

50-State Survey | 2015 Edition

A composite analysis of South Carolina's
State Health Plan Standard Plan rates
compared to state plans across the nation



Survey methodology

The South Carolina Public Employee Benefit Authority (PEBA) solicits and gathers information from across the nation regarding the premiums that public employers and employees are paying for health insurance. For purposes of our analysis, the 50 states are divided into four geographical regions: the West, Midwest, Northeast and South.

The tier structure of health plans varies from state to state. The South Carolina State Health Plan (SHP) operates under a “four-tier” structure, which means that contributions vary according to four levels of coverage:

- Employee only (EO)
- Employee/spouse (E/S)
- Employee/children (E/C)
- Full family (FF)

Many states use two-, three- or four-tier premium structures. A two-tier structure is defined generally as one with employee only and employee/dependent coverage levels. A three-tier structure consists of employee only, employee/dependent and full family coverage.

The tier structure has a significant impact on contribution levels. In a two-tier structure, plans typically spread the cost of dependent coverage across all employees with dependents, resulting in employees covering only a spouse or dependents paying higher rates than equivalently priced plans in a four-tier structure.

Composite calculation

We calculated composite employer, employee and total contribution rates for the most prevalent plan in each state and compared them to our most prevalent plan, the State Health Plan Standard Plan. To do so, we took the percentage of Standard Plan subscribers enrolled in each coverage level and applied

**South Carolina Public Employee Benefit Authority
State Employee Health Insurance Programs Survey**

CONTACT INFORMATION

Agency/Organization: _____

Address: _____

City: _____ State: _____ Zip: _____

Contact Name/ Title: _____

Phone: _____

Department: _____

PLAN STRUCTURE & RATE INFORMATION

1. What type of structure does your state use to categorize active employee subscribers into different premium groups (tiers)? (2 tier, 3 tier, or 4 tier) For example: (sub. only, sub./spouse, subscriber/children, full family) – 4 tier

2. What will your most populated plan's rates be as of January 1, 2015 for each of these different tier groups? Please use the plan with the most active subscribers enrolled and indicate the plan's type below (i.e. PPO, POS, HMO).

3. These rates are in effect from _____ to _____.

Tier (For example, subscriber only, full family, etc.)	Employee Contribution	Employer Contribution	Total Monthly

OTHER QUESTIONS

4. Does your office also coordinate drug benefits for retirees? _____

5. If yes, will your state be participating in the CMS Retiree Drug Subsidy program for your plan year 2011? _____

6. Does your state have differing premiums based upon tobacco usage? Please explain. _____

Thank you for participating in this survey. Please fax the completed survey to:
Patrick A. Harvin, Program Coordinator
FAX: (803) 740-1366 – PHONE: (803) 734-3577 – EMAIL: pharvin@peba.sc.gov

If possible, please mail a copy of this plan's benefits guide to:
Patrick A. Harvin, S.C. Public Employee Benefit Authority, Columbia SC 29201

those percentages to each state's rate for that coverage level. In addition, we adjusted premiums to reflect the percentage of subscribers paying higher tobacco surcharges.

Please note: Our analysis uses the 2015 coverage levels when comparing the 2015 and previous year's rates. As a result, composite rates for previous years will differ slightly from previous publications.

For states that do not use a four-tier structure, the rate an employee would pay for the equivalent coverage under the four-tier structure was used in calculating the composite rates.

The percentages for each coverage level, as of January 2015, are:

- Employee only (EO) 57.8 percent
- Employee/spouse (E/S) 16.1 percent
- Employee/children (E/C) 13.6 percent
- Full family (FF) 12.5 percent

Plan design

South Carolina's plan vs. southern states' plans

Annual deductibles

The annual deductible for the State Health Plan (SHP) of \$445 in 2015 was lower than the regional average annual deductible of \$453. In comparison to other regional states, five states had a lower individual deductible and eight states had a higher individual deductible.

The SHP's annual family deductible of \$890 was higher than four regional states while lower than nine regional states. The regional average annual family deductible was \$1,040.

Coinsurance (in-network)

South Carolina's coinsurance ratio, the percentage of in-network costs after deductibles and copayments that both the plan and employee will pay, remained unchanged in 2015. Like nine of the 13 other regional states,

the SHP pays 80 percent of these costs while employees pay the remaining 20 percent. Four regional states pay greater than an 80 percent coinsurance share.

All regional states cap the amount of coinsurance individuals and families pay before the plan pays at 100 percent of covered costs. South Carolina has coinsurance maximums of \$2,540 per individual and \$5,080 per family. The SHP's coinsurance maximums were lower than five regional states. Eight states have lower coinsurance maximums than the SHP.

Prescription drug copayments

Under the SHP's three-tier prescription drug copayment program for retail prescriptions, members pay \$9 for generics, \$38 for preferred brands and \$63 for non-preferred brand drugs. Ten states had higher generic copayments while

2015 Southern region plan comparison

Plan design on January 1, 2015	South Carolina	Regional state comparisons		
		Lower benefit	Same benefit	Higher benefit
Deductible – individual	\$445	8 states	None	5 states
Deductible – family	\$890	9 states	None	4 states
Coinsurance (in-network)	80% plan 20% subscriber	None	9 states	4 states
Coinsurance max – individual (in-network)	\$2,540	5 states	None	8 states
Coinsurance max – family (in-network)	\$5,080	5 states		8 states
Office visits	\$12 per visit copayment plus 20% subscriber coinsurance	None	None	13 states
Retail prescription drug copayments (31-day supply)				
Generic	\$9	10 states	None	3 states
Preferred brand	\$38	8 states	None	5 states
Non-preferred brand	\$63	9 states	None	4 states
Prescription drug copayment maximum	\$2,500	10 states	2 states	1 state
Prescription drug deductible	\$0	2 states	11 states	None
Copayment				
Hospital inpatient	\$0	5 states	8 states	None
Hospital outpatient	\$95	3 states	None	10 states
Emergency room	\$159 (subscriber pays 20% coinsurance after copayments)	2 states	None	11 states

only three states had lower generic copayments. The SHP's preferred brand copayment was lower than eight states and was higher than five states. Nine regional states had higher non-preferred brand copayments than the SHP.

Copayments

Like eight other regional states, South Carolina does not have an inpatient hospital copayment.

The SHP's \$95 outpatient hospital copayment was higher than that of 10 regional states. The ER copayment of \$159 was higher than 11 of the other 13 regional states.

South Carolina composites

The State Health Plan Standard Plan (SHP) is South Carolina's plan of choice among most active employees. The majority of active subscribers, 89.5 percent, chose the SHP in 2015, continuing an upward trend from 87.9 percent in 2014.

Total composite rate

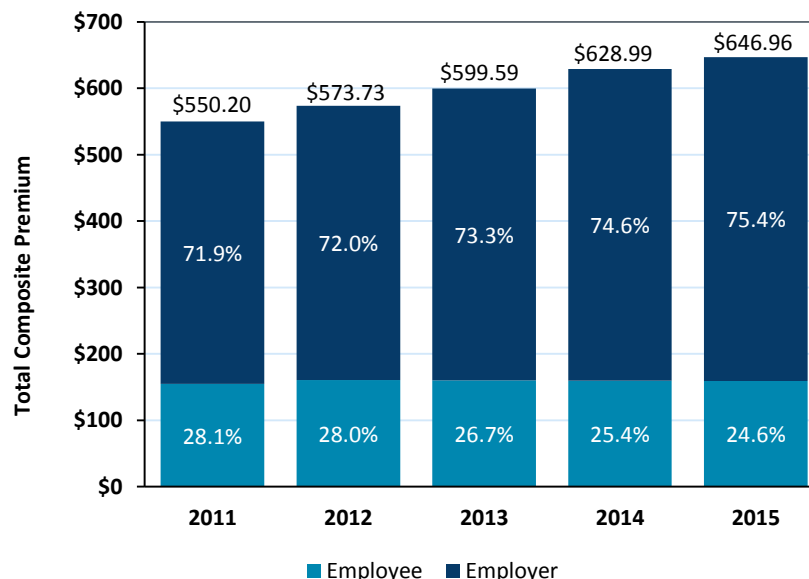
The SHP's total composite rate of \$646.96 in 2015 was up 2.9 percent from \$628.99 in 2014. The growth is largely attributable to employer composite rate growth. During the past five years, the SHP's total composite has grown an average 4.8 percent annually.

2015 State Health Plan Standard Plan premiums

	Employee	Employer	Total rate
Employee only	\$ 97.68	\$344.58	\$ 442.26
Employee/spouse	\$253.36	\$682.54	\$ 935.90
Employee/children	\$143.86	\$528.88	\$ 672.74
Full family	\$306.56	\$854.58	\$1,161.14
Composite rate	\$159.32	\$487.64	\$ 646.96

In comparison with other states in the South region, the SHP's total composite was the third lowest at only 79.9 percent of the regional total composite of \$809.52. The SHP's total composite also compared favorably nationally,

South Carolina employee/employer share of total composite rates



the fourth lowest in the nation and only 68.9 percent of the national average.

Employer composite rate

The SHP’s employer composite rate rose 3.9 percent in 2015 to \$487.64 from \$469.33 in 2014. The employer composite has grown an average 6.3 percent annually the past five years.

When compared to the regional average, SHP employers paid a lesser share of the total composite rate at 75.4 percent. The regional average employer composite share of the total composite rate in 2015 was 77.9 percent.

Nationally, the SHP’s employer composite ranked as the sixth lowest, only 63.7 percent of the national composite rate. The SHP’s employer share of the total composite was more than 6 percentage points less than the national average employer share of 81.5 percent.

Employee composite rate

The SHP’s employee composite was \$159.32 in 2015. The employee composite was lower than

South Carolina composites regional/national rankings

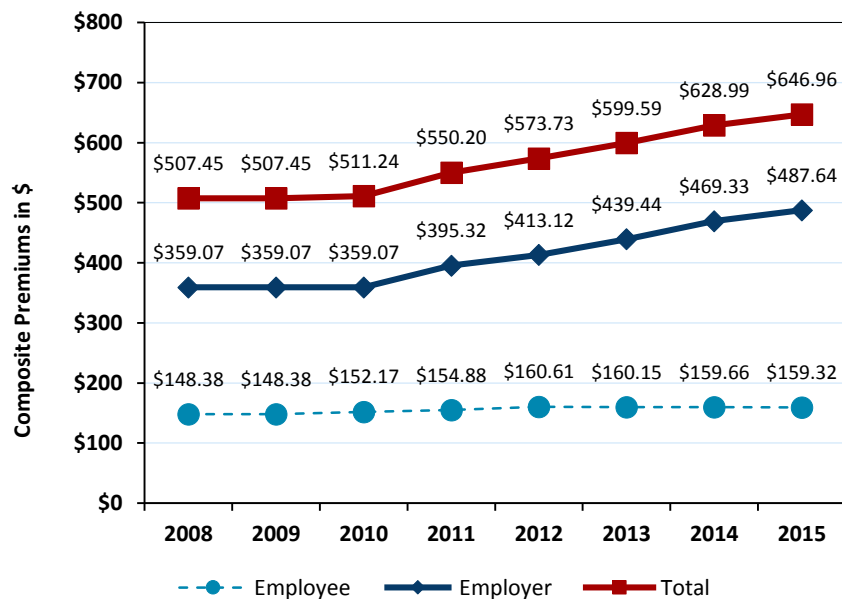
	From lowest to highest	
	Regional (14 states)	National (50 states)
SHP Total composite	3 rd	4 th
SHP Employer composite	4 th	6 th
SHP Employee composite	6 th	26 th

eight regional states and below the regional employee composite average of \$172.45.

The 2015 employee composite rate’s 24.6 percent share of the total composite rate is higher than the regional average employee composite share of 22.1 percent. Employees in only five of the other 13 regional state pay a larger percentage of the total composite rate.

When compared nationally, the SHP’s employee composite was lower than 24 states in 2015. The SHP’s employee share of the total composite was more than six percentage points higher than the national average employee share of 18.5 percent.

South Carolina composite rates history: 2008-2015



Regional composites

Regional total composite

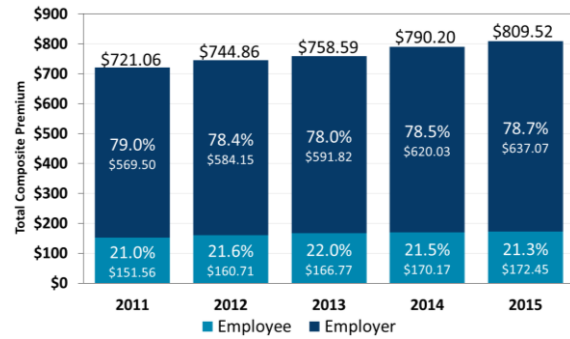
The Midwest had the highest regional total composite rate at \$1,002.05 in 2015, a 4.4 percent increase from \$960.23 in 2014. The South's total composite rate was the lowest in the nation at \$809.52 in 2015, a 2.4 percent increase from \$790.20 in 2014.

Over the past five-year period, the West's average annual growth rate of 5.8 percent has led regional total composite growth rates. The Northeast's average annual rate of growth of 1.1 percent was the lowest.

Regional employer composite

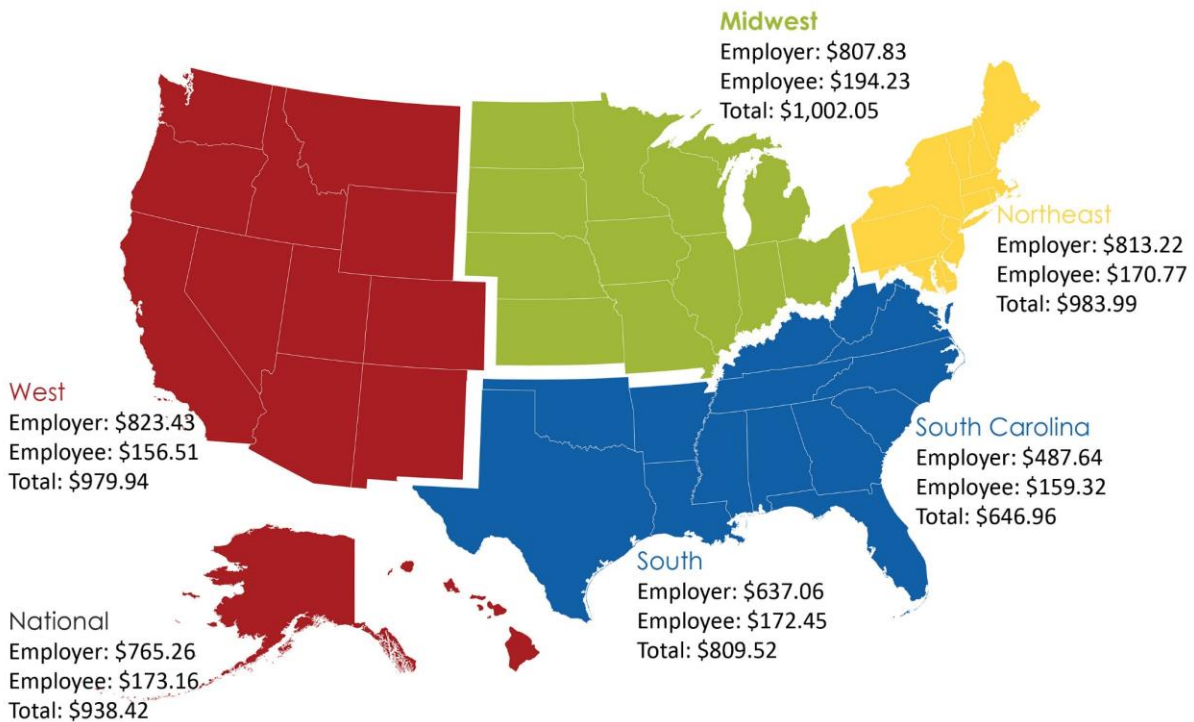
Employers in the West region paid the highest employer composite rate in 2015 at \$823.43, a 5.2 percent increase from \$782.69 in 2014. The South had the lowest regional

Southern region employee/employer share of total composite rates



employer composite in 2015 at \$637.06, a 2.7 percent increase from \$620.03 in 2014.

The West region's employers paid the largest share of their regional total composite rate at 84.0 percent. In contrast, employers in the South region paid the lowest employer share of the total composite at 78.7 percent in 2015.



Regional composites

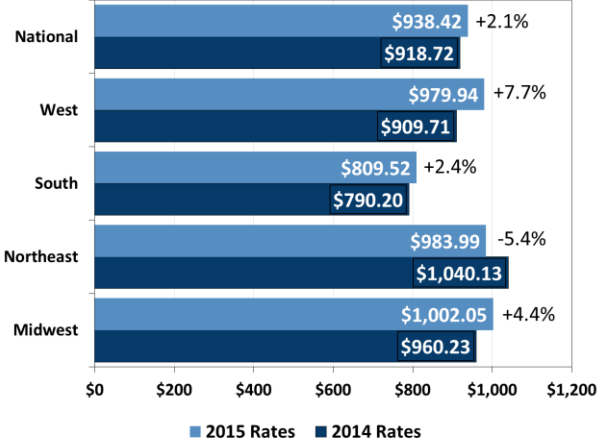
Regional employee composite

Employees in the Midwest paid the largest regional employee composite in the nation at \$194.23 in 2015, up 21.1 percent from \$160.37 in 2014. Over the past five years, the Midwest's employee composite rate has grown an average 12.8 percent annually.

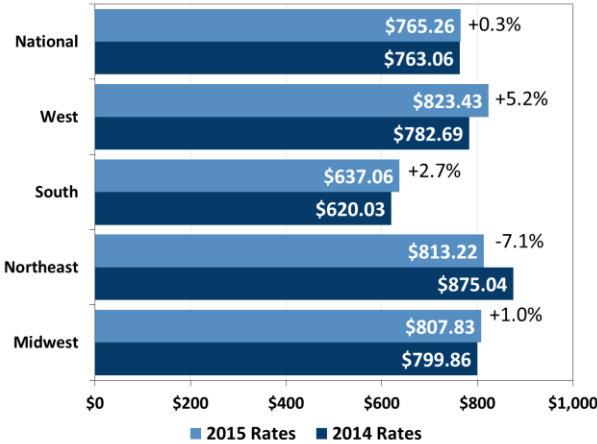
Employees in the South region pay the largest regional share of their total composite rate at 21.3 percent. In comparison, the West region's employee share of their total composite rate was 16.0 percent.

2015 and 2014 regional composite averages

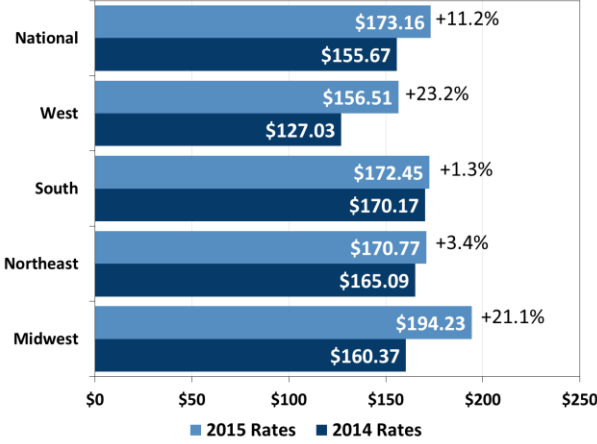
Total composite rates



Employer composite rates



Employee composite rates



Regional composites

West



- Employer: \$823.43
- Employee: \$156.51
- Total: \$979.94

13 states including:
Alaska, Arizona,
California, Colorado,
Hawaii, Idaho,
Montana, Nevada,
New Mexico, Oregon,
Utah, Washington
and Wyoming

The West's total composite rate for 2015 was \$979.94, up 7.7 percent from \$909.71 in 2014. During the past five-year period, the region's total composite rate has grown an average 5.8 percent annually.

The 2015 employer composite rate for the West region was \$823.43, up 5.2 percent from \$782.69 in 2014.

Employers in the West paid the largest regional share of their total composite rate at 84.0 percent. The region's employer composite rate grew an average 4.9 percent annually the past five-year period, the highest in the nation.

While employers paid more of the region's total composite rate, employees paid a smaller share of the regional total composite rate than any other region.

Employees in the West paid only 16.0 percent of the regional total composite average. The region's employee composite rate of \$156.51 in 2015 was up 23.2 percent from \$127.03 in 2014. Over the past five years, the West's regional employee composite has grown an average of 12.1 percent annually, the second highest regional employee composite growth rate in the nation.

Midwest



- Employer: \$807.83
- Employee: \$194.23
- Total: \$1,002.05

12 states including:
Illinois, Indiana, Iowa,
Kansas, Michigan,
Minnesota, Missouri,
Nebraska, North
Dakota, Ohio, South
Dakota and Wisconsin

The Midwest region's total composite rate was \$1,002.05 in 2015, up 4.4 percent from \$960.23 in 2014.

The Midwest's total composite ranked first nationally and grew an average 4.1 percent annually the past five years. The five-year annual average growth rate was the second highest in the nation.

The Midwest's regional employer composite was \$807.83 in 2015, up 1.0 percent from \$799.86 in 2014. The region's employer composite grew on average 2.6 percent annually the past five years. Midwest employers paid 80.6 percent of the regional total composite rate.

Employees in the Midwest paid the highest regional employee composite rate at \$194.23 in 2015, up 21.1 percent from \$160.37 in 2014. The national average employee composite rate grew 11.2 percent in 2015. Employees in the Midwest continued to see their share of the region's total composite rate increase to 19.4 percent. The employee share has been greater than 15.0 percent since 2012.

Northeast



- Employer: \$813.22
- Employee: \$170.77
- Total: \$983.99

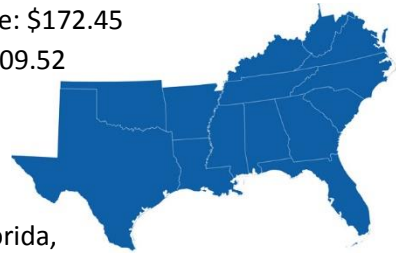
11 states including:
Connecticut, Delaware,
Maine, Maryland,
Massachusetts, New
Hampshire, New York,
Pennsylvania, Rhode
Island and Vermont

The Northeast region had the second-highest regional total composite rate in the nation in 2015 at \$983.99, down 5.4 percent from \$1,040.13 in 2014. The Northeast's total composite rate's five-year annual growth rate average of 1.1 percent was the lowest.

Employers in the Northeast paid the second-largest regional employer composite rate at \$813.22 in 2015, down 7.1 percent from \$875.04 in 2014. The region's employer composite has grown on average 0.4 percent annually the past five years, the smallest regional five-year employer composite growth rate in the nation. The employer composite rate was 82.6 percent of the region's total composite rate, second only to the West's employer composite in terms of share.

The region's employee composite rate rose 3.4 percent in 2015 to \$170.77. Over a five-year period, the Northeast's employee composite has grown an average of 6.9 percent annually. Employees in the Northeast paid the second-lowest share of the total composite rate at 17.4 percent.

South



- Employer: \$637.06
- Employee: \$172.45
- Total: \$809.52

14 states
including:
Alabama,
Arkansas, Florida,
Georgia, Kentucky, Louisiana, Mississippi, North
Carolina, Oklahoma, South Carolina, Tennessee,
Texas, Virginia and West Virginia

The total composite rate for the South region was \$809.52 in 2015, up 2.4 percent from \$790.20 in 2014. The South posted the lowest regional total composite rate in the nation, a ranking it has maintained since 2002. Over the past five years, growth in the South's total composite rate averaged 2.6 percent annually.

For more than a decade, the South continues to have the greatest amount of cost sharing between employers and employees. In 2015, employers in the South paid 78.7 percent of the region's total composite rate with an employer composite rate of \$637.06. In comparison, the next lowest regional employer composite share was the Midwest's 80.6 percent share of their total composite rate.

The South's employer composite grew 2.7 percent in 2015, above the five-year average annual growth rate of 2.3 percent.

Employees in the South had a composite rate of \$172.45 in 2015, up 1.3 percent from \$170.17 in 2014. The region's employees paid the highest share of the total composite rate at 21.3 percent.

National composites

Total composite

The national total composite rate of \$938.42 in 2015 was up 2.1 percent from \$918.72 in 2014. The rate has grown an average of 3.5 percent annually during the past five years.

Employer composite

The national employer composite grew 0.3 percent to \$765.26 in 2015 from \$763.06 in 2014. Over the past five years, the national employer composite rate has grown an average of 2.5 percent annually. Employers paid 81.5 percent of the national total composite rate in 2015.

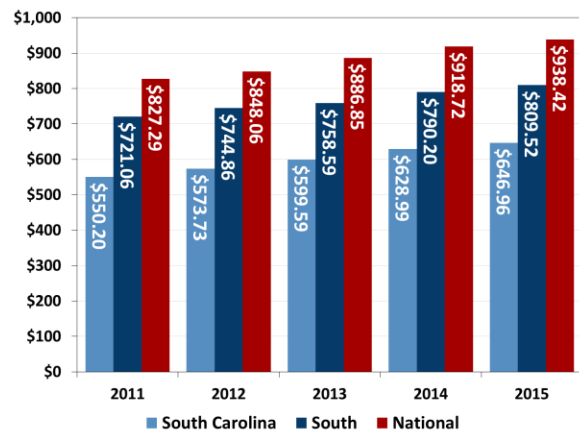
Employee composite

The national employee composite rate was \$173.16 in 2015, up 11.2 percent from \$155.67 in 2014. During the past five years, the employee composite has grown an average of 8.3 percent annually.

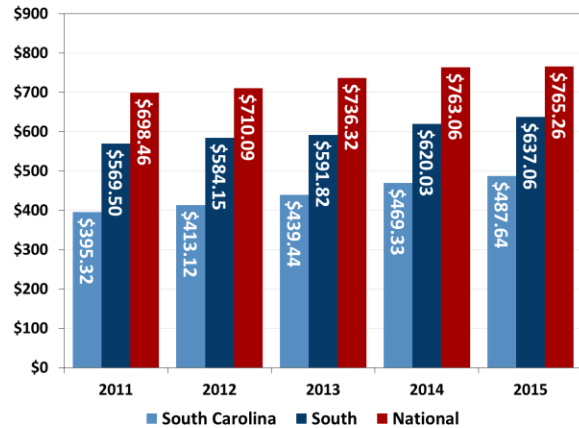
Employees paid 18.5 percent of the total composite rate in 2015. In 2014, the employee share was 16.9 percent of the total composite rate.

Composite rate trends

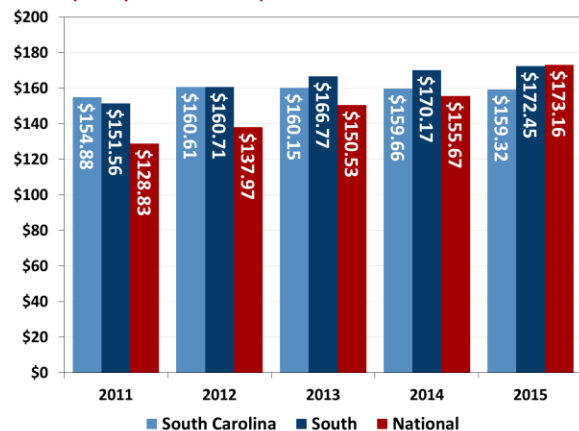
Total composite rates



Employer composite rates

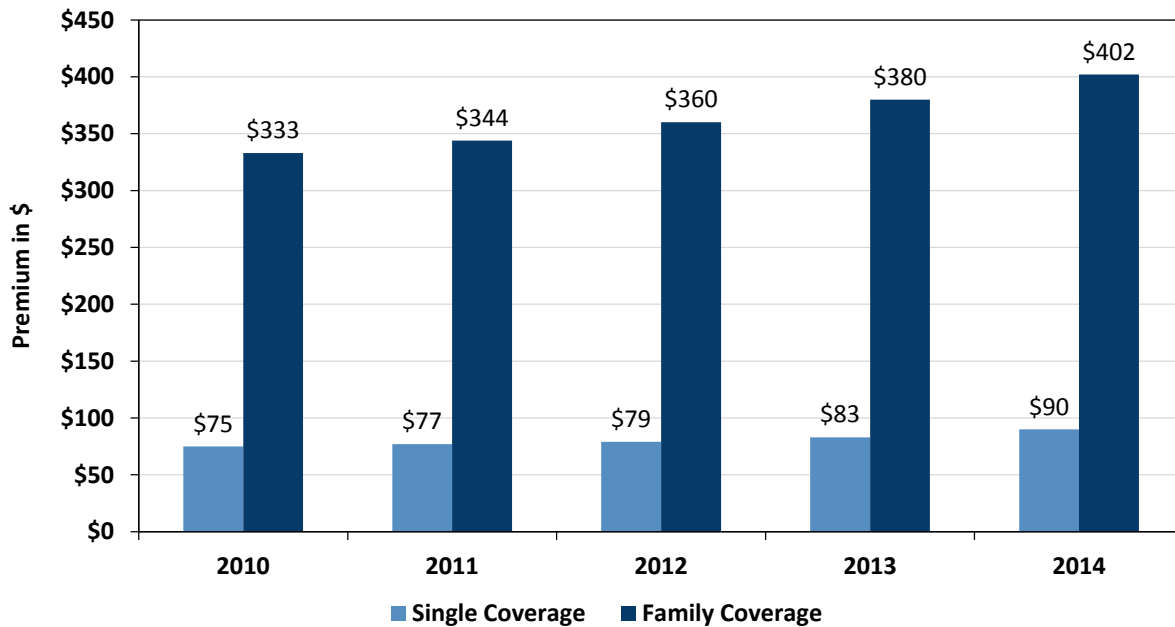


Employee composite rates



Across the nation

Contributions paid by covered workers for single and family coverage



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2014

Acknowledgments

PEBA would like to thank the dedicated staff members of each state's benefits program for their cooperation in this survey. Because of your assistance, we again had 100 percent participation from all 50 states.

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