

THE HEALTH CARE REFORM SURVEY

2011-2012

Willis

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HEALTH CARE REFORM SURVEY OVERVIEW

OBJECTIVES

Employers have been coming to terms with the compliance mandates under Health Care Reform (the Patient Protection and Affordable Care Act) over the last year or so. Early in the process they generally scrambled to implement new rules promulgated with short time horizons without giving much thought to the impact of those changes. However, as time passed, employers have considered the impact of those changes and the expected future changes that Health Care Reform will require.

Willis, in our role as an adviser to the human capital and employee benefits industry, sought input from employers regarding the impact of Health Care Reform on employer group medical plans and what the impact will be as Health Care Reform provisions continue to require employer action.

The survey's primary goals were to identify:

- Where, if anywhere, employers have seen a cost impact (positive or negative) because of Health Care Reform
- The strategic plan design changes that employers have taken (or expect to take) because of Health Care Reform
- The relative value to employers of maintaining grandfathered status
- The expectations of what other employers will likely do in response to Health Care Reform

Willis expects to encourage further analysis and communication between employer plan sponsors and their consultants as employers seek to implement Health Care Reform. This survey gathers and shares employer perceptions, actual plan effects, and any strategic planning that employers have done (or will do).

EXECUTIVE SUMMARY

The survey respondents reflect a wide range of employers of differing sizes, industries and geographic regions. The employers' benefits plans are varied, and their employee base is significant.¹ Survey responses are shown in each of the following tables/graphs. More than 2300 employers participated in the survey. Fourteen percent of the survey respondents were employers that have more than 2,500 employees, and over a third of those respondents each employ more than 10,000 people.

The survey was designed to gather information about what actions employers believe other employers will take in response to Health Care Reform. While other surveys and publications have found that employers seem reluctant to be the first to drop coverage, reshape work hours, reduce coverage or reduce company financial support for certain benefits, this survey indicates that respondents believe that other employers WILL take some of these actions.

What can be learned from the results?

- **MOST EMPLOYERS ARE TAKING A "COMPLIANCE-AS-WE-GO" APPROACH.** Even two years after the passage of the law, less than half of the surveyed employers have developed a health care strategy in order to comply with Health Care Reform.
- **COST, IN ONE FORM OR ANOTHER, WILL DRIVE MOST CHANGES.** Not unexpectedly, when asked what would drive an employer to reassess its benefits strategies, by far, the predominant response is "cost" in one form or another – health cost, financial performance, corporate pressure to reduce costs, etc.

- **EMPLOYERS ARE WAITING TO COMMUNICATE HEALTH CARE REFORM CHANGES TO EMPLOYEES.** Within the next 12 months, 40% of employers will be reviewing their strategies for internally communicating benefit rewards.
- **EMPLOYERS HAVE DETERMINED THAT HEALTH CARE REFORM HAS RESULTED IN INCREASED COSTS TO THEIR HEALTH PLANS.** Only about a quarter of the responding employers have quantified the cost of compliance within their health plans. A majority of those employers say that the cumulative cost amounts to an increase of at least 2%, with many employers indicating that the increase is over 5%.
- **EMPLOYERS EXPECT THAT SIMILAR EMPLOYERS WILL PASS ANY INCREASED COSTS ON TO EMPLOYEES.** Surveyed employers have a sense of what similar employers will do in response to Health Care Reform. Over half of the respondents believe that others will pass more of the cost for dependent coverage on to their employees. One-third of respondents think that other, similar employers will reduce coverage to the lowest-cost package that will avoid the “pay-or-play” penalty, and a majority of employers also think that wellness programs will be expanded in scope. Finally, nearly two-thirds of the employers expect that employee contributions will be increased.
- **ONLY A THIRD OF EMPLOYERS WILL MAINTAIN A GRANDFATHERED PLAN DESPITE A DESIRE TO DO SO.** Survey respondents indicate that into the second year of Health Care Reform implementation, less than 30% of employers were able to maintain grandfathered status of their health care plans. This rapid loss of grandfathered status far outpaces The Department of Health & Human Services’ expectations. The Preamble to the June 2010 Regulations speculated that by the end of 2011, 78% of employers would retain grandfathered status, by the end of 2012, 62 % would still be grandfathered, and by the end of 2013, 49% would retain grandfathered status. The accelerated loss of grandfathered status suggests that employers have had to make many plan changes to offset cost increases, and perhaps employers have been more willing to give up grandfathered status in order to take other steps to control costs.
- **DESPITE HAVING LITTLE KNOWLEDGE REGARDING THE STATE EXCHANGES, MANY EMPLOYERS EXPECT TO USE THE EXCHANGES FOR THEIR EMPLOYEES.** Many employers seem to be struggling with the costs associated with various components of Health Care Reform. The responses to the Willis survey (echoed by responses to other surveys) suggest that employers may, despite their desire to maintain group medical benefits for their employees, shift their focus to state-based exchanges. For some, the only question is when that will happen. Respondents to this survey appear to take incremental steps in compliance rather than big steps to reach a particular strategic goal. This approach aligns most closely with employers who will be more likely to rely upon state-based exchanges in the future.

Many of the survey findings reflect a certain amount of employer confusion and uncertainty. Governmental projections and statistics are similarly disjointed and add more complexity to the Health Care Reform implementation process. For instance, many of the financial impact models employed by the government in order to show the favorable financial impact on the federal deficit are based on static models. The March 2010 Congressional Budget Office predictions (below) are based on the conclusion that more Americans will be covered in employer-sponsored plans in 2015 than are covered today. One might query whether that is a sustainable statistic.

CONGRESSIONAL BUDGET OFFICE

ESTIMATED EFFECTS OF THE INSURANCE COVERAGE PROVISIONS OF THE RECONCILIATION PROPOSAL COMBINED WITH H.R.3590 AS PASSED BY THE SENATE

EFFECTS ON INSURANCE COMPANY /a		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
(Millions of nonelderly people, by calendar year)											
Current Law	Medicaid & CHIP	40	39	39	38	35	34	35	35	35	35
Coverage /b	Employer	153	153	156	158	161	162	162	162	162	162
	Nongroup & Other /c	27	26	25	26	28	29	29	29	30	30
	Uninsured /d	50	51	51	51	51	52	53	53	53	54
	TOTAL	267	269	271	273	274	276	277	279	281	282
Change (+/-)	Medicaid & CHIP	*	-1	-2	-3	-10	15	17	16	16	16
	Employer	*	3	3	3	4	1	-3	-3	-3	-3
	Nongroup & Other /c	*	*	*	*	-2	-3	-5	-5	-5	-5
	Exchanges	0	0	0	0	8	13	21	23	24	24
	Uninsured /d	*	*	-1	-1	-19	-25	-30	-31	-31	-32
<u>Post Policy Uninsured Population</u>											
Number of Nonelderly Population /a		50	50	50	50	31	26	21	21	22	23
Insured share of the Nonelderly Population /a											
Including all Residents		81%	82%	82%	82%	89%	91%	92%	92%	92%	92%
Excluding Unauthorized Immigrants		83%	83%	83%	83%	91%	93%	95%	95%	95%	94%
<u>Memo: Exchange Enrollees and Subsidies</u>											
Number w/ Unaffordable Offer from Employer /e						*	1	1	1	1	1
Number of Unsubsidized Exchange Enrollees						1	2	4	5	5	5
Average Exchange Subsidy per Subsidized Enrollee						\$5,200	\$5,300	\$5,500	\$5,700	\$6,000	

Source: Congressional Budget Office March 20, 2010 letter from Douglas W. Elmendorf, Director, to Nancy Pelosi Speaker of the U.S. House of Representatives.

Trends in place since 2000 show a decline in employer-sponsored insurance, a trend that accelerated due to the great recession and slow recovery. Today, even though there are 22 million more Americans under age 65 compared to 2000, nearly 14 million fewer of those Americans obtain coverage through employers. That is, had the percentage of Americans covered through their employers remained unchanged from 2000, almost 29 million more Americans would have had coverage through their employer in 2010.

It is reasonable to ask, “Will these trends in employer-sponsored coverage continue? Will the trends in employer-sponsored coverage be reversed in the next few years once the ‘pay or play’ mandate takes effect – returning to 2000 levels where two-thirds of the non-elderly population obtained coverage through an employer-sponsored plan?” The uncertainty raises a challenge for employers who want to maintain coverage. Assuming many employers with fewer than 100 employees take advantage of taxpayer-subsidized coverage through state-based exchanges and curtail their employer-sponsored coverage offerings, how will other employers respond as small-employer workers migrate to larger-employer plans by virtue of being spouses or dependents?

Similarly, because the prices for services in the exchange-based settings are expected to be carefully monitored by regulators, the cost of employer-sponsored coverage may increase from a new round of cost shifting.

DECLINE IN EMPLOYMENT-BASED COVERAGE
HEALTH INSURANCE COVERAGE
NON-ELDERLY POPULATION (2000 vs 2008 vs 2010)

	2000		2008		2010	
	Number*	%*	Number*	%*	Number*	%*
Employment-based	169.7	65.6%	163.9	59.8%	156.1	55.4%
Individual	17.8	6.9%	18.2	6.6%	18.9	6.7%
Public	35.0	13.5%	47.8	17.4%	57.5	20.4%
Uninsured	36.3	14.0%	44.2	16.1%	49.1	17.4%
Total Population	244.8		262.8		266.0	

* In millions, Source: Employee Benefits Research Institute estimates of the Current Population Survey, (details don't add to totals as coverage comes from multiple sources)

** See also: Source: U.S. Census Bureau, 2008, 2010, American Community Surveys:

2008 Workers With Employment-Based Plan 69.2%

2010 Workers With Employment-Based Plan 67.1%

See also: Source: Urban Institute, 2011, based on data from the 2001-2011 ASEC Supplement to the Current Population Survey:

2000 Employer Sponsored Insurance 69.3%

2004 Employer Sponsored Insurance 64.7%

2007 Employer Sponsored Insurance 63.5%

2010 Employer Sponsored Insurance 58.8%

Notes Regarding the Presentation of the Survey Results:

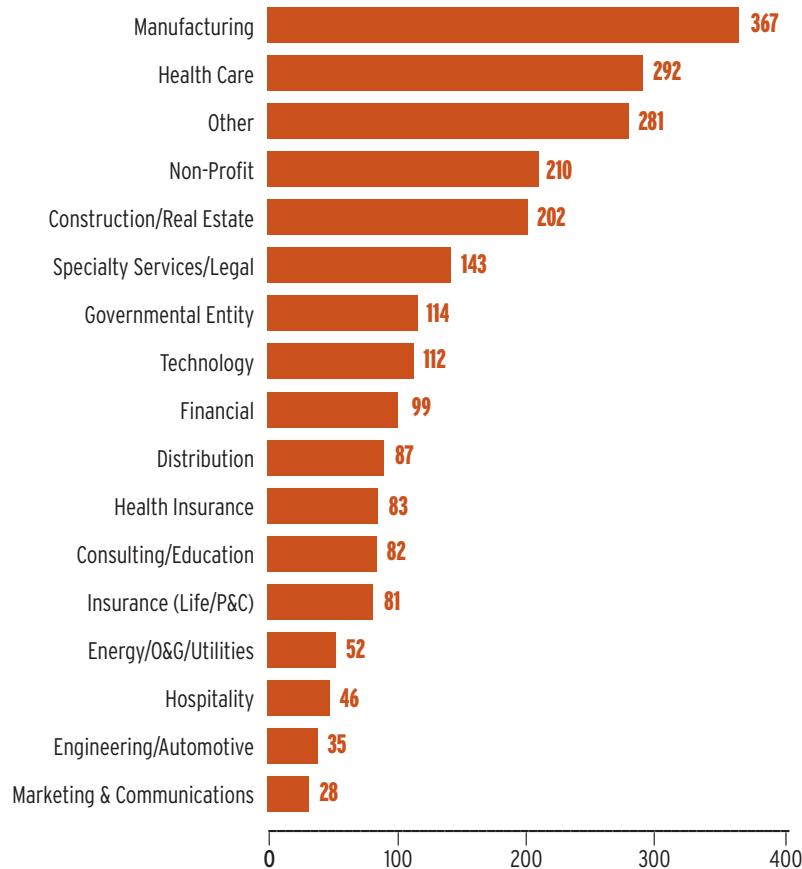
The order of the information presented in this report is not the same order in which respondents were questioned in the survey. Very small rounding of results has been applied in order to reduce the number of decimal points used in this report.

¹ Because the survey was a “directed survey” (i.e., certain questions were automatically added or deleted based on responses to other questions), the number of survey respondents varied from question to question.

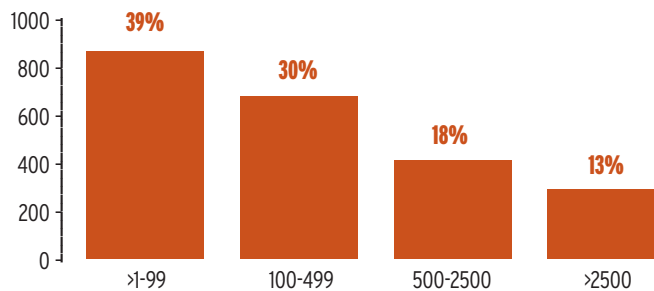
EMPLOYER SIZE, BENEFIT TYPE AND ENROLLMENT IN PLAN

EMPLOYERS REPRESENTING A BROAD CROSS SECTION OF AMERICAN INDUSTRY BY TYPE AND SIZE RESPONDED TO THE SURVEY

PRIMARY INDUSTRY N=2314



FULL TIME EMPLOYEES N=2240

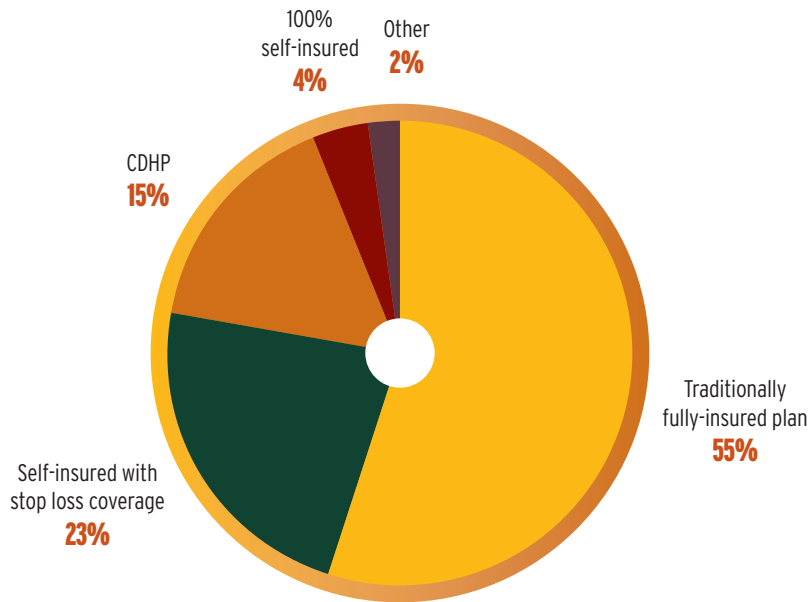


Survey responses come from a wide array of employers – ranging in size (number of employees), geography, industries and the diversity of benefit offerings.

Most respondents (70%) have fewer than 500 employees; this statistic corresponds to the latest reports from the U.S. Census Bureau (reporting that 65% of employees work in firms with 100+ employees). We believe the survey reflects a fair cross-section of employers.

MOST EMPLOYERS ARE FULLY-INSURED - BUT A SIGNIFICANT PERCENTAGE HAVE SELF-FUNDED PLANS OR HAVE MOVED TO CONSUMER DRIVEN HEALTH PLANS

CURRENT PRIMARY EMPLOYEE GROUP HEALTH PLAN N=1866

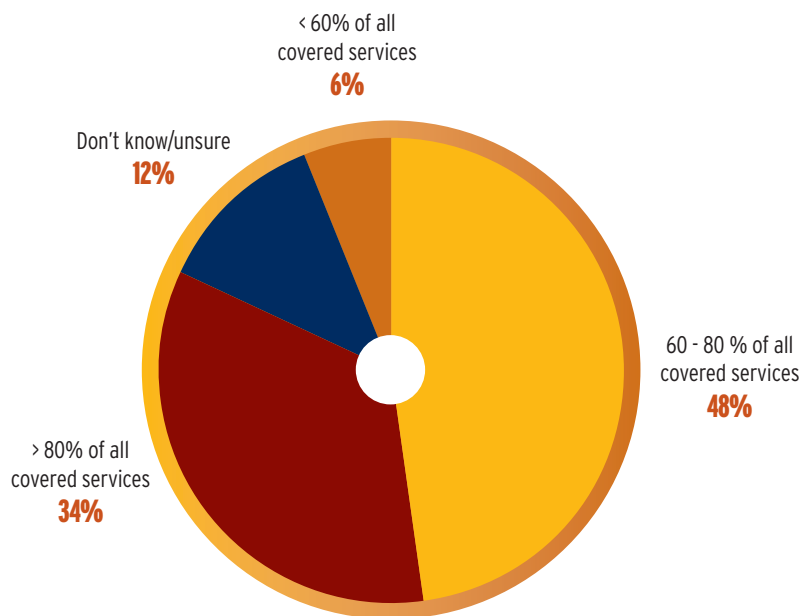


Most surveyed employers offer insured benefits, subject to the medical loss ratio requirements. Nearly 40% of survey responses came from employers with fewer than 100 employees – companies that are most likely to be uniquely impacted by Health Care Reform in terms of medical loss ratios and state exchanges.

Consistent with the diversity of employer size, many survey respondents retain traditional, fully insured health plans – primarily PPO designs.

OVER 80% OF EMPLOYER PLANS PROVIDE BENEFITS THAT ARE EXPECTED TO MEET THE MINIMUM STANDARD UNDER HEALTH CARE REFORM (60% ACTUARIAL VALUE)

PERCENTAGE OF COST THAT COMPANY'S PRIMARY HEALTH PLAN COVERS N=1625



To offer minimum essential benefits and be affordable under Health Care Reform, a plan must be designed to cover, actuarially, at least 60% of the expected medical costs for the average employee.

Of the respondents who have considered the 60% minimum threshold benefits requirement, over 90% already offer health coverage that surpasses the requirement under Health Care Reform. This suggests that, for most respondents, no significant change in coverage will be needed to comply with minimum coverage requirements under Health Care Reform effective January 1, 2014. Such a situation could lull employers into a reactive mode, in which they would treat each year's health care reform changes as a separate activity versus strategically repositioning health coverage in light of anticipated changes in coverage, eligibility and cost.

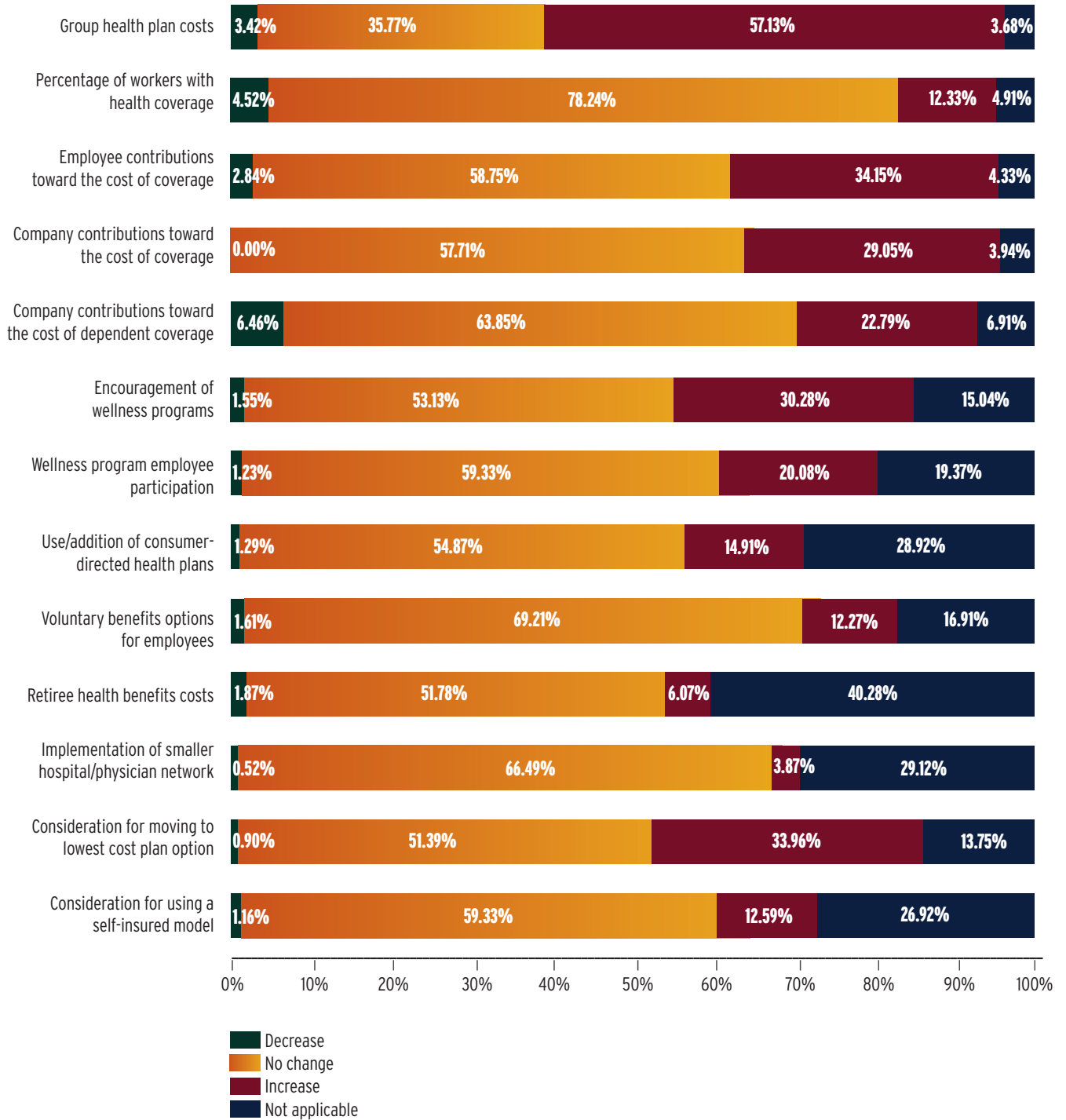
The fact that, for most employers, the higher-than-minimum coverage level is already in place suggests that employers may want to give consideration to the selection of a default coverage option (where the employer has more than 200 employees) starting January 1, 2014 so that the primary health option is not the default. And, where the employer only offers a single coverage option, it may want to consider introducing a second, lower coverage option (perhaps at the 60% bronze level) in order to manage the number of employees (and dependents) not currently covered, but who will join an employer-provided plan on January 1, 2014.

Stated differently, January 2014 may see a confluence of events. Most employers will no longer be grandfathered, many may face health cost inflation in excess of regular trend as part of Health Care Reform compliance and those who decide to continue offering coverage may see a migration of workers, spouses and eligible dependents from those employers who stop offering coverage.

IMPACT OF HEALTH CARE REFORM

NEARLY TWO THIRDS OF EMPLOYERS SAY THAT HEALTH CARE COSTS HAVE ALREADY RISEN DUE TO HEALTH CARE REFORM, BUT MOST ARE STILL WAITING TO TAKE ACTION

IMPACT ON EMPLOYER'S PLAN N=1549



By a margin of 8 to 1, those who believe Health Care Reform will trigger a cost increase outnumber those who believe Health Care Reform will create savings. Yet the survey responses reflect that few employers have started to reframe employee expectations relative to Health Care Reform.

Notably, survey respondents did not identify use of a consumer-directed health plan as a primary strategic response to Health Care Reform; however, survey responses from Willis' 2010 Health Care Reform survey indicate that employers have made a shift in plan design and are increasingly offering consumer-directed benefits. The Rand Health Insurance Experiment, published early in 2011, studied health care consumption of 800,000 families. Results confirmed that consumers' health care consumption dropped 14% in plans with a deductible of \$1,000 or more, compared to families whose plan had a lower deductible. That 2011 study was consistent with a 1982 Rand study that suggested financial incentives could change the demand for health services.

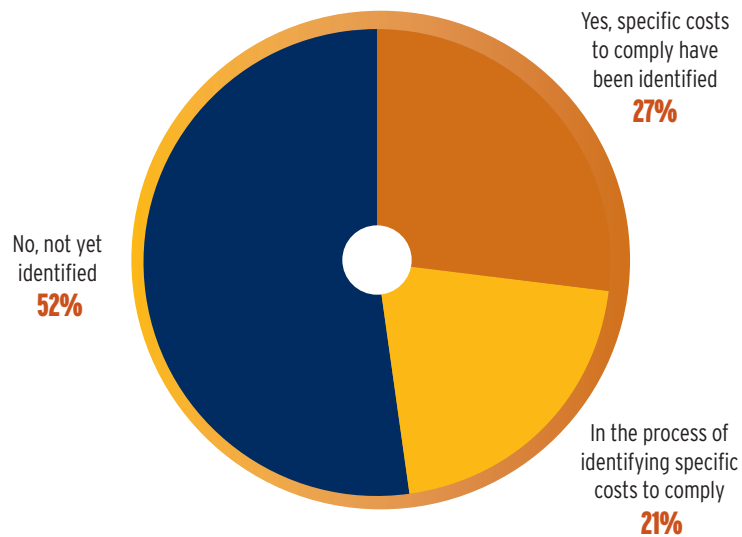
Interestingly, over a third of the respondents confirm that they have increased company spending for individual coverage as a result of Health Care Reform, while over a fifth have increased company spending on dependent coverage.

More than a third of respondents confirmed that they have increased employee contributions, and a third confirmed that they are considering coverage changes to migrate to a lower cost option.

Additional information, by industry, can be found in **Table 1** of the Appendix. Additional information, by employer size, can be found in **Table 2** of the Appendix.

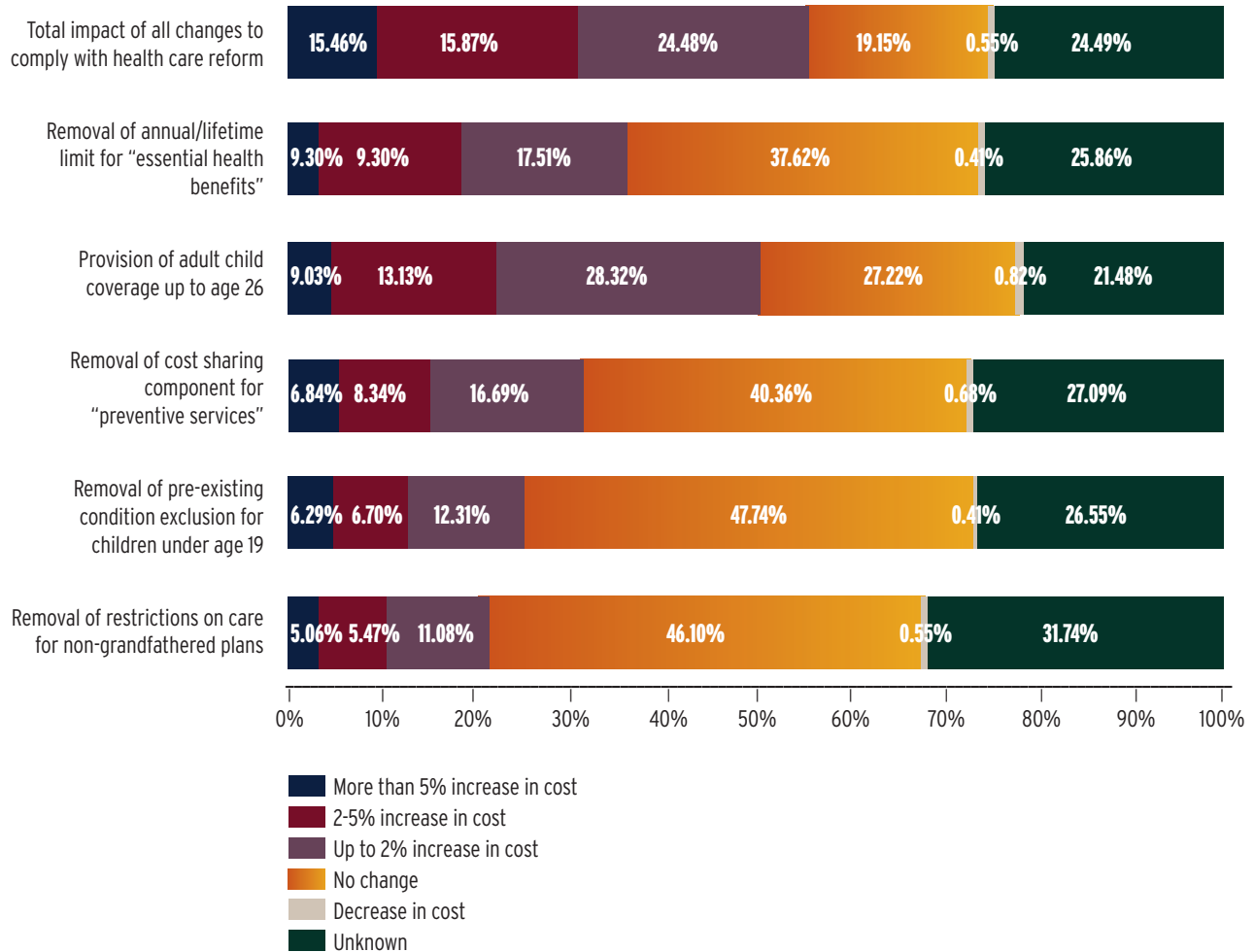
OVER HALF OF EMPLOYERS HAVE YET TO DETERMINE HOW MUCH COMPLIANCE WITH HEALTH CARE REFORM WILL COST THEM

IDENTIFICATION OF COST TO COMPLY WITH HEALTH CARE REFORM N=1547



OVER 50% OF EMPLOYERS EXPECT TO SEE HEALTH COSTS INCREASE; ONLY ONE PERCENT EXPECT TO SEE HEALTH COSTS DECREASE

CURRENT IMPACT OF HEALTH CARE REFORM ON EMPLOYER COSTS N=731



Those who measured the cost impact report some interesting results:

- Nearly 37% of employers report cost increases due to the removal of annual/lifetime dollar limits – and nearly 10% of employers confirm that removing the maximums raised costs by 5% or more.
- A little over 50% report cost increases as a result of adding dependent children to age 26.
- Slightly over 25% of employers saw cost increases from removing pre-existing condition exclusions for children under age 19, and almost 32% report cost increases for removing cost sharing on preventive services.

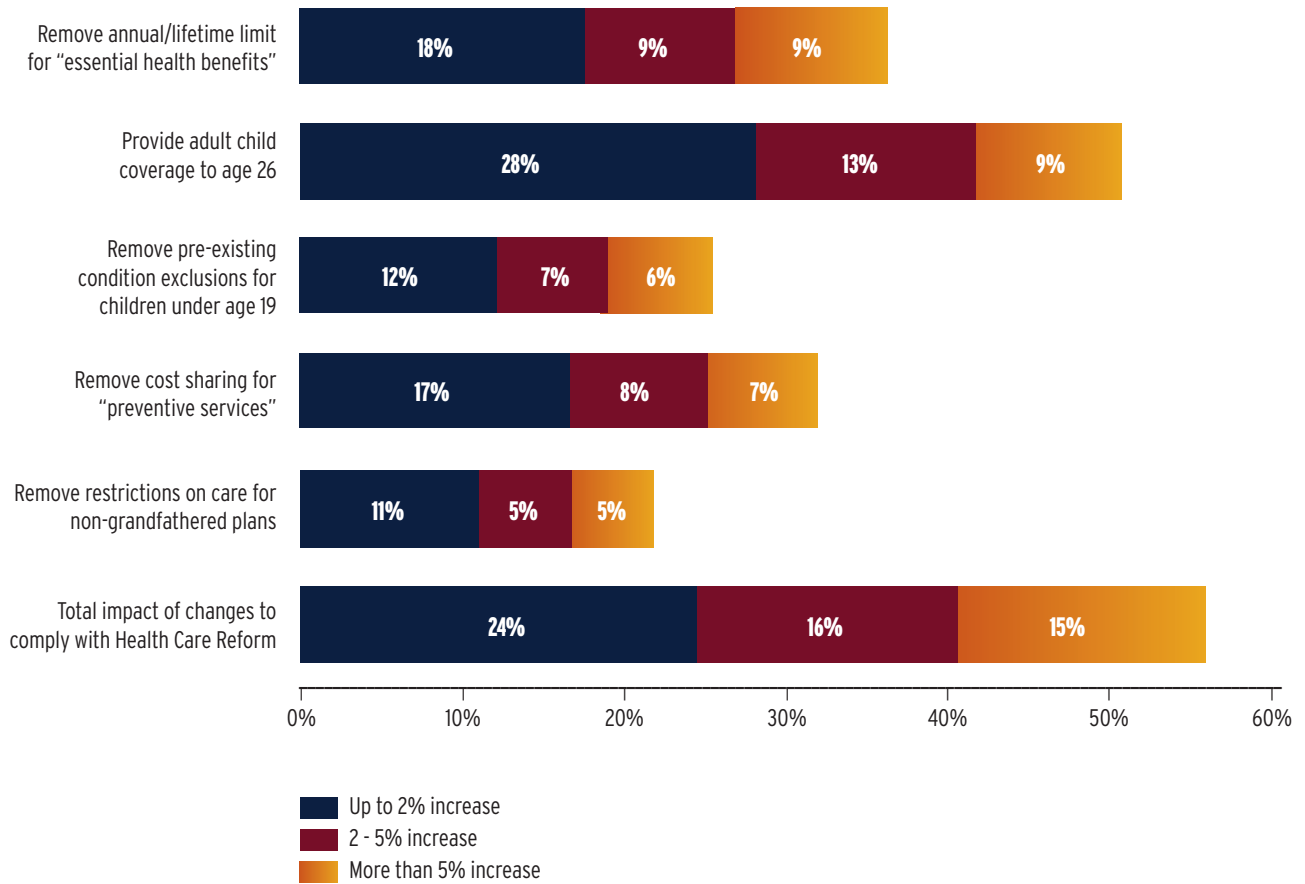
More detailed information, by industry, is available. For example, 35% of surveyed manufacturers report that extending coverage to adult children has resulted in up to a 2% increase in cost. 15% of employers in the service industry say that removing the pre-existing condition exclusion for children under age 19 resulted in a 2% increase in cost.

Various industries report the total cost impact of health care reform compliance. Of those reporting a greater than 5% increase in cost, the following are notable: 25% of construction, 17% of services and 14% of health care.

Additional information, by industry, can be found in **Table 3** of the Appendix.

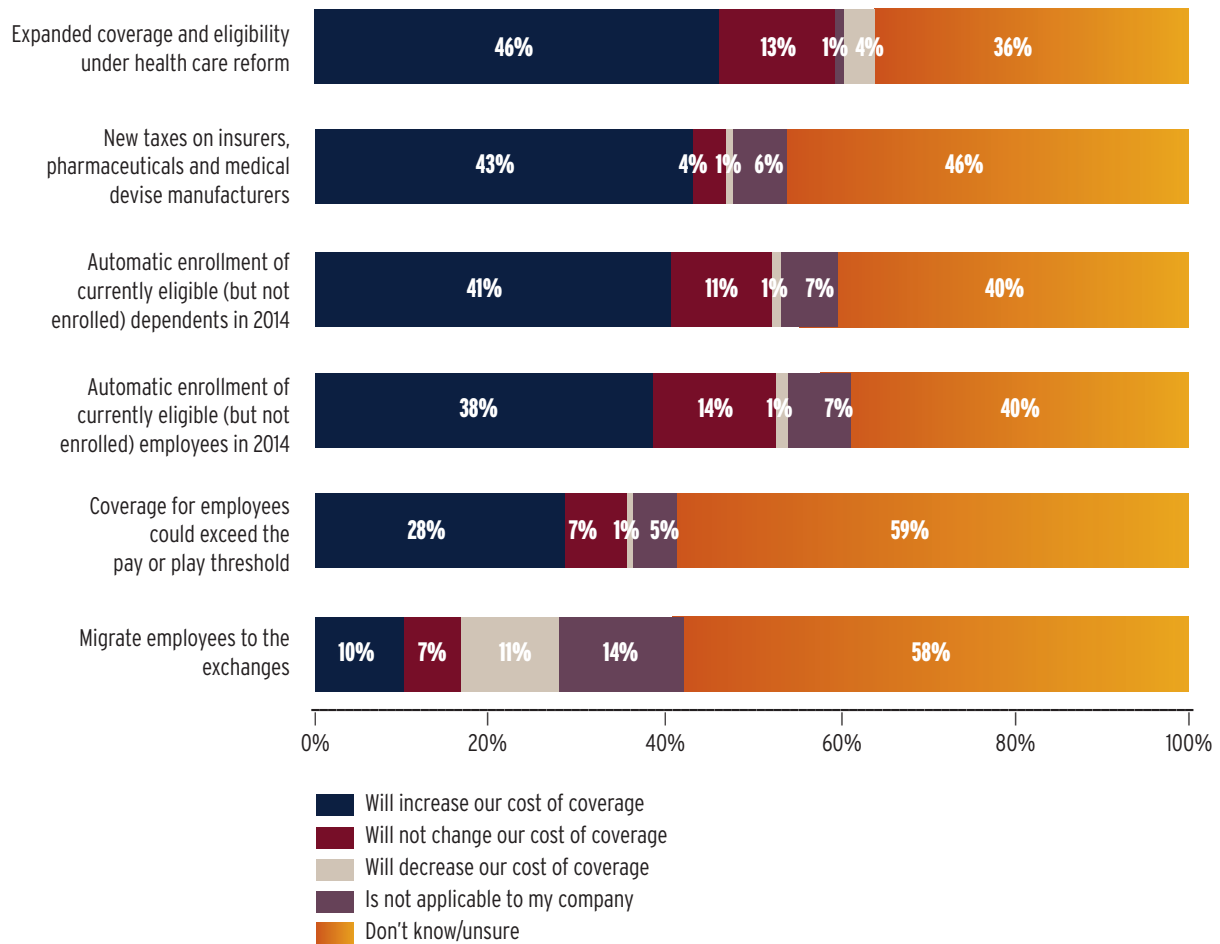
OF THE EMPLOYERS EXPECTING A COST INCREASE (OVER 50%), MOST EXPECT INCREASES WILL BE LESS THAN FIVE PERCENT

COST IMPACT OF HEALTH CARE REFORM N=731



EMPLOYERS GENERALLY EXPECT COVERAGE EXPANSION PROVISIONS AND NEW TAXES TO INCREASE COSTS

POTENTIAL COST IMPACT OF THE HEALTH CARE REFORM ON EMPLOYER N=1471

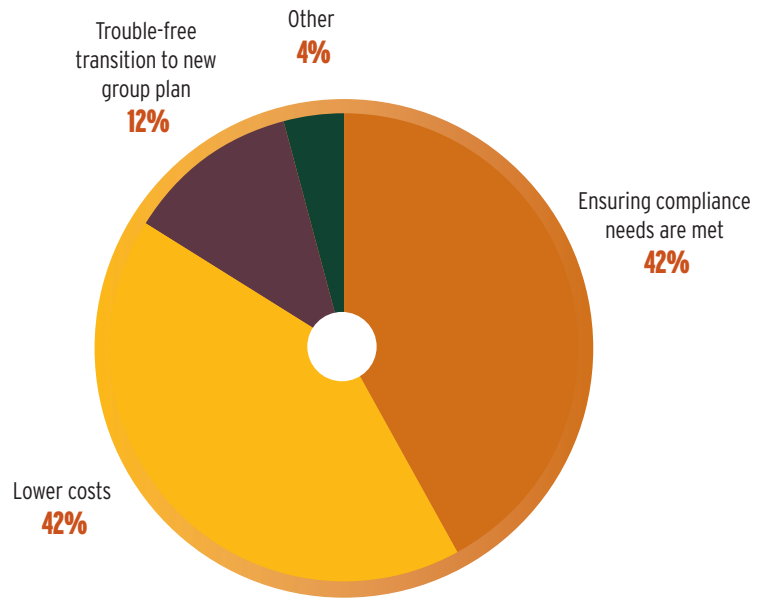


Employers overwhelmingly believe that automatic enrollment among those eligible, but not currently covered, will raise employer costs. Similarly, employers generally agree that the new taxes on insurance companies, drug manufacturers and medical device manufacturers will raise the cost of coverage.

EMPLOYER RESPONSE TO HEALTH CARE REFORM

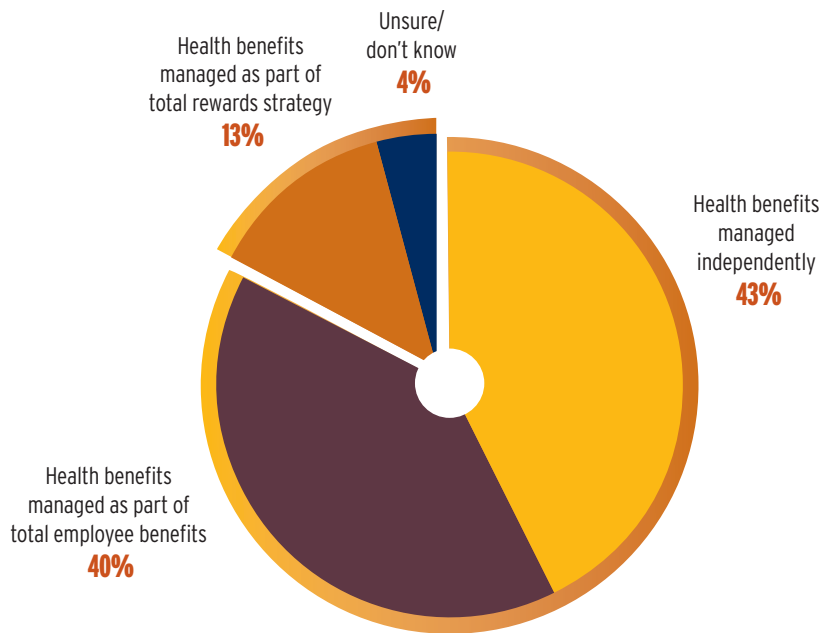
EMPLOYERS SEEK STABILITY IN THEIR HEALTH PLANS AND WANT TO MINIMIZE COMPLIANCE AND COST DISRUPTIONS

EMPLOYER PRIORITIES WHEN IMPLEMENTING HEALTH CARE REFORM CHANGES N=1413



EMPLOYERS TEND TO MANAGE HEALTH BENEFITS SEPARATELY FROM OTHER BENEFITS AND REWARDS

MANAGEMENT OF HEALTH BENEFITS IN RELATION TO OTHER EMPLOYEE BENEFITS N=1749



A minority of employers behaves as the economists theorize (only 13% of employers consider the value of benefits as part of each employee's Total Rewards). Stated another way, most survey responses indicate that employers do not expect to adjust other, non-benefits rewards for the increased cost to comply with Health Care Reform.

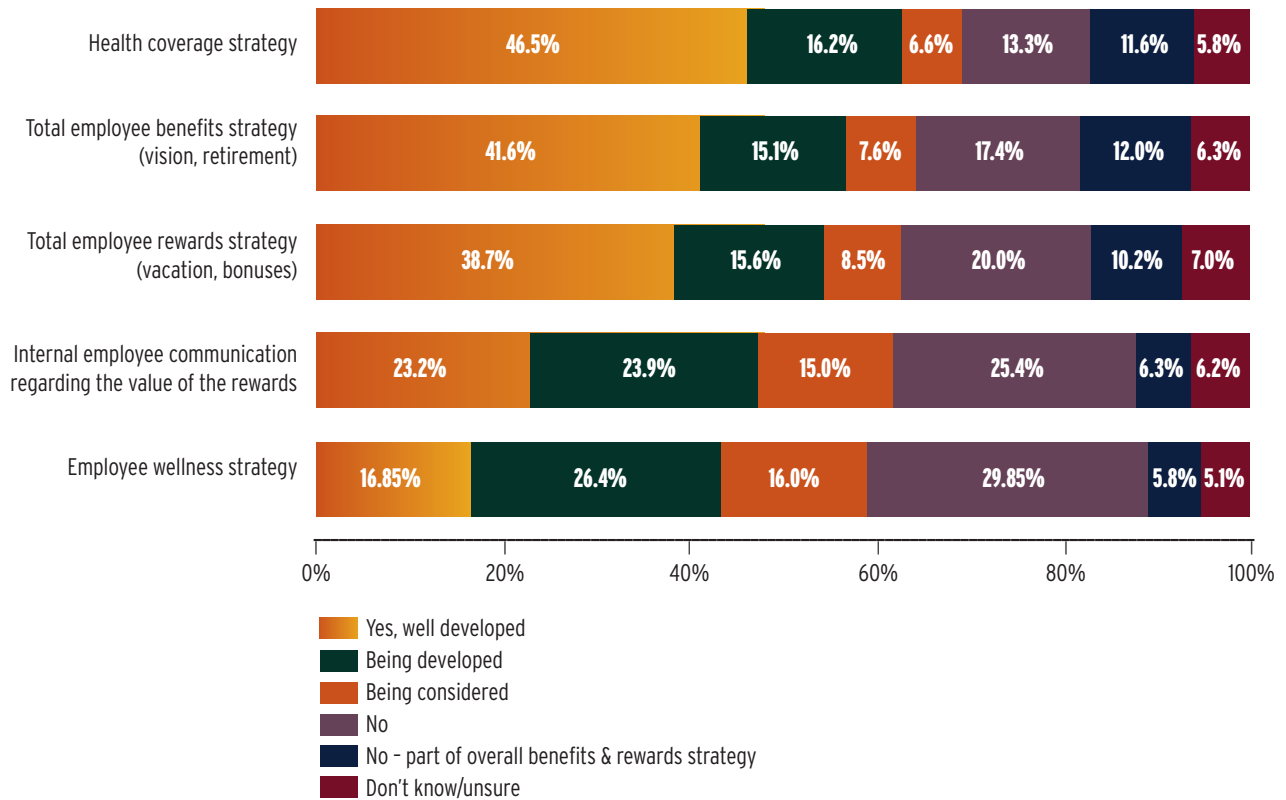
If employers do not expect Health Care Reform to affect compensation or other rewards programs, the assumption is that employers will respond to Health Care Reform by simply increasing spending as costs increase. This approach presumes that such employers expect only modest increases in the cost of coverage.

While employers tend to manage health benefits independently from other benefits and rewards, they are moving toward planning more strategically. For instance, 22% of those employers are considering or are currently developing a health plan strategy.

Additional information can be found in **Table 4** of the Appendix.

LESS THAN HALF OF EMPLOYERS THINK OF BENEFITS STRATEGICALLY

PREVALENCE AND DEVELOPMENT OF VARIOUS COVERAGE STRATEGIES N=1711

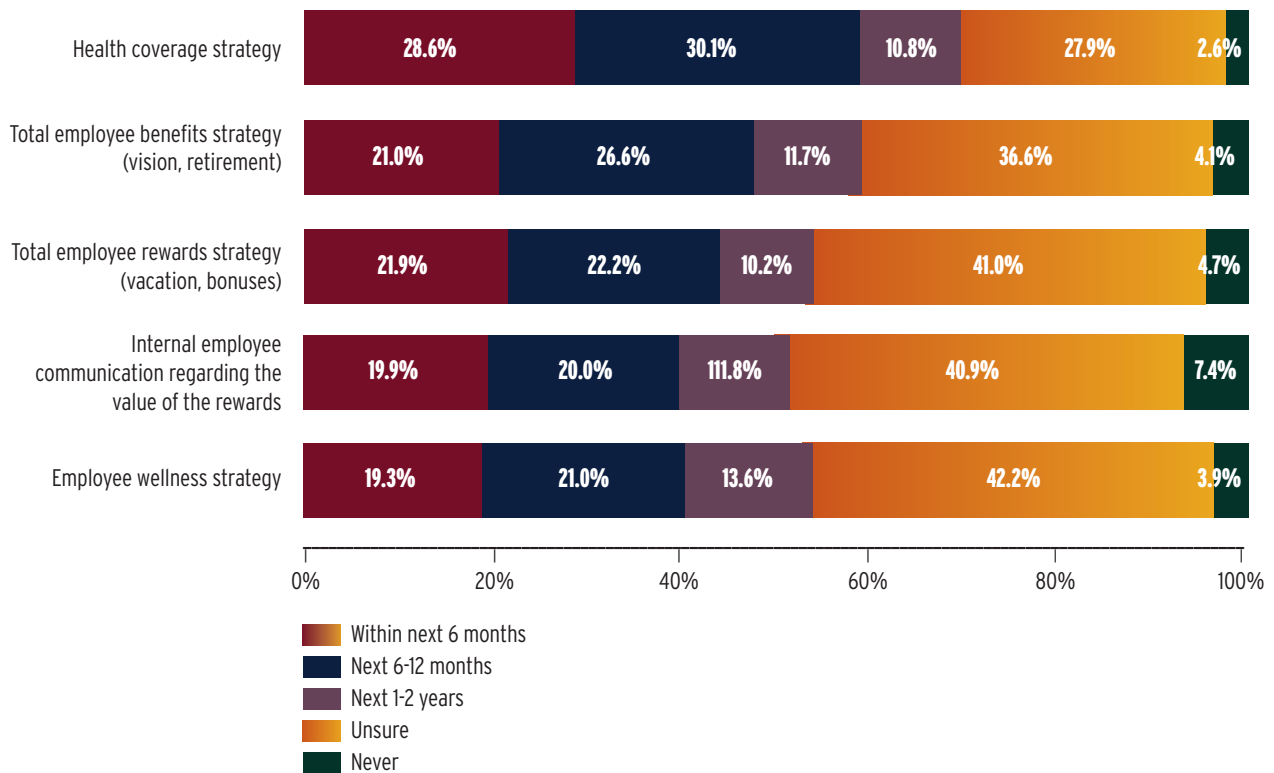


With 42.4% of employers considering or developing a wellness strategy, there is room to grow in incorporating wellness programs as part of an employer’s response to continued health cost inflation. The findings in this survey are comparable to a 2011 PricewaterhouseCoopers survey that found 66% of employers in the survey planned to increase the use of wellness programs in the U.S.; this suggested that employers either had well developed wellness strategies or they were working on those strategies.

Additional information, by employer size, can be found in **Table 5** of the Appendix.

MOST EMPLOYERS EXPECT TO ADOPT OR UPDATE COVERAGE STRATEGIES SOON

TIMEFRAME FOR REVIEW AND/OR CREATION OF BENEFITS AND REWARDS STRATEGIES N=685

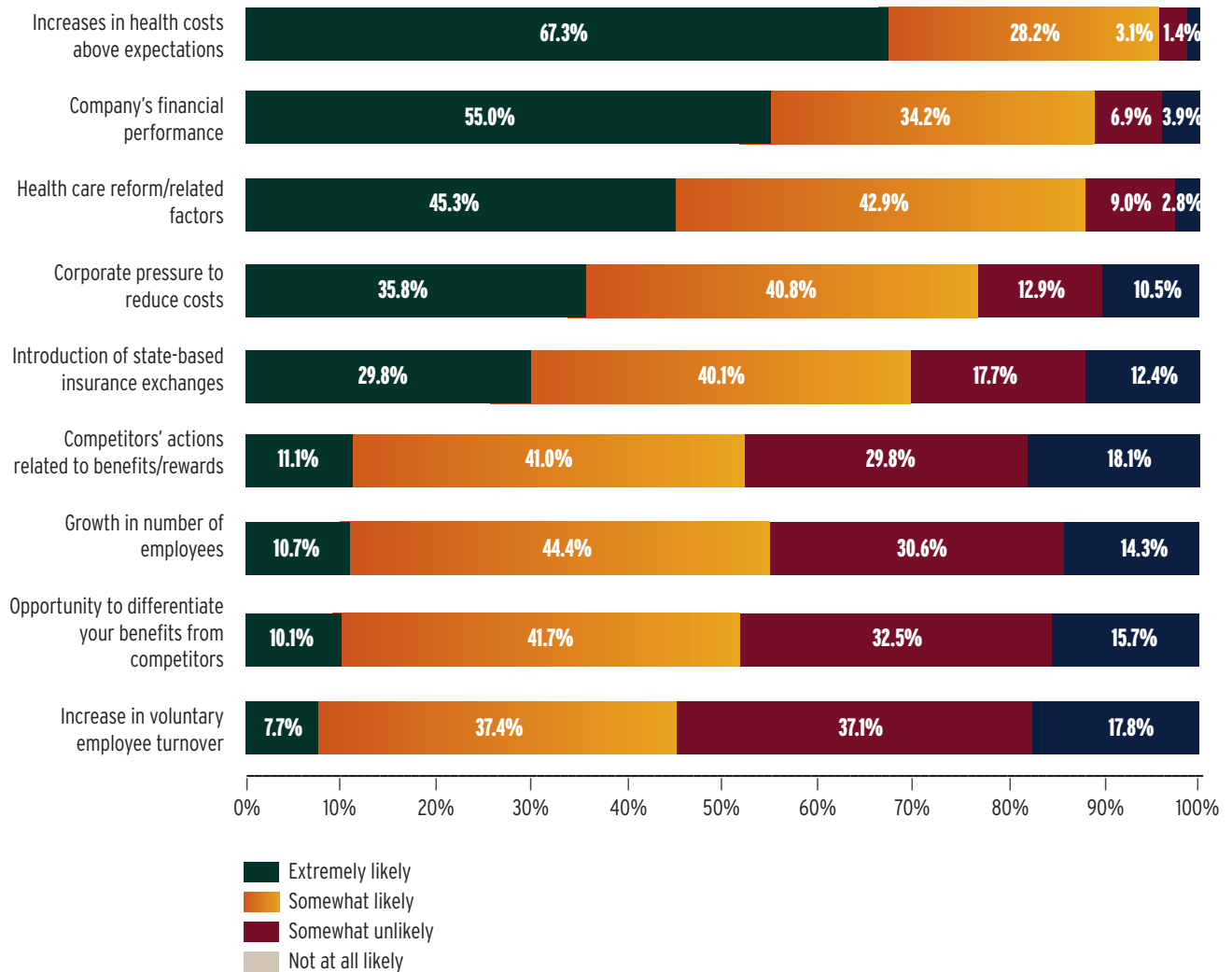


Nearly 70% of respondents that don't have an established benefits/rewards strategy expect to create one in the next two years. Very likely, Health Care Reform has been the deciding factor. This suggests that employers without a health coverage or wellness strategy already in place will fall further behind in terms of preparation for health care reform.

Just over half of the respondents expect to create or update their wellness strategy. However, given the strong focus on wellness (confirmed in other surveys), it is surprising that such a large number of employers do not have a wellness strategy already in place.

FINANCIAL FACTORS WILL BE THE MOST LIKELY TRIGGER TO REVIEW COVERAGE STRATEGY

FACTORS LIKELY TO TRIGGER REVIEW OF EMPLOYER'S BENEFITS AND REWARDS STRATEGIES N=1633



Just over 89% of employers anticipate that changes in their health coverage strategy will track with their financial and market performance. Overall, the significant factors are financial (cost and performance), but health care reform-related items are two of the top five triggers; whereas only half of the surveyed employers would consider reviewing strategy in order to differentiate benefits from those of a competitor.

Survey respondents confirm they are more than twice as likely to redraft their health coverage strategy in response to unanticipated cost increases as they are to redraft health strategy when faced with an increase in voluntary employee turnover. With employer focus on cost and the organization's financial performance, the

survey responses appear reactive rather than proactive. A response to health care reform guided solely by cost or corporate performance may miss even more cost-effective solutions that might adjust other elements in the rewards mix. It is difficult, tactically, to change the rewards mix when an employer either doesn't have a total rewards strategy or where it implements silo rewards programs. Similarly, without a strategy, it is difficult to use time as an asset and gradually reset employee expectations. One result is an abrupt change in coverage offering, such as was observed among employers as they considered the continued viability of retiree medical benefits.

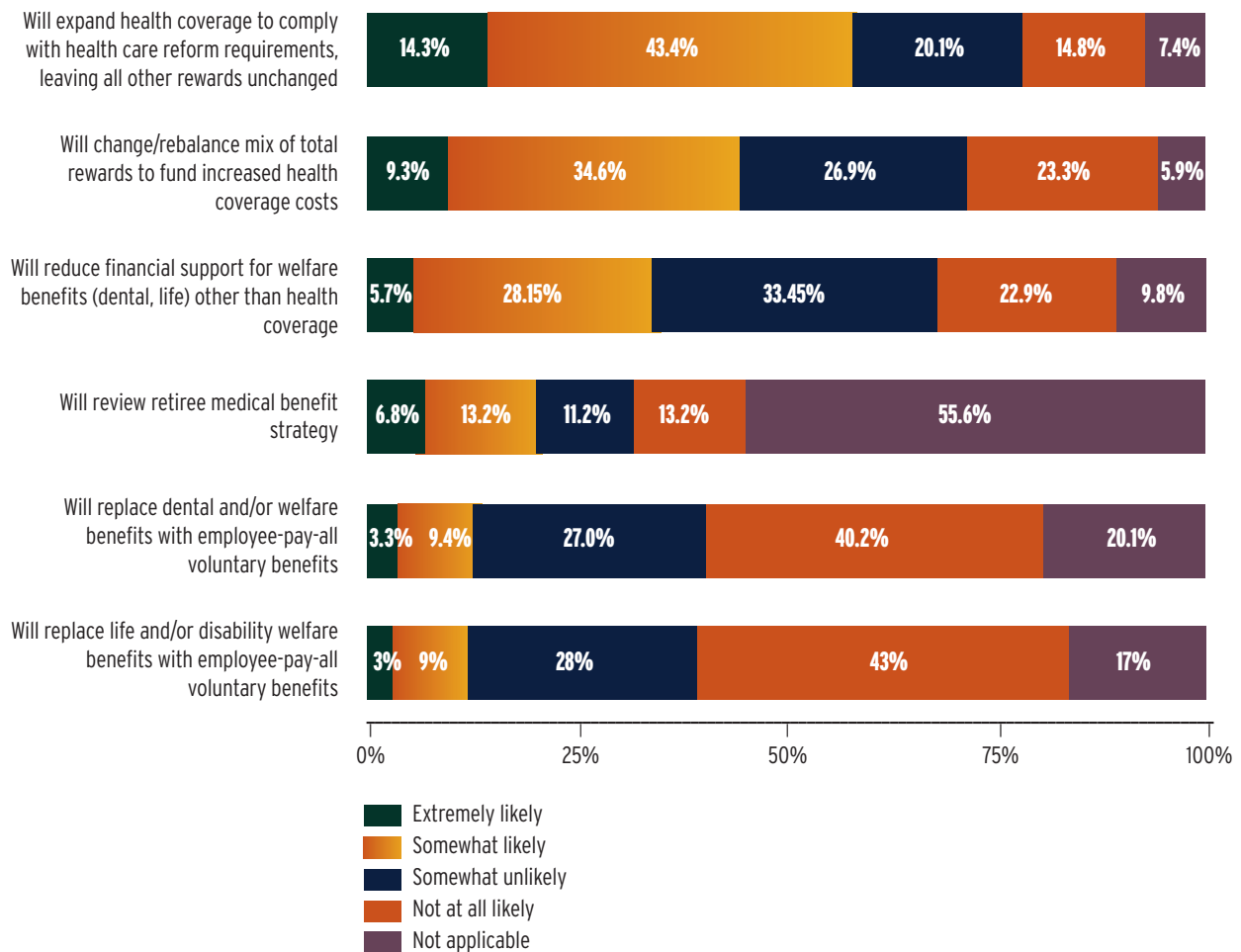
The somewhat reactionary stance of the survey responses suggests that perhaps a majority of the respondents will try to manage health care reform within a strategy of maintaining the status quo – until costs increase or corporate performance declines.

Interestingly, when the survey responses are studied regarding the introduction of state-based insurance exchanges, 42% of the employers with 100 or more employees say they are likely to reevaluate their strategies versus only 28% of the employers with fewer than 100 employees.

Additional information can be found in **Table 6** of the Appendix.

MOST EMPLOYERS EXPECT TO EXPAND HEALTH COVERAGE AS NEEDED TO COMPLY WITH HEALTH CARE REFORM - WITHOUT ADJUSTING OTHER REWARDS

LIKELY PROSPECTIVE CHANGES IN EMPLOYEE BENEFITS AND REWARDS STRATEGIES N=1496



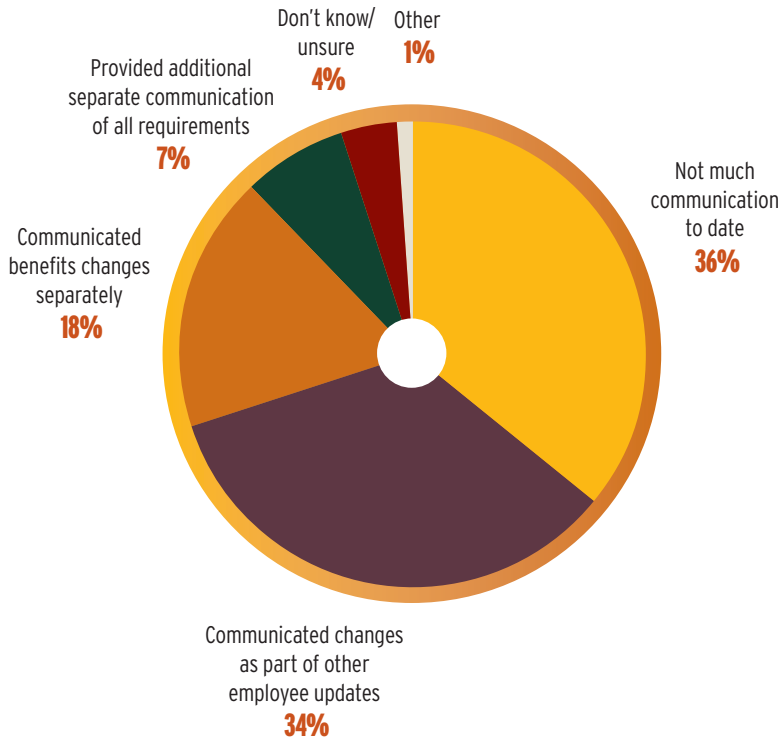
The majority of respondents (57.7%) indicate that they expect to expand health coverage to comply with health care reform requirements, while leaving all other rewards unchanged. A solid majority (67.2%) do not plan to replace dental with voluntary benefits, nor life and disability benefits with voluntary benefits (71%).

The survey responses, at least in terms of compliance expectations to date, can be characterized as reactive. Assuming health coverage is the top benefits priority for employers, and assuming the communications/marketing strategy and plan design (defined contribution/flexible benefits) does not introduce alternatives, it appears that many employers plan to continue existing coverage, and accommodate that added expense without affecting other benefits or rewards programs.

However, the survey responses clearly indicate that employers reserve the option to make more significant plan changes, should the cost impact of Health Care Reform become too great.

MOST EMPLOYERS HAVE ISSUED COMMUNICATIONS ABOUT HEALTH CARE REFORM; HOWEVER, A SIZEABLE MINORITY HAVE NOT

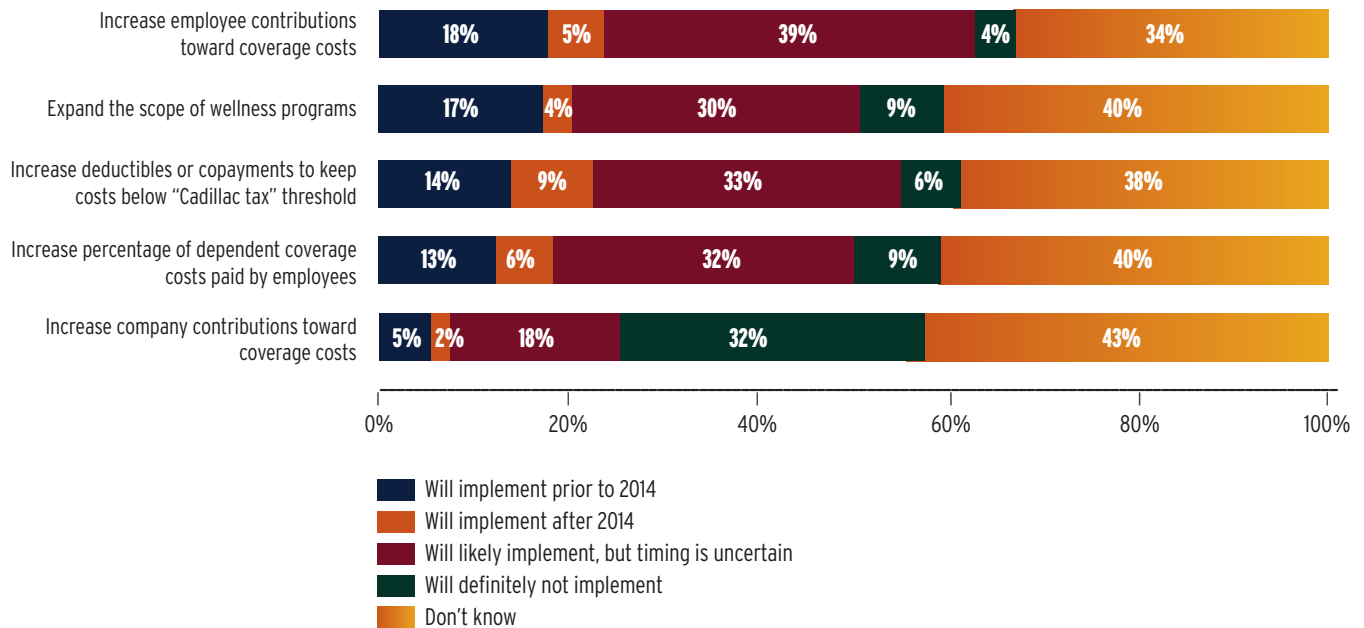
EFFORT MADE TO COMMUNICATE IMPLICATIONS OF THE HEALTH CARE REFORM TO EMPLOYEES N=1508



While most employers have communicated health care reform compliance actions, only 18% report communicating benefits changes separately from other actions. This is a somewhat surprising result, since many employers find that separate communication regarding Health Care Reform is useful when explaining to employees the cost and compliance efforts undertaken by plan sponsors. Therefore, the creation of a communications strategy can help achieve greater employee acceptance of future changes in areas such as coverage, cost sharing and eligibility, among others.

EMPLOYERS EXPECT OTHER SIMILAR EMPLOYERS WILL INCREASE COST SHARING AND EXPAND WELLNESS

POTENTIAL COST IMPACT OF HEALTH CARE REFORM ON EMPLOYER N=1430



The responses to this question are consistent with the other survey data, particularly with respect to increased employee contributions. The responses indicate that employers expect that other, similar employers will expand wellness initiatives.

Overwhelmingly – 15 to 1 – employers think their peer companies will raise employee contributions.

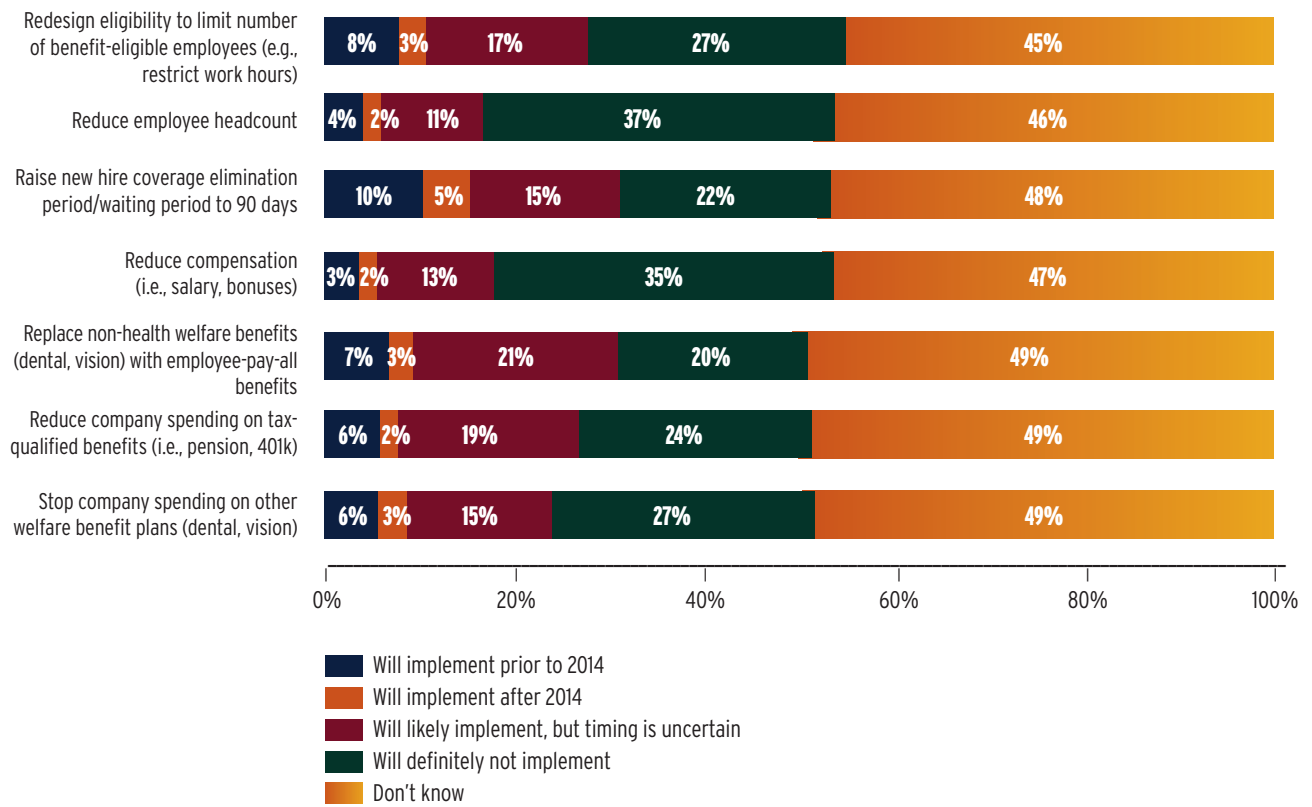
Only 25% of employers think similar employers will increase employer contributions, while over 32% believe that similar employers will hold the line on employer-paid financial support for coverage, i.e., that they "will definitely NOT implement" increased employer contributions.

56% of employers (almost 10 to 1) think similar employers will increase point-of-purchase cost sharing as needed (raise deductibles, etc.) to keep the cost of coverage below the threshold where the excise tax on high cost health plans will start to apply.

Additional information can be found in **Table 7** and **Table 8** of the Appendix.

OTHER CHANGES EMPLOYERS EXPECT TO SEE

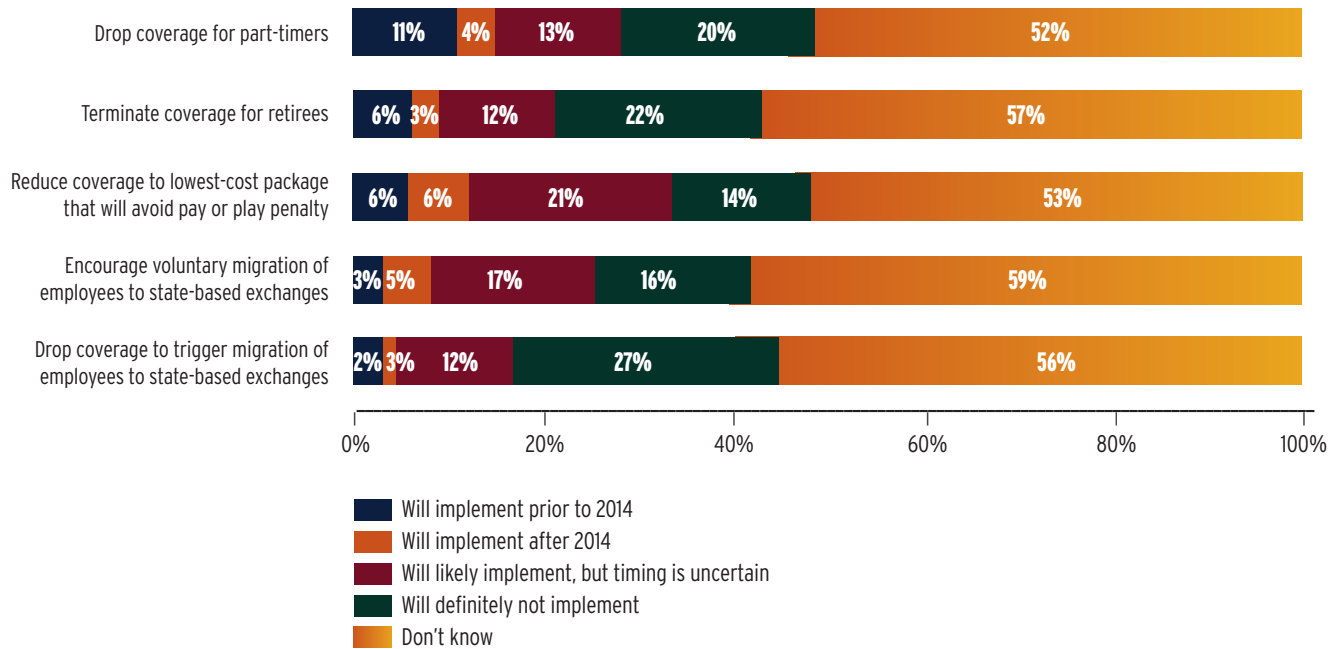
POTENTIAL COST IMPACT OF HEALTH CARE REFORM ON EMPLOYER N=1430



Additional information can be found in **Table 7** and **Table 8** of the Appendix.

LESS LIKELY CHANGES

POTENTIAL COST IMPACT OF HEALTH CARE REFORM ON EMPLOYER N=1430



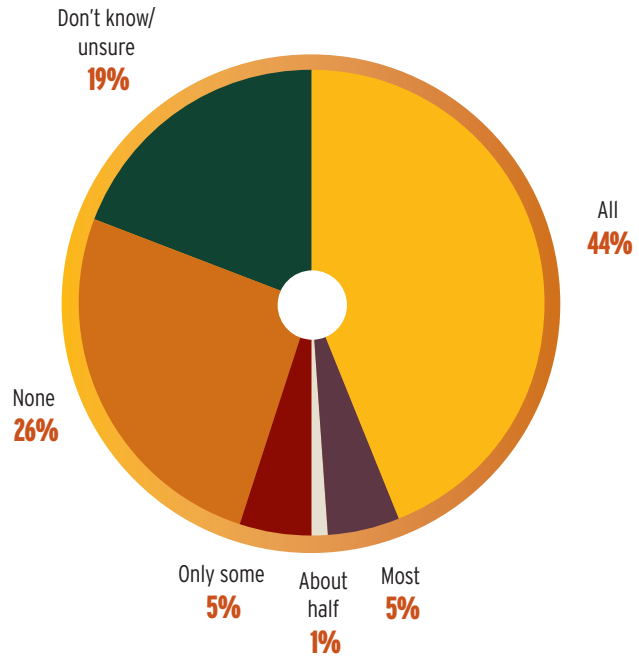
Employers, 2 to 1, think that similar employers will transfer employees to a lowest-cost package that still avoids a play or pay penalty.

Employers are considering the impact of state exchanges on their plans. 5% of employers with fewer than 100 employees said they would likely consider “encouraging” voluntary migration of employees to state-based exchanges, but the timing is uncertain. 7% of employers with more than 100 employees say this is a likely option, but the timing is uncertain. Approximately 4% of both small and large employers respond that they will likely drop employer coverage in order to trigger employee migration to exchanges, but again, the timing is uncertain. Conversely, 12% of employers with more than 100 employees say they will definitely not drop employer coverage in order to trigger employee migration, and 5% of the employers with fewer than 100 employees say that they will definitely not attempt to trigger employee migration.

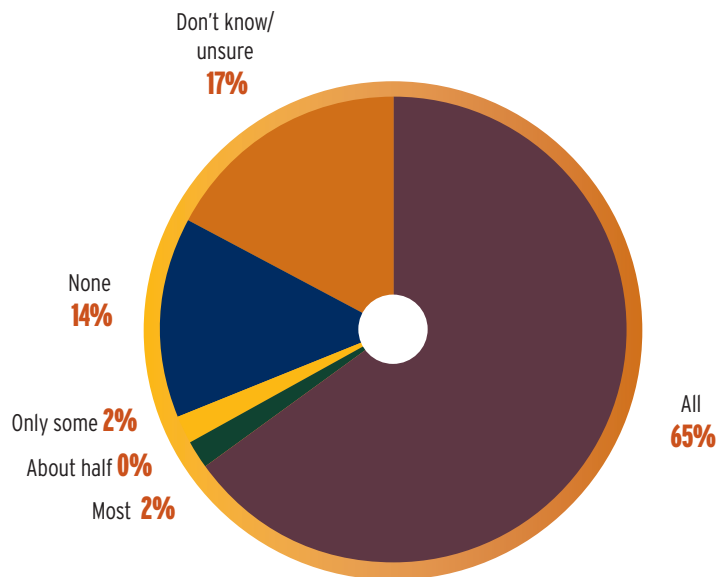
Additional information can be found in **Table 7** and **Table 8** of the Appendix.

LESS THAN HALF OF PLANS WERE EVER GRANDFATHERED, AND ONLY A THIRD RETAIN GRANDFATHERED STATUS

EXTENT TO WHICH HEALTH PLAN OPTIONS WERE GRANDFATHERED FOR THE PLAN YEAR STARTING ON OR AFTER SEPTEMBER 23, 2010 N=1526



OF 44% WHERE ALL BENEFIT OPTIONS WERE GRANDFATHERED IN 2011, EXPECTED GRANDFATHERED STATUS FOR THE PLAN YEAR STARTING ON OR AFTER SEPTEMBER 23, 2011 N=665

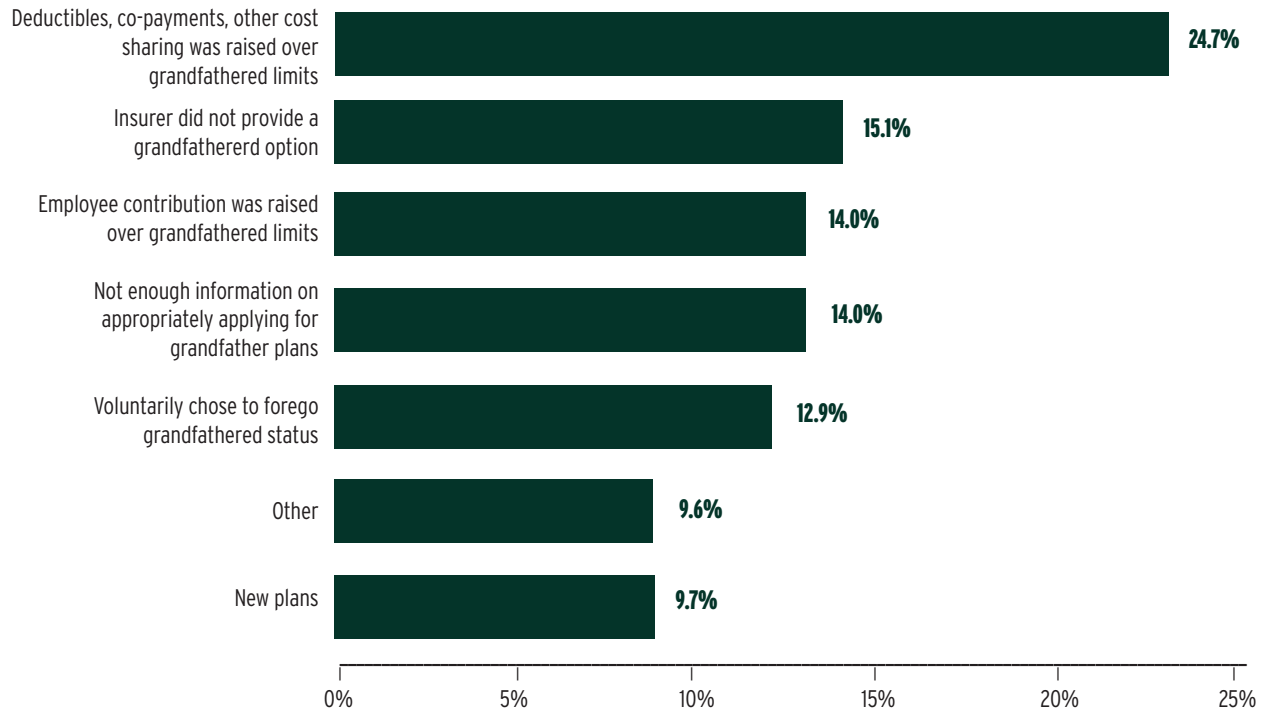


Only 44% of survey respondents confirm that all of their health options qualify for grandfather treatment for the plan year starting on or after September 23, 2010. Of that group, only two-thirds are able to maintain the grandfather on all health options for the plan year starting on or after September 23, 2011 (so, less than 30% of all survey respondents are still fully grandfathered).

Additional information, by industry, can be found in **Table 9** and **Table 10** of the Appendix.

EMPLOYERS LOST GRANDFATHERED STATUS BECAUSE OF DESIGN/COST SHARING CHANGES – A THIRD LOST GRANDFATHERED STATUS DUE TO CHANGES IN INSURER OR LACK OF INFORMATION

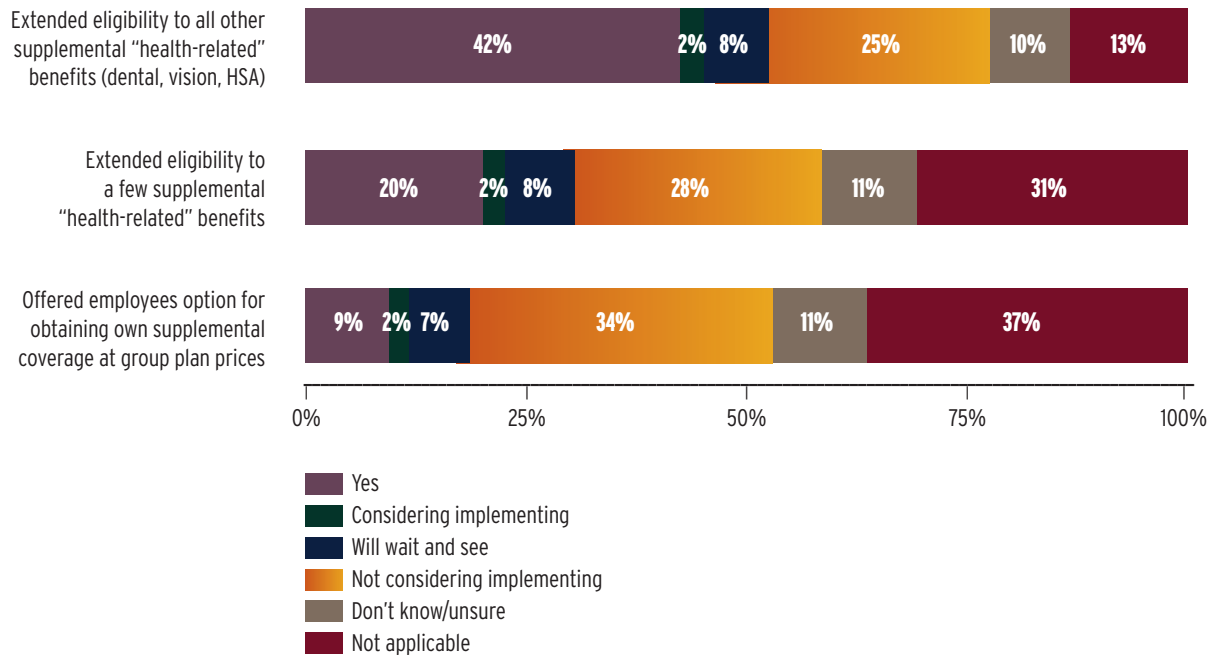
REASONS FOR LOSING GRANDFATHERED STATUS N=93



Survey responses indicate that employers did not find grandfathered status compelling, at least not as attractive as suggested by government studies. In the June 2010 regulations, the Department of Health & Human Services noted its projections for continued grandfathered status (i.e., by year end 2011, they predicted 78% of employers would remain grandfathered; by the year end 2012, 62% would remain grandfathered, and by year end 2013, 49% would remain grandfathered).

HALF OF EMPLOYERS EXTENDED BENEFITS TO ADULT CHILDREN EVEN WHERE NOT MANDATED

VOLUNTARY EXTENSION OF ADULT CHILD ELIGIBILITY TO OTHER "HEALTH-RELATED" BENEFITS N=1510



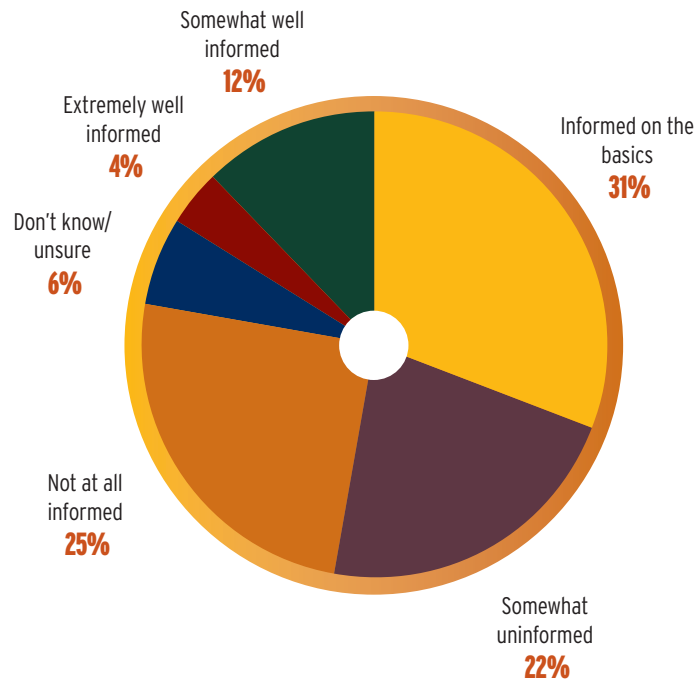
Not too surprisingly, most survey respondents went above and beyond the adult child mandate, and also extended coverage for dental, vision and other benefits to adult children.

Surveys in the next few years will likely track the number of employers that change their cost sharing tiers to reflect the larger population of older children now eligible for coverage.

Of particular interest will be the data indicating how many employers will change cost sharing on January 1, 2014 to coincide with the lapse of the adult child grandfathered limitation (grandfathered plans can exclude adult children where they have access to coverage under another employer's plan). Currently, no employers are dropping children from eligibility; however, once grandfathered status is lost and the affordability requirement for pay or play applies to plans, industry experts are likely to see a gradual (or more abrupt) scaling back of employer financial support for dependent coverage – perhaps through a cafeteria plan design (with credits that don't vary with respect to dependent coverage) or through a defined contribution health coverage strategy.

HALF OF EMPLOYERS HAVE LITTLE OR NO KNOWLEDGE REGARDING STATE EXCHANGES

EXTENT OF INFORMATION ABOUT STATE EXCHANGES N=1430



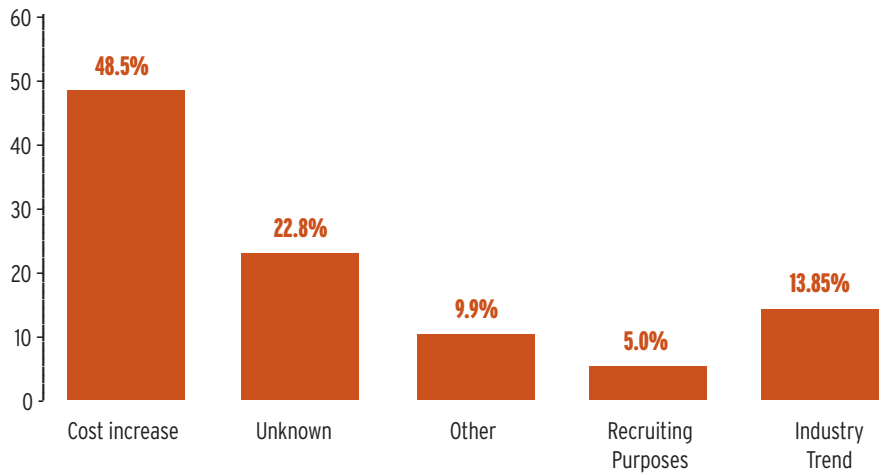
This is an understandable result since most states have not provided guidance on the exchanges, and because so few states have made significant progress. The lack of guidance and the lack of developmental progress make it difficult for employers to incorporate a strategy element that would rely on the exchanges.

The responses to a question like this one would be dramatically different in May of 2013 when employers will be incorporating exchange considerations as they set their 2014 renewals, benefits structures and contribution structures.

Similarly, we also expect to see considerable variation among the survey respondents – as compliance and readiness is expected to be significantly different from state to state; in part, we expect employer interest and understanding to be just as diverse as the exchanges are expected to be, varying state by state.

DESPITE HAVING NO OR LITTLE KNOWLEDGE ABOUT THE STATE EXCHANGES, ALMOST HALF OF EMPLOYERS SUSPECT THAT THEY WILL MIGRATE TO THAT OPTION IF COSTS RISE

FACTORS THAT MAY CAUSE AN EMPLOYER TO ELIMINATE GROUP HEALTH PLAN COVERAGE AND MIGRATE EMPLOYEES TO EXCHANGES N=101



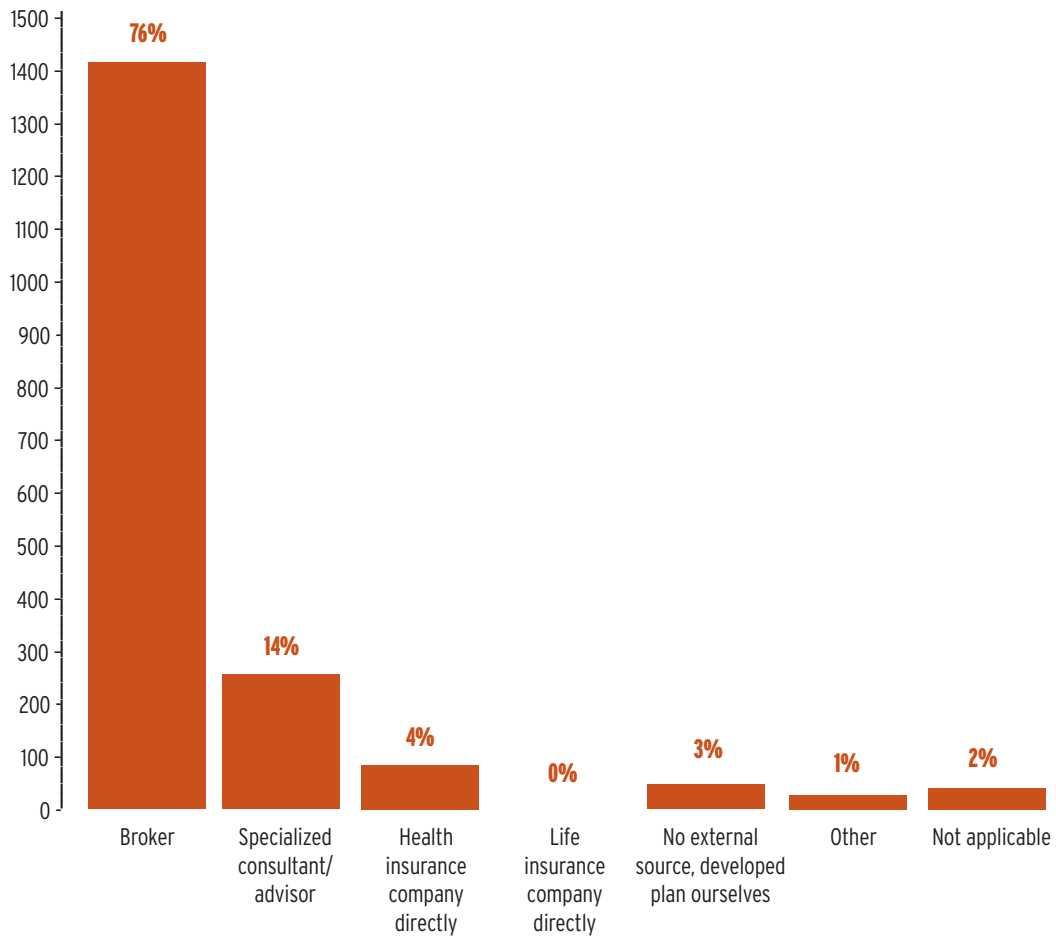
Finally, industry experts expect to see a trend develop during the remainder of 2012 and into the first half of 2013, where employers increasingly consider how they might restructure coverage and contributions to encourage lower paid employees (who qualify for substantial taxpayer subsidies) to migrate to the exchange coverage. Surveyed employers note in an earlier portion of the survey that “encouraging voluntary migration to the exchanges” will be likely at some point, but the timing will be uncertain. Between 4% and 6% of surveyed employers give this answer; however, we expect this number to rise precipitously as costs rise. Many believe this will be particularly true among smaller employers.

Surveyed employers note in an earlier portion of the survey that “encouraging voluntary migration to the exchanges” will be likely at some point, but the timing would be uncertain. Between 4% and 6% of surveyed employers gave this answer; however, we expect this number to rise precipitously as costs rise, as the state-based exchanges are announced and touted in the media, and as the state-based exchanges take effect.

If the state-based exchanges are launched as successfully as the Medicare Part D program was delivered, employers may encounter an interesting phenomenon. Some employees, perhaps more than any might otherwise expect, will approach their employers and ask to be dropped from eligibility for employer-sponsored coverage. This shift was observed with Medicare Part D and retiree prescription drug and Medicare Supplement coverage and Medicare Advantage.

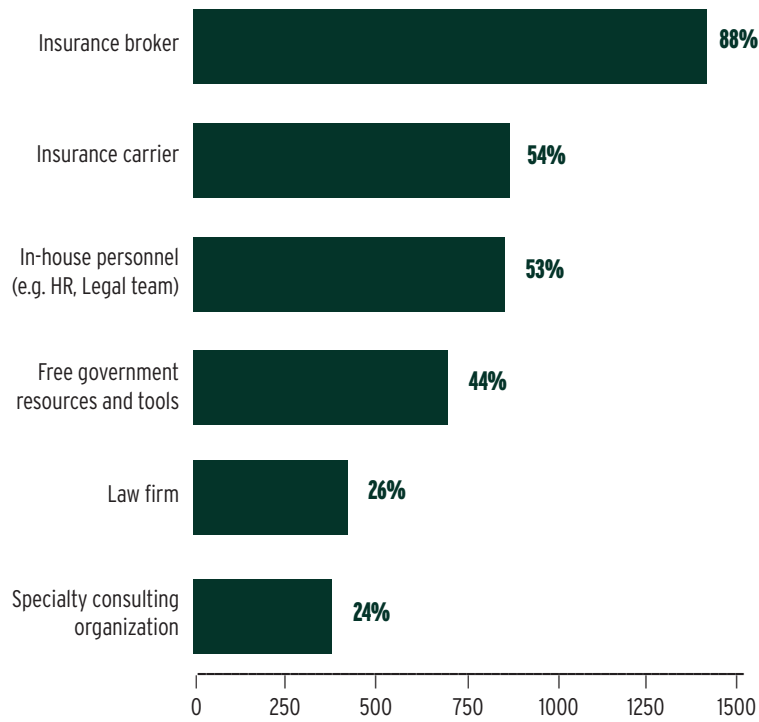
EMPLOYERS SEEK ADVICE REGARDING BENEFITS FROM INSURANCE BROKERS AND SPECIALIZED CONSULTANTS

GROUP HEALTH PLAN ADVICE N=1838



EMPLOYERS INDICATED THEIR TOP THREE SOURCES FOR HEALTH CARE REFORM GUIDANCE

INFORMATION SOURCES FOR HEALTH CARE REFORM-RELATED GUIDANCE N=1180



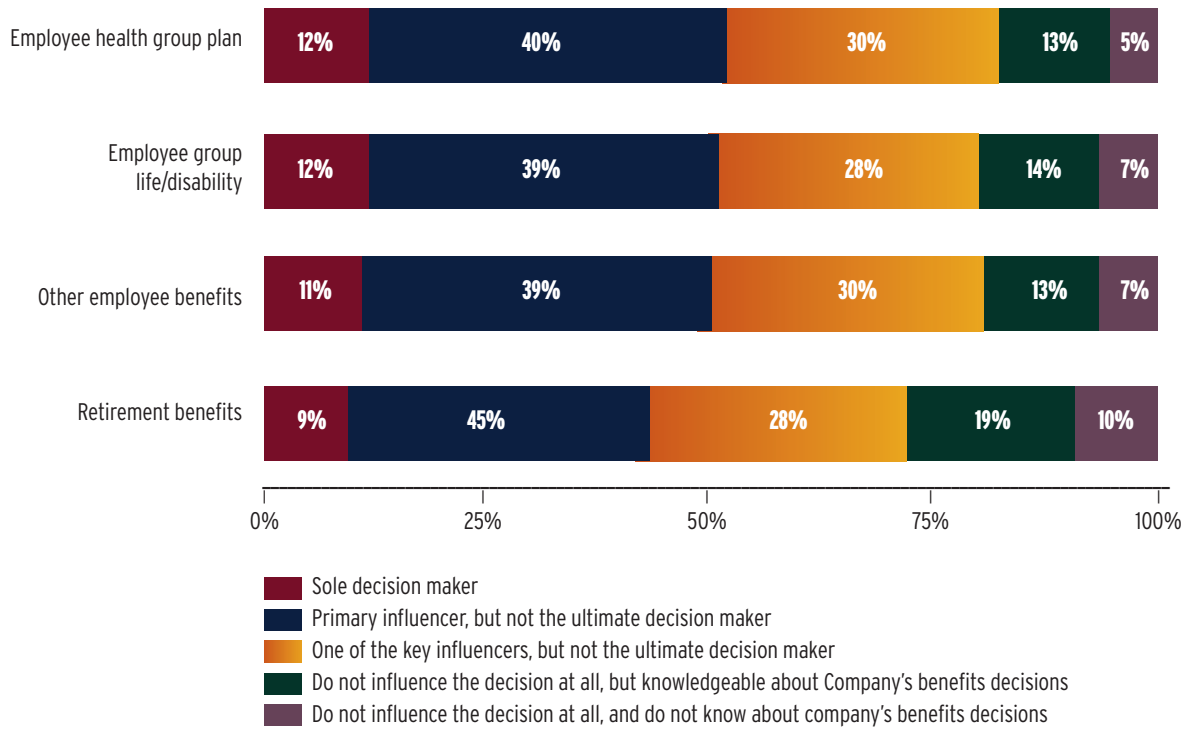
SUMMARY OF FINDINGS

- **COST** About half of employers have a good sense of what Health Care Reform will mean with respect to the costs of their plans, and about a quarter of employers have calculated the financial impact of Health Care Reform on their organizations. Of those, about 30% believe Health Care Reform has resulted in at least a 2% increase in cost. A large majority of employers strongly suspect that their costs have risen (or will rise).
 - Employers are currently considering several options with respect to offsetting the costs of Health Care Reform.
 - Most are considering expanding their health plan design to comply with Health Care Reform as necessary.
 - In general, employers expect to pass along the costs of the increases associated with Health Care Reform to employees in one form or another.
 - Curiously, many employers have determined that it makes sense to increase availability of benefits for adult children of employees, even where there is no mandate to do so.
 - Despite having little information regarding the state exchanges, many employers suspect that cost pressures may eventually force them to migrate their employees to those exchanges.
- **GRANDFATHERED STATUS** Despite the desire to retain grandfathered status, a minority of employers were able to do so, and only a third currently retain that status. Some employers simply had to make plan design changes that cost them grandfathered status, but almost a third lost that status due to change in insurers.
- **STRATEGY**
 - Health Benefits – Almost half of employers currently have strategies to address the provision of health benefits. Most employers have not considered the overall costs as part of a larger rewards strategy.
 - Wellness – Nearly 60% of employers have or are developing a wellness strategy with regard to Health Care Reform.
 - Employers continue to seek advice on compliance with Health Care Reform from their brokers and specialized consultants.

APPENDIX

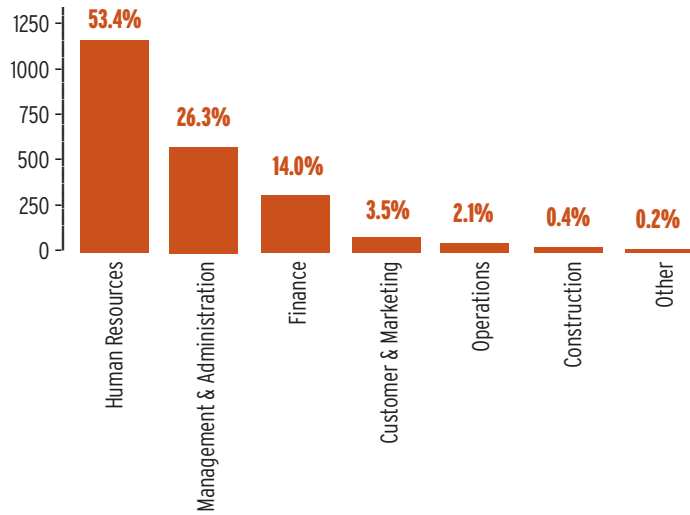
RESPONDENTS' ROLE IN DECISION MAKING

RESPONDENTS' DECISION MAKING ROLE N=2144

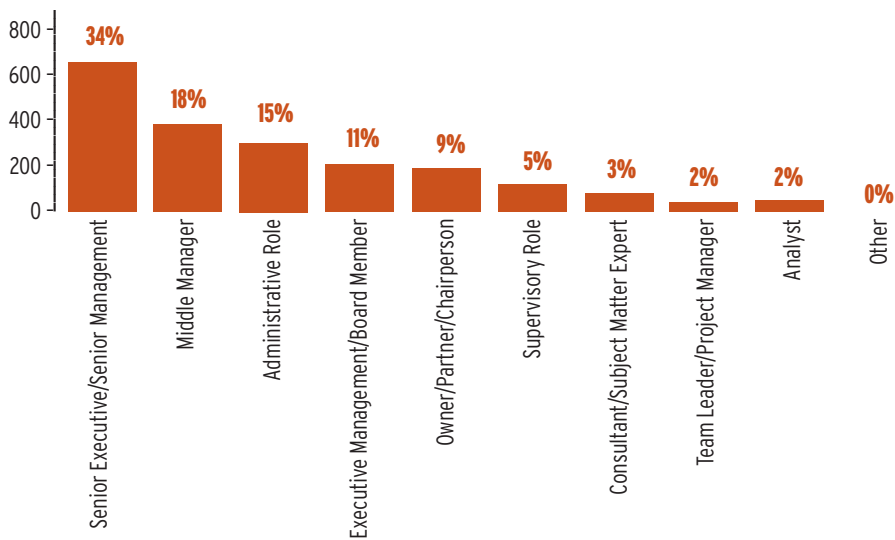


BUSINESS AREAS AND ROLES REPRESENTED

BUSINESS AREA N=1909

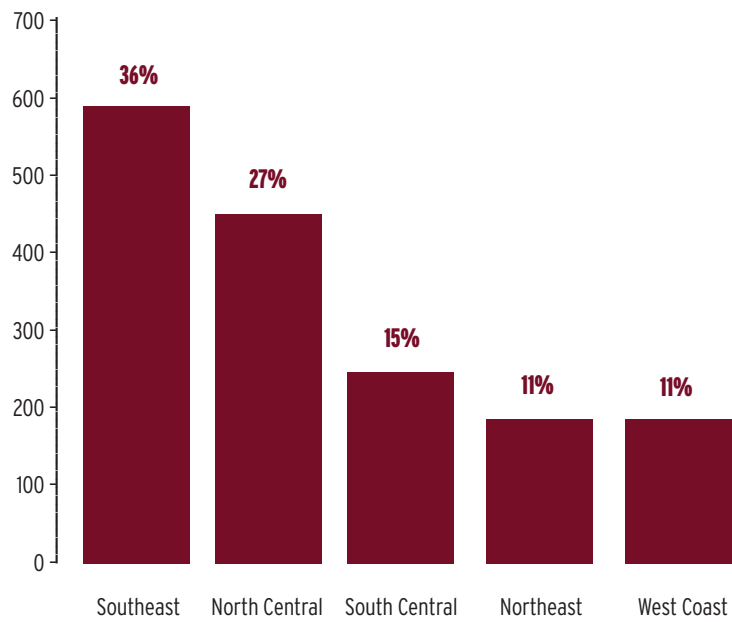


CURRENT ROLE N=1897



REGIONS REPRESENTED

REGIONS REPRESENTED N=1649



SURVEY PARTICIPANT LOCATION AND COMPANY SIZE

SURVEY PARTICIPANTS BY LOCATION

	2011	2010	2009	2008
National	38%	52%	51%	48%
NE	16%	14%	16%	17%
NW	6%	4%	5%	5%
North Central	16%	13%	9%	11%
South Central	8%	6%	6%	6%
SE	9%	8%	9%	8%
SW	7%	3%	4%	5%

SURVEY PARTICIPANTS BY COMPANY SIZE (i.e.active employees)

	2011	2010	2009	2008
<500	25%	14%	16%	16%
501 - 999	11%	13%	10%	11%
1,000 - 1,999	14%	14%	14%	14%
2,000 - 2,999	8%	9%	8%	8%
3,000 - 3,999	5%	5%	6%	7%
4,000 - 4,999	5%	6%	6%	6%
5,000 - 9,999	11%	13%	14%	14%
10,000 - 19,999	10%	11%	13%	10%
20,000 +	12%	15%	14%	16%

TABLE 1 Since its inception, how has the Health Care Reform law affected your company's group health plan in the following areas?

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Group health plan costs											
Decreased	5	7	2		1	9	13	7	8	1	53
Increased	93	53	37	14	112	208	66	91	162	49	885
No Change	46	36	30	2	62	106	75	71	97	29	554
Not Applicable	5	4	2	1	6	6	9	4	15	5	57
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Percentage of workers with health coverage											
Decreased	10	3	3		11	17	1	9	12	4	70
Increased	17	12	10	3	33	37	15	17	39	8	191
No Change	117	81	54	13	129	263	137	137	214	67	1212
Not Applicable	5	4	4	1	8	12	10	10	17	5	76
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Employee contributions toward the cost of coverage											
Decreased	2	3	2		11	7	3	7	9		44
Increased	55	32	21	5	67	129	36	59	98	27	529
No Change	87	60	46	11	96	186	114	100	157	53	910
Not Applicable	5	5	2	1	7	7	10	7	18	4	66
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Company contributions toward the cost of coverage											
Decreased	23	8	10		21	27	12	13	25	5	144
Increased	36	25	19	6	59	102	30	58	89	26	450
No Change	86	62	40	10	94	194	111	97	151	49	894
Not Applicable	4	5	2	1	7	6	10	5	17	4	61
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Company contributions toward the cost of dependent coverage											
Decreased	16	5	4		11	18	7	13	21	5	100
Increased	29	21	21	4	45	89	21	39	64	20	353
No Change	92	67	42	12	114	212	119	106	171	54	989
Not Applicable	12	7	4	1	11	10	16	15	26	5	107
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Encouragement of wellness programs											
Decreased	2	2	2		4	5	2	3	3	1	24
Increased	31	28	33	8	53	107	55	48	84	22	469
No Change	91	59	32	7	96	172	83	91	145	47	823
Not Applicable	25	11	4	2	28	45	23	31	50	14	233
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Wellness program employee participation											
Decreased	3	2	1		2	4	3	1	3		19
Increased	23	24	13	4	41	69	34	31	57	15	311
No Change	93	57	51	11	101	193	98	101	162	52	919
Not Applicable	30	17	6	2	37	63	28	40	60	17	300
Grand Total	149	100	71	17	181	329	163	173	282	84	1549

TABLE 1 Since its inception, how has the Health Care Reform law affected your company's group health plan in the following areas? (continuation)

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Use/addition of Consumer-Directed Health Plans											
Decreased	3	2			2	4	2	2	4	1	20
Increased	22	21	8	6	27	49	23	23	38	14	231
No Change	83	54	41	9	99	187	97	88	152	40	850
Not Applicable	41	23	22	2	53	89	41	60	88	29	448
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Voluntary benefits options for employees											
Decreased	2	4			3	8	2	3	3		25
Increased	15	15	12	4	26	37	13	27	32	9	190
No Change	104	64	45	11	127	235	126	115	184	61	1072
Not Applicable	28	17	14	2	25	49	22	28	63	14	262
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Retiree health benefits costs											
Decreased	4	4	5		3	3	4	3	3		29
Increased	5	8	13	1	11	24	6	9	13	4	94
No Change	83	47	41	7	95	176	97	86	139	31	802
Not Applicable	57	41	12	9	72	126	56	75	127	49	624
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Implementation of smaller hospital/physician networks											
Decreased	1	1			1	2		2	1		8
Increased	6	4	2	1	9	11	7	9	9	2	60
No Change	101	63	48	14	117	226	113	113	181	54	1030
Not Applicable	41	32	21	2	54	90	43	49	91	28	451
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Consideration for moving to lowest cost plan options											
Decreased	3	2	1		2		1	2	2	1	14
Increased	72	22	16	3	69	108	44	59	105	28	526
No Change	58	56	43	12	90	176	101	83	135	42	796
Not Applicable	16	20	11	2	20	45	17	29	40	13	213
Grand Total	149	100	71	17	181	329	163	173	282	84	1549
Consideration for using a self-insured model											
Decreased	4	1	1		1	1	3	2	5		18
Increased	17	15	9		29	42	13	24	36	10	195
No Change	90	57	38	15	106	197	110	103	156	47	919
Not Applicable	38	27	23	2	45	89	37	44	85	27	417
Grand Total	149	100	71	17	181	329	163	173	282	84	1549

TABLE 2 Since its inception, how has the Health Care Reform law affected your company's group health plan in the following areas?

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Group health plan costs						
Moderately Decreased	2	5	18	1	20	46
Moderately Increased	86	69	183	73	175	586
No Change	42	45	188	66	213	554
Not Applicable	2	2	18	2	33	57
Significantly Decreased		1	1		5	7
Significantly Increased	11	10	90	19	169	299
Grand Total	143	132	498	161	615	1549
Percentage of workers with health coverage						
Moderately Decreased	4	7	13	6	29	59
Moderately Increased	24	26	57	22	43	172
No Change	109	94	402	125	482	1212
Not Applicable	5	3	19	3	46	76
Significantly Decreased		1	2	1	7	11
Significantly Increased	1	1	5	4	8	19
Grand Total	143	132	498	161	615	1549
Employee contributions toward the cost of coverage						
Moderately Decreased	1	5	18	1	12	37
Moderately Increased	50	41	139	53	141	424
No Change	78	76	293	99	364	910
Not Applicable	4	2	17	2	41	66
Significantly Decreased		1	2		4	7
Significantly Increased	10	7	29	6	53	105
Grand Total	143	132	498	161	615	1549
Company contributions toward the cost of coverage						
Moderately Decreased	10	5	48	11	57	131
Moderately Increased	42	37	118	44	83	324
No Change	77	83	278	96	360	894
Not Applicable	4	2	16	2	37	61
Significantly Decreased		1	4		8	13
Significantly Increased	10	4	34	8	70	126
Grand Total	143	132	498	161	615	1549
Company contributions toward the cost of dependent coverage						
Moderately Decreased	9	8	26	12	28	83
Moderately Increased	48	28	100	38	57	271
No Change	76	86	323	99	405	989
Not Applicable	4	4	24	2	73	107
Significantly Decreased		2	3		12	17
Significantly Increased	6	4	22	10	40	82
Grand Total	143	132	498	161	615	1549

TABLE 2 Since its inception, how has the Health Care Reform law affected your company's group health plan in the following areas? (continuation)

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Encouragement of wellness programs						
Moderately Decreased	3		6	1	5	15
Moderately Increased	36	44	121	39	64	304
No Change	71	59	253	78	362	823
Not Applicable	5	10	55	9	154	233
Significantly Decreased	1	1	3		4	9
Significantly Increased	27	18	60	34	26	165
Grand Total	143	132	498	161	615	1549
Wellness program employee participation						
Moderately Decreased	2	1	6		2	11
Moderately Increased	30	30	103	38	38	239
No Change	90	83	286	88	372	919
Not Applicable	8	11	78	18	185	300
Significantly Decreased	1		3		4	8
Significantly Increased	12	7	22	17	14	72
Grand Total	143	132	498	161	615	1549
Use/addition of Consumer-Directed Health Plans						
Moderately Decreased		1	9		6	16
Moderately Increased	19	13	59	17	32	140
No Change	71	66	275	90	348	850
Not Applicable	38	40	127	41	202	448
Significantly Decreased			2		2	4
Significantly Increased	15	12	26	13	25	91
Grand Total	143	132	498	161	615	1549
Voluntary benefits options for employees						
Moderately Decreased	1	1	9	3	8	22
Moderately Increased	15	14	59	15	46	149
No Change	100	97	349	125	401	1072
Not Applicable	19	16	67	14	146	262
Significantly Decreased					3	3
Significantly Increased	8	4	14	4	11	41
Grand Total	143	132	498	161	615	1549
Retiree health benefits costs						
Moderately Decreased	5	1	8	2	4	20
Moderately Increased	19	10	31	4	9	73
No Change	70	57	265	92	318	802
Not Applicable	45	62	186	59	272	624
Significantly Decreased	2	1	2		4	9
Significantly Increased	2	1	6	4	8	21
Grand Total	143	132	498	161	615	1549

TABLE 2 Since its inception, how has the Health Care Reform law affected your company's group health plan in the following areas? (continuation)

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Implementation of smaller hospital/physician networks						
Moderately Decreased		1	3		3	7
Moderately Increased	7	3	19	3	17	49
No Change	96	84	340	111	399	1030
Not Applicable	39	44	132	45	191	451
Significantly Decreased				1		1
Significantly Increased	1		4	1	5	11
Grand Total	143	132	498	161	615	1549
Consideration for moving to lowest cost plan options						
Moderately Decreased	1	1	7		2	11
Moderately Increased	25	25	122	41	144	357
No Change	90	70	265	80	291	796
Not Applicable	19	28	60	27	79	213
Significantly Decreased			1	1	1	3
Significantly Increased	8	8	43	12	98	169
Grand Total	143	132	498	161	615	1549
Consideration for using a self-insured model						
Moderately Decreased		1	4		3	8
Moderately Increased	2	15	50	15	45	127
No Change	96	77	300	93	353	919
Not Applicable	38	35	117	40	187	417
Significantly Decreased	1		1	2	6	10
Significantly Increased	6	4	26	11	21	68
Grand Total	143	132	498	161	615	1549

TABLE 3 By approximately how much did the following Health Care Reform provisions impact your company's costs for the plan year that started on or after September 23, 2010? By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Removal of the annual/lifetime limit for "essential health benefits"											
2-5% Increase in Cost	6	1	6	2	9	17	1	8	12	6	68
Decrease in Cost			1			1		1			3
More than 5% Increase in Cost	9	4			10	19	5	4	15	2	68
No Change	16	24	12	1	36	56	34	28	49	19	275
Unknown	21	15	5	3	22	32	22	21	35	13	189
Up to 2% Increase in Cost	7	9	6	2	15	31	10	16	25	7	128
Grand Total	59	53	30	8	92	156	72	78	136	47	731
Provision of adult child coverage up to age 26											
2-5% Increase in Cost	6	4	8	2	14	21	5	11	21	4	96
Decrease in Cost			1				1	2	1	1	6
More than 5% Increase in Cost	10	6			7	16	3	7	13	4	66
No Change	15	20	6	1	27	34	37	20	27	12	199
Unknown	16	13	5	3	18	30	18	15	28	11	157
Up to 2% Increase in Cost	12	10	10	2	26	55	8	23	46	15	207
Grand Total	59	53	30	8	92	156	72	78	136	47	731
Removal of pre-existing condition exclusion for children under age 19											
2-5% Increase in Cost	6	2	3	1	4	13	5	3	11	1	49
Decrease in Cost			1			1			1		3
More than 5% Increase in Cost	7	3			7	10	1	5	11	2	46
No Change	22	26	16	1	48	73	39	45	55	24	349
Unknown	17	16	6	3	20	36	24	18	38	16	194
Up to 2% Increase in Cost	7	6	4	3	13	23	3	7	20	4	90
Grand Total	59	53	30	8	92	156	72	78	136	47	731
Removal of cost sharing component for "preventive services"											
2-5% Increase in Cost	6	1	2	1	9	19	3	5	13	2	61
Decrease in Cost			1			2		1	1		5
More than 5% Increase in Cost	8	4	1	1	6	8	2	4	14	2	50
No Change	17	22	12	1	37	64	35	38	50	19	295
Unknown	21	17	7	3	21	35	25	20	33	16	198
Up to 2% Increase in Cost	7	9	7	2	19	28	7	10	25	8	122
Grand Total	59	53	30	8	92	156	72	78	136	47	731
Removal of restrictions on care for non grandfathered plans											
2-5% Increase in Cost	5	1	1	1	8	10	2	4	8		40
Decrease in Cost			1			1		1	1		4
More than 5% Increase in Cost	7	5			4	5	1	2	11	2	37
No Change	18	31	11		43	80	37	38	59	20	337
Unknown	25	15	8	4	22	43	28	25	42	20	232
Up to 2% Increase in Cost	4	1	9	3	15	17	4	8	15	5	81
Grand Total	59	53	30	8	92	156	72	78	136	47	731

TABLE 3 By approximately how much did the following Health Care Reform provisions impact your company's costs for the plan year that started on or after September 23, 2010? (continuation)

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Total impact of all changes to comply with health care reform											
2-5% Increase in Cost	8	4	6	2	16	30	5	12	26	7	116
Decrease in Cost			1			1		2			4
More than 5% Increase in Cost	15	7	4	1	13	29	6	8	23	7	113
No Change	7	14	5		20	22	26	14	21	11	140
Unknown	19	17	7	2	22	26	24	19	31	12	179
Up to 2% Increase in Cost	10	11	7	3	21	48	11	23	35	10	179
Grand Total	59	53	30	8	92	156	72	78	136	47	731

TABLE 4 How does your company design its health coverage relative to all other rewards?

By Industry

	Health benefits are managed as part of the total strategy (example: salary, vacation, bonuses)	Health benefits are managed as part of the total employee benefits package (example: vision, dental, retirement)	Health benefits are managed independently of all other benefits (example: vision, retirement) and rewards (example: salary, vacation, bonuses)	Unsure/Don't know	Grand Total
Health coverage strategy					
Being Considered	5	48	57	3	113
Being Developed	50	120	106	2	278
No	12	64	137	14	227
No Part of Overall Benefits and Rewards Strategy	36	98	59	6	199
Unsure	4	30	37	29	100
Yes, Well Developed	107	339	337	11	794
Grand Total	214	699	733	65	1711
Total employee benefits (vision and retirement)					
Being Considered	10	49	68	3	130
Being Developed	48	117	91	2	258
No	22	69	192	15	298
No Part of Overall Benefits and Rewards Strategy	38	100	64	4	206
Unsure	6	32	42	28	108
Yes, Well Developed	90	332	276	13	711
Grand Total	214	699	733	65	1711
Total employee rewards strategy (salary, vacation, bonus)					
Being Considered	12	63	69	2	146
Being Developed	50	116	100	1	267
No	13	120	196	14	343
No Part of Overall Benefits and Rewards Strategy	33	78	60	4	175
Unsure	5	42	43	29	119
Yes, Well Developed	101	280	265	15	661
Grand Total	214	699	733	65	1711
Employee wellness strategy					
Being Considered	41	124	104	5	274
Being Developed	63	208	174	7	452
No	42	158	288	22	510
No Part of Overall Benefits and Rewards Strategy	17	42	40	1	100
Unsure	4	35	27	22	88
Yes, Well Developed	47	132	100	8	287
Grand Total	214	699	733	65	1711

TABLE 4 How does your company design its health coverage relative to all other rewards? (continuation)

By Industry

	Health benefits are managed as part of the total strategy (example: salary, vacation, bonuses)	Health benefits are managed as part of the total employee benefits package (example: vision, dental, retirement)	Health benefits are managed independently of all other benefits (example: vision, retirement) and rewards (example: salary, vacation, bonuses)	Unsure/Don't know	Grand Total
Internal communication on the value of rewards provided to employees					
Being Considered	27	104	121	5	257
Being Developed	62	204	138	5	409
No	31	141	245	18	435
No Part of Overall Benefits and Rewards Strategy	15	52	39	1	107
Unsure	7	36	39	24	106
Yes, Well Developed	72	162	151	12	397
Grand Total	214	699	733	65	1711

TABLE 5 Does your company have specific strategies for the following?

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Health Coverage Strategy						
Being Developed	38	26	113	41	60	278
Being Considered	3	5	34	10	61	113
Don't Know/ Unsure	4	5	34	10	47	100
No	5	11	57	11	143	227
No, Part of Overall benefits and Rewards Strategy	4	9	65	17	104	199
Yes, Well Developed	102	87	243	90	272	794
Grand Total	156	143	546	179	687	1711
Total employee benefits strategy						
Being Developed	34	28	93	41	62	258
Being Considered	7	5	46	16	56	130
Don't Know/ Unsure	6	6	37	10	49	108
No	12	14	72	21	179	298
No, Part of Overall benefits and Rewards Strategy	5	12	63	18	108	206
Yes, Well Developed	92	78	235	73	233	711
Grand Total	156	143	546	179	687	1711
Total Employee Rewards Strategy						
Being Developed	31	28	99	38	71	267
Being Considered	15	12	47	21	51	146
Don't Know/ Unsure	7	7	39	11	55	119
No	20	19	99	35	170	343
No, Part of Overall benefits and Rewards Strategy	4	9	53	16	93	175
Yes, Well Developed	79	68	209	58	247	661
Grand Total	156	143	546	179	687	1711
Employee Wellness						
Being Developed	65	60	171	70	86	452
Being Considered	14	24	106	27	103	274
Don't Know/ Unsure	2	2	26	6	52	88
No	13	14	123	28	332	510
No, Part of Overall benefits and Rewards Strategy	2	5	33	7	53	100
Yes, Well Developed	60	38	87	41	61	287
Grand Total	156	143	546	179	687	1711
Internal communication on the value of rewards provided to employees						
Being Developed	40	48	148	61	112	409
Being Considered	28	25	94	26	84	257
Don't Know/ Unsure	3	6	31	11	55	106
No	15	19	124	36	241	435
No, Part of Overall benefits and Rewards Strategy	6	9	30	8	54	107
Yes, Well Developed	64	36	119	37	141	397
Grand Total	156	143	546	179	687	1711

TABLE 6 Which of the following developments are likely to trigger a review of your company's benefits or rewards strategies?

By Employer Size

	<100	100+	Grand Total
Company's financial and market performance			
Extremely Likely	358	539	897
Not At All Likely	26	38	64
Somewhat Likely	205	352	557
Somewhat Unlikely	63	50	113
Grand Total	652	979	1631
Introduction of state-based insurance exchanges			
Extremely Likely	195	292	487
Not At All Likely	85	116	201
Somewhat Likely	255	399	654
Somewhat Unlikely	117	172	289
Grand Total	652	979	1631
Increases in health costs above your company's expectations			
Extremely Likely	440	659	1099
Not At All Likely	11	12	23
Somewhat Likely	177	282	459
Somewhat Unlikely	24	26	50
Grand Total	652	979	1631
Competitors' actions related to benefits/rewards			
Extremely Likely	65	116	181
Not At All Likely	177	118	295
Somewhat Likely	211	457	668
Somewhat Unlikely	199	288	487
Grand Total	652	979	1631
Opportunity to differentiate your benefits from competitors			
Extremely Likely	58	107	165
Not At All Likely	155	101	256
Somewhat Likely	212	467	679
Somewhat Unlikely	227	304	531
Grand Total	652	979	1631
Increase in voluntary employee turnover			
Extremely Likely	50	75	125
Not At All Likely	164	126	290
Somewhat Likely	198	412	610
Somewhat Unlikely	240	366	606
Grand Total	652	979	1631

TABLE 6 Which of the following developments are likely to trigger a review of your company's benefits or rewards strategies? *(continuation)*

By Employer Size

	<100	100+	Grand Total
Corporate pressure to reduce costs			
Extremely Likely	192	392	584
Not At All Likely	105	65	170
Somewhat Likely	241	425	666
Somewhat Unlikely	114	97	211
Grand Total	652	979	1631
Growth in number of employees			
Extremely Likely	78	97	175
Not At All Likely	120	113	233
Somewhat Likely	274	450	724
Somewhat Unlikely	180	319	499
Grand Total	652	979	1631
Health care reform mandates or other related factors			
Extremely Likely	271	470	741
Not At All Likely	30	15	45
Somewhat Likely	276	422	698
Somewhat Unlikely	75	72	147
Grand Total	652	979	1631

TABLE 7 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Reduce coverage to lowest-cost package that will avoid the pay or play penalty											
Don't Know	71	52	39	6	84	154	86	88	124	39	743
Will Definitely not Implement	15	14	13	5	21	47	23	16	36	17	207
Will Implement After 2014	13	5	3	1	12	19	5	11	17	5	91
Will Implement Prior to 2014	11	6	1	1	13	27	6	6	13	4	88
Will Likely Implement, but Timing is Uncertain	29	16	10	4	38	56	30	32	74	12	301
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Increase employee contributions toward coverage costs											
Don't Know	50	35	18	4	46	90	58	60	89	23	473
Will Definitely not Implement	6	2	6	1	13	9	9	5	11	2	64
Will Implement After 2014	11	6	4	1	12	14	3	8	15	2	76
Will Implement Prior to 2014	30	17	15	5	36	57	16	22	45	15	258
Will Likely Implement, but Timing is Uncertain	42	33	23	6	61	133	64	58	104	35	559
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Increase company contributions toward coverage costs											
Don't Know	69	42	25	3	65	117	77	72	109	28	607
Will Definitely not Implement	39	28	27	11	52	104	48	48	79	24	460
Will Implement After 2014	4	1			5	6	2	3	7	6	34
Will Implement Prior to 2014	7	7	4	1	13	15	4	6	14	5	76
Will Likely Implement, but Timing is Uncertain	20	15	10	2	33	61	19	24	55	14	253
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Increase percentage of dependent coverage costs paid by employees											
Don't Know	53	36	26	4	57	119	68	77	108	35	583
Will Definitely not Implement	15	5	13	2	18	25	16	10	21	6	131
Will Implement After 2014	10	5	3	2	11	20	8	11	11	3	84
Will Implement Prior to 2014	18	14	7	2	33	39	14	12	31	10	180
Will Likely Implement, but Timing is Uncertain	43	33	17	7	49	100	44	43	93	23	452
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Encourage voluntary migration of employees to the state-based exchanges											
Don't Know	90	53	35	7	89	161	97	91	168	46	837
Will Definitely not Implement	12	21	21	4	31	49	20	23	33	17	231
Will Implement After 2014	10	2	2	1	11	15	11	7	13	3	75
Will Implement Prior to 2014	6	3	2		9	10	3	4	3	3	43
Will Likely Implement, but Timing is Uncertain	21	14	6	5	28	68	19	28	47	8	244
Grand Total	139	93	66	17	168	303	150	153	264	77	1430

TABLE 7 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? (continuation)

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Drop coverage to trigger migration of employees to state-based exchanges											
Don't Know	95	53	33	6	88	157	87	79	153	43	794
Will Definitely not Implement	20	27	30	5	50	77	42	43	70	29	393
Will Implement After 2014	5	2		1	5	14	4	5	6	1	43
Will Implement Prior to 2014	2	1	1		6	7	3	4	4	1	29
Will Likely Implement, but Timing is Uncertain	17	10	2	5	19	48	14	22	31	3	171
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Re-design eligibility to limit the number of benefit-eligible employees (i.e., restrict work hours to fewer than 30 hours per week, etc.)											
Don't Know	62	45	29	5	73	128	75	73	119	40	649
Will Definitely not Implement	47	23	23	5	46	90	37	36	59	24	390
Will Implement After 2014	7	2	2	2	6	8	4	5	9		45
Will Implement Prior to 2014	8	11	1	1	15	30	11	17	13	3	110
Will Likely Implement, but Timing is Uncertain	15	12	11	4	28	47	23	22	64	10	236
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Terminate coverage for retirees											
Don't Know	89	54	30	7	95	160	98	92	144	46	815
Will Definitely not Implement	20	22	30	5	43	62	22	35	58	19	316
Will Implement After 2014	4	1	1		4	7	2	7	10	1	37
Will Implement Prior to 2014	12	3	1	4	10	25	10	9	15	3	92
Will Likely Implement, but Timing is Uncertain	14	13	4	1	16	49	18	10	37	8	170
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Drop coverage for part-timers											
Don't Know	76	45	33	6	85	154	82	84	131	41	737
Will Definitely not Implement	18	19	20	4	36	64	29	32	50	19	291
Will Implement After 2014	7	4	1	1	6	12	3	10	9	2	55
Will Implement Prior to 2014	24	10	4	4	18	36	11	16	27	6	156
Will Likely Implement, but Timing is Uncertain	14	15	8	2	23	37	25	11	47	9	191
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Reduce employee headcount											
Don't Know	71	44	26	5	70	148	71	74	124	28	661
Will Definitely not Implement	45	37	21	8	70	101	58	52	100	37	529
Will Implement After 2014	3	3			5	6	2	3	7		29
Will Implement Prior to 2014	10	3	5		7	16	5	3	8	2	59
Will Likely Implement, but Timing is Uncertain	10	6	14	4	16	32	14	21	25	10	152
Grand Total	139	93	66	17	168	303	150	153	264	77	1430

TABLE 7 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? (continuation)

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Raise the new hire coverage elimination period/waiting period to 90 days											
Don't Know	65	50	39	7	74	131	76	81	120	34	677
Will Definitely not Implement	16	16	16	5	38	69	34	30	55	32	311
Will Implement After 2014	9	4	1		10	11	9	13	14		71
Will Implement Prior to 2014	25	10		2	20	41	11	15	22	4	150
Will Likely Implement, but Timing is Uncertain	24	13	10	3	26	51	20	14	53	7	221
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Increase deductibles or copayments to keep the plan's costs below the "Cadillac tax" threshold											
Don't Know	57	35	21	4	59	115	63	66	111	28	559
Will Definitely not Implement	5	5	8	2	17	16	11	8	11	3	86
Will Implement After 2014	13	11	6	1	12	30	7	14	23	5	122
Will Implement Prior to 2014	23	17	9	3	30	41	15	11	33	13	195
Will Likely Implement, but Timing is Uncertain	41	25	22	7	50	101	54	54	86	28	468
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Expand the scope of wellness programs											
Don't Know	67	42	24	2	61	105	72	78	106	30	587
Will Definitely not Implement	16	4	7	2	18	26	9	14	25	4	125
Will Implement After 2014	5	2	1	1	9	14	7	6	6		51
Will Implement Prior to 2014	18	19	17	3	29	60	22	18	42	17	245
Will Likely Implement, but Timing is Uncertain	33	26	17	9	51	98	40	37	85	26	422
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Stop company spending on other welfare benefit plans (i.e. dental, vision, etc.)											
Don't Know	71	50	34	7	75	136	81	80	126	39	699
Will Definitely not Implement	25	27	24	4	48	90	37	35	68	31	389
Will Implement After 2014	4	3		1	6	6	4	8	8		40
Will Implement Prior to 2014	11	3		1	14	24	8	8	14	1	84
Will Likely Implement, but Timing is Uncertain	28	10	8	4	25	47	20	22	48	6	218
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Replace non-health welfare benefits (i.e. dental, vision, etc.) with employee-pay-all voluntary benefits											
Don't Know	72	53	34	5	76	139	82	82	125	35	703
Will Definitely not Implement	18	17	19	4	31	67	30	29	50	23	288
Will Implement After 2014	2	2	1	1	4	9	3	8	9		39
Will Implement Prior to 2014	20	5	3		19	24	7	6	13	3	100
Will Likely Implement, but Timing is Uncertain	27	16	9	7	38	64	28	28	67	16	300
Grand Total	139	93	66	17	168	303	150	153	264	77	1430

TABLE 7 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? (continuation)

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
Reduce company spending on tax-qualified benefits (i.e. pension, 401(k), etc.)											
Don't Know	69	50	29	8	74	141	80	82	131	38	702
Will Definitely not Implement	23	24	26	3	37	78	28	35	65	22	341
Will Implement After 2014	6	2	1		3	4	5	6	5	1	33
Will Implement Prior to 2014	13	5	2	2	15	19	9	7	10	4	86
Will Likely Implement, but Timing is Uncertain	28	12	8	4	39	61	28	23	53	12	268
Grand Total	139	93	66	17	168	303	150	153	264	77	1430
Reduce compensation (i.e. salary, bonuses, etc.)											
Don't Know	67	43	35	4	73	125	77	81	130	31	666
Will Definitely not Implement	36	38	22	10	55	122	46	52	88	37	506
Will Implement After 2014	4		1	1	4	8	3	2	6	1	30
Will Implement Prior to 2014	7	2	1		8	11	3	4	8	2	46
Will Likely Implement, but Timing is Uncertain	25	10	7	2	28	37	21	14	32	6	182
Grand Total	139	93	66	17	168	303	150	153	264	77	1430

TABLE 8 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Reduce coverage to lowest-cost package that will avoid the pay or play penalty						
Don't Know	51	57	251	78	306	743
Will Definitely not Implement	21	24	70	25	67	207
Will Implement After 2014	16	10	28	8	29	91
Will Implement Prior to 2014	10	10	16	6	46	88
Will Likely Implement, but Timing is Uncertain	37	23	84	33	124	301
Grand Total	292	188	671	222	867	2316
Increase employee contributions toward coverage costs						
Don't Know	32	29	154	49	209	473
Will Definitely not Implement	5	5	23	9	22	64
Will Implement After 2014	12	6	18	9	31	76
Will Implement Prior to 2014	34	29	75	31	89	258
Will Likely Implement, but Timing is Uncertain	52	55	179	52	221	559
Grand Total	292	188	671	222	867	2316
Increase company contributions toward coverage costs						
Don't Know	45	38	198	61	265	607
Will Definitely not Implement	44	43	142	43	188	460
Will Implement After 2014	5	3	11	4	11	34
Will Implement Prior to 2014	12	12	21	12	19	76
Will Likely Implement, but Timing is Uncertain	29	28	77	30	89	253
Grand Total	292	188	671	222	867	2316
Increase percentage of dependent coverage costs paid by employees						
Don't Know	38	40	202	58	245	583
Will Definitely not Implement	10	13	40	15	53	131
Will Implement After 2014	11	8	23	12	30	84
Will Implement Prior to 2014	26	24	48	13	69	180
Will Likely Implement, but Timing is Uncertain	50	39	136	52	175	452
Grand Total	292	188	671	222	867	2316
Encourage voluntary migration of employees to the state-based exchanges						
Don't Know	68	56	283	76	354	837
Will Definitely not Implement	26	35	61	38	71	231
Will Implement After 2014	4	11	27	7	26	75
Will Implement Prior to 2014	3	3	13	1	23	43
Will Likely Implement, but Timing is Uncertain	34	19	65	28	98	244
Grand Total	292	188	671	222	867	2316

TABLE 8 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? (continuation)

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Drop coverage to trigger migration of employees to state-based exchanges						
Don't Know	58	51	261	83	341	794
Will Definitely not Implement	52	49	125	46	121	393
Will Implement After 2014	5	5	13	3	17	43
Will Implement Prior to 2014	1	3	12	2	11	29
Will Likely Implement, but Timing is Uncertain	19	16	38	16	82	171
Grand Total	292	188	671	222	867	2316
Re-design eligibility to limit number of benefit-eligible employees (e.g., restrict work hours etc.)						
Don't Know	54	48	207	67	273	649
Will Definitely not Implement	37	29	136	41	147	390
Will Implement After 2014	9	6	14	1	15	45
Will Implement Prior to 2014	13	13	28	9	47	110
Will Likely Implement, but Timing is Uncertain	22	28	64	32	90	236
Grand Total	292	188	671	222	867	2316
Terminate coverage for retirees						
Don't Know	59	61	264	88	343	815
Will Definitely not Implement	30	30	101	29	126	316
Will Implement After 2014	5	6	9	4	13	37
Will Implement Prior to 2014	7	5	29	10	41	92
Will Likely Implement, but Timing is Uncertain	34	22	46	19	49	170
Grand Total	292	188	671	222	867	2316
Drop coverage for part-timers						
Don't Know	57	52	240	80	308	737
Will Definitely not Implement	35	32	94	32	98	291
Will Implement After 2014	10	6	15	4	20	55
Will Implement Prior to 2014	7	9	47	14	79	156
Will Likely Implement, but Timing is Uncertain	26	25	53	20	67	191
Grand Total	292	188	671	222	867	2316
Reduce employee headcount						
Don't Know	57	49	205	66	284	661
Will Definitely not Implement	57	51	175	68	178	529
Will Implement After 2014	4	1	9	4	11	29
Will Implement Prior to 2014	3	6	13	3	34	59
Will Likely Implement, but Timing is Uncertain	14	17	47	9	65	152
Grand Total	292	188	671	222	867	2316

TABLE 8 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? (continuation)

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Raise the new hire coverage elimination period/waiting period to 90 days						
Don't Know	54	46	223	69	285	677
Will Definitely not Implement	40	35	96	42	98	311
Will Implement After 2014	11	9	20	7	24	71
Will Implement Prior to 2014	11	13	44	14	68	150
Will Likely Implement, but Timing is Uncertain	19	21	66	18	97	221
Grand Total	292	188	671	222	867	2316
Increase deductibles or copayments to keep the plan's costs below the "Cadillac tax" threshold						
Don't Know	39	43	182	57	238	559
Will Definitely not Implement	6	5	31	10	34	86
Will Implement After 2014	25	15	32	9	41	122
Will Implement Prior to 2014	25	17	53	20	80	195
Will Likely Implement, but Timing is Uncertain	40	44	151	54	179	468
Grand Total	292	188	671	222	867	2316
Expand the scope of wellness programs						
Don't Know	34	30	180	47	296	587
Will Definitely not Implement	7	3	30	8	77	125
Will Implement After 2014	3	8	22	5	13	51
Will Implement Prior to 2014	51	40	66	47	41	245
Will Likely Implement, but Timing is Uncertain	40	43	151	43	145	422
Grand Total	292	188	671	222	867	2316
Stop company spending on other welfare benefit plans (i.e. dental, vision, etc.)						
Don't Know	53	52	234	69	291	699
Will Definitely not Implement	51	43	129	54	112	389
Will Implement After 2014	3	8	8	3	18	40
Will Implement Prior to 2014	5	7	22	7	43	84
Will Likely Implement, but Timing is Uncertain	23	14	56	17	108	218
Grand Total	292	188	671	222	867	2316
Replace non-health welfare benefits (i.e. dental, vision, etc.) with employee-pay-all voluntary benefits						
Don't Know	49	48	247	68	291	703
Will Definitely not Implement	37	32	91	45	83	288
Will Implement After 2014	7	4	9	4	15	39
Will Implement Prior to 2014	7	7	33	4	49	100
Will Likely Implement, but Timing is Uncertain	35	33	69	29	134	300
Grand Total	292	188	671	222	867	2316

TABLE 8 Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform? *(continuation)*

By Employer Size

	>2500	1000-2,500	100-499	500-2500	One- 99	Grand Total
Reduce company spending on tax-qualified benefits (i.e. pension, 401(k), etc.)						
Don't Know	51	50	231	72	298	702
Will Definitely not Implement	45	39	113	43	101	341
Will Implement After 2014	4	2	10	3	14	33
Will Implement Prior to 2014	7	6	23	10	40	86
Will Likely Implement, but Timing is Uncertain	28	27	72	22	119	268
Grand Total	292	188	671	222	867	2316
Reduce compensation (i.e. salary, bonuses, etc.)						
Don't Know	58	48	203	59	298	666
Will Definitely not Implement	62	58	176	70	140	506
Will Implement After 2014	3	2	9	3	13	30
Will Implement Prior to 2014	1	4	8	4	29	46
Will Likely Implement, but Timing is Uncertain	11	12	53	14	92	182
Grand Total	292	188	671	222	867	2316

TABLE 9 Were all of your company's health plan options grandfathered for the plan year starting on or after September 23, 2010?

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
About half of the health plan options were grandfathered	1	1			2	3	1	2	1	1	12
Don't know / Unsure	38	13	11	5	36	46	36	38	54	12	289
Most health plan options were grandfathered	6	7	1		12	17	5	12	17	5	82
None of the health plan options were grandfathered	37	34	22	7	45	83	47	32	72	25	404
Only some health plan options were grandfathered	5	1	3	2	8	24	4	3	18	3	71
Yes, all health plan options were grandfathered	58	44	33	3	75	152	68	84	116	35	668
Grand Total	145	100	70	17	178	325	161	171	278	81	1526

TABLE 10 Will your company's current grandfathered health plan options remain grandfathered for the plan year starting on or after September 23, 2011?

By Industry

	Construction/ Real Estate	Financial Services	Governmental Entity	Health Insurance	Healthcare	Manufacturing/ Industry	Non-profit	Other	Services	Technology	Grand Total
About half of the current grandfathered health plan options will remain grandfathered									1		1
Don't Know / unsure	15	10	2		14	19	12	15	23	5	115
Most of the current grandfathered health plan options will remain grandfathered	1	2	1		1	2		1	2	1	11
None of the current grandfathered health plan options will remain grandfathered	10	4	5		7	31	9	10	13	3	92
Only some of the current grandfathered health plan options will remain grandfathered		3			2	2		1	2	2	12
Yes, all of the current grandfathered health plan options will remain grandfathered	32	24	25	3	51	98	47	56	74	24	434