THE HEALTH CARE REFORM SURVEY 2012-2013

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OVERVIEW
The election is over and the Supreme Court’s verdict is in: Health Care Reform is here to stay. Whatever employers’ thoughts and actions (or lack thereof) have been over the past three years with regard to this landscape-changing legislation, the time for definitive action has arrived.

Health Care Reform (the Patient Protection and Affordable Care Act) has captured the attention of employers ever since its enactment on March 23, 2010. In its wake, governmental agencies have released a continual wave of proposed regulations, final regulations, questions and answers, delayed effective dates, and notices of non-enforcement (pending regulatory guidance).

In response to the fluidity of the regulatory guidance and its attendant obligations, employers have struggled to comply. When the reform law was newly passed, employers generally scrambled to implement steps that would ensure compliance; however, the increasing regulatory flow and its complexity has hampered these attempts, and outside observers noted their decline as employers waited to see the impact of the 2012 Supreme Court case, which considered the legality of the Health Care Reform law. No discernible rush to implement the requirements of Health Care Reform followed the Court’s decision, as many employers appeared to wait for the results of the presidential election.

**OBJECTIVES**

Willis has conducted Health Care Reform Surveys over the last three years, finding, among other things, that employers have worked to comply as they needed to, rather than looking ahead and tailoring benefits in anticipation of a plan’s increased costs. In light of the monumental 2012 Supreme Court decision and the presidential election, Willis sought updated input from employers regarding the costs of compliance with Health Care Reform as well as the strategies they are implementing to comply and manage costs. The goals of this year’s survey were to identify:

- What elements of Health Care Reform have affected employer cost (positively or negatively)
- The strategies employers are using in offering/designing benefits
- The extent to which employers are retaining grandfathered status
- The expectations of employers regarding:
  - What they believe similar companies will do in reaction to Health Care Reform
  - What plan design changes survey respondents expect to make as a result of Health Care Reform

As an adviser to employers offering group health benefits, Willis will use the survey findings to help us anticipate employer needs and address compliance issues at the same time that cost containment strategies are employed.
EXECUTIVE SUMMARY

The survey respondents reflect a wide spectrum of employers from various industries, differing sizes and across diverse geographic regions. More than 1,200 employers* participated in this year's survey with varying benefit plans (PPO, HMO, HDHP, etc.). Over a third of the responding employers have between 100 and 499 employees, and similar to last year's response, a little over 11% represent employers with more than 2,500 employees; roughly a third of the respondents were large employers (with more than 500 employees), and of that percentage, a third comprised employers with more than 2,500 employees.

Because this year's survey aimed to refresh last year's data and observe trend changes between last year's responses and those from this year, most of the recent survey questions were repeated from our prior survey. In many respects, this year's survey findings closely resemble last year's. Last year's survey indicated that while most employers are reluctant to be the first to drop coverage, re-design eligibility, or reduce company financial support for certain benefits – for the first time, employers noted that they believed that other employers would, in fact, take these actions. This year's survey asked that same perception question about what plan design/cost containment changes other employers were likely to implement, and the responses largely feature cost shifting toward employees. This year's survey also asked respondents about the likelihood of accelerating plan design changes in order to comply with Health Care Reform early. Predictably, over half of the respondents did not plan to be early adopters.

The latest survey includes the following key discoveries:

- **EMPLOYERS ARE CONCERNED WITH COSTS, BUT MANY UNDERESTIMATE THE TRUE COST OF COMPLIANCE**
  Though “cost” is slated as the biggest compliance concern (60% of employers say that avoiding cost increases is the most important consideration for their businesses), over half of surveyed employers have not determined the cost of Health Care Reform compliance, and the majority of employers believe that Health Care Reform has not impacted the cost of their plans. However, among the employers who have calculated (or are in the process of calculating) the cost, 61% indicate that the total impact of all Health Care Reform changes has increased costs (with 17% of responding employers noting that costs have increased by over 5%). Furthermore, survey responses do not show that Health Care Reform has decreased any employer costs.

- **MOST EMPLOYERS INTEND TO “PLAY” UNDER THE “PAY OR PLAY” MANDATE**
  Survey responses indicate that employers continue in the “compliance-as-we-go” approach and are less inclined to manage health benefits as part of total rewards (i.e., salary, vacation, bonuses, retirement). Their preference is to “play” under the mandate. However, there are many variations of “playing,” and employers have much room for strategy within the various “play” options.

- **EMPLOYERS EXPECT THAT SIMILAR EMPLOYERS WILL COST-SHIFT TO EMPLOYEES**
  This year’s findings are similar to last year’s. Topping the list of expected employer actions are cost shifting, expanding wellness programs, and re-designing both eligibility and benefit package options.

- **EMPLOYERS ARE MUCH MORE LIKELY TO VOLUNTARILY RELINQUISH GRANDFATHERED STATUS**
  There is a sizeable increase in the number of employers voluntarily choosing to forego grandfathered status (39%) as opposed to the number of employers who chose to voluntarily relinquish that status last year (13%). This increase is due to the desire to control more aspects of plan design/co-pays/coinsurance/premiums. The pace at which employers have voluntarily or involuntarily lost grandfathered status far surpasses the Department of Health & Human Services’ expectations. This continues the trend that was highlighted in last year’s survey. The Preamble to June 2010 Regulations speculated that by the end of 2011, 78% of employers would retain grandfathered status; by
the end of 2012, 62% would retain grandfathered status; and by the end of 2013, 49% would retain grandfathered status. Last year’s survey responses indicated that, despite employer desire to remain grandfathered, many employers had lost grandfathered status. However, this year’s survey responses point to a shift in employer priorities.

Also similar to last year, many of this year’s survey responses indicate employer confusion about cost, and though the 2014 Exchange Enrollment period is approaching, 2/3 of employers doubt that the exchanges will be ready for enrollment. In response to that uncertainty, 20% of employers expect that other employers will terminate group health plans in order to trigger a migration to exchanges, and 30% of employers expect employees of other companies to be “encouraged” to join the state-based exchanges. This paints a rather dismal picture of employer sponsorship of group health benefits. However, this conclusion is likely tempered by employer responses to multiple survey questions concerning their own provision of benefits and rewards. Primarily, employers say they expect to maintain their plans. Moreover, employers noted that they are more likely to expand health coverage as needed (in order to comply with Health Care Reform) and that they will expand coverage without reducing employee salaries, vacations, and bonuses. Taken as a whole, it appears that employers expect that similar employers may take more radical action than they themselves anticipate taking. While many employers are unsure of the cost of Health Care Reform, they appear to take small compliance steps rather than making strategic plans for broad plan changes.

NOTES REGARDING THE PRESENTATION OF THE SURVEY RESULTS

To allow a more seamless presentation of survey findings within the critical areas we studied, the order of the information presented in this report differs from the order of the survey questions. Results have been rounded to simplify the presentation of data.

*Because the survey was a “directed survey” (i.e., certain questions were automatically added or deleted based upon responses to other questions), the number of survey respondents varied from question to question.*
EFFECT OF HEALTH CARE REFORM
Based upon their perceptions, 50% of employers believe that the cost of active employee health coverage has increased. However, the majority of employers believe that health care reform has otherwise not impacted their plans.
The results on this graph are interesting in that, while half of surveyed employers believe that the cost of employee health coverage costs will increase, in separate survey questions, much larger percentages of employers believe that neither their employer contributions nor employee contributions toward coverage will change. This conflicting survey result seems to underscore employer uncertainty about the costs associated with Health Care Reform; the survey result could also reflect the fact that some of the responding employers had calculated the cost of Health Care Reform compliance under their plans, while the majority of responding employers were speaking from their perceptions.

As compared to last year, a lower percentage of employers in this year’s survey said they believe that active employee health coverage costs have increased. Additionally, there is an increase (7% as opposed to 0% last year) in the number of employers saying that company contributions toward the cost of employee-only coverage have decreased.
OVER HALF OF EMPLOYERS STILL HAVE NOT IDENTIFIED THE COST OF HEALTH CARE REFORM COMPLIANCE.

**IDENTIFICATION OF COST TO COMPLY WITH HEALTH CARE REFORM**

<table>
<thead>
<tr>
<th>Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, specific costs to comply</td>
<td>28%</td>
</tr>
<tr>
<td>In the process of identifying</td>
<td>21%</td>
</tr>
<tr>
<td>No, not yet identified</td>
<td>51%</td>
</tr>
</tbody>
</table>
More than half of the employers who have identified the cost of complying with Health Care Reform note that costs have increased; employers did not see a decrease in cost.

<table>
<thead>
<tr>
<th>Impact Description</th>
<th>Increase in Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total impact of all changes to comply with Health Care Reform</td>
<td>24%</td>
</tr>
<tr>
<td>Provision of adult child coverage up to age 26</td>
<td>34%</td>
</tr>
<tr>
<td>Removal of cost-sharing component for “preventive services”</td>
<td>18%</td>
</tr>
<tr>
<td>Removal of the annual/lifetime limit for “essential health benefits”</td>
<td>17%</td>
</tr>
<tr>
<td>Removal of pre-existing condition exclusion for children under age 19</td>
<td>16%</td>
</tr>
<tr>
<td>Removal of restrictions on care for non-grandfathered plans</td>
<td>12%</td>
</tr>
</tbody>
</table>

When comparing this year’s survey responses to responses from last year’s survey, generally, there was an increase in the number of employers who saw costs rise in the 2-5% bracket, while at the same time, generally the number of employers claiming cost increases in the “more than 5%” bracket, dropped. However, when asked about the total impact of changes required by Health Care Reform, employers said that costs had increased within both the 2-5% and the “more than 5%” categories (though notably in the 2-5% bracket).
EMPLOYERS ANTICIPATE THAT EXPANDED COVERAGE MANDATES AND TAXES IMPOSED ON OTHER ENTITIES WILL INCREASE EMPLOYER COSTS.

Without complete information about state exchanges, employers are conflicted about the impact of state exchanges on their plans. However, more than half of employers now feel that taxes on insurance companies and drug/medical device manufacturers will ultimately increase employer costs. This year’s survey results represent a marked increase over last year’s responses. Last year, 43% of employers felt that external taxes/fees would negatively impact their group health plans.

With regard to automatic enrollment, the responses between last year’s survey and this year’s survey in the category of “will not change our costs” more than doubled.
As compared to last year, more employers have provided employees with separate communication materials dealing only with Health Care Reform. Last year, 7% of responding employers had distributed dedicated materials related to Health Care Reform while this year, 14% of surveyed employers distributed separate Health Care Reform materials to their employees.
FEWER THAN HALF OF PLANS WERE EVER GRANDFATHERED, AND ONLY A THIRD RETAIN GRANDFATHERED STATUS.

**Extent to Which Health Plan Options Were Grandfathered for the Plan Year Starting on or After September 23, 2010**  
N=862

- All: 43%
- Don't Know/Unsure: 16%
- None: 33%
- Some: 3%
- Most: 5%

**Expected Grandfathered Status for the Plan Year Starting on or After September 23, 2012**  
N=724

- All: 33%
- Don't Know/Unsure: 23%
- None: 37%
- Most: 4%
- Some: 3%
The results from this year’s survey indicate a very close correlation to last year’s response regarding the grandfathered nature of plans for plan years starting on or after September 23, 2010. 44% of last year’s survey respondents indicated that all of their plans had been grandfathered for plan years starting on or after September 23, 2010. While this year’s survey did not poll the same plan sponsors, the responses are very similar.

This year’s survey indicates the same general trend for employers continuing to maintain their grandfathered status. Last year 29% of responding employers were able to retain grandfathered status, and this year’s responses from a different group of employers shows a similar figure.

Responses to another question posed within the survey indicate a rather sizeable increase in the number of employers voluntarily choosing to forego grandfathered status this year (39%) as opposed to the number of employers who chose to voluntarily relinquish that status last year (13%). Responding employers indicated that cost considerations influenced their decision; 37% of employers indicated that they would have preferred to maintain grandfathered status; however, deductibles, co-payments, and other cost-sharing mechanisms were more important to plan sponsors and forced the decision to voluntarily relinquish grandfathered status.
EMPLOYER RESPONSE TO HEALTH CARE REFORM
EMPLOYER PRIORITIES IN THE FACE OF HEALTH CARE REFORM: COST CONTAINMENT IS JOB #1.

While last year, responding employers equally wanted to ensure compliance and avoid cost increases, this year, employers appear to have shifted their priorities. Currently, their focus is on cost containment, with a significant shift from 42% last year to 60% this year. Thus, predictable employer responses to Health Care Reform would include passing costs on to employees, redefining eligibility, and taking steps to limit expensive health plan options. This assumption was reinforced by the survey results.
EMPLOYERS EXPECT THAT OTHER SIMILAR EMPLOYERS WILL INCREASE COST SHARING AND EXPAND WELLNESS.

The responses to this question are consistent with last year’s Willis Health Care Reform Survey as well as other survey data. Employers are overwhelmingly predicting that similar employers will raise employee contributions, and this year’s survey responses indicate that employers are more likely to pass on costs for not only employee coverage, but also employee-paid dependent coverage.

By a margin greater than 18 to 1, employers think that their peer companies will raise employee contributions, and this year the option of “re-designing eligibility to limit the number of benefit-eligible employees” grew significantly in its popularity. Last year, 27% of the surveyed employers thought that their peer companies would definitely not re-design eligibility. However, this year’s survey results found that only 19% of employers thought their peer companies would not make eligibility changes in order to cut costs.

Employers in the manufacturing industry were much more likely to predict eligibility changes as a cost-savings method.
Survey responses show that 31% of respondents in the health care industry and 21% of respondents in the construction/real estate industry would consider reducing employee headcount as a result of Health Care Reform.
As in last year’s survey, employers least favored the option of dropping group health plan coverage in order to trigger migration of employees to state-based exchanges. However, employers are considering the impact of state exchanges on their plans. 16% of employers with fewer than 100 employees said they would likely consider “encouraging” voluntary migration of employees to state-based exchanges, but the timing is uncertain. 16% of employers with more than 100 employees say this is a likely option, but the timing is uncertain. Conversely, 17% of employers with more than 100 employees say they will definitely not drop employer coverage in order to trigger employee migration, and 10% of the employers with fewer than 100 employees say that they will definitely not attempt to trigger employee migration.
Employers are increasingly unwilling to voluntarily extend supplemental coverage (either voluntary or group coverage) to adult children. Between last year and this year, there was a noticeable shift, with 60% of employers not considering voluntary expansion of some supplemental benefits to adult children; however, last year, only 28% of employers did not consider this type of plan design. Similarly, last year, 34% of employers did not consider allowing employees to purchase their own supplemental coverage at group plan prices, but this year, 76% of the responding employers said they did not consider this option.

Last year’s Health Care Reform survey noted that in future years, other surveys would likely track the number of employers that change their cost sharing tiers to reflect the larger population of older children eligible for coverage. Future surveys will also likely consider how many employers will change cost sharing on January 1, 2014 in order to coincide with the lapse of the adult child grandfathered limitation (grandfathered plans can currently exclude adult children where they have access to coverage under another employer's plan). Once grandfathered status is lost and the affordability requirement for “Pay or Play” applies to plans, industry experts are likely to see a scaling back of employer financial support for dependent coverage. The survey responses from this year are likely the beginning of that trend to scale back support for dependent coverage.
Well over half of employers do not expect to accelerate plan changes required by Health Care Reform, and among that group, nearly 60% of employers with between 100 and 499 employees said they would not be accelerating plan changes.
EMPLOYER PREPARATION FOR FSA CHANGES AND “PAY OR PLAY”
80% of employers changed their FSA deferral amounts on January 1, 2013, regardless of the plan year.

Of the surveyed employers, 61% offer health FSAs, and nearly 1/3 offer FSA deferrals in excess of $2,500. FSA plans were required to comply with the $2,500 limit on January 1, 2013. This means that sponsors of non-calendar year plans needed to decide whether the $2,500 FSA limit would apply on the first day of the 2012 non-calendar year plan year or whether the mandated FSA limit would apply on January 1, 2013, regardless of the non-calendar year plan year. Only 20% of employers opted to apply the 2013 FSA limits to their plans which began at some point in 2012.
OVER 80% OF EMPLOYER PLANS PROVIDE BENEFITS THAT ARE EXPECTED TO COMPLY WITH THE MINIMUM VALUE COVERAGE STANDARD UNDER HEALTH CARE REFORM.

In order to offer “minimum value coverage” (which is one component of avoiding the “Pay or Play” penalty tax), the plan’s share of the total cost of benefits must be at least 60%.

This year’s survey results are very similar to last year’s survey results; over 80% of employer plans already offer health coverage that surpasses the minimum value coverage requirement under Health Care Reform. Therefore, for most employers, no significant change in coverage will be required in order to comply with the minimum value coverage requirement. Such a situation could lull employers into a reactive mode, in which they treat each year’s Health Care Reform changes as a separate activity versus strategically repositioning health coverage so that the employer considers the minimum value of its coverage, the minimum essential coverage that its plans offer, and the affordability of that coverage in order to avoid the “Pay or Play” penalty.

This year’s survey also shows a slight increase in the percentage of employers providing coverage at 60%-80% of all covered services.
Employers have many options when considering the “Pay or Play” mandate. Employers may choose to forego group health insurance and pay a $2,000 annual penalty tax for each full-time employee (minus the first 30) if at least one employee obtains coverage through the exchange and qualifies for a subsidy. On the other hand, employers may “Play” in a variety of methods and thus avoid the $2,000 penalty, and perhaps pay a $3,000 penalty for a smaller number of full-time employees. In many cases, an employer can avoid all penalties by choosing to fully “Play” under the Health Care Reform “Shared Responsibility” rules.

Employers often have the impression that they must do “all or nothing” with regard to the “Pay or Play” rules. However, this survey indicates that employers are realizing that they have various options available to them, and it can be relatively simple for an employer to avoid the onerous $2,000 per-full-time-employee penalty.
EMPLOYERS TEND TO MANAGE HEALTH BENEFITS SEPARATELY FROM OTHER BENEFITS AND REWARDS.

While the largest portion of employer responses (42%) indicates that employers are managing their health benefits independently of all other benefits and rewards, when comparing this year’s survey results to last year’s results, there is a slight increase in the percentage of plans being managed as part of a total rewards strategy. Employers employing a “total rewards strategy” have put into place a mechanism that allows the employer to adjust other, non-benefits rewards (salary, vacation, bonuses) in order to help control the costs associated with Health Care Reform.

Though the percentage of employers employing a total rewards strategy constitutes only 20% of the total responses from this year’s survey, the findings indicate that plan sponsors may be shifting their focus to a more strategic plan design, and if this is the case, an observable shift in strategy is in the early stages.
FEWER THAN HALF OF EMPLOYERS THINK OF BENEFITS STRATEGICALLY AND HAVE WRITTEN STRATEGIES TO BACK THEM UP.

The survey responses to this question between last year and this year are virtually identical and again underscore the fact that there is room to grow in both “total rewards” strategy and in incorporating wellness programs as part of an employer’s response to continued health cost inflation. Interestingly, in this year’s survey, 34% of respondents said they did not have a wellness strategy as opposed to 30% who, last year, indicated that they did not have a wellness strategy.

One might query why, in comparison to last year’s survey responses, a greater number of surveyed employers on the prior page of this report indicated that this year they manage health benefits as part of the total rewards; however, in answering the question reflected on this page of the report, the responses regarding written strategies do not indicate an increase in the number of employers that have written strategies for a “total rewards” approach. In fact, survey respondents indicated that this year there are fewer employers with written strategies incorporating “total rewards.”

The disparity could be the result of confusion or it could indicate an increasing intention to administer benefits in a total rewards manner, whether or not the employer possesses written strategies to accomplish this goal.
Health coverage continues to be a driving force in a company’s strategic approach, since nearly 2/3 of employers plan to review their health coverage strategy within the next 12 months.

Though a significant percentage of respondents indicated that they didn’t have strategies and were not considering them, the figures indicate a very similar response when compared to last year’s survey. The findings may reflect an underlying recognition that employers should have a strategy, even if employers have not yet started to create a strategy.
Finances are at the heart of benefits strategy. Interestingly, this year’s survey found that corporate pressure to reduce costs is not expected to be nearly as strong this year as was expected last year. However, as employers hire more employees (and consequently the cost to the employer increases), the increase in employee numbers is expected to trigger the plan’s review of its reward strategies. For example, last year, 10.7% of survey respondents noted that increased numbers of employees would trigger additional benefits strategy review; however, this year, 49% of respondents expected increased employee numbers to trigger re-evaluation.
Most employers expect to expand health coverage as needed to comply with health care reform — without adjusting other rewards.

**Likely Prospective Changes in Employee Benefits and Rewards Strategies**

N=721

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Extremely Likely</th>
<th>Somewhat Likely</th>
<th>Somewhat Unlikely</th>
<th>Not at all Likely</th>
<th>Not Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will expand health coverage as needed to comply with the Health Care Reform</td>
<td>12%</td>
<td>42%</td>
<td>21%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>requirements, leaving all other rewards unchanged</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Will change/rebalance the mix of total rewards to offset increased health coverage</td>
<td>11%</td>
<td>31%</td>
<td>30%</td>
<td>22%</td>
<td>6%</td>
</tr>
<tr>
<td>costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will reduce company financial support for some or all of the welfare benefits</td>
<td>6%</td>
<td>28%</td>
<td>36%</td>
<td>22%</td>
<td>8%</td>
</tr>
<tr>
<td>other than health coverage (example: dental, vision, life, disability, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will review our retiree medical benefit strategy</td>
<td>6%</td>
<td>13%</td>
<td>8%</td>
<td>9%</td>
<td>64%</td>
</tr>
<tr>
<td>Will replace dental and/or welfare benefits with employee-pay-all voluntary benefits</td>
<td>4%</td>
<td>13%</td>
<td>32%</td>
<td>34%</td>
<td>17%</td>
</tr>
<tr>
<td>with employee-pay-all voluntary benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will replace life and/or disability welfare benefits with employee-pay-all voluntary</td>
<td>3%</td>
<td>11%</td>
<td>33%</td>
<td>38%</td>
<td>15%</td>
</tr>
<tr>
<td>benefits</td>
<td></td>
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Last year, 43.4% of surveyed employers said that rebalancing total rewards (example: perhaps adjusting salary, vacation or bonuses) was “somewhat likely,” in contrast to this year, when that percentage dropped to 31%, and at the same time there was a significant increase in the number of employers in this year’s survey indicating that it was “somewhat unlikely” that they would rebalance total rewards.
MOST EMPLOYERS BELIEVE THAT EXCHANGES WILL NOT BE READY FOR THE 2014 ENROLLMENT.

EXCHANGE READINESS  N=732

In this year’s Health Care Reform Survey, almost 3/4 of surveyed employers felt informed (from being informed at a rudimentary level to being very well informed) about exchanges. Yet, many questions exist about exchanges; accordingly, nearly 2/3 of employers doubt that the exchanges will be functioning and ready for enrollment in October 2013.
NEARLY HALF OF EMPLOYERS ARE WILLING TO CONSIDER A PRIVATE EXCHANGE BASED UPON THE EMPLOYER’S DEFINED CONTRIBUTION.

LIKELIHOOD OF EMPLOYERS ADOPTING A PRIVATE EXCHANGE  N=738

- Yes: 44%
- No: 12%
- Don’t know/unsure: 36%
- Maybe, once employees of my size join such private exchanges: 8%
REFERENCE MATERIAL
EMPLOYERS CONTINUE TO LOOK TO INSURANCE BROKERS AND INSURANCE CARRIERS FOR INFORMATION ABOUT HEALTH CARE REFORM.

**Reliance on External Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance broker</td>
<td>27%</td>
</tr>
<tr>
<td>Insurance carrier</td>
<td>17%</td>
</tr>
<tr>
<td>Free resources and tools as published by gov't agencies</td>
<td>16%</td>
</tr>
<tr>
<td>Trade association</td>
<td>10%</td>
</tr>
<tr>
<td>In-house personnel</td>
<td>10%</td>
</tr>
<tr>
<td>Law firm</td>
<td>9%</td>
</tr>
<tr>
<td>Specialty consulting organization</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>
MOST EMPLOYERS ARE FULLY-INSURED, BUT A SIGNIFICANT PERCENTAGE HAVE SELF-FUNDED PLANS OR HAVE MOVED TO CONSUMER-DRIVEN HEALTH PLANS.

Survey results indicate a very slight decrease in the number of traditional self-funded benefit options sponsored by employers.