

# *The 50-State Survey*

## **2013 Edition**

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

Public Employee Benefit Authority  
Insurance Services

202 Arbor Lake Drive  
Columbia, South Carolina 29223

[www.eip.sc.gov](http://www.eip.sc.gov)

South Carolina  
PUBLIC EMPLOYEE BENEFIT AUTHORITY

**PEBA**

**2013  
50-STATE  
SURVEY**

**TABLE OF  
CONTENTS**

**Survey  
Methodology**  
Page 2

**Plan Design**  
Page 3

**South  
Carolina  
Composites**  
Page 4

**Regional  
Composites**  
Page 6

**National  
Composites**  
Page 10

**Across The  
Nation**  
Page 11

**Acknowledgement**  
Page 11

# 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. In addition, we

## 2013 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, 2013 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 2013? \_\_\_\_\_
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  
 EIP - Research & Statistics Unit  
 FAX: (803) 737-0557  
 PHONE: (803) 734-3577  
 -OR- Email to: [pharvin@eip.sc.gov](mailto:pharvin@eip.sc.gov)

adjusted premiums to reflect the percentage of subscribers paying higher tobacco surcharges.

It should be noted that our analysis uses the 2013 coverage levels when comparing the 2013 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 2013, are:

- Employee Only (EO) – 57.7%
- Employee/Spouse (E/S) – 16.0%
- Employee/Children (E/C) – 14.0%
- Full Family (FF) – 12.3%

# PLAN DESIGN

## South Carolina's Plan vs. Southern States' Plans

### Annual Deductibles

The annual deductible for the State Health Plan (SHP) of \$350 in 2013 was lower than the regional average annual deductible of \$432. In comparison to other regional states, 6 states had a lower individual deductible with 7 states having a higher individual deductible.

The SHP's annual family deductible of \$700 likewise was higher than 6 regional states while being lower than 7 regional states. The regional average annual family deductible was \$1,022.

### 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, remained unchanged in 2013. Like 9 of the 13 other regional states, the SHP pays 80% of these costs while employees pay the remaining 20%. Four regional states pay greater than 80% coinsurance share.

All regional states cap the amount of coinsurance individuals and families pay before the plan pays at 100% of covered costs. South Carolina has coinsurance maximums of \$2,000 per individual and \$4,000 per family. The SHP's coinsurance maximums were lower than 5 regional states. Only 1 state has the same individual coinsurance max while 2 shared South Carolina's family coinsurance max.

### 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 2 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

Like 6 other regional states, South Carolina does not have a per occurrence hospital inpatient deductible.

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 6 of the other 13 regional states.

## 2013 Southern Region Plan Comparison

Plan Design on January 1, 2013	South Carolina	Regional State Comparisons		
		Lower Benefit	Same Benefit	Higher Benefit
Deductible – Individual	\$350	7 states	None	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	5 states	1 state	7 states
Coinsurance Max – Family (In-Network)	\$4,000	5 states	2 states	6 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	7 states	2 states	4 states
Non-Preferred Brand	\$50	8 states	3 states	2 states
Prescription Drug Copay Maximum	\$2,500	9 states	2 states	2 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	5 states	None	8 states
Emergency Room Deductible	\$125	5 states	2 states	6 states

# SOUTH CAROLINA COMPOSITES

The State Health Plan Standard Plan (SHP) is South Carolina's plan of choice among most active employees. Some 89.3% of active subscribers chose the SHP in 2013, continuing an upward trend from 87.7% in 2012.

## Total Composite Rate

The SHP's total composite rate of \$598.93 in 2013 was up 4.5% from \$573.09 in 2012. The growth is largely attributable to employer composite rate growth. During the past 5 years, the SHP's total composite has grown an average 3.4% annually.

In comparison to other states in the South region, the SHP's total composite was the second lowest at only 79% of the regional total composite of \$758.18. The SHP's total composite also compared favorably nationally, the fourth lowest in the nation and only 67.6% of the national average.

## Employer Composite Rate

The SHP's employer composite rate rose 6.4% in 2013 to \$439.08 from \$412.78 in 2012. The employer composite has grown an average 4.2% annually the past 5 years.

When compared to the regional average, SHP employers paid a lesser share of the total composite rate at 73.3%. The regional

## 2013 State Health Plan Standard Plan Premiums

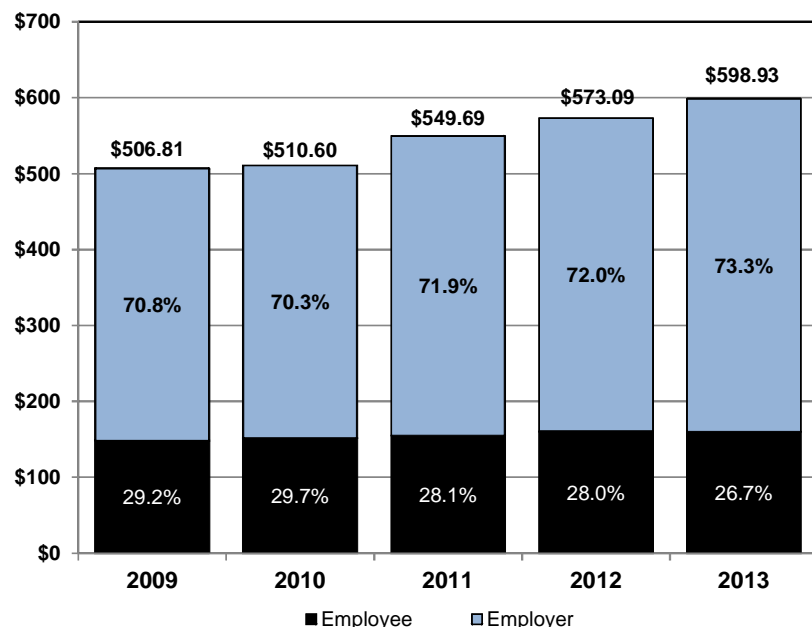
	<u>Employee</u>	<u>Employer</u>	<u>Total Rate</u>
Employee Only	\$ 97.68	\$310.52	\$412.41
Employee/Spouse	\$253.36	\$615.08	\$874.75
Employee/Children	\$143.86	\$476.60	\$626.77
Full Family	\$306.56	\$770.12	\$1,082.99
Composite Rate	\$159.85	\$ 439.08	\$598.93

average employer composite share of the total composite rate in 2013 was 78.0%.

Nationally, the SHP's employer composite ranked as the fifth lowest, only 59.7% of the national composite rate. In terms of employer share of the total composite, the national average employer share was 83.0%.

*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 SHP's employee composite was \$159.85 in 2013. The employee composite was lower than 7 regional states and below the regional employee composite average of \$166.56.

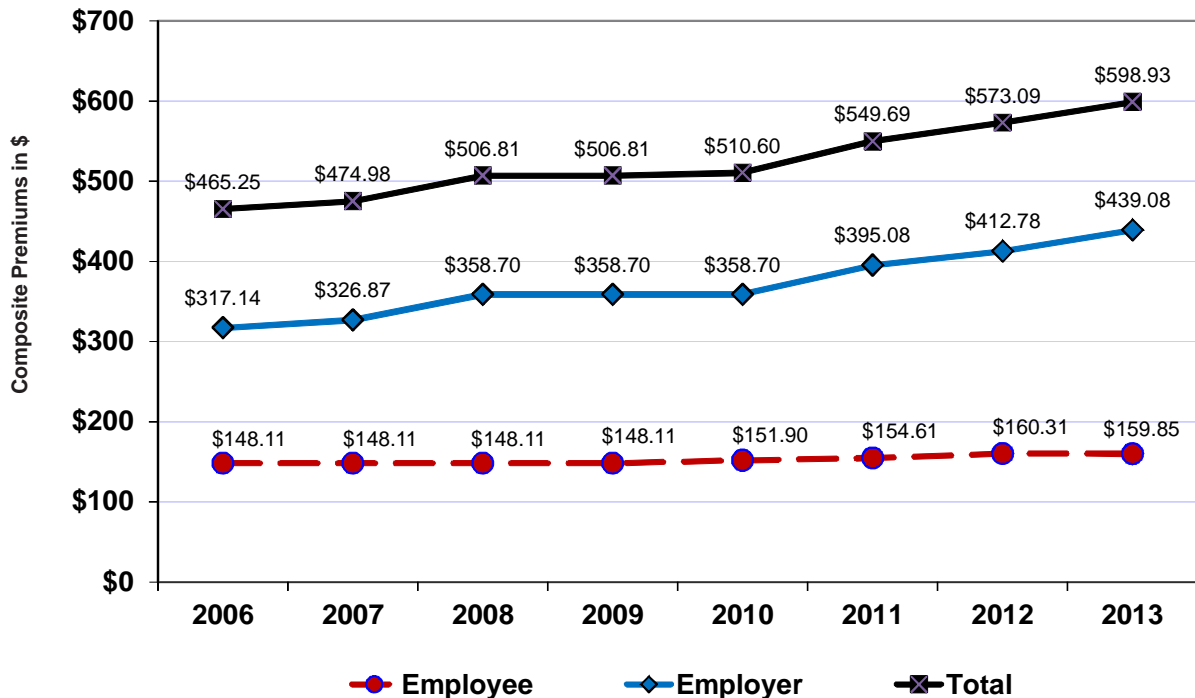
The 2013 employee composite rate's 26.7% share of the total composite rate is higher than the regional average employee composite share of 22.0%. Employees in only 5 of the other 13 regional state pay a larger percentage of the total composite rate.

## South Carolina Composites Regional/National Rankings

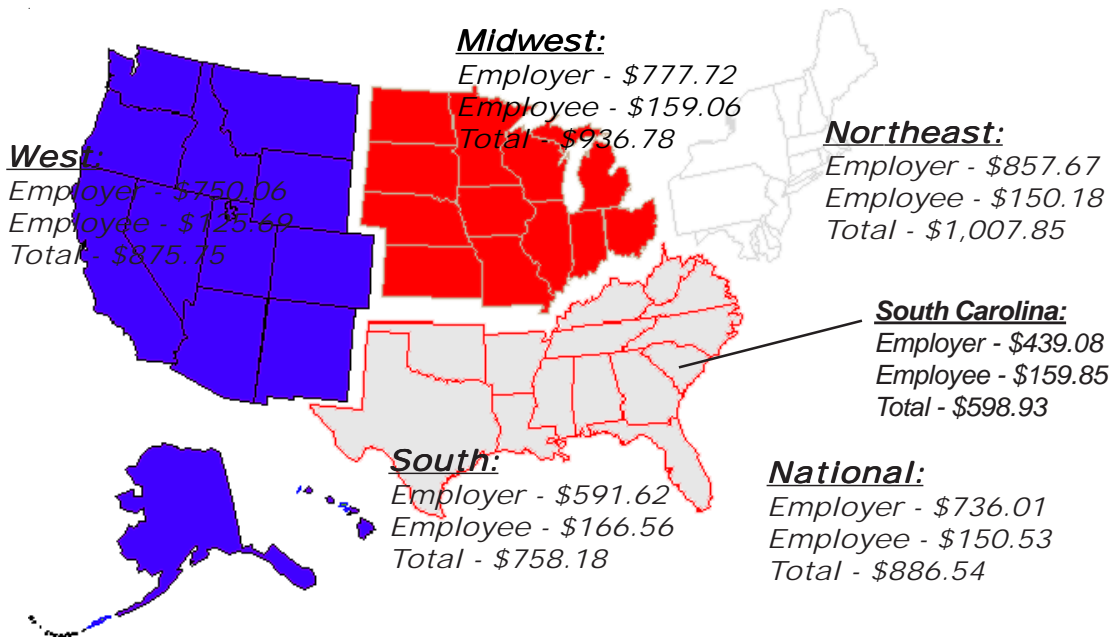
	<i>From Lowest to Highest</i>	
	<b>Regional</b> <small>(14 States)</small>	<b>National</b> <small>(50 States)</small>
<b>SHP Total Composite</b>	2nd	4th
<b>SHP Employer Composite</b>	3rd	5th
<b>SHP Employee Composite</b>	7th	31st

When compared nationally, the SHP's employee composite was lower than 19 states in 2013. The SHP's employee share of the total composite was over 9 percentage points higher than the national average employee share of 17%.

## South Carolina Composite Rates History: 2006 - 2013



# REGIONAL COMPOSITES



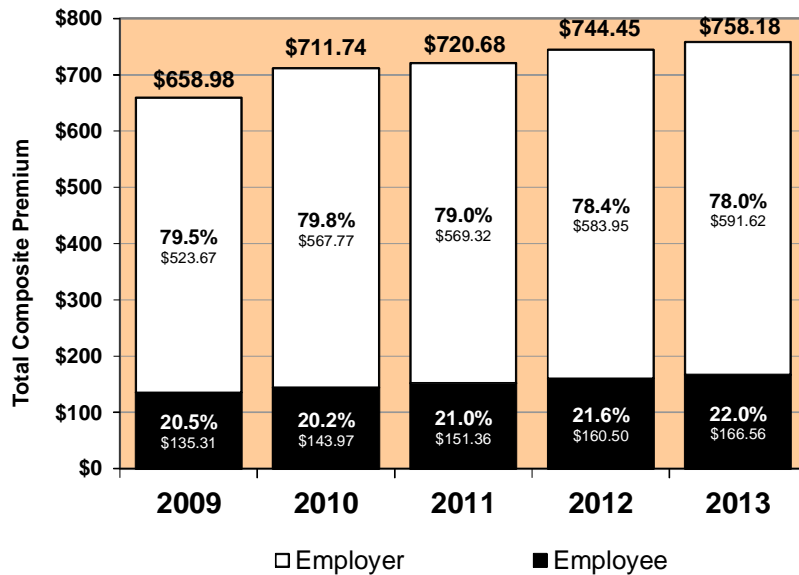
Annually we divide the 50 states into four regions: Northeast, South, Midwest and West.

## Regional Total Composite

The Northeast continued the more than decade long trend of having the largest regional total composite rate at \$1,007.85 in 2013, a 8.0% increase from \$933.10 in 2012. At the other end of the spectrum was the South's total composite rate of \$758.18 in 2013, a 1.8% increase from \$744.45 in 2012.

Over the past 5-year period, the Midwest's average annual growth rate of 6.0% has led regional total composite growth rates. The South's average annual rate of growth of 3.7% was the lowest.

## Southern Region Employee/Employer Share of Total Composite Rates: 2009 - 2013



## Regional Employer Composite

Employers in the Northeast paid the largest employer composite rate in 2013 at

See REGIONAL on Page 7

# REGIONAL COMPOSITES

## Regional

Continued from Page 6

\$857.67, a 7.5% increase from \$797.95 in 2012. The South had the lowest regional employer composite in 2013 at \$591.62, a 1.3% increase from \$583.95 in 2012.

The West region's employers paid the largest share of their regional total composite rate at 85.6%. In contrast, employers in the South region paid the lowest employer share of the total composite at 78.0% in 2013.

## Regional Employee Composite

Employees in the South region continue to pay the largest regional employee composite in the nation at \$166.56 in 2013, up 3.8% from \$160.50 in 2012. Over the past 5 years, the South's employee composite rate has grown an average 5.0% annually.

Not only does the South have the largest employee composite rate, its employees pay the largest regional share of their total composite rate at 22.0%. In comparison, the West region's employee share of their total composite rate was 14.4%

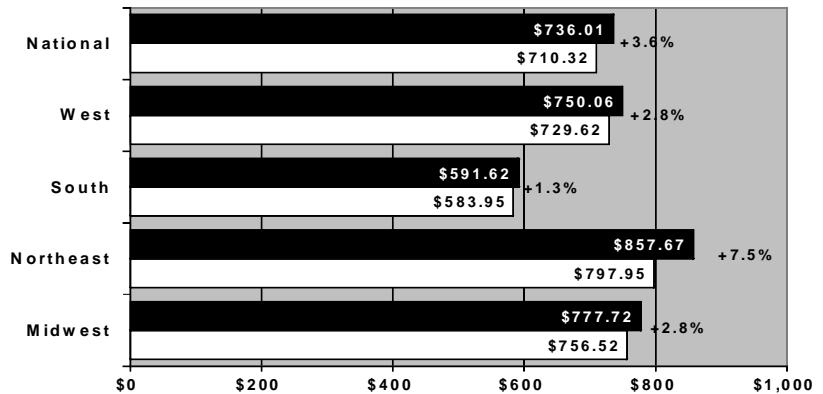
## 2013 & 2012 Regional Composite Averages

■ 2013 Rates    □ 2012 Rates

### Total Composite Rates



### Employer Composite Rates



### Employee Composite Rates





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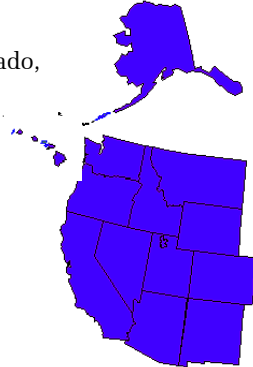
# REGIONAL COMPOSITES

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## West

### 13 States:

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



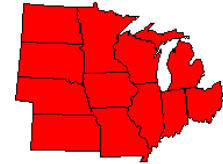
#### West:

**Employer - \$750.06**  
**Employee - \$125.69**  
**Total - \$875.75**

## Midwest

### 12 States:

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



#### Midwest:

**Employer - \$777.72**  
**Employee - \$159.06**  
**Total - \$936.78**

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The West's total composite rate for 2013 was \$875.75, up 3.8% from \$843.43 in 2012. During the past 5-year period, the region's total composite rate has grown an average 5.4% annually.

The 2013 employer composite rate for the West region was \$750.06, up 2.8% from \$729.62 in 2012. Employers in the West paid the largest regional share of their total composite rate. While the region's employer composite rate grew an average 4.6% annually the past 5-year period, the employer's share of the regional total composite has declined each year from a high of 89.0% in 2009 to 85.6% in 2013.

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 14.4% of the regional total composite average. The region's employee composite rate of \$125.69 in 2013 was up 10.4% from \$113.81 in 2012. Over the past 5 years, the West's regional employee composite has grown an average of 11.3% annually, the second largest regional employee composite growth rate in the nation.

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The Midwest region's total composite rate was \$936.78 in 2013, up 4.4% from \$896.96 in 2012. The Midwest's total composite ranked second to the Northeast and grew an average 6.0% annually the past 5 years. The 5-year annual average growth rate was the largest in the nation.

The Midwest's regional employer composite was \$777.72 in 2013, up 2.8% from \$756.52 in 2012. The region's employer composite grew on average 4.9% annually the past 5 years. Midwest employers paid 83.0% of the regional total composite rate.

Employees in the Midwest continued to see their share of the region's total composite rate increase to 17.0%. The employee share has grown annually since being 13.1% in 2010. The Midwest's 2013 regional employee composite of \$159.06 was up 13.3% from \$140.44 in 2012, the largest growth rate among regions. The national average employee composite rate grew a lesser 9.1% in 2013.

In terms of share of the total composite, Midwest employees paid on average 17% of the total composite, identical to the national employee composite share average.



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# REGIONAL COMPOSITES

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## Northeast

### 11 States:

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

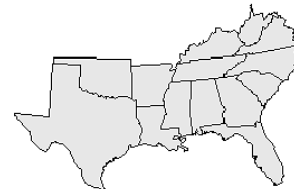


**Northeast:**  
Employer - \$857.67  
Employee - \$150.18  
Total - \$1,007.85

## South

### 14 States:

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



**South:**  
Employer - \$591.62  
Employee - \$166.56  
Total - \$758.18

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In line with the previous trend, the Northeast region again had the highest regional total composite rate in the nation in 2013 at \$1,007.85, up 8.0% from \$933.10 in 2012. The Northeast's total composite rate's 5-year annual growth rate average of 5.5% ranked second only to the Midwest in 2013.

Employers in the Northeast continued to pay the largest regional employer composite rate at \$857.67 in 2013, up 7.5% from \$797.95 in 2012. The region's employer composite has grown on average 5.3% annually the past 5 years, the largest regional 5-year employer composite growth rate in the nation. The employer composite rate was 85.1% 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 11.1% in 2013 to \$150.18. Over a 5-year period, the Northeast's employee composite has grown an average of 7.0% annually. Employees in the Northeast paid the second lowest share of the total composite rate at 14.9%.

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The total composite rate for the South region was \$758.18 in 2013, up 1.8% from \$744.45 in 2012. 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 3.7% annually.

For more than a decade, the South continues to have the greatest amount of cost sharing between employers and employees. In 2013, employers in the South paid 78.0% of the region's total composite rate with an employer composite rate of \$591.62. In comparison, the next lowest regional employer composite share was the Midwest's 83.0% share of their total composite rate.

The South's employer composite grew 1.3% in 2013, below the 5-year average annual growth rate of 3.3%.

Employees in the South had a composite rate of \$166.56 in 2013 up 3.8% from \$160.50 in 2012. 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.

# NATIONAL COMPOSITES

## Total Composite

The national total composite rate of \$886.54 in 2013 was up 4.5% from \$848.29 in 2012. The rate has grown an average of 5.1% annually the past 5 years.

## Employer Composite

The national employer composite grew 3.6% to \$736.01 in 2013 from \$710.32 in 2012. Over the past 5 years, the national employer composite rate has grown an average of 4.5% annually. Employers paid 83.0% of the national total composite rate in 2013.

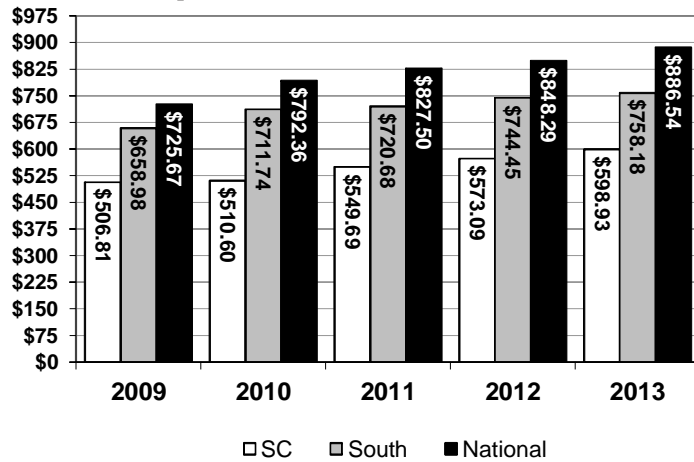
## Employee Composite

The national employee composite rate was \$150.53 in 2013, up 9.1% from \$137.97 in 2012. During the past 5 years, the employee composite has grown an average of 8.5% annually.

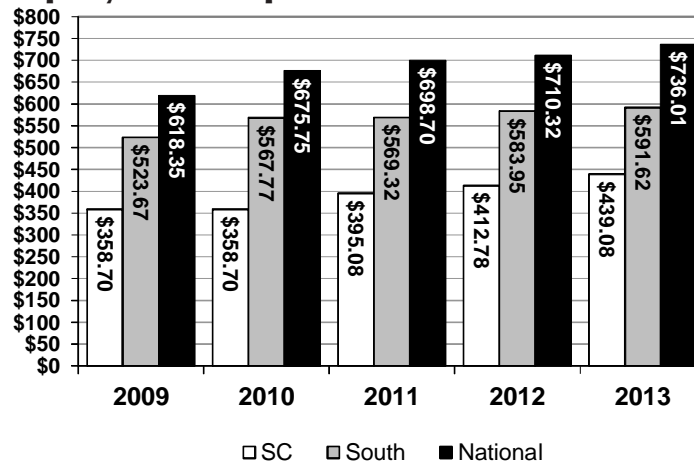
Employees paid 17.0% of the total composite rate in 2013. This is the third year in a row where the employee share has grown. In 2010, the employee share was 14.7% of the total composite rate.

## Composite Rate Trends: 2009 - 2013

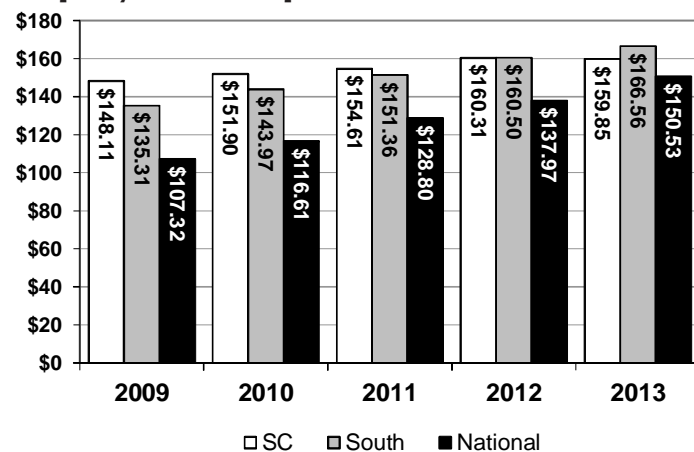
### Total Composite Rates



### Employer Composite Rates



### Employee Composite Rates

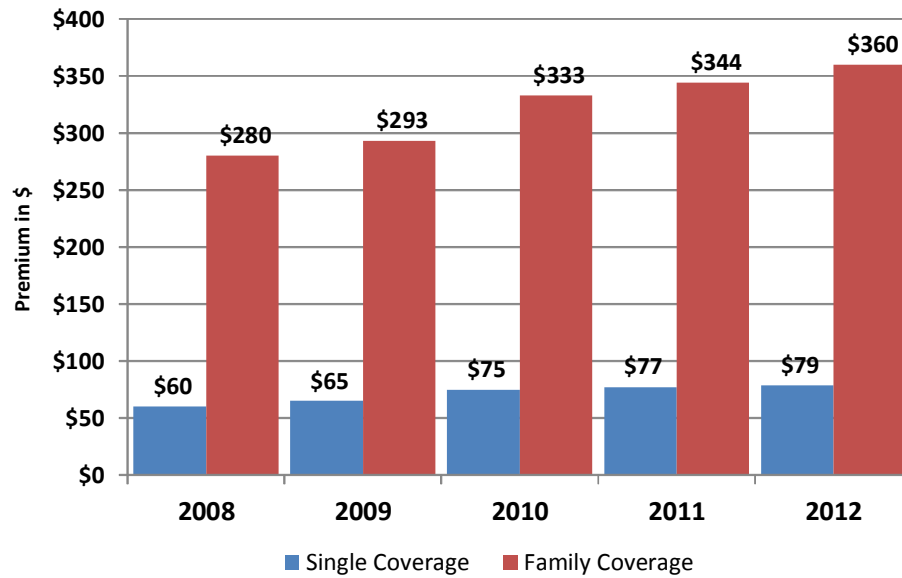


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# ACROSS THE NATION

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



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits: 2012

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# ACKNOWLEDGEMENT

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*We 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*  
**2013 Edition**

**Public Employee Benefit Authority  
Insurance Services**

**Laura Smoak**  
*Research & Statistics Unit Manager*

**Patrick A. Harvin**  
*50-State Survey Editor*

**On the Web at:** [www.eip.sc.gov](http://www.eip.sc.gov)

South Carolina  
PUBLIC EMPLOYEE BENEFIT AUTHORITY

**PEBA**

**David K. Avant**  
*Interim Executive Director*

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

**ADDRESS CORRECTION REQUESTED**