

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

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SHRM CUSTOMIZED
HEALTH CARE BENCHMARKING REPORT**

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TABLE OF CONTENTS

License Agreement for the SHRM Customized Benchmarking Report	1
A Guide to Your SHRM Customized Benchmarking Report	3
Customized Tables Based on Your Criteria	5
Health Care Glossary of Metric Terms, Definitions and Calculations	25

A GUIDE TO YOUR SHRM CUSTOMIZED BENCHMARKING REPORT

Understanding the Data

As you compare your own data against the other organizations, please keep the following in mind:

1. This report is based on data derived from the SHRM Customized Benchmarking Database, which contains organizational data from a random sample of SHRM members. The report is designed to target companies that closely match the selected criteria to allow for a more focused and comparable analysis and interpretation. Therefore, any interpretations of these data should be kept within this context.
2. A deviation between your figure for any benchmarking measure and the comparative figure is not necessarily favorable or unfavorable; it is merely an indication that additional analyses may be needed. Benchmarking measures that relate more closely to the context of your organization's industry and staff size are more descriptive and meaningful than information that is more generic in nature, such as all industries

combined. The larger the discrepancy between your figure and those found in this report, the greater the need for additional scrutiny.

3. In cases where you determine that potentially serious deviations do exist, it may be helpful to go back and calculate the same benchmarking measure for your organization over the past several years to identify any trends that may exist.
4. The information in this report should be used as a tool for decision-making rather than an absolute standard. Because companies differ in their overall business strategy, location, staff size and other factors, any two companies can be well managed, yet some of their benchmarking measures may differ greatly. No decision should be made solely based on the results of any one study.

Working With the Data

The information in this report is designed to be a tool to help you evaluate decisions and

activities that affect your organization. When reviewing these data, it is important to realize that business strategy, organizational culture, leadership behaviors and industry pressures are just a few of the many factors that drive various organizational measures. Absolute measures are not meaningful in isolation—they should be compared with one or more measures to determine whether a satisfactory level exists. Other measures, for example, might be your organization's past results in this area or comparatives based on organization staff size, industry or geographic location.

Each table in the report contains customized benchmarks in aggregated form. There may be discrepancies between your organization's benchmarks and the average or median numbers for a particular category. It is particularly helpful to communicate to stakeholders that just because your organization has benchmarks that are different from the average or median, it does not mean they are favorable or unfavorable. Rather, it may be the result of a particular

total organizational strategy, special circumstances or other business initiatives that cause differences with your organization's benchmarks.

Notes

The data in this report were collected from February to April 2016 and reflect plan years 2015 and 2016.

The number of respondents, indicated by "n," is composed of the organizations that responded to the specific benchmark. Therefore, the number of peer organizations may vary from benchmark to benchmark. The percentile is the percentage of responses in a group that have values less than or equal to that particular value. The median is the 50th percentile. The average, or mean, is the sum of the responses divided by the total number of responses.

Some benchmarks are less frequently collected by organizations or may be more difficult to obtain. Some data are not displayed when there are fewer than five organizations for a specific metric.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

HEALTH CARE COVERAGE PREVALENCE

	n	Offered	Not Offered
Percentage of organizations providing health care coverage for full-time employees	##	##%	##%
Percentage of organizations providing health care coverage for part-time employees	##	##%	##%
Percentage of organizations providing spouse health care coverage	##	##%	##%
Percentage of organizations providing same-sex domestic partner health care coverage	##	##%	##%
Percentage of organizations providing opposite-sex domestic partner health care coverage	##	##%	##%
Percentage of organizations that vary health care premium contributions by employee salary	##	##%	##%

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

STOP LOSS COVERAGE PREVALENCE

	n	Offered	Not Offered
Percentage of organizations with self-funded health care coverage	##	##%	##%
Percentage of organizations with fully insured health care coverage	##	##%	##%
Percentage of organizations with stop loss coverage	##	##%	##%

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

EMPLOYEE PARTICIPATION AND PLANS OFFERED

	Percentage of Employees Enrolled	Percentage of Organizations Offering Plan		Number of Health Care Plans Offered
n	##	##	n	##
HMO	##	##	1 plan	##
EPO	##	##	2 plans	##
PPO	##	##	3 or more plans	##
POS	##	##		
CDHP	##	##		
Opt Out	##			

**SHRM CUSTOMIZED HEALTH CARE
BENCHMARKING REPORT**

HEALTH CARE COST AND STOP LOSS COVERAGE AMOUNT

	n	25th Percentile	Median	75th Percentile	Average
Health care cost as a percentage of operating expense	##	##%	##%	##%	##%
Total annual health care cost per covered employee	##	###	###	###	###
Amount of stop loss coverage	##	###	###	###	###

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

HEALTH CARE COSTS FOR ALL PLANS COMBINED

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

HEALTH CARE COSTS FOR ALL PLANS COMBINED

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

HEALTH MAINTENANCE ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

HEALTH MAINTENANCE ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

EXCLUSIVE PROVIDER ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size ("n") of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

EXCLUSIVE PROVIDER ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

PREFERRED PROVIDER ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

PREFERRED PROVIDER ORGANIZATION

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

POINT OF SERVICE

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

POINT OF SERVICE

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

CONSUMER-DRIVEN HEALTH PLAN: HIGH-DEDUCTIBLE HEALTH PLAN

	n	25th Percentile	Median	75th Percentile	Average
Total monthly premium for employee-only coverage	##	###	###	###	###
Total monthly premium for spouse or domestic partner coverage	##	###	###	###	###
Total monthly premium for family coverage	##	###	###	###	###
Percentage of premium employer pays for employee-only coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for spouse or domestic partner coverage	##	##%	##%	##%	##%
Percentage of premium employer pays for family coverage	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

CONSUMER-DRIVEN HEALTH PLAN: HIGH-DEDUCTIBLE HEALTH PLAN

	n	25th Percentile	Median	75th Percentile	Average
Annual in-network deductible for employee-only coverage	##	###	###	###	###
Annual out-of-network deductible for employee-only coverage	##	###	###	###	###
Co-pay for in-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-pay for out-of-network primary care office visits for employee-only coverage	##	###	###	###	###
Co-insurance for in-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%
Co-insurance for out-of-network primary care office visits for employee-only coverage	##	##%	##%	##%	##%

* Metrics with a sample size ("n") of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

CONSUMER-DRIVEN HEALTH PLAN: HEALTH SAVINGS ACCOUNT AND HEALTH REIMBURSEMENT ARRANGEMENT

	n	Offered	Not Offered
Percentage of organizations offering a health savings account	##	##%	##%
Percentage of organizations offering a health reimbursement arrangement	##	##%	##%

	n	25th Percentile	Median	75th Percentile	Average
Employer contribution to a health savings account	##	###	###	###	###
Employer contribution to a health reimbursement arrangement	##	###	###	###	###

* Metrics with a sample size (“n”) of less than 5 are not displayed.

**SHRM CUSTOMIZED HEALTH CARE
BENCHMARKING REPORT**

PRESCRIPTION DRUG CO-PAYS AND CO-INSURANCE PREVALENCE

	n	Offered	Not Offered
Percentage of organizations offering generic prescription	##	##%	##%
Percentage of organizations offering formulary brand prescription	##	##%	##%
Percentage of organizations offering nonformulary brand prescription	##	##%	##%
Percentage of organizations offering a 90-day mail-order prescription	##	##%	##%

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

PRESCRIPTION DRUG CO-PAYS

	n	25th Percentile	Median	75th Percentile	Average
Employee co-pay for generic medication	##	###	###	###	###
Employee co-pay for formulary brand medication	##	###	###	###	###
Employee co-pay for nonformulary brand medication	##	###	###	###	###
Employee co-pay for generic medication 90-day mail-order supply	##	###	###	###	###
Employee co-pay for formulary brand medication 90-day mail-order supply	##	###	###	###	###
Employee co-pay for nonformulary brand medication 90-day mail-order supply	##	###	###	###	###

* Metrics with a sample size (“n”) of less than 5 are not displayed.

SHRM CUSTOMIZED HEALTH CARE BENCHMARKING REPORT

PRESCRIPTION DRUG CO-INSURANCE

	n	25th Percentile	Median	75th Percentile	Average
Employee co-insurance for generic medication	##	##%	##%	##%	##%
Employee co-insurance for formulary brand medication	##	##%	##%	##%	##%
Employee co-insurance for nonformulary brand medication	##	##%	##%	##%	##%
Employee co-insurance for generic medication 90-day mail-order supply	##	##%	##%	##%	##%
Employee co-insurance for formulary brand medication 90-day mail-order supply	##	##%	##%	##%	##%
Employee co-insurance for nonformulary brand medication 90-day mail-order supply	##	##%	##%	##%	##%

* Metrics with a sample size (“n”) of less than 5 are not displayed.

HEALTH CARE GLOSSARY OF METRIC TERMS, DEFINITIONS AND CALCULATIONS

Statistical Definitions

“n”

The letter “n” in tables and figures indicates the number of respondents to each question. In other words, when it is noted that $n = 25$, it indicates that the number of respondents was 25.

Percentile

The percentile is the percentage of responses in a group that have values less than or equal to that particular value. For example, when data are arranged from lowest to highest, the 25th percentile is the point at which 75% of the data are above it and 25% are below it. Conversely, the 75th percentile is the point at which 25% of the data are above it and 75% are below it.

Median (50th percentile)

The median is the midpoint of the set of numbers or values arranged in ascending order. It is recommended that the median is used as a basis for all interpretations of the data when the average and median are discrepant.

Average

The average is the sum of the responses divided by the total number of responses. It is also known as the mean. This measure is affected more than the median by the occurrence of outliers (extreme values). For this reason, the average reported may be greater than the 75th percentile or less than the 25th percentile.

Health Care Coverage Prevalence

Percentage of Organizations Providing Health Care Coverage for Full-Time Employees

This percentage represents those organizations that offer health care coverage as a benefit to their full-time employees. It is calculated by dividing the number of organizations that offer health care benefits by the total number of organizations, regardless of whether they offer health care coverage.

Percentage of Organizations Providing Health Care Coverage for Part-Time Employees

This percentage represents those organizations that offer health care coverage as a benefit to their part-time employees. It is calculated by dividing the number of organizations that offer health care benefits by the total number of organizations, regardless of whether they offer health care coverage.

Percentage of Organizations Providing Spouse Health Care Coverage

This percentage represents those organizations that offer spouse health care coverage as a benefit to their employees. It is calculated by dividing the number of organizations that offer spouse health care benefits by the total number of organizations, regardless of whether they offer spouse health care coverage.

Percentage of Organizations Providing Same-Sex Domestic Partner Health Care Coverage

This percentage represents those organizations that offer same-sex domestic partner health care coverage as a benefit to their employees. This benefit recognizes the family as the intimate, committed relationship of two unrelated people of the same sex that is the approximate equivalent of marriage but does not involve formal marriage. This percentage is calculated by dividing the number of organizations that offer same-sex domestic partner health care benefits by the total number of organizations, regardless of whether they

offer same-sex domestic partner health care coverage.

Percentage of Organizations Providing Opposite-Sex Domestic Partner Health Care Coverage

This percentage represents those organizations that offer opposite-sex domestic partner health care coverage as a benefit to their employees. This benefit recognizes the family as the intimate, committed relationship of two unrelated people of the opposite sex that is the approximate equivalent of marriage but does not involve formal marriage. This percentage is calculated by dividing the number of organizations that offer opposite-sex domestic partner health care benefits by the total number of organizations, regardless of whether they offer opposite-sex domestic partner health care coverage.

Percentage of Organizations that Vary Health Care Premium Contributions by Employee Salary

This percentage represents those organizations that offer differing amounts of contributions to the monthly health care premium based on employees' salaries. Employees with lower salaries typically have a higher percentage of the premium contributed by the employer. This percentage is calculated by dividing the number of organizations that vary premium contributions by the total number of organizations that offer health care coverage.

Stop Loss Coverage Prevalence

Percentage of Organizations with Self-Funded Health Care Coverage

This percentage represents those organizations whose health care is self-funded by the organization. A self-funded health care plan is one in which no insurance company or service plan collects premiums and assumes risk. In a sense, the employer is acting as its own insurance company, paying the medical claims submitted by its employees. This percentage is calculated by dividing the number of organizations with self-funded health care coverage by the total number of organizations, regardless of whether their health care is self-funded.

Percentage of Organizations with Fully Insured Health Care Coverage

In fully insured plans, the employer pays a fixed premium per enrolled employee to the health insurance carrier who assumes the risk of coverage. The percentage of organizations with fully insured health care plans is calculated by dividing the number of organizations with fully insured health care coverage by the total number of organizations, regardless of whether their health care is fully insured.

Percentage of Organizations with Stop Loss Coverage

This percentage represents those organizations that contract with a third-party insurance provider to cover medical claims if they exceed a specified dollar amount over a set period of time. It is

calculated by dividing the number of organizations that have stop loss coverage by the total number of organizations, regardless of whether they have stop loss coverage.

Employee Participation and Plans Offered

Percentage of Employees Enrolled

This percentage represents the number of employees in an organization that have elected to sign up for an organization's health care plan. It is calculated by dividing the number of employees who enroll in an organization's health care plan by the total number of employees in the organization, regardless of whether they have elected health care coverage from the organization.

Percentage of Organizations Offering a Health Care Plan

This percentage represents the number of organizations offering at least one of the following health care plans: health maintenance organization (HMO), exclusive provider organization (EPO), preferred provider organization (PPO), point of service (POS), indemnity and consumer-driven health plan (CDHP). It is calculated by dividing the number of organizations offering a specific plan by the total number of organizations, regardless of whether they offer a specific plan.

Number of Health Care Plans Offered

Organizations may offer a number of different health care plans to meet the needs of their employee population. This

percentage represents the number of organizations that offer one or more health care plans from which their employees can choose.

Health Care Cost and Stop Loss Coverage Amount

Health Care Cost as a Percentage of Operating Expense

Health care cost as a percentage of operating expense is a ratio of an organization's total health care expenses, including premiums, administration costs, and any other medical claims covered by the employer, to the organization's total operating expenses.

Total Annual Health Care Cost per Covered Employee

Health care expense per covered employee is calculated by taking the total health care expenses paid by the organization in a given year and dividing it by the number of employees who are enrolled in a health care plan.

Amount of Stop Loss Coverage

Organizations often contract with a third-party insurance provider to cover medical claims if they exceed a specified dollar amount over a set period of time. This benchmark represents the dollar amount at which the stop loss coverage begins.

Health Care Costs for All Plans Combined

Total Monthly Premium for Employee-Only Coverage

This benchmark is the total monthly dollar amount that both the employer and employee pay for health care to cover an employee who is enrolled in an organization's health care plan.

Total Monthly Premium for Spouse or Domestic Partner Coverage

This benchmark is the total monthly dollar amount that both the employer and employee pay for health care to cover an employee and spouse or domestic partner who are enrolled in an organization's health care plan.

Total Monthly Premium for Family Coverage

This benchmark is the total monthly dollar amount that both the employer and employee pay for health care to cover an employee and family members who are enrolled in an organization's health care plan.

Percentage of Premium Employer Pays for Employee-Only Coverage

The percentage of premium the organization pays for employee-only coverage is calculated by dividing the monthly dollar amount the organization pays for employee-only coverage premiums by the total monthly premium dollar amount.

Percentage of Premium Employer Pays for Spouse or Domestic Partner Coverage

The percentage of premium the organization pays for spouse or domestic partner coverage is calculated by dividing the dollar amount the organization pays for spouse or domestic partner coverage premiums by the total premium dollar amount.

Percentage of Premium Employer Pays for Family Coverage

The percentage of premium the organization pays for family coverage is calculated by dividing the dollar amount the organization pays for family coverage premiums by the total premium dollar amount.

Annual In-Network Deductible for Employee-Only Coverage

This benchmark is the annual amount of out-of-pocket expenses that the employee pays for health care services when the provider participates in the employee's health care plan.

Annual Out-of-Network Deductible for Employee-Only Coverage

This benchmark is the annual amount of out-of-pocket expenses that the employee pays for health care services when the provider does not participate in the employee's health care plan.

Co-Pay for In-Network Primary Care Office Visits for Employee-Only Coverage

This benchmark represents the payment due at the time of service to a provider that participates with the employee's health

plan. Co-pays are made in addition to deductibles.

Co-Pay for Out-of-Network Primary Care Office Visits for Employee-Only Coverage

This benchmark represents the payment due at the time of service to a provider that does not participate with the employee's health plan. Co-pays are made in addition to deductibles.

Co-Insurance for In-Network Primary Care Office Visits for Employee-Only Coverage

This benchmark represents the payment due as a percentage of the total cost at the time of service to a provider that participates with the employee's health plan. Co-insurance payments are made in addition to deductibles.

Co-Insurance for Out-of-Network Primary Care Office Visits for Employee-Only Coverage

This benchmark represents the payment due as a percentage of the total cost at the time of service to a provider that does not participate with the employee's health plan. Co-insurance payments are made in addition to deductibles.

Health Maintenance Organization

Health maintenance organizations (HMOs), typically referred to as managed care plans, are prepaid medical group practice plans that provide comprehensive predetermined medical care benefits for prenegotiated amounts. Some HMO plans utilize gatekeepers to ensure that certain medical

services are used only when absolutely necessary.

Exclusive Provider Organization

Exclusive provider organizations (EPOs) are self-funded medical plans that combine aspects of a PPO and an HMO. EPOs provide specific benefit levels if care is provided by a specific network of service providers, otherwise no payment will be made.

Preferred Provider Organization

Preferred provider organizations (PPOs) are formed by an insurance company, an employer or a group of employers who negotiate discounted fees with networks of health care providers. In return, the employers guarantee a certain volume of patients and prompt payment. PPO participants' out-of-pocket costs are usually lower than under a fee-for-service plan.

Point of Service

Point of service (POS) plans allow employees to use both in-network and out-of-network providers, although benefits are greater if in-network providers are used. Often combining aspects of a PPO and an HMO, some POS plans utilize gatekeepers to ensure that certain medical services are used only when absolutely necessary.

Indemnity

Indemnity plans are full-choice health care plans that allow covered employees to go to any qualified physician or hospital they choose, as there is no incentive or

requirement to use a particular network of providers. Medical claims are then submitted to the insurance company for payment. Indemnity plans are also known as fee-for-service health care plans.

Consumer-Driven Health Plan: High-Deductible Health Plan

A consumer-driven health plan (CDHP) is a high-deductible health care plan that is presented along with a tax-advantaged spending account. Presently, two types of plans meet these criteria—health savings accounts (HSAs) and health reimbursement arrangements (HRAs).

Consumer-Driven Health Plan: Health Savings Accounts and Health Reimbursement Arrangements

Percentage of Organizations Offering a Health Savings Account

This percentage represents those organizations that offer a health savings account as a benefit to their employees. It is calculated by dividing the number of organizations that offer a health savings account by the total number of organizations, regardless of whether they offer a health savings account.

Percentage of Organizations Offering Health Reimbursement Arrangement Account

This percentage represents those organizations that offer a health reimbursement arrangement account as a

benefit to their employees. It is calculated by dividing the number of organizations that offer a health reimbursement arrangement account by the total number of organizations, regardless of whether they offer a health reimbursement arrangement account.

Employee Contribution to a Health Savings Account

Health savings accounts, a component of consumer-driven health care plans, allow employers and employees to contribute to tax-deductible accounts for the benefit of employees covered under high-deductible health plans. This benchmark indicates the maximum amount employees contribute to health savings accounts.

Employer Contribution to a Health Reimbursement Arrangement

Health reimbursement arrangements, a component of consumer-driven health care plans, are tax-free accounts funded by employers only. Any benefit dollars that are left in the account at year-end can roll over and be used to cover future medical expenses.

Prescription Drug Co-Pays

Percentage of Organizations Offering Generic Prescription

This percentage represents those organizations that offer generic prescription health care coverage as a benefit to their employees. It is calculated by dividing the number of organizations that offer generic

prescription health care benefits by the total number of organizations, regardless of whether they offer generic prescription health care coverage.

Percentage of Organizations Offering Formulary Brand Prescription

This percentage represents those organizations that offer formulary brand prescription health care coverage as a benefit to their employees. It is calculated by dividing the number of organizations that offer formulary brand prescription health care benefits by the total number of organizations, regardless of whether they offer formulary brand prescription health care coverage.

Percentage of Organizations Offering Nonformulary Brand Prescription

This percentage represents those organizations that offer nonformulary brand prescription health care coverage as a benefit to their employees. It is calculated by dividing the number of organizations that offer nonformulary brand prescription health care benefits by the total number of organizations, regardless of whether they offer nonformulary brand prescription health care coverage.

Percentage of Organizations Offering a 90-Day Mail-Order Prescription

This percentage represents those organizations that offer 90-day mail-order prescription health care coverage as a benefit to their employees. It is calculated by dividing the number of organizations

that offer 90-day mail-order prescription health care benefits by the total number of organizations, regardless of whether they offer 90-day mail-order prescription health care coverage.

Employee Co-Pay for Generic Medication

This benchmark represents the payment made at the time of purchase for generic prescription drug medication. Generic medication is equal in therapeutic dose to brand-name original drugs and is typically cost-effective. Co-pays are made in addition to deductibles.

Employee Co-Pay for Formulary Brand Medication

This benchmark represents the payment made at the time of purchase for formulary prescription drug medication. Formulary brand medications are a list of preferred drugs that are covered by a plan at a discount, and they differ from plan to plan. Drugs are selected to be included in this list because they are cost-effective or have a generic substitution available. Co-pays are made in addition to deductibles.

Employee Co-Pay for Nonformulary Brand Medication

This benchmark represents the payment made at the time of purchase for nonformulary prescription drug medication. Nonformulary brand medications are not on the formulary list of drugs, and therefore, no discount is usually offered. Some plans may refuse to cover a nonformulary drug if a physician has prescribed a generic

substitution. Co-pays are made in addition to deductibles.

Employee Co-Pay for Generic Medication 90-Day Mail-Order Supply

This benchmark represents the payment made at the time of purchase for a 90-day supply of generic prescription drug medication when the prescription is ordered through the mail. Generic medication is equal in therapeutic dose to brand-name original drugs and is typically cost-effective. Co-pays are made in addition to deductibles.

Employee Co-Pay for Formulary Brand Medication 90-Day Mail-Order Supply

This benchmark represents the payment made at the time of purchase for a 90-day supply of formulary prescription drug medication when the prescription is ordered through the mail. Formulary brand medications are a list of preferred drugs that are covered by a plan at a discount, and they differ from plan to plan. Drugs are selected to be included in this list because they are cost-effective or have a generic substitution available. Co-pays are made in addition to deductibles.

Employee Co-Pay for Nonformulary Brand Medication 90-Day Mail-Order Supply

This benchmark represents the payment made at the time of purchase for a 90-day supply of nonformulary prescription drug medication when the prescription is ordered through the mail. Nonformulary brand medications are not on the formulary list of

drugs, and therefore, no discount is usually offered. Some plans may refuse to cover a nonformulary drug if a physician has prescribed a generic substitution. Co-pays are made in addition to deductibles.

Prescription Drug Co-Insurance

Employee Co-Insurance for Generic Medication

This benchmark represents the payment made at the time of purchase as a percentage of total cost for generic prescription drug medication. Generic medication is equal in therapeutic dose to brand-name original drugs and is typically cost-effective. Co-insurance payments are made in addition to deductibles.

Employee Co-Insurance for Formulary Brand Medication

This benchmark represents the payment made at the time of purchase as a percentage of total cost for formulary prescription drug medication. Formulary brand medications are a list of preferred drugs that are covered by a plan at a discount, and they differ from plan to plan. Drugs are selected to be included in this list because they are cost-effective or have a generic substitution available. Co-insurance payments are made in addition to deductibles.

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Employee Co-Insurance for Generic Medication 90-Day Mail-Order Supply

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Employee Co-Insurance for Formulary Brand Medication 90-Day Mail-Order Supply

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Employee Co-Insurance for Nonformulary Brand Medication 90-Day Mail-Order Supply

This benchmark represents the payment made at the time of purchase as a percentage of total cost for a 90-day supply of nonformulary brand prescription drug medication when the prescription is ordered through the mail. Nonformulary brand medications are not on the formulary list of drugs, and therefore, no discount is usually offered. Some plans may refuse to cover a nonformulary drug if a physician has prescribed a generic substitution. Co-insurance payments are made in addition to deductibles.