

The 50-State Survey 2010 Edition

*A Composite Analysis of South Carolina's
State Health Plan Standard Plan Rates
Compared to State Plans Across The Nation*

Employee Insurance Program

1201 Main Street, Suite 300
Columbia, South Carolina 29201

www.eip.sc.gov



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Division of Insurance & Grants Services

SURVEY METHODOLOGY

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 different levels of coverage: Employee Only (EO), Employee/Spouse (E/S), Employee/Children (E/C), and 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 entails Employee Only, Employee/Dependent, and Full Family coverage.

The tier structure has a significant impact on contribution levels. In the case of 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 with 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. To do so, we took the percentage of South Carolina Employee Insurance Program (EIP) health subscribers in each coverage

level and applied those percentages to each state’s rate for that coverage level.

It should be noted that our analysis uses the 2010 coverage levels when comparing the 2010 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.

2010 Survey Sample



South Carolina Employee Insurance Program
Survey of State Employee Health Insurance Programs
CONTACT INFORMATION

Agency/Organization: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Contact Name/ Title: _____
 Phone: _____
 Department: _____

PLAN STRUCTURE & RATE INFORMATION

- 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
- What will your most populated plan's rates be as of January 1, 2010 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).
- These rates are in effect from _____ to _____

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

OTHER QUESTIONS

- Does your office also coordinate drug benefits for retirees? _____
- If yes, will your state be participating in the CMS Retiree Drug Subsidy program for your plan year 2010? _____
- 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
 EIP - Research & Statistics Unit
 FAX: (803) 737-0557
 PHONE: (803) 734-3577
 - OR - Email to: pharvin@eip.sc.gov

If possible, please mail a copy of this plan's benefits guide to:
 Patrick A. Harvin, S.C. Employee Insurance Program, 1201 Main Street-Suite 300, Columbia SC 29201

The percentages for each coverage level, as of January 2010, are:

- Employee Only (EO) – 58.183%
- Employee/Spouse (E/S) – 16.541%
- Employee/Children (E/C) – 13.574%
- Full Family (FF) – 11.702%

PLAN DESIGN

South Carolina's Plan vs. Southern States' Plans

Annual Deductibles

The SHP's annual individual deductible of \$350 in 2010 was higher than 7 of the regional states and was higher than the regional average of \$321. One state's deductible was the same as the SHP. Regionally, 5 states had a higher individual deductible than the SHP.

South Carolina's annual family deductible of \$700 was lower than that of 6 regional states and was actually lower than the regional average family deductible of \$855 in 2010. A total of 7 regional states had a lower annual family deductible.

Coinsurance (In-Network)

Regional states have differing coinsurance ratios, the percentage of in-network costs after deductibles and copays that both the employer and employee will pay. In South Carolina, the plan pays 80% of these costs, leaving employees responsible for the remaining 20%. While 9 other regional states utilize an 80/20 coinsurance ratio like the SHP, 4 other states utilized an 85/15 or higher coinsurance ratio.

State employees in South Carolina also benefit from a coinsurance maximum of \$2,000 for individuals and \$4,000 for families, designed to limit the impact of health care costs before the SHP pays 100% of covered costs.

A total of 8 other states had a lower individual coinsurance maximum than the SHP. The regional average individual coinsurance maximum was \$1,673 in 2010, \$3,745 for families.

Prescription Drug Copays

The SHP's three-tier prescription drug copay program for retail prescriptions calls for insureds to pay \$9 for generics, \$30 for preferred brands and \$50 for non-preferred brand drugs. In terms of generic copays, 10 states had higher generic copays while only 3 states had lower generic copays. The SHP's preferred brand copay matched 1 state and was lower than in 6 regional states. A total of 8 other states had higher non-preferred brand copays than the SHP.

Per Occurrence Deductibles

South Carolina still does not have a per occurrence hospital inpatient deductible while 8 regional states do.

In terms of hospital outpatient deductibles, the SHP's \$75 per occurrence outpatient hospital deductible was higher than that of 8 regional states. The ER deductible of \$125 was higher than 8 of the other 13 regional states.

Note: See page 9 for list of states composing the South region.

2010 Southern Region Plan Comparison				
Plan Design on January 1, 2010	South Carolina	Regional State Comparisons		
		Lower Benefit	Same Benefit	Higher Benefit
Deductible – Individual	\$350	5 states	1 state	7 states
Deductible – Family	\$700	6 states	None	7 states
Coinsurance (In-network)	80% plan 20% subscriber	None	9 states	4 states
Coinsurance Max – Individual (In-Network)	\$2,000	3 states	2 states	8 states
Coinsurance Max – Family (In-Network)	\$4,000	3 states	2 states	8 states
Office Visits	\$10 per visit deductible plus 20% subscriber coinsurance	None	1 state	12 states
Retail Prescription Drug Copays (31-day supply)				
Generic	\$9	10 states	None	3 states
Preferred Brand	\$30	6 states	1 state	6 states
Non-Preferred Brand	\$50	8 states	1 state	4 states
Prescription Drug Copay Maximum	\$2,500	8 states	2 states	3 states
Prescription Drug Deductible	\$0	4 states	9 states	None
PER OCCURRENCE DEDUCTIBLES:				
Hospital Inpatient Deductible	\$0	8 states	5 states	None
Hospital Outpatient Deductible	\$75	4 states	1 state	8 states
Emergency Room Deductible	\$125	4 states	1 state	8 states
Lifetime Maximum	\$2 million	3 states	2 states	8 states

SOUTH CAROLINA COMPOSITES

The State Health Plan Standard Plan (SHP) continued to be the plan of choice of active employees in South Carolina. More than 8 out of 10 active subscribers,

\$708.89. The SHP's total composite rate compared even more favorably nationally, only 64.3% of the national total composite rate.

2010 State Health Plan Standard Plan Premiums

	<u>Employee</u>	<u>Employer</u>	<u>Total Rate</u>
Employee Only	\$ 93.46	\$260.90	\$354.36
Employee/Spouse	\$237.50	\$514.70	\$752.20
Employee/Children	\$142.46	\$369.14	\$511.60
Full Family	\$294.58	\$602.56	\$897.14
Composite Rate	\$151.26	\$ 357.55	\$508.81

Employer Composite Rate

South Carolina's employer composite rate was \$357.55 in 2010, unchanged for the past 3 years. Employers continued to pay the largest portion of the SHP's total composite at 70.3%.

Regionally, the SHP's employer composite rate was again the lowest in the South, only 62.8% of the regional

84.4%, in South Carolina chose the SHP, up from 77.6% in 2009.

employer composite. Over the past 5 years, the SHP's employer composite grew an average 3.5% annually.

Total Composite Rate

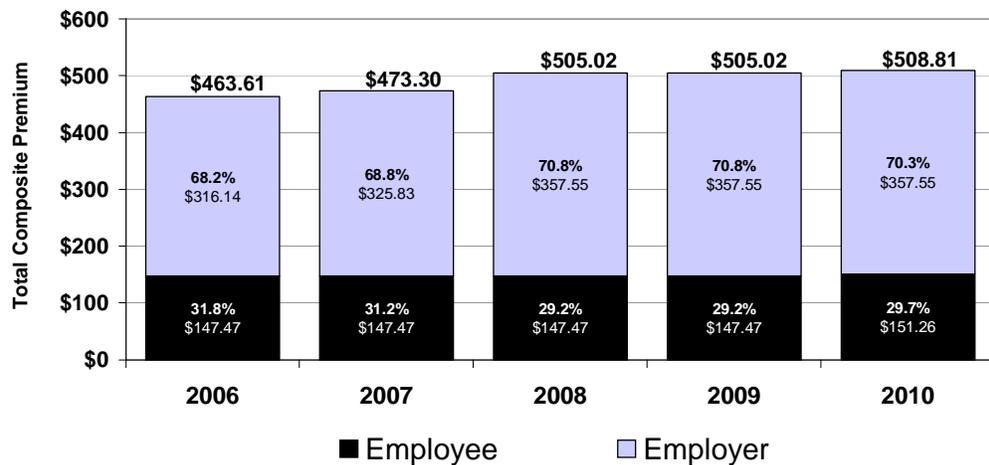
The SHP's total composite rose slightly in 2010 to \$508.81, up 0.8% from 2009. The total composite had been steady at \$505.02 since 2008 yet rose due to an increased employee composite. During the past 5-year period, the SHP's total composite grew on average 2.6% annually.

The SHP's employer composite ranked as the second lowest amount contributed by an employer to health coverage in the nation, only 53.1% of the national

See SOUTH CAROLINA on Page 5

South Carolina's total composite was the lowest in the South region, only 71.8% of the regional total composite of

South Carolina Employee/Employer Sharing of Total Composite



SOUTH CAROLINA COMPOSITES

South Carolina

Continued from Page 4

employer composite rate. Only Hawaii had a lower employer composite rate nationally.

Employee Composite Rate

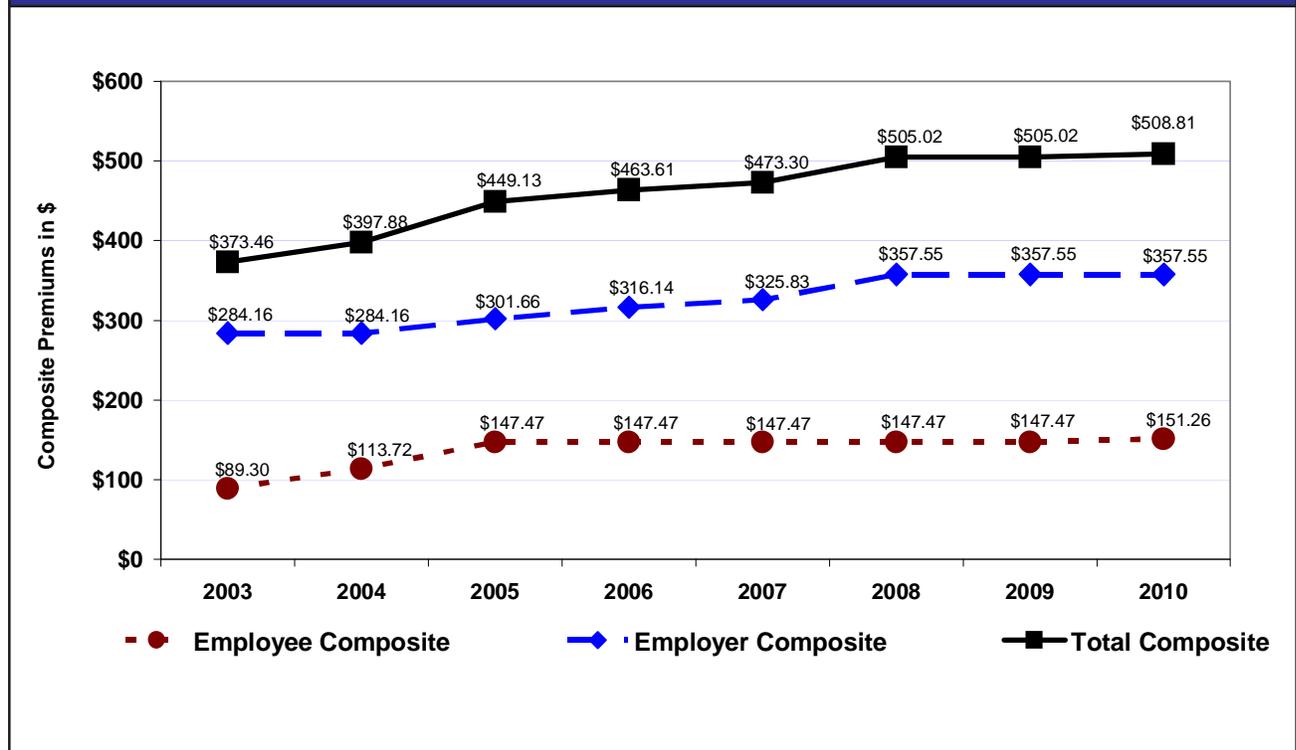
The employee composite for the SHP was \$151.26 in 2010, up 2.6% from the previous years. This increase factors in the percentage of SHP subscribers that are paying a higher premium as smokers, 15.2% for 2010. As a result, the overall percentage of the total composite rate paid by SHP subscribers grew slightly to 29.7% in 2010 from 29.2%

South Carolina Composites Regional/National Rankings

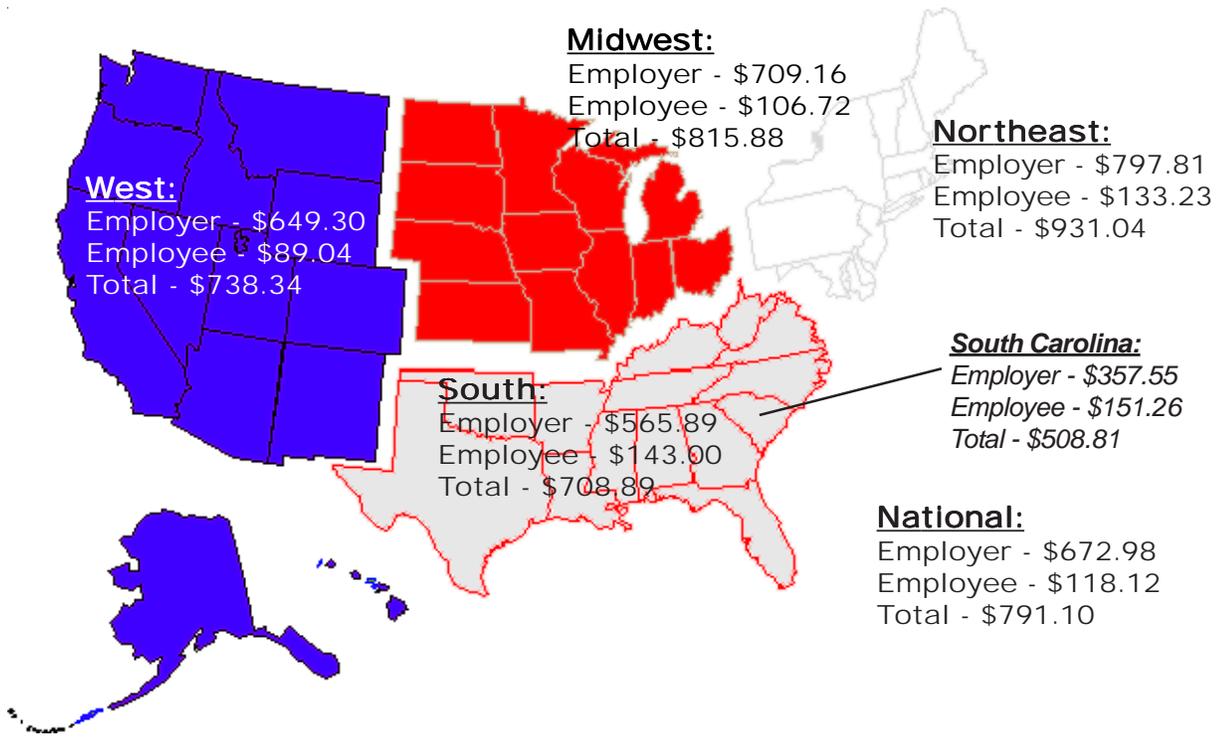
	<i>From Lowest to Highest</i>	
	Regional <small>(14 States)</small>	National <small>(50 States)</small>
SHP Total Composite	1st	2nd
SHP Employer Composite	2nd	3rd
SHP Employee Composite	7th	38th

in 2009. In comparison, the SHP employee composite rate is 5.8% higher than the regional employee composite rate and 28.1% higher than the national employee composite rate.

South Carolina Composite Rates History: 2003 - 2010



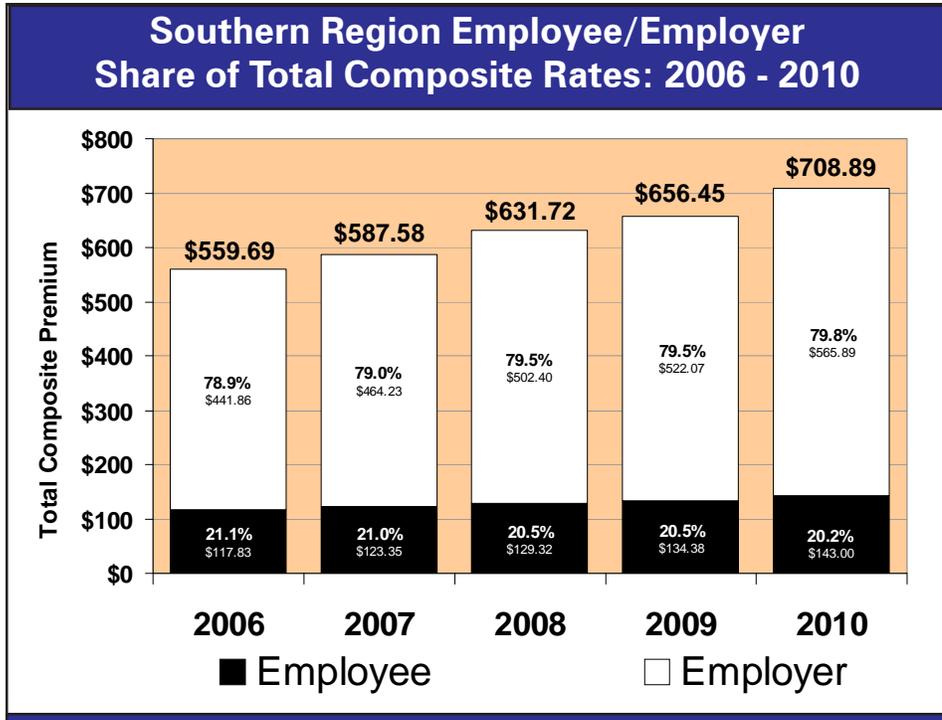
REGIONAL COMPOSITES



Annually we divide the 50 states into four regions: Northeast, South, Midwest and West.

Regional Total Composite

The Northeast region has continued to post the highest total composite rate for more than 10 years. In 2010, the Northeast's total composite rate of \$931.04 was a 14.8% increase from 2009, growing annually the past 5 years at an average of 7.4%. In contrast, the South continued to have the lowest regional total composite rate at \$708.89 in 2010, up 8.0% from 2009.



See REGIONAL on Page 7

REGIONAL COMPOSITES

Regional

Continued from Page 6

Regional Employer Composite

Employers in the Northeast region had the highest regional employer composite at \$797.81 in 2010, up 14.5% from 2009. The Northeast's employer composite growth rate nearly tripled its 2009 growth rate of 5.0% and was more than twice the region's 5-year annual growth rate trend of 6.7%. The lowest regional employer composite was the South's employer composite rate of \$565.89, an 8.4% increase from 2009.

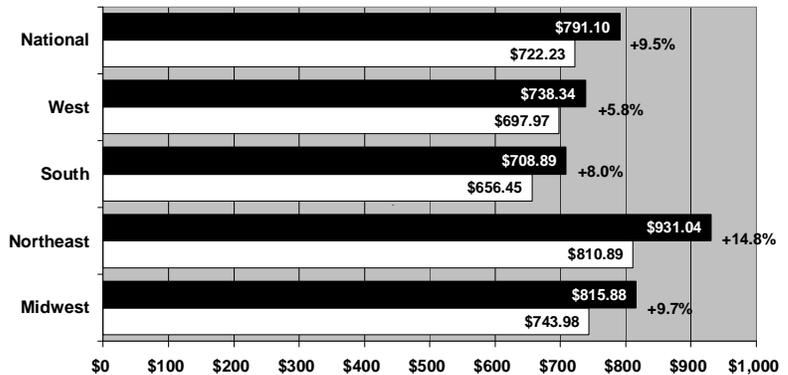
Regional Employee Composite

The South regional employee composite of \$143.00, up 6.4% from 2009, was the highest regional employee composite in the nation as has been the case the past 10 years. While remaining the highest regional employee composite rate, the South's rate has grown an average 5.1% annually. The West continued to post the lowest regional employee composite at \$89.04.

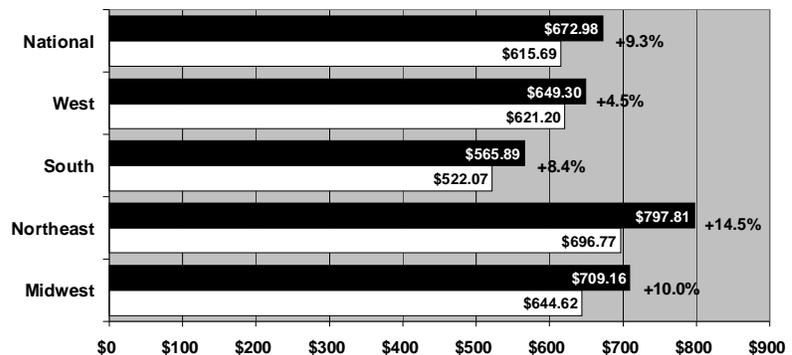
2010 & 2009 Regional Composite Averages

2010 Rates 2009 Rates

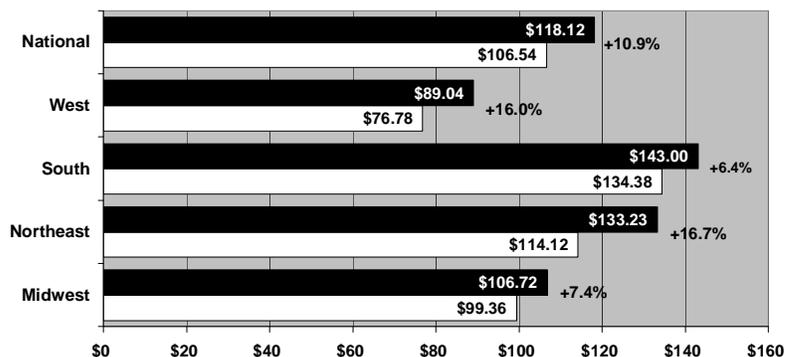
Total Composite Rates



Employer Composite Rates



Employee Composite Rates

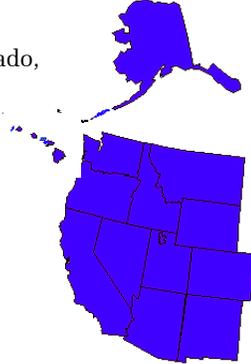


REGIONAL COMPOSITES

West

13 States:

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



West:

Employer - \$649.30
Employee - \$89.04
Total - \$738.34

Midwest

12 States:

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin



Midwest:

Employer - \$709.16
Employee - \$106.72
Total - \$815.88

The West's total composite rate was \$738.34 in 2010, up 5.8% from \$697.97 in 2009. Growing an average 5.6% annually for the past 5 years, the West has had the second lowest regional total composite rate since 2003.

A similar trend is noted with the West's regional employer composite rate at \$649.30 in 2010. It has been the second lowest regional employer composite rate for more than 10 years. The West's regional employer composite grew 4.5% in 2010 from \$621.20 in 2009. Employers in the West paid 87.9% of the total composite rate, the largest share of the regional total composite rate as compared to other regions of the country.

Employees in the West had the lowest regional employee composite rate both in terms of percentage of total composite and actual rate. The West's regional employee composite rate of \$89.04 in 2010 while being a 16.0% increase from \$76.78 in 2009, was still only 12.1% of the region's total composite and 19.9% lower than the next highest regional employee composite rate. Over the past 5 years, the West's regional employee composite has grown an average 2.6% annually.

The Midwest region's total composite rate of \$815.88 in 2010 was a 9.7% increase from \$743.98 in 2009. The Midwest continued to post the second highest regional total composite rate, a ranking it has owned for more than 10 years. The Midwest's regional total composite has grown an average 5.4% annually the past 5 years.

Employers in the Midwest paid the second largest share of a regional total composite rate, 86.9% in 2010. The Midwest's regional employer composite rate of \$709.15 in 2010 was up 10.0% from \$644.62 in 2009. The 2010 growth exceeded the region's average growth rate of 5.7% annually the past 5 years.

The Midwest's employee composite rate has ranked as the second lowest nationally the past 5 years. At \$106.72 in 2010, the Midwest's employee composite grew 7.4% in 2010 from \$99.36 in 2009, exceeding the average annual growth trend of 3.8% noted the past 5 years.

REGIONAL COMPOSITES

Northeast

11 States:

Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont



Northeast:	
Employer -	\$797.81
Employee -	\$133.23
Total -	\$931.04

As a region, the Northeast has consistently posted the largest total composite rates for more than 10 years. In 2010, the Northeast's regional total composite rate of \$931.04 was 17.7% higher than the national total composite rate. The region's total composite rate was up 14.8% from \$810.89 in 2009, the largest one year regional rate increase noted in 2010. Over the past 5 years, the Northeast's regional total composite has grown an average of 7.4% annually.

Employers in the Northeast had the largest regional employer composite in the nation at \$797.81 in 2010, a 14.5% increase from \$696.77 in 2009. Employers in the Northeast paid on average 85.7% of the region's total composite rate.

Employees in the Northeast region had the second largest employee composite rate in 2010 at \$133.23, a 16.7% increase from 2009. The regional employee composite's growth rate was the highest one year regional employee composite rate growth in 2010 as the region's annual average employee composite growth rate was 12.6% the past 5 years.

South

14 States:

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



South:	
Employer -	\$565.89
Employee -	\$143.00
Total -	\$708.89

The South region's total composite rate of \$708.89, up 8.0% from \$656.45 in 2009, was the lowest regional total composite rate in 2010. The region's total composite rate has grown an average of 6.3% annually the past 5 years.

Employers in the South paid the smallest portion of the regional total composite rate when compared to other regions. The South's regional employer composite rate of \$565.89 comprised 79.8% of the region's total composite rate. In comparison, the the next lowest regional employer composite share of the total composite rate, 85.7% in the Northeast, is almost 6% higher than the South's. The South's regional composite rate grew 8.4% from 2009, higher than the 6.6% average annual growth rate over the past 5 years.

The South region's employee composite rate was \$143.00 in 2010, up 6.4% from \$134.38 in 2009. Employees in the South region continued to pay not only the largest employee composite rate in the nation, but also the largest share of the total composite rate of any other region at 20.2%. The region's employee composite has grown an average of 5.1% annually the past 5 years.

NATIONAL COMPOSITES

Total Composite

The national total composite rate was \$791.10 in 2010, up 9.5% from \$722.23 in 2009. The rate has grown an average of 6.1% annually the past 5 years.

As health premiums continued their rise across the nation, the overall distribution of those premiums held steady. The percentages of the national total composite rate paid by employers and employees changed only 0.1%.

Employer Composite

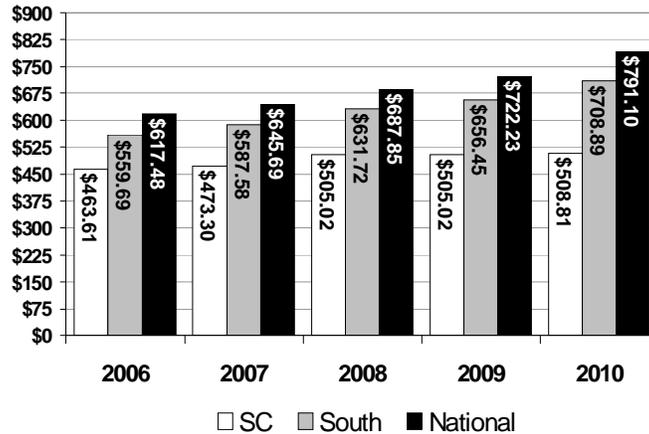
The national employer composite grew 9.3% to \$672.98 in 2010 from \$615.69 in 2009. Employers paid 85.1% of the national total composite rate. Over the past 5 years, the national employer composite rate has grown an average of 6.2% annually.

Employee Composite

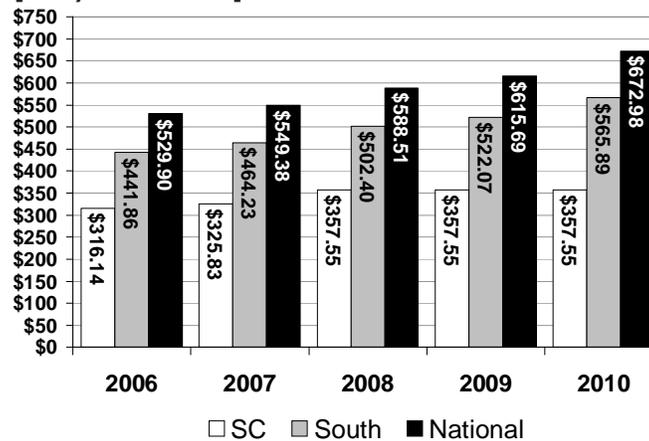
The national employee composite rate was \$118.12 in 2010, representing a 10.9% increase from \$106.54 in 2009. Employees paid 14.9% of the national total composite rate. During the past 5 years, the employee composite has grown an average of 5.7% annually.

Composite Rate Trends: 2006 - 2010

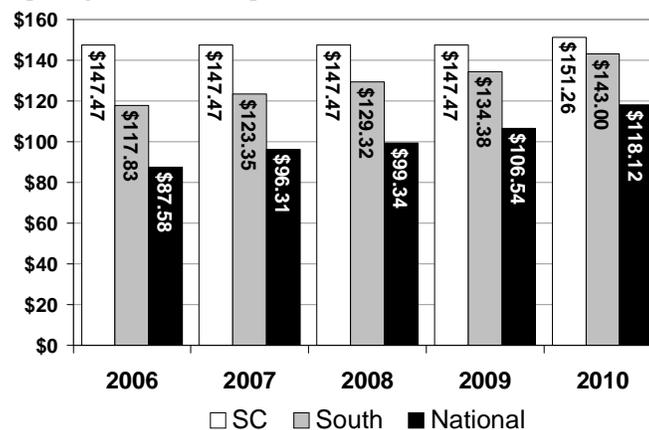
Total Composite Rates



Employer Composite Rates

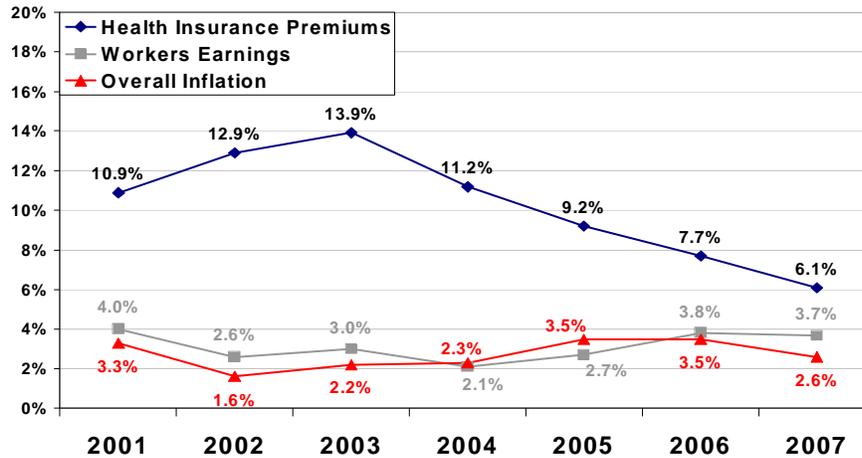


Employee Composite Rates



ACROSS THE NATION

Increases in Health Insurance Premiums Compared to Other Indicators, 2001 - 2007



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2001-2007

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

ACKNOWLEDGEMENT

The Employee Insurance Program would like to thank the dedicated staff members of each state's benefit program for their cooperation in our survey. Because of your assistance, we again had 100 percent participation from the 50 states.

Again, thanks for making this survey a success.



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2010 Edition

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