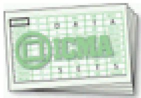
International City/County
ICMA
Management Association

777 North Capitol Street, NE
Suite 500
Washington, DC 20002-4201
http://icma.org

Health Care Plans for Local Government Employees, 2002-2003

The *Health Care Plans for Local Government Employees* surveys were mailed in fall 2002 and winter 2003 to the Chief Administrative Officers in municipalities with populations 2,500, and over and to the Chief Administrative Officers of counties with populations 2,500 and over with the council-administrator or council-elected executive form of government. Of the 7,856 municipalities and counties that received surveys, 3,101 responded (39.5%).

For more information on the ICMA's *Health Care Plans for Local Government Employees* survey, please contact Survey Research.



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Following is the survey text with the aggregate results shown next to each answer. Each answer represents the percentage reporting for that question, except where noted.

When answering the survey questions, exclude schools and school personnel from your answers.

1. Does your local government offer any health care plans to any of its employees? **99.5** Yes **0.5** No

2. How does your local government provide health coverage for its employees?

1.7 Is self-insured (defined as an insurance arrangement in which the employer assumes the full risk for the cost of all medical claims)
21.7 Is self-insured with stop-loss coverage (assumes full risk for the cost of claims up to a certain point, after which a health insurer pays the full cost of claims)
65.8 Is fully insured (contracts with a health insurer, which assumes the full risk for the cost of coverage)
6.0 Offers some plans on a self-insured basis and other plans on a fully-insured basis (e.g., a self-funded PPO and fully insured HMO)
2.4 Other
1.0 Unspecified self-insured
1.5 State plan

3. Does your local government participate in any purchasing alliances, consortia, or cooperatives, in which local governments band together to purchase health coverage as a group? **28.7** Yes **71.4** No

4. How are claims administered under your local government's health plan? *(Check all applicable.)*

2.4 Directly by the local government
33.1 By a third–party administrator
66.0 By the health insurer (under a fully insured arrangement)
3.6 By a consortium of public entities

HMO – A health plan that finances and delivers comprehensive medical services to an enrolled population, usually in return for a fixed, prepaid fee.
PPO – A health plan that provides coverage at a discounted cost to members when they use providers under contract with the PPO (the network) and that covers services rendered by providers outside the network at a higher relative cost to members.
POS plan- an HMO product with in-network coverage accessed through a primary care provider, as well as non-network coverage option at higher cost sharing.
Indemnity plan- health insurance that reimburses the insured or the provider for amounts paid or charged to cover medical expenses
Consumer-directed health plan/health care reimbursement account- plans generally include (1) an employer-funded health spending account, from which the employee draws to finance health care; (2) a high-deductible insurance plan to protect the employee from catastrophic health care costs; (3) responsibility for the employee to pay out-of-pocket for health expenses between the amount in the health spending account and the deductible for the catastrophic health insurance policy; and (4) a resource guide (often Internet-based) to help consumers make informed decisions about their coverage.
Tiered networks - as a health plan network in which member cost-sharing is set at different levels, or tiers, for the services of different groups of health care providers within broad categories (e.g., hospitals), depending on differences in the rates that providers charge)

5.

Please provide information about the benefits offered to your regular, union and/or retired employees by filling in the blank or placing a check in the appropriate box.	Regular Employees	Union Employees	Retired Employees
a. For which type of employees do you offer **any** health benefits?	**99.7**	**56.4**	**62.3**
b. How many of each type of employees are eligible for participation? **(Average)**	**210**	**220**	**133**
c. How many of each type of employees are enrolled in benefits offered? **(Average)**	**184**	**196**	**98**
d. What is the waiting period for eligibility for each type of employee? **(Average days)**	**32**	**29**	**6**
e. Do you offer the following types benefit plans to **any** of your employees?			
1. HMO plan	**98.4**	**60.8**	**61.9**
2. PPO plan	**98.5**	**51.8**	**58.7**
3. POS plan	**98.3**	**59.1**	**57.7**
4. Indemnity plan	**93.1**	**70.6**	**66.7**
5. Consumer-directed health plan/health care reimbursement account	**98.5**	**60.8**	**22.6**
6. Tiered networks	**97.4**	**53.6**	**57.0**
7. Prescription coverage	**99.7**	**54.3**	**57.6**
8. Vision benefits	**98.3**	**57.7**	**49.3**
9. Dental benefits	**99.1**	**55.6**	**45.4**

6. Provide the following information regarding employee co-payments for primary care services for your union and retired employees.

Co-payments for primary care services	**Union employees**	**Retired employees**
a. No co-payments are required	**17.3** True **82.7** False	**15.2** True **84.8** False
b. Co-payments are **higher** than for regular employees.	**1.1** True **98.9** False	**5.1** True **94.9** False
c. Co-payments are **lower** than for regular employees.	**2.5** True **97.5** False	**1.9** True **98.1** False

7. Provide the following information regarding employee premium contributions for your union and retired employees.

Premium contribution	**Union employees**	**Retired employees**
a. No premium contribution is required	**44.7** True **55.3** False	**23.1** True **76.9** False
b. Premium contributions are **higher** than for regular employees.	**5.2** True **94.8** False	**39.8** True **60.2** False
c. Premium contributions are **lower** than for regular employees.	**4.9** True **95.1** False	**6.5** True **93.5** False

8. Are part-time employees eligible for health care benefits? **32.6** Yes **67.4** No
   A. If " yes," how many hours must they work per week in order to be eligible? **24 Average**

9. Are employee health care premium contributions based on salary? **1.1** Yes **98.9** No
   A. If "yes," do higher-paid workers pay a higher premium contribution? **90.0** Yes **10.0** No

10. In the last two years, has the number of health care plans your local government offers to its employees changed?
    9.0 Yes, the number increased **9.5** Yes, the number decreased **81.5** No, the number remained the same

11. Please identify the top three factors influencing your choice of health care plans to offer your employees. *(Place a check in the box beside three options. If you identify more than three, none of your responses can be included.)*

    67.8 Access to care (e.g., location, hours, breadth of network)
    18.7 Quality of physicians (e.g., the percent who are board certified)
    67.0 Employee satisfaction with the plan in prior years
    48.4 Customer service/Administration by the plan
    88.3 Cost to the local government
    2.9 Accreditation status and rating (i.e., is the plan accredited by a national accreditation group such as NCQA, URAC, or JCAHO)
    3.9 Other
    0.8 Cost to employee
    1.5 Union/collective bargaining

12. Do you require all health plans that you select to be accredited by a national accreditation organization (such as the National Committee for Quality Assurance (NCQA), the Joint Commission for Accreditation of Health Care Organizations (JCAHO), or the American Accreditation Healthcare Commission/URAC)? **35.1** Yes **64.9** No

13. How likely is your local government to make the following changes over the next two years in any of the health plans you sponsor? Include all employees—regular, union, and retirees. *(Place a check in the box under the heading that most accurately reflects the likelihood of change.)*

Change	Will not change	Unlikely to change	Likely to change	Will change
Increase in percent of premium paid by employee	**12.1**	**29.0**	**47.1**	**11.9**
Increase in PCP co-payment amounts	**9.4**	**40.6**	**44.8**	**5.2**
Increase in specialist co-payment amounts	**10.8**	**47.5**	**38.4**	**3.3**
Increase in prescription drug co-payment amounts	**7.2**	**32.1**	**52.4**	**8.4**
Increase in ER co-payment amounts	**9.8**	**46.9**	**39.6**	**3.7**
Increase in deductible	**8.8**	**39.1**	**46.8**	**5.3**

14. Do you intend to introduce the following changes over the next two years in any of the health plans you sponsor? Include all employees—regular, union, and retirees. *(Place a check in the box under the heading that most accurately reflects your intention.)*

	NA (already offer)	Intend	Do not intend
a. Introduce a three-tiered prescription plan or add more tiers to an existing three-tiered plan. (In a three-tiered plan consumers pay three different co-payment amounts – for example, $10, $15, or $35, for different types of drugs (e.g., generic v. brand name drugs, formulary v. non-formulary drugs, "lifestyle" drugs).	**57.2**	**12.5**	**30.4**
b. Offer defined contribution plans	**17.3**	**11.3**	**71.4**
c. Offer tiered networks	**14.4**	**9.9**	**75.6**
d. Require all health plans under contract to be accredited by a national accreditation organization	**29.8**	**7.9**	**62.3**

15. Provide the following information for the health benefits you offer your **active, nonunion employees**. **[Averages listed]**

	HMO	POS	PPO	Indemnity
a. For each type of health coverage, how many different plans do you offer your employees?	**1**	**1**	**1**	**1**
b. How many of your employees are eligible to participate in each plan?	**383**	**443**	**271**	**243**
c. How many employees are enrolled in each type of plan?	**252**	**226**	**175**	**122**
For the following questions, please answer for each product with respect to the most popular enrollment choice among your employees.				
d. What is the monthly premium for single coverage?	**$275**	**$305**	**$315**	**$343**
e. What is the monthly premium paid by the employee for single coverage?	**$26**	**$29**	**$32**	**$43**
f. What is the monthly premium for family coverage?	**$705**	**$765**	**$741**	**$850**
g. What is the monthly premium paid by the employee for family coverage?	**$175**	**$192**	**$207**	**$179**
h. What is the co-payment for primary care visits?	**$11**	**$12**	**$14**	
i. What is the co-payment for specialist visits?	**$13**	**$15**	**$17**	
j. What is the co-payment for ER services?	**$50**	**$51**	**$50**	
k. What is the co-payment for generic drugs?	**$8**	**$8**	**$8**	
l. What is the co-payment for brand name drugs?	**$17**	**$18**	**$19**	
m. Is there co-insurance? (Co-insurance is defined as cost-sharing that requires a group member to pay a stated percentage of expenses after the deductible has been paid.			**69.3** Yes **30.7** No	**60.0** Yes **40.0** No
n. Is the co-insurance the same across all benefits? (Answers should reflect the percentage paid by the plan and then that paid by the employee e.g., 80/20%, 90/10%)			**75.4** Yes **24.6** No	**69.2** Yes **30.8** No
1. If "yes," what is it?			**83 / 17 %**	**81 / 19 %**
2. If "no," what is the co-insurance level for primary care visits?			**83 / 17 %**	**85 / 15 %**
3. If "no," what is the co-insurance level for specialty care visits?			**86 / 14 %**	**85 / 15 %**
4. If "no," what is the co-insurance level for ER visits?			**86 / 14 %**	**86 / 14 %**
5. If "no," what is the co-insurance level for prescription drugs?			**84 / 16 %**	**88 / 12 %**

16. What of the following have you made available, either directly or provided under contract with a vendor or health plan, in the past two years that have been most successful, in cost-savings, quality, or customer satisfaction?

36.7 E-health (e.g., getting information online re: benefits)
14.3 Disease management – (A coordinated system of care for a patient population who have or are at risk for a specific chronic illness or medical condition e.g., diabetes, asthma).
22.4 Patient & consumer safety (e.g., car seat, helmet, seatbelt campaigns)
30.6 Health education (e.g., disease prevention, childhood development seminars)
75.5 Wellness/prevention programs (e.g., immunization, smoking cessation, fitness programs)
44.9 Behavioral health/mental health/substance abuse programs
2.0 Social programs (e.g., respite care programs)
4.1 Other

17. What were your local government's total expenditures on health care for current employees (union and nonunion) and retirees for the most recently completed fiscal year? **$2, 800, 914 Average**