

## **For immediate release**

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## **MARSH & MCLENNAN AGENCY SURVEY REVEALS LOWEST BENEFIT COST INCREASE IN 10 YEARS FOR MICHIGAN EMPLOYERS**

*Employers leverage deductibles, wellness, telemedicine to manage costs*

**Troy, Michigan – June 8, 2015** ... Michigan employer health care costs are rising at an average of only 3% after plan changes, the lowest rate of change in over 10 years, according to a survey released today by Marsh & McLennan Agency LLC. Conducted annually for 12 years, the Southeast Michigan Mid-Market Group Benefits Survey benchmarks health benefits and cost trends for 2015 among 404 Southeast Michigan-based organizations with 100-10,000 employees.

“The results of this year’s survey reflect the efforts of Southeast Michigan employers to proactively manage their health care costs over time. In addition to modifying deductibles and coinsurance, organizations are employing more creative strategies to contain their health care spend, including prescription drug management, telemedicine, and wellness,” says Rebecca McLaughlan, vice president, Marsh & McLennan Agency.

### **Survey results highlights:**

- The adoption of consumer driven health plans (CDHP) continues to grow, with 43% of employers offering CDHP as an option or the only plan choice. This is an increase of 13% over 2014.
- The average PPO plan deductibles are trending upward, from \$822 in 2014 for single coverage to an average of \$909 in 2015, and an average of \$1,669 in 2014 to \$1,863 for family coverage in 2015.
- Eighty-eight percent of HMO plans offered by employers now include coinsurance, up from 57% in 2014. Sixty-eight percent include a deductible, up from 59% in 2014.
- Fifty-one percent of participating employers have a mandatory generic policy for prescription drug coverage, while only 33% of employers nationally do so.
- Wellness practices aimed at decreasing tobacco usage are implemented at nearly half the national rate. Only 35% of Southeast Michigan employers have a smoke-free campus versus 68% nationally. Eight percent require nicotine testing, compared to 17% nationally.

Twelve percent of Michigan employers require a tobacco surcharge, versus 21% nationally.

- Twenty percent of Southeast Michigan employers now include telemedicine as a care provider option compared to only 4% of employers in 2014.
- Health advocacy programs also grew significantly: 27% of survey participants offer this service, compared to 14% in 2014. Health advocacy programs assist employees with claims questions, coordination of care, and navigating the health care system.
- Ninety-nine percent of survey respondents intend to continue offering employer-sponsored coverage for the next two years or beyond.

“Introduced in 2010, Health Care Reform is now the ‘norm’. Employers have a better understanding of the impact of the legislation on their culture and health care costs and have adapted accordingly,” says Katy O’Brien, account director with Marsh & McLennan Agency and survey leader. “That said, organizations do need to prepare to comply with reporting requirements scheduled to take effect in 2016, as well as evaluate the potential impact of the auto enrollment and Cadillac Tax rules which are on the horizon.”

The survey cites 80 top-performing organizations, both union and non-union, as TrendBenders™ that successfully kept their two-year average benefit cost increases at or below 1.5%. TrendBender™ organizations keep costs down by offering lower cost strategies, particularly CDHP and wellness plans, over a longer period of time. For example, 87% have offered a wellness plan for three years or more.

The Mid-Market Group Benefits Survey is the largest of its kind with 455 midsize organizations participating, including 404 southeast Michigan employers representing a cross-section of the region’s economic base. Data for municipalities and school districts is analyzed separately. The survey has a 4.3% margin of error.

Sponsored by the Michigan office of Marsh & McLennan Agency LLC, formerly McGraw Wentworth, survey results are shared with participants in June. For information, contact Ryan Bowers at (248) 822-6231 or visit [mma-mi.com](http://mma-mi.com).

**About Marsh & McLennan Agency** – Marsh & McLennan Agency LLC, a subsidiary of Marsh, was established in 2008 to meet the needs of midsize businesses in the United States. MMA operates autonomously from Marsh to offer employee benefits, executive benefits, retirement, commercial property & casualty, and personal lines to clients across the United States.