

The 50-State Survey

2012 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

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY

PEBA

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 Plan. To do so, we took the percentage of South Carolina Employee Insurance Program (EIP) health subscribers enrolled 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 2012 coverage levels when comparing the 2012 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 2012, are:

2012 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

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, 2011 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:

David A. Harris, Program Coordinator
 BP - Research & Statistics Unit
 POC: (803) 734-4587
 PHONE: (803) 734-2877
 • OR - Email to: dharris@epip.sc.gov

If possible, please mail a copy of this plan’s benefit guidelines to:
 David A. Harris, S.C. Employee Insurance Program, 1201 Main Street Suite 305, Columbia SC 29201

Employee Only (EO) – 57.3%
 Employee/Spouse (E/S) – 16.1%
 Employee/Children (E/C) – 14.2%
 Full Family (FF) – 12.4%

PLAN DESIGN

South Carolina's Plan vs. Southern States' Plans

Annual Deductibles

The State Health Plan (SHP) continued to offer a competitive individual annual deductible of \$350 in 2012. Compared to the regional average of \$397, the SHP's individual annual deductible was lower than that of 6 regional states. Only one state had the same individual annual deductible.

The SHP's annual family deductible of \$700 was higher than 6 regional states while being lower than 7 regional states. The regional average annual family deductible was \$937.

Coinsurance (In-Network)

South Carolina's coinsurance ratio, the percentage of in-network costs after deductibles and copays that both the employer and employee will pay, was consistent with most regional states. Like 9 of the 13 other regional states, the SHP pays 80% of these costs while employees pay the remaining 20%. Only 4 regional states offer a more generous coinsurance ratio to their insureds.

The SHP caps the amount of coinsurance individuals and families pay in order to limit their healthcare costs before the plan pays 100% of covered costs. These coinsurance maximums are \$2,000 per individual and \$4,000 per family.

South Carolina is midway in terms of the individual coinsurance max as the number of regional states with a more favorable individual coinsurance max equaled those with a less favorable amount at 6. Only 1 state had the same individual

coinsurance max as the SHP. Regionally, the coinsurance max average was \$1,901 for individuals.

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 3 states and was higher than 4 regional states. A total of 8 regional 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 7 regional states do.

The SHP's \$75 per occurrence outpatient hospital deductible was higher than that of 7 regional states. The ER deductible of \$125 was higher than 7 of the other 13 regional states.

2012 Southern Region Plan Comparison

Plan Design on January 1, 2012	South Carolina	Regional State Comparisons		
		Lower Benefit	Same Benefit	Higher Benefit
Deductible – Individual	\$350	6 states	1 state	6 states
Deductible – Family	\$700	7 states	None	6 states
Coinsurance (In-network)	80% plan 20% subscriber	None	9 states	4 states
Coinsurance Max – Individual (In-Network)	\$2,000	6 states	1 state	6 states
Coinsurance Max – Family (In-Network)	\$4,000	6 states	None	7 states
Office Visits	\$10 per visit deductible plus 20% subscriber coinsurance	None	None	13 states
Retail Prescription Drug Copays (31-day supply)				
Generic	\$9	10 states	None	3 states
Preferred Brand	\$30	6 states	3 states	4 states
Non-Preferred Brand	\$50	8 states	2 states	3 states
Prescription Drug Copay Maximum	\$2,500	9 states	1 state	3 states
Prescription Drug Deductible	\$0	3 states	10 states	None
PER OCCURRENCE DEDUCTIBLES:				
Hospital Inpatient Deductible	\$0	7 states	6 states	None
Hospital Outpatient Deductible	\$75	6 states	None	7 states
Emergency Room Deductible	\$125	5 states	1 state	7 states

SOUTH CAROLINA COMPOSITES

The State Health Plan Standard Plan (SHP) is South Carolina's plan of choice among most active employees. Some 87.7% of active subscribers chose the SHP in 2012, continuing an upward trend from 86.3% in 2011.

Total Composite Rate

At \$574.37 in 2012, the SHP's total composite rate grew 4.3% from \$550.92 in 2011. The growth is largely due to growth in the employer composite rate. Over the past 5 years, the SHP's total composite grew on average 3.9% annually.

When compared regionally, the SHP's total composite was the second lowest in the South, 77% of the regional total composite of \$746.14. Nationally, the SHP's total composite was the third lowest and only 67.6% of the national total composite rate.

Employer Composite Rate

The SHP employer composite rate grew 4.5% in 2012 to \$413.65 from \$395.91 in 2011. Employers continued to pay the largest share of the SHP total composite in 2012 at 72%. The SHP's employer composite rate was the third lowest in the region as employers in 11 states paid more.

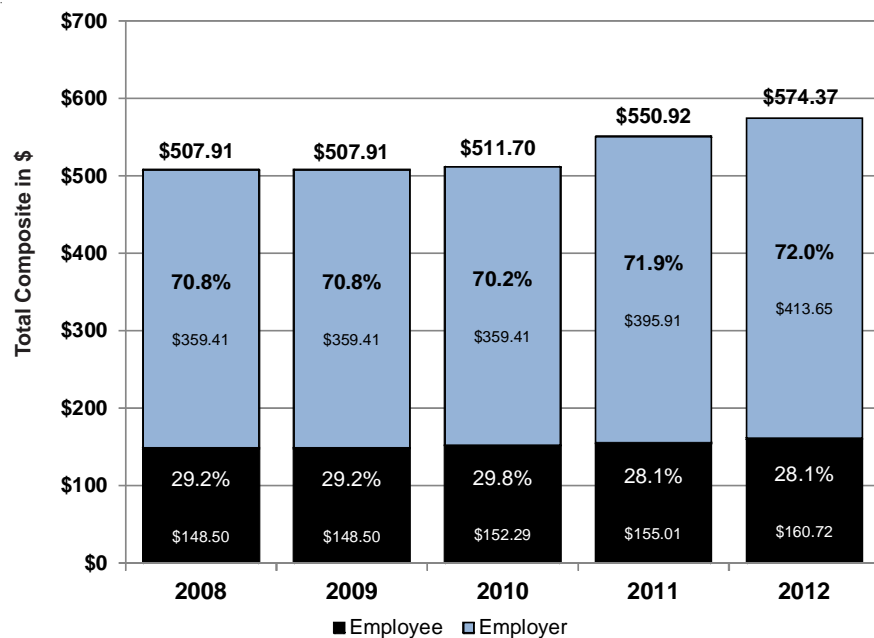
2012 State Health Plan Standard Plan Premiums

	<u>Employee</u>	<u>Employer</u>	<u>Total Rate</u>
Employee Only	\$ 97.68	\$291.92	\$389.60
Employee/Spouse	\$253.36	\$578.24	\$831.60
Employee/Children	\$143.86	\$448.06	\$591.92
Full Family	\$306.56	\$724.00	\$1,030.56
Composite Rate	\$160.72	\$ 413.65	\$574.37

Nationally, the SHP's employer composite ranked as the fourth lowest, only 58.1% of the national composite rate. In terms of employer share of the total composite, the national average employer share was 83.7%.

See SOUTH CAROLINA on Page 5

South Carolina Employee/Employer Sharing of Total Composite



SOUTH CAROLINA COMPOSITES

South Carolina

Continued from Page 4

Employee Composite Rate

The employee composite for the SHP was \$160.72 in 2012, up 3.7% from \$155.01 in 2011. The SHP's employee composite was lower than 7 regional states and below the regional employee composite average of \$161.19.

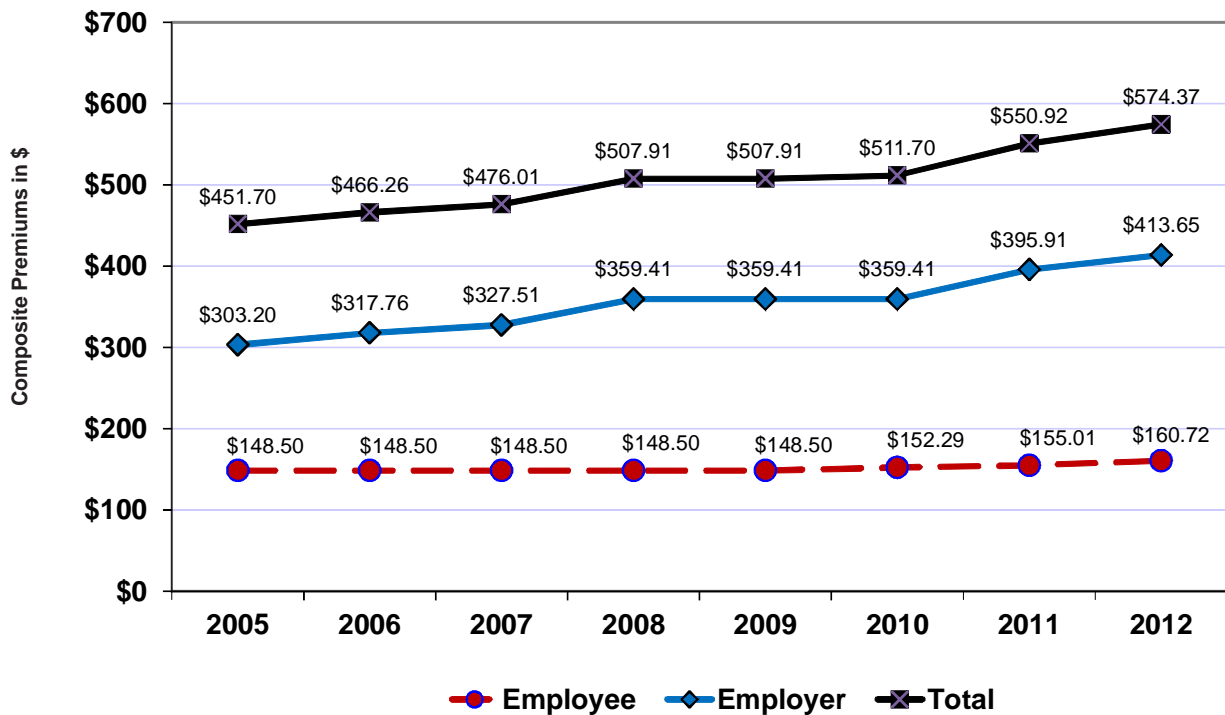
The SHP employee composite composed 28.0% of the total composite rate, relatively unchanged from 28.1% in 2011. Regionally, employees in only 4 states pay a larger percentage of the total composite rate. The South's average employee composite share was 21.6%.

South Carolina Composites Regional/National Rankings

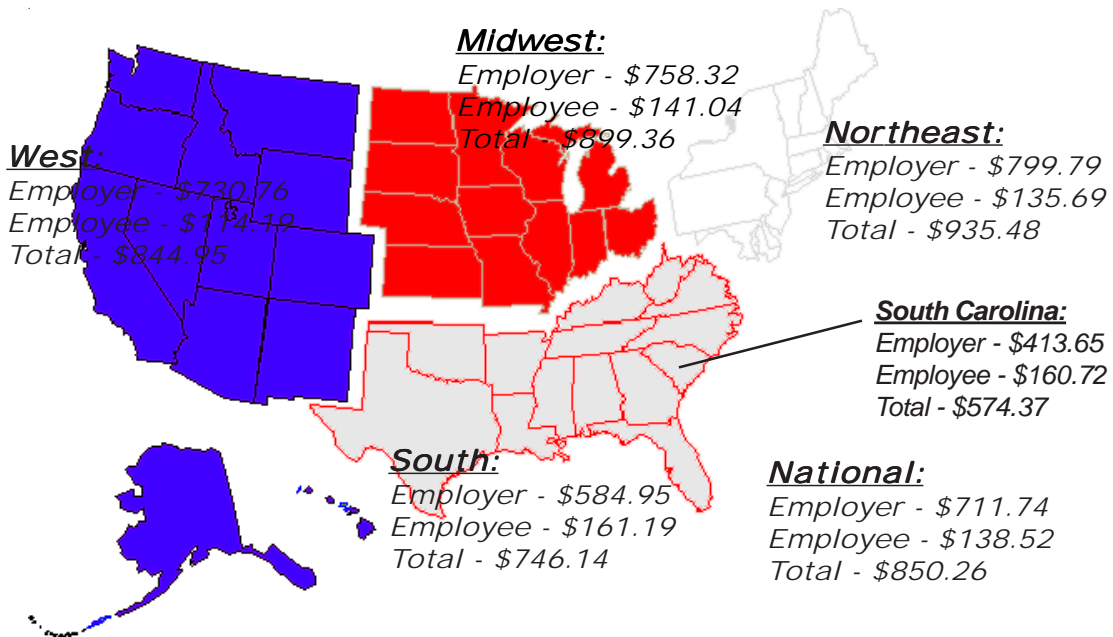
	<i>From Lowest to Highest</i>	
	Regional <small>(14 States)</small>	National <small>(50 States)</small>
SHP Total Composite	2nd	3rd
SHP Employer Composite	3rd	4th
SHP Employee Composite	7th	34th

Nationally, the SHP's employee composite was lower than 16 states in 2012. The SHP's employee share of the total composite was almost 12 percentage points higher than the national average employee share of 16.3%.

South Carolina Composite Rates History: 2005 - 2012



REGIONAL COMPOSITES



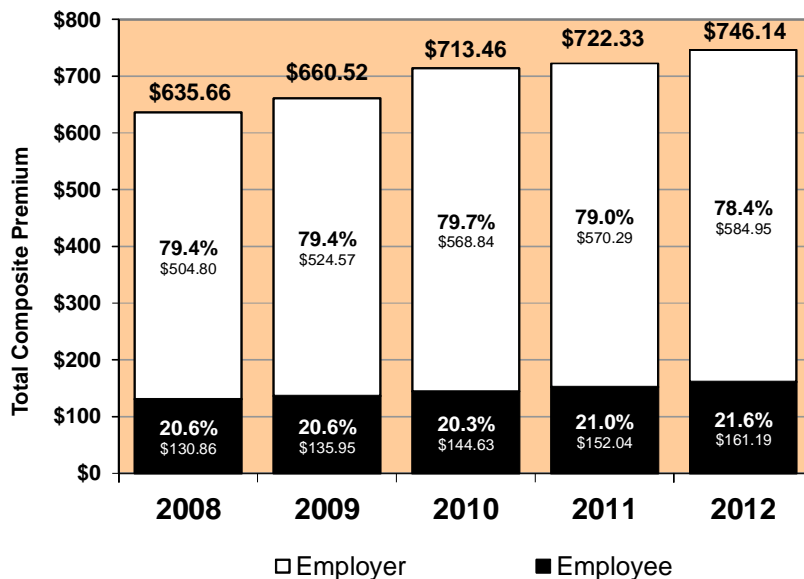
Annually we divide the 50 states into four regions: Northeast, South, Midwest and West.

Regional Total Composite

For more than 10 years, the Northeast region has had the largest regional total composite rate average. In 2012, the Northeast's total composite rate of \$935.48 represented a 1.1% increase from \$925.18 in 2011. The South region continued to post the lowest regional total composite rate at \$746.14 in 2012, up 3.3% from \$722.33 in 2011.

In terms of 5-year average annual growth, the Northeast region had the highest growth trend at 6.1% annually with the Midwest second at 5.9%.

Southern Region Employee/Employer Share of Total Composite Rates: 2008 - 2012



Regional Employer Composite

As was the case with the regional total composite, the Northeast posted the largest

See REGIONAL on Page 7

REGIONAL COMPOSITES

Regional

Continued from Page 6

regional employer composite average at \$799.79 in 2012, up 0.7% from \$793.97 in 2011. The South region had the lowest employer composite rate average at \$584.95, up 2.6% from \$570.29 in 2011.

Employers in the West region paid the largest share of their regional total composite rate at 86.5%, the highest percentage in the nation. The South region's employer composite rate composed the smallest share at 78.4% in 2012.

Regional Employee Composite

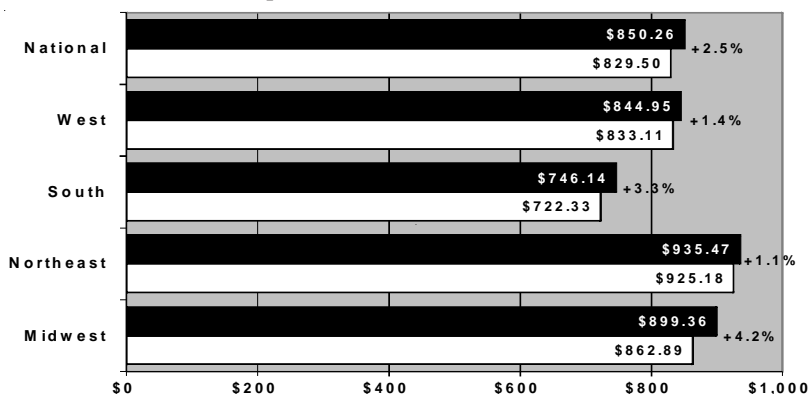
The South has posted the highest employee composite rate for several years. That trend continued in 2012 as the South's \$161.19 employee composite rate average topped other regions and represented a 6.0% increase from 2011.

Employees in the South region paid a larger share of their total composite rate than any other region in the nation. In 2012, these employees on average paid 21.6% of the regional total composite rate as compared to the nearest region, the Midwest, at only 15.7%.

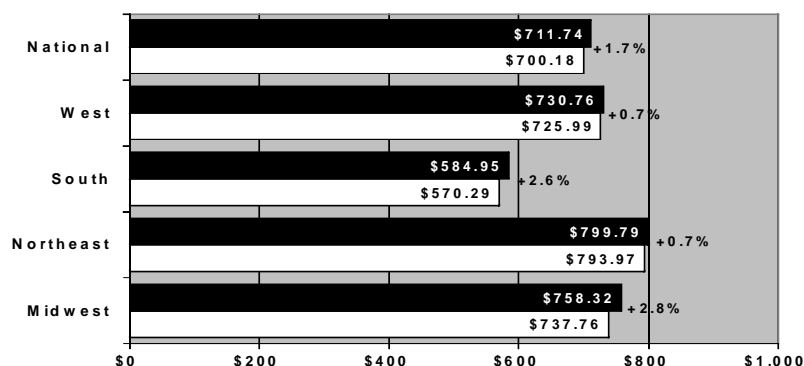
2012 & 2011 Regional Composite Averages

2012 Rates 2011 Rates

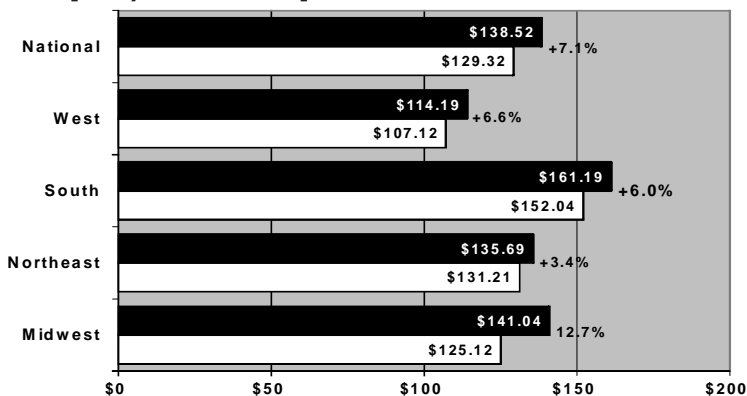
Total Composite Rates



Employer Composite Rates



Employee Composite Rates

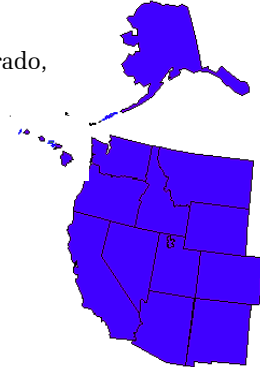


REGIONAL COMPOSITES

West

13 States:

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



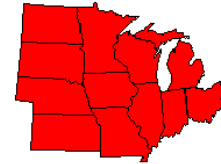
West:

Employer - \$730.76
Employee - \$114.19
Total - \$844.95

Midwest

12 States:

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



Midwest:

Employer - \$758.32
Employee - \$141.04
Total - \$899.36

Total composite rate growth slowed in the West in 2012 to 1.4%, below the 5-year total composite growth rate average of 5.6%. The West's total composite rate was \$844.95.

Employers in the West paid 86.6% of the region's total composite rate with an employer composite rate of \$730.76 in 2012. The region's employer composite rate was up only 0.7% from 2011 and well below its 5-year regional employer growth rate trend of 5.2% annually. The West's employer share is the largest regional employer share in the nation.

While employers paid more of the region's total composite rate, employees paid a lower share of the regional total composite rate than any other region in the nation. Employees in the West paid only 13.5% of the regional total composite average. The region's employee composite rate of \$114.19 in 2012 was up 6.6% from \$107.12 in 2011. Over the past 5 years, the West's regional employee composite has grown an average of 8.7% annually.

The Midwest region's total composite rate was \$899.36 in 2012, up 4.2% from \$862.89 in 2011. Despite having the largest percentage growth in regional total composites, the Midwest's growth rate was still below its 5-year annual growth rate of 5.9%. Only the Northeast region had a larger regional total composite rate in 2012.

The Midwest's regional employer composite was \$758.32 in 2012, up 2.8% from \$737.76 in 2011. The region's employer composite grew on average 5.3% annually the past 5 years. Employers in the Midwest paid 84.3% of the regional total composite rate.

Employees in the Midwest saw their share of the region's total composite rate increase from 14.5% in 2011 to 15.7% in 2012. The Midwest's 2012 regional employee composite of \$141.04 was up 12.7% from \$125.12 in 2011. The growth in the region's employee composite rate was the largest regional growth rate in 2012 and significantly higher than the 7.1% national average employee composite growth rate in 2012.

REGIONAL COMPOSITES

Northeast

11 States:

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



Northeast:	
Employer -	\$799.79
Employee -	\$135.69
Total -	\$935.47

The Northeast region once again had the highest regional total composite rate in the nation in 2012 at \$935.47, up 1.1% from \$925.18 in 2011. The region's total composite was 10.0% higher than the national total composite rate. The Northeast's total composite rate's 5-year annual growth rate average of 6.1% also was the highest regional total composite growth rate.

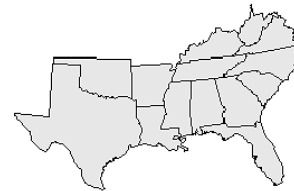
Employers in the Northeast continued to pay the largest regional employer composite rate at \$799.79 in 2012, up 0.7% from \$793.97 in 2011. The employer composite rate was 85.5% of the region's total composite rate, second only to the West's employer composite in terms of share.

The region's employee composite rate rose 3.4% in 2012 to \$135.69. Over a 5-year period, the Northeast's employee composite has grown an average of 7.4% annually. Employees in the Northeast paid the second lowest share of the total composite rate at 14.5%.

South

14 States:

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



South:	
Employer -	\$584.95
Employee -	\$161.19
Total -	\$746.14

The total composite rate for the South region was \$746.14 in 2012, up 3.3% from \$722.33 in 2011. The South again posted the lowest regional total composite rate in the nation, a ranking it has maintained since 2002. Over the past 5 years, growth in the South's total composite rate averaged 4.8% annually.

The South continues to have the greatest amount of cost sharing between employers and employees. In 2012, employers in the South paid 78.4% of the region's total composite rate with an employer composite rate of \$584.95. In comparison, the next lowest regional employer composite share was the Midwest's 84.3% share of their total composite rate.

The South's employer composite grew 2.6% in 2012, below the 5-year average annual growth rate of 4.8%.

Employees in the South had a composite rate of \$161.19 in 2012 up 6.0% from 2011. The South's employee composite was the largest regional composite noted both in terms of actual dollars as well as share of the total composite rate. The region's employee composite's 2012 growth exceeded the 5-year average annual growth rate of 5.2%.

NATIONAL COMPOSITES

Total Composite

The national total composite rate was \$850.26 in 2012, up 2.5% from \$829.50 in 2011. The rate has grown an average of 5.5% annually the past 5 years.

Employer Composite

The national employer composite grew 1.7% to \$711.74 in 2012 from \$700.18 in 2011. Employers paid 83.7% of the national total composite rate. Over the past 5 years, the national employer composite rate has grown an average of 5.2% annually.

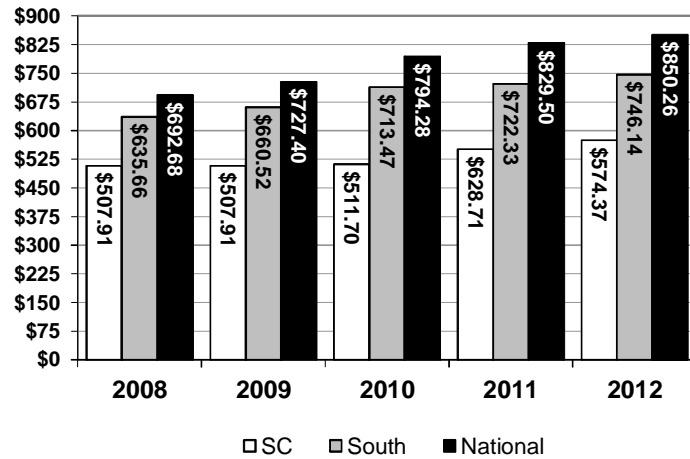
Employee Composite

The national employee composite rate was \$138.52 in 2012, up 7.1% from \$129.32 in 2011. During the past 5 years, the employee composite has grown an average of 7.3% annually.

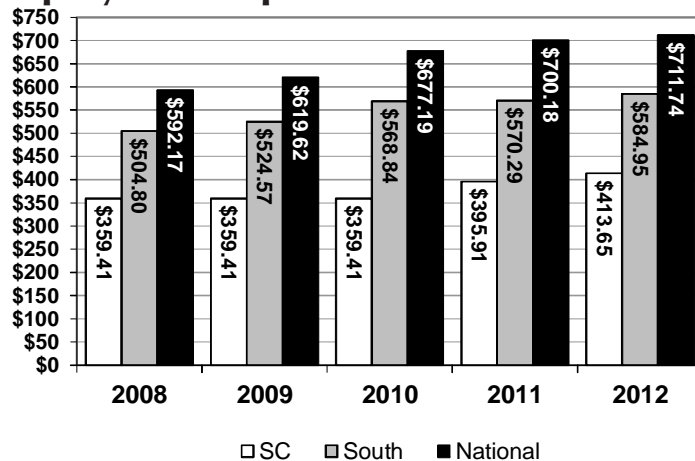
Employees paid 16.3% of the total composite rate in 2012. This is the second year in a row where the employee share has grown. In 2010, the employee share was 14.7% of the total composite rate.

Composite Rate Trends: 2008 - 2012

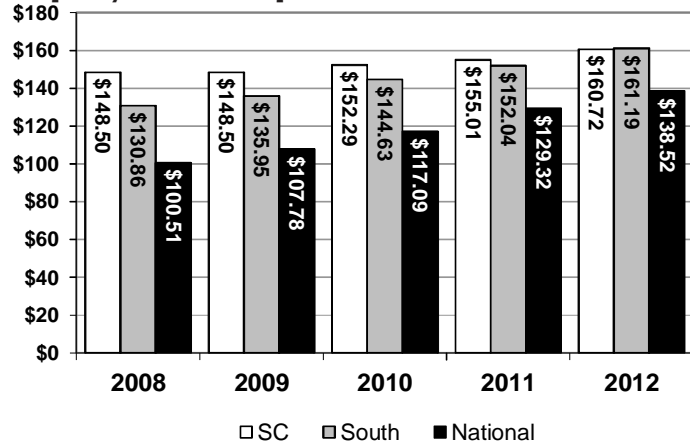
Total Composite Rates



Employer Composite Rates

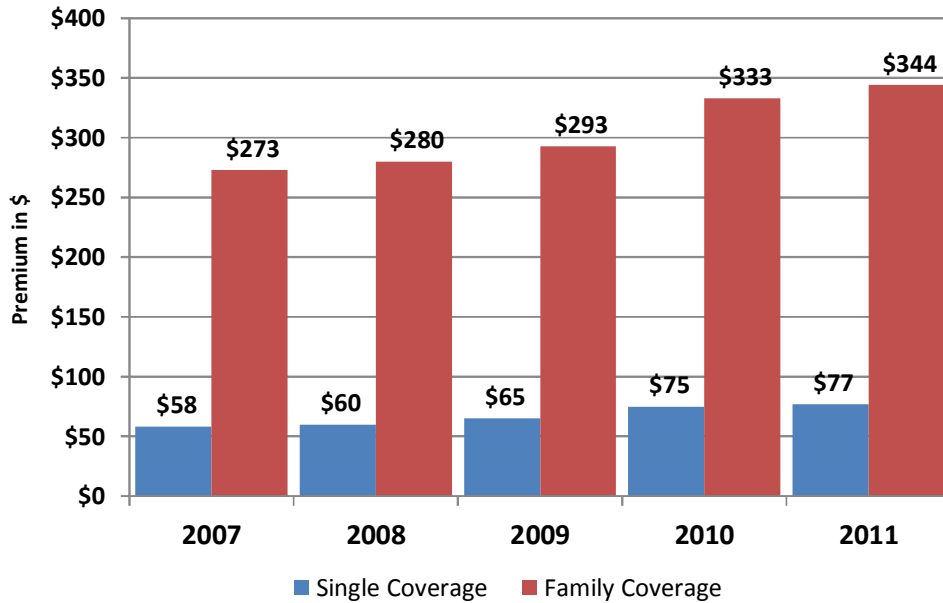


Employee Composite Rates



ACROSS THE NATION

Average Monthly Worker Premium Contributions Paid by Covered Workers for Single and Family Coverage



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2011

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.



The 50-State Survey
2012 Edition

Employee Insurance Program

Stephen VanCamp
Director, Employee Insurance Program

Laura Smoak
Research & Statistics Unit Manager

Patrick A. Harvin
50-State Survey Editor

On the Web at: www.eip.sc.gov

South Carolina
PUBLIC EMPLOYEE BENEFIT AUTHORITY

PEBA

William M. Blume, Jr., CPA
Executive Director

*Employee Insurance Program
Public Employee Benefits Authority
Post Office Box 11661
Columbia, South Carolina 29211*

ADDRESS CORRECTION REQUESTED