



## **2018 Health Care Survey Results**

### **FINAL REPORT**

May 2019

Prepared by:  
**Hickok & Boardman HR Intelligence**



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## **BACKGROUND AND INTRODUCTION**

The 2018 Vermont Business Roundtable survey is a follow-up to the previous surveys conducted in 2011, 2014 and 2016. The 2018 survey asks the identical questions from the previous surveys and includes a number of new questions that were prompted by member comments.

Participation in the survey was voluntary and information held in the strictest of confidence. No information that identifies companies or respondents is included and all results are reported in the aggregate.

## **METHODOLOGY**

Only validated responses were used in the compilation of results. Each question indicates the number of responses received and because there were no mandatory responses, response numbers will vary by question. Participants who did not answer a given question were excluded from the calculation for that question.

Results were calculated on either a “by respondent” basis or “by number of responses” basis, depending on question type. For questions allowing only one answer per organization, each organization was counted once (denoted as “total respondents”).

Comments were not edited – they are presented exactly as written, including typographical errors, to ensure authenticity of the response.

## **ABOUT HICKOK & BOARDMAN HR INTELLIGENCE**

Hickok & Boardman HR Intelligence has been administering the Vermont Employee Benefits Survey since 2001 and offers services and solutions in the areas of employee benefits, workforce engagement, strategic HR, HR technology, training and development, HR compliance and compensation and classification.

With a legacy dating back to 1821 Hickok & Boardman HR Intelligence has strong Vermont roots. Those roots allow the firm to understand the history and tradition that makes Vermont’s business community unique and, with its forward-looking approach, the firm is helping Vermont organizations be positioned for future success.

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Section 1 | **DEMOGRAPHICS**

Exhibit 1.1 | **Survey Participation by Company Location**

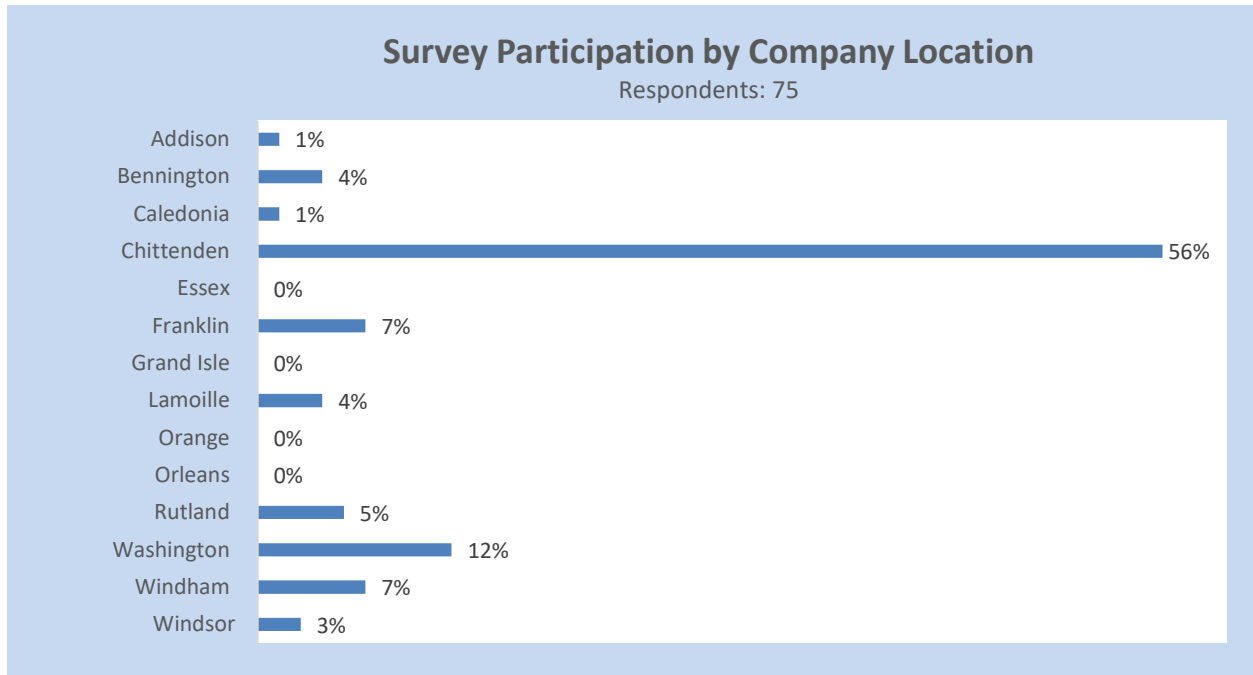
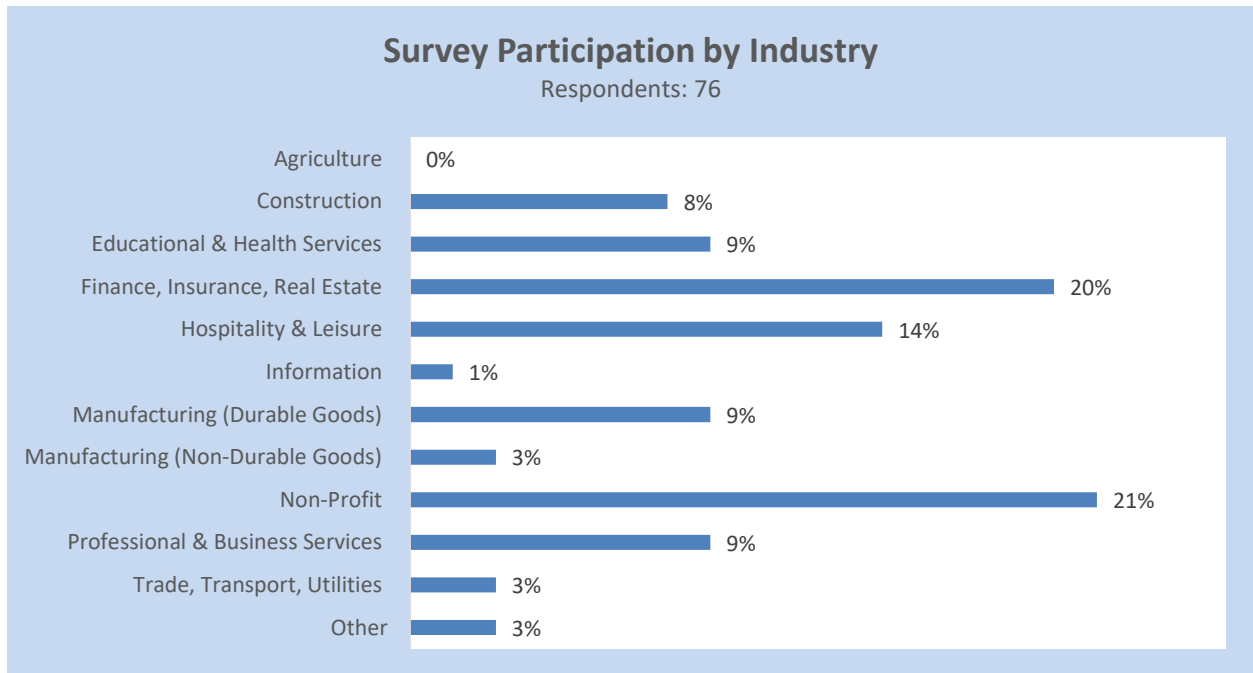
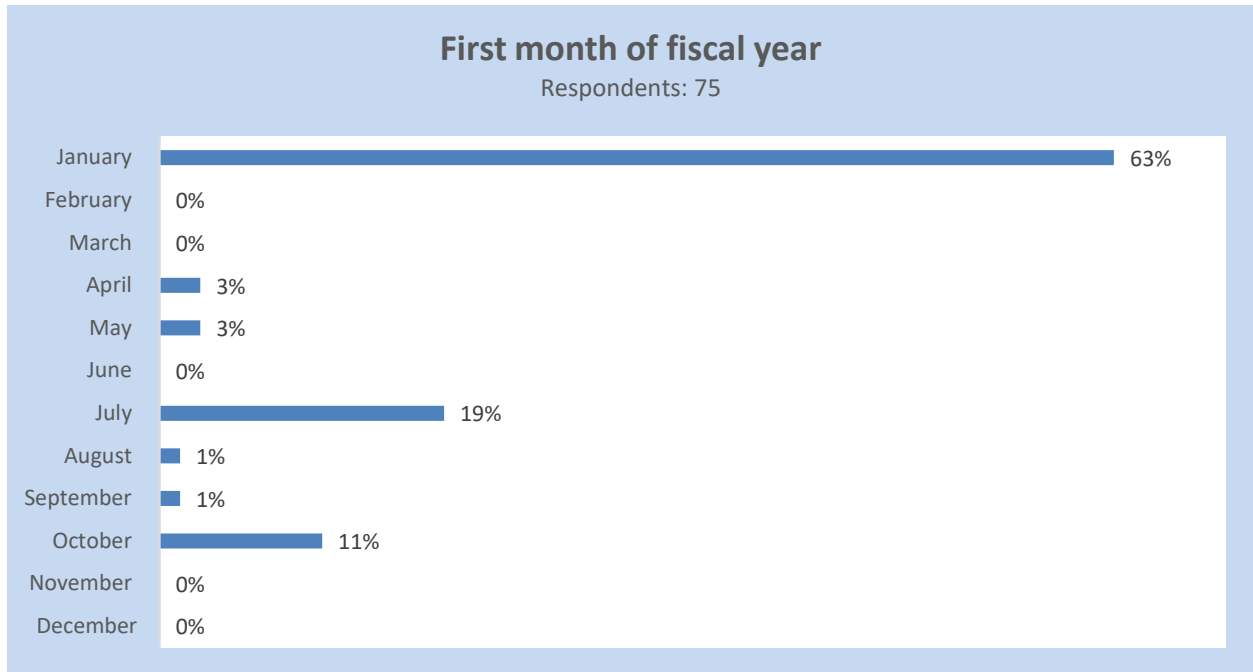


Exhibit 1.2 | **Survey Participation by Industry**

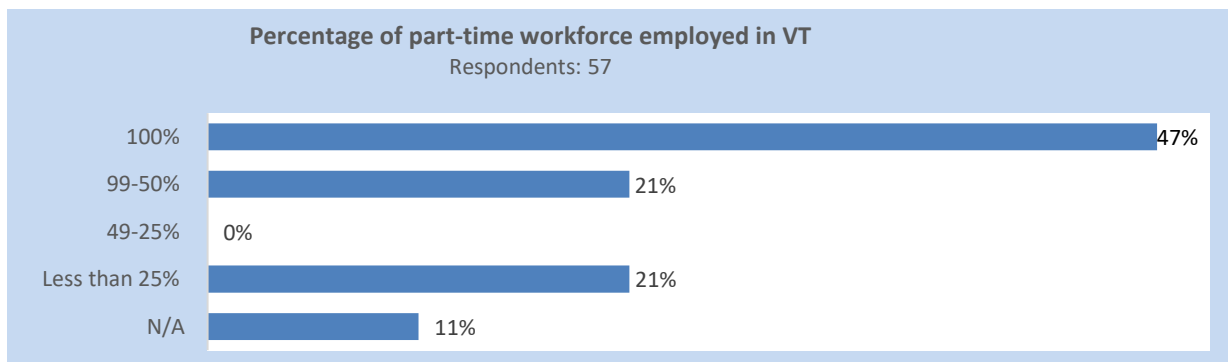
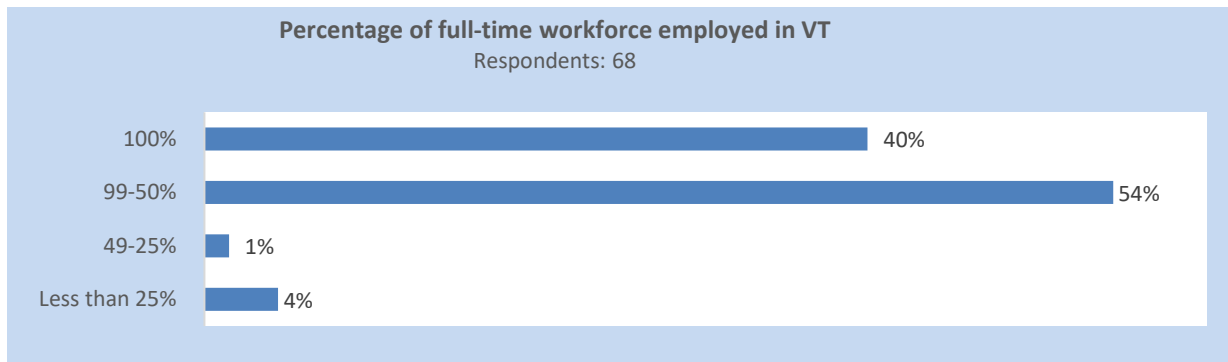


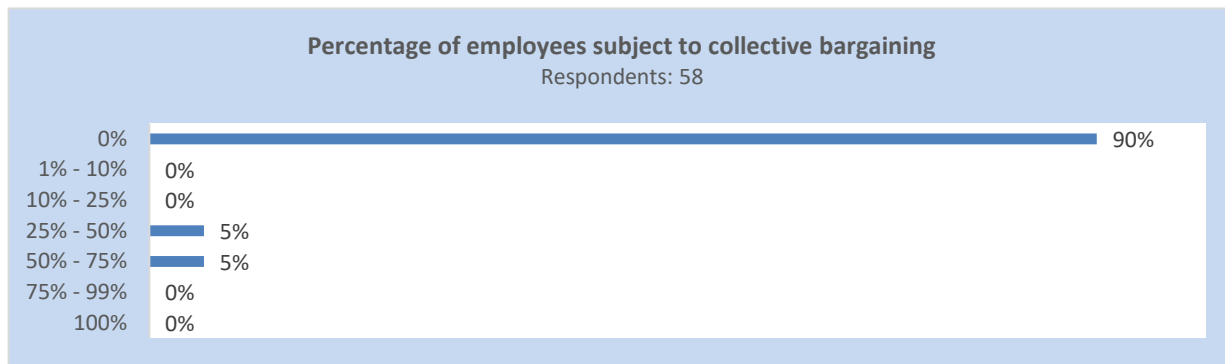
### Exhibit 1.3 | Fiscal Year



## Section 2 | EMPLOYEES

### Exhibit 2.1 | Vermont Workforce





**Exhibit 2.2 | Payroll**

**In your last fiscal year, what was the total annual payroll for all of your Vermont employees (including full and part-time employees)?**

	Average	Median
Total Annual Payroll	\$20,034,249	\$8,319,973

**Exhibit 2.3 | Salary Ranges**

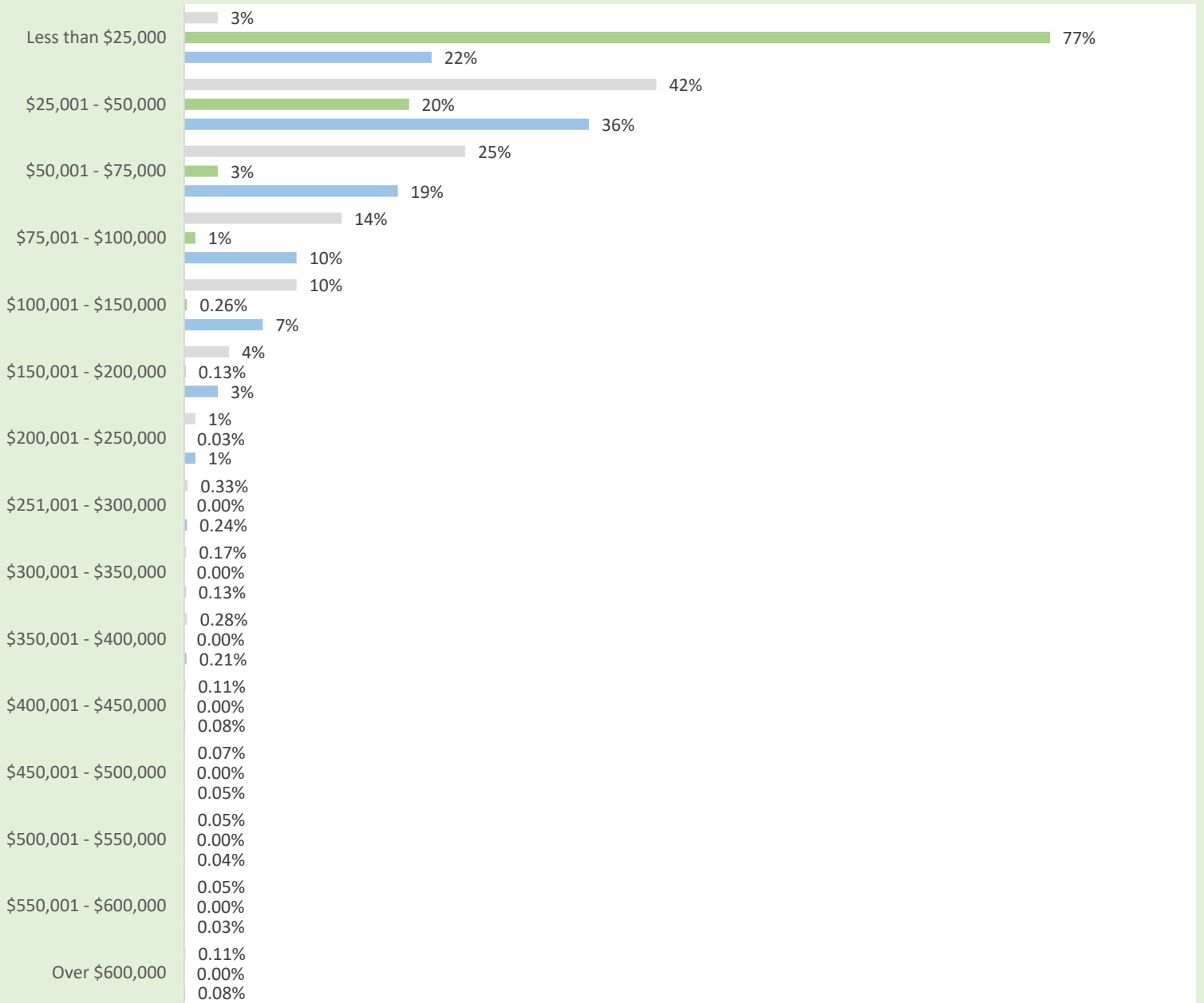
**On average, how many full-time and part-time Vermont employees fall into each of the salary ranges below.** Total Respondents: 51

	Full-Time	Part-Time	All Employees
Less than \$25,000	3%	77%	22%
\$25,001 - \$50,000	42%	20%	36%
\$50,001 - \$75,000	25%	3%	19%
\$75,001 - \$100,000	14%	1%	10%
\$100,001 - \$150,000	10%	0%	7%
\$150,001 - \$200,000	4%	0%	3%
\$200,001 - \$250,000	1%	0.03%	1%
\$251,001 - \$300,000	0.33%	0.00%	0.24%
\$300,001 - \$350,000	0.17%	0.00%	0.13%
\$350,001 - \$400,000	0.28%	0.00%	0.21%
\$400,001 - \$450,000	0.11%	0.00%	0.08%
\$450,001 - \$500,000	0.07%	0.00%	0.05%
\$500,001 - \$550,000	0.05%	0.00%	0.04%
\$550,001 - \$600,000	0.05%	0.00%	0.03%
Over \$600,000	0.11%	0.00%	0.08%

## Salary Ranges of VT Employees

Respondents:51

Full-Time Part-Time All Employees





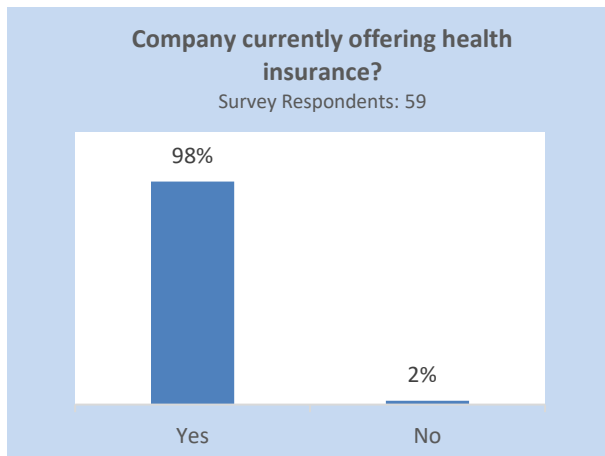
## Section 3 | HEALTH INSURANCE PLANS

### Exhibit 3.1 | Cost of Health Insurance per Employee

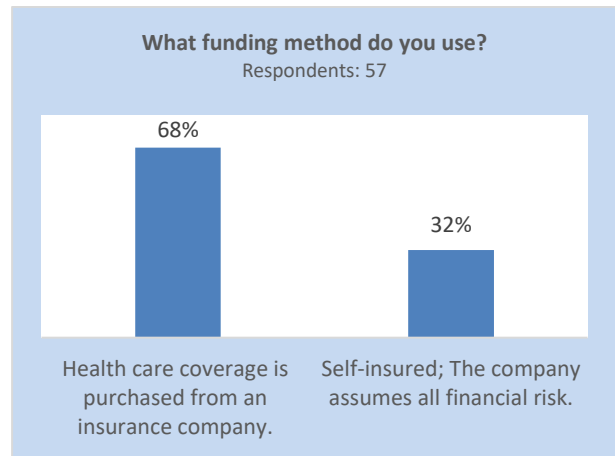
Annual Employer Cost of Health Insurance per Employee.

	Average	Median	Highest	Lowest	Total Respondents
Eligible Employees	\$8,982	\$7,945	\$27,000	\$2,108	41
Enrolled Employees	\$10,788	\$9,943	\$27,000	\$4,000	40

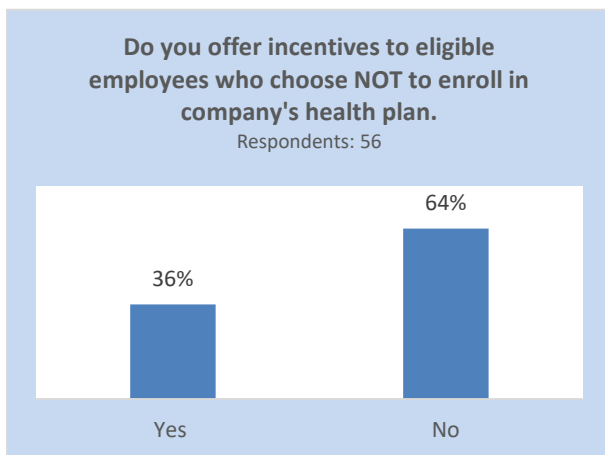
### Exhibit 3.2 | Offering Health Insurance



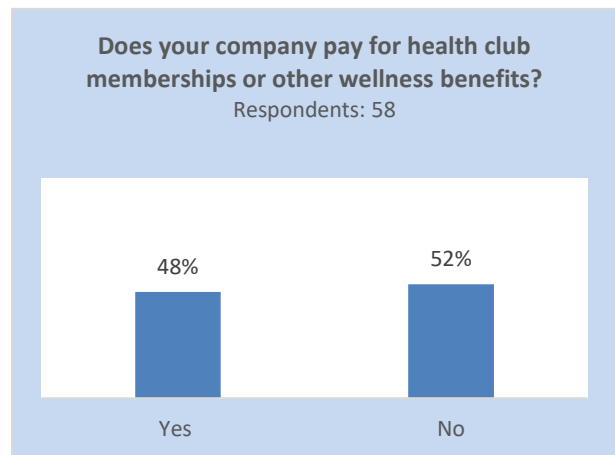
### Exhibit 3.3 | Funding Method



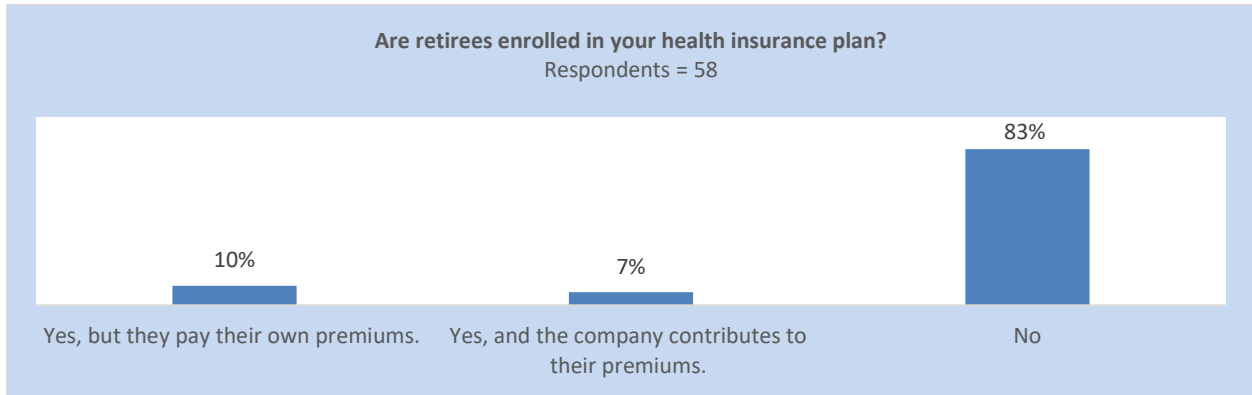
### Exhibit 3.4 | Opt-out Incentives



### Exhibit 3.5 | Wellness Funding



**Exhibit 3.6 | Retiree Coverage**



**Exhibit 3.7 | Health Insurance as a Percentage of Payroll**

**Employer health insurance expense expressed as a percentage of total payroll.** Respondents: 35

	Average	Median	Highest	Lowest
Percentage of Total Payroll	12%	11%	29%	4%

**Employee health insurance expense expressed as a percentage of total payroll.** Respondents: 34

	Average	Median	Highest	Lowest
Total Annual Payroll	3%	3%	10%	0%

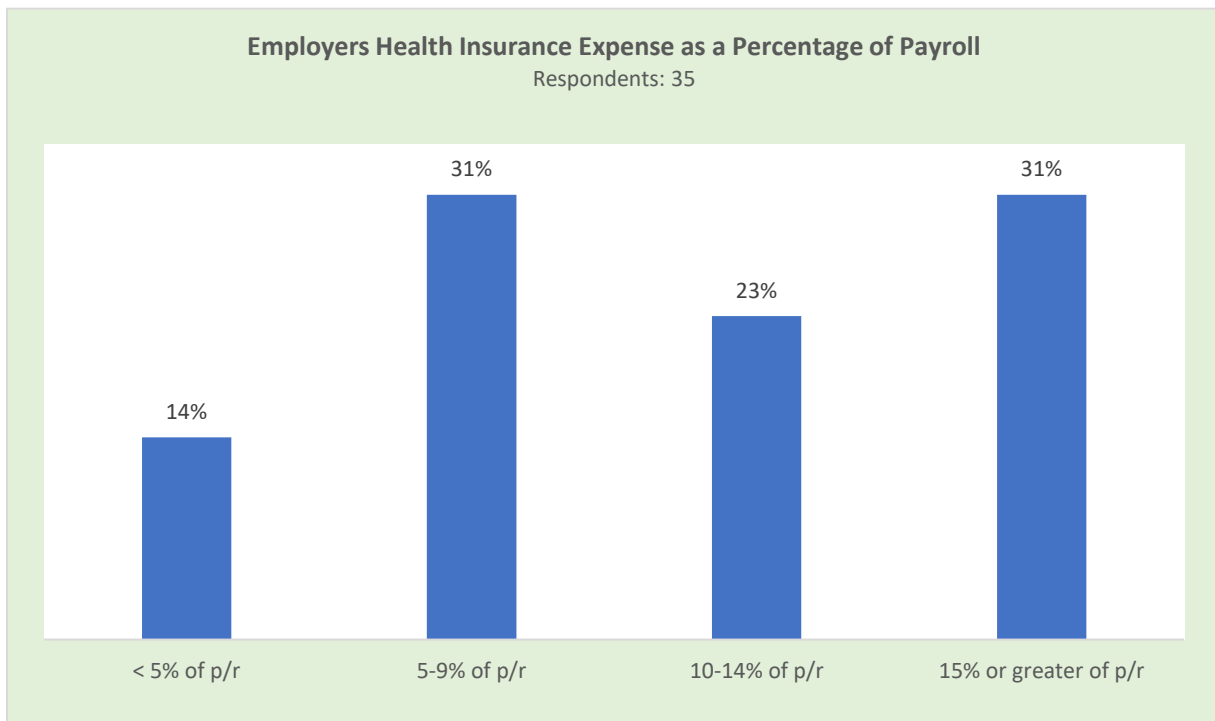


Exhibit 3.8 | Health Insurance Cost by Company Size (Percentage of Payroll)

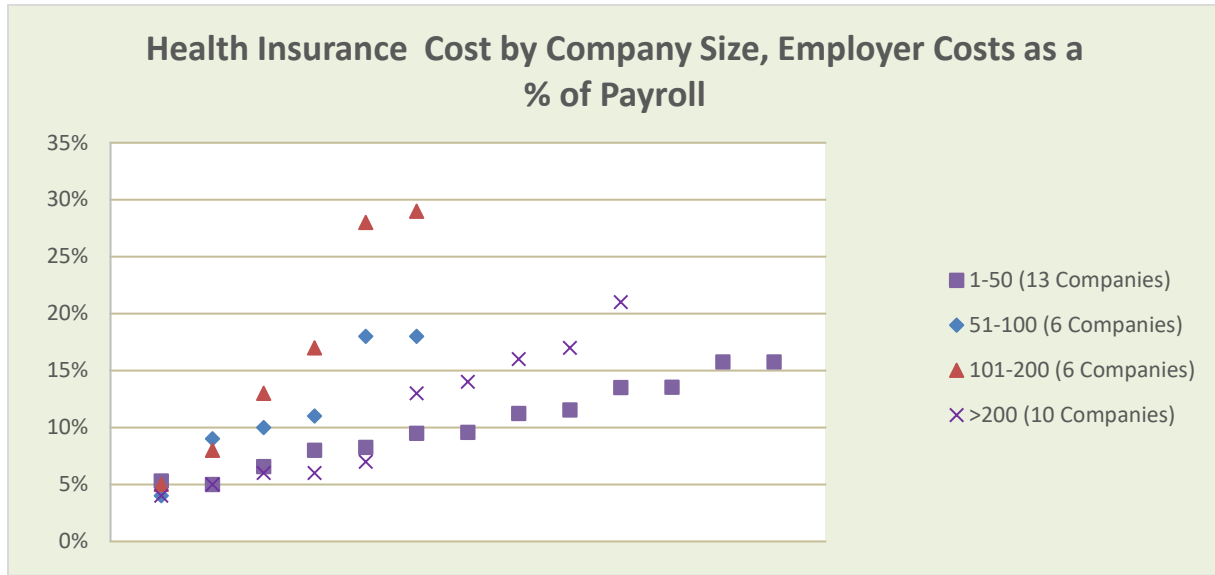


Exhibit 3.9 | Health Insurance Rates

**Total Monthly Health Insurance Rates**

	Average	Median	Highest	Lowest	Plans Represented
Single	\$701	\$717	\$1,071	\$429	37
Two Person	\$1,416	\$1,435	\$2,422	\$833	36
Family	\$1,941	\$2,013	\$2,644	\$1,205	37

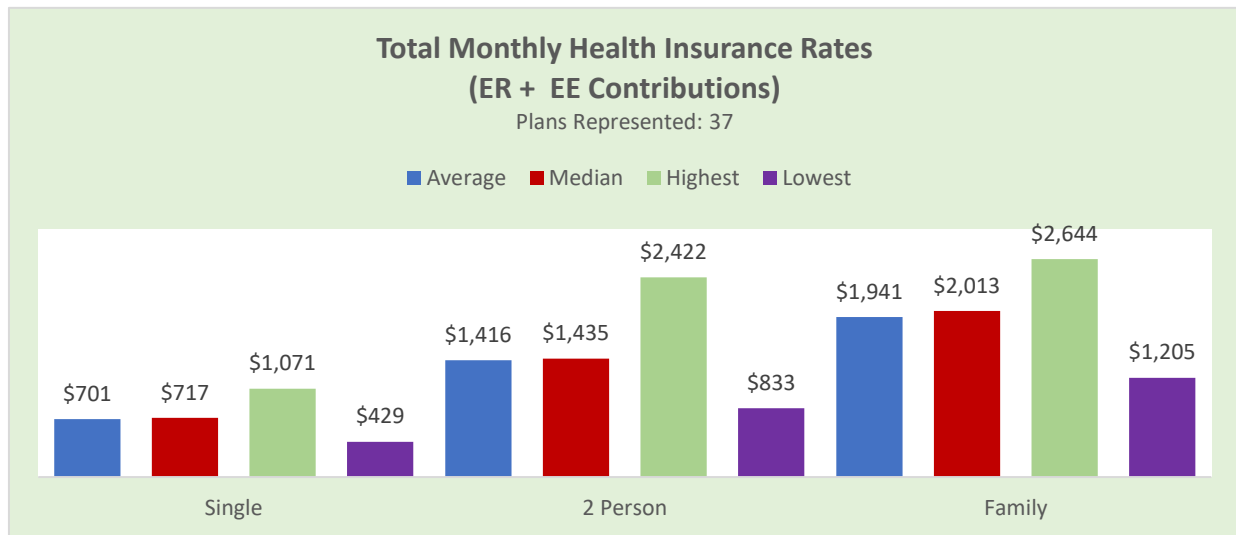


Exhibit 3.10 | Employee Contributions to Health Insurance

Monthly Employee Contributions to Health Insurance

	Average	Median	Highest	Lowest	Respondents
Single	\$160	\$150	\$535	\$41	35
Two Person	\$402	\$357	\$1,211	\$119	34
Family	\$563	\$491	\$1,511	\$168	35

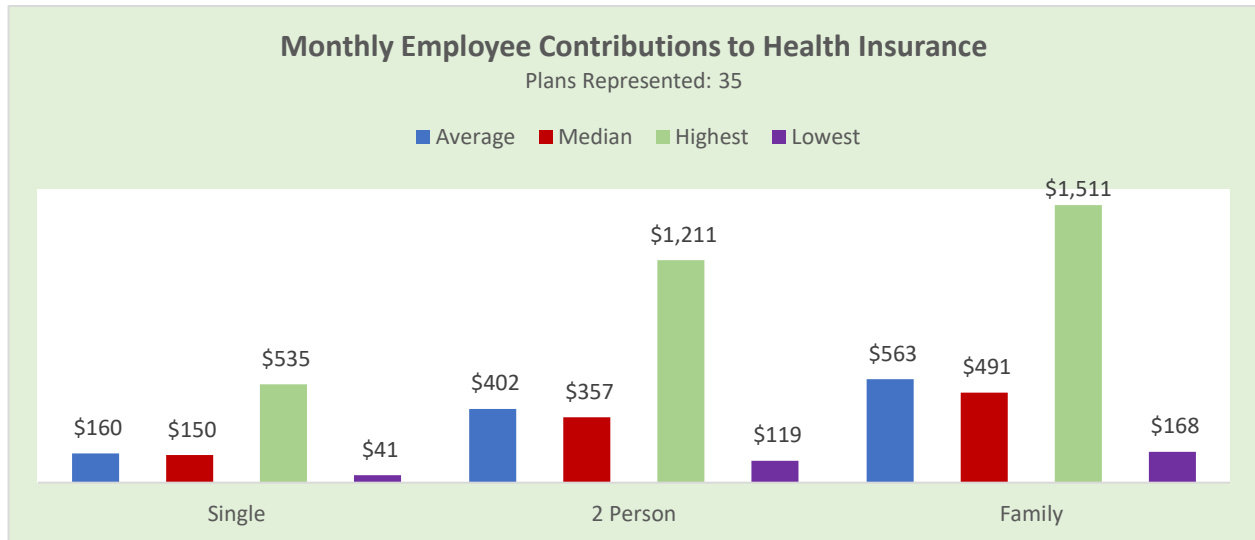
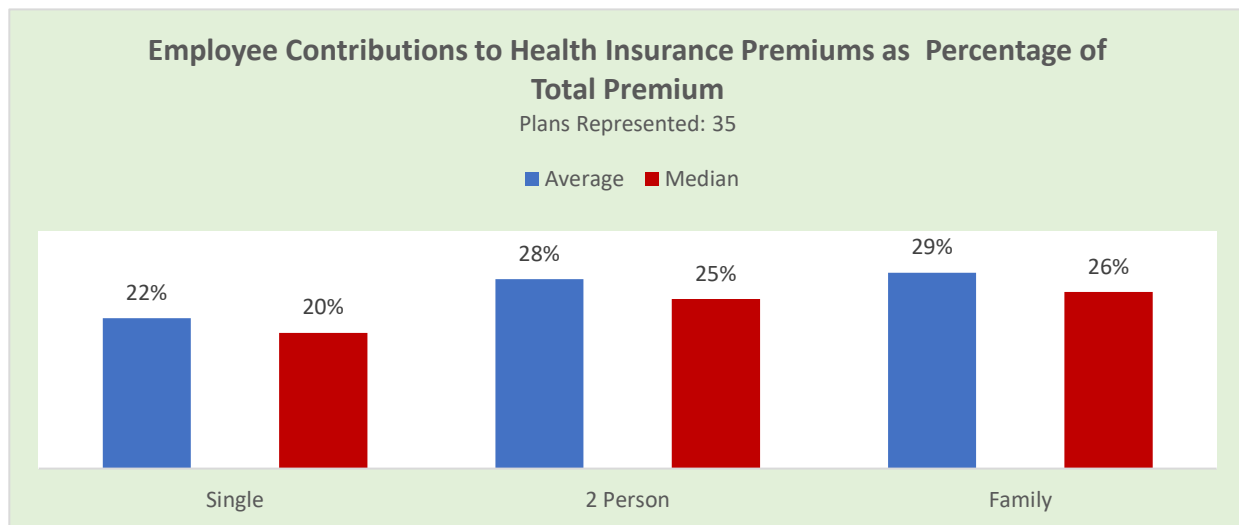


Exhibit 3.11 | Employee Health Insurance Contributions – Percentage Basis

Monthly Employee Contributions as a Percentage of Total Health Insurance Premiums

	Average	Median	Highest	Lowest	Respondents
Single	22%	20%	50%	5%	35
Two Person	28%	25%	60%	9%	34
Family	29%	26%	72%	9%	35



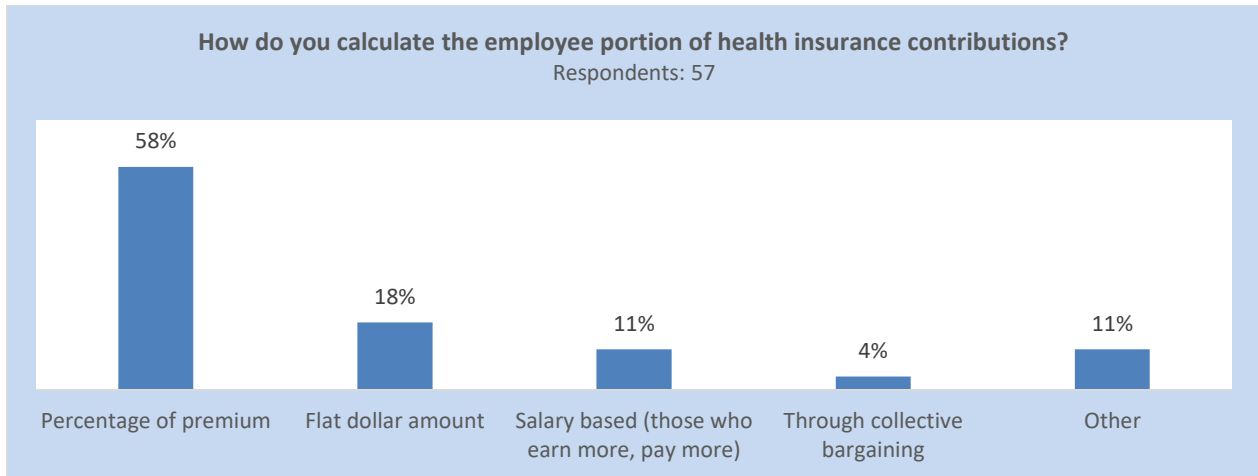


Exhibit 3.12 | Plan Design

### Health Insurance Plan Design Elements

	Single Deductible	Coinsurance	PCP Copay	Generic RX Copay	Single Out of Pocket Maximum	Single Annual HSA Contribution
Average	\$1,816	16%	\$17	\$9	\$3,696	\$1,480
Median	\$1,500	20%	\$20	\$10	\$3,000	\$1,250
Highest	\$13,100	50%	\$40	\$25	\$8,000	\$2,626
Lowest	\$0	0%	\$0	\$0	\$300	\$750
Respondents	76	63	56	54	72	15

Notes:

1. All plan designs are combined in the chart above and it needs to be noted that High Deductible Health Plans (HDHPs) have different characteristics than traditional plans, e.g. no coinsurance, copays, etc.
2. Actual deductible and out of pocket maximums for employees may be less than what is shown due to employer contributions to employee Health Savings Accounts (HSAs) or Health Reimbursement Accounts.
3. There were a number of plans that indicated that co-insurance applied to copays and generic prescriptions. Coinsurance ranged from 10% to 50%.

Exhibit 3.13 | Opt-out Incentive Expenditure

**In your last fiscal year, what was your company's total annual expenditure for incentives for Vermont employees NOT enrolled in your health insurance plans?**

INCENTIVE	Average	Median	Highest	Lowest	Respondents
Annual Expenditure	\$39,789	\$21,000	\$275,000	\$1,375	17

Note: 28 respondents indicated they did not have an incentive expenditure.

Exhibit 3.14 | Wellness Expenditure

In your last complete fiscal year, what was your company's total annual expenditure for wellness programs for Vermont employees?

WELLNESS	Average	Median	Highest	Lowest	Respondents
Annual Expenditure	\$57,157	\$23,000	\$200,000	\$600	25

Exhibit 3.15 | Retiree Health Insurance Expenditure

In your last complete fiscal year, what was your company's total annual expenditure for retiree health insurance?

RETIREE COSTS	Average	Median	Highest	Lowest	Respondents
Annual Expenditure	\$278,648	\$29,198	\$1,103,800	\$3,300	7

Note: 36 respondents indicated they did not have a retiree expenditure.

Exhibit 3.16 | Do you offer supplemental health options?

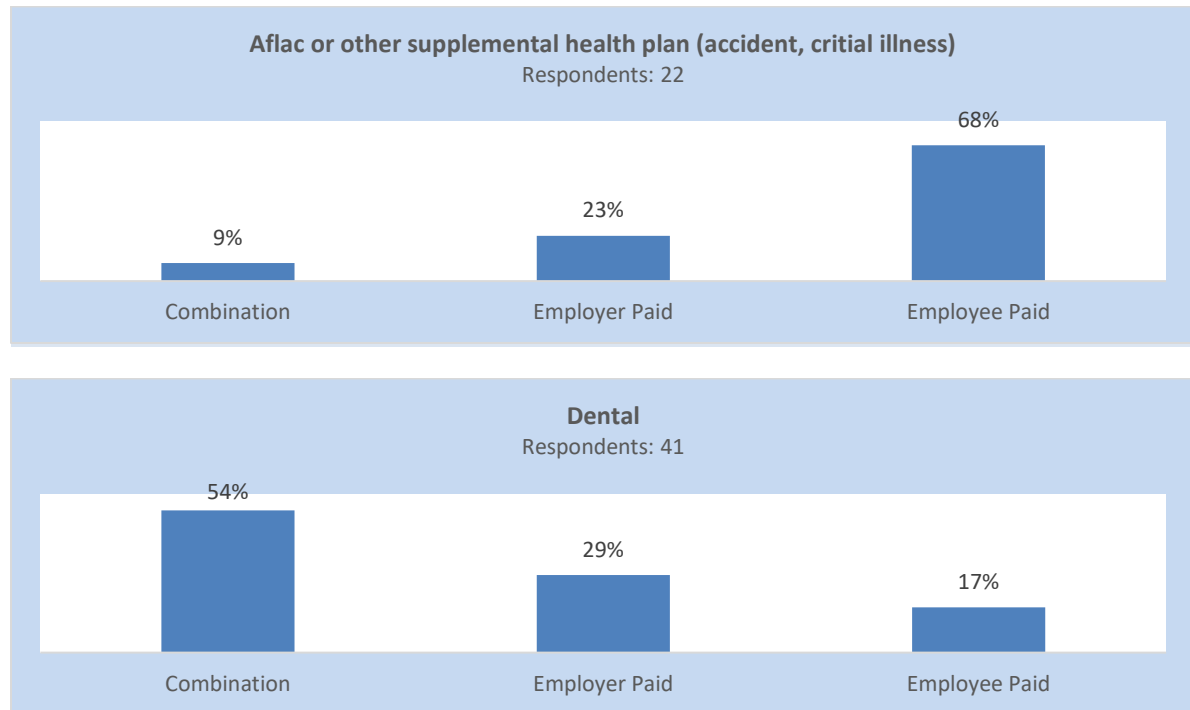
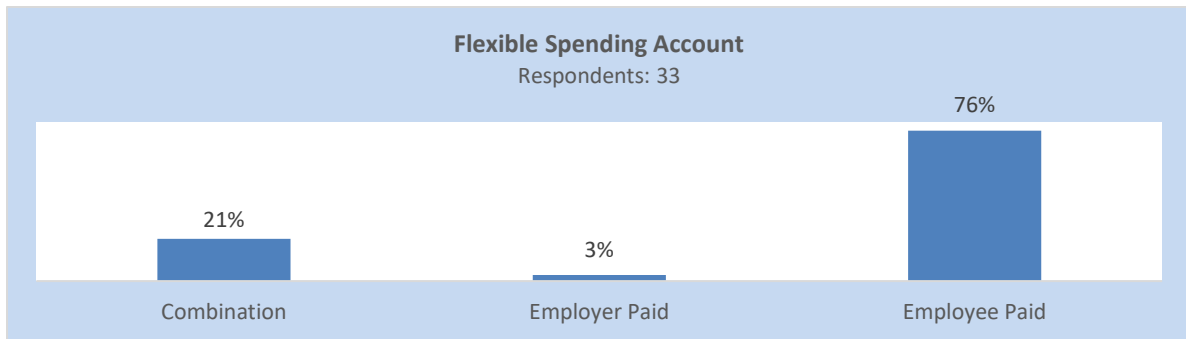
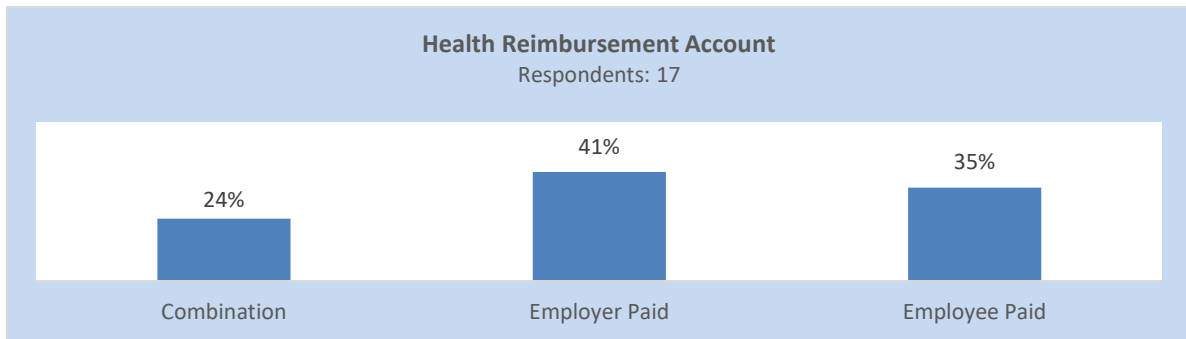
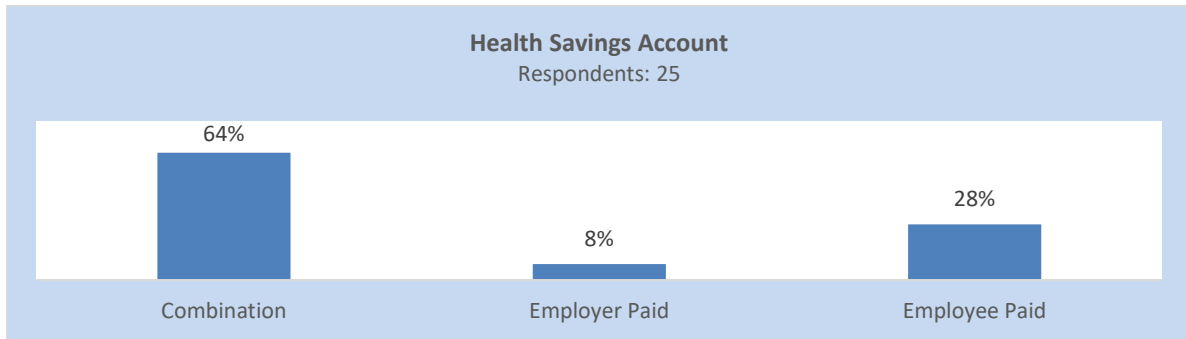
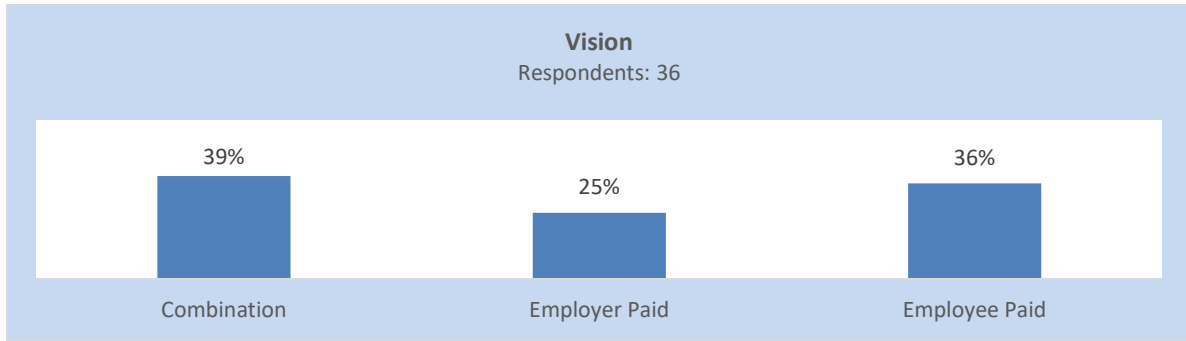


Exhibit 3.16 | Do you offer supplement health options? (Cont'd)



## Section 4 | OPINIONS AND PERSPECTIVES

### Exhibit 4.1 | Changes to Health Benefits for Employees

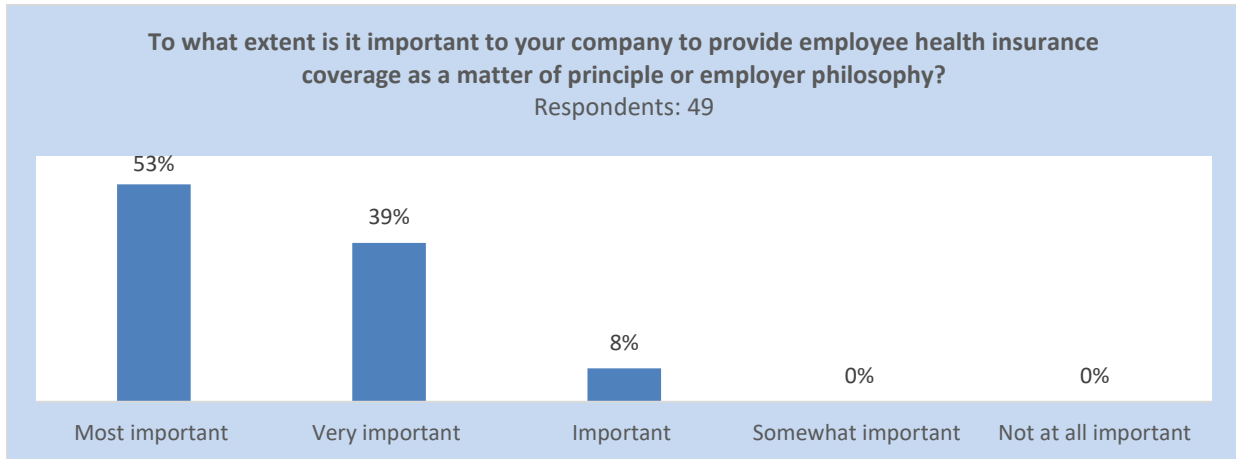
**Please indicate changes you have made in the last 3 years or are likely to make in the next 3 years with regard to health benefits for your employees.**

*Note: Data indicate number of employer responses to each question.*

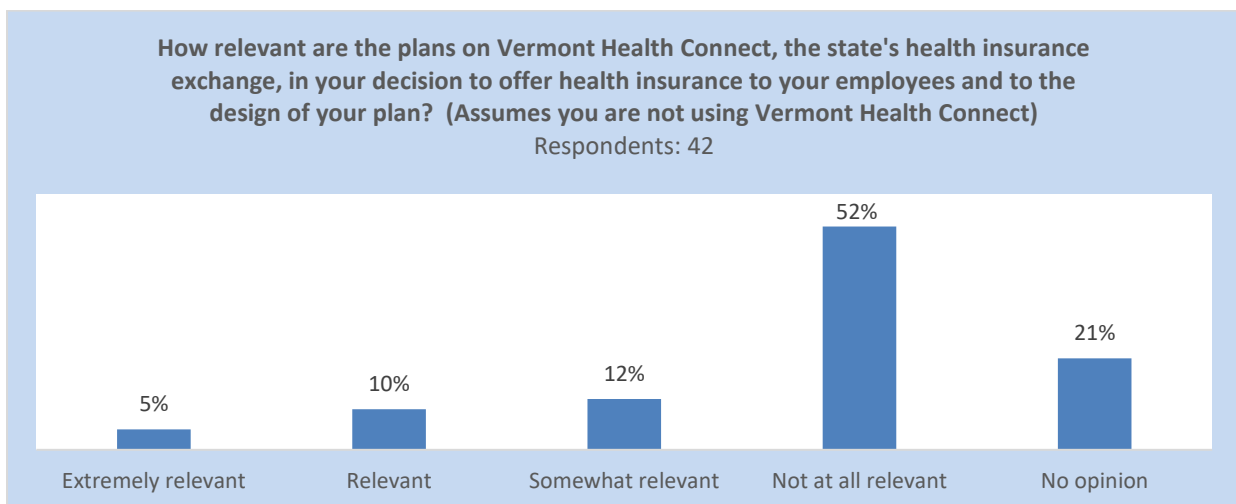
	Past 3 Years	Next 3 Years
Addition of medical coverage for the first time	2	0
Elimination of all medical coverage	0	0
Elimination of retiree medical coverage	2	1
Change of health insurance carriers	10	9
Addition of health insurance for employee family members	0	0
Elimination of health insurance for employee family members	1	2
Addition of consumer directed health plans	2	6
More medical plan options	11	11
Fewer medical plan options	3	4
Increase in employer's share of premiums	12	11
Decrease in employer's share of premiums	6	9
Increase in deductibles, co-payments, or co-insurance	12	12
Decrease in deductibles, co-payments, or co-insurance	2	2
Coverage for part-time employees	0	2
Coverage for seasonal employees	0	0
Elimination of coverage for part-time employees	1	1
Elimination of coverage for seasonal employees	0	0
Addition of wellness programs	10	15
Elimination of wellness programs	1	1
Relocation of employees out of state	2	2
Relocation of employees to Vermont	2	2
Other (Please use comment section for details)	0	1



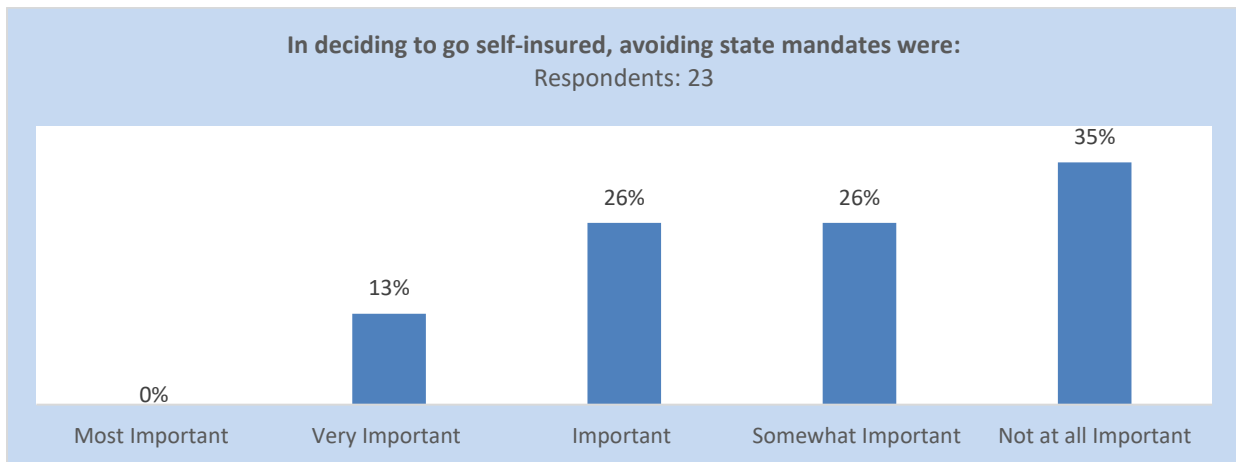
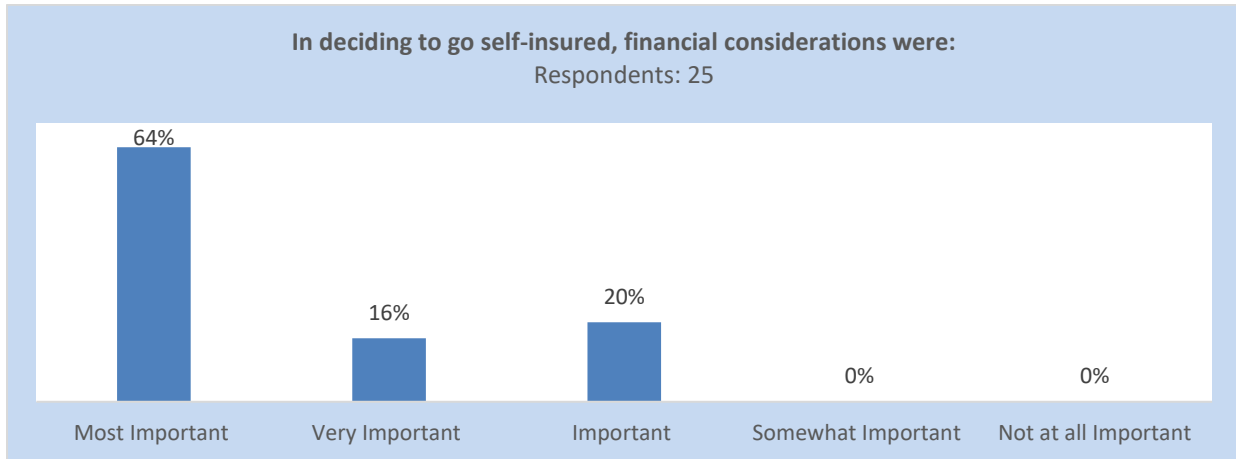
### Exhibit 4.2 | Health Insurance as a Principle



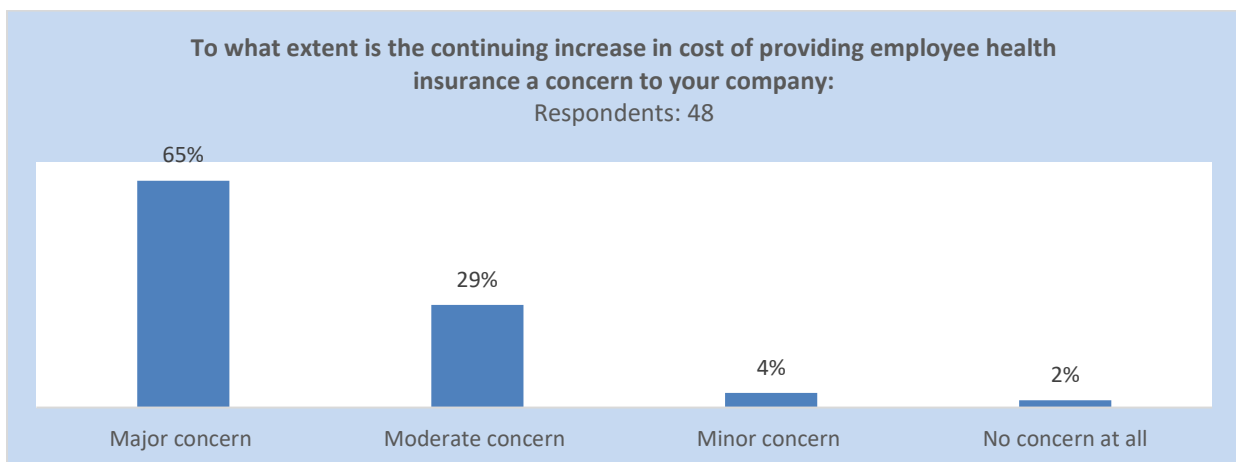
### Exhibit 4.3 | Importance of Health Insurance



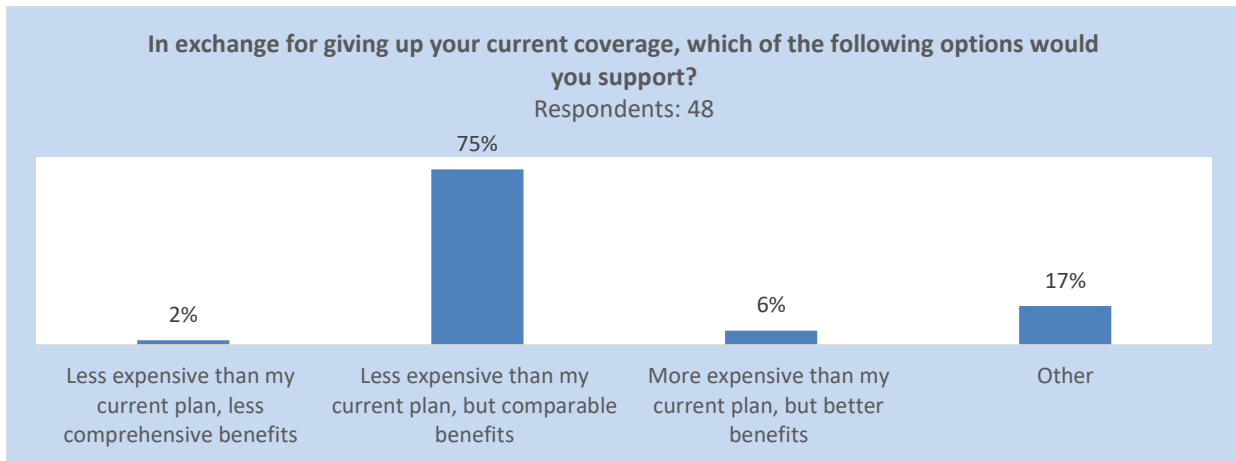
#### Exhibit 4.4 | Self-Insurance Decision Making



#### Exhibit 4.5 | Health Insurance Costs as a Concern



**Exhibit 4.6 | Giving Up Health Insurance Coverage in Exchange for...**



**Exhibit 4.7 | Locating Employees Based on VT Health Care Reform**

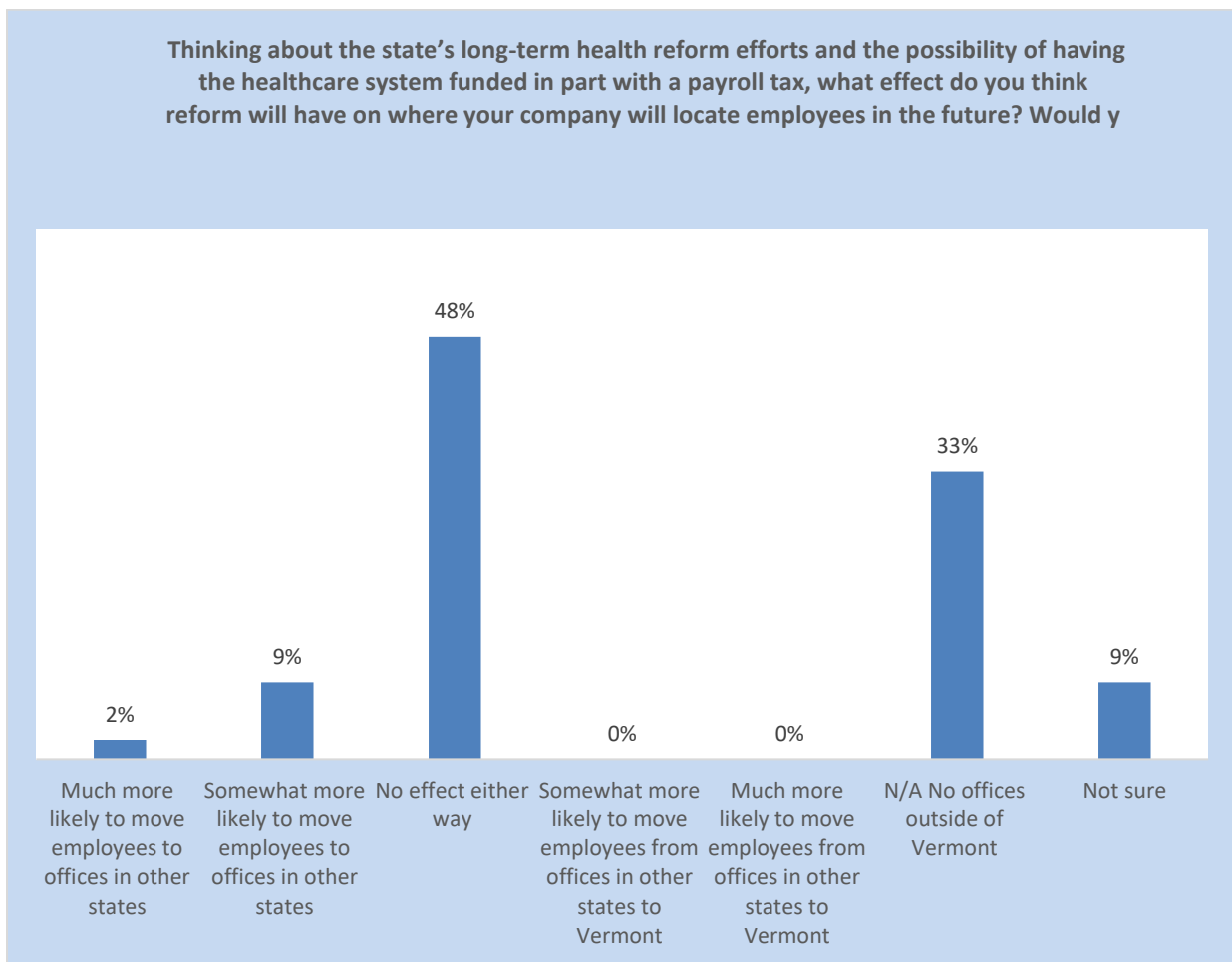


Exhibit 4.8 | Rate Increases

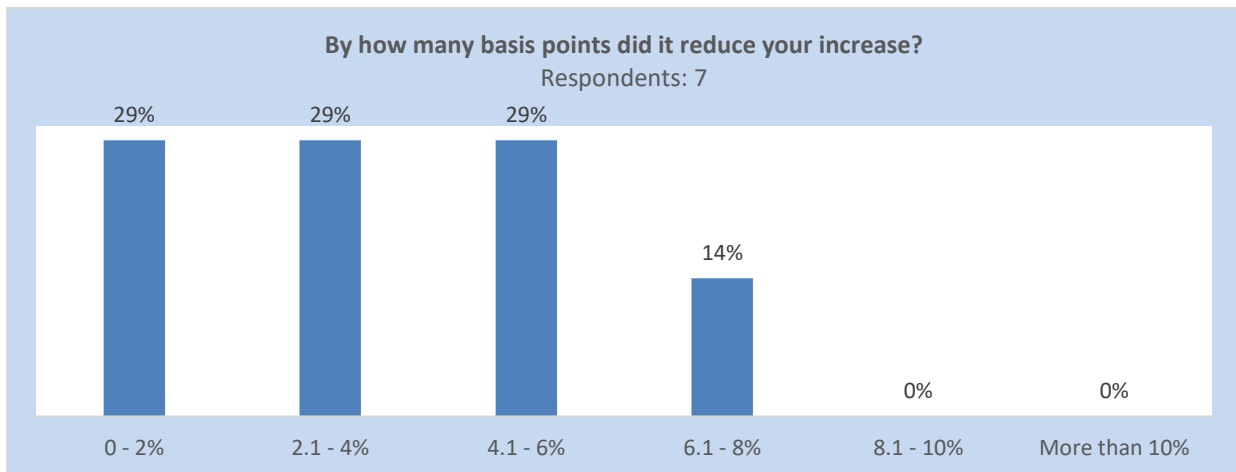
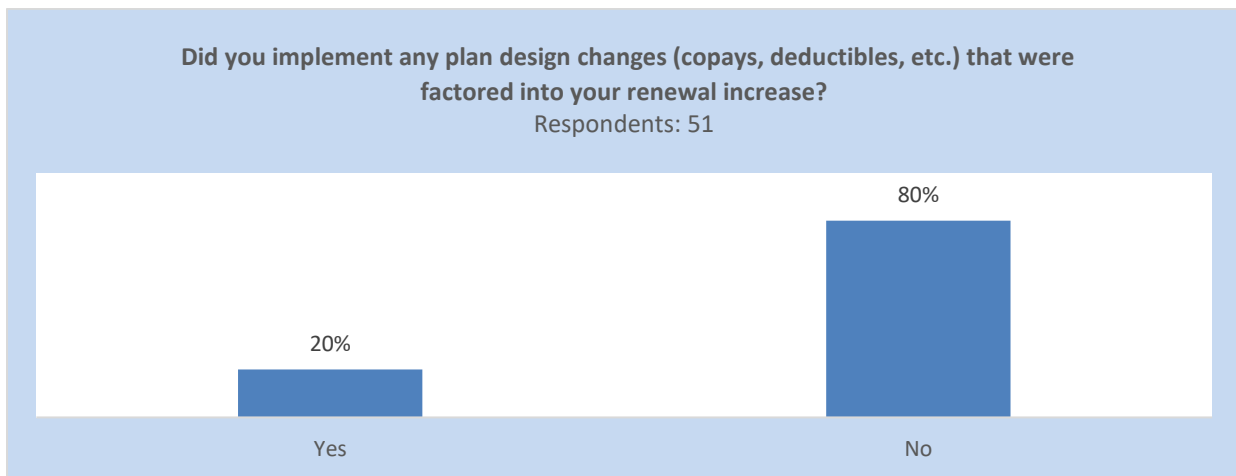
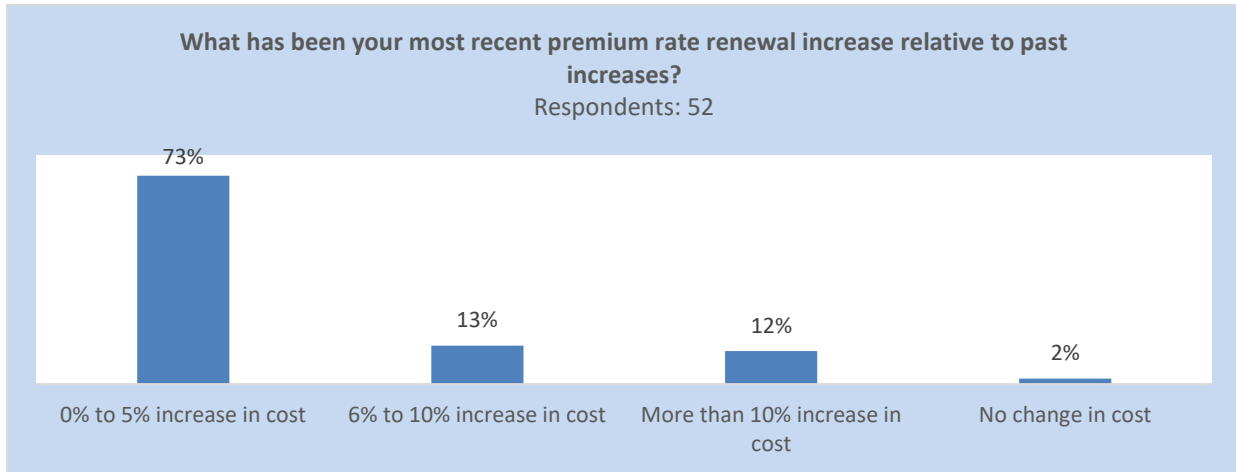


Exhibit 4.9 | All Payer Waiver

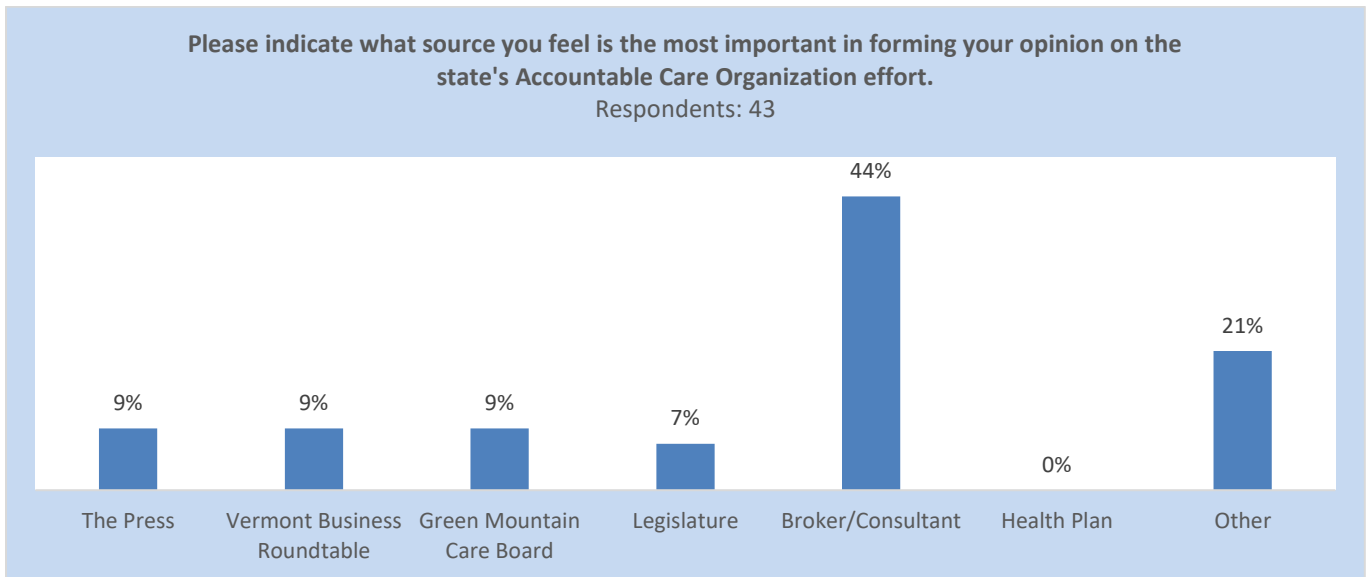
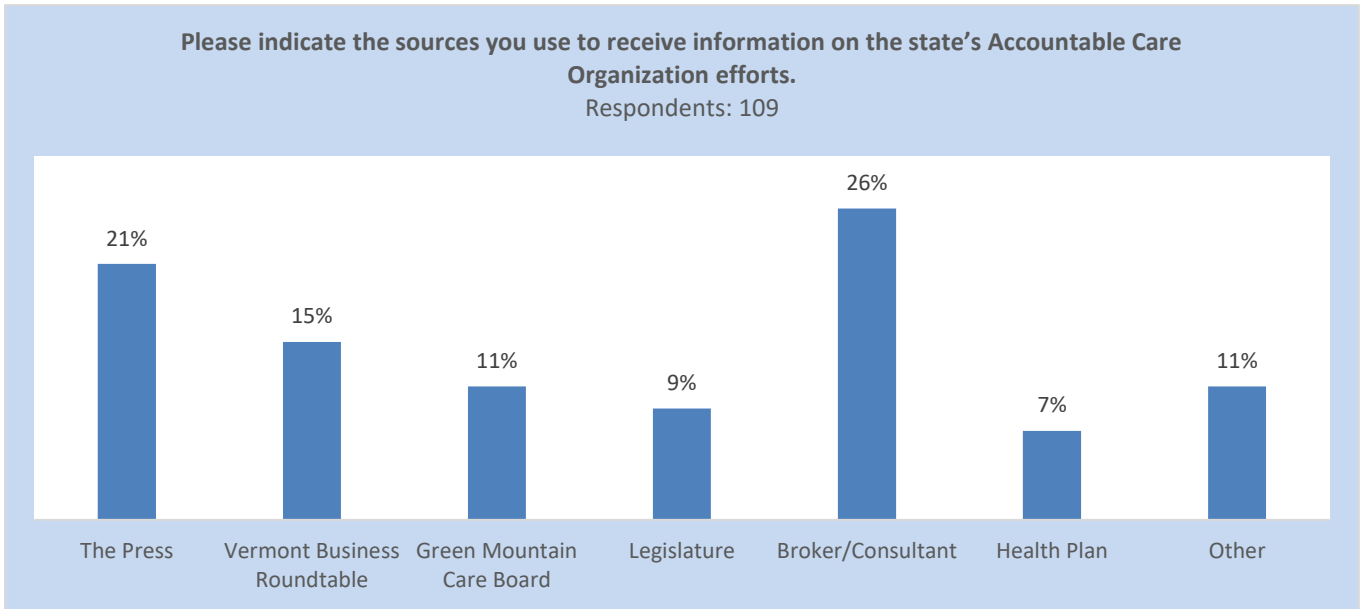
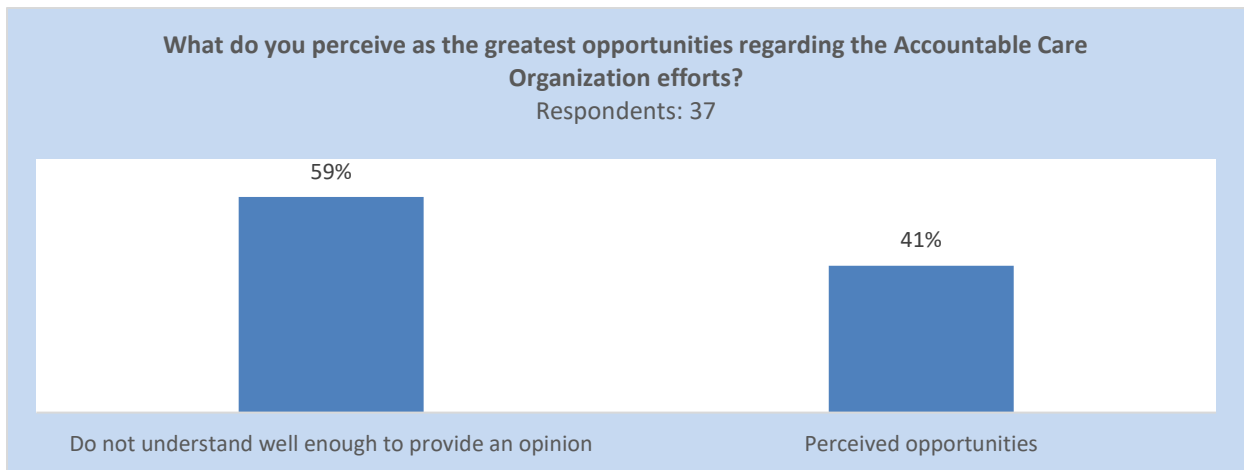
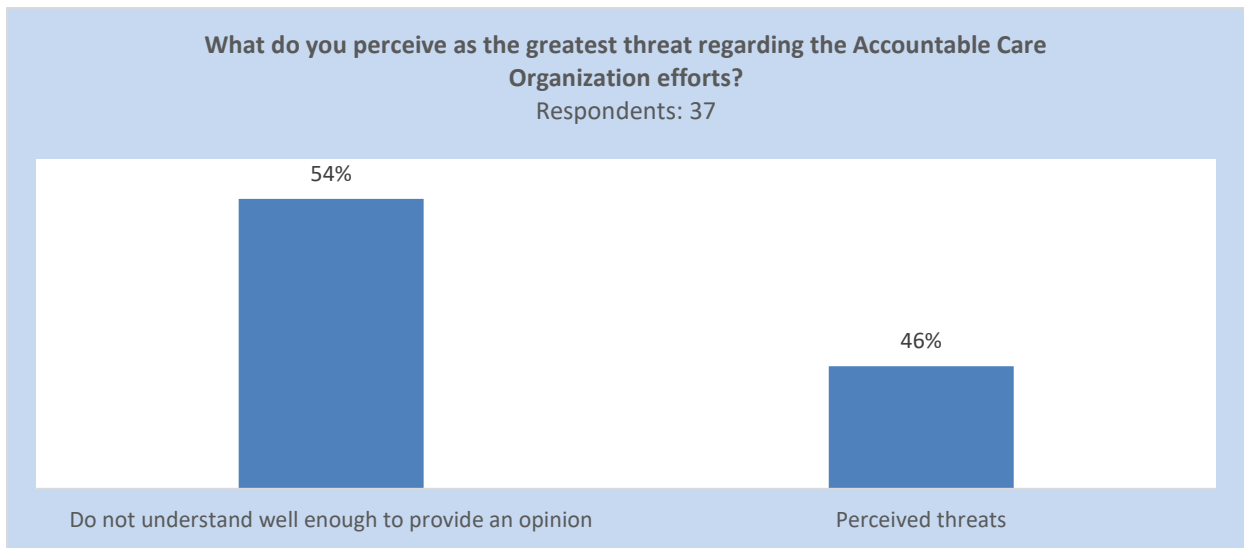
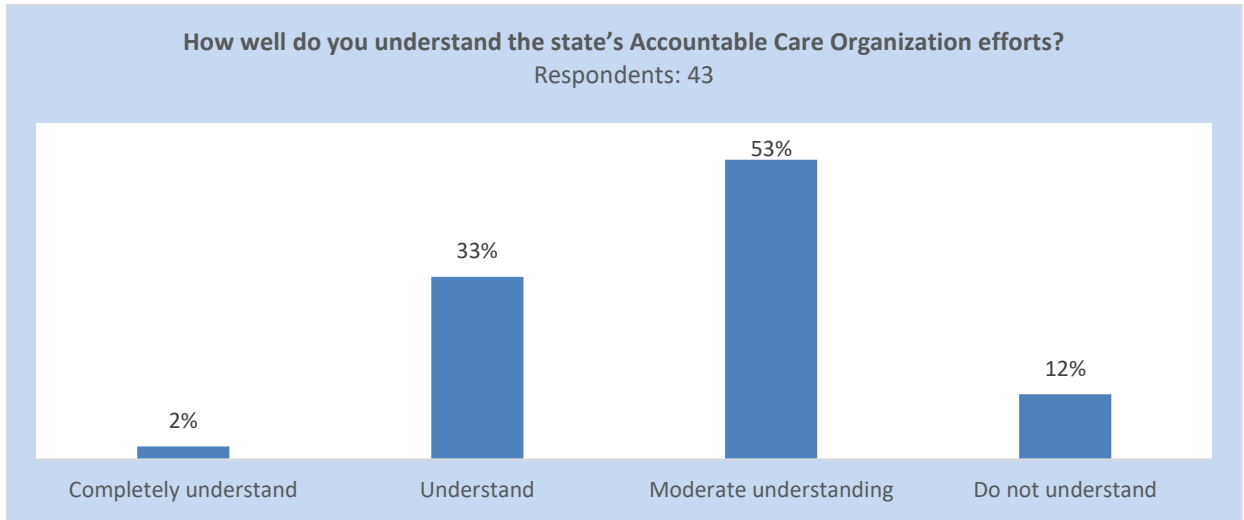


Exhibit 4.9 | All Payer Waiver (Cont'd)



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Exhibit 4.9 | **Perceived threats regarding the proposed All Payer Waiver - COMMENTS**

- Have not considered threats at this time.
- rising hospitalization costs
- "small population with too many plans. unhealthy population. Legal marijuana "
- Cost and loss of qualified Physicians
- The greatest threat to the ACO's efforts is it's own structure and approach. There is a lack of transparency and a burgeoning belief that it is only another expenditure for a layer of bureaucracy.
- Vermont's small population and lack of competition
- Participation by all providers, and patience of the legislature/government
- lack of full participation among providers and patience of governing bodies.
- The political climate as well as a constant change in political agenda
- Ever-changing federal regulatory landscape
- Difficulties implementing
- Management skills lacking. May be well intentioned but lacking necessary skills for this complex undertaking's success.
- Losing providers during the transition
- Too much consolidated power in one private entity
- Educating providers and other organizations involved with addressing and controlling population health to the level of a full understanding of how all of them interact to provide appropriate care
- people will not change unhealthy behaviors.

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Exhibit 4.9 | **Perceived opportunities regarding the Accountable Care Organization - COMMENTS**

- Have not considered opportunities at this time.
- The all payer model has tremendous potential to improve care and reduce costs of the long term.
- Affordable coverage for those not eligible under an employer or self-insured.
- The greatest opportunities are to draw providers and facilities into a state-wide discussion on what is quality and what are good outcomes for Vermonters.
- Cost savings
- overall better community health
- overall population health awareness
- provides communication and clarify among the various parties which can only help to strengthen the overall health insurance coverage in Vermont
- Coordinated care, focus on providing the right care in the right venue, reduction in adm overhead (when fully implemented), etc.
- lower costs
- Reducing employer's time dedicated to management of health care programs
- Contained health care costs and healthier population
- Given performance to date not clear but the hypothetical potential to moderate the healthcare costs trend
- There is a lot of ground to cover; but, eventually, an ACO should improve population health while controlling health care costs.
- hospital consolidation will occur for overhead savings, coordination and improved outcomes.



Exhibit 4.10 | State-wide Pool Impact

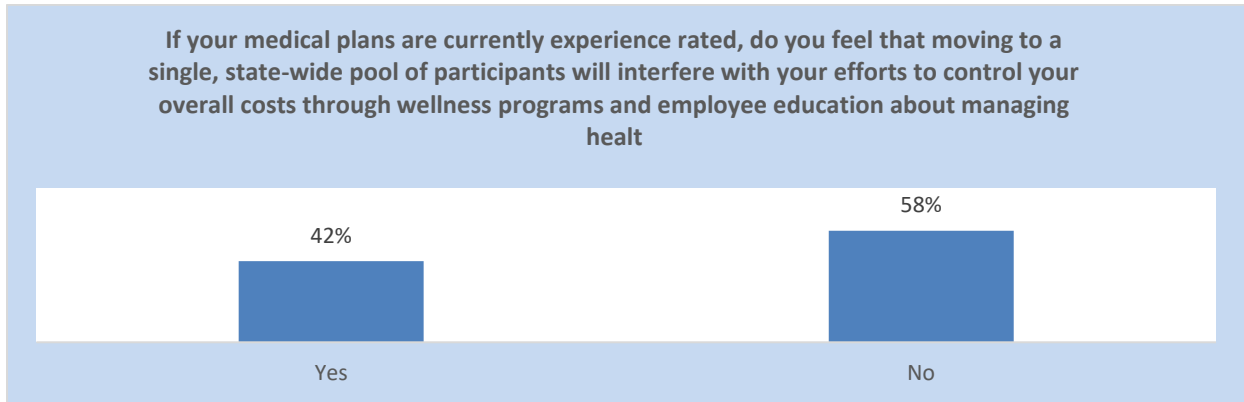


Exhibit 4.11 | High Deductible / Wellness / Employee Education Savings Impact

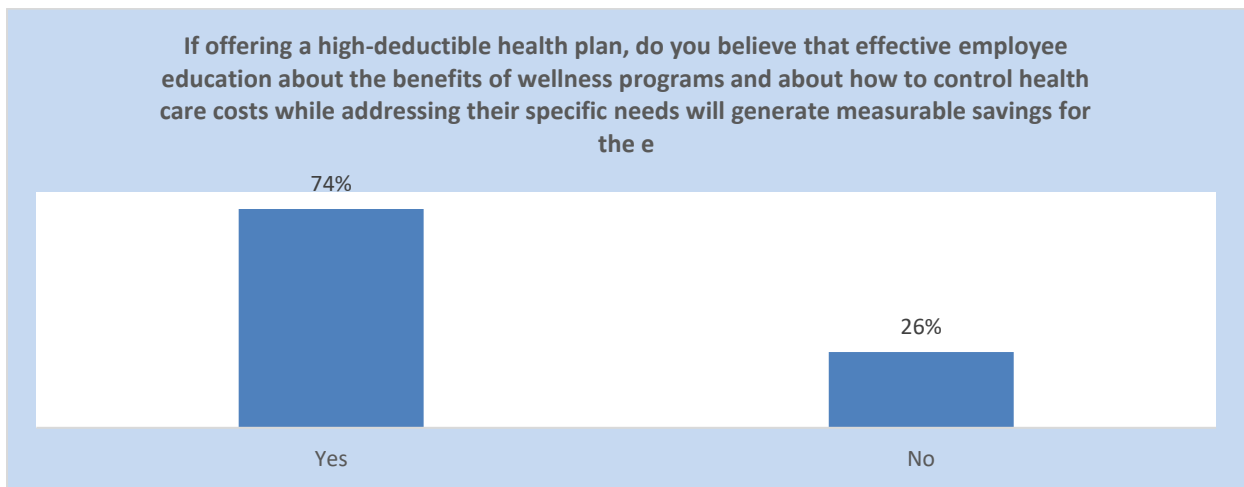


Exhibit 4.12 | Satisfaction with Healthcare Reform

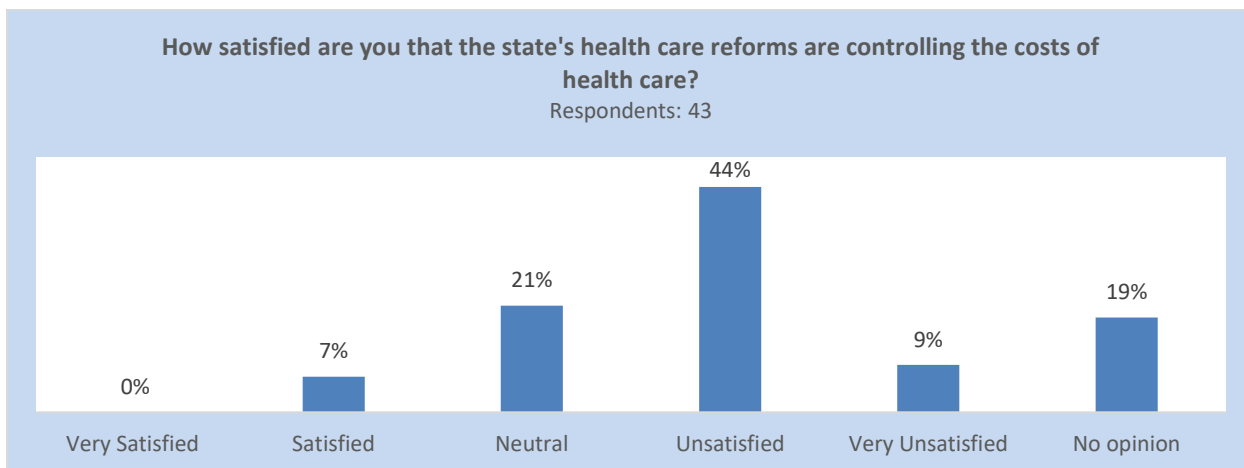


Exhibit 4.12 | Satisfaction with Healthcare Reform (Cont'd)

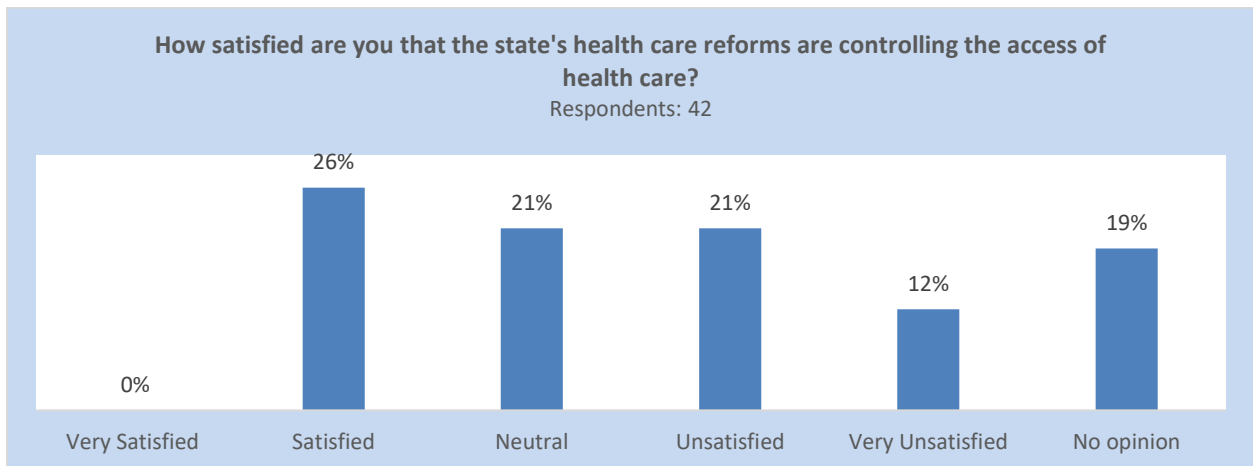
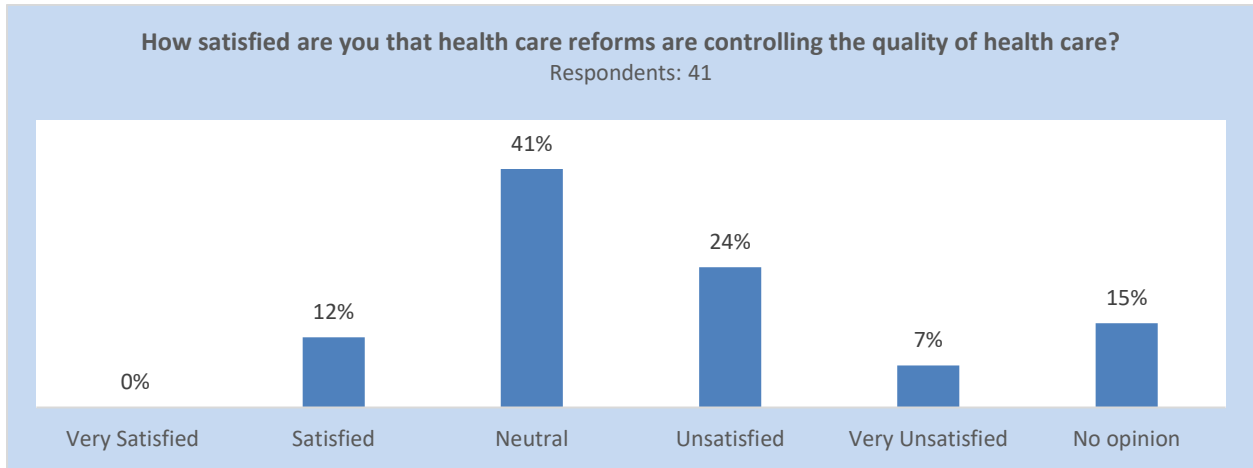
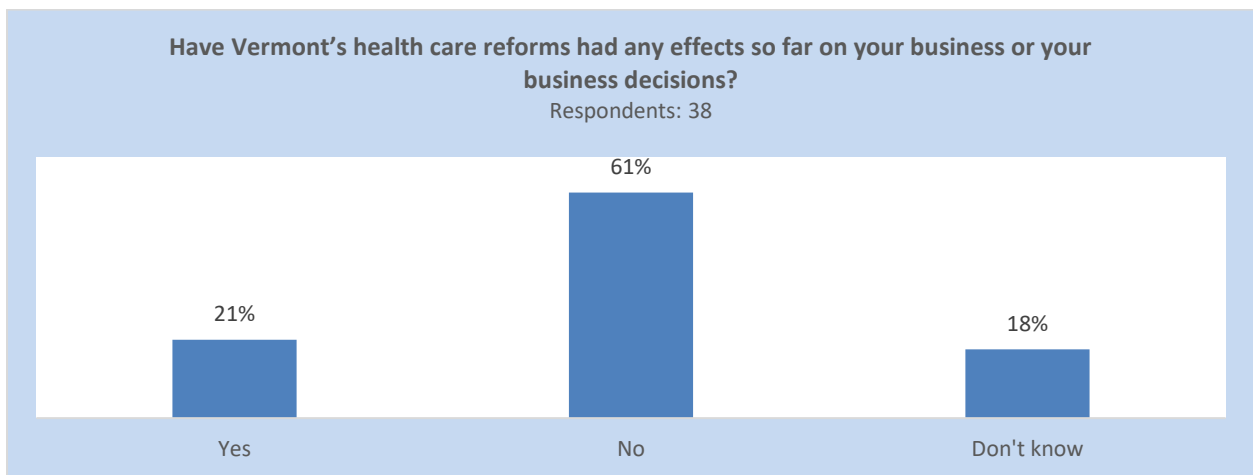


Exhibit 4.13 | Effect of VT Healthcare Reform on Business and Decisions



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Exhibit 4.13 | **Effect of VT Healthcare Reform on Business and Decisions - COMMENTS**

- limited number of providers
- The shifts have raised concerns
- negative
- similar concerns as with other business costs
- Higher premiums
- Negative. Health insurance costs are so high that we cannot grow and hire as many people as we'd like to. A family plan tacks on \$20K in extra cost for our firm.
- We currently enjoy our grandfathered plan. Unfortunately, we cannot make any changes without losing that status. If we lost the status, we would be required to purchase coverage through the exchange. Which currently costs more than our plan and is not comparable to our benefit.
- Very expensive and high out of pockets for employees lead to strategic business decisions for cost savings and making sure we are competitive in the market
- limited number of providers
- The shifts have raised concerns
- negative
- similar concerns as with other business costs
- Higher premiums

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## ADDITIONAL OPEN-ENDED QUESTIONS AND RESPONSES

### Question 4.1 | Risks Associated with VT Healthcare Reform

**What would you identify as the greatest risk (and greatest benefit) associated with the state's healthcare reform initiatives?**

- short term thinking....lack of legislative expertise...not large enough population to achieve scale.
- Costs at medical facilities are not being controlled, so insurance costs rise much faster than inflation.
- Cost competitiveness with neighboring states
- The greatest risk is the constant uncertainty impacting business planning.
- Keeping businesses from coming to Vermont. Encouraging people to leave Vermont
- Raising cost for those currently insured
- Another layer of expensive bureaucracy with little impact on costs and further limitations on options
- Opportunity for Vermont to establish itself as innovative leader in health and wellness
- Bureaucratic overreach leading to less quality health care
- Huge risk of failure because of complexity and change management
- more bureaucracy and paperwork
- Risk: Ever-changing federal regulatory environment. Benefit: Potential to lead the country on providing value based health care for all
- Not having enough participating employers/individuals in the same pool to help drive down costs and increase insurance coverage for people of Vermont
- We are so small as a State, and so dependent on Fed policy, may make us more vulnerable
- The Green Mountain Care board - greatest risk
- Greatest risk is increased expense. Greatest benefit would be control of cost increases.

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## Question 4.2 | Concerns with VT Healthcare Reform

### What is your greatest concern in connection with healthcare reform in Vermont?

- Rudderless....exceptionalism....too small a population to drive change...merge with neighboring states for scale.
- Again, costs are not controlled. Quality of medical care seems to be declining.
- Excessive cost....to small a pool of residents to take on the risk
- Vermont is a small state and while that makes it seem ideal to be an "incubator" for idea it also means there is very limited scale to spread or adjust the costs associated with health care.
- Higher cost to the company, less services to our employees
- Ability to sustain, cost and qualified Physician's
- Absence of true arms length oversight
- Access, quality and cost
- The expense and accessibility.
- Potential for failure
- lots of work for little impact
- aging population and unhealthy underinsured causing the rates to continue to climb and the limited and ever decreasing access to good providers in the area.
- That we make it unappealing for our medical professionals and for new businesses to come to VT.
- Continuing to attract people to live and work in VT. Provide affordable health care with livable wages.
- The makeup of the care board.
- We are so small as a State, and so dependent on Fed policy, may make us more vulnerable
- Aging population, number of people moving out of the state
- We have rapidly rising costs for those who are insured and the cost of the options on the exchange makes it very difficult for young people to afford Vermont.
- Lack of insurers willing to do business in VT
- Political climate

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## Section 5 | GENERAL COMMENTS

### Question 5.1 | Thoughts on VBR Healthcare Policy Agenda

**What other thoughts do you have that the Roundtable needs to consider when developing its healthcare policy agenda?**

- Hospital consolidation allegedly increases the total cost of health care delivery in urban areas. What will this mean in a rural state like Vermont?
- Vermont talks about recruiting businesses, recruiting employees, keeping our youth in the state etc... An area that is making these initiatives even more difficult is childcare. Licensing requirements made for a tremendous shortage and there are no benefits to those caring for our future. I think we should consider offering health insurance to our child care providers through the licensing program at a subsidized rate. Paying the full premiums of the health connect are not feasible.
- How many doctors are in this state today relative to before health care reform? Are doctors leaving the state? Do we have enough providers to adequately treat our aging population?
- It will be important to understand how the results from this survey correlate with similar surveys from other or different segments of the employer universe