for 2015 shown

Benefits Offered by Company Size (2015)

	Less than 50 Employees (n=467)	50-499 Employees (n=391)	500+ Employees (n=307)
Health insurance (major medical)	82	89	83
Dental insurance	48	68	58
Vision insurance	39	61	55
Long-term care insurance	24	42	50
Accidental death and dismemberment insurance	25	48	41
Accident insurance	28	42	41
Long term disability	22	44	43
Employee wellness program	19	41	45
Short term disability insurance	25	43	37
Health savings account	21	38	39

BASE: Company Provides Healthcare Benefits (July 2013 n=640, July 2014 n=626, Aug/Sept 2015 n=1165)

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

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Only 1% of Employers Currently Providing Health Benefits Say They Will Not Be Offering Them in 2-3 Years

Employers expect that they will be less likely to buy plans to provide to employees in the future. They expect to be more likely to subsidize plans that employees buy privately.

Current Healthcare Benefits



62%

Buy plan and provide to employees



31%

Self-insured



6%

Subsidize plans that employees buy on private Exchange

Future Healthcare Benefits



57%

Buy plan and provide to employees



31%

Self-insured



10%

Subsidize plans that employees buy on private Exchange

BASE: Provides Healthcare Benefits (Aug/Sept 2015 n=1165)

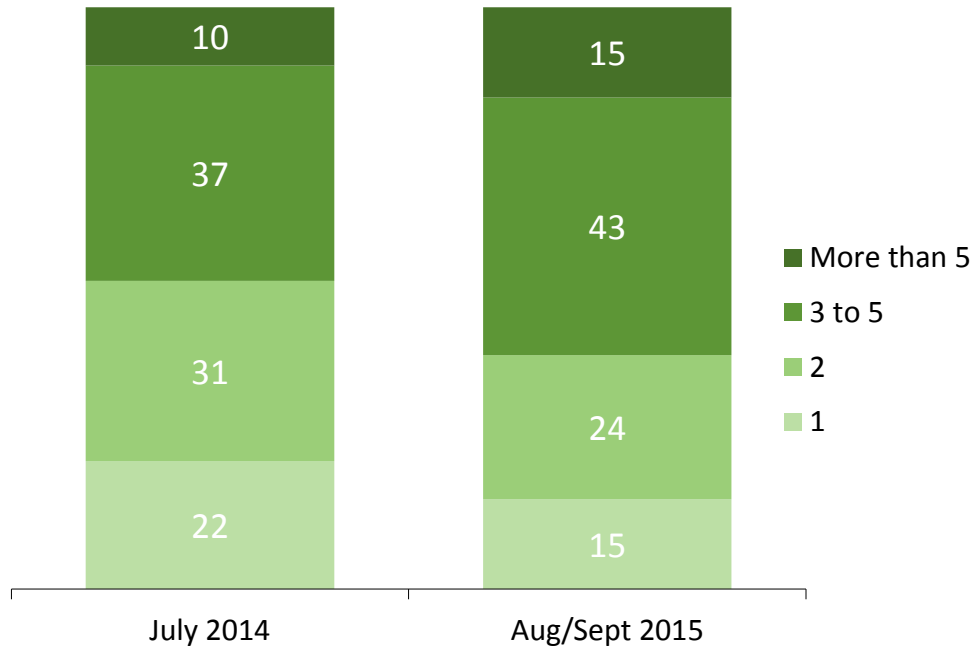
Q812. Which describes how you provide health insurance?

Q813. Regarding how you provide health insurance, what do you think you will be doing in 2 to 3 years?

Employers Are Offering More Plans

More than four in five (82%) offer more than one plan. When looking at company size, movement towards more plans is noted across the board. For all employer types, the most common range is 3-5 plans offered.

Number of Health Plans Offered
(Among Employers Offering Benefits)



Number of Plans by Company Size

	Less than 50 Employees		50-499 Employees		500+ Employees	
	2014 (n=183)	2015 (n=467)	2014 (n=254)	2015 (n=391)	2014 (n=189)	2015 (n=307)
More than 5	6	6	7	15	14	21
3 to 5	18	31	37	48	46	51
2	31	26	39	26	27	21
1	45	32	17	10	13	6

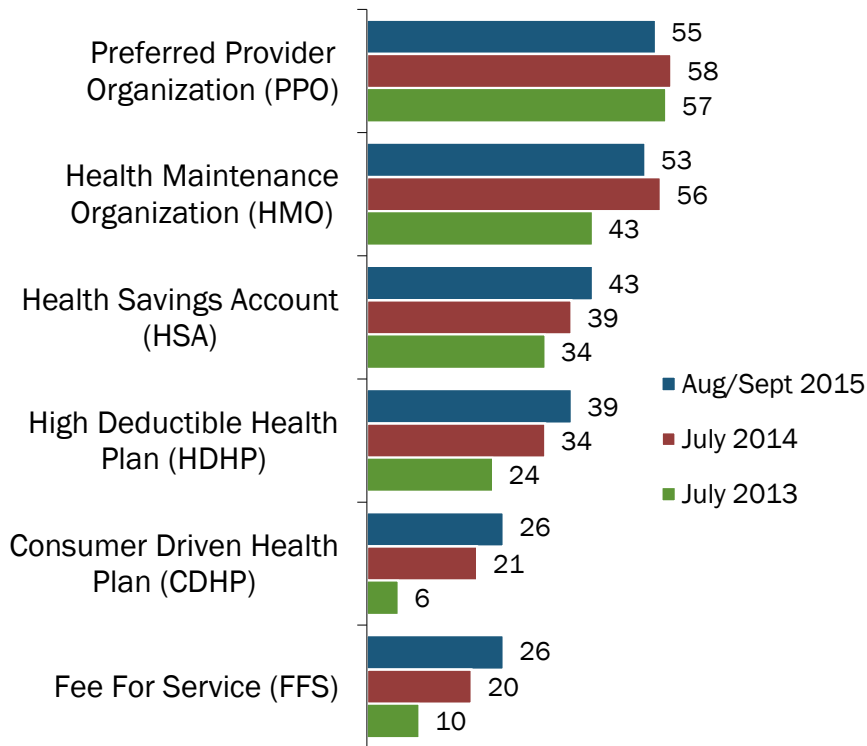
BASE: Company Provides Healthcare Benefits (July 2014 n=626, Aug/Sept 2015 n=1165)

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

PPOs and HMOs Remain Most Common Types of Plans

There has been a steady increase in use of HDHPs, CDHPs, and FFSs over the last two years.

Types of Health Plans Offered



Types of Health Plans by Company Size

	Less than 50 Employees (n=795)	50-499 Employees (n=395)	500+ Employees (n=310)
PPO	48	61	56
HMO	46	59	54
HSA	28	49	50
HDHP	30	43	44
CDHP	17	29	32
FFS	15	29	32

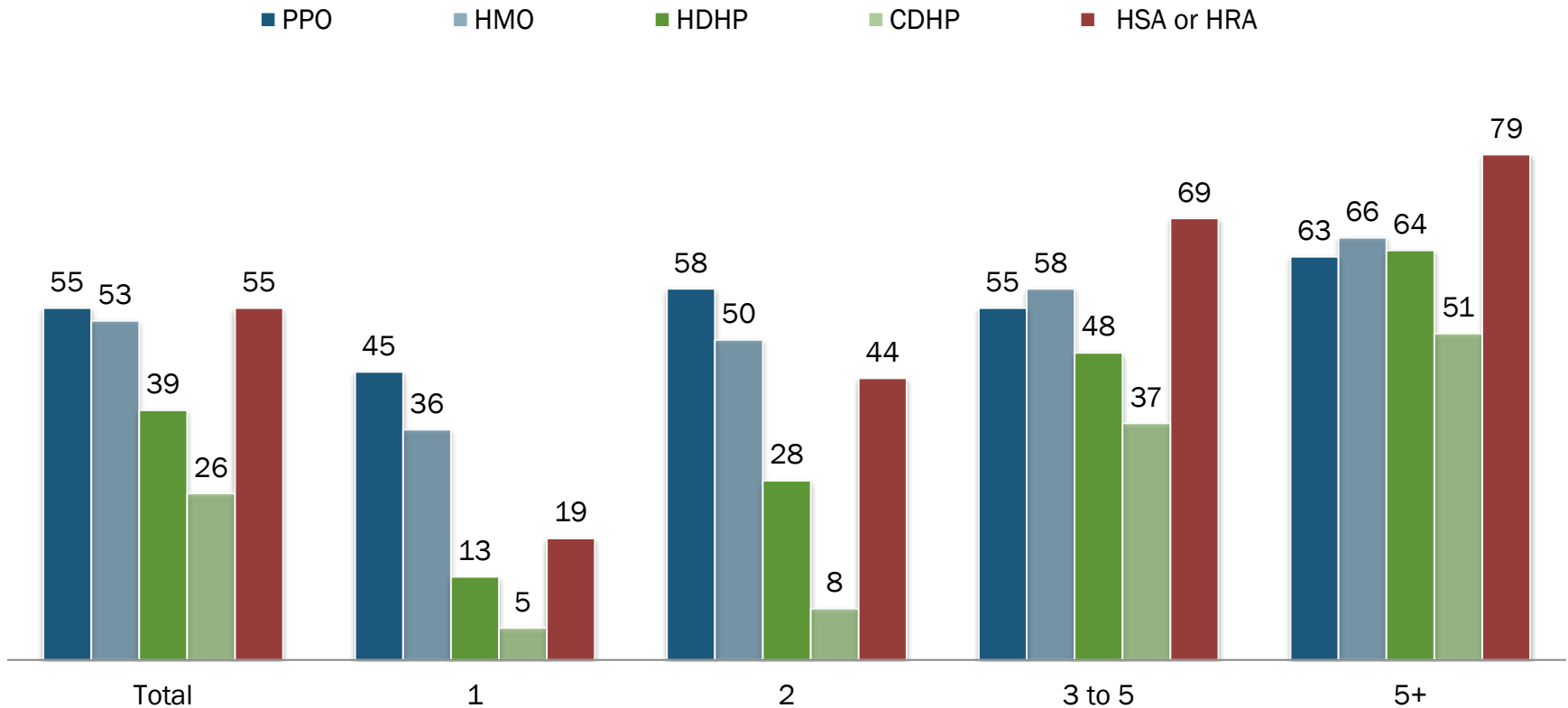
BOLD % indicates % is significantly greater than small companies

BASE: Company Provides Healthcare (July 2013 n=640, July 2014 n=626, Aug/Sept 2015 n=1165)
 Q820. Which types of health plans are included in your health insurance coverage?

PPOs and HMOs First in Line for Coverage

Employers only offering one plan are likely to rely on PPOs and HMOs. CDHP/HDHPs and HSA/HRAs are likely to be added on as the number of plans increases.

% Types of Health Plans by Number of Plans



BASE: Company Provides Healthcare (Aug/Sept 2015 Total n=1165, 1 n=217, 2 n=296, 3-5 n=485, 5+ n=133)

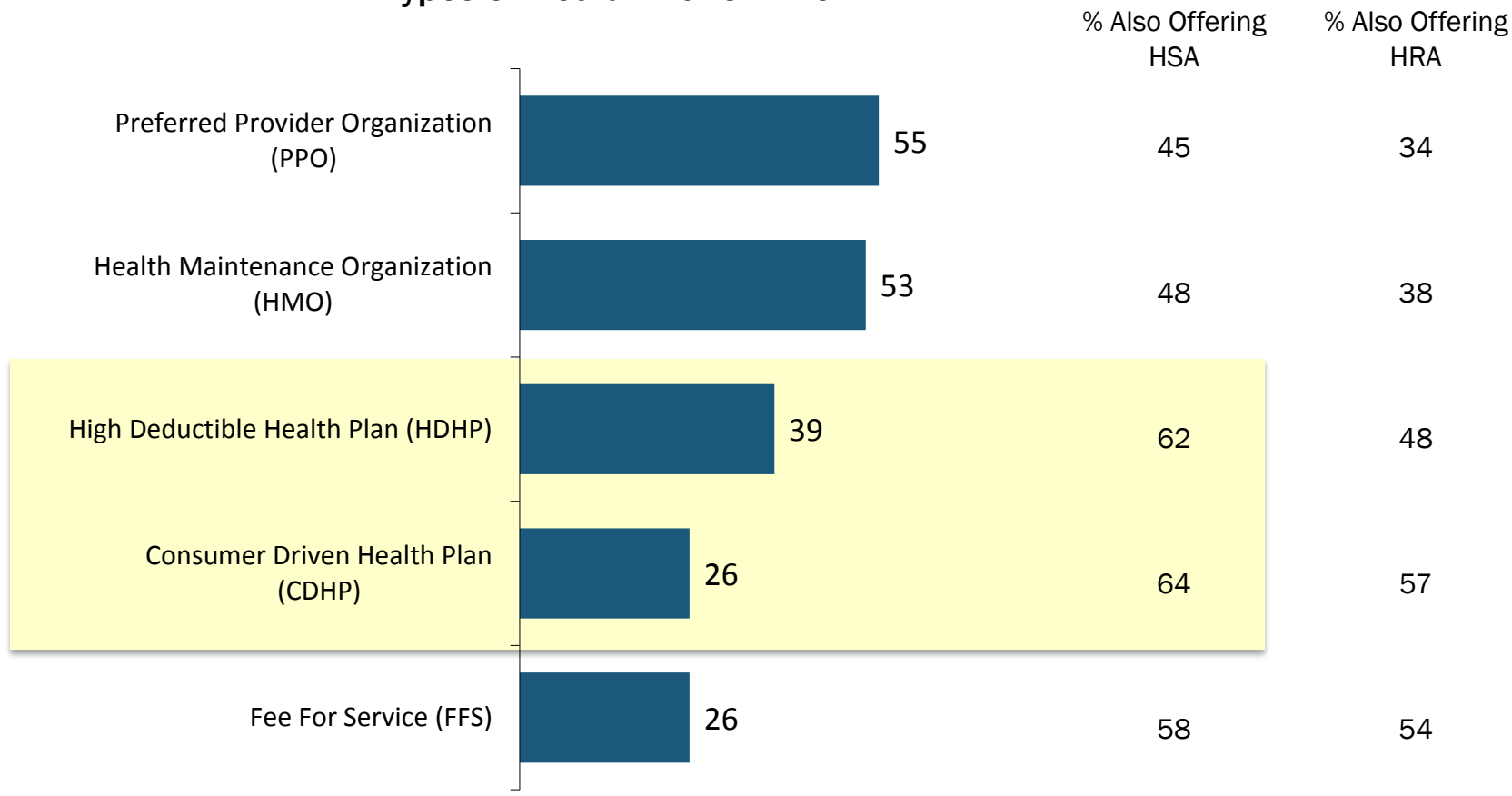
Q815. How many types of healthcare plans are included in your health insurance coverage options?

Q820. Which types of health plans are included in your health insurance coverage?

Nearly Two in Three Offering HDHPs or CDHPs Couple It with HSAs

Around half of employers offering a HDHP or CDHP also offer HRAs. The percentage of employers offering a PPO or HMO is double the percentage of those offering a FFS.

Types of Health Plans in 2015



BASE: Company Provides Healthcare (Aug/Sept 2015 n=1165)

Q820. Which types of health plans are included in your health insurance coverage?

Companies More Likely to Have Added or Increased Contributions Than in Past Years

Of those who report making changes to their healthcare benefits, the most common change reported is changing plan options, but the percentage reporting an increased company contribution to cover cost doubled.

37% of employers have made changes to healthcare benefits offered in the past 12 months.

Changes to Healthcare Benefits in the Last 12 Months

		July 2014	July 2013
Changed plan options	14	15	11
Added health insurance	10	12	3
Added or increased company contribution to cover costs for healthcare benefits other than health insurance benefits	10	5	4
Changed insurers	10	9	9
Added coverage for spousal to employee health plans	9	N/A	N/A
Implemented a wellness program	9	8	N/A
Added or increased company contribution to cover costs for health insurance	8	7	4
Added dependent coverage to employee health plans	8	4	N/A
Loosened requirements for employees to be eligible for healthcare benefits	8	8	2
Added healthcare benefits other than health insurance	8	8	4
Reduced or eliminated company contribution to cover costs for health insurance	8	3	4
Tightened requirements for employees to be eligible for healthcare benefits	7	10	4
Company is now directly paying employee health costs (self-insured health coverage)	7	3	N/A
Narrowed the set of providers in network (physicians and/or hospitals)	7	N/A	N/A

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

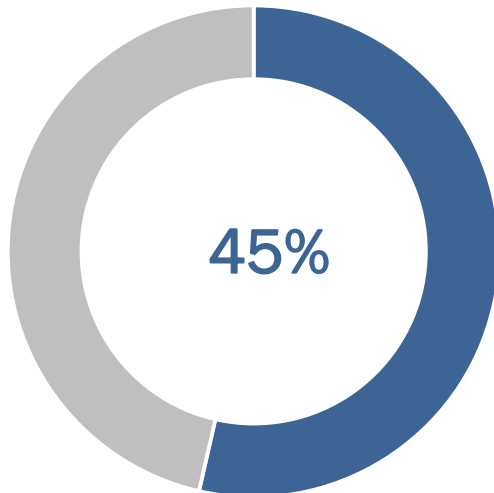
Q1010. In the past 12 months, has your company made any changes to the healthcare benefits it offers/offered?

Q1015. What changes were made to the healthcare benefits your company offers?

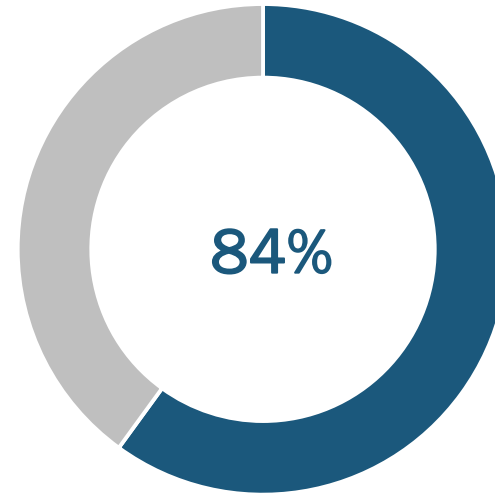
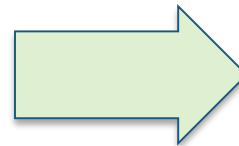
Companies Plan to Alter Health Insurance Benefits to Avoid Cadillac Tax

Of companies who say they are at risk for paying a “Cadillac Tax,” more than eight in ten report planning to change their benefits to avoid it.

% ‘Yes’ At Risk for Paying “Cadillac Tax”



% ‘Yes’ Planning to Make Changes to Health Insurance Benefits to Avoid “Cadillac Tax”



BASE: Provides Healthcare Benefits (Aug/Sept 2015 n=1165)

Q1320A. The "Cadillac Tax" is a 40% non-deductible excise tax on employer-sponsored health coverage that provides high-cost benefits which will go into effect in 2018. Based on your health insurance benefits today, would your company be at risk for paying to the "Cadillac Tax"?

BASE: At risk for Cadillac Tax (Aug/Sept 2015 n=483)

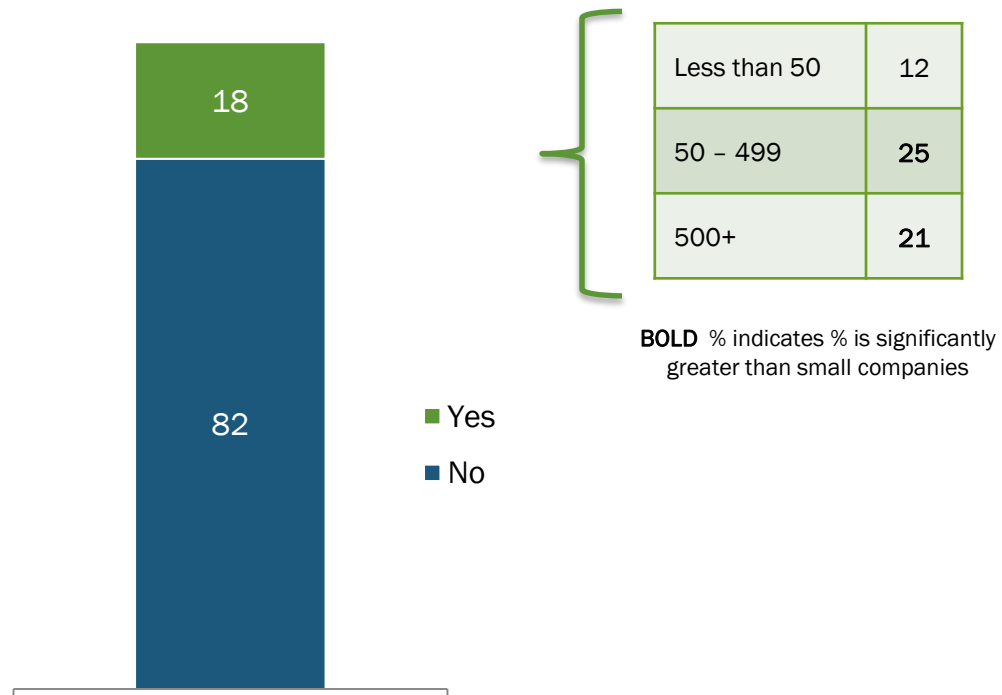
Q1320B. Are you planning on making changes to your health insurance benefits so that you will not be subject to the "Cadillac Tax" in 2018?

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Nearly One in Seven Have Stopped Providing Benefits

Medium and large companies are more likely to report dropping insurance, while small companies are least likely.

Did you stop providing health insurance in the last year?



*New in 2015

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q811. Did you stop providing health insurance in the past year?

Healthcare Offerings

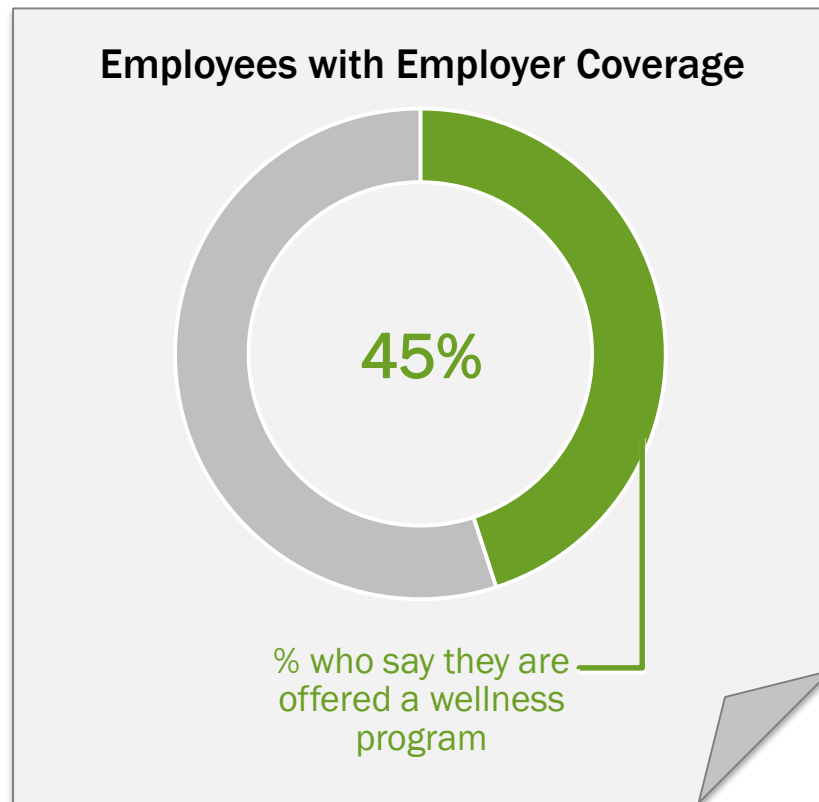
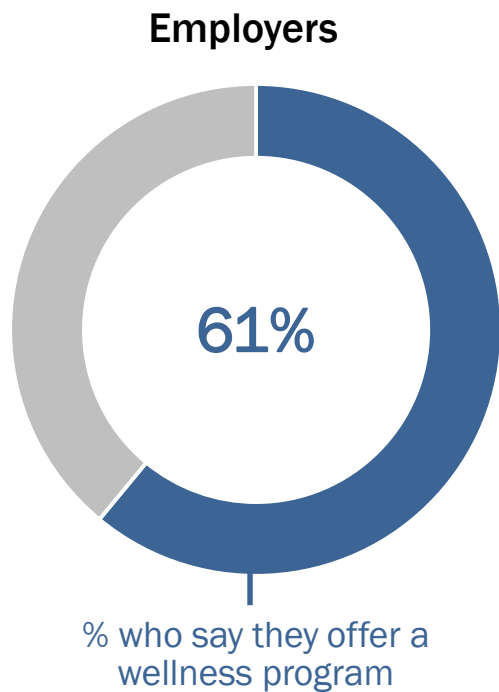
Healthcare Benefits

Wellness Programs

Future Changes

Some Disconnect Between Employers and Employees Over Wellness Offering

Three in five employers offer wellness programs but only two in five employees with employer coverage say they work for an employer who offers a program.



*New in 2015

BASE: All Respondents (n=1500)

Q821 Does your company offer a wellness (health promotion) program?

From 2015 General Population Survey:

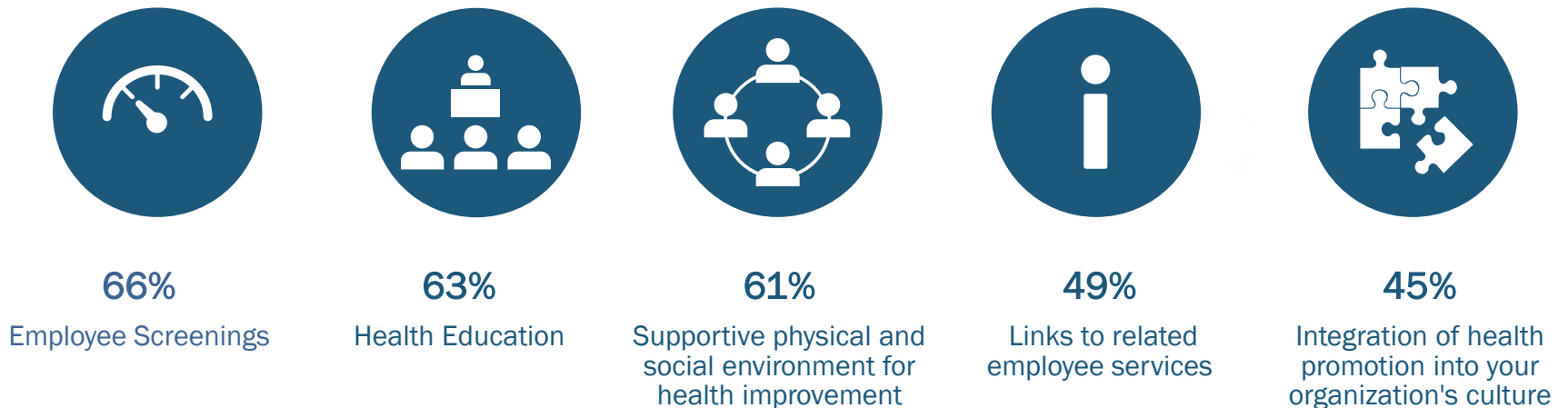
BASE: Qualified And Full Time, Part Time, Self Employed (Employees with Employer Coverage n=1883)

Q1130A Does your employer offer a workplace wellness (health promotion) program?

Screenings, Education, Support are Most Common Elements

While many employers report their wellness programs include screenings, health education, and a supportive physical and social environment, they are less likely to say they have integrated health promotion into their organization's culture.

Elements Included in Wellness Programs



*New in 2015

BASE: Offers A Wellness Program (n=811)

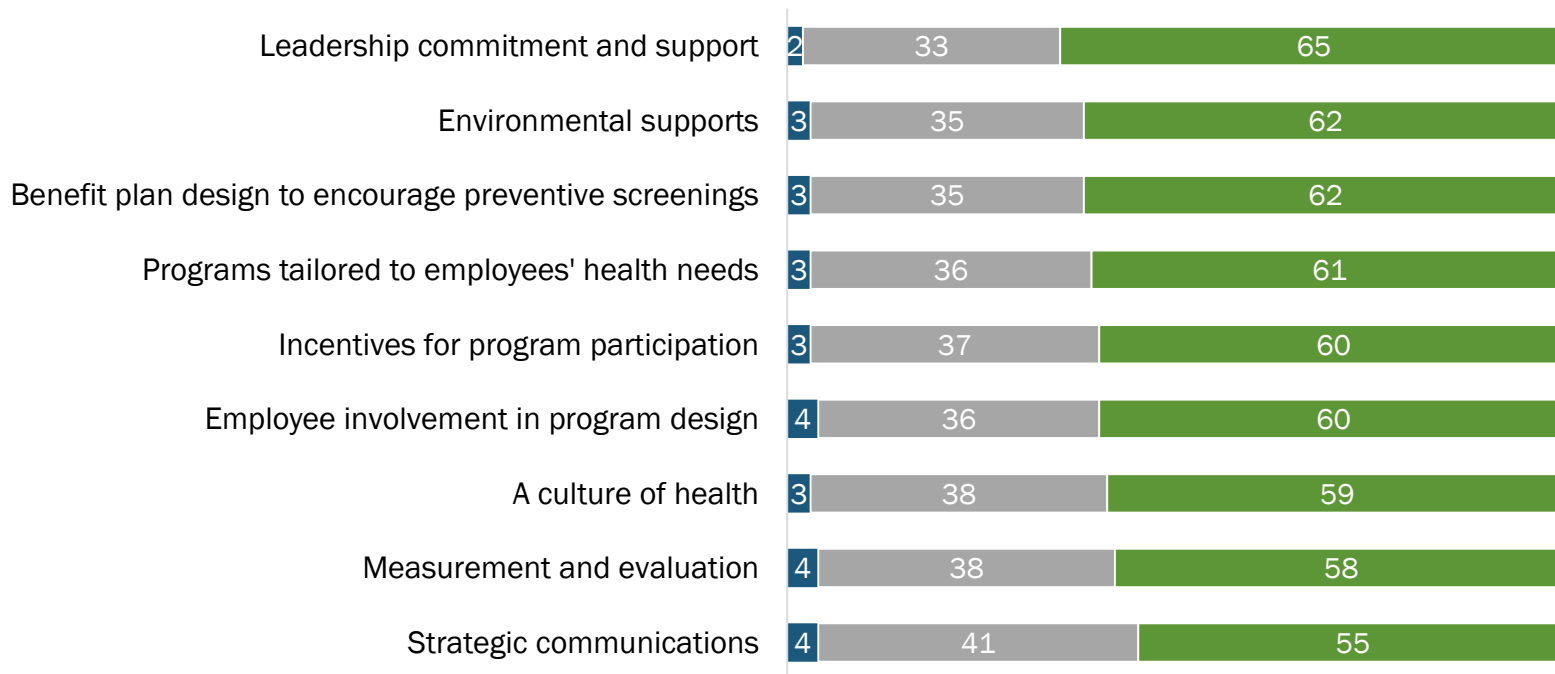
Q822 Which of the following elements are offered as part of your wellness (health promotion) program? Please select all that apply.

Most Say Leadership Is On Board – Communication May Be Lacking

Employers are most likely to say their wellness plans have leadership commitment and support and are least likely to report that their plans use strategic communications.

Elements in Wellness Programs

■ Not at all ■ Somewhat ■ Completely



*New in 2015

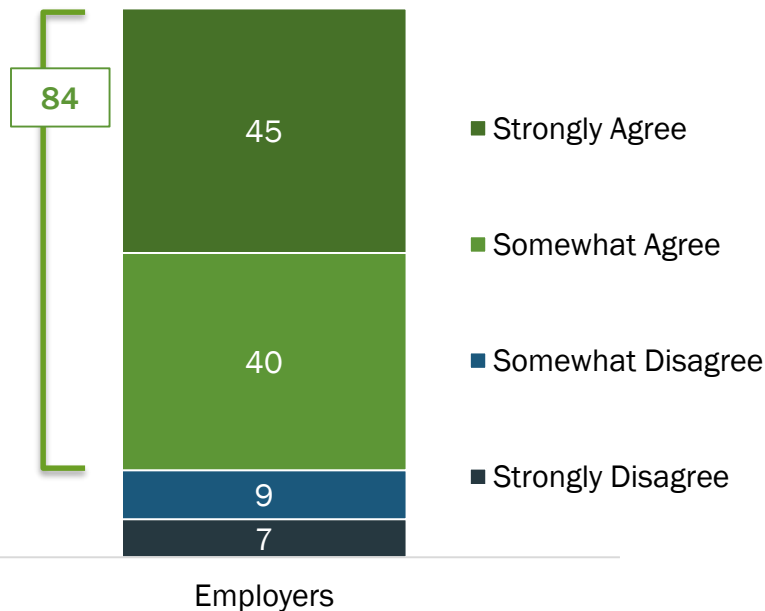
BASE: Offers A Wellness Program (Aug/Sept 2015 n=811)

Q823 Please rate the extent to which each of the following elements is present in your program using the following scale.

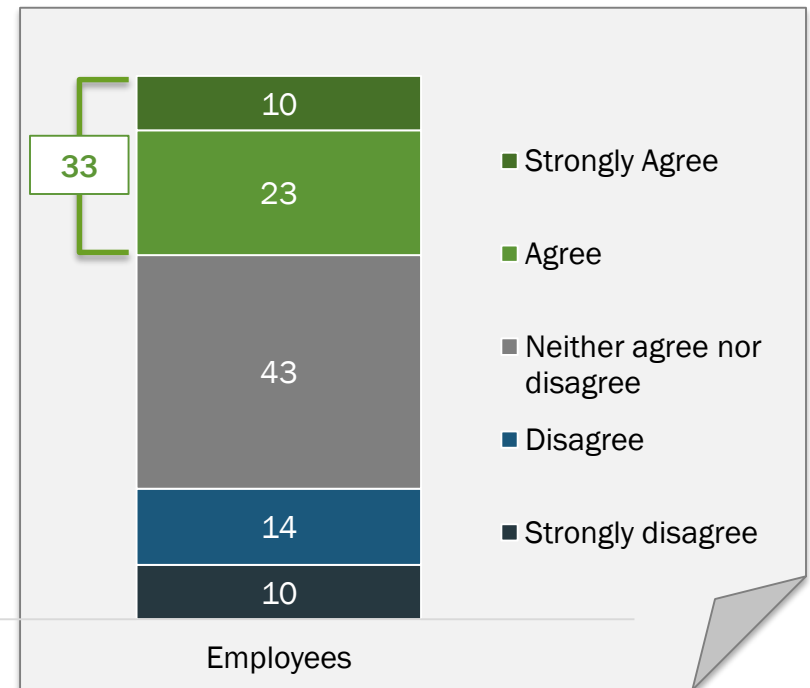
Disconnect Between Employer/Employee Perception on Leadership Commitment to Health

While most employers say they demonstrate leadership commitment in their wellness programs, only a third of employees say they their leaders are committed to taking care of the health of their employees.

Employer Reported Leadership Commitment To Improving The Health Of The Employees



Employee Reported Leadership Commitment To Improving The Health Of The Employees



BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q832. How much do you agree or disagree with the following statements?
From 2015 General Population Survey:

BASE: Qualified And Full Time, Part Time, Self Employed (n=2752)

Q1130C Please state the degree to which you agree or disagree with the following statements using the following scale.

Employers Likely to See Wellness Plan as Impactful

Most companies report the wellness programs they offer have had a positive impact on workers' health and productivity, as well as healthcare costs.

82%



4 in 5 employers say their workplace wellness program positively impacts **workers' health**.

80%



4 in 5 employers say their workplace wellness program positively impacts **productivity and performance**.

71%



7 in 10 employers say their workplace wellness program positively impacts **healthcare costs**.

BASE: Offers A Wellness Program (n=811)

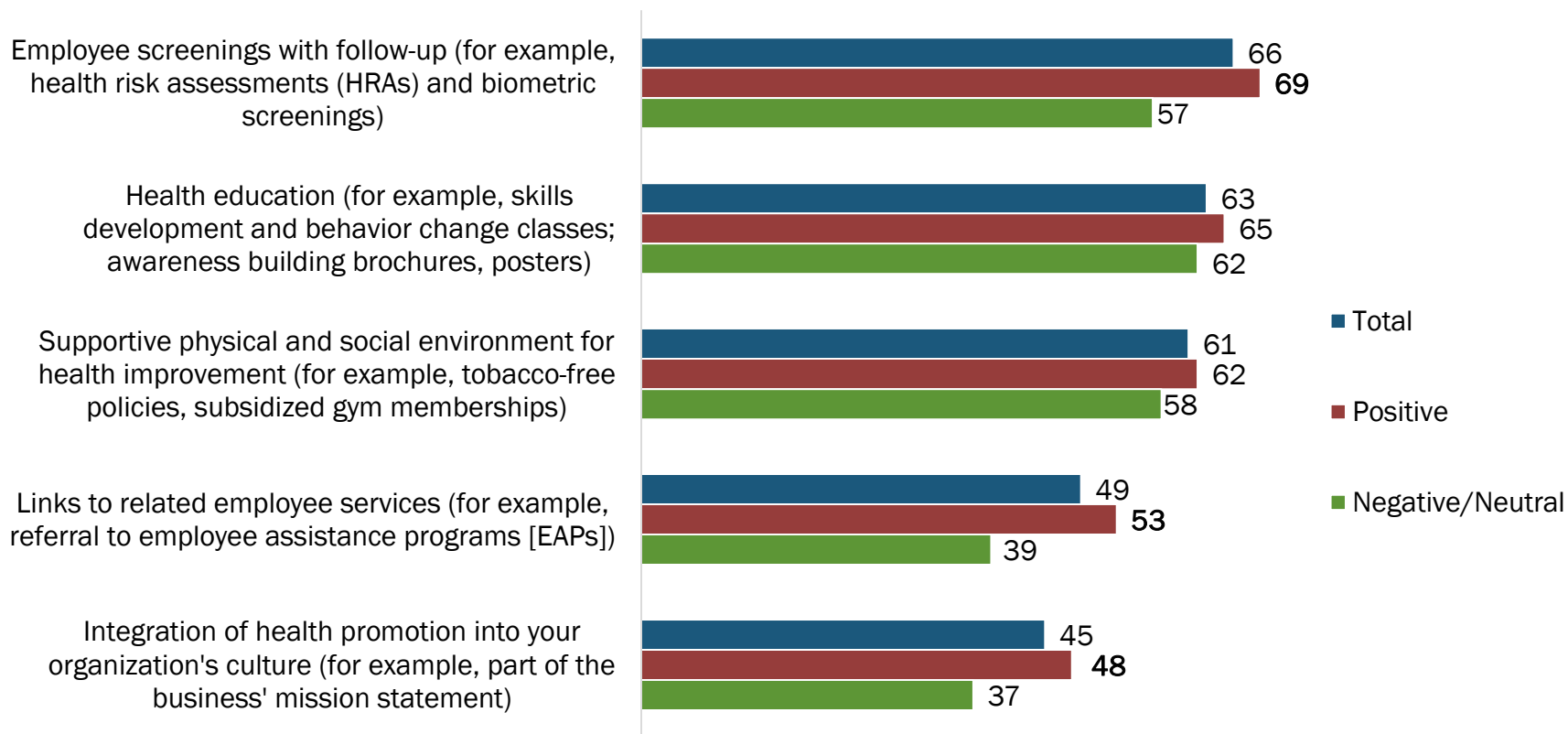
Q824. What impact has your workplace health promotion program had on... (please use the following scale)?

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Screenings, Links, and Integration of Health Promotion More Prevalent in Workplace Wellness Programs With a Positive Cost Saving Impact

Health education and a supportive physical environment also keep costs down, but less so than screenings, links, and integration.

Elements of Wellness Plan by Impact on Cost



BOLD item indicates a significant difference between groups

BASE: Offers A Wellness Program (Total n=811, Positive n=559, Negative/Neutral n=239)

Q822. Which of the following elements are offered as part of your wellness (health promotion) program? Please select all that apply.

Q824. What impact has your workplace health promotion program had on... (please use the following scale)?

Healthcare Offerings

Healthcare Benefits

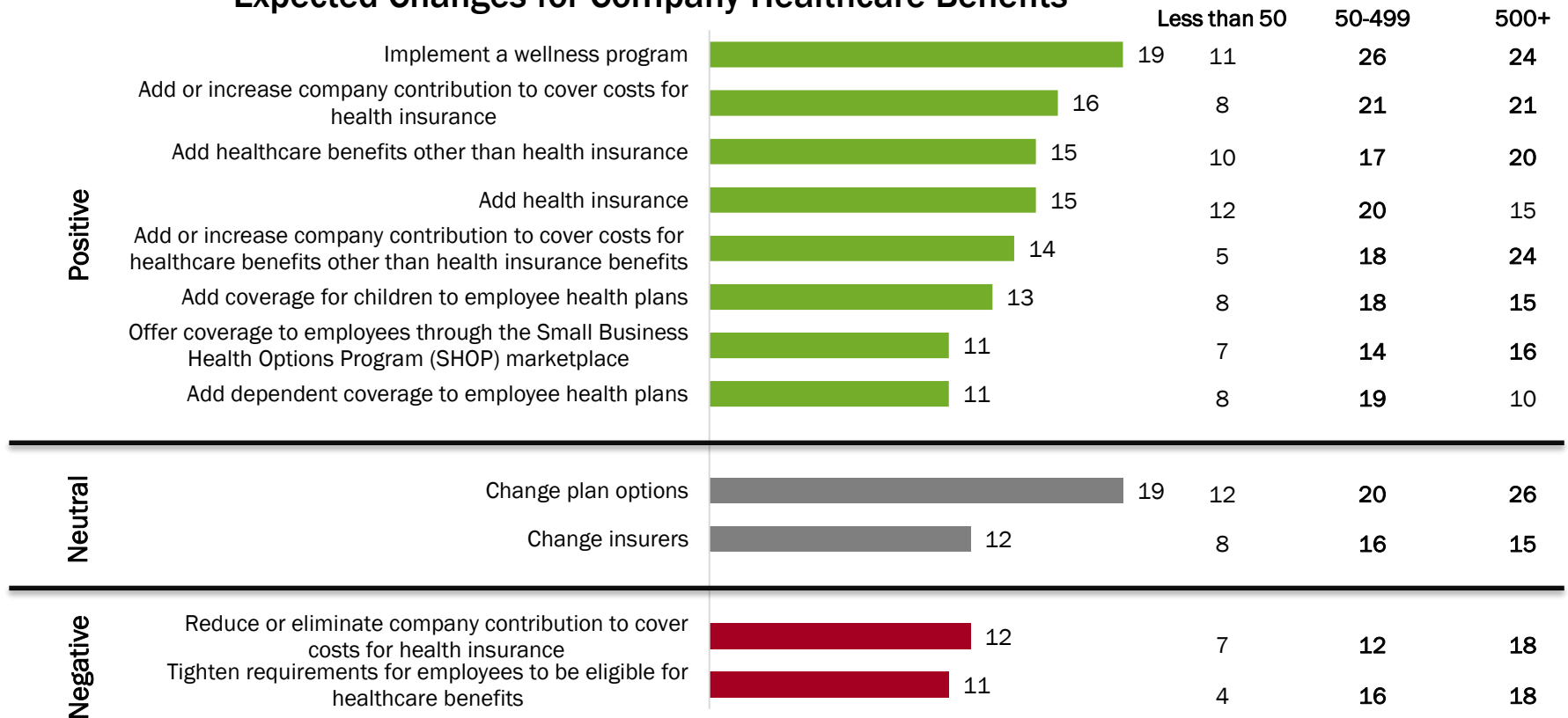
Wellness Programs

Future Changes

Changes Likely to Be Among Large/Midsized Companies

Implementing a wellness program is among the most commonly reported change across all company sizes, as is changing plan options. Midsized companies more likely to add health insurance benefits.

Expected Changes for Company Healthcare Benefits



Responses > than 10% shown

BOLD % indicates % is significantly greater than small companies

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

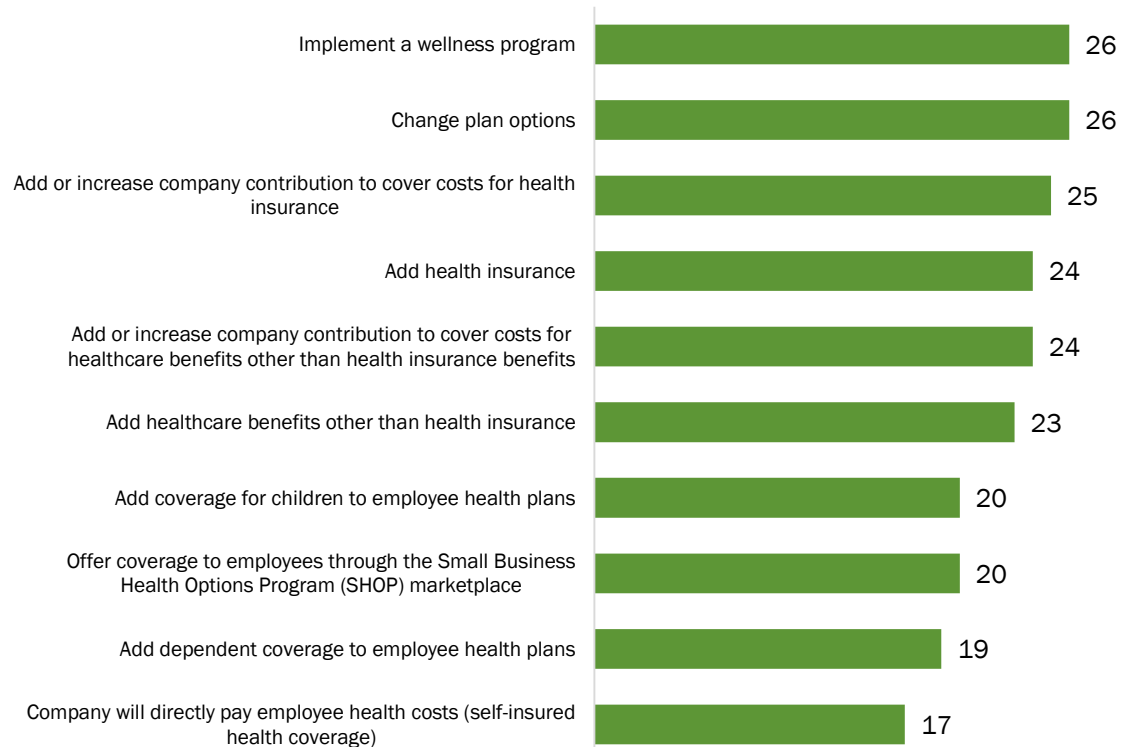
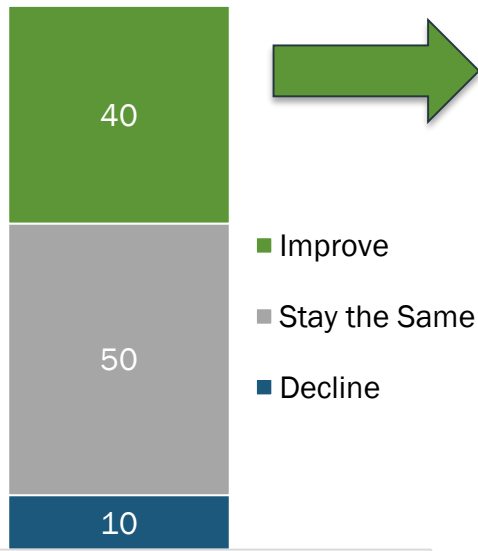
Q1025. What changes, if any, do you expect will be made to your company's healthcare benefits in the next 1 - 2 years? Please select all that apply.

Only 10% Of Companies Expect Insurance Quality to Decline

Of the Employers expecting costs for providing health insurance benefits to increase, around three in ten or more expect the quality of health insurance to also increase in the future.

Expected Changes to Company Healthcare Benefits Among Those Saying Quality Will Improve

Quality of Health Insurance in the Future



Only top 10 most common changes shown.

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q1321. Do you think the quality of health insurance you are able to offer employees will improve, decline, or stay the same in the next 12 to 36 months?

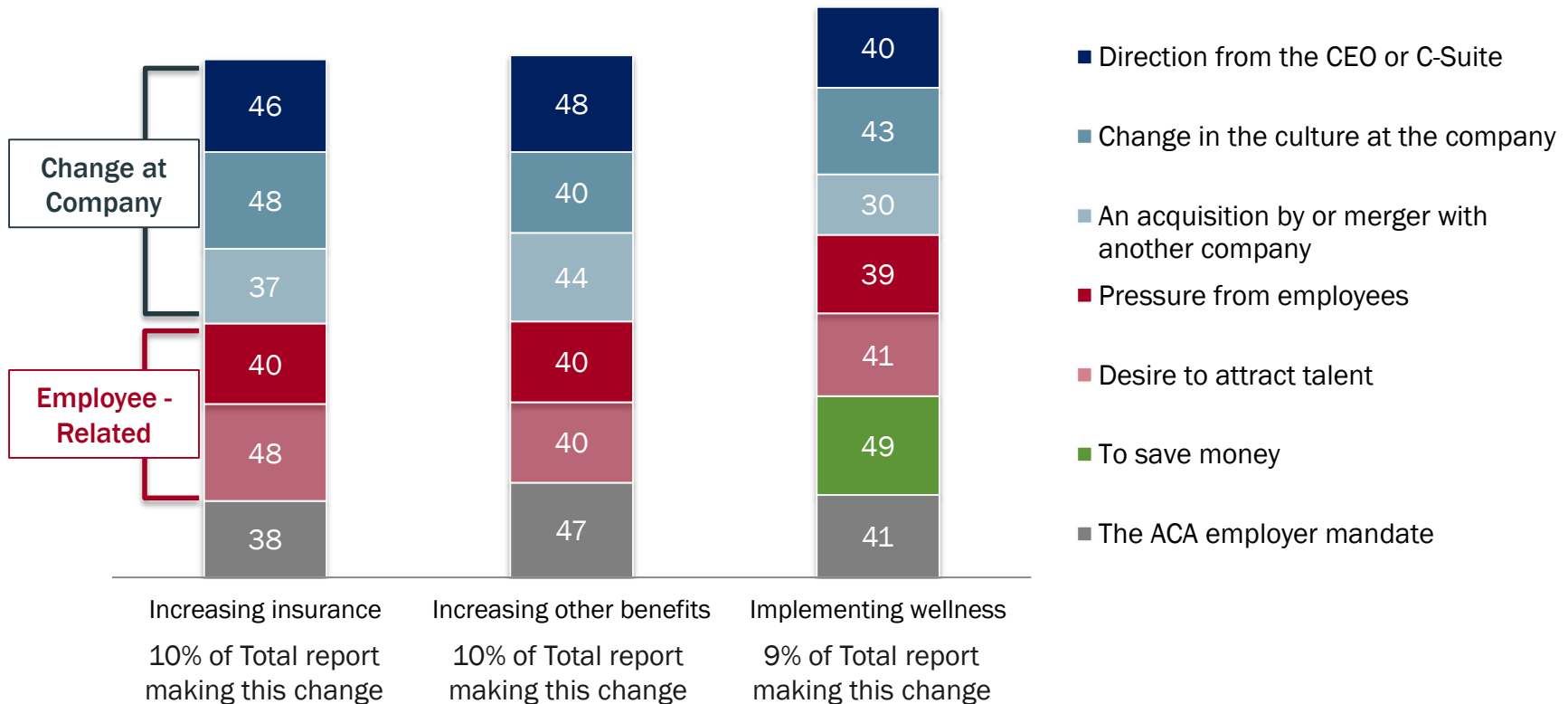
BASE: Say Quality of Health Benefits Will Improve (n=536)

Q1025. What changes, if any, do you expect will be made to your company's healthcare benefits in the next 1 - 2 years? Please select all that apply.

Half Of Employers Who Implemented a Wellness Program Cite Saving Money as Motivation for Change

Nearly half of employers who increased insurance did so to attract talent and nearly half of employers who increased other benefits did so at the direction of the CEO.

Motivations for Increasing Insurance, Benefits, and Wellness



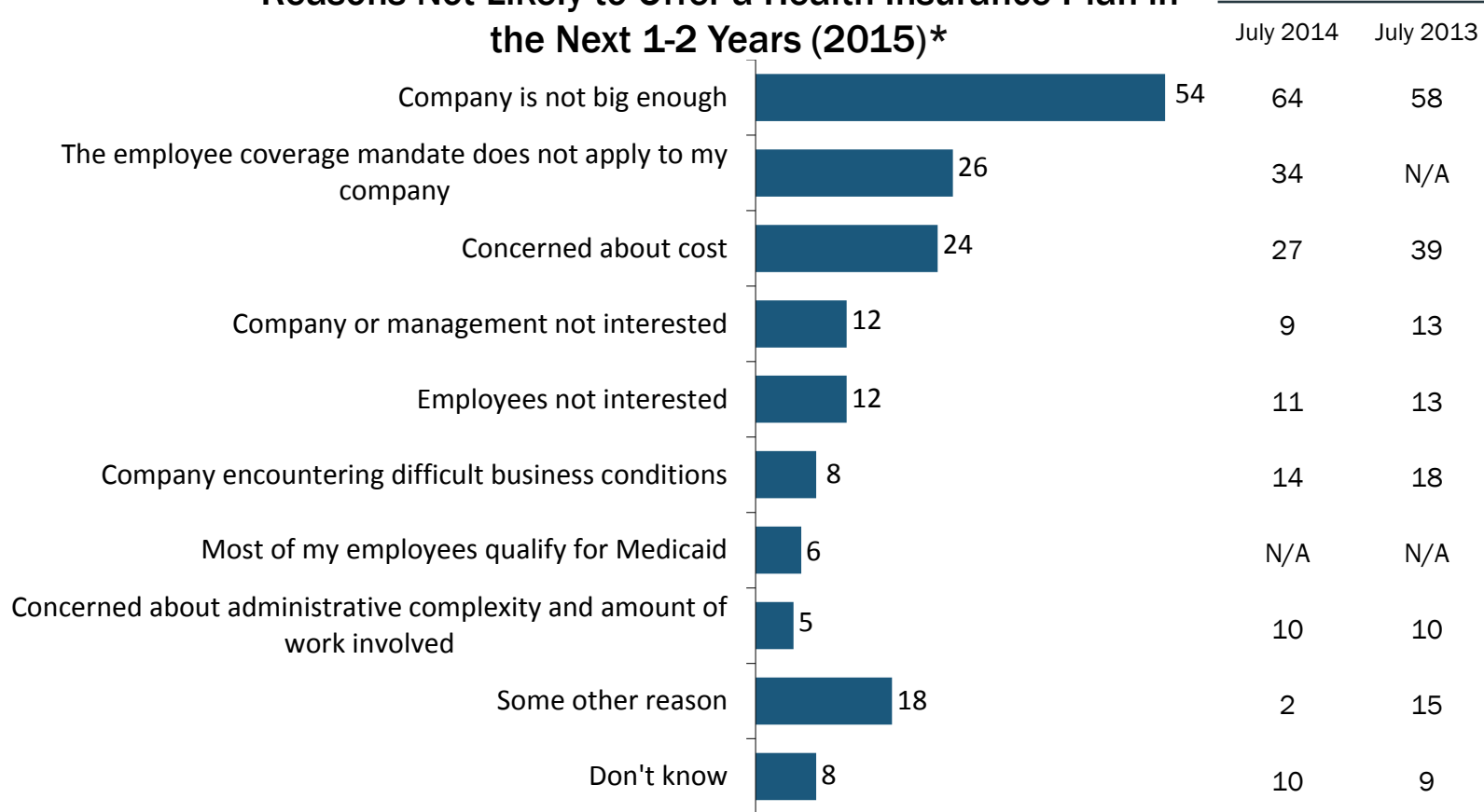
BASE: Made Changes To Healthcare Benefits In The Past 12 Month (Increasing insurance n=131, Increasing other benefits n=102, Implementing wellness n=110)

Q1015C. What motivated your company to increase health insurance, benefits, and/or implement a wellness program? (Multiple response)

Size Most Common Barrier to Providing Insurance

Cost concerns and difficult business conditions are less likely to be the cause of dropping health insurance than in the past (for small companies).

Reasons Not Likely to Offer a Health Insurance Plan in the Next 1-2 Years (2015)*



Only responses greater than ≥ 5% shown

BASE: Company Doesnt Provide Healthcare Benefits and Not Likely to Offer and Does Not Offer Coverage or Health Insurance as a Result of the ACA (July 2014 n=113, July 2013 n=94*, Aug/Sept 2015 n=277) Q1030. What are the reasons that your company is not likely to offer a health insurance plan in the next 1-2 years?

*Of the 277 companies who answered this question, 272 are small companies (less than 50 employees).

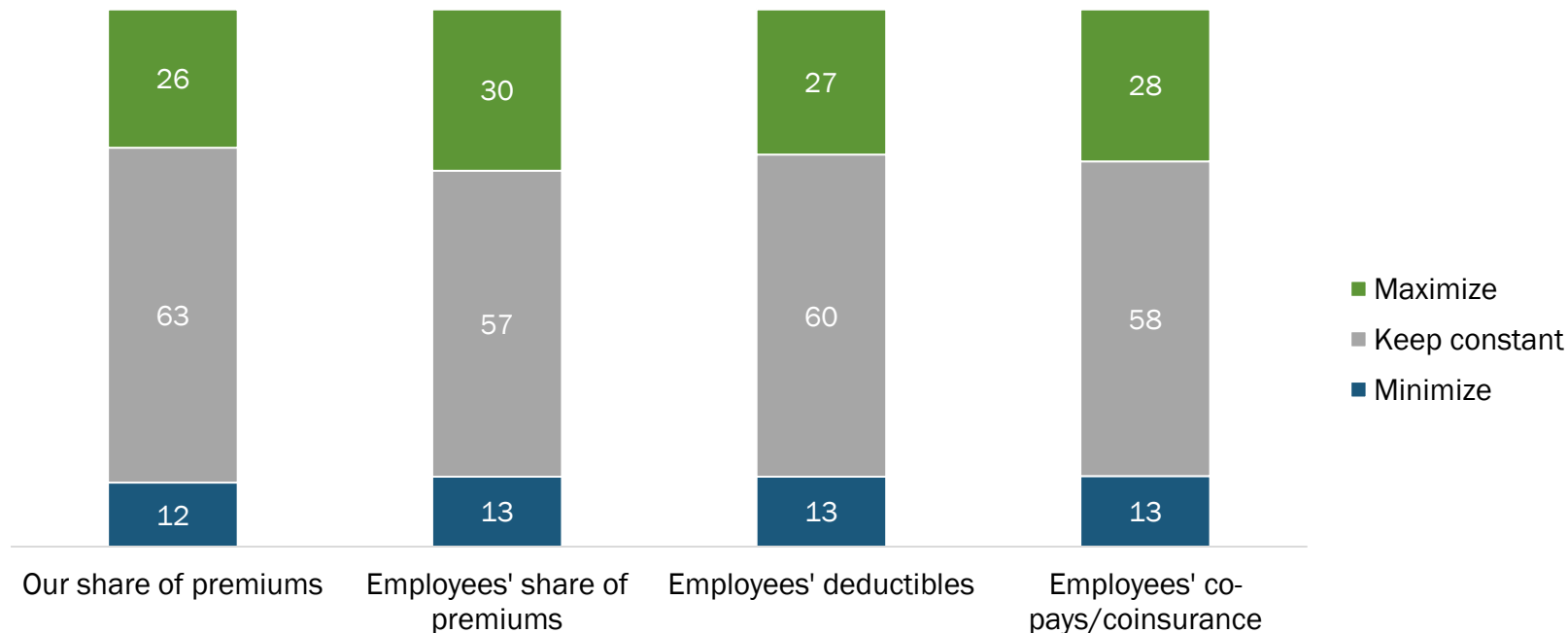
*Small Base. Results are directional in nature.

Affordability

Most Employers Just Trying to Keep Costs Constant

Most employers say they try to manage healthcare costs by trying to keep premiums, deductibles and co-pays/co-insurance constant. However, three in ten employers want to maximize employee shares of premiums.

Methods for Managing Healthcare Costs



BASE: Offers Health Insurance (Aug/Sept 2015 n=998)

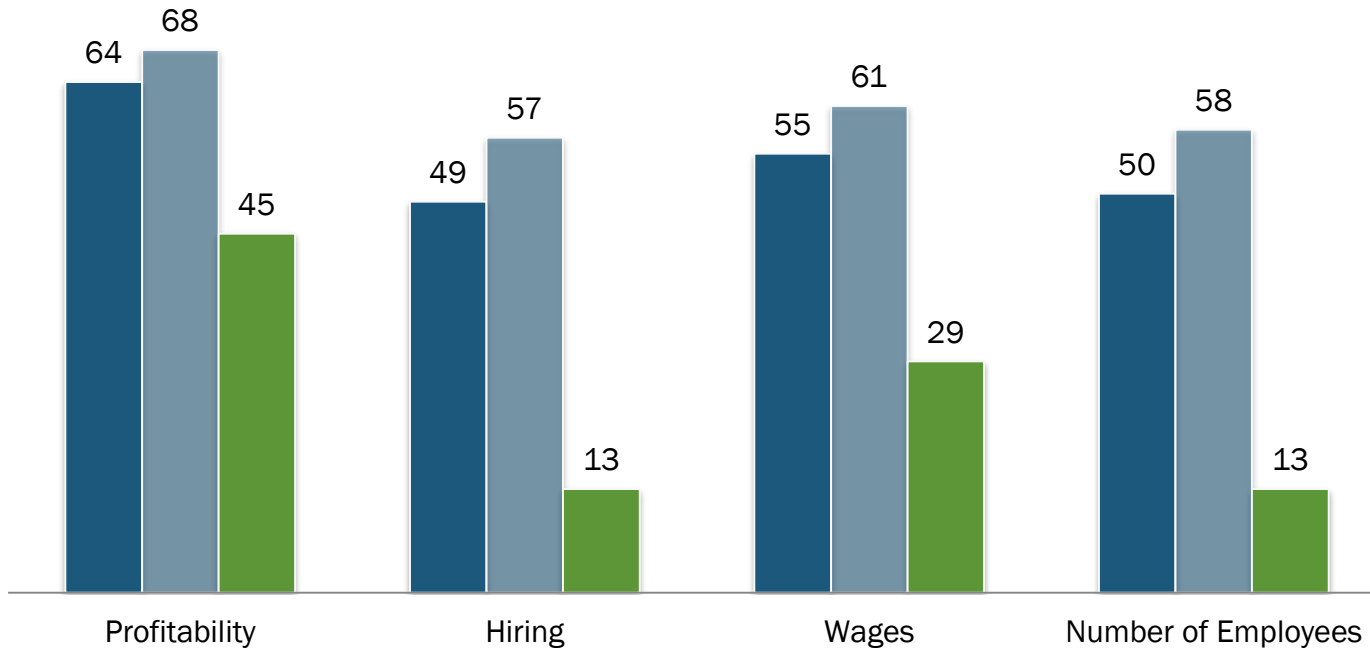
Q919. Which of the following best describes your current approach to managing health insurance costs for you and your employees?

Offering Health Benefits Associated With Company Growth

Employers offering healthcare benefits are more likely than those who do not to say they anticipate profitability, hiring and wages to increase in the next 1 to 2 years.

% Anticipating Increase by Insurance Offering

■ Total ■ Offers Healthcare Benefits ■ Does Not Offer Healthcare Benefits



Companies that do not provide insurance are more likely than those who do to employ less than 25 full-time workers (95% vs. 23%) and to be in the service industry (17% vs. 12%).

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500; Offers Healthcare Benefits (n=1165; Does Not Offer Healthcare Benefits (n=335)

Q710. Over the next 1-2 years, how do you anticipate the following will change at your company?

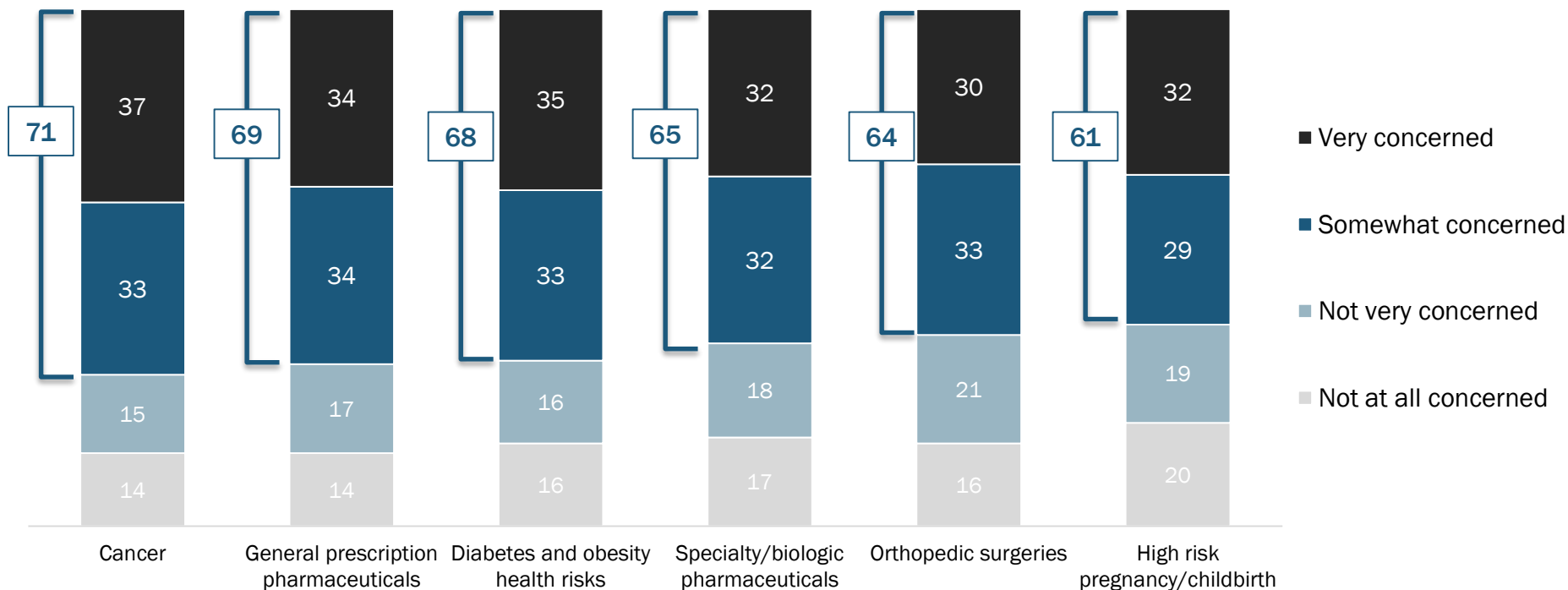
BASE: Company Provides healthcare (Aug/Sept 2015 n=1165)

Q820. Which types of health plans are included in your health insurance coverage?

Costs Associated with Cancer Most Common Concern

When asked about their company's ability to manage healthcare costs, cancer, drug costs and the health risks of diabetes/obesity top the list of concerns.

Concerns About Managing Healthcare Costs (%)



*New in 2015

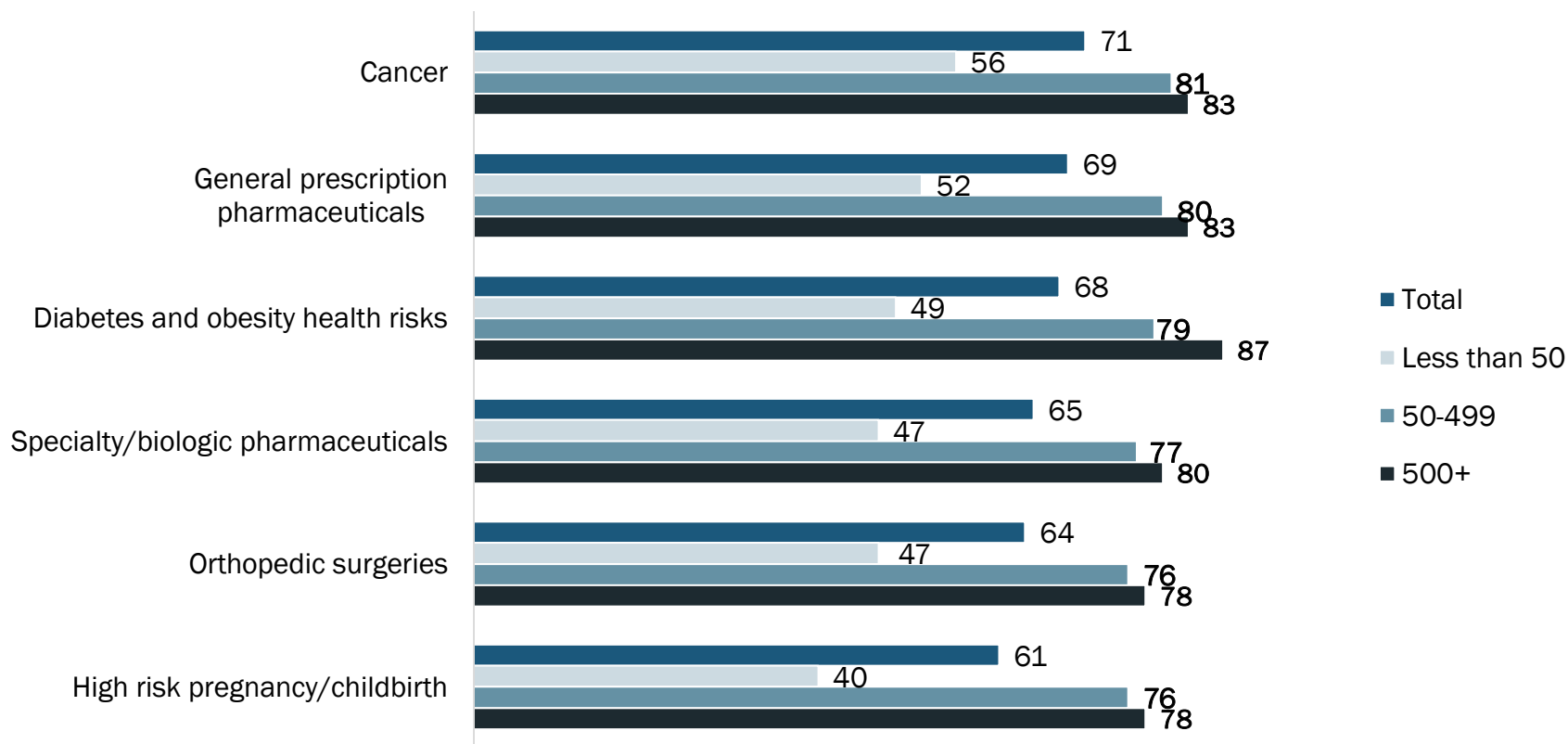
BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q1040. How concerned are you about your company's ability to manage the following types of healthcare costs?

Large Employers More Likely to Show Concern about Costs

Overall, smaller companies are less likely to say they are concerned about managing healthcare costs compared to medium and large companies.

% Very/Somewhat Concerned about Managing Cost by Company Size



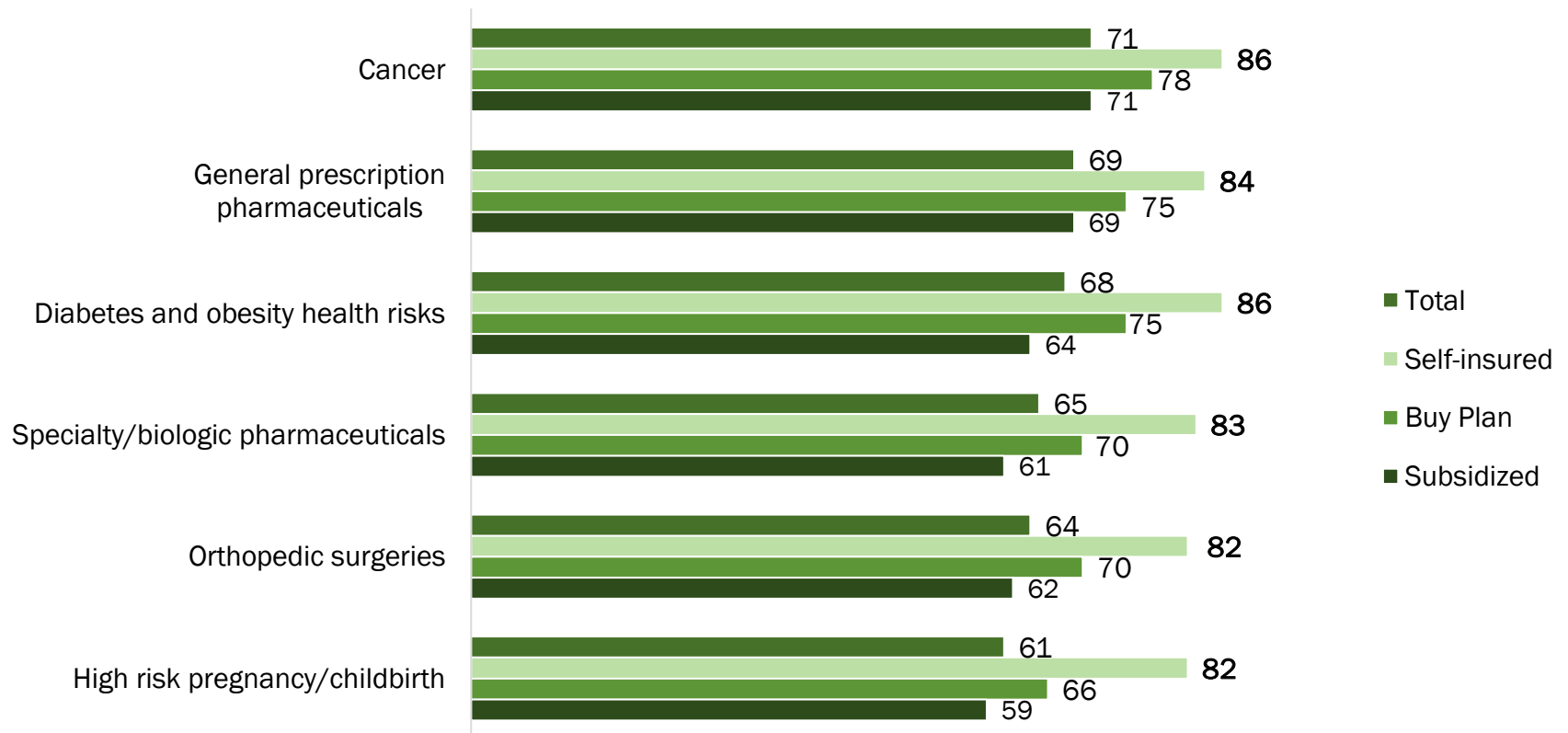
BOLD % indicates % is significantly greater than small companies

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500; Less than 50; n=795; 50-499; n=395; 500+ n=310)
 Q1040. How concerned are you about your company's ability to manage the following types of healthcare costs?

Self-insured Employers More Likely to Be Concerned about Costs

Self-insured companies express significant concern about managing costs of employee health conditions.

% Very/Somewhat Concerned about Managing Cost by Funding



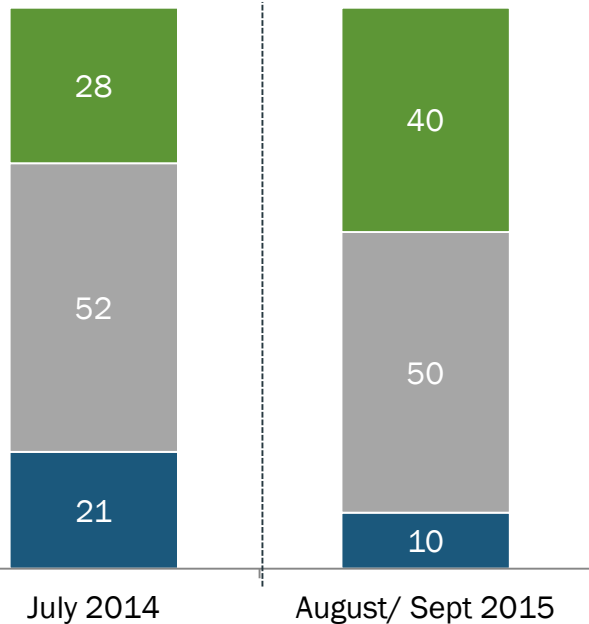
BOLD % indicates % is significantly greater than companies buying and subsidizing plans

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500; Self-insured; n=336; Buy Plan n=737; Subsidized n=73)
 Q1040. How concerned are you about your company's ability to manage the following types of healthcare costs?

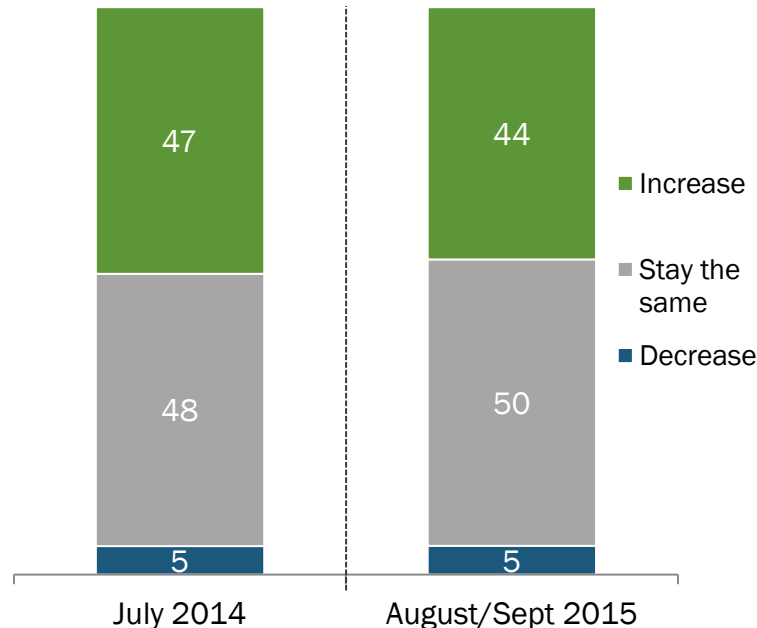
Companies Expect Health Insurance Quality to Increase

More companies in 2015 expect the quality of health insurance will increase – a similar proportion expects costs to increase. Half of employers expect costs to remain flat.

Quality Of Health Insurance In The Future



Cost For Providing Health Insurance Benefits In The Future



While expected increase in quality of health insurance has grown (40% from 28%), concern about cost has remained similar (47% compared to 44%).

BASE: All Qualified Respondents (July 2014 n=751, Aug/Sept 2015 n=1500)

Question text in 2014: 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?

Question text in 2015: Q1321. Do you think the quality of health insurance you are able to offer employees will improve, decline, or stay the same in the next 12 to 36 months?

BASE: All Qualified Respondents (July 2014 n=751, Aug/Sept 2015 n=1500)

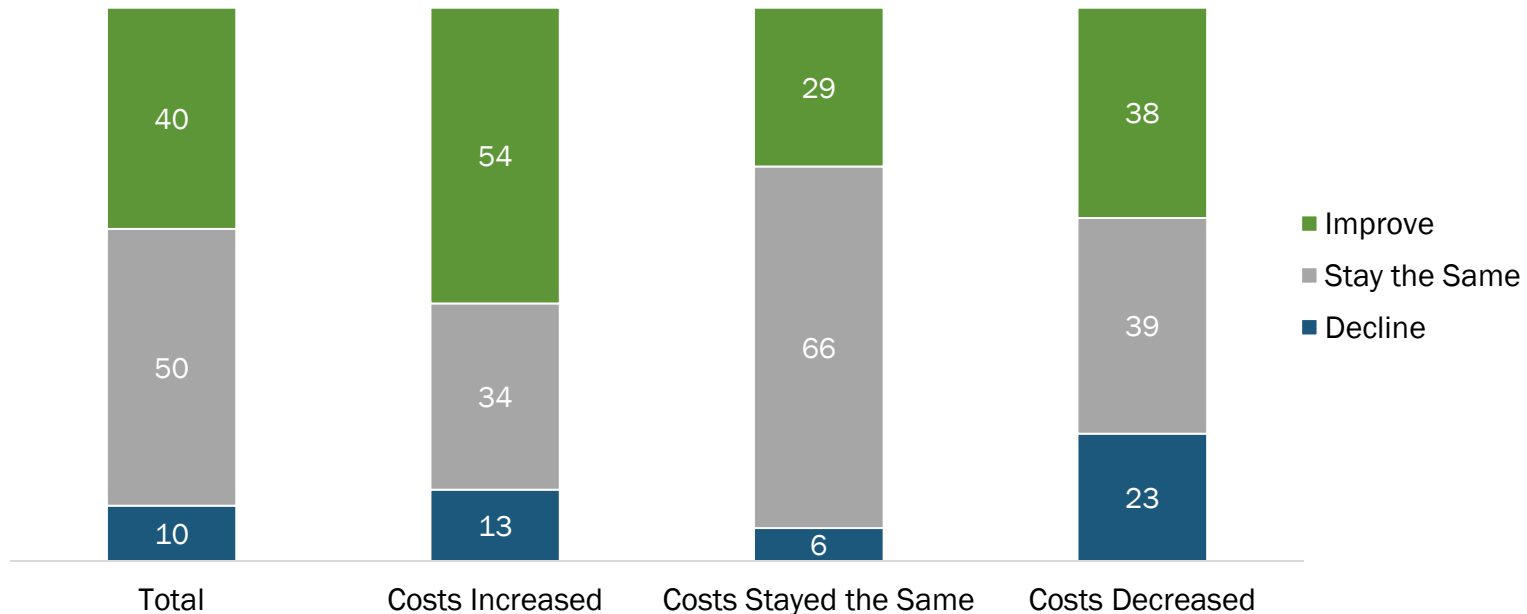
Question text in 2014: Q1320. Given what you know about the ACA, do you expect that costs for each of the following will increase, decrease, or stay the same?

Question text in 2015: Q1320. Do you expect that costs for each of the following will increase, decrease, or stay the same in the next 12 to 36 months?

Increased Cost Associated with Increased Quality

A majority of employers expecting costs for providing health insurance benefits to increase think quality will increase in the future. Overall, 50% of employers expect quality to stay the same.

Anticipated Quality of Health Insurance by Anticipated Cost For Providing Health Insurance Benefits In The Future



*Note: Small base. Results are directional in nature.

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500; Costs Increased n=637; Costs Stayed the Same n=790; Costs Decreased n=73*)

Q1321. Do you think the quality of health insurance you are able to offer employees will improve, decline, or stay the same?

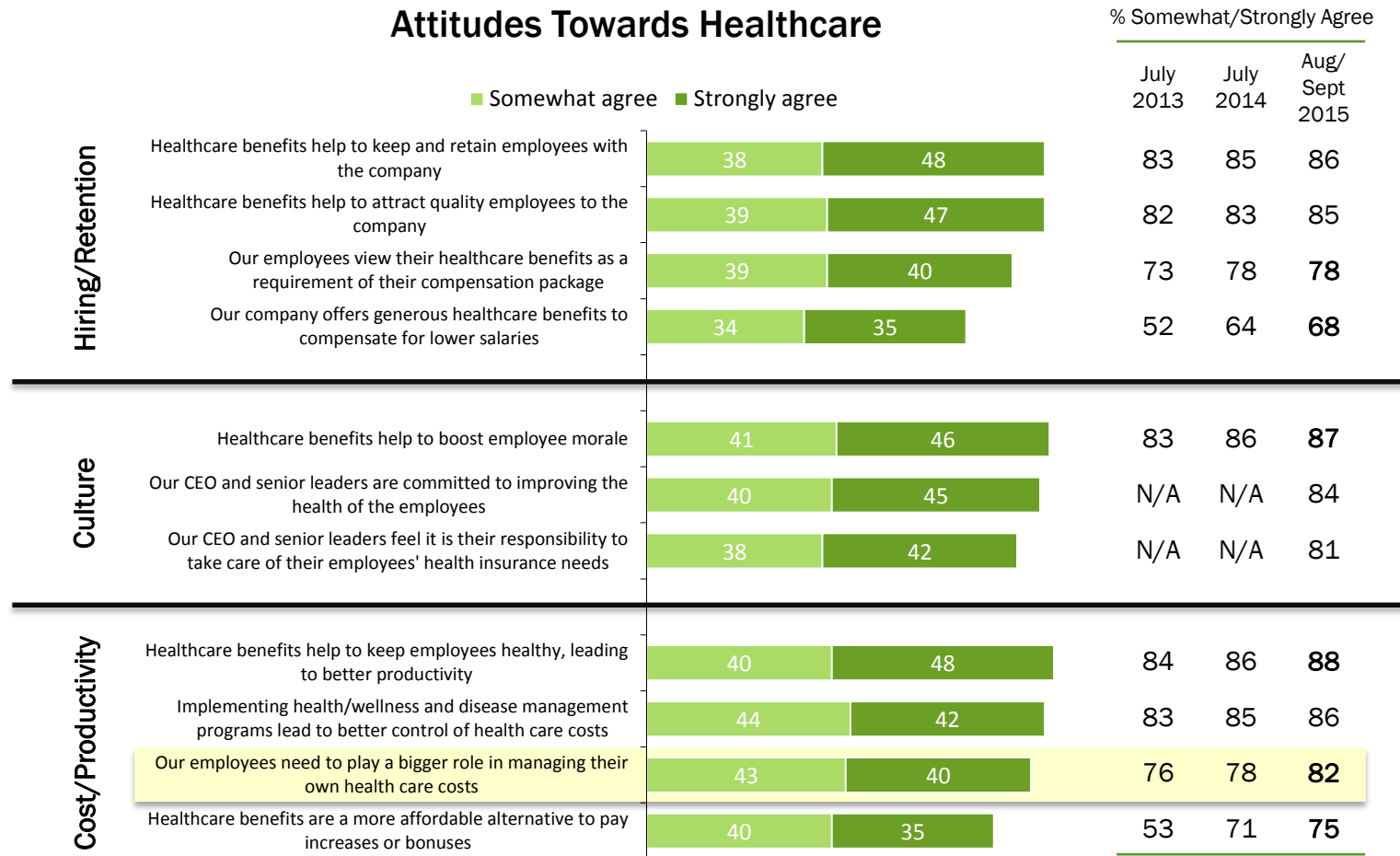
BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q1320. Do you expect that costs for each of the following will increase, decrease, or stay the same?

Attitudes and Behaviors

Employers Agree That Healthcare Benefits Help Retain Employees, Boost Morale, and Increase Productivity

Employers are more likely to believe that healthcare benefits can compensate for lower salaries and are an alternative to pay increases than they were in the past.



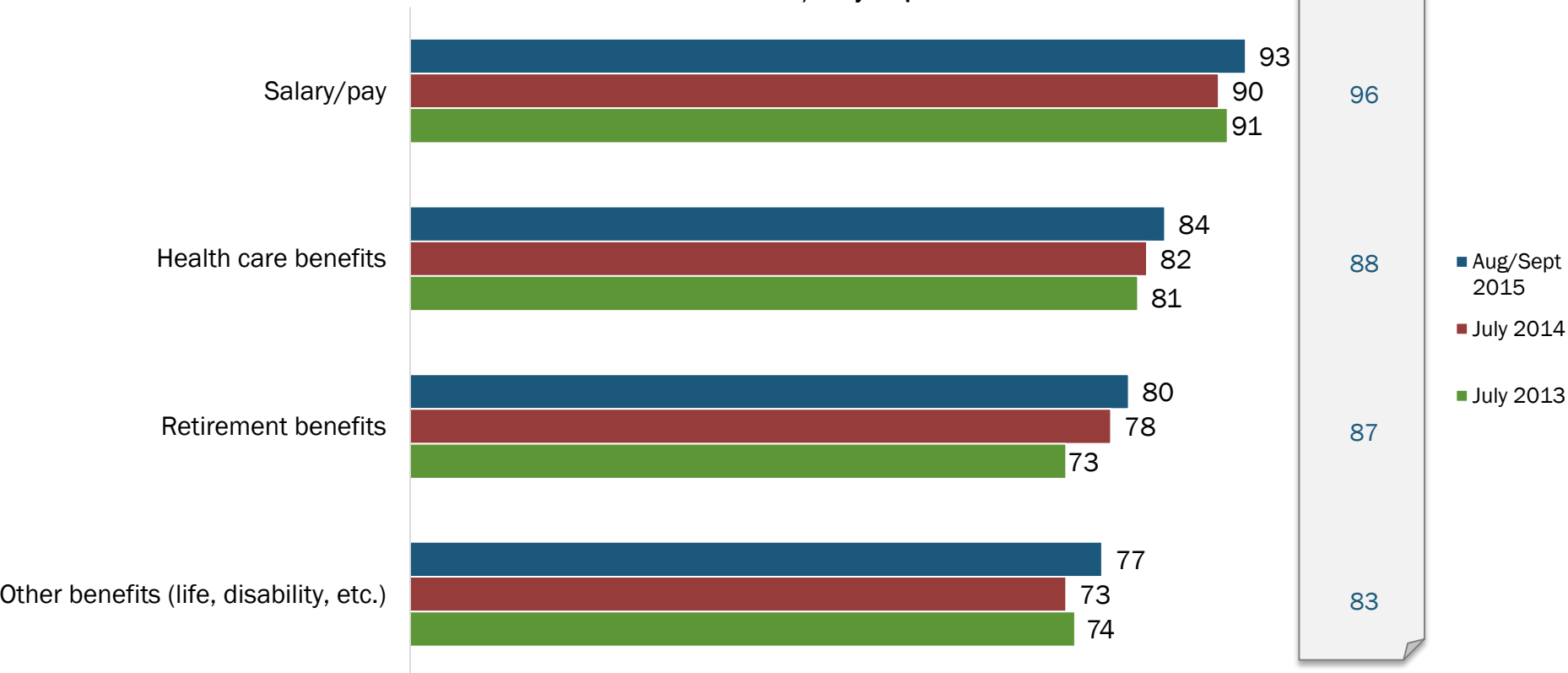
BOLD item indicates % is significantly greater than 2013 data

BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)
 Q832. How much do you agree or disagree with the following statements?

Employers and Employees Agree on Salary, Benefit Priorities

Over 80% of both employers and employees agree that healthcare benefits are important for attracting/retaining employees.

**Attributes Most Important to Attract/Retain Employees:
Salary and Benefits**
% Somewhat/Very Important



BASE: All Qualified Respondents: (July 2013 n=758, July 2014 n=751 Aug/Sept 2015 n=1500)

Q717. How important are each of the following attributes in your company's ability to attract and retain employees?

From 2015 General Population Survey:

BASE: Qualified Respondents And Full/Part-time Employed (n=2495)

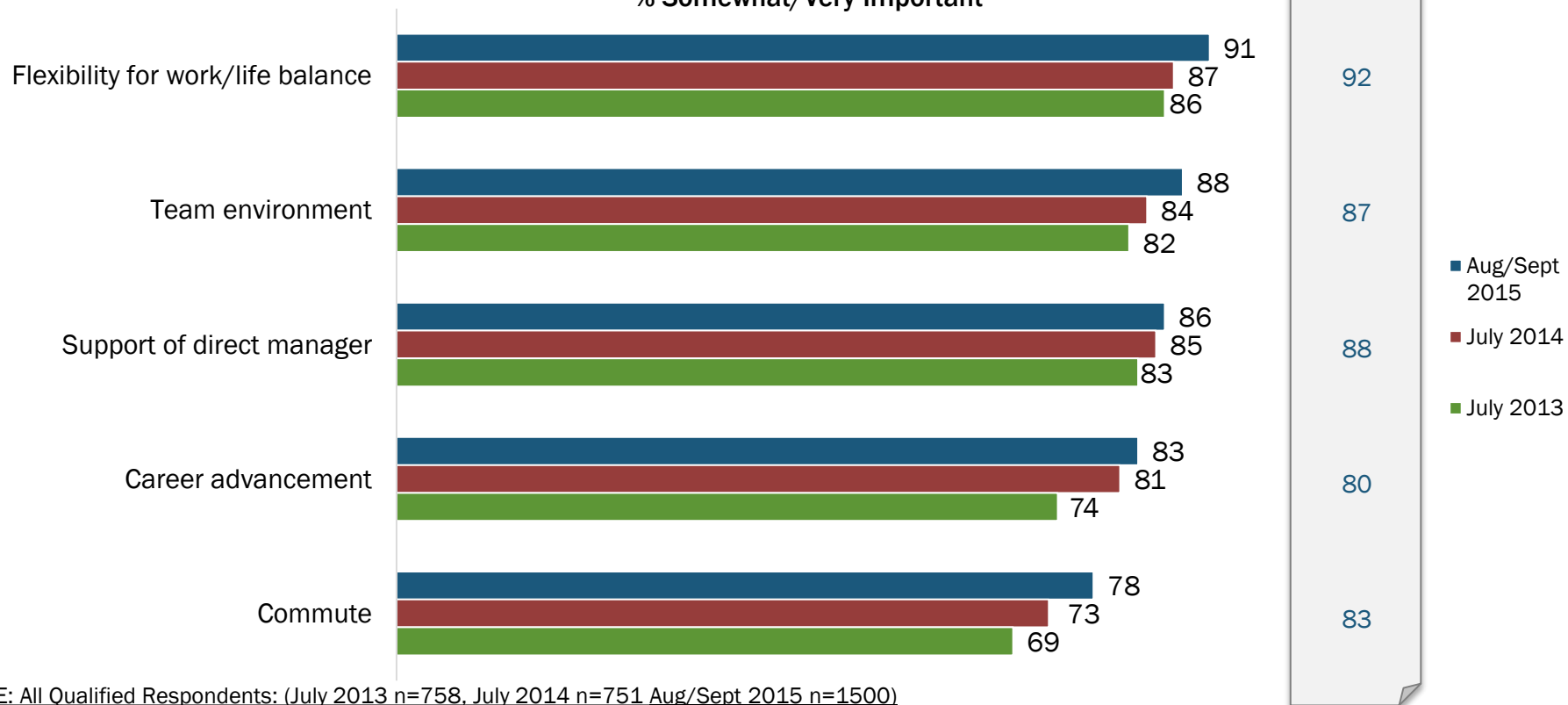
Q1105. When thinking about your job/career, how important are each of the following factors in your overall job satisfaction?

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Over 90% of Employers and Employees Prioritize Flexibility for Work/Life Balance

When asked to rate the importance of a variety of items about the employee experience, ratings between employers and employees are strikingly similar.

**Attributes Most Important to Attract/Retain Employees:
The Individual Experience**
% Somewhat/Very Important



BASE: All Qualified Respondents: (July 2013 n=758, July 2014 n=751 Aug/Sept 2015 n=1500)

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

From 2015 General Population Survey:

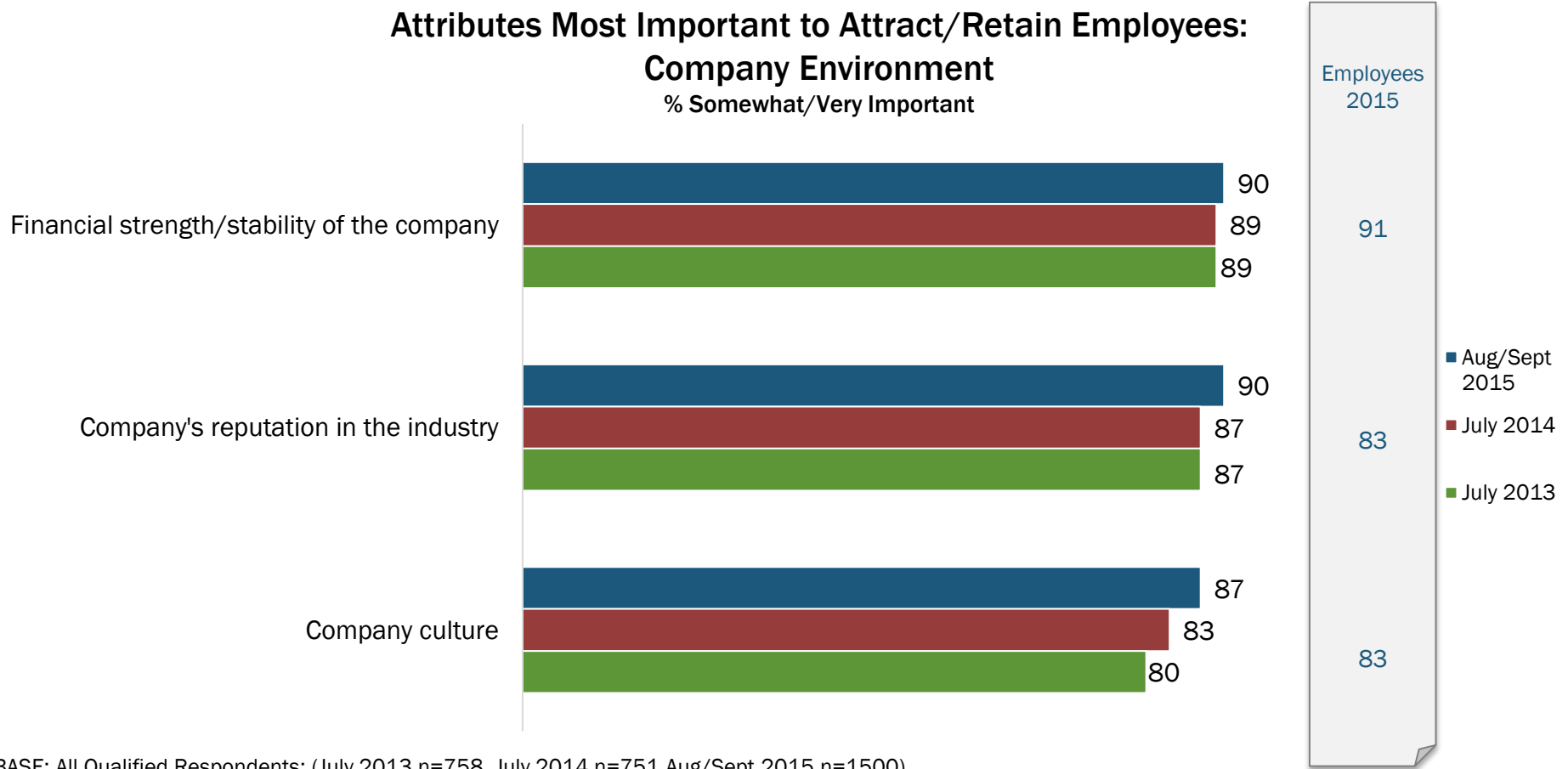
BASE: Qualified Respondents And Full/Part-time Employed (n=2495)

Q1105. When thinking about your job/career, how important are each of the following factors in your overall job satisfaction?

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Employers May Overestimate Importance of Reputation and Company Culture

The vast majority of employers believe the company's reputation and culture are important to attract and retain employees, slightly more than employees.



BASE: All Qualified Respondents: (July 2013 n=758, July 2014 n=751 Aug/Sept 2015 n=1500)

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

From 2015 General Population Survey:

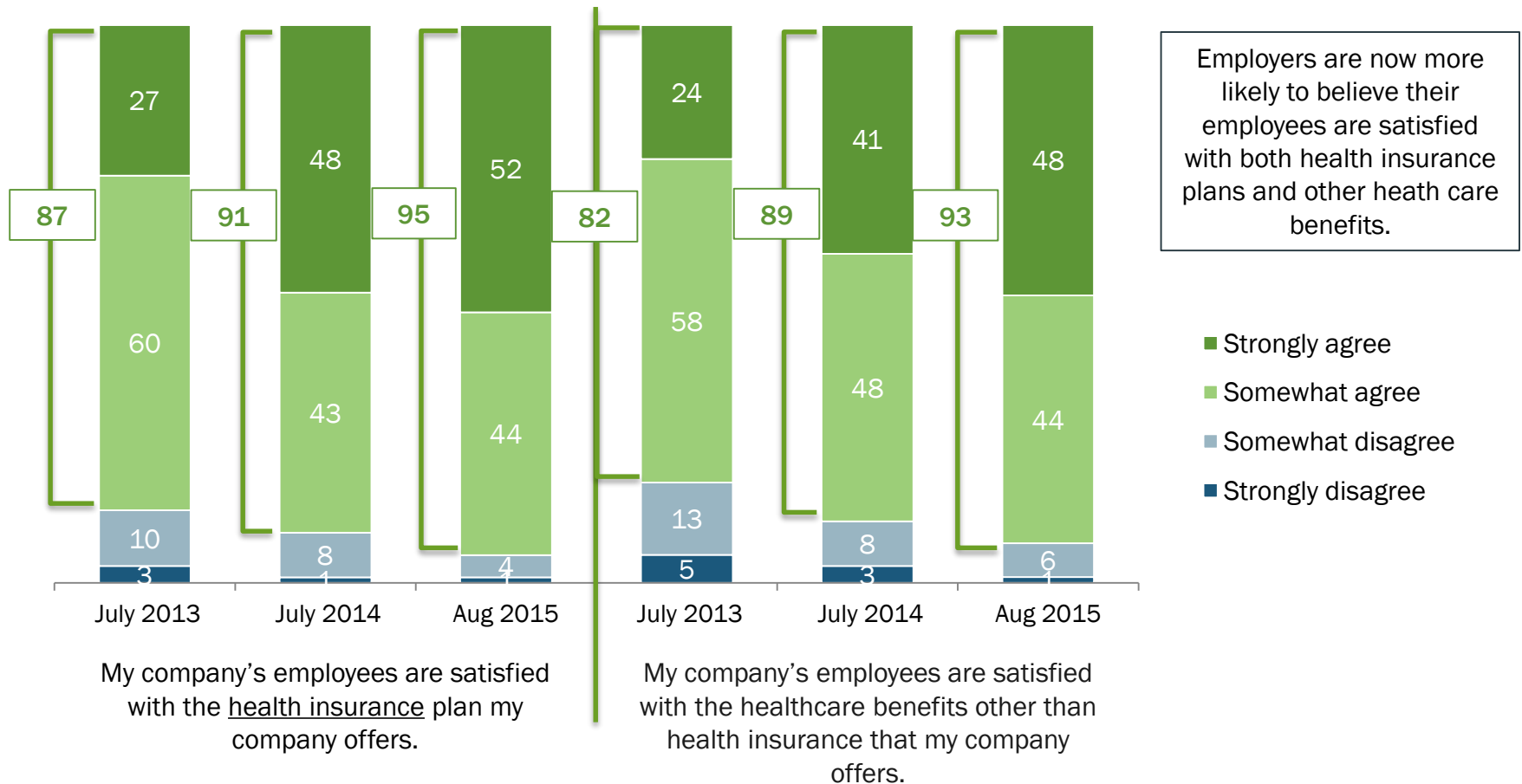
BASE: Qualified Respondents And Full/Part-time Employed (n=2495)

Q1105. When thinking about your job/career, how important are each of the following factors in your overall job satisfaction?

Employers Believe Employee Satisfaction with Benefits Is High

Employers are increasingly likely to believe their employees are satisfied with the health insurance and healthcare benefits their company offers (over the last three years).

Satisfaction with Health Insurance Plan and Benefits



BASE: Company Provides Healthcare Benefits (July 2013 n=640, July 2014 n=626 Aug/Sept 2015 n=1165)

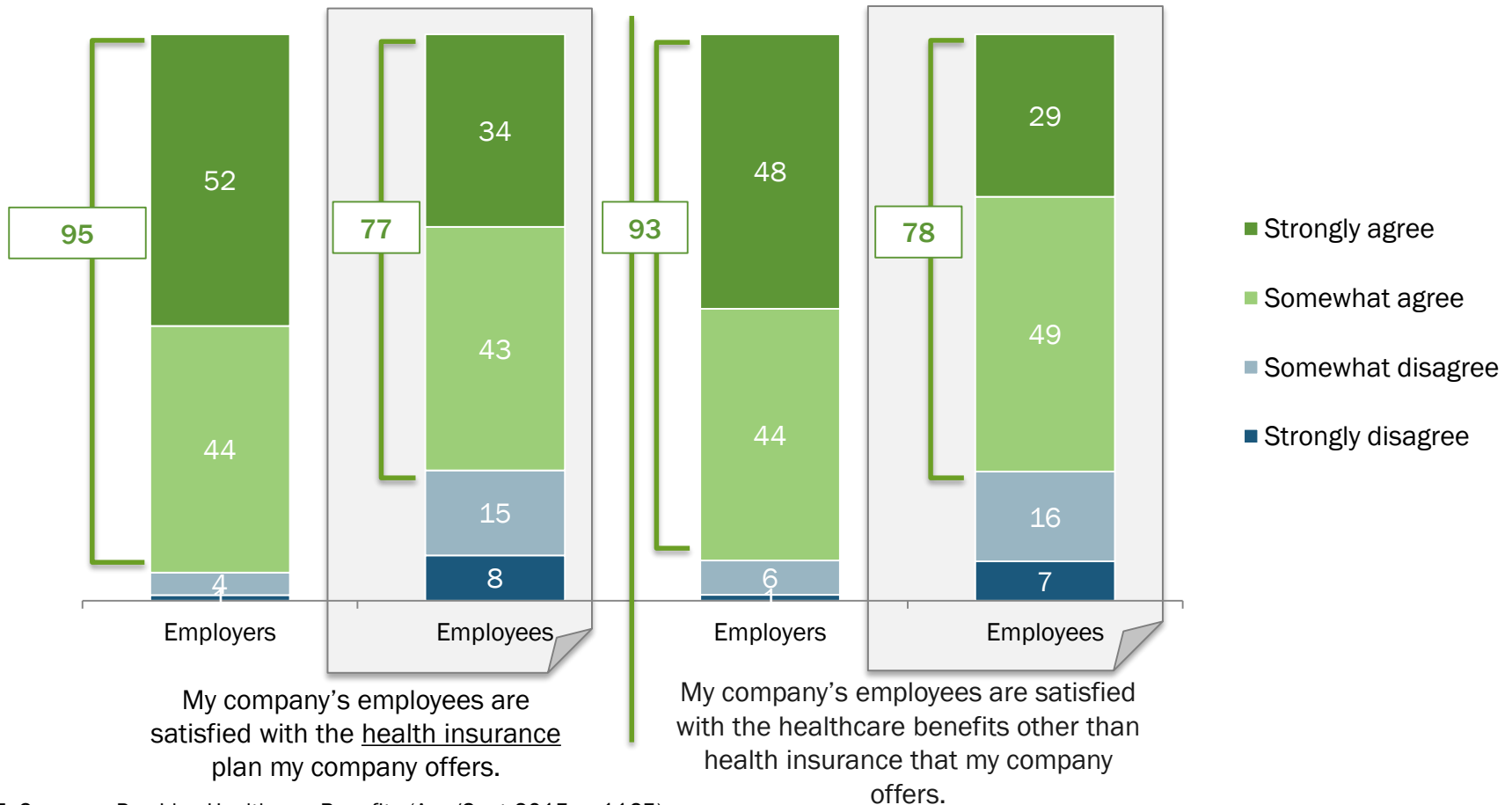
Q906. How much do you agree or disagree with the following statements?

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Employers Overstate Employee Satisfaction with Benefits

Employers are more likely to think employees are satisfied with the company's health insurance and benefits than employees actually report.

Satisfaction with Health Insurance Plan and Benefits



BASE: Company Provides Healthcare Benefits (Aug/Sept 2015 n=1165)

Q906. How much do you agree or disagree with the following statements?

From 2015 General Population Survey:

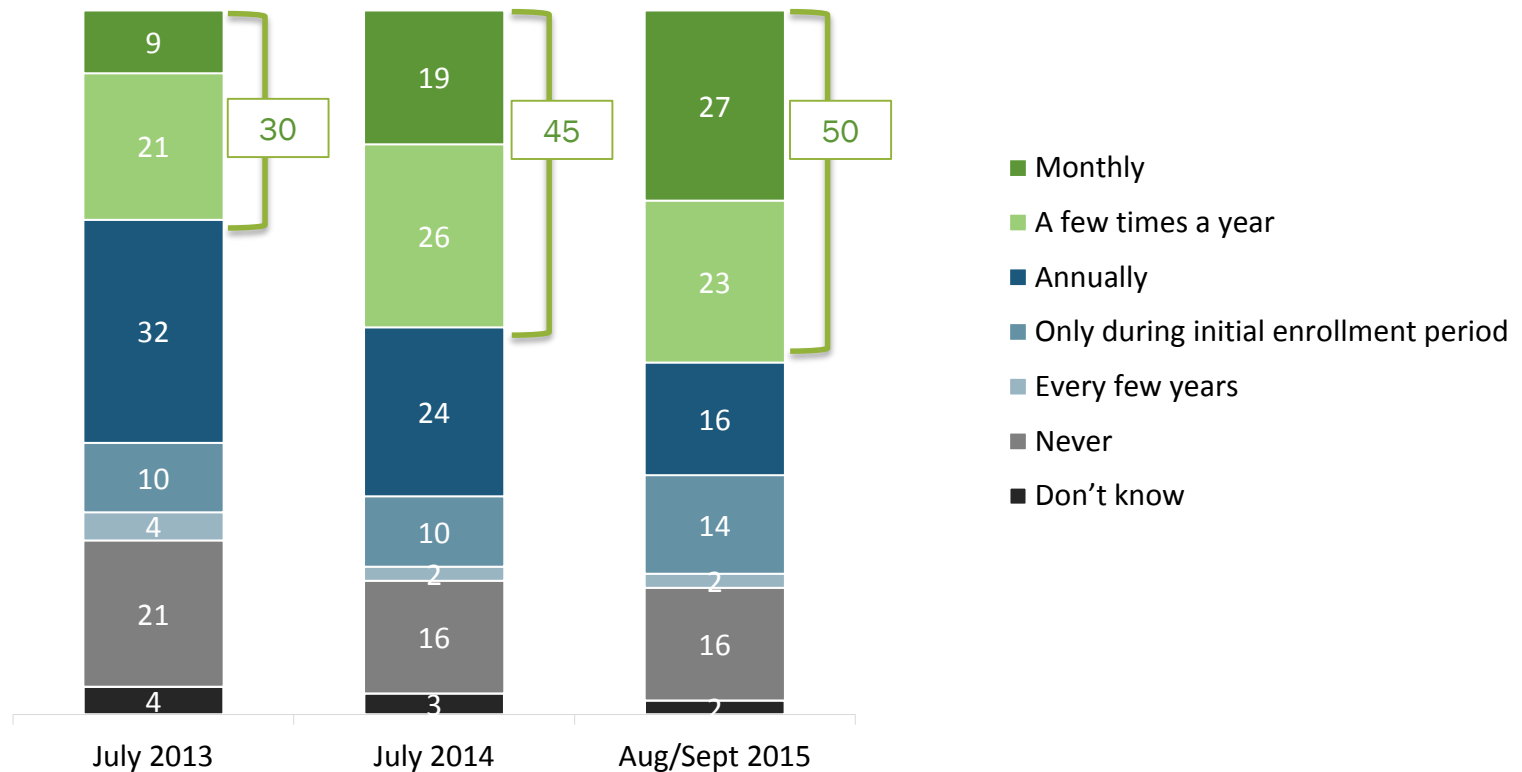
Q1116. How much do you agree or disagree with the following statement(s)?

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Employers Are Providing More Frequent Health Benefit Education, Advice

The percentage of employers reporting they engage employees in education or advice about healthcare benefits more often than once a year has grown since 2013. However, 16% still say they never do.

Providing Employee Education on Health Benefits



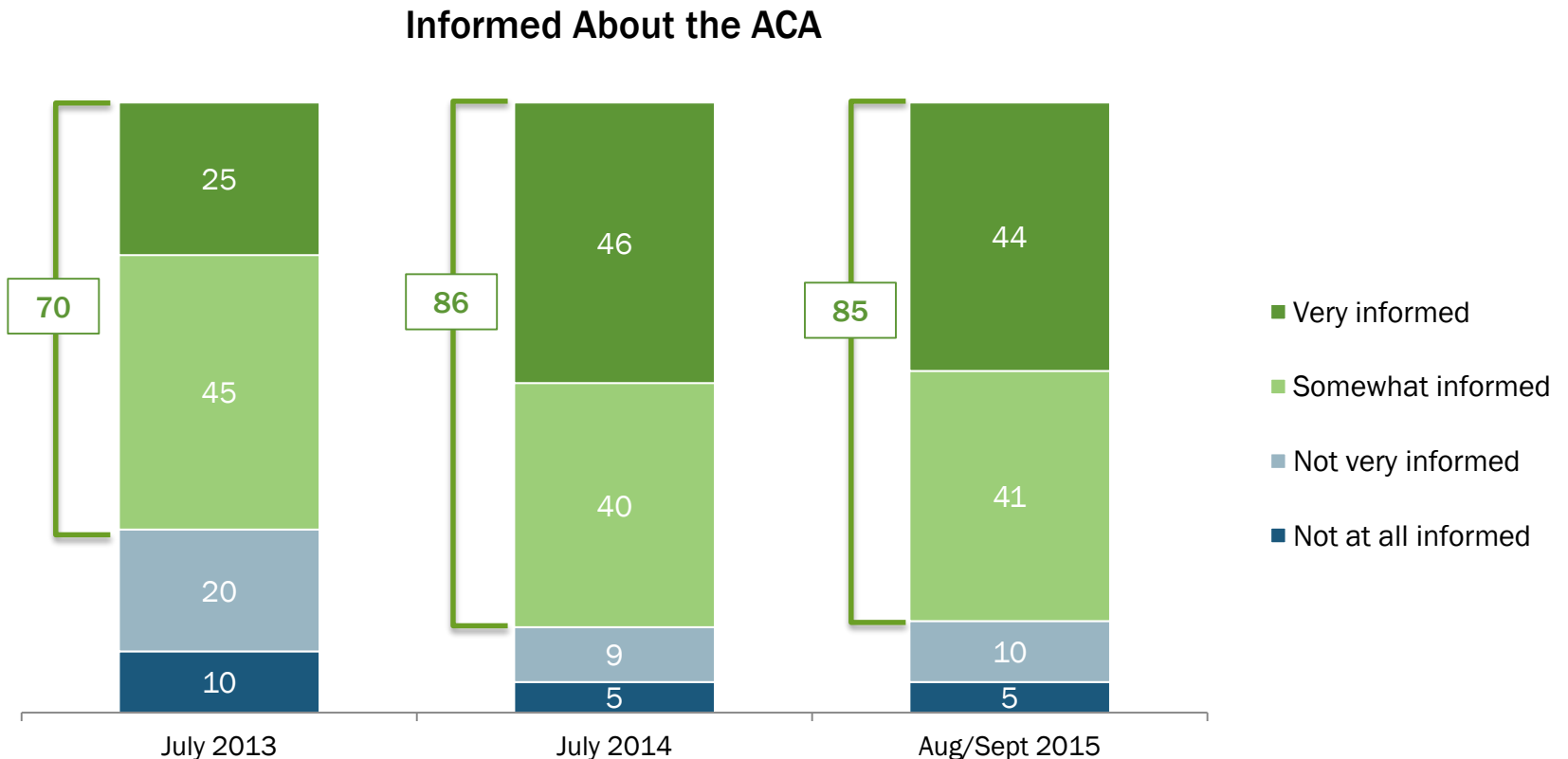
BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

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

Affordable Care Act

Companies Are No More Informed About Affordable Care Act than in 2014

Six in seven companies say they feel very or somewhat informed about the ACA.



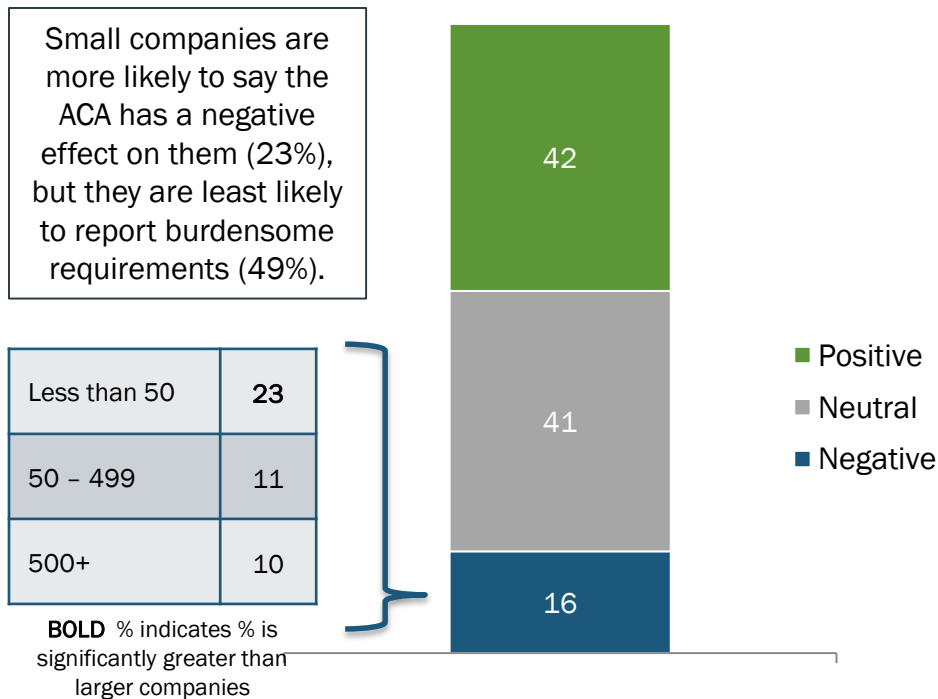
BASE: All Qualified Respondents (Total: July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

Q1300. How informed are you about the Patient Protection and Affordable Care Act, also known as healthcare reform or the ACA?

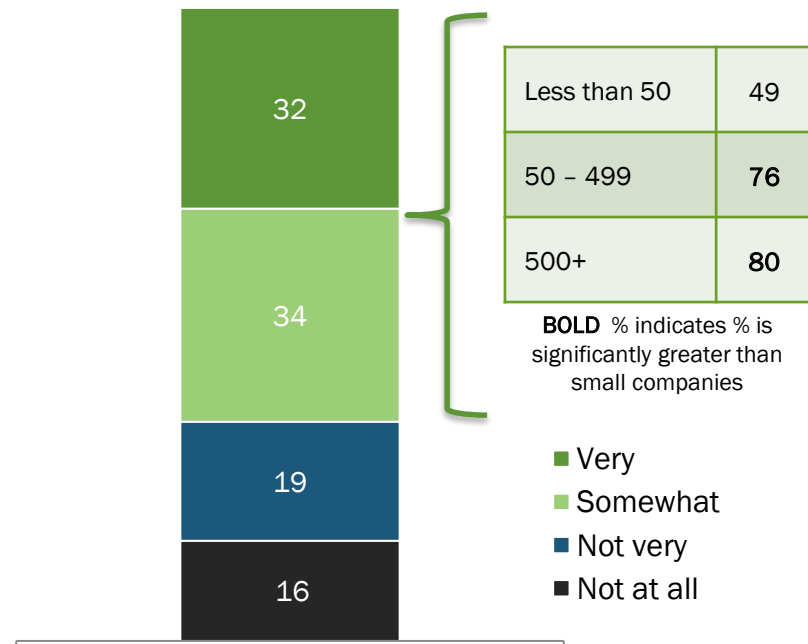
83% Say ACA Had Positive-Neutral Impact on Business, But Reporting Requirements Burdensome

Small businesses are more likely to say they believe the ACA has had a negative impact on their business, but reporting burden hits medium and large companies more.

Do you believe that the ACA has a negative, neutral, or positive effect on your business?



How burdensome are the reporting requirements of the ACA for your company?



*New in 2015

BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

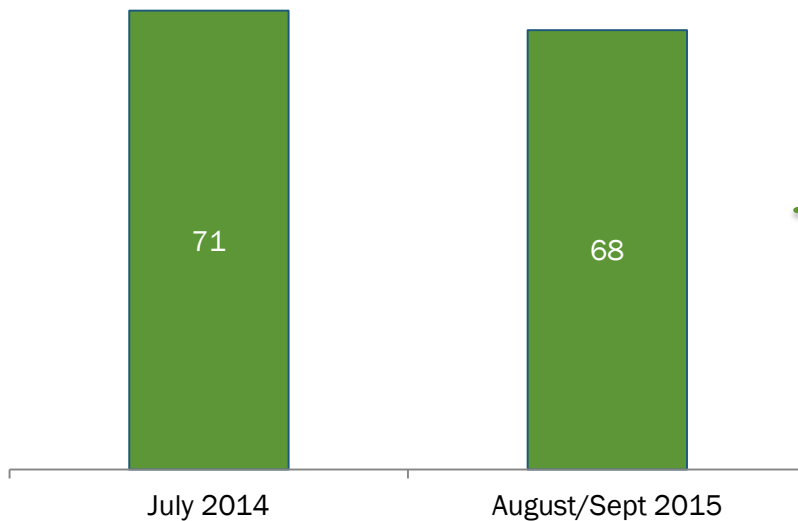
Q1306. Do you believe that the ACA has a negative, neutral, or positive effect on your business?

Q1307. How burdensome are the reporting requirements of ACA for your company?

Awareness of SHOP Lowest Among those It Affects

Around half of small businesses say they are aware of SHOP Marketplaces and a third says they know how to access SHOP coverage for their employees.

Awareness of the SHOP Marketplaces
(% Yes)



Less than 50	55
50 - 499	77
500+	79

BOLD % indicates % is significantly greater than small companies

55% of small businesses are now aware of the SHOP Marketplaces, compared with 50% last year.

33% of small companies say they have heard about SHOP Marketplace in their state and the same percentage say they know how to access the SHOP Marketplace coverage for their employees.

BASE: All Qualified Respondents (July 2014 n= 751, Aug/Sept 2015 n=1500)

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?

Q1355B. Have you read, seen, or heard anything about the Small Business Health Options Program (SHOP) Marketplace in your state?

BASE: Less Than 50 Employees (Aug/Sept 2015 n=726)

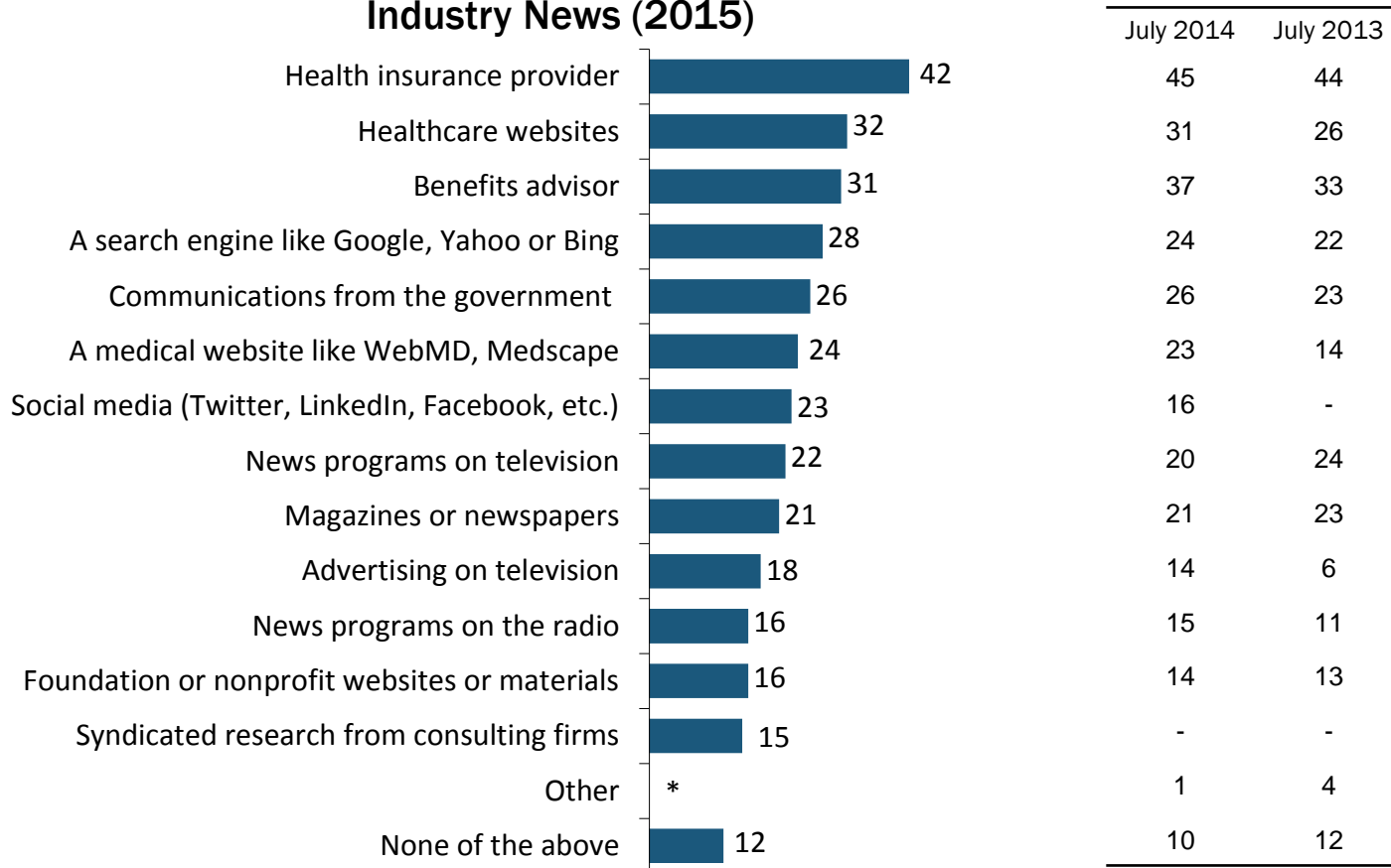
Q1355C. Do you know how to access Small Business Health Options Program (SHOP) Marketplace coverage for your employees?

Knowledge and Information

Employers Increasingly Rely on Search Engines

Employers most frequently rely on health insurance providers, healthcare websites, benefits advisors, and search engines in order to stay informed about healthcare.

Sources Consulted to Stay Informed About Healthcare Industry News (2015)



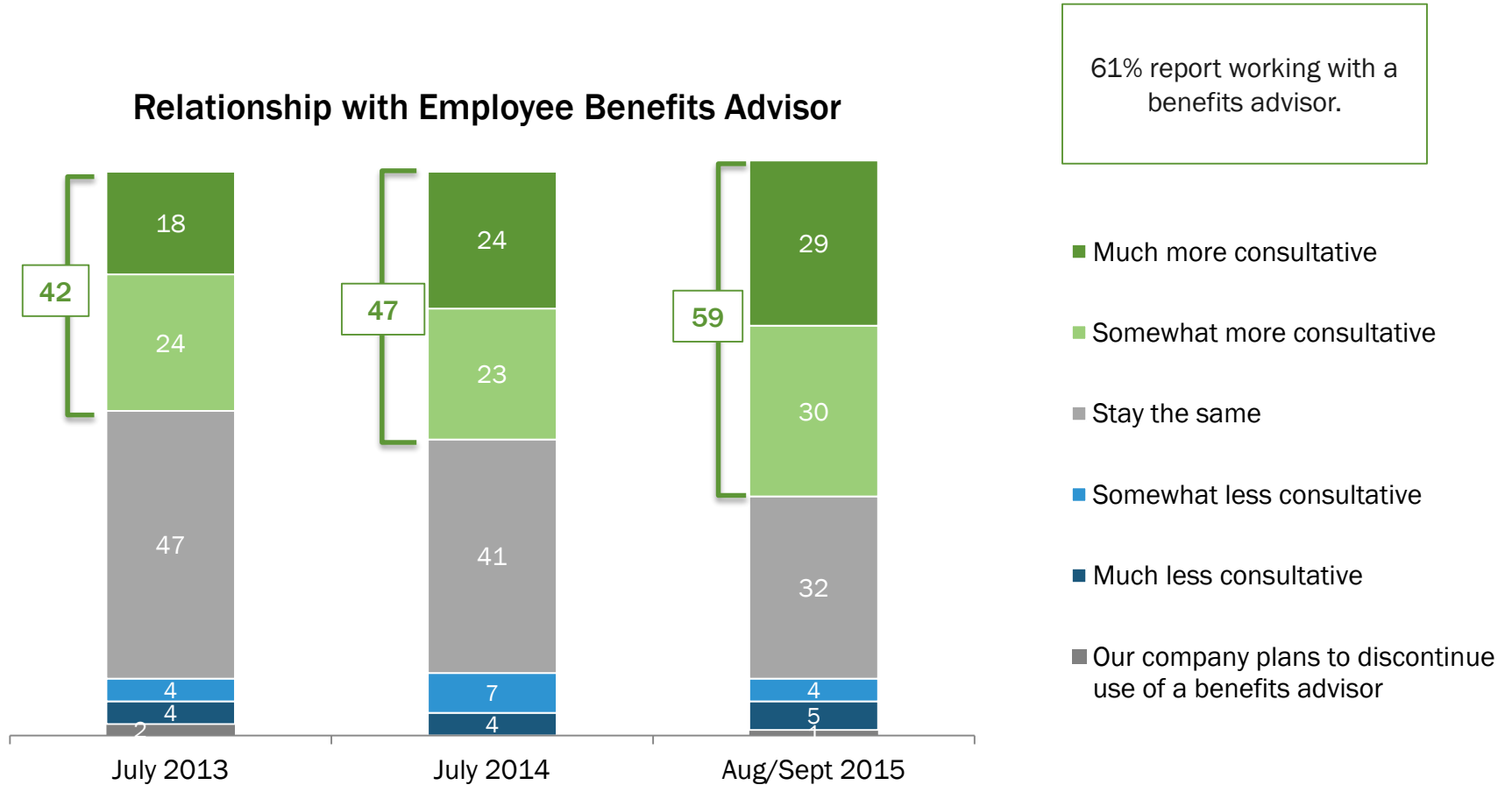
TV, newspaper, and radio are less likely to be relied upon compared to other sources on the list such as healthcare websites and search engines.

BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

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

Employers Expect Benefits Advisors to Be More Consultative

Of those who work with an advisor, there is an increasing trend to want them to be more consultative.



BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q1340. Does your company currently work with an employee benefits advisor?

BASE: Work with Benefits Advisor (July 2013 n=445, July 2014 n=457, Aug/Sept 2015 n=830)

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...

Demographics

Demographics

Gender %	July 2013 (n=758)	July 2014 (n=751)	August 2015 (n=1500)
Male	63	61	58
Female	37	39	42
Employment Status %	(n=758)	(n=751)	(n=1500)
Employed full time	81	76	74
Self-employed	19	24	26
Primary Business %	(n=758)	(n=751)	(n=1500)
Manufacturing	14	20	25
Agriculture, mining or construction	5	6	6
Transportation, communications, or utilities	5	2	6
Professional services, including finance, legal, engineering, and healthcare	32	32	25
Service industries such as retail trade, hospitality, or administration	13	10	13
Some other type of business	31	30	26

Employee Title %	July 2013 (n=758)	July 2014 (n=751)	August 2015 (n=1500)
Owner	27	44	53
CEO/Chairman	4	14	12
President	6	4	5
Director of HR	15	20	14
Benefits Manager	12	12	12
Other HR professional responsible for employee benefits	N/A	2	2
Other professional responsible for employee benefits	N/A	4	3

Demographics

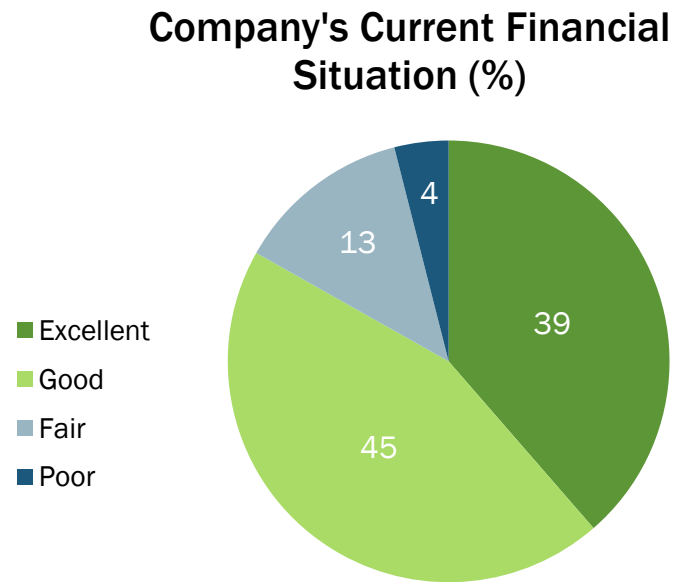
Employer Size (Full-time Only) %	July 2013 (n=758)	July 2014 (n=751)	August 2015 (n=1500)
1 - 24	34	31	35
25 - 50	9	9	10
51 - 99	6	8	4
100 - 499	14	12	16
500+	37	40	35
Owners of Company %	N/A	(n=751)	(n=1500)
Female	N/A	33	42
Black or African American	N/A	11	15
Non-white Hispanic	N/A	15	16
Asian or Pacific Islander	N/A	10	10
Native American or Alaskan Native	N/A	4	6
Mixed Race	N/A	11	9
Some other non-white race	N/A	2	3
None of these	N/A	37	1
Not sure	N/A	4	1
Decline to answer	N/A	4	2

Company Revenue %	July 2013 (n=758)	July 2014 (n=751)	August 2015 (n=1500)
Less than \$500,000	22	20	22
\$500,000 to less than \$1 million	5	7	8
\$1 million to less than \$5 million	12	11	14
\$5 million to less than \$10 million	7	9	8
\$10 million to less than \$50 million	10	11	10
\$50 million to less than \$200 million	10	10	12
\$200 million to less than \$500 million	6	9	8
\$500 million to less than \$1 billion	4	9	10
\$1 billion or more	12	8	6
Don't know	7	2	1
Decline to answer	5	4	2
Company Headquarters by Region %	(n=758)	(n=751)	(n=1500)
East	25	25	23
Midwest	17	19	18
South	24	32	33
West	16	25	26

Appendix

Most Companies Report Positive Financial Standings

When asked to rate their company's current financial situation, most companies rated their current financial situation as excellent or good.



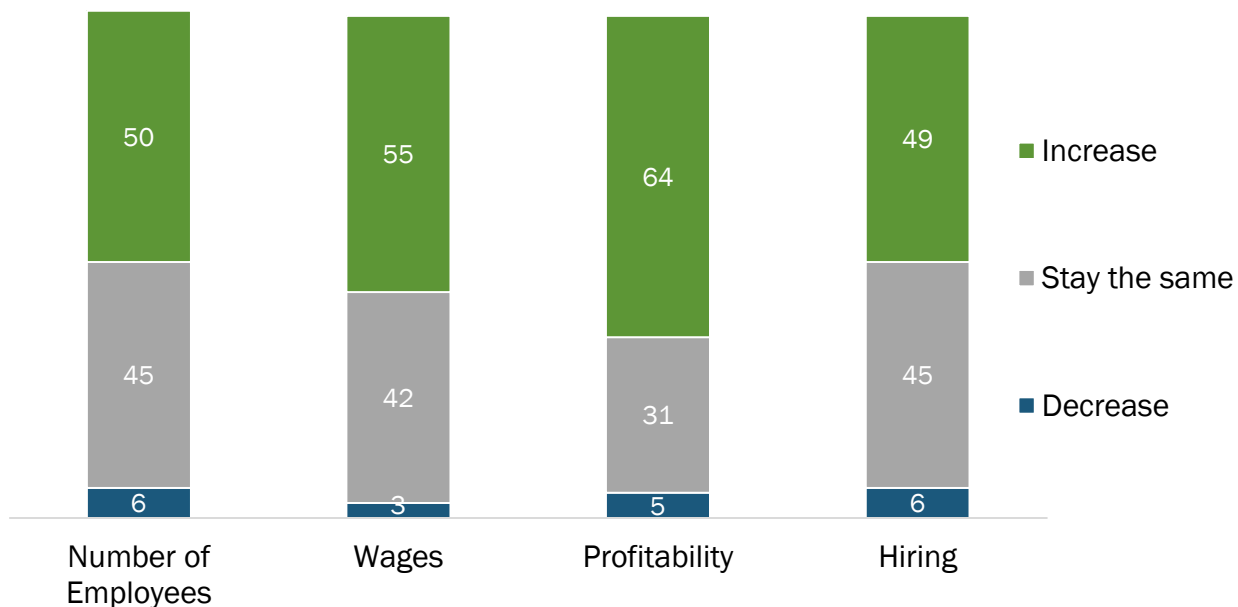
BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q705. How would you rate your company's current financial situation?

Many Expect Increase in Profitability, Wages and Hiring

Around half of employers expect wages and hiring to increase while nearly two in three expect profitability to increase in the next 1 to 2 years.

Company Changes In The Next 1-2 Years



BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

Q710. Over the next 1-2 years, how do you anticipate the following will change at your company?

Larger Companies More Likely to Make Changes

Medium and large companies are more likely than small employers to say they plan on making changes to healthcare benefits in the next 1 to 2 years.

Expected Changes for Company Healthcare Benefits

	Total	Less than 50 (n=795)	50-499 (n=395)	500+ (n=310)
Implement a wellness program	19	11	26	24
Change plan options	19	12	20	26
Add or increase company contribution to cover costs for health insurance	16	8	21	21
Add healthcare benefits other than health insurance	15	10	17	20
Add health insurance	15	12	20	15
Add or increase company contribution to cover costs for healthcare benefits other than health insurance benefits	14	5	18	24
Add coverage for children to employee health plans	13	8	18	15
Change insurers	12	8	16	15
Reduce or eliminate company contribution to cover costs for health insurance	12	7	12	18
Offer coverage to employees through the Small Business Health Options Program (SHOP) marketplace	11	7	14	16
Tighten requirements for employees to be eligible for healthcare benefits	11	4	16	18
Add dependent coverage to employee health plans	11	8	19	10
Company will directly pay employee health costs (self-insured health coverage)	10	5	14	15
Loosen requirements for employees to be eligible for healthcare benefits	10	5	13	14
Reduce or eliminate company contribution to cover costs for healthcare benefits other than health insurance	10	5	12	14
Narrow the set of providers in network (physicians and/or hospitals)	10	5	14	13
Add an independent third party administrator of health plans	9	4	14	11
Eliminate dependent coverage on employee health plans	8	3	11	13
Reduce or remove healthcare benefits other than health insurance	7	3	8	12
Remove health insurance	6	3	9	7

BOLD % indicates % is significantly greater than small companies

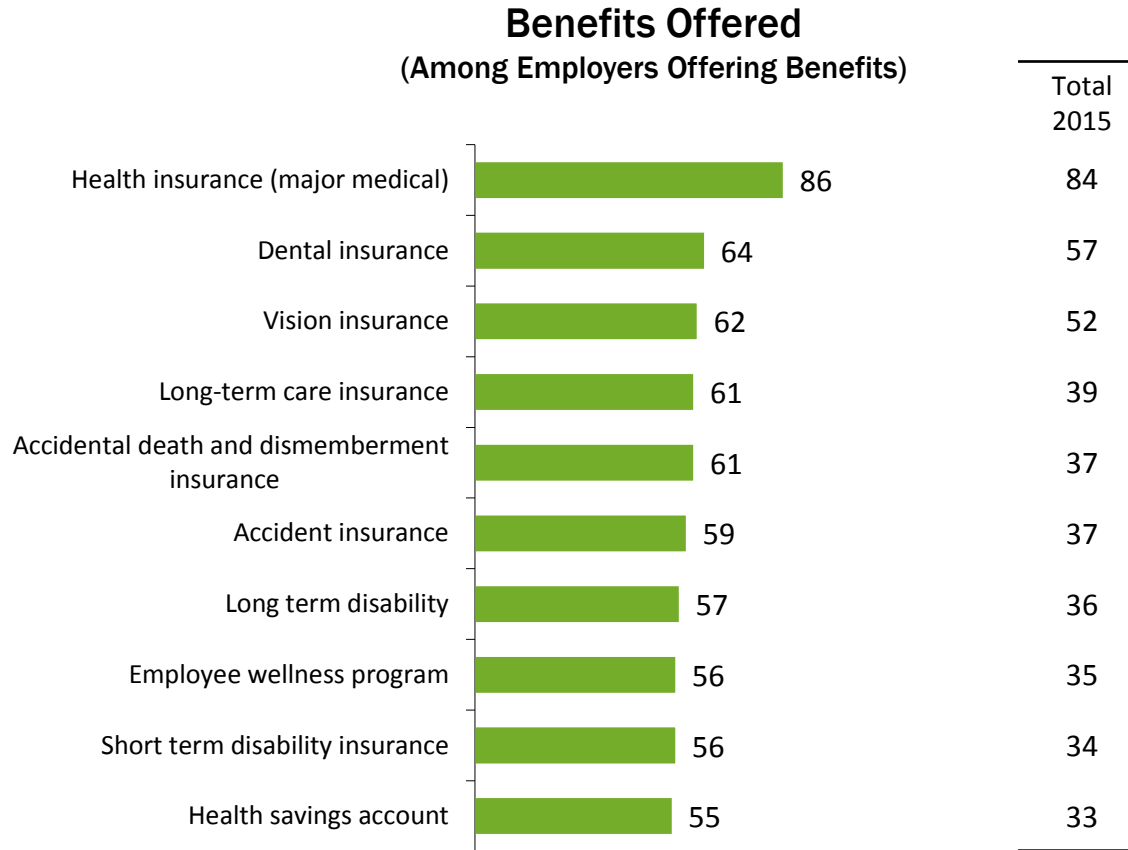
BASE: All Qualified Respondents (Aug/Sept 2015 n=1500)

1025. What changes, if any, do you expect will be made to your company's healthcare benefits in the next 1 - 2 years?

Please select all that apply.

Companies Adding Benefits Likely to Have Broad Offerings

Those who reported adding other insurance benefits in the past year are more likely than companies overall to offer supplemental insurance in general.



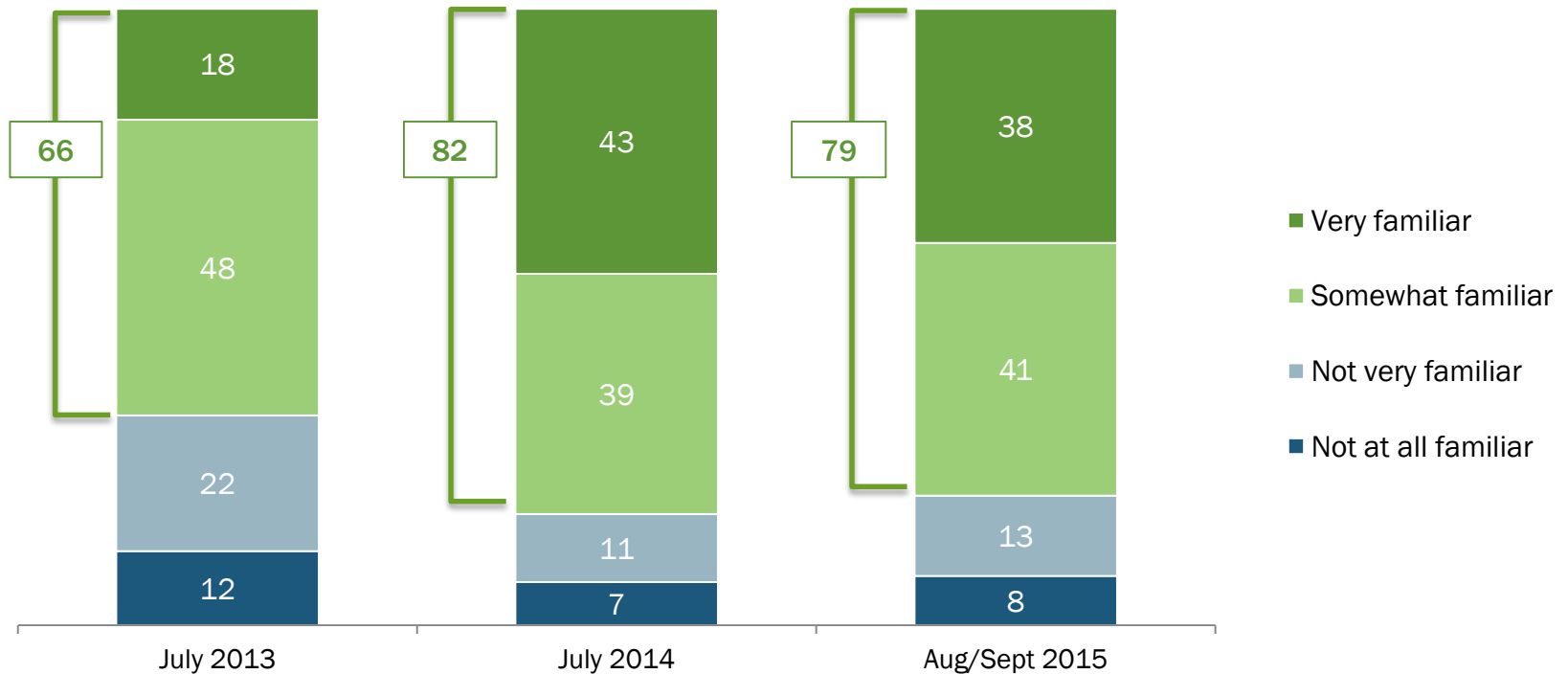
Only top 10 most common offerings for Total Employer data shown.

BASE: Company Provides Healthcare (Aug/Sept 2015 n=1165, Added Other Insurance Benefit (n=101) Q810. Which of the following healthcare benefits does your company offer to employees?

Familiarity with Supplemental Products Is Softer

The majority of employers are familiar with alternative supplemental insurance but familiarity is softening compared to 2014.

Familiarity With Alternative/Supplemental Insurance Products



BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

Q1035. How familiar are you with alternative or supplemental insurance products? These are insurance plans that people use to pay for health-related costs not covered by traditional health insurance including long term care insurance, critical illness insurance, cancer insurance, etc.

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Available Benefits Most Common Information Provided

Employers say the most common forms of information they provide so that their employees can make informed choices about health insurance are about available benefits and materials from their plan provider.

Information Provided to Employees

	July 2013	July 2014	August 2015
What benefits are available	47	38	42
Materials from our plan provider	N/A	37	38
A comparison of coverage among health insurance plans that are available	30	31	30
A quality rating of doctors in the network	17	23	29
Access to a benefits consultant or navigator	N/A	N/A	28
A comparison of how the cost (premiums, co-pays, etc.) of health insurance may change from what they pay now	24	30	27
Materials from my company on options/choices	33	28	26
Notice of new Health Insurance Marketplace coverage options and health coverage as required by the U.S Department of Labor	N/A	22	24
A comparison of how access to doctors and providers may change from what is available to them now	19	19	23
An unbiased resource on their options/choices	16	20	21
None of the above	26	20	17

BASE: All Qualified Respondents (July 2013 n=758, July 2014 n=751, Aug/Sept 2015 n=1500)

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

Self-insured Companies Need More From Benefit Advisors

Companies that are self-insured and work with a benefit advisor are more likely than those who buy a plan to say they anticipate their relationship with their benefits advisor to become more consultative.

		Approach to Providing Benefits		
		Self-insured n=257	Buy Plan n=519	Subsidized n=47*
Future Relationship with Employee Benefits Advisor	Much/Somewhat More	65	57	46
	Much more consultative	41	22	23
	Somewhat more consultative	24	34	24
	Stay the same	19	38	43
	Somewhat/Much Less	14	6	11
	Somewhat less consultative	6	3	-
	Much less consultative	8	2	11
	Our company plans to discontinue use of a benefits advisor	2	*	-

BOLD item indicates % is significantly greater than companies that buy plans

BASE: Works with Benefits Advisor (n=830)

Q1345. Over the next 2 years, how do you anticipate your relationship with your employee benefits advisor to change, if at all?

*Small Base. Results are directional in nature.

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