

Towers Perrin

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2009 Health Care Cost Survey Reveals High-Performing Companies Gain Health Dividend

Now Available!

[*2009 Health Care Cost Survey — The Health Dividend™: Capturing the Value of Employee Health*](#)

High-performing companies are making significant strides in controlling health care costs by aggressively managing their benefit programs and making effective use of account-based health plans (ABHPs) and other consumer-based approaches.

Results from the Towers Perrin 2009 Health Care Cost Survey show that high-performing companies will pay, on average, 12% less in annual health care premiums in 2009 compared to low-performing companies.

Equally striking, high performers share the cost savings with employees — and, overall, report a health dividend that includes both better financial results and workforce performance advantages, such as high employee engagement.

Health benefit costs still on the rise

Corporations will spend, on average, \$9,552 per employee for health benefits in 2009, an increase of 6% from 2008.

However, the cost variations are wide, with high-performing companies reporting a per-employee cost of \$8,904 compared to \$10,104 for low-performing companies. At high-performing companies, the cost per employee in ABHPs with health savings accounts (HSAs) is even lower — \$7,032.

Cost Variation Across Companies — High-Performing vs. Low-Performing Companies

	High-Performing Companies	Low-Performing Companies	Difference
Cost per employee per year (composite for all plans)	\$8,904	\$10,104	\$1,200
Increase in overall cost	4%	7%	3%
Increase in employer cost	4%	6%	2%
Increase in employee cost	8%	10%	2%
Employee annual contribution	\$2,040	\$2,364	\$324
Cost per employee for ABHP with HRA	\$8,316	\$9,324	\$1,008
Cost per employee for ABHP with HSA	\$7,032	\$7,908	\$876

High performers defined

The performance designations are based on relative costs and cost increases, coupled with metrics that test whether an organization is meeting its health benefit objectives in certain key areas:

- managing employer and employee costs
- enhancing efficient purchasing of health care services
- enhancing employee understanding and engagement
- enhancing employee satisfaction, attraction and retention.

High-performing companies in the survey focus primarily on supporting and improving employee health. They also commit to rigorous and continuous management of their health plans and delivery processes.

Other survey report highlights

Other key findings in this year's report include:

- Large employers are experiencing health care cost increases of 6%, on average, or \$532 per employee per year.
- Although this year's average percentage increase is similar to last year's, employers are paying 29% more today than they spent five years ago for health care.
- In flat dollar terms, the employee share in 2009 will average \$80 per month (\$960 annually) for employee-only coverage and \$273 per month (\$3,276 annually) for family coverage — a significant cost for many employees.
- Pre-65 retirees will contribute approximately 51% of the premium for retiree-only coverage, and 54% for family coverage.
- In flat dollar terms, retirees under age 65 will pay an average of \$302 per month (\$3,624 annually) for retiree-only coverage and \$640 per month (\$7,680 annually) to add coverage for one dependent.
- Retirees age 65 and older will pay an average of \$148 per month (\$1,776 annually) for retiree-only coverage and \$309 per month (\$3,708 annually) to add coverage for one dependent.

For more information about the Towers Perrin 2009 Health Care Cost Survey, contact your Towers Perrin consultant.

You can download the [*2009 Health Care Cost Survey — The Health Dividend: Capturing the Value of Employee Health*](#) to learn more about what leading organizations are doing to create cost-efficient health care plans — and gain a health dividend.

Download the Report

- [2009 Health Care Cost Survey — The Health Dividend: Capturing the Value of Employee Health](#)

Videos

Featured Video

Mark T. Bertolini of Aetna Inc. discusses what employers can do to maximize their Health Dividend.

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