



# The Value of Employer-Provided Coverage



LUNTZ GLOBAL

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# The Objectives

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- Measure the **perceptions, priorities, and expectations** of consumers with employer-provided coverage
- Identify the most important **benefits, services, and solutions** that deliver **value** for consumers with employer-provided coverage

# The Audience & Methodology



## Nationwide Online Survey

n = 1,000 U.S. adults age 18+

All employed with employer-provided health coverage

Weighted to demographics of U.S. working population

Conducted January 25-28, 2018

# Key Findings

1. Most (63%) are **SATISFIED** with the health insurance *system* ...and even more (71%) are **SATISFIED** with their *plans*
2. But they're concerned about rising **COSTS**
3. **BENEFITS** are more important than the cost of plans
4. The benefits that matter most: **PRESCRIPTION DRUGS, PREVENTIVE CARE, & EMERGENCY CARE**
5. They want to see businesses and plans working **TOGETHER** to improve health and lower costs

# Key Findings

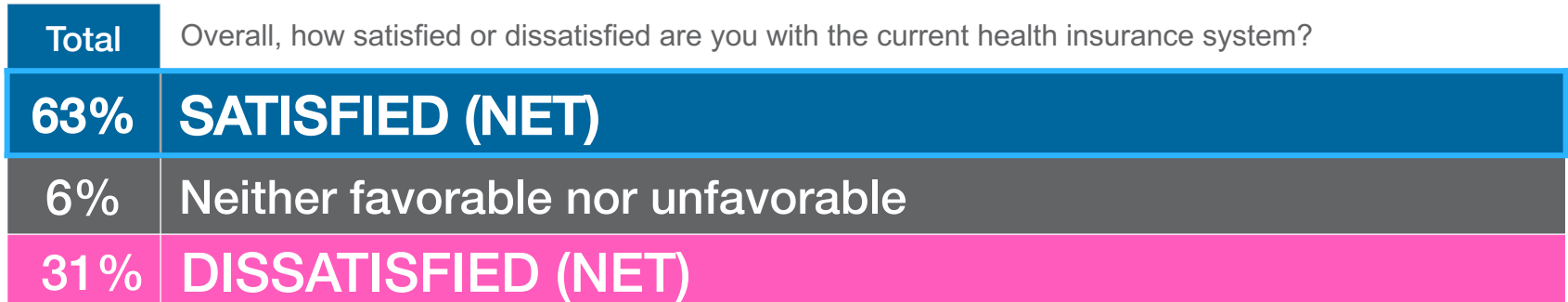
6. Employer-provided coverage is important for recruiting, but even more important for **RETENTION**
7. Consumers **UNDERESTIMATE** employer contributions, but employer favorability significantly **INCREASES** with knowledge
8. The top value-added services employers can provide: **wellness discounts** and **health or flexible savings accounts**
9. Most **OPPOSE** taxing employer provided plans
10. They prefer greater market **COMPETITION** than government involvement

# Consumer Perceptions & Priorities



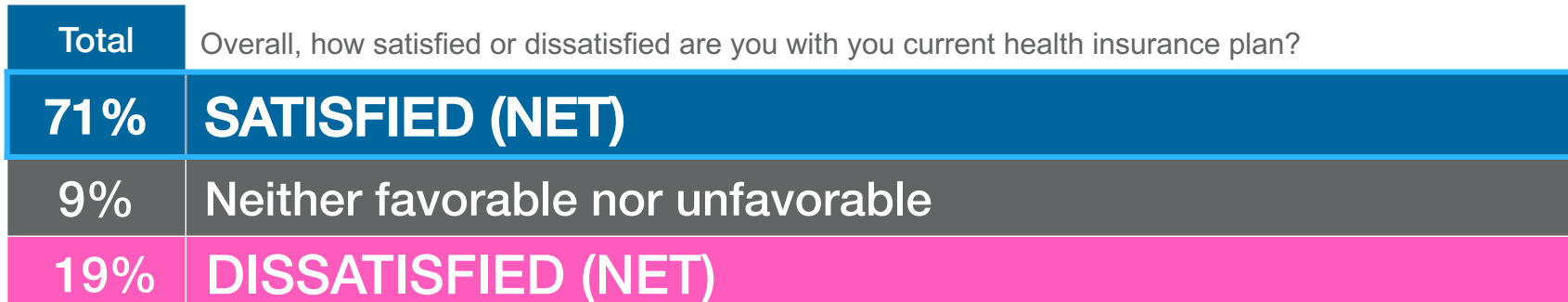
They're **SATISFIED** with the system...

*Employer-provided coverage members buck national trends*



...But even **MORE** satisfied with their plan

*Employer-provided plans are part of the solution*



The cost of *their* coverage is **REASONABLE**,  
but not for other Americans

Total	<100 Empl.	≥100 Empl.	How would you describe the amount YOU currently pay for your health insurance coverage?
<b>60%</b>	<b>62%</b>	<b>59%</b>	<b>REASONABLE (NET)</b>
8%	8%	8%	Neither reasonable nor unreasonable
<b>29%</b>	<b>25%</b>	<b>31%</b>	<b>UNREASONABLE (NET)</b>

Total	<100 Empl.	≥100 Empl.	The current cost of health insurance for Americans is?
<b>30%</b>	<b>39%</b>	<b>28%</b>	<b>REASONABLE (NET)</b>
4%	3%	5%	Neither reasonable nor unreasonable
<b>66%</b>	<b>59%</b>	<b>68%</b>	<b>UNREASONABLE (NET)</b>



# More than **HALF** report their premiums and deductibles are **REASONABLE**

Total	< 100 Empl.	≥ 100 Empl.	How would you describe the amount you currently pay for your own health insurance <b>premium</b> ?
<b>52%</b>	<b>55%</b>	<b>51%</b>	<b>REASONABLE (NET)</b>
7%	7%	7%	Neither reasonable nor unreasonable
<b>41%</b>	<b>38%</b>	<b>43%</b>	<b>UNREASONABLE (NET)</b>

Total	< 100 Empl.	≥ 100 Empl.	How would you describe the amount of your health insurance <b>deductible</b> ?
<b>52%</b>	<b>53%</b>	<b>50%</b>	<b>REASONABLE (NET)</b>
12%	12%	12%	Neither reasonable nor unreasonable
<b>36%</b>	<b>34%</b>	<b>36%</b>	<b>UNREASONABLE (NET)</b>

## They feel their health plan has their **BACK**

*Plans are protecting consumers when they need them most*

If you had a medical emergency and were required to go to the hospital, which of the following best matches what you would expect to occur?

Total	
75%	<b>My coverage will protect me from the majority of my medical costs.</b>
25%	My coverage will not protect me from the majority of my medical costs.

But they expect costs to **RISE** across the board

Looking forward two years, do you expect the overall cost of health insurance for most Americans to increase, decrease, or stay the same?

Total	
79%	Increase
15%	Stay the same
6%	Decrease

They think they're **BETTER** off with their plan

*Only 13% think average Americans would do worse with their plan*

If the average American was enrolled in your health insurance plan – the one you currently have now – do you think they would be \_\_\_ than they are now?

Total	
46%	<b>Better off</b>
42%	Neither better off nor worse off
13%	<b>Worse off</b>

## They prefer greater **COMPETITION**

Which of the following do you think is more likely to bring down health care costs?

Total	GOP	Swing	DEM	
<b>58%</b>	<b>75%</b>	<b>57%</b>	<b>42%</b>	<b>Greater market competition</b>
42%	25%	43%	58%	Greater federal government involvement

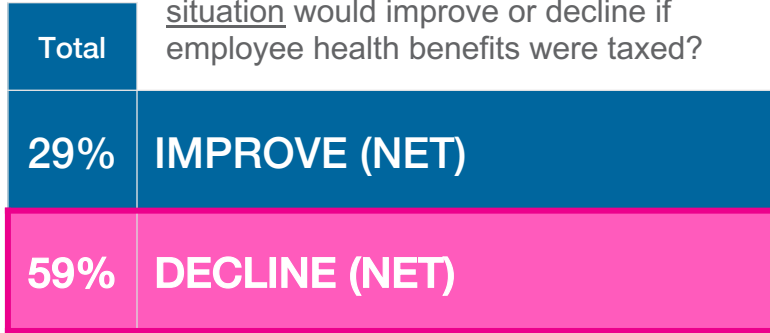
## Consumers **SUPPORT** keeping employer plans tax-free

Total	GOP	Swing	DEM	Based on what you know, do you support or oppose the current tax treatment of health insurance provided by companies?
<b>56%</b>	<b>63%</b>	<b>53%</b>	<b>51%</b>	<b>SUPPORT (NET)</b>
32%	26%	38%	32%	Neither support nor oppose
<b>13%</b>	<b>12%</b>	<b>9%</b>	<b>18%</b>	<b>OPPOSE (NET)</b>

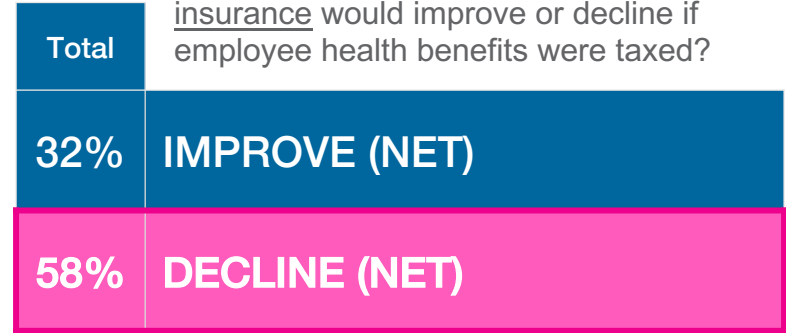
Total	GOP	Swing	DEM	Overall, do you support or oppose taxing employee health benefits?
<b>27%</b>	<b>31%</b>	<b>29%</b>	<b>22%</b>	<b>SUPPORT (NET)</b>
19%	15%	23%	19%	Neither support nor oppose
<b>54%</b>	<b>55%</b>	<b>49%</b>	<b>59%</b>	<b>OPPOSE (NET)</b>

# They believe taxing employer plans will **HARM** Americans

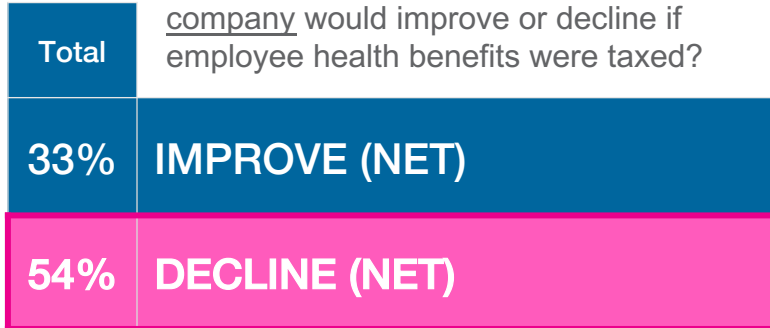
Do you think your personal economic situation would improve or decline if employee health benefits were taxed?



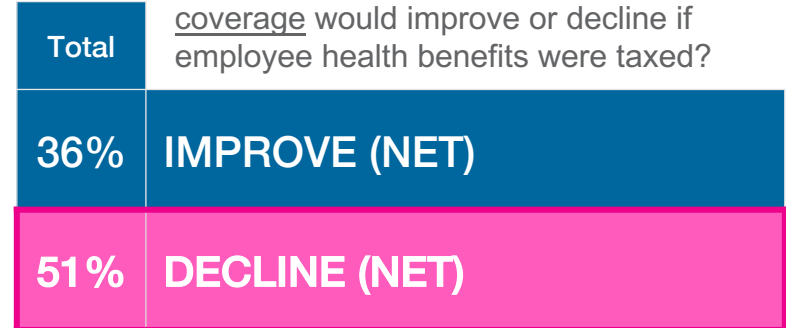
Do you think affordability of health insurance would improve or decline if employee health benefits were taxed?



Do you think the benefits offered by your company would improve or decline if employee health benefits were taxed?



Do you think the flexibility of your coverage would improve or decline if employee health benefits were taxed?



# Delivering Meaningful Consumer Value





Satisfaction is driven by **comprehensive coverage, affordability, and choice** *As Americans age, benefits supersede costs*

Total	<40 Yrs.	40+ Yrs.	What is the main reason you personally feel satisfied with your current health insurance plan? (Combined – Top 5 Responses)
<b>39%</b>	<b>35%</b>	<b>44%</b>	<b><u>Comprehensive coverage.</u> The benefits, care, and treatment that are important to me are covered.</b>
36%	39%	33%	<u>Affordable coverage.</u> The premium, deductible, and co-pays associated with my plan are reasonable and affordable.
<b>34%</b>	<b>28%</b>	<b>41%</b>	<b><u>Choice of providers.</u> I'm able to choose from many quality doctors, specialists, physicians assistants, nurses, and hospitals in my area to receive care.</b>
25%	25%	25%	<u>Consistency.</u> I'm familiar with and comfortable with my plan and have had access to the same doctors and benefits.
<b>23%</b>	<b>23%</b>	<b>22%</b>	<b><u>Free preventive services.</u> My plan covers preventive care services like annual physical, screenings, and exams at no extra cost.</b>

# Plan engagement with customers is **NOT** as important

What is the main reason you personally feel satisfied with your current health insurance plan?  
 (Combined – Bottom 5 Responses)

Total	
11%	<u>Wellness incentives</u> . My plan includes incentives for me to stay healthy, like covering part or all of my gym membership.
11%	<u>Local</u> . My health insurance provider has offices in my state, understands my community, and partners with local care providers.
9%	<u>Customer service</u> . I can rely on my health insurance company to help me when I have questions or need help 24/7.
6%	<u>A partner in my health</u> . My plan sends me information about how I can improve my health, and I can speak with medical professionals at no extra cost to assess symptoms and get medical advice.
6%	<u>Innovation</u> . My plan offers tools and technology to improve my health and understand my coverage.

## Comprehensive coverage even **TRUMPS** affordability

If you had to choose just one, which matters most in a health insurance plan?

Total	
58%	<b>Comprehensive coverage - health insurance that is higher in cost, but covers every service I need.</b>
42%	Affordable coverage – health insurance that is lower in cost but does not cover every service I need.

# Dissatisfaction is driven by **COSTS**

What is the main reason you personally do NOT feel satisfied with your current health insurance plan?  
(Combined)

Total	
82%	<b><u>Costs.</u> I'm paying more and more every year but I seem to be getting less and less.</b>
40%	<u>Inadequate coverage.</u> There are many necessary treatments and benefits that aren't covered by my insurance plan.
22%	<b><u>Out-of-network costs.</u> Sometimes doctors or hospitals that appear to be in my network simply aren't, so I have to pay out-of-pocket.</b>
18%	<u>Too confusing.</u> I often do not understand my benefits, how much I really owe, or how to use my plan.
10%	<b><u>Not enough choices.</u> There are too few doctors or hospitals in my network.</b>
9%	<u>Denied claims.</u> Even if a treatment is covered, my plan finds reasons to deny my claim.
6%	<b><u>Lack of innovation.</u> While the rest of the world is changing, my insurance plan has the same coverage it's always had.</b>
6%	<u>Too much paperwork.</u> I have to fill out a great deal of paperwork even to receive routine health care services
5%	<b><u>Poor customer service.</u> Dealing with customer service is frustrating and difficult</b>
2%	<u>Losing my doctor.</u> Changes in my insurance plan make me change my doctor or hospital

Top area for improvement (aside from costs):

## COMPREHENSIVE BENEFITS

If your health insurance coverage could be better at one thing other than cost, what should it be?  
(Combined)

Total	
<b>43%</b>	<b>Better, with more comprehensive benefits.</b>
27%	More transparent about how my coverage works and what it covers.
<b>25%</b>	<b>More flexible with more options.</b>
25%	Easier to understand.
<b>24%</b>	<b>Include more doctors, hospitals, and care providers that I can see.</b>
<b>18%</b>	<b>More personalized and patient-centered</b>
16%	More focused on keeping me healthy
<b>12%</b>	<b>Include more innovative technology to help me manage my health</b>
10%	Require less paperwork

# The benefits that matter most: **PRESCRIPTION, PREVENTIVE, & EMERGENCY CARE** coverage



What is the most important for your health plan to cover?  
(Combined – Top 3 Responses)

Total	<40 Yrs.	40+ Yrs.	
<b>51%</b>	<b>44%</b>	<b>58%</b>	<b><u>Prescription drugs.</u> Covering much of the cost of prescription drugs – from antibiotics to treatments for chronic illness or rare disorders.</b>
47%	45%	50%	<u>Preventive and wellness services.</u> Counseling, screenings, and vaccines to maintain your health and wellness, and spur on early detection of any potential illnesses or disorders.
<b>47%</b>	<b>48%</b>	<b>46%</b>	<b><u>Emergency care.</u> Care you receive in an emergency, from transportation in an ambulance to urgent, traumatic injury treatment in a hospital or clinic. For example, a car accident may require emergency care.</b>

Benefits that focus on **SMALLER, SPECIFIC** groups of people are less important

Total	What is the most important for your health plan to cover? (Combined – Bottom 5 Responses)
15%	<u>Therapy, rehabilitation, and assistance services.</u> Covers physical, occupational or speech-language therapy, psychiatric rehabilitation, or assistive equipment such as hearing aids or wheelchairs.
14%	<u>Mental health services.</u> Behavioral health treatment, counseling, and psychotherapy to prevent or manage a variety of disorders such as depression or generalized anxiety.
14%	<u>Pediatric services.</u> Health, dental, and vision care for kids to monitor and maintain their health as they develop.
11%	<u>Maternity and newborn care.</u> Consultations and care to ensure the health of pregnant women and newborns, including ultrasounds, diagnostic tests, delivery, and newborn care.
4%	<u>Drug treatment.</u> Rehabilitation and recovery from substance abuse, as well as prevention tools and education.

**MOST** believe they have a strong understanding of their benefits...

Total	How informed are you about your health insurance benefits under your plan?
<b>72%</b>	<b>INFORMED (NET)</b>
10%	Neutral – neither informed nor uninformed
<b>12%</b>	<b>UNINFORMED (NET)</b>

...But, **EVERYONE** wants to be **fully** informed

Total	How important is it that you are fully informed about your health insurance benefits under your plan?
<b>96%</b>	<b>IMPORTANT (NET)</b>
3%	Neutral – neither important nor unimportant
<b>1%</b>	<b>UNIMPORTANT (NET)</b>



# The Role of Employers & Plans



# Employer-provided plans play a role in **RECRUITMENT**...

*46% say it played a role in recruiting them*

Total	<100 Empl.	<100 Empl.	How much of an impact, if any, did your employer's offer of health insurance have on your choice to accept your current job?
<b>45%</b>	<b>45%</b>	<b>47%</b>	<b>The insurance that my company offered had no impact on my choice to work for them</b>
<b>37%</b>	<b>38%</b>	<b>34%</b>	<b>The insurance that my company offered was a positive factor in my choice to work for them</b>
<b>9%</b>	<b>8%</b>	<b>9%</b>	<b>The insurance that my company offered was a negative factor – meaning it wasn't as comprehensive or affordable as I would like – but I chose to work for them anyways</b>
<b>9%</b>	<b>9%</b>	<b>10%</b>	<b>The insurance that my company offered was the deciding factor in my choice to work for them</b>

## ...but an even greater role in **RETENTION**

How much of an impact, if any, does the health insurance your job provides you have on your choice to stay at your current job?

Total	
<b>56%</b>	<b>IMPACTFUL (NET)</b>
22%	Somewhat impactful
22%	<b>NOT IMPACTFUL (NET)</b>

# They **UNDERESTIMATE** how much employers contribute

*Only 20% believe employers are contributing as much or more than they are*

Think of the total amount of the health insurance coverage you receive, both what you pay and what your company pays. What percentage of the total amount of that coverage – including your premium, deductible, and copays – do you think your company pays?

Total	
4%	Zero – I pay everything
19%	Between 1-25%
27%	Between 26-50%
30%	Between 51-75%
15%	Between 76-99%
5%	100%

## Employer contributions significantly **IMPROVE** favorability

The average company pays between 70-80% of the cost of health insurance coverage, with the average employee paying between 20-30% of the costs. Does this make you feel more or less favorable about businesses that provide their employees with health insurance?

Total	
<b>77%</b>	<b>MORE FAVORABLE (NET)</b>
<b>18%</b>	<b>Neither more favorable nor less favorable</b>
<b>5%</b>	<b>NOT FAVORABLE (NET)</b>

# Employees value employers for making coverage **AFFORDABLE**

*Employers' role is to provide the coverage, not be an active partner*

What aspect of the insurance coverage provided by your employer do you value most?

Total	
<b>31%</b>	<b>I couldn't afford to get coverage on my own</b>
27%	The benefits covered
<b>14%</b>	<b>The insurance company my employer partners with is good</b>
13%	It's a good value for my money
<b>11%</b>	<b>The choice and options</b>
<b>5%</b>	<b>I have my company to help me with questions or concerns</b>

# Employers and insurers working together dramatically **IMPROVES** employee favorability of **BOTH** groups

How would knowing that your employer is working together with your insurance company to provide more free services and wellness incentives impact your feelings about your employer, if at all?

Total	
<b>83%</b>	<b>IMPROVES (NET)</b>
5%	Has No Impact
<b>6%</b>	<b>DIMINISHES (NET)</b>

How would knowing that your employer is working together with your insurance company to provide more free services and wellness incentives impact your feelings about your health insurance company, if at all?

Total	
<b>87%</b>	<b>IMPROVES (NET)</b>
4%	Has No Impact
<b>6%</b>	<b>DIMINISHES (NET)</b>

## **PHYSICAL** health beats financial health, but appeal to both

Which do you most want your health insurance coverage to protect, right now?

Total	<40 Yrs.	40+ Yrs.	
<b>68%</b>	<b>61%</b>	<b>74%</b>	<b>My physical health</b>
32%	39%	26%	My financial health



# They're taking an **ACTIVE** role in their preventive health

*Especially as they get older*

Which of the following best describes your approach to preventive healthcare – such as yearly check-ups or health assessments, or vaccinations?

Total	<40 Yrs.	40+ Yrs.	
<b>55%</b>	<b>46%</b>	<b>63%</b>	<b>I actively keep up with preventive healthcare. There are doctors that I see at least once a year to screen for potential health problems. I also make sure all of my vaccinations are up-to-date and maintain a healthy lifestyle.</b>
31%	36%	26%	I sometimes keep up with preventive healthcare. I sometimes see doctors to screen for potential health problems, and I keep most of my vaccinations up-to-date.
<b>14%</b>	<b>18%</b>	<b>11%</b>	<b>I don't really keep up with preventive healthcare. Only if my doctor asks when I am seeing him or her for another reason do I screen for potential health problems or keep vaccinations up-to-date.</b>

## They value **DISCOUNTS** for good health and FSAs/HSAs

Which of the following initiatives some health insurance companies offer to reduce healthcare costs for customers do you think are most important?

Total	
<b>38%</b>	<b>Discounts for people who effectively manage their personal health.</b>
<b>37%</b>	<b>Pre-tax health savings account – such as a Flexible Spending Account or Health Savings Account</b>
<b>25%</b>	<b>Discounts for people who fill out a health risk assessment or wellness profile.</b>

## Value-added services are delivering meaningful **VALUE**

Even if your employer does not offer additional services, how valuable are free, extra-health-related services to you personally?

Total	
63%	<b>VALUABLE (NET)</b>
30%	Somewhat valuable
8%	<b>NOT VALUABLE (NET)</b>

## These programs should encourage healthier **LIFESTYLES**

What is most important for these free, extra programs to focus on?

Total	
42%	<b>Encouraging employees to shift towards healthier lifestyles to reduce health risks</b>
35%	Encouraging employees to take part in screenings or health assessments to detect health risks
22%	<b>Helping employees with chronic conditions better manage their health</b>

# The top value-added services: **wellness & HSAs/FSAs**

*The best programs put employees in control to achieve savings*

Which free, extra program would you most want your employer to provide? If your employer already offers these, which is most valuable to you? (Combined)

Total	
50%	<b><u>Wellness programs.</u> Discounting insurance premiums by 10-15% for members that effectively manage chronic conditions, don't smoke, and maintain good health.</b>
34%	<b><u>Health or flexible savings accounts.</u> The opportunity to save money on health care expenses through a tax-free or tax-advantaged account</b>
27%	<b><u>Health risk assessment.</u> Offering a financial incentive to employees to take a questionnaire about their medical history, which helps doctors identify what medical conditions the employee is at risk for</b>
22%	<b><u>Worksite clinics.</u> On-site medical clinics that provide primary care, such as flu shots, cancer screenings, vaccinations, and urgent care</b>
19%	<b><u>Chronic condition support.</u> Covering more of the costs for those with chronic conditions, such as diabetes or depression</b>
19%	<b><u>Biometric screening.</u> Offering financial incentives to get a check-up for risk factors such as body weight, cholesterol, blood pressure, stress and nutrition to keep healthy</b>
15%	<b><u>Wearable technology.</u> Free wearable technology - like a heart monitor or a fitness watch - that allows you to track your health, provide more accurate data to your doctors and get more targeted advice or treatment.</b>
15%	<b><u>Retail health clinic coverage.</u> An employer provides benefits that allow employees to visit retail health clinics at supermarkets, pharmacies or convenience stores for quick, convenient medical attention, advice or prescriptions</b>

## The most effective wellness incentive: lower **PREMIUMS**

If your employer offered a Wellness Incentive Program, which type of incentive would most make you want to participate in that program?

Total	
<b>31%</b>	<b>Lower health insurance premiums</b>
18%	A cash reward or gift card that can be used anywhere
<b>16%</b>	<b>Lower deductibles</b>
16%	Lower co-pay or coinsurance
<b>12%</b>	<b>Contribution to tax-free Health Savings Account or Health Reimbursement Account</b>
8%	Free technology – such as a heart monitor or fitness watch

## The best channel to reach them: **WEBSITE**

What resource would you use first when seeking out more information on your health insurance options?

Total	<40 Yrs.	40+ Yrs.	
<b>49%</b>	<b>44%</b>	<b>54%</b>	<b>My plan's website</b>
19%	15%	22%	Customer service phone line
<b>16%</b>	<b>20%</b>	<b>13%</b>	<b>Mobile app from my plan</b>
16%	21%	11%	My company's HR department

# They're looking for more online tools and apps that put them in **CONTROL**

Which of the following ways some health insurance companies actively inform their customers about health insurance would you most want your health insurance company to offer?

Total	
26%	<b>Online tools and apps to provide information about your health insurance options.</b>
23%	Providing technology that monitors health, and gives doctors more detailed information for more accurate treatment.
19%	<b>Personalized information that can help you improve your personal health.</b>
16%	Providing a health care risk assessment that shares advice for how to improve overall health.
8%	<b>Reminding people to keep up with doctor's appointments.</b>
6%	Sending out reminders to fill and keep up with prescription medications.



It's not what you *say*.

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It's what they *hear*.



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