

# 50-State Survey | 2016 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  
Survey of State Employee Health Insurance Programs

**CONTACT INFORMATION**

Agency/Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Contact Name/ Title: \_\_\_\_\_

Phone: \_\_\_\_\_

Department: \_\_\_\_\_

**PLAN STRUCTURE AND 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/child(ren), full family) = 4-tier
2. What will your most populated plan's rates be as of January 1, 2016, 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. Is your most populated plan still grandfathered under the Affordable Care Act?
5. Does your office also coordinate drug benefits for retirees? \_\_\_\_\_
6. If yes, will your state be participating in the CMS Retiree Drug Subsidy program for your plan year 2016?
7. 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:  
Kevin B. Crosby, Program Coordinator  
PEBA Healthcare Policy Unit  
FAX: (803) 746-1437  
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- OR - Email to: [kcrosby@peba.sc.gov](mailto:kcrosby@peba.sc.gov)

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 2016 coverage levels when comparing the 2016 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 2016, are:

- Employee only (EO) 57.7 percent
- Employee/spouse (E/S) 16.2 percent
- Employee/children (E/C) 13.4 percent
- Full family (FF) 12.6 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 2016 was lower than the regional average annual deductible of \$483. 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 \$1,124.

### 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 2016. Like 10 of the 13 other regional states,

the SHP pays 80 percent of these costs while employees pay the remaining 20 percent. Three 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. Eleven states had higher generic copayments

### 2016 Southern region plan comparison

Plan design on January 1, 2016	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	10 states	3 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	2 states	None	11 states
Retail prescription drug copayments (31-day supply)				
Generic	\$9	11 states	None	2 states
Preferred brand	\$38	8 states	None	5 states
Non-preferred brand	\$63	8 states	None	5 states
Prescription drug copayment maximum	\$2,500	10 states	3 states	1 state
Prescription drug deductible	\$0	2 states	11 states	None
Copayment				
Hospital inpatient	\$0	6 states	7 states	None
Hospital outpatient	\$95	4 states	None	9 states
Emergency room	\$159 (subscriber pays 20% coinsurance after copayments)	2 states	None	11 states

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

## Copayments

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

The SHP's \$95 outpatient hospital copayment was higher than that of nine 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, 88.7 percent, chose the SHP in 2016, down slightly from the 89.5 percent who chose the plan in 2015.

### Total composite rate

The SHP's total composite rate of \$670.11 in 2016 was up 3.4 percent from \$648.41 in 2015. The growth is largely attributable to employer composite rate growth. During the past five years, the SHP's total composite has grown an average 4.0 percent annually.

### 2016 State Health Plan Standard Plan premiums

	Employee	Employer	Total rate
Employee only	\$97.68	\$360.10	\$457.78
Employee/spouse	\$253.36	\$713.26	\$966.62
Employee/children	\$143.86	\$552.68	\$696.54
Full family	\$306.56	\$893.04	\$1,199.60
Composite rate	\$159.51	\$510.60	\$670.11

In comparison with other states in the South region, the SHP's total composite was the third lowest at only 80.2 percent of the regional average total composite of \$836.00. The SHP's total composite also compared favorably

### South Carolina employee/employer share of total composite rates



nationally, the third lowest in the nation and only 67.5 percent of the national average.

### Employer composite rate

The SHP’s employer composite rate rose 4.5 percent in 2016 to \$510.60 from \$488.61 in 2015. The employer composite has grown an average 5.2 percent annually the past five years.

When compared to the regional average, SHP employers paid a lesser share of the total composite rate at 76.2 percent. The regional average employer composite share of the total composite rate in 2016 was 79.1 percent.

Nationally, the SHP’s employer composite ranked as the fourth lowest, only 62.2 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 82.7 percent.

### Employee composite rate

The SHP’s employee composite was \$159.51 in 2016. The employee composite was lower than

### South Carolina composites regional/national rankings

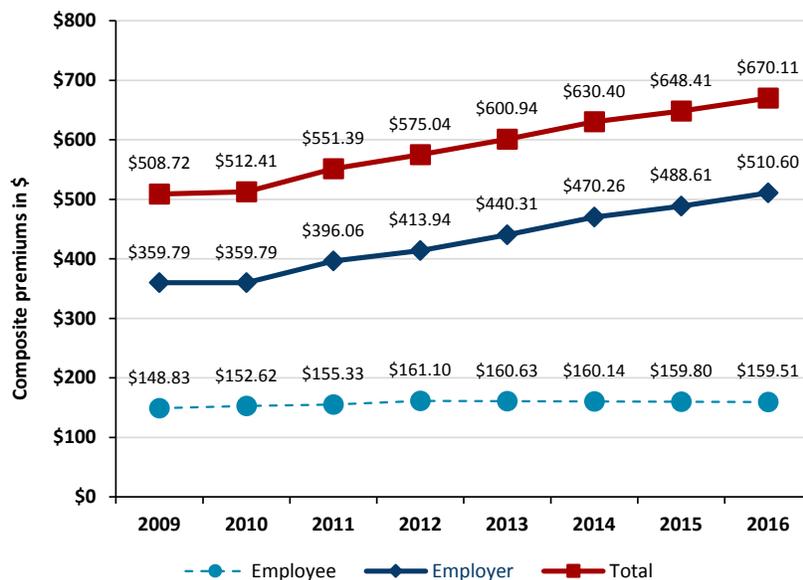
	From lowest to highest	
	Regional (14 states)	National (50 states)
SHP total composite	3 <sup>rd</sup>	3 <sup>rd</sup>
SHP employer composite	4 <sup>th</sup>	4 <sup>th</sup>
SHP employee composite	6 <sup>th</sup>	26 <sup>th</sup>

eight regional states and below the regional employee composite average of \$174.80.

The 2016 employee composite rate’s 23.8 percent share of the total composite rate is higher than the regional average employee composite share of 20.9 percent. Employees in only four of the other 13 regional states pay a larger percentage of the total composite rate.

When compared nationally, the SHP’s employee composite was lower than 24 states in 2016. The SHP’s employee share of the total composite was more than six percentage points higher than the national average employee share of 17.3 percent.

### South Carolina composite rates history: 2009-2016



# Regional composites

## Regional total composite

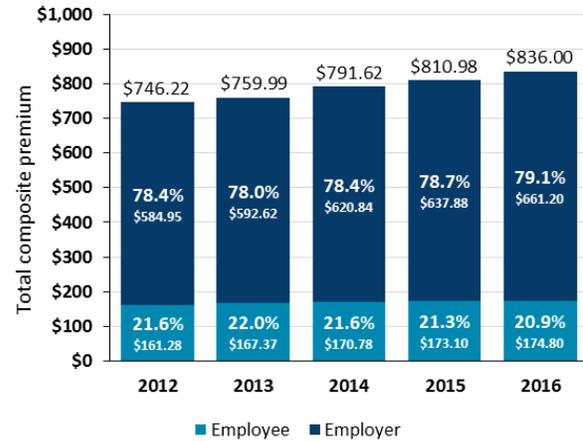
The Northeast had the highest regional total composite rate at \$1,175.64 in 2016, a 13.3 percent increase from \$1,037.62 in 2015. The South's total composite rate was the lowest in the nation at \$836.00 in 2016, a 3.1 percent increase from \$810.98 in 2015.

Over the past five-year period, the Northeast's average annual growth rate of 5.1 percent has led regional total composite growth rates. The Midwest's average annual rate of growth of 2.8 percent was the lowest.

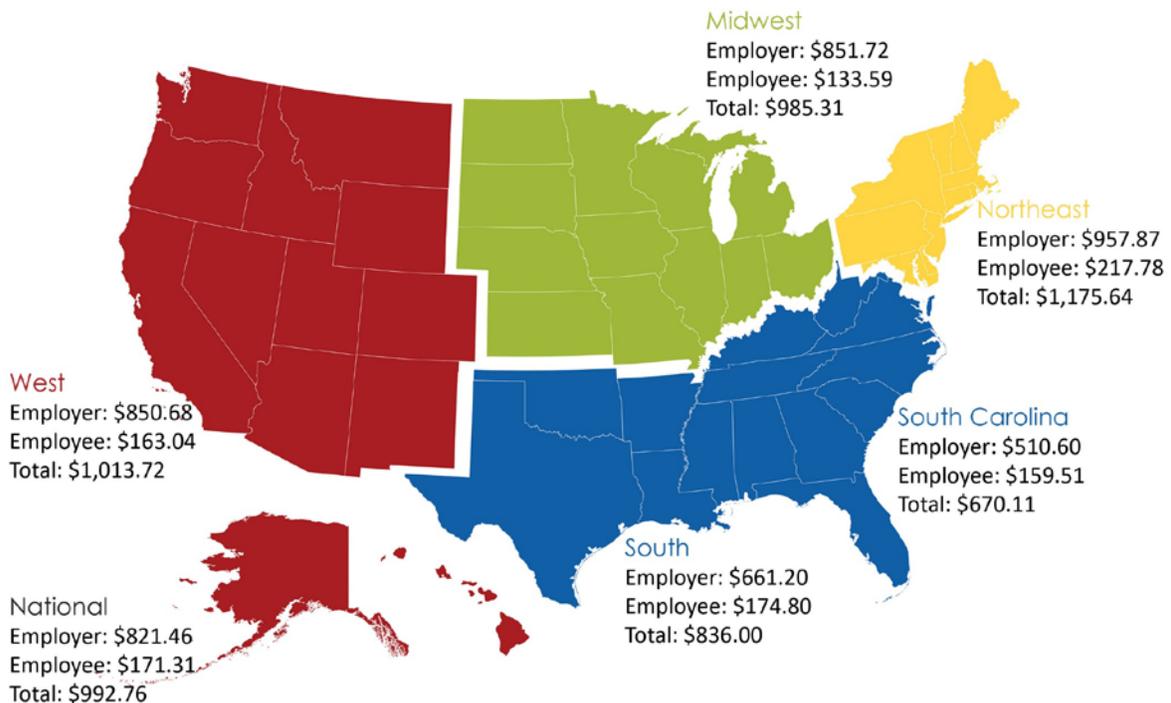
## Regional employer composite

Employers in the Northeast region paid the highest employer composite rate in 2016 at \$957.87, a 13.3 percent increase from \$855.45 in 2015. The South had the lowest regional employer composite in 2016 at \$661.21, a 3.7 percent increase from \$637.88 in 2015.

## Southern region employee/employer share of total composite rates



The Midwest region's employers paid the largest share of their regional total composite rate at 86.4 percent. In contrast, employers in the South region paid the lowest employer share of the total composite at 79.1 percent in 2016.



## Regional composites

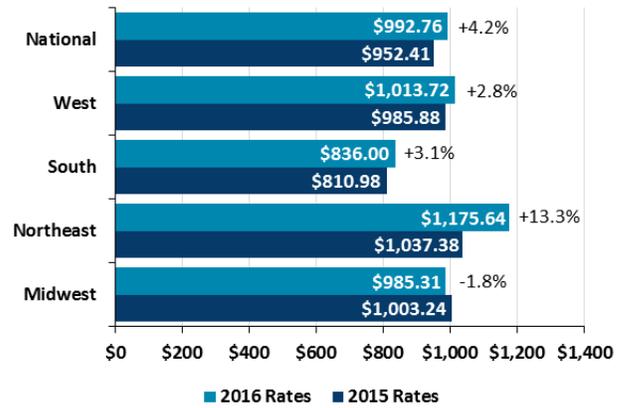
### Regional employee composite

Employees in the Northeast paid the largest regional employee composite in the nation at \$217.78 in 2016, up 19.7 percent from \$181.94 in 2015. Over the past five years, the Northeast's employee composite rate has grown an average 10.9 percent annually.

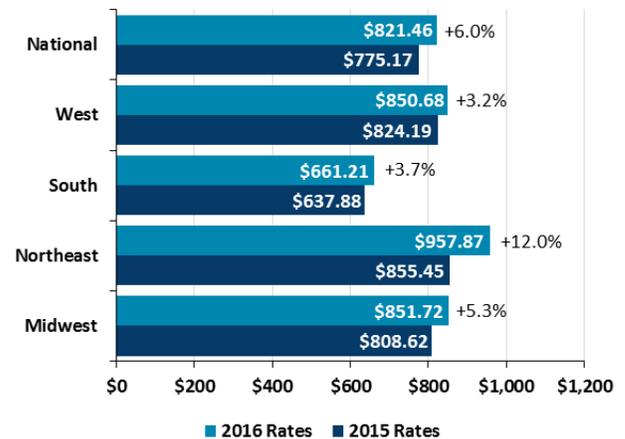
Employees in the South region pay the largest regional share of their total composite rate at 20.9 percent. In comparison, the Midwest region's employee share of their total composite rate was 13.6 percent.

## 2016 and 2015 regional composite averages

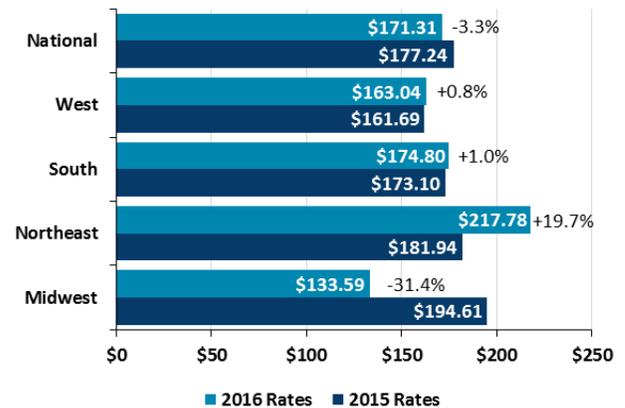
### Total composite rates



### Employer composite rates



### Employee composite rates



## Regional composites

### West



- Employer: \$850.68
- Employee: \$163.04
- Total: \$1,013.72

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 2016 was \$1,013.72, up 2.8 percent from \$985.88 in 2015. During the past five-year period, the region's total composite rate has grown an average 4.0 percent annually.

The 2016 employer composite rate for the West region was \$850.68, up 3.2 percent from \$824.19 in 2015.

Employers in the West paid the second-largest regional share of their total composite rate at 83.9 percent. The region's employer composite rate grew an average 3.2 percent annually the past five-year period.

Employees in the West paid only 16.1 percent of the regional total composite average. The region's employee composite rate of \$163.04 in 2016 was up 0.8 percent from \$161.69 in 2015. Over the past five years, the West's regional employee composite rate has grown an average of 9.2 percent annually, the second highest regional employee composite growth rate in the nation.

### Midwest



- Employer: \$851.72
- Employee: \$133.59
- Total: \$985.31

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 \$985.31 in 2016, down 1.8 percent from \$1,003.24 in 2015.

The Midwest's total composite was the second lowest in the nation and grew an average 2.8 percent annually the past five years. The five-year annual average growth rate was the lowest in the nation.

The Midwest's regional employer composite was \$851.72 in 2016, up 5.3 percent from \$808.62 in 2015. The region's employer composite grew on average 3.0 percent annually the past five years. Midwest employers paid 86.4 percent of the regional total composite rate.

Employees in the Midwest paid the lowest regional employee composite rate at \$133.59 in 2016, down 31.4 percent from \$194.61 in 2015. The national average employee composite rate dropped 2.0 percent in 2016. Employees in the Midwest paid only 13.6% of the region's total composite average, the first time since 2011 that the employee share was less than 15.0 percent.

## Northeast



- Employer: \$957.87
- Employee: \$217.78
- Total: \$1,175.64

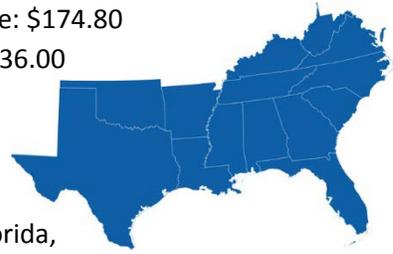
11 states including:  
Connecticut, Delaware,  
Maine, Maryland,  
Massachusetts, New  
Hampshire, New York,  
Pennsylvania, Rhode  
Island and Vermont

The Northeast region had the highest regional total composite rate in the nation in 2016 at \$1,175.64, up 13.3 percent from \$1,037.38 in 2015. The Northeast's total composite rate's five-year annual growth rate average of 5.1 percent was the highest.

Employers in the Northeast paid the largest regional employer composite rate at \$957.87 in 2016, up 12.0 percent from \$855.45 in 2015. The region's employer composite has grown on average 4.0 percent annually the past five years, the largest regional five-year employer composite growth rate in the nation. The employer composite rate was 81.5 percent of the region's total composite rate, second lowest in the nation.

The region's employee composite rate rose 19.7 percent in 2016 to \$217.78. Over a five-year period, the Northeast's employee composite has grown an average of 10.9 percent annually. Employees in the Northeast paid the second-highest share of the total composite rate at 18.5 percent.

## South



- Employer: \$661.20
- Employee: \$174.80
- Total: \$836.00

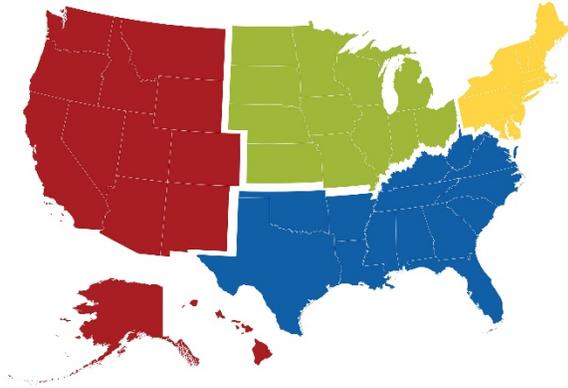
14 states including:  
Alabama,  
Arkansas, Florida,  
Georgia, Kentucky, Louisiana, Mississippi, North  
Carolina, Oklahoma, South Carolina, Tennessee,  
Texas, Virginia and West Virginia

The total composite rate for the South region was \$836.00 in 2016, up 3.1 percent from \$810.98 in 2015. 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 3.0 percent annually.

For more than a decade, the South continues to have the greatest amount of cost sharing between employers and employees. In 2016, employers in the South paid 79.1 percent of the region's total composite rate with an employer composite rate of \$661.20. In comparison, the next lowest regional employer composite share was the Northeast's 81.5 percent share of their total composite rate.

The South's employer composite grew 3.7 percent in 2016, above the five-year average annual growth rate of 3.0 percent.

Employees in the South had a composite rate of \$174.80 in 2016, up 1.0 percent from \$173.10 in 2015. The region's employees paid the highest share of the total composite rate at 20.9 percent.



## National composites

### Total composite

The national total composite rate of \$992.76 in 2016 was up 4.2 percent from \$952.41 in 2015. The rate has grown an average of 3.7 percent annually during the past five years.

### Employer composite

The national employer composite grew 7.4 percent to \$821.46 in 2016 from \$764.86 in 2015. Over the past five years, the national employer composite rate has grown an average of 3.3 percent annually. Employers paid 82.7 percent of the national total composite rate in 2016.

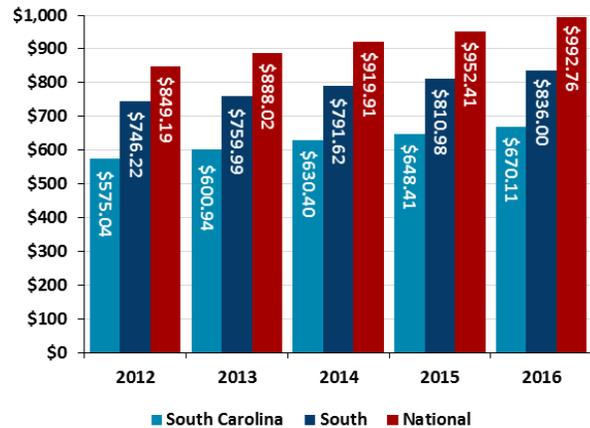
### Employee composite

The national employee composite rate was \$171.31 in 2016, down 3.4 percent from \$177.24 in 2015. During the past five years, the employee composite has grown an average of 6.0 percent annually.

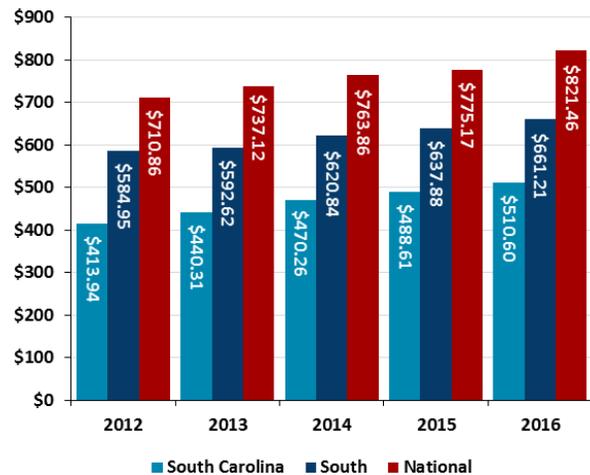
Employees paid 17.3 percent of the total composite rate in 2016. In 2015, the employee share was 18.6 percent of the total composite rate.

## Composite rate trends

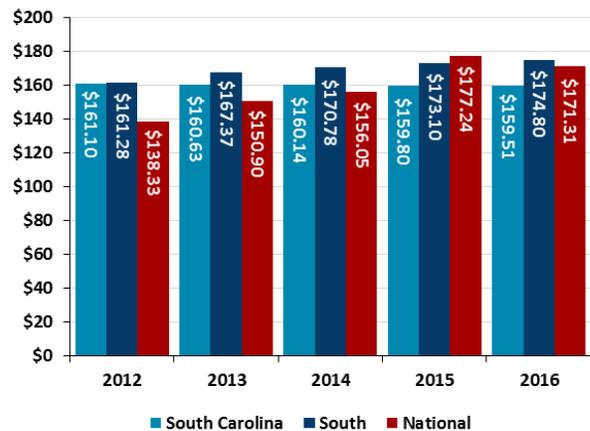
### Total composite rates



### Employer composite rates

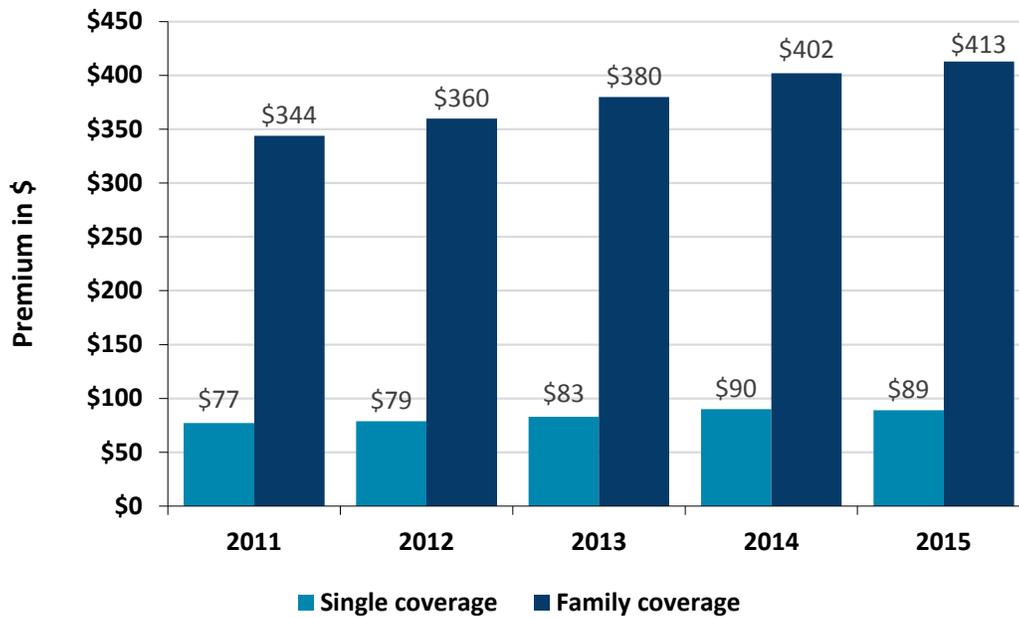


### Employee composite rates



## Across the nation

### Contributions paid by covered workers for single and family coverage



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2015

## 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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