

Willis

THE HEALTH CARE REFORM SURVEY


2012-2013



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OVERVIEW



The election is over and the Supreme Court's verdict is in: Health Care Reform is here to stay. Whatever employers' thoughts and actions (or lack thereof) have been over the past three years with regard to this landscape-changing legislation, the time for definitive action has arrived.

Health Care Reform (the Patient Protection and Affordable Care Act) has captured the attention of employers ever since its enactment on March 23, 2010. In its wake, governmental agencies have released a continual wave of proposed regulations, final regulations, questions and answers, delayed effective dates, and notices of non-enforcement (pending regulatory guidance).

In response to the fluidity of the regulatory guidance and its attendant obligations, employers have struggled to comply. When the reform law was newly passed, employers generally scrambled to implement steps that would ensure compliance; however, the increasing regulatory flow and its complexity has hampered these attempts, and outside observers noted their decline as employers waited to see the impact of the 2012 Supreme Court case, which considered the legality of the Health Care Reform law. No discernible rush to implement the requirements of Health Care Reform followed the Court's decision, as many employers appeared to wait for the results of the presidential election.

OBJECTIVES

Willis has conducted Health Care Reform Surveys over the last three years, finding, among other things, that employers have worked to comply as they needed to, rather than looking ahead and tailoring benefits in anticipation of a plan's increased costs. In light of the monumental 2012 Supreme Court decision and the presidential election, Willis sought updated input from employers regarding the costs of compliance with Health Care Reform as well as the strategies they are implementing to comply and manage costs. The goals of this year's survey were to identify:

- What elements of Health Care Reform have affected employer cost (positively or negatively)
- The strategies employers are using in offering/designing benefits
- The extent to which employers are retaining grandfathered status
- The expectations of employers regarding:
 - What they believe similar companies will do in reaction to Health Care Reform
 - What plan design changes survey respondents expect to make as a result of Health Care Reform

As an adviser to employers offering group health benefits, Willis will use the survey findings to help us anticipate employer needs and address compliance issues at the same time that cost containment strategies are employed.

EXECUTIVE SUMMARY

The survey respondents reflect a wide spectrum of employers from various industries, differing sizes and across diverse geographic regions. More than 1,200 employers* participated in this year's survey with varying benefit plans (PPO, HMO, HDHP, etc.). Over a third of the responding employers have between 100 and 499 employees, and similar to last year's response, a little over 11% represent employers with more than 2,500 employees; roughly a third of the respondents were large employers (with more than 500 employees), and of that percentage, a third comprised employers with more than 2,500 employees.

Because this year's survey aimed to refresh last year's data and observe trend changes between last year's responses and those from this year, most of the recent survey questions were repeated from our prior survey. In many respects, this year's survey findings closely resemble last year's. Last year's survey indicated that while most employers are reluctant to be the first to drop coverage, re-design eligibility, or reduce company financial support for certain benefits – for the first time, employers noted that they believed that other employers would, in fact, take these actions. This year's survey asked that same perception question about what plan design/cost containment changes other employers were likely to implement, and the responses largely feature cost shifting toward employees. This year's survey also asked respondents about the likelihood of accelerating plan design changes in order to comply with Health Care Reform early. Predictably, over half of the respondents did not plan to be early adopters.

The latest survey includes the following key discoveries:

■ EMPLOYERS ARE CONCERNED WITH COSTS, BUT MANY UNDERESTIMATE THE TRUE COST OF COMPLIANCE

Though “cost” is slated as the biggest compliance concern (60% of employers say that avoiding cost increases is the most important consideration for their businesses), over half of surveyed employers have not determined the cost of Health Care Reform compliance, and the majority of employers believe that Health Care Reform has not impacted the cost of their plans. However, among the employers who have calculated (or are in the process of calculating) the cost, 61% indicate that the total impact of all Health Care Reform changes has increased costs (with 17% of responding employers noting that costs have increased by over 5%). Furthermore, survey responses do not show that Health Care Reform has decreased any employer costs.

■ MOST EMPLOYERS INTEND TO “PLAY” UNDER THE “PAY OR PLAY” MANDATE

Survey responses indicate that employers continue in the “compliance-as-we-go” approach and are less inclined to manage health benefits as part of total rewards (i.e., salary, vacation, bonuses, retirement). Their preference is to “play” under the mandate. However, there are many variations of “playing,” and employers have much room for strategy within the various “play” options.

■ EMPLOYERS EXPECT THAT SIMILAR EMPLOYERS WILL COST-SHIFT TO EMPLOYEES

This year's findings are similar to last year's. Topping the list of expected employer actions are cost shifting, expanding wellness programs, and re-designing both eligibility and benefit package options.

■ EMPLOYERS ARE MUCH MORE LIKELY TO VOLUNTARILY RELINQUISH GRANDFATHERED STATUS

There is a sizeable increase in the number of employers voluntarily choosing to forego grandfathered status (39%) as opposed to the number of employers who chose to voluntarily relinquish that status last year (13%). This increase is due to the desire to control more aspects of plan design/co-pays/coinsurance/premiums. The pace at which employers have voluntarily or involuntarily lost grandfathered status far surpasses the Department of Health & Human Services' expectations. This continues the trend that was highlighted in last year's survey. The Preamble to June 2010 Regulations speculated that by the end of 2011, 78% of employers would retain grandfathered status; by

the end of 2012, 62% would retain grandfathered status; and by the end of 2013, 49% would retain grandfathered status. Last year's survey responses indicated that, despite employer desire to remain grandfathered, many employers had lost grandfathered status. However, this year's survey responses point to a shift in employer priorities.

Also similar to last year, many of this year's survey responses indicate employer confusion about cost, and though the 2014 Exchange Enrollment period is approaching, 2/3 of employers doubt that the exchanges will be ready for enrollment. In response to that uncertainty, 20% of employers expect that other employers will terminate group health plans in order to trigger a migration to exchanges, and 30% of employers expect employees of other companies to be "encouraged" to join the state-based exchanges. This paints a rather dismal picture of employer sponsorship of group health benefits. However, this conclusion is likely tempered by employer responses to multiple survey questions concerning their own provision of benefits and rewards. Primarily, employers say they expect to maintain their plans. Moreover, employers noted that they are more likely to expand health coverage as needed (in order to comply with Health Care Reform) and that they will expand coverage without reducing employee salaries, vacations, and bonuses. Taken as a whole, it appears that employers expect that similar employers may take more radical action than they themselves anticipate taking. While many employers are unsure of the cost of Health Care Reform, they appear to take small compliance steps rather than making strategic plans for broad plan changes.

NOTES REGARDING THE PRESENTATION OF THE SURVEY RESULTS

To allow a more seamless presentation of survey findings within the critical areas we studied, the order of the information presented in this report differs from the order of the survey questions. Results have been rounded to simplify the presentation of data.

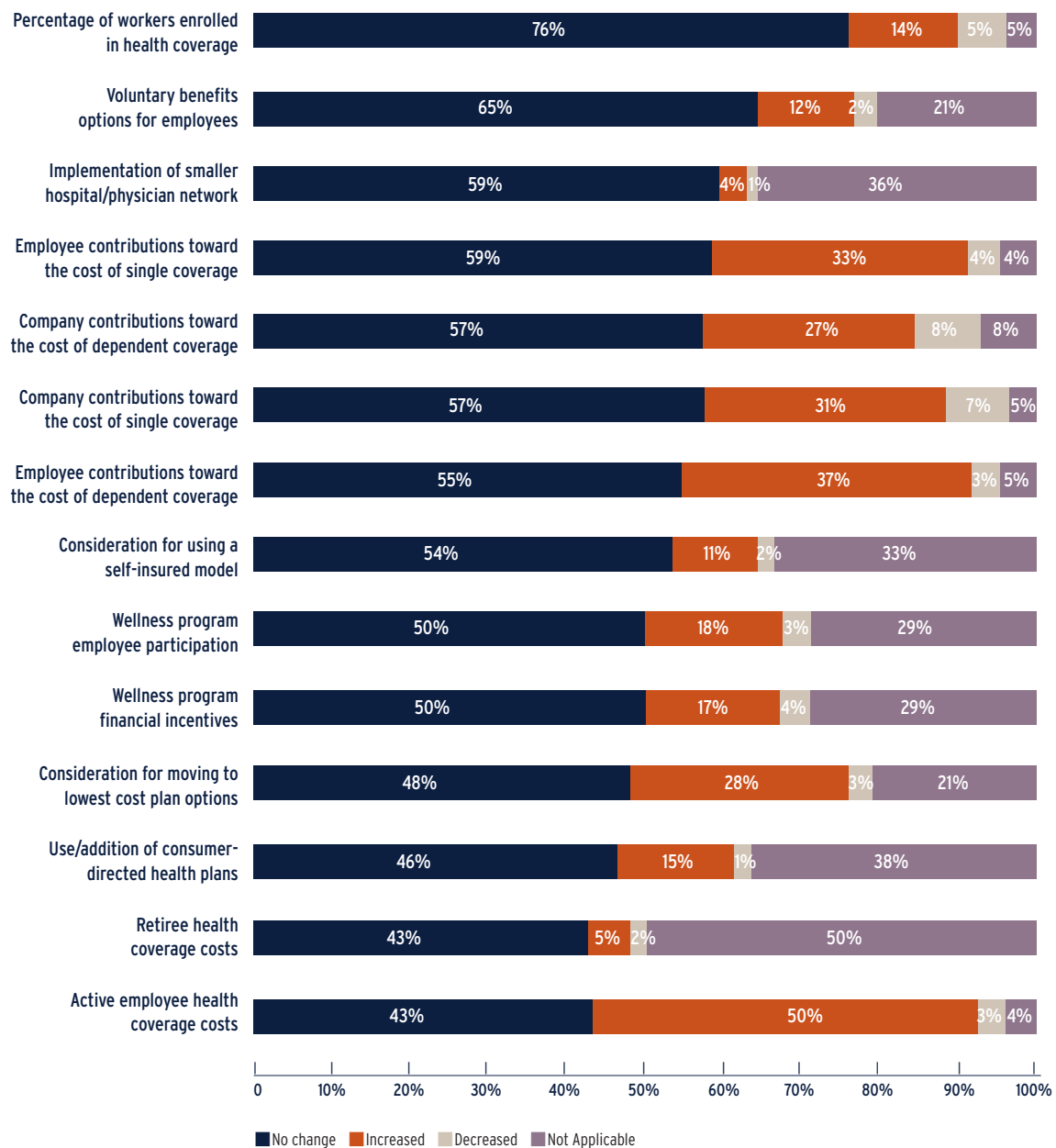
*Because the survey was a "directed survey" (i.e., certain questions were automatically added or deleted based upon responses to other questions), the number of survey respondents varied from question to question.

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EFFECT OF HEALTH CARE REFORM

BASED UPON THEIR PERCEPTIONS, 50% OF EMPLOYERS BELIEVE THAT THE COST OF ACTIVE EMPLOYEE HEALTH COVERAGE HAS INCREASED. HOWEVER, THE MAJORITY OF EMPLOYERS BELIEVE THAT HEALTH CARE REFORM HAS OTHERWISE NOT IMPACTED THEIR PLANS.

IMPACT ON EMPLOYER'S PLAN [N=881]

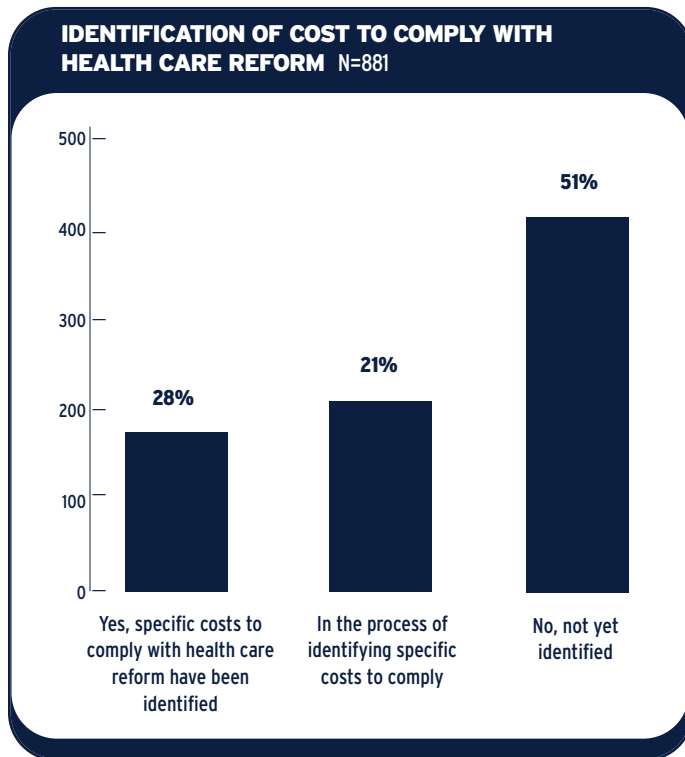


The results on this graph are interesting in that, while half of surveyed employers believe that the cost of employee health coverage costs will increase, in separate survey questions, much larger percentages of employers believe that neither their employer contributions nor employee contributions toward coverage will change. This conflicting survey result seems to underscore employer uncertainty about the costs associated with Health Care Reform; the survey result could also reflect the fact that some of the responding employers had calculated the cost of Health Care Reform compliance under their plans, while the majority of responding employers were speaking from their perceptions.

As compared to last year, a lower percentage of employers in this year's survey said they believe that active employee health coverage costs have increased. Additionally, there is an increase (7% as opposed to 0% last year) in the number of employers saying that company contributions toward the cost of employee-only coverage have decreased.

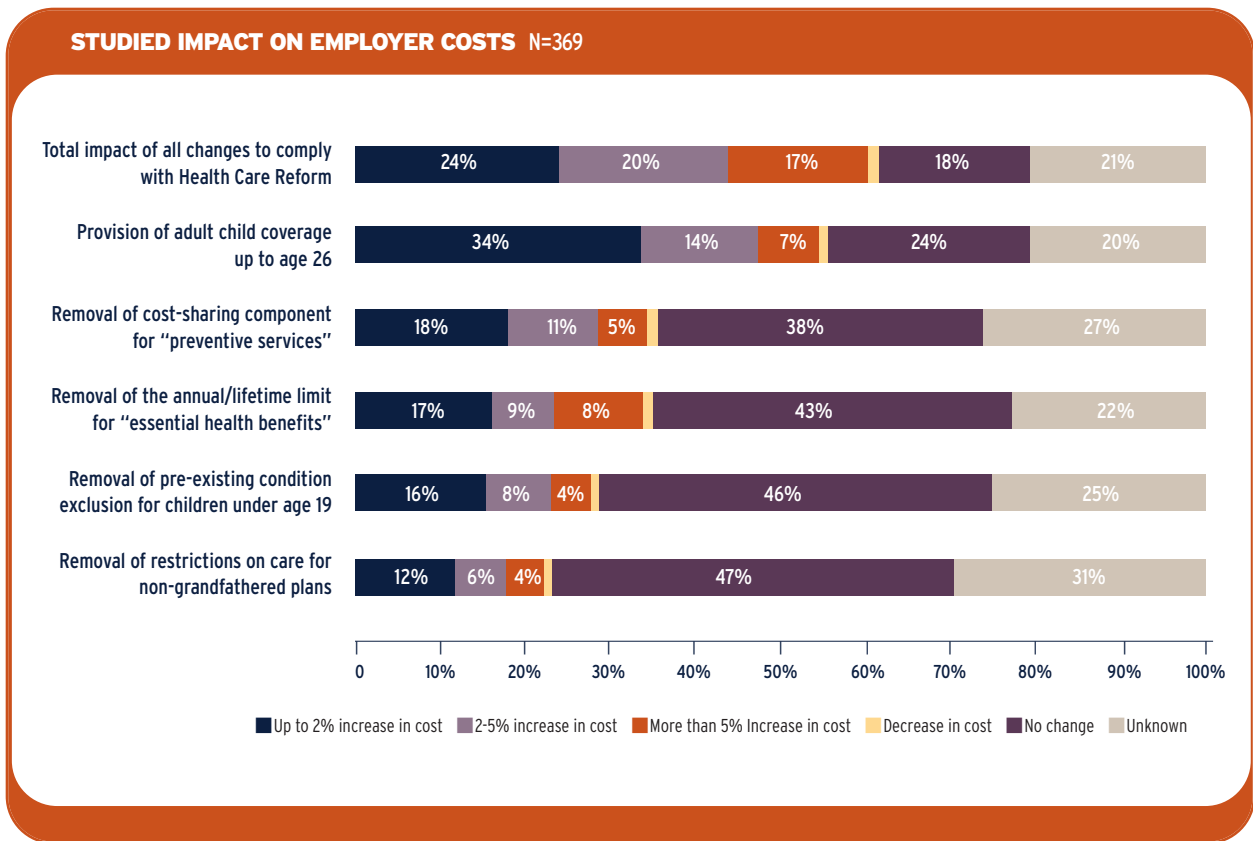
Additional information, by industry and employer size, can be found in **Table 3** and **Table 4** of the Appendix.

OVER HALF OF EMPLOYERS STILL HAVE NOT IDENTIFIED THE COST OF HEALTH CARE REFORM COMPLIANCE.



Additional information, by industry and employer size, can be found in **Table 5** and **Table 6** of the Appendix.

MORE THAN HALF OF THE EMPLOYERS WHO HAVE IDENTIFIED THE COST OF COMPLYING WITH HEALTH CARE REFORM NOTE THAT COSTS HAVE INCREASED; EMPLOYERS DID NOT SEE A DECREASE IN COST.

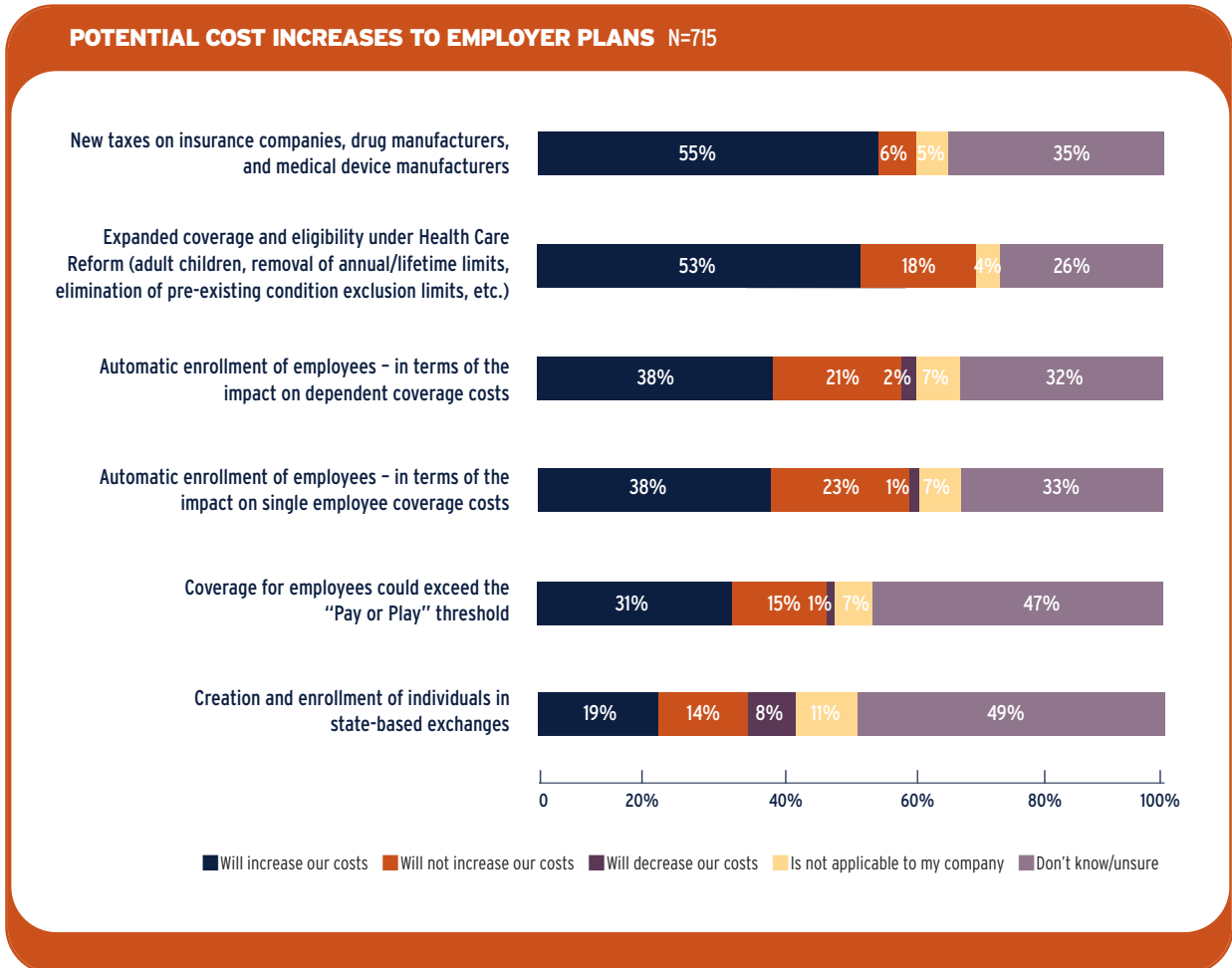


When comparing this year's survey responses to responses from last year's survey, generally, there was an increase in the number of employers who saw costs rise in the 2-5% bracket, while at the same time, generally the number of employers claiming cost increases in the "more than 5%" bracket, dropped. However, when asked about the total impact of changes required by Health Care Reform, employers said that costs had increased within both the 2-5% and the "more than 5%" categories (though notably in the 2-5% bracket).

Additional information, by industry, can be found in **Table 7** of the Appendix.

Additional information regarding the percentage of employees enrolling adult children in the group health plan can be found in **Table 13** of the Appendix.

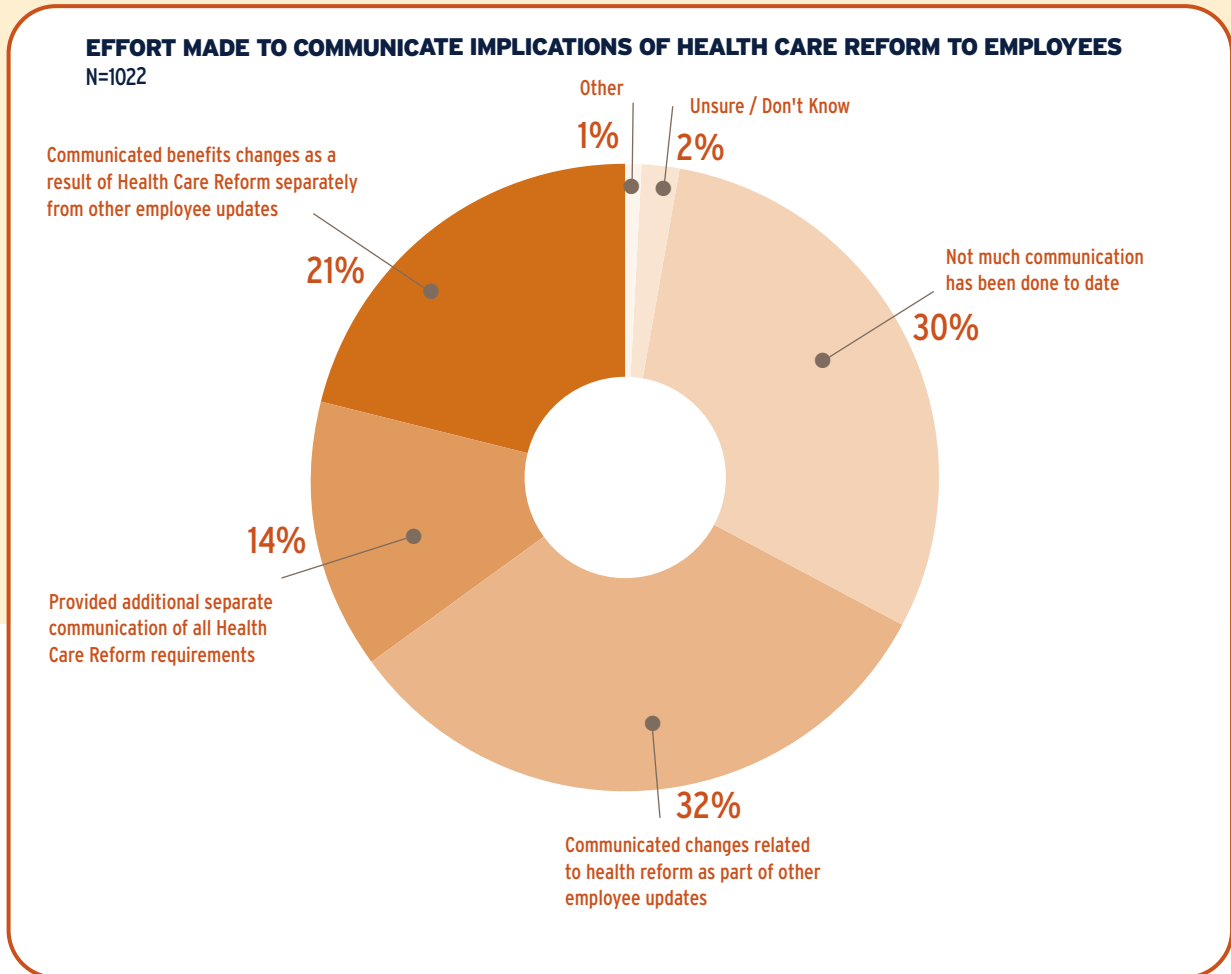
EMPLOYERS ANTICIPATE THAT EXPANDED COVERAGE MANDATES AND TAXES IMPOSED ON OTHER ENTITIES WILL INCREASE EMPLOYER COSTS.



Without complete information about state exchanges, employers are conflicted about the impact of state exchanges on their plans. However, more than half of employers now feel that taxes on insurance companies and drug/medical device manufacturers will ultimately increase employer costs. This year's survey results represent a marked increase over last year's responses. Last year, 43% of employers felt that external taxes/fees would negatively impact their group health plans.

With regard to automatic enrollment, the responses between last year's survey and this year's survey in the category of "will not change our costs" more than doubled.

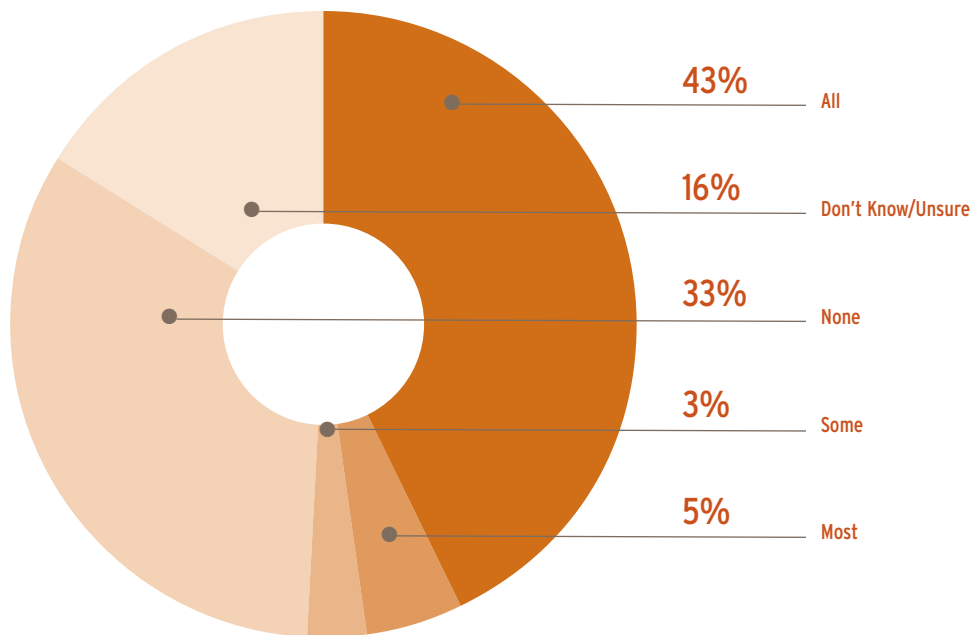
MOST EMPLOYERS HAVE ISSUED COMMUNICATIONS ABOUT HEALTH CARE REFORM; HOWEVER, A SIZEABLE MINORITY STILL HAVE NOT.



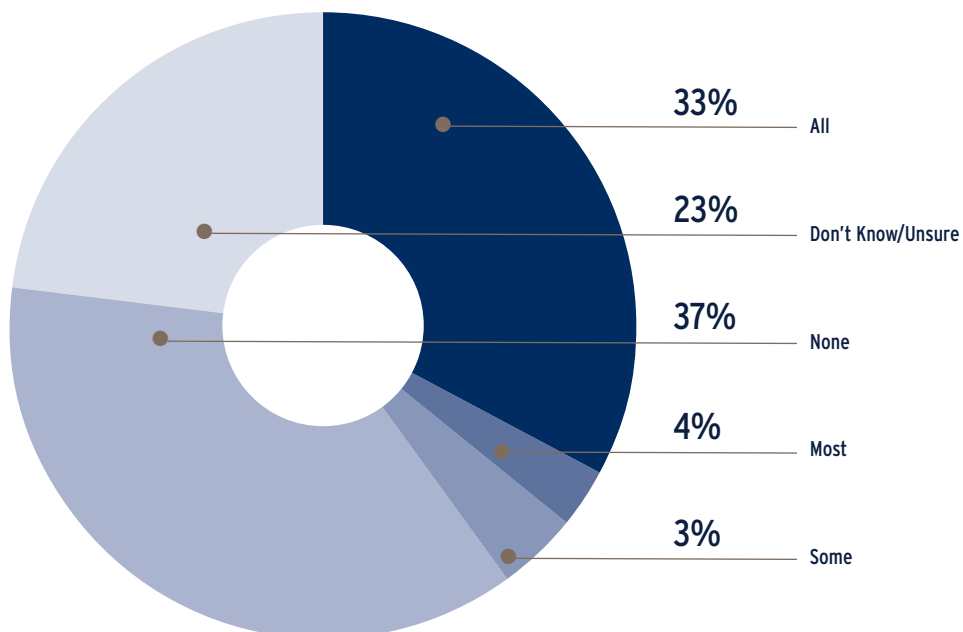
As compared to last year, more employers have provided employees with separate communication materials dealing only with Health Care Reform. Last year, 7% of responding employers had distributed dedicated materials related to Health Care Reform while this year, 14% of surveyed employers distributed separate Health Care Reform materials to their employees.

FEWER 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=862



EXPECTED GRANDFATHERED STATUS FOR THE PLAN YEAR STARTING ON OR AFTER SEPTEMBER 23, 2012 N=724



The results from this year's survey indicate a very close correlation to last year's response regarding the grandfathered nature of plans for plan years starting on or after September 23, 2010. 44% of last year's survey respondents indicated that all of their plans had been grandfathered for plan years starting on or after September 23, 2010. While this year's survey did not poll the same plan sponsors, the responses are very similar.

This year's survey indicates the same general trend for employers continuing to maintain their grandfathered status. Last year 29% of responding employers were able to retain grandfathered status, and this year's responses from a different group of employers shows a similar figure.

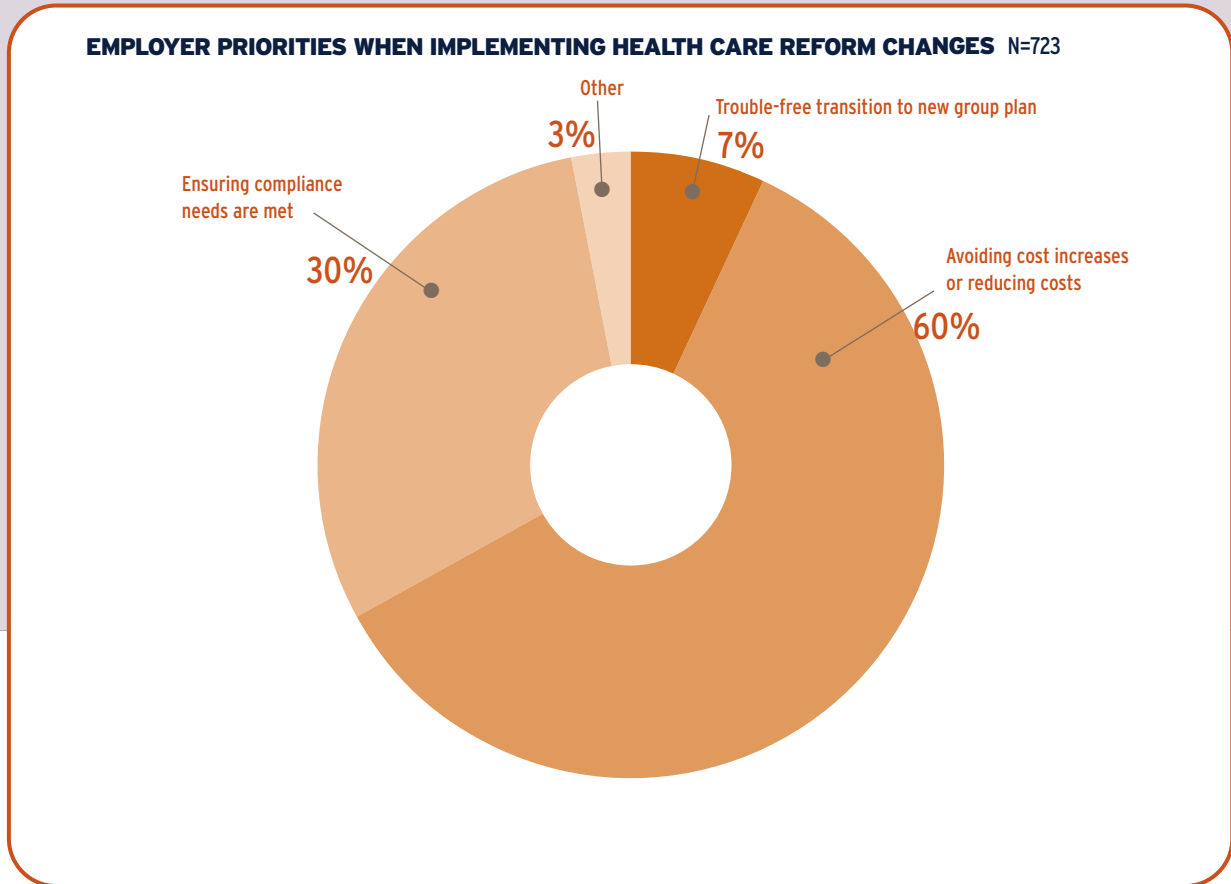
Responses to another question posed within the survey indicate a rather sizeable increase in the number of employers voluntarily choosing to forego grandfathered status this year (39%) as opposed to the number of employers who chose to voluntarily relinquish that status last year (13%). Responding employers indicated that cost considerations influenced their decision; 37% of employers indicated that they would have preferred to maintain grandfathered status; however, deductibles, co-payments, and other cost-sharing mechanisms were more important to plan sponsors and forced the decision to voluntarily relinquish grandfathered status.

Additional information, by industry, can be found in **Table 8** and **Table 9** of the Appendix.

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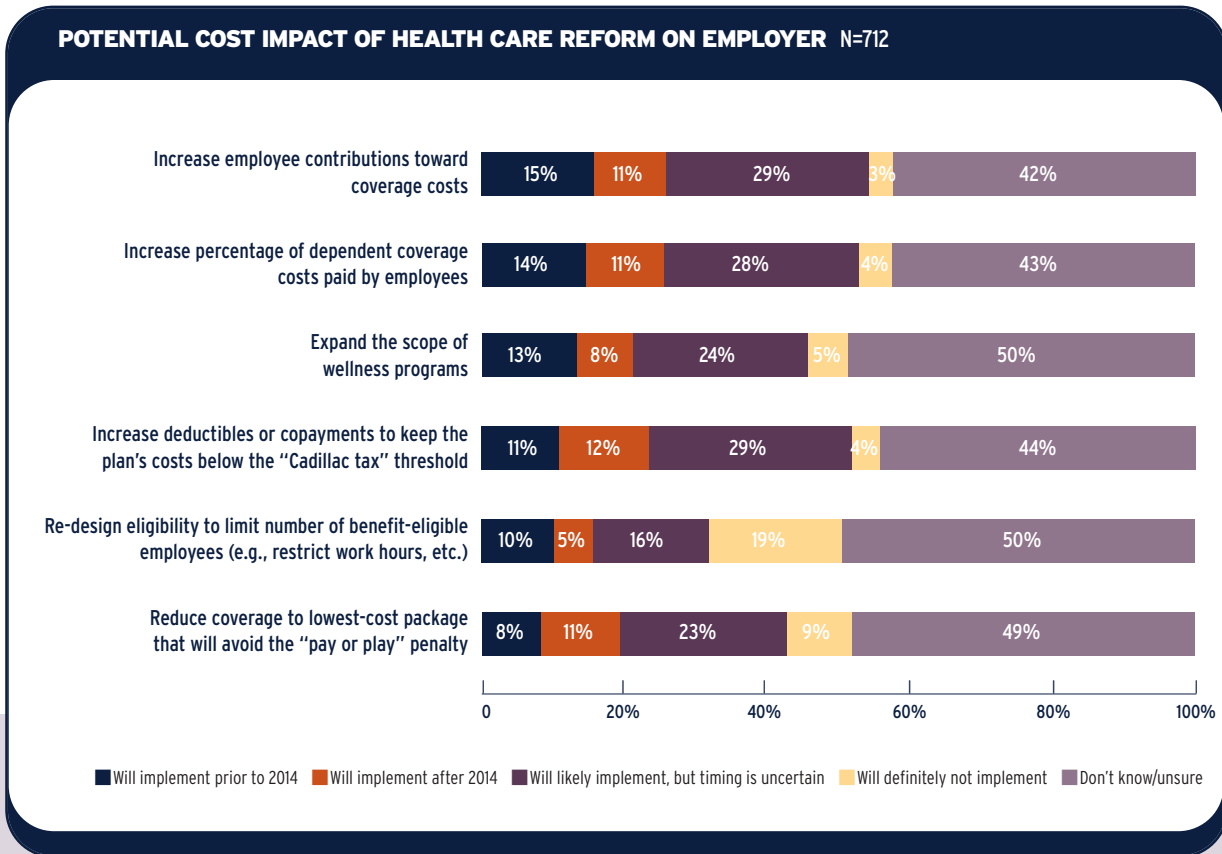
EMPLOYER RESPONSE TO HEALTH CARE REFORM

EMPLOYER PRIORITIES IN THE FACE OF HEALTH CARE REFORM: COST CONTAINMENT IS JOB #1.



While last year, responding employers equally wanted to ensure compliance and avoid cost increases, this year, employers appear to have shifted their priorities. Currently, their focus is on cost containment, with a significant shift from 42% last year to 60% this year. Thus, predictable employer responses to Health Care Reform would include passing costs on to employees, redefining eligibility, and taking steps to limit expensive health plan options. This assumption was reinforced by the survey results.

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



The responses to this question are consistent with last year's Willis Health Care Reform Survey as well as other survey data. Employers are overwhelmingly predicting that similar employers will raise employee contributions, and this year's survey responses indicate that employers are more likely to pass on costs for not only employee coverage, but also employee-paid dependent coverage.

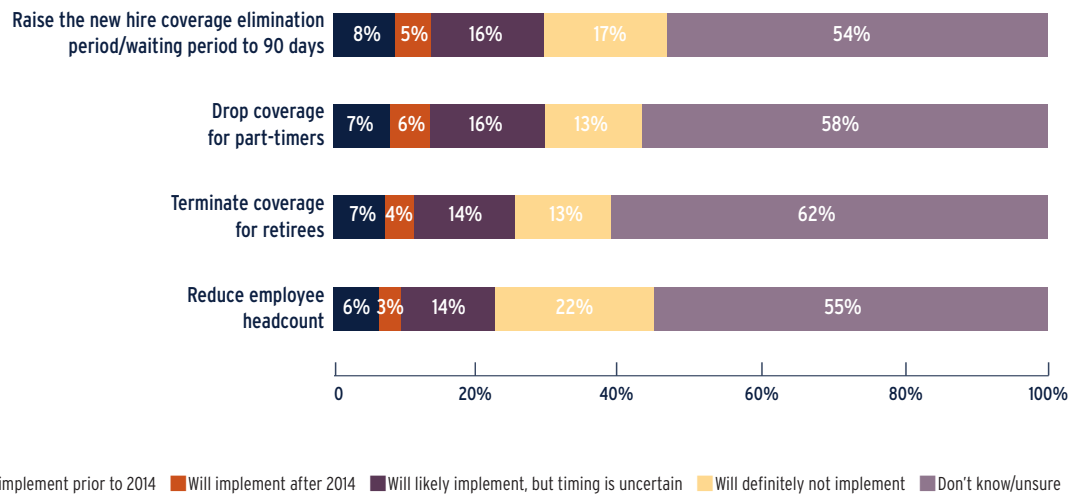
By a margin greater than 18 to 1, employers think that their peer companies will raise employee contributions, and this year the option of "re-designing eligibility to limit the number of benefit-eligible employees" grew significantly in its popularity. Last year, 27% of the surveyed employers thought that their peer companies would definitely not re-design eligibility. However, this year's survey results found that only 19% of employers thought their peer companies would not make eligibility changes in order to cut costs.

Employers in the manufacturing industry were much more likely to predict eligibility changes as a cost-savings method.

Additional information, by industry and employer size, can be found in **Table 10** and **Table 11** of the Appendix.

FEW EMPLOYERS EXPECT TO REDUCE EMPLOYEE HEADCOUNT.

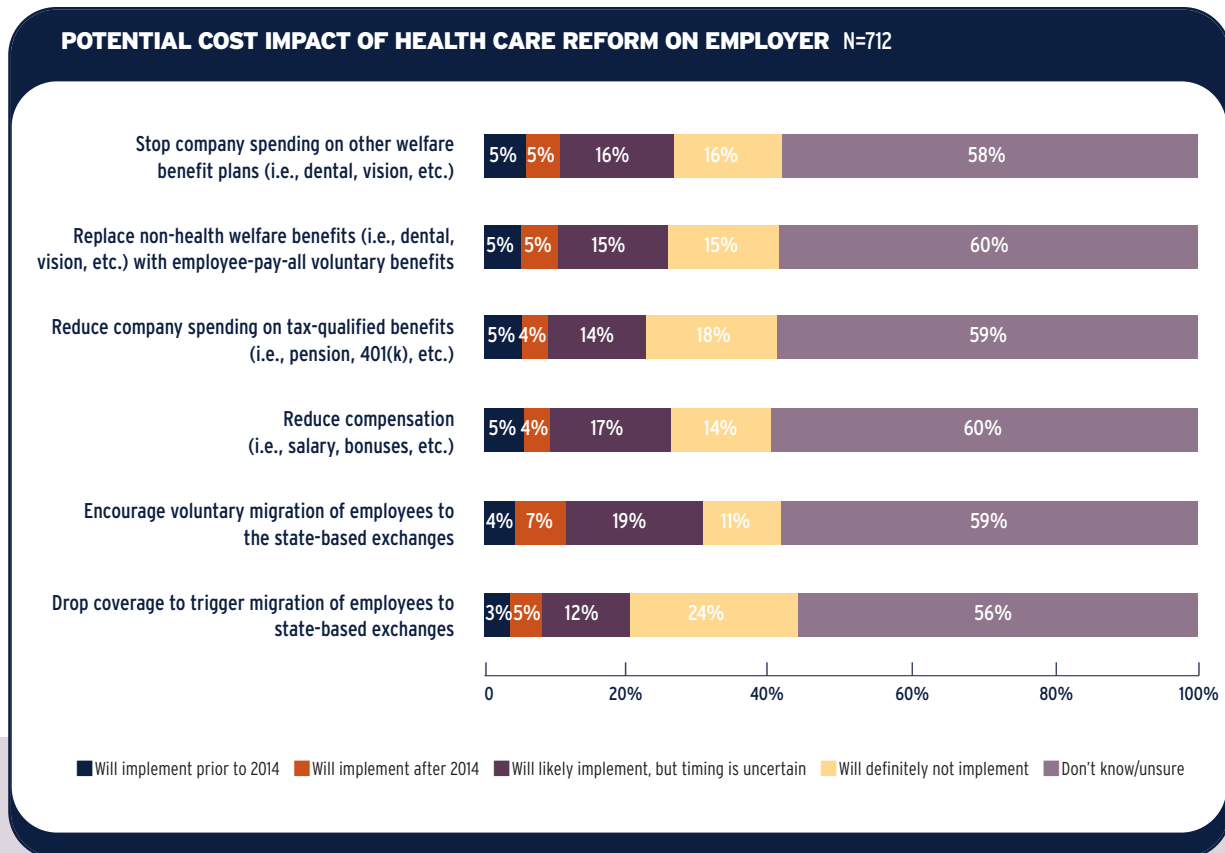
POTENTIAL COST IMPACT OF HEALTH CARE REFORM ON EMPLOYER N=712



Survey responses show that 31% of respondents in the health care industry and 21% of respondents in the construction/real estate industry would consider reducing employee headcount as a result of Health Care Reform.

Additional information, by industry and employer size, can be found in **Table 10** and **Table 11** of the Appendix.

SOME EMPLOYERS EXPECT TO REDUCE OTHER (NON-MEDICAL) BENEFITS.

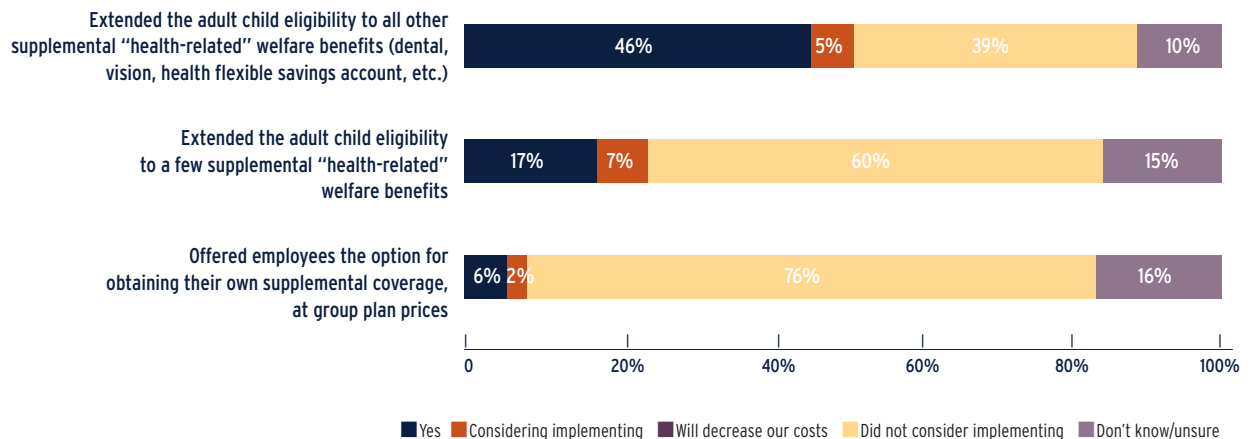


As in last year's survey, employers least favored the option of dropping group health plan coverage in order to trigger migration of employees to state-based exchanges. However, employers are considering the impact of state exchanges on their plans. 16% of employers with fewer than 100 employees said they would likely consider "encouraging" voluntary migration of employees to state-based exchanges, but the timing is uncertain. 16% of employers with more than 100 employees say this is a likely option, but the timing is uncertain. Conversely, 17% of employers with more than 100 employees say they will definitely not drop employer coverage in order to trigger employee migration, and 10% of the employers with fewer than 100 employees say that they will definitely not attempt to trigger employee migration.

Additional information, by industry and employer size, can be found in **Table 10** and **Table 11** of the Appendix.

HALF OF EMPLOYERS EXTENDED BENEFITS TO ADULT CHILDREN EVEN WHERE NOT MANDATED; HOWEVER, THE TREND IS SWINGING AWAY FROM VOLUNTARILY EXTENDING THIS COVERAGE.

VOLUNTARY EXTENSION OF ADULT CHILD ELIGIBILITY TO OTHER "HEALTH-RELATED" BENEFITS N=789

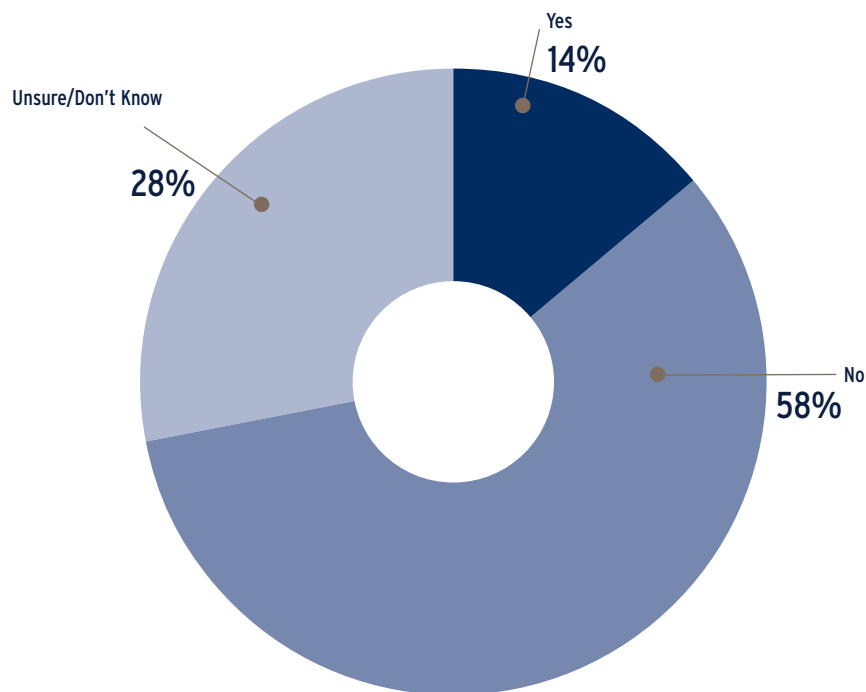


Employers are increasingly unwilling to voluntarily extend supplemental coverage (either voluntary or group coverage) to adult children. Between last year and this year, there was a noticeable shift, with 60% of employers not considering voluntary expansion of some supplemental benefits to adult children; however, last year, only 28% of employers did not consider this type of plan design. Similarly, last year, 34% of employers did not consider allowing employees to purchase their own supplemental coverage at group plan prices, but this year, 76% of the responding employers said they did not consider this option.

Last year's Health Care Reform survey noted that in future years, other surveys would likely track the number of employers that change their cost sharing tiers to reflect the larger population of older children eligible for coverage. Future surveys will also likely consider how many employers will change cost sharing on January 1, 2014 in order to coincide with the lapse of the adult child grandfathered limitation (grandfathered plans can currently exclude adult children where they have access to coverage under another employer's plan). Once grandfathered status is lost and the affordability requirement for "Pay or Play" applies to plans, industry experts are likely to see a scaling back of employer financial support for dependent coverage. The survey responses from this year are likely the beginning of that trend to scale back support for dependent coverage.

EMPLOYERS ARE NOT PLANNING TO ACCELERATE PLAN CHANGES AHEAD OF EFFECTIVE DATES.

EMPLOYERS NOT PLANNING TO REPOSITION THEIR PLANS PRIOR TO REQUIRED COMPLIANCE DATE N=806

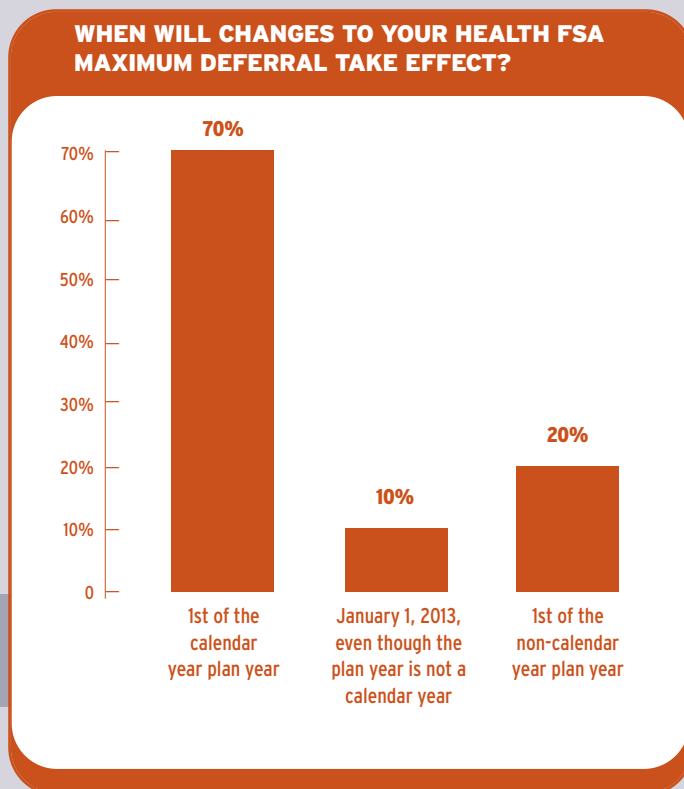


Well over half of employers do not expect to accelerate plan changes required by Health Care Reform, and among that group, nearly 60% of employers with between 100 and 499 employees said they would not be accelerating plan changes.

Additional information, by employer size, can be found in **Table 12** of the Appendix.

EMPLOYER PREPARATION FOR FSA CHANGES AND “PAY OR PLAY”

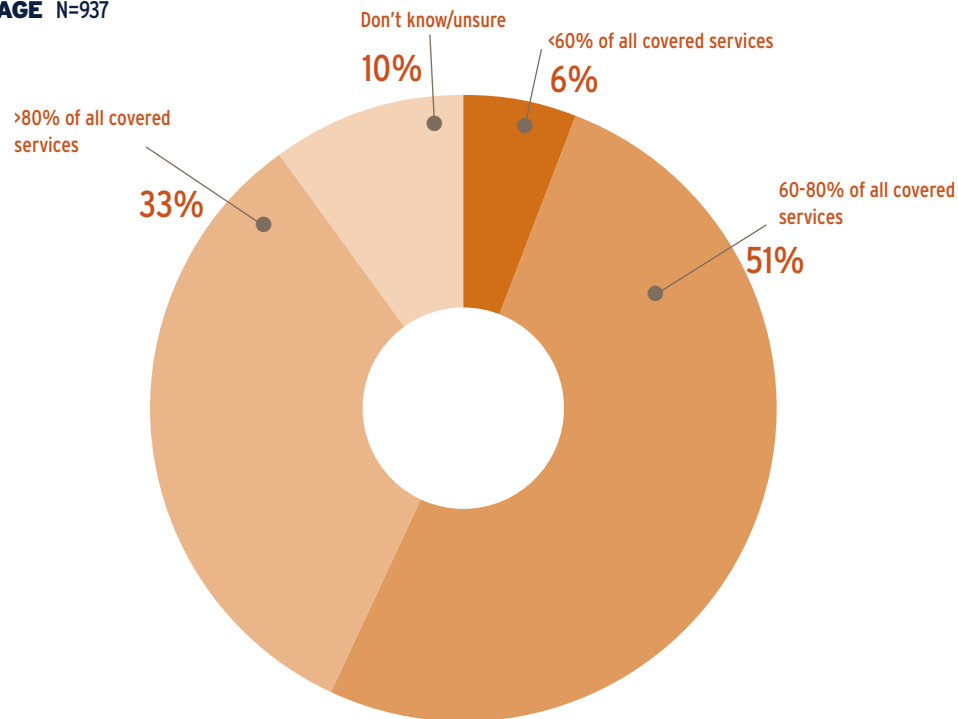
80% OF EMPLOYERS CHANGED THEIR FSA DEFERRAL AMOUNTS ON JANUARY 1, 2013, REGARDLESS OF THE PLAN YEAR.



Of the surveyed employers, 61% offer health FSAs, and nearly 1/3 offer FSA deferrals in excess of \$2,500. FSA plans were required to comply with the \$2,500 limit on January 1, 2013. This means that sponsors of non-calendar year plans needed to decide whether the \$2,500 FSA limit would apply on the first day of the 2012 non-calendar year plan year or whether the mandated FSA limit would apply on January 1, 2013, regardless of the non-calendar year plan year. Only 20% of employers opted to apply the 2013 FSA limits to their plans which began at some point in 2012.

OVER 80% OF EMPLOYER PLANS PROVIDE BENEFITS THAT ARE EXPECTED TO COMPLY WITH THE MINIMUM VALUE COVERAGE STANDARD UNDER HEALTH CARE REFORM.

PERCENTAGE OF EMPLOYERS PROVIDING COVERAGE IN EXCESS OF MINIMUM VALUE COVERAGE N=937



In order to offer “minimum value coverage” (which is one component of avoiding the “Pay or Play” penalty tax), the plan’s share of the total cost of benefits must be at least 60%.

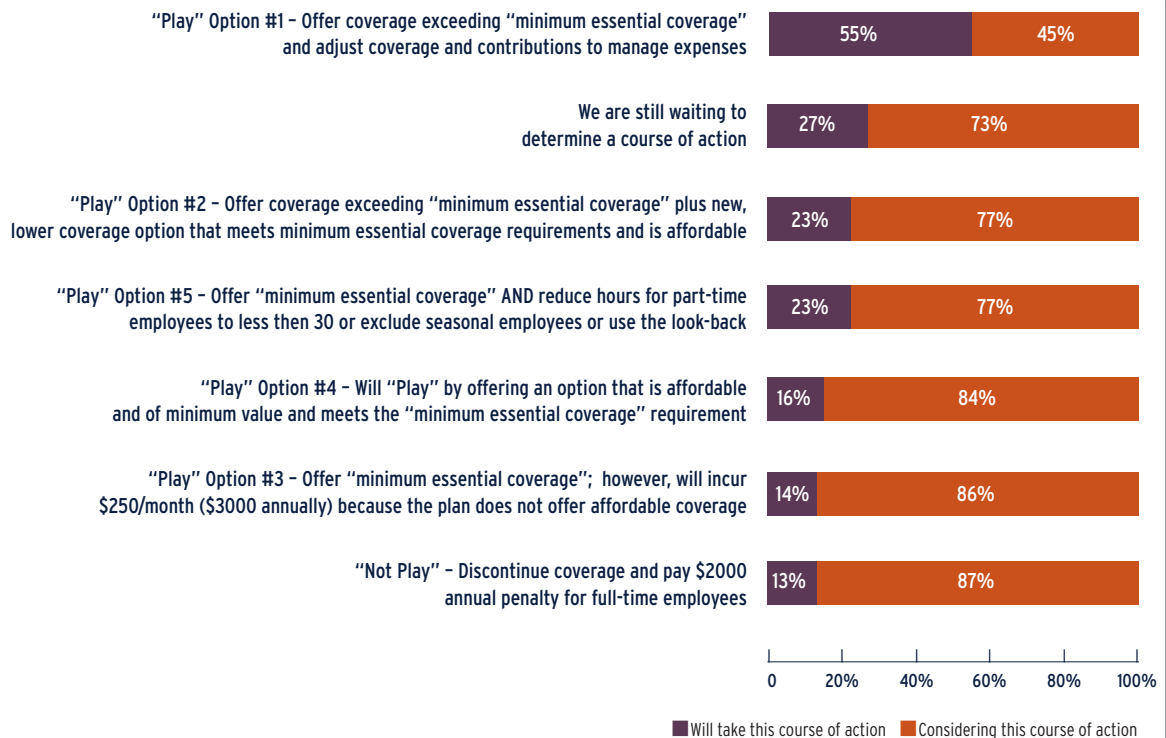
This year’s survey results are very similar to last year’s survey results; over 80% of employer plans already offer health coverage that surpasses the minimum value coverage requirement under Health Care Reform. Therefore, for most employers, no significant change in coverage will be required in order to comply with the minimum value coverage requirement. Such a situation could lull employers into a reactive mode, in which they treat each year’s Health Care Reform changes as a separate activity versus strategically repositioning health coverage so that the employer considers the minimum value of its coverage, the minimum essential coverage that its plans offer, and the affordability of that coverage in order to avoid the “Pay or Play” penalty.

This year’s survey also shows a slight increase in the percentage of employers providing coverage at 60%-80% of all covered services.

Additional information, by industry, can be found in **Table 14** of the Appendix.

MORE THAN HALF OF EMPLOYERS PLAN TO “PLAY” (AND AVOID THE STEEP \$2000 TAX PER FULL-TIME EMPLOYEE) BY OFFERING MINIMUM ESSENTIAL COVERAGE AND ADJUSTING CONTRIBUTIONS.

“PLAY” STRATEGIES N=703



Employers have many options when considering the “Pay or Play” mandate. Employers may choose to forego group health insurance and pay a \$2,000 annual penalty tax for each full-time employee (minus the first 30) if at least one employee obtains coverage through the exchange and qualifies for a subsidy. On the other hand, employers may “Play” in a variety of methods and thus avoid the \$2,000 penalty, and perhaps pay a \$3,000 penalty for a smaller number of full-time employees. In many cases, an employer can avoid all penalties by choosing to fully “Play” under the Health Care Reform “Shared Responsibility” rules.

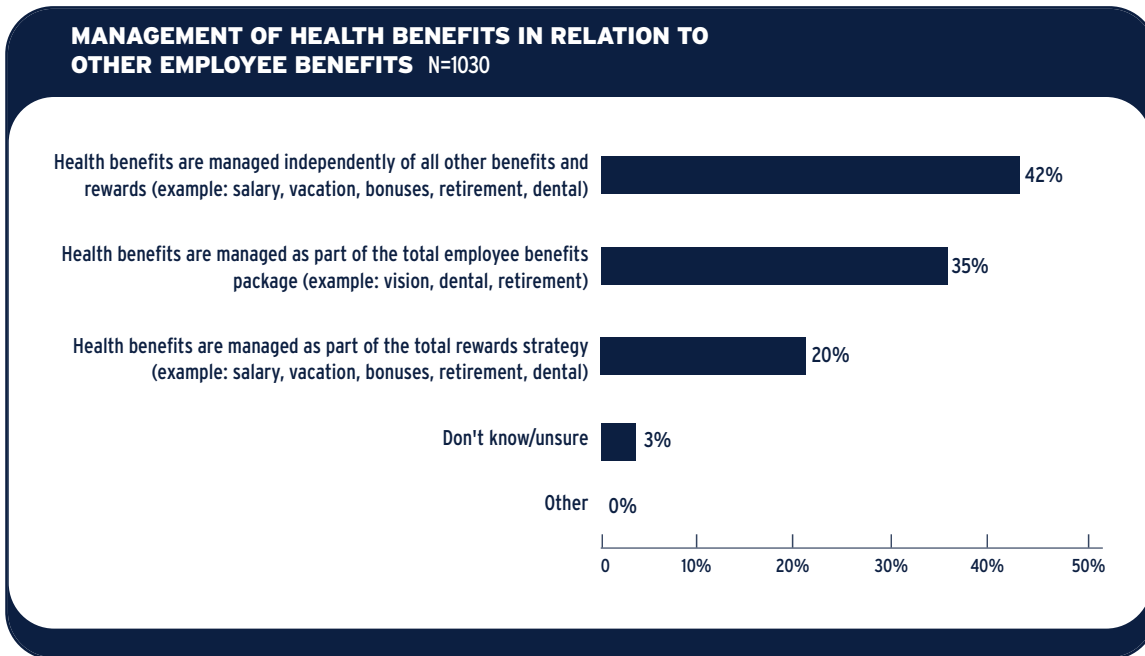
Employers often have the impression that they must do “all or nothing” with regard to the “Pay or Play” rules. However, this survey indicates that employers are realizing that they have various options available to them, and it can be relatively simple for an employer to avoid the onerous \$2,000 per-full-time-employee penalty.

Additional information, available by various regions of the country, can be found in **Table 15** of the Appendix.

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EMPLOYER BENEFIT STRATEGY

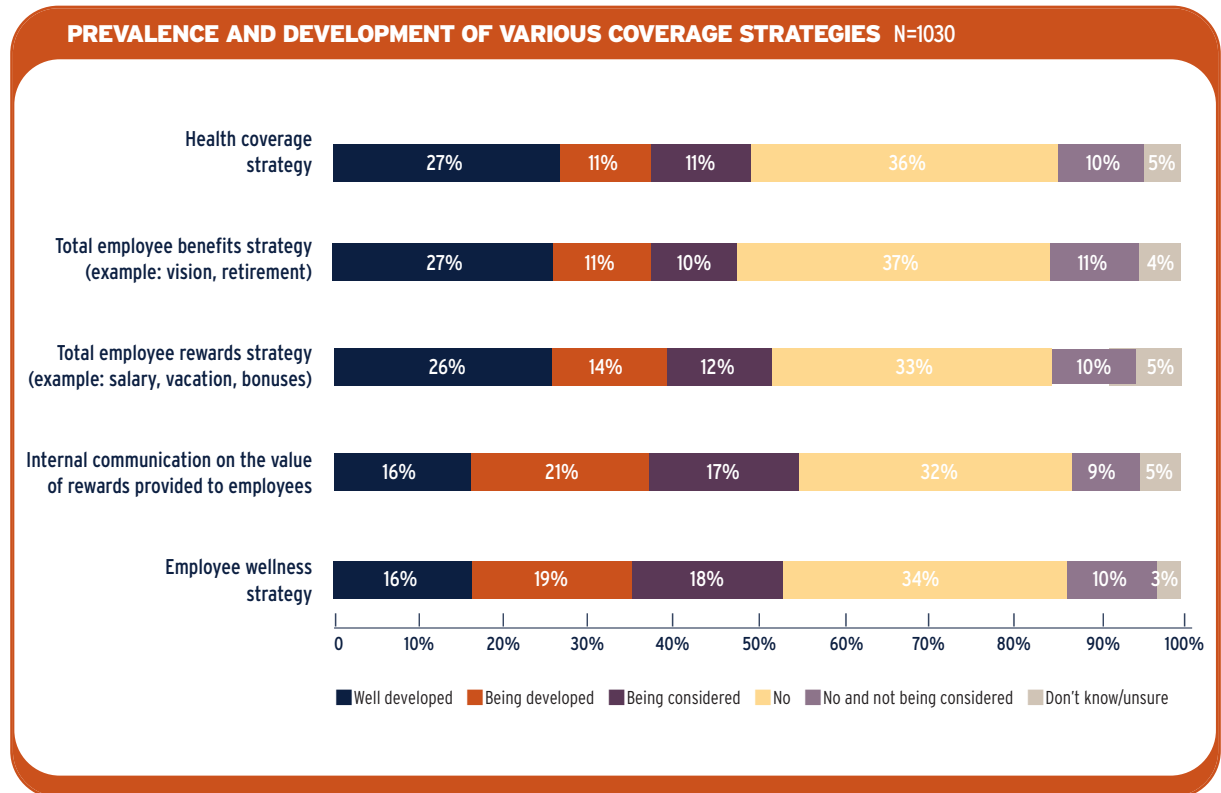
EMPLOYERS TEND TO MANAGE HEALTH BENEFITS SEPARATELY FROM OTHER BENEFITS AND REWARDS.



While the largest portion of employer responses (42%) indicates that employers are managing their health benefits independently of all other benefits and rewards, when comparing this year's survey results to last year's results, there is a slight increase in the percentage of plans being managed as part of a total rewards strategy. Employers employing a "total rewards strategy" have put into place a mechanism that allows the employer to adjust other, non-benefits rewards (salary, vacation, bonuses) in order to help control the costs associated with Health Care Reform.

Though the percentage of employers employing a total rewards strategy constitutes only 20% of the total responses from this year's survey, the findings indicate that plan sponsors may be shifting their focus to a more strategic plan design, and if this is the case, an observable shift in strategy is in the early stages.

FEWER THAN HALF OF EMPLOYERS THINK OF BENEFITS STRATEGICALLY AND HAVE WRITTEN STRATEGIES TO BACK THEM UP.



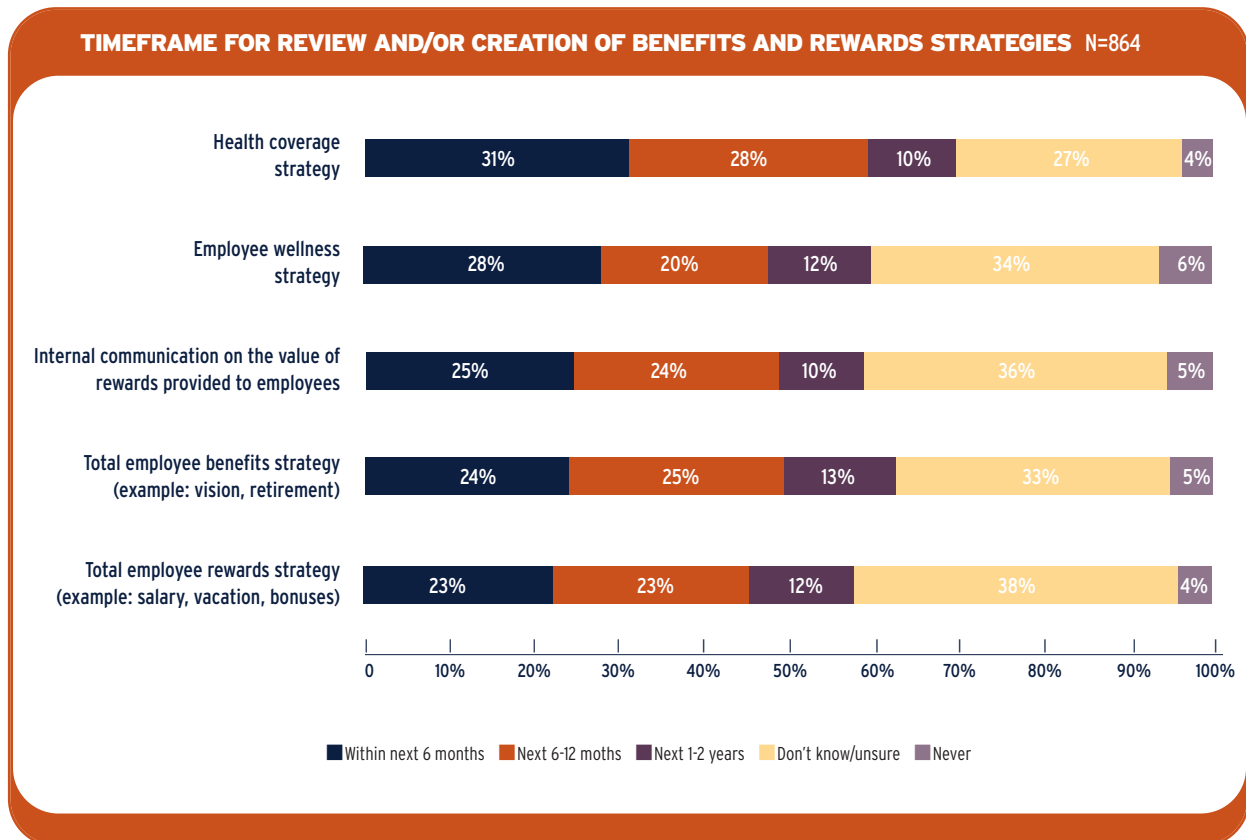
The survey responses to this question between last year and this year are virtually identical and again underscore the fact that there is room to grow in both “total rewards” strategy and in incorporating wellness programs as part of an employer’s response to continued health cost inflation. Interestingly, in this year’s survey, 34% of respondents said they did not have a wellness strategy as opposed to 30% who, last year, indicated that they did not have a wellness strategy.

One might query why, in comparison to last year’s survey responses, a greater number of surveyed employers on the prior page of this report indicated that this year they manage health benefits as part of the total rewards; however, in answering the question reflected on this page of the report, the responses regarding written strategies do not indicate an increase in the number of employers that have written strategies for a “total rewards” approach. In fact, survey respondents indicated that this year there are fewer employers with written strategies incorporating “total rewards.”

The disparity could be the result of confusion or it could indicate an increasing intention to administer benefits in a total rewards manner, whether or not the employer possesses written strategies to accomplish this goal.

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

MOST EMPLOYERS EXPECT TO ADOPT OR UPDATE COVERAGE STRATEGIES SOON.

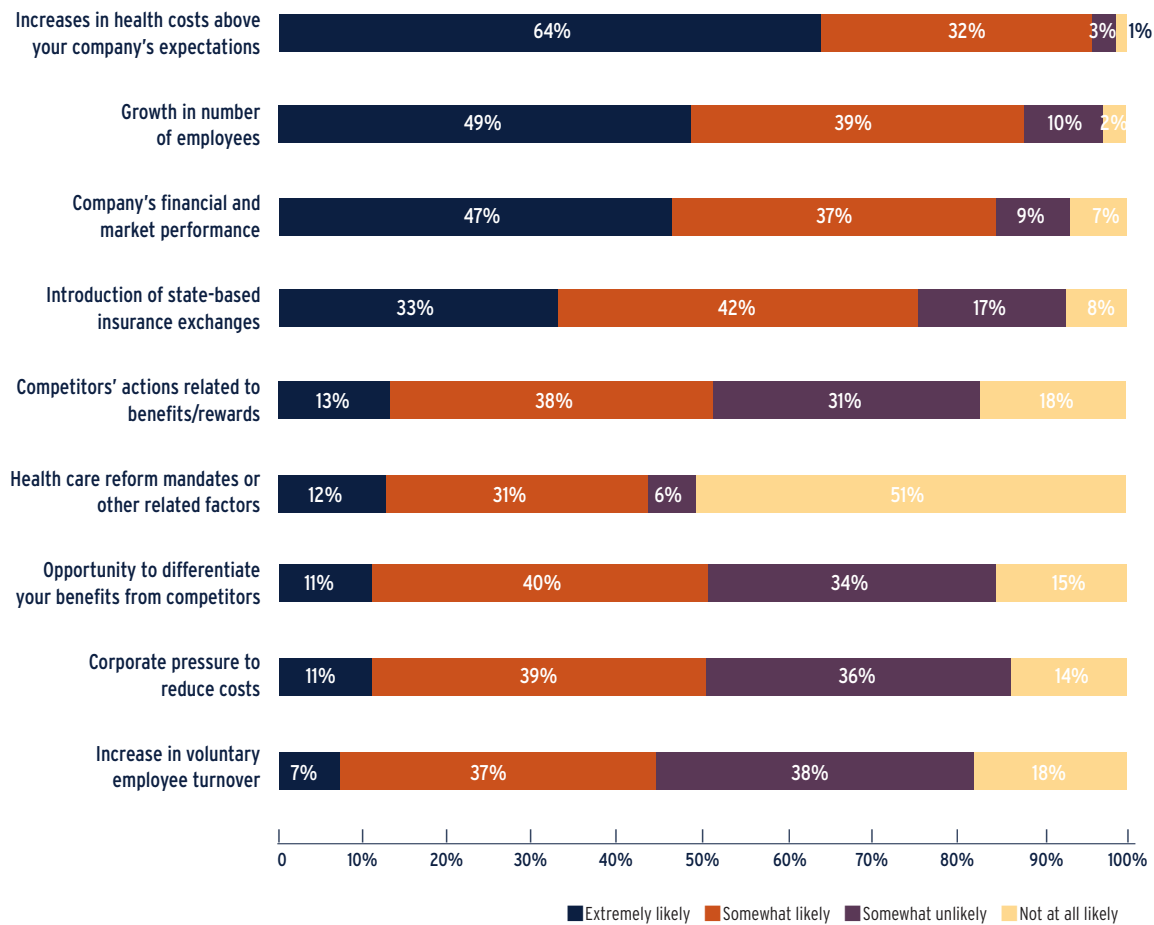


Health coverage continues to be a driving force in a company's strategic approach, since nearly 2/3 of employers plan to review their health coverage strategy within the next 12 months.

Though a significant percentage of respondents indicated that they didn't have strategies and were not considering them, the figures indicate a very similar response when compared to last year's survey. The findings may reflect an underlying recognition that employers should have a strategy, even if employers have not yet started to create a strategy.

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=929

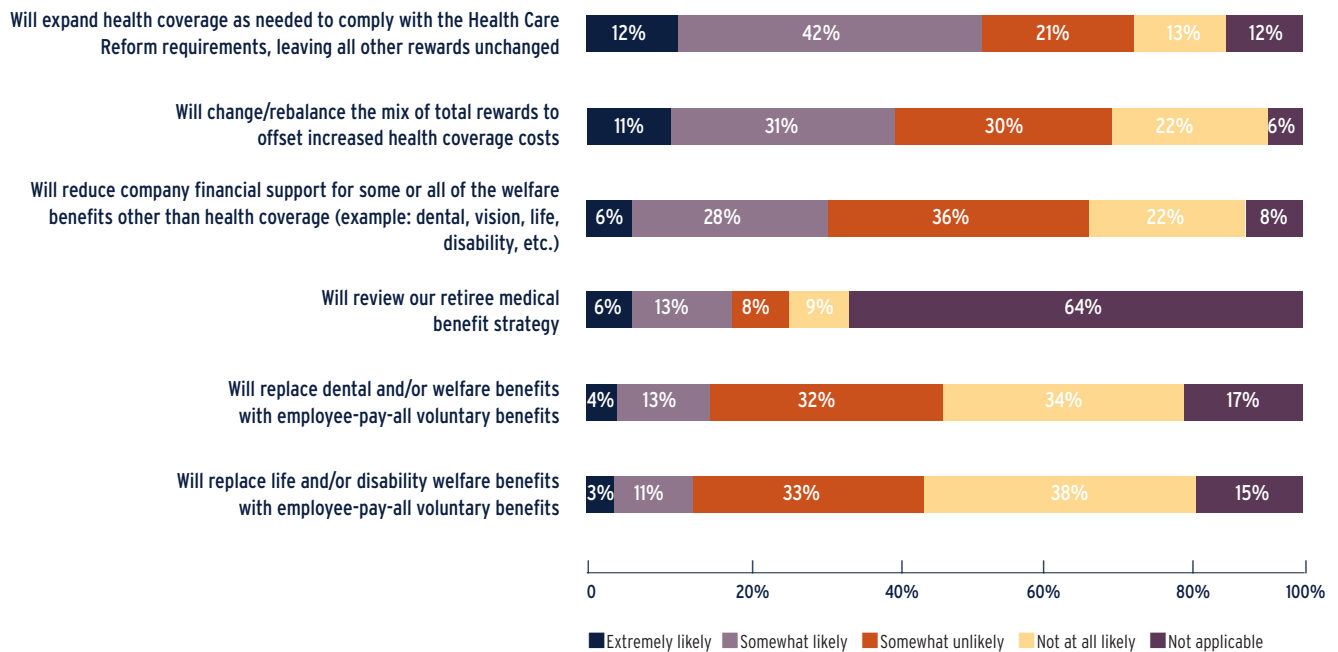


Finances are at the heart of benefits strategy. Interestingly, this year's survey found that corporate pressure to reduce costs is not expected to be nearly as strong this year as was expected last year. However, as employers hire more employees (and consequently the cost to the employer increases), the increase in employee numbers is expected to trigger the plan's review of its reward strategies. For example, last year, 10.7% of survey respondents noted that increased numbers of employees would trigger additional benefits strategy review; however, this year, 49% of respondents expected increased employee numbers to trigger re-evaluation.

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

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

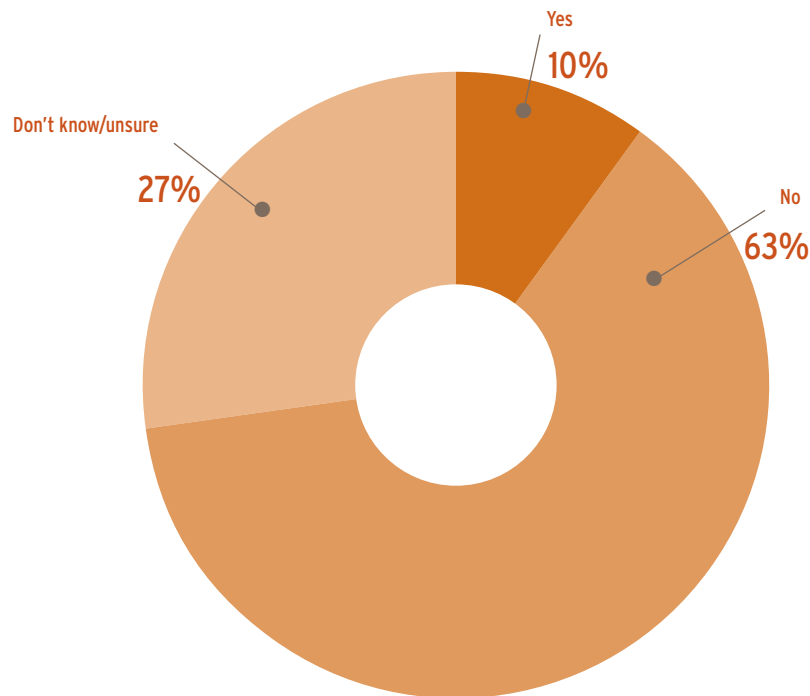
LIKELY PROSPECTIVE CHANGES IN EMPLOYEE BENEFITS AND REWARDS STRATEGIES N=721



Last year, 43.4% of surveyed employers said that rebalancing total rewards (example: perhaps adjusting salary, vacation or bonuses) was “somewhat likely,” in contrast to this year, when that percentage dropped to 31%, and at the same time there was a significant increase in the number of employers in this year’s survey indicating that it was “somewhat unlikely” that they would rebalance total rewards.

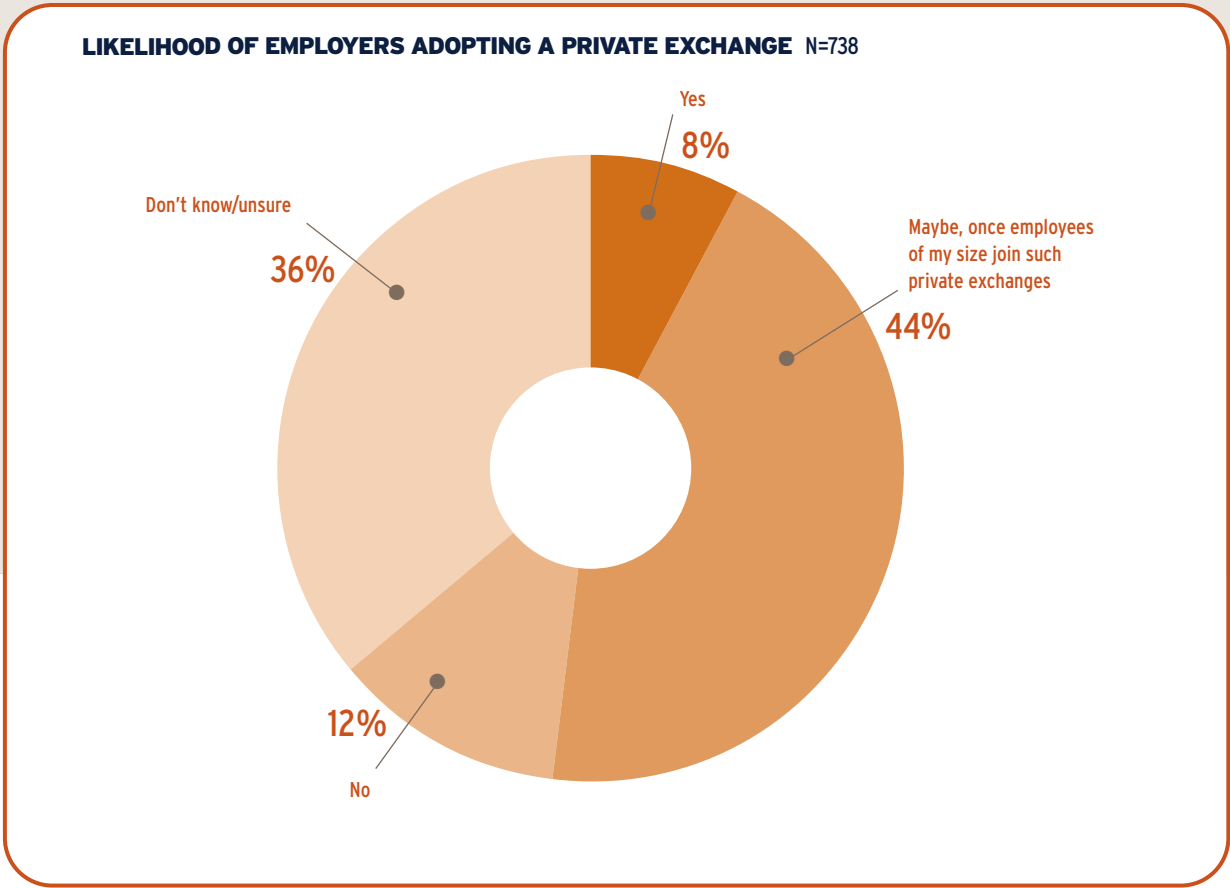
MOST EMPLOYERS BELIEVE THAT EXCHANGES WILL NOT BE READY FOR THE 2014 ENROLLMENT.

EXCHANGE READINESS N=732



In this year's Health Care Reform Survey, almost 3/4 of surveyed employers felt informed (from being informed at a rudimentary level to being very well informed) about exchanges. Yet, many questions exist about exchanges; accordingly, nearly 2/3 of employers doubt that the exchanges will be functioning and ready for enrollment in October 2013.

NEARLY HALF OF EMPLOYERS ARE WILLING TO CONSIDER A PRIVATE EXCHANGE BASED UPON THE EMPLOYER'S DEFINED CONTRIBUTION.

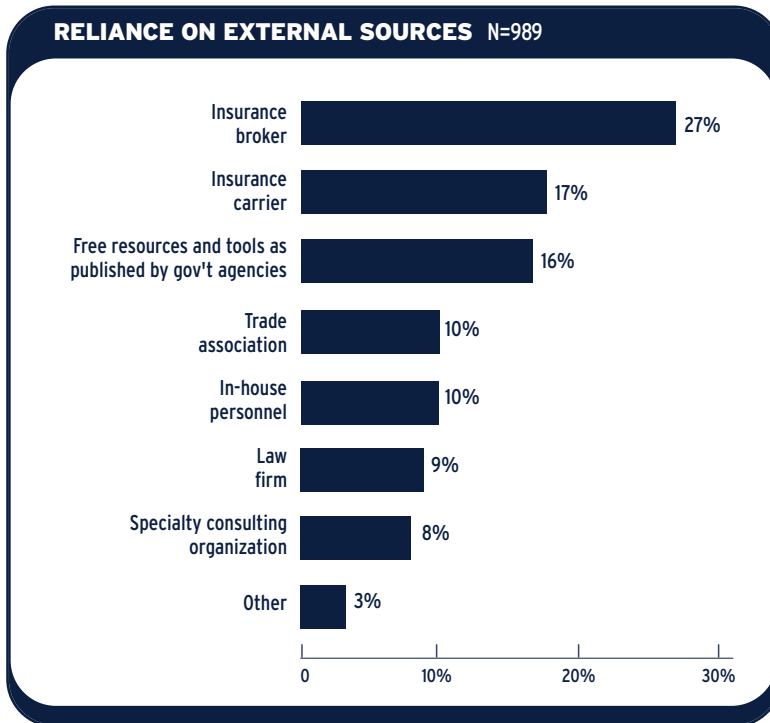


Additional information, by various regions of the country, can be found in **Table 16** of the Appendix.

THE HEALTH CARE REFORM SURVEY 2012-2013

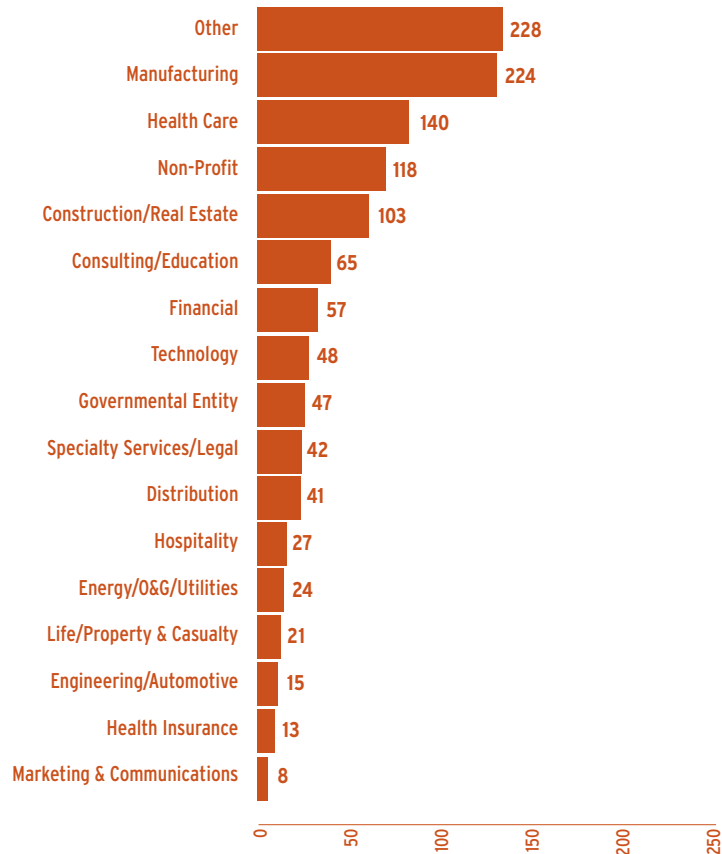
REFERENCE MATERIAL

EMPLOYERS CONTINUE TO LOOK TO INSURANCE BROKERS AND INSURANCE CARRIERS FOR INFORMATION ABOUT HEALTH CARE REFORM.

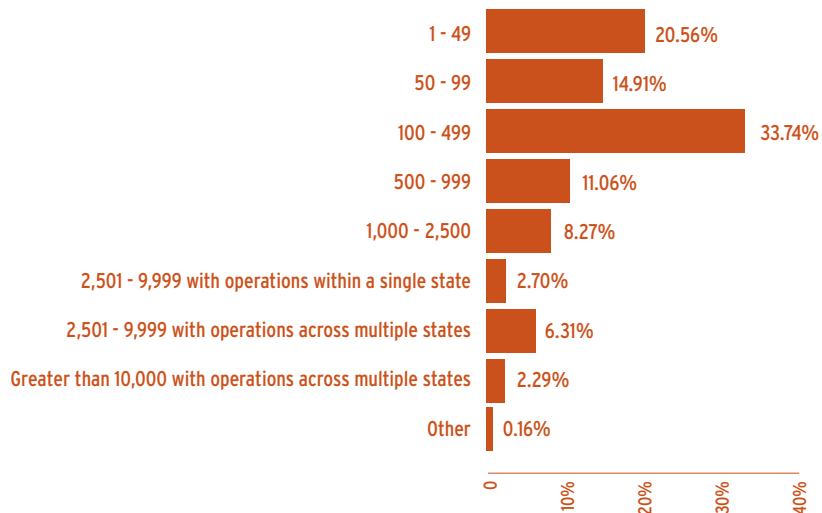


SURVEY RESPONSES FROM A BROAD CROSS SECTION OF AMERICAN INDUSTRY

PRIMARY INDUSTRY N=1221

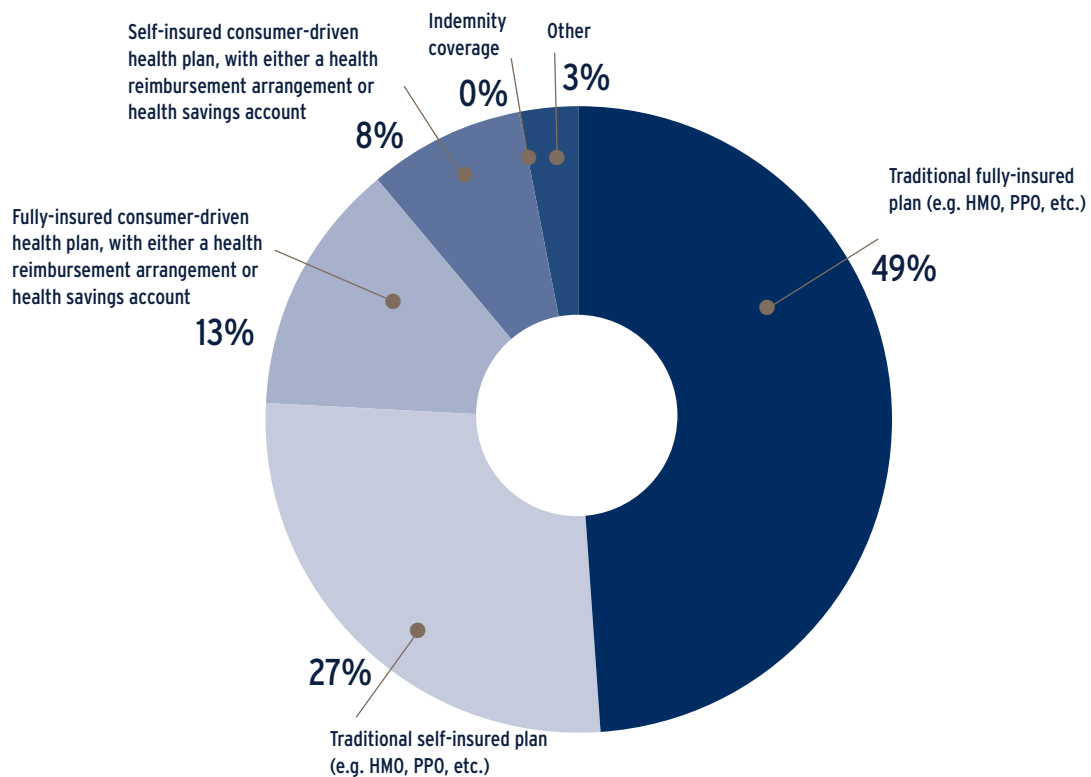


NUMBER OF FULL-TIME EMPLOYEES N=1221



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=1221



Survey results indicate a very slight decrease in the number of traditional self-funded benefit options sponsored by employers.

APPENDIX

TABLE 1. Does your company have specific strategies for the following?

	1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS IN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
HEALTH BENEFITS STRATEGY										
Yes, Well Developed	52	30	92	31	37	13	22	12	0	290
Being Developed	10	12	47	16	15	6	9	2	1	118
Being Considered	16	19	47	16	7	3	11	1	1	121
No	91	70	137	30	25	7	19	1	0	380
No and Not Being Considered	33	19	37	13	2	0	4	0	0	108
Unsure / Don't know	16	6	15	3	4	0	2	0	0	46
Total	219	156	375	109	90	29	67	16	2	1063
BENEFITS STRATEGY (example: vision, retirement)										
Yes, Well Developed	48	32	97	31	31	14	22	12	0	287
Being Developed	9	14	47	14	15	6	9	2	0	116
Being Considered	20	15	40	12	10	3	8	1	2	111
No	87	68	143	35	27	6	22	1	0	389
No and Not Being Considered	39	21	31	14	3	0	4	0	0	112
Unsure / Don't know	16	6	17	3	4	0	2	0	0	48
Total	219	156	375	109	90	29	67	16	2	1063
TOTAL REWARDS STRATEGY (example: salary, vacation, bonuses)										
Yes, Well Developed	55	41	86	31	27	12	20	6	0	278
Being Developed	12	13	69	13	17	4	11	5	1	145
Being Considered	23	22	43	11	17	4	8	0	1	129
No	78	57	127	38	21	7	18	2	0	348
No and Not Being Considered	38	17	30	10	2	0	4	2	0	103
Unsure / Don't know	13	6	20	6	6	2	6	1	0	60
Total	219	156	375	109	90	29	67	16	2	1063
WELLNESS STRATEGY										
Yes, Well Developed	12	12	48	22	27	14	22	9	1	167
Being Developed	12	21	78	37	30	7	17	5	0	207
Being Considered	22	29	84	20	16	5	10	1	1	188
No	113	71	125	19	13	3	16	1	0	361
No and Not Being Considered	49	19	30	10	3	0	1	0	0	112
Unsure / Don't know	11	4	10	1	1	0	1	0	0	28
Total	219	156	375	109	90	29	67	16	2	1063

TABLE 1. *(continued)* Does your company have specific strategies for the following?

	1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS IN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
COMMUNICATIONS/MARKETING ON THE VALUE OF REWARDS PROVIDED TO EMPLOYEES										
Yes, Well Developed	28	17	58	17	22	10	13	8	0	173
Being Developed	21	35	81	31	21	8	22	4	0	223
Being Considered	23	24	77	23	20	4	14	1	2	188
No	91	60	119	25	21	7	13	2	0	338
No and Not Being Considered	39	13	27	8	3	0	1	1	0	92
Unsure / Don't know	17	7	13	5	3	0	4	0	0	49
Total	219	156	375	109	90	29	67	16	2	1063

TABLE 2. Which of the following developments are likely to trigger a review of your company's benefits or rewards strategies?

By Employer Size

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS IN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Company's financial and market performance	Extremely Likely	98	66	146	51	32	14	28	5	1	441
	Somewhat Likely	70	55	137	27	34	8	15	7	0	353
	Somewhat Unlikely	11	11	32	6	9	3	12	3	1	88
	Not At All Likely	14	8	21	12	5	1	4	1	0	66
	Total	193	140	336	96	80	26	59	16	2	948
Introduction of state-based insurance exchanges	Extremely Likely	58	50	121	33	23	6	14	2	1	308
	Somewhat Likely	82	59	137	38	37	10	28	10	0	401
	Somewhat Unlikely	33	19	60	16	12	10	11	4	1	166
	Not At All Likely	20	12	20	9	7	1	6	0	0	75
	Total	193	140	338	96	79	27	59	16	2	950
Increases in health costs above your company's expectations	Extremely Likely	131	92	220	63	47	13	34	6	1	607
	Somewhat Likely	54	46	105	30	24	13	23	10	1	306
	Somewhat Unlikely	5	1	12	2	7	1	1	0	0	29
	Not At All Likely	3	3	0	2	2	0	1	0	0	11
	Total	193	142	337	97	80	27	59	16	2	953
Competitors' actions related to benefits / rewards	Extremely Likely	21	20	45	9	12	4	12	0	1	124
	Somewhat Likely	54	42	149	34	30	11	33	9	0	362
	Somewhat Unlikely	59	44	98	44	25	9	10	6	1	296
	Not At All Likely	57	35	45	9	13	3	4	1	0	167
	Total	191	141	337	96	80	27	59	16	2	949
Opportunity to differentiate your benefits from competitors	Extremely Likely	18	15	45	4	8	3	9	1	1	104
	Somewhat Likely	57	45	148	40	38	15	27	6	0	376
	Somewhat Unlikely	64	47	105	44	22	6	19	8	1	316
	Not At All Likely	52	33	39	8	12	3	4	1	0	152
	Total	191	140	337	96	80	27	59	16	2	948

TABLE 2. (continued) Which of the following developments are likely to trigger a review of your company's benefits or rewards strategies?

By Employer Size

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS IN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Increase in voluntary employee turnover	Extremely Likely	13	13	26	9	6	0	1	1	1	70
	Somewhat Likely	55	45	143	33	34	11	24	2	0	347
	Somewhat Unlikely	65	53	117	41	28	13	25	11	1	354
	Not At All Likely	56	28	52	14	12	2	8	2	0	174
	Total	189	139	338	97	80	26	58	16	2	945
Corporate pressure to reduce costs	Extremely Likely	47	36	87	36	27	6	25	3	1	268
	Somewhat Likely	72	55	153	38	33	16	27	9	0	403
	Somewhat Unlikely	36	28	70	19	10	3	6	4	1	177
	Not At All Likely	35	21	27	4	7	2	1	0	0	97
	Total	190	140	337	97	77	27	59	16	2	945
Growth in number of employees	Extremely Likely	18	19	36	13	5	0	9	1	1	102
	Somewhat Likely	74	48	139	37	37	12	23	6	0	376
	Somewhat Unlikely	57	48	129	34	31	12	16	9	1	337
	Not At All Likely	43	24	34	13	7	2	11	0	0	134
	Total	192	139	338	97	80	26	59	16	2	949
Health care reform mandates or other related factors	Extremely Likely	85	78	155	48	46	12	26	8	1	459
	Somewhat Likely	68	44	147	42	26	11	27	7	1	373
	Somewhat Unlikely	29	10	29	5	6	4	6	1	0	90
	Not At All Likely	11	8	6	2	2	0	0	0	0	29
	Total	193	140	337	97	80	27	59	16	2	951

TABLE 3. Since its inception, how has the health care reform law affected your company's group health plan in the following areas?

By Primary Industry

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Active employees health coverage costs	Significant Decrease	0	0	1	0	0	1	1	0	0	0	0	2	0	1	0	0	0	6
	Moderate Decrease	0	1	1	0	0	1	2	4	0	0	0	2	1	1	2	0	8	23
	No Change	35	17	11	8	3	21	16	41	2	9	7	72	2	45	10	18	72	389
	Moderate Increase	20	17	11	6	9	18	8	25	4	9	6	82	3	27	13	16	56	330
	Significant Increase	13	8	7	3	1	0	4	18	0	2	1	19	0	10	3	3	26	118
	Not Applicable	4	1	2	0	0	1	1	2	0	2	0	2	0	2	0	4	12	33
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Percentage of employees enrolled health coverage	Significant Decrease	1	0	0	0	0	0	0	2	0	0	0	0	0	0	1	0	2	6
	Moderate Decrease	3	0	0	0	1	1	3	3	0	1	0	8	0	4	1	4	8	37
	No Change	56	33	24	14	10	35	23	63	5	15	13	145	5	70	22	30	124	687
	Moderate Increase	8	7	5	1	2	6	3	17	1	3	1	22	1	8	3	4	26	118
	Significant Increase	0	0	1	0	0	0	0	2	0	0	0	2	0	2	1	0	1	9
	Not Applicable	4	4	3	2	0	0	3	3	0	3	0	2	0	2	0	3	13	42
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Employee contributions toward the cost of single coverage	Significant Decrease	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	1	3
	Moderate Decrease	0	1	2	0	0	0	1	3	1	2	0	6	0	1	2	2	8	29
	No Change	50	28	16	12	5	30	18	56	4	11	9	105	3	55	16	23	85	526
	Moderate Increase	15	11	10	4	6	11	8	22	1	6	5	57	2	23	7	12	58	258
	Significant Increase	1	2	2	1	0	0	3	5	0	0	0	10	0	3	3	0	10	40
	Not Applicable	6	2	2	0	2	0	2	4	0	3	0	1	1	4	0	4	12	43
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Company contributions toward the cost of single coverage	Significant Decrease	0	0	1	0	0	0	1	0	0	0	0	1	0	0	0	0	1	4
	Moderate Decrease	2	5	2	2	0	2	2	6	0	1	1	8	0	2	3	5	21	62
	No Change	44	23	13	11	8	31	20	53	5	11	11	97	3	60	14	20	91	515
	Moderate Increase	18	12	10	3	4	9	6	21	1	8	2	57	2	17	8	12	40	230
	Significant Increase	4	3	5	0	1	0	1	7	0	0	0	14	0	5	3	0	11	54
	Not Applicable	4	1	2	1	0	0	2	3	0	2	0	2	1	2	0	4	10	34
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899

TABLE 3. (continued) Since its inception, how has the health care reform law affected your company's group health plan in the following areas?

By Primary Industry

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/ORG/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Employee contributions toward the cost of dependent coverage	Significant Decrease	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	3
	Moderate Decrease	1	1	0	0	0	0	1	4	1	1	0	2	0	1	1	1	7	21
	No Change	48	22	15	11	7	25	18	48	4	7	9	106	3	54	15	24	76	492
	Moderate Increase	13	12	11	4	5	13	10	24	1	8	5	55	2	24	10	10	56	263
	Significant Increase	5	4	4	1	1	1	2	9	0	3	0	12	0	5	2	2	21	72
	Not Applicable	5	4	3	1	0	3	1	4	0	3	0	4	1	2	0	4	13	48
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Company contributions toward the cost of dependent coverage	Significant Decrease	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0	0	1	4
	Moderate Decrease	3	1	1	1	0	4	3	6	1	2	2	8	0	4	3	4	23	66
	No Change	44	26	15	10	9	27	22	51	4	10	10	97	3	53	17	23	94	515
	Moderate Increase	14	8	10	3	2	6	5	22	1	5	2	56	2	15	7	9	28	195
	Significant Increase	5	4	4	2	0	1	1	5	0	1	0	13	0	4	0	1	9	50
	Not Applicable	6	5	3	1	2	4	1	5	0	3	0	5	1	9	1	4	19	69
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Wellness program financial incentives	Significant Decrease	1	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	2	5
	Moderate Decrease	1	0	2	0	0	1	0	4	0	0	2	10	0	1	0	0	5	26
	No Change	40	18	11	10	2	20	22	45	3	9	10	96	4	41	15	19	81	446
	Moderate Increase	7	6	4	2	0	5	1	9	1	5	1	29	0	8	3	7	25	113
	Significant Increase	1	1	4	2	2	2	1	8	0	0	0	8	0	2	2	3	5	41
	Not Applicable	22	19	12	3	9	14	7	23	2	8	1	36	2	34	8	12	56	268
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Wellness program employee participation	Significant Decrease	1	0	0	0	0	0	1	1	0	0	0	2	0	1	0	0	1	7
	Moderate Decrease	1	1	2	0	0	2	0	1	1	0	1	4	0	0	0	0	3	16
	No Change	36	18	15	11	2	18	19	40	3	9	10	105	3	40	14	21	84	448
	Moderate Increase	6	5	1	2	0	7	4	13	1	5	1	26	1	13	6	5	24	120
	Significant Increase	3	2	1	1	2	2	2	9	0	0	1	5	0	2	0	2	7	39
	Not Applicable	25	18	14	3	9	13	6	26	1	8	1	37	2	30	8	13	55	269
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899

TABLE 3. (continued) Since its inception, how has the health care reform law affected your company's group health plan in the following areas?

By Primary Industry

	CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Use/addition of consumer-directed health plans	Significant Decrease	0	1	0	0	0	1	2	0	1	0	0	0	0	0	0	1	6
	Moderate Decrease	0	1	0	0	1	0	0	0	0	0	3	0	0	0	1	0	6
	No Change	38	19	13	9	21	17	38	3	11	6	99	3	34	11	19	69	415
	Moderate Increase	3	6	2	2	4	2	9	1	2	5	11	1	6	5	7	20	86
	Significant Increase	4	2	2	0	2	2	4	1	0	0	6	0	6	3	3	15	51
	Not Applicable	27	15	16	6	14	10	37	1	8	3	60	2	40	9	11	69	335
	Grand Total	72	44	33	17	42	32	90	6	22	14	179	6	86	28	41	174	899
Voluntary benefits options for employees	Significant Decrease	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
	Moderate Decrease	1	1	0	0	0	0	3	2	1	1	4	0	0	0	1	2	16
	No Change	45	25	17	10	28	25	59	2	13	13	129	4	57	18	24	104	582
	Moderate Increase	5	4	3	2	5	0	9	2	2	0	16	1	10	4	5	24	93
	Significant Increase	1	0	1	0	1	0	4	0	1	0	1	0	0	1	1	6	17
	Not Applicable	19	14	12	5	8	7	15	0	5	0	29	1	19	5	10	38	190
	Grand Total	72	44	33	17	42	32	90	6	22	14	179	6	86	28	41	174	899
Retiree health coverage costs	Significant Decrease	0	1	1	0	0	0	0	0	0	0	1	0	0	0	0	2	5
	Moderate Decrease	2	2	1	0	0	1	2	0	0	0	2	0	0	1	0	1	12
	No Change	40	18	11	10	2	22	45	3	9	10	96	4	41	15	19	81	446
	Moderate Increase	0	6	1	1	1	5	2	2	1	1	8	0	2	2	1	7	40
	Significant Increase	0	0	0	0	1	3	0	0	1	0	0	0	0	0	2	1	9
	Not Applicable	37	18	16	7	10	23	48	2	10	6	81	3	46	10	26	97	446
	Grand Total	72	44	33	17	42	32	90	6	22	14	179	6	86	28	41	174	899
Implementation of smaller hospital/ physician networks	Significant Decrease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
	Moderate Decrease	0	0	0	0	1	0	0	0	1	0	2	0	1	1	0	0	6
	No Change	44	26	18	11	7	23	44	4	13	9	118	4	57	14	23	94	533
	Moderate Increase	0	2	2	0	1	0	6	0	1	2	6	0	2	1	1	6	30
	Significant Increase	0	0	0	2	0	0	1	0	1	0	1	0	0	0	0	2	7
	Not Applicable	28	16	13	4	16	9	39	2	6	3	52	2	26	12	17	71	322
	Grand Total	72	44	33	17	42	32	90	6	22	14	179	6	86	28	41	174	899

TABLE 3. (continued) Since its inception, how has the health care reform law affected your company's group health plan in the following areas?

By Primary Industry

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Consideration for moving to lowest cost plan options	Significant Decrease	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	2
	Moderate Decrease	3	1	0	0	0	1	1	2	2	0	1	5	0	0	0	0	7	23
	No Change	35	19	18	9	9	23	18	38	2	8	7	99	3	41	15	17	70	431
	Moderate Increase	9	13	6	4	1	3	5	20	2	3	3	23	2	22	3	9	37	165
	Significant Increase	10	3	1	2	1	2	3	9	0	4	1	21	0	6	5	4	14	86
	Not Applicable	15	8	8	2	2	13	5	21	0	7	2	30	1	17	5	11	45	192
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899
Consideration for using a self-insured model	Significant Decrease	0	0	1	0	0	0	2	0	0	1	1	0	0	0	0	0	1	6
	Moderate Decrease	0	0	0	0	0	0	0	4	1	0	0	2	0	0	0	0	2	9
	No Change	41	25	15	8	7	26	20	40	3	11	10	107	4	48	11	19	86	481
	Moderate Increase	2	4	1	2	0	4	0	6	1	0	1	17	0	7	6	5	13	69
	Significant Increase	3	1	2	1	1	1	0	2	0	1	0	6	0	2	0	2	5	27
	Not Applicable	26	14	14	6	5	11	10	38	1	9	2	47	2	29	11	15	67	307
	Grand Total	72	44	33	17	13	42	32	90	6	22	14	179	6	86	28	41	174	899

TABLE 4. Since its inception, how has the health care reform law affected your company's group health plan in the following areas?*By Employer Size*

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Active Employees health coverage costs	Significant Decrease	3	1	1	0	0	0	1	0	0	6
	Moderate Decrease	8	4	8	3	0	0	0	0	0	23
	No Change	78	50	166	33	27	13	18	3	1	389
	Moderate Increase	36	48	110	46	40	10	33	7	0	330
	Significant Increase	46	22	30	6	6	1	4	2	1	118
	Not Applicable	6	11	8	0	5	1	1	1	0	33
	Total	177	136	323	88	78	25	57	13	2	899
Percentage of employees enrolled health coverage	Significant Decrease	1	2	2	0	0	1	0	0	0	6
	Moderate Decrease	4	3	18	3	3	1	3	1	1	37
	No Change	142	111	250	71	48	15	40	10	0	687
	Moderate Increase	15	9	41	12	21	6	12	1	1	118
	Significant Increase	3	2	1	2	1	0	0	0	0	9
	Not Applicable	6	11	8	0	5	1	1	1	0	33
	Grand Total	177	136	323	88	78	25	57	13	2	899
Employee contributions toward the cost of single coverage	Significant Decrease	1	1	1	0	0	0	0	0	0	3
	Moderate Decrease	3	3	14	3	1	0	3	0	2	29
	No Change	142	111	250	71	48	15	40	10	0	687
	Moderate Increase	36	40	87	36	28	7	20	4	0	258
	Significant Increase	15	9	7	2	1	1	4	1	0	40
	Not Applicable	14	11	10	0	5	1	1	1	0	43
	Grand Total	177	136	323	88	78	25	57	13	2	899
Company contributions toward the cost of single coverage	Significant Decrease	2	1	0	0	0	0	1	0	0	4
	Moderate Decrease	11	6	25	9	3	1	6	1	0	62
	No Change	98	76	203	46	41	17	26	8	0	515
	Moderate Increase	34	33	75	30	29	6	20	1	2	230
	Significant Increase	22	12	12	2	1	0	3	2	0	54
	Not Applicable	10	8	8	1	4	1	1	1	0	34
	Grand Total	177	136	323	88	78	25	57	13	2	899

TABLE 4. (continued) Since its inception, how has the health care reform law affected your company's group health plan in the following areas?*By Employer Size*

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Employee contributions toward the cost of dependent coverage	Significant Decrease	0	1	2	0	0	0	0	0	0	3
	Moderate Decrease	2	3	9	2	1	0	3	0	1	21
	No Change	104	66	196	44	39	14	22	6	1	492
	Moderate Increase	35	40	84	39	30	9	22	4	0	263
	Significant Increase	17	15	22	3	3	1	9	2	0	72
	Not Applicable	19	11	10	0	5	1	1	1	0	48
	Total	177	136	323	88	78	25	57	13	2	899
Company contributions toward the cost of dependent coverage	Significant Decrease	1	1	1	0	0	0	1	0	0	4
	Moderate Decrease	8	5	26	10	2	2	12	1	0	66
	No Change	99	78	202	48	44	16	20	7	1	515
	Moderate Increase	29	22	65	27	25	6	19	1	1	195
	Significant Increase	14	12	12	3	2	0	4	3	0	50
	Not Applicable	26	18	17	0	5	1	1	1	0	69
	Grand Total	177	136	323	88	78	25	57	13	2	899
Wellness program financial incentives wellness programs	Significant Decrease	0	0	3	0	1	0	1	0	0	5
	Moderate Decrease	0	0	11	5	4	3	3	0	0	26
	No Change	84	66	169	46	35	15	24	6	1	446
	Moderate Increase	12	7	36	18	18	3	12	6	1	113
	Significant Increase	2	4	15	5	4	2	9	0	0	41
	Not Applicable	79	59	89	14	16	2	8	1	0	268
	Grand Total	177	136	323	88	78	25	57	13	2	899
Wellness program employee participation	Significant Decrease	0	0	5	0	1	0	1	0	0	7
	Moderate Decrease	1	0	6	3	3	1	2	0	0	16
	No Change	83	65	166	49	37	15	26	6	1	448
	Moderate Increase	10	11	42	18	16	5	11	6	1	120
	Significant Increase	1	3	14	6	4	2	9	0	0	39
	Not Applicable	82	57	90	12	17	2	8	1	0	269
	Grand Total	177	136	323	88	78	25	57	13	2	899

TABLE 4. (continued) Since its inception, how has the health care reform law affected your company's group health plan in the following areas?*By Employer Size*

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Use / addition of Consumer-Directed Health Plans	Significant Decrease	0	2	2	0	1	0	1	0	0	6
	Moderate Decrease	2	0	0	2	1	0	1	0	0	6
	No Change	81	60	169	40	26	9	23	7	0	415
	Moderate Increase	6	9	31	10	12	2	12	3	1	86
	Significant Increase	7	4	18	8	7	2	3	2	0	51
	Not Applicable	81	61	103	28	31	12	17	1	1	335
	Total	177	136	323	88	78	25	57	13	2	899
Voluntary benefits options for employees	Significant Decrease	1	0	0	0	0	0	0	0	0	1
	Moderate Decrease	1	2	6	2	2	0	3	0	0	16
	No Change	104	84	222	65	42	18	34	12	1	582
	Moderate Increase	12	11	36	9	17	1	6	0	1	93
	Significant Increase	3	3	5	2	1	0	3	0	0	17
	Not Applicable	56	36	54	10	16	6	11	1	0	190
	Grand Total	177	136	323	88	78	25	57	13	2	899
Retiree health coverage costs	Significant Decrease	0	0	3	0	1	0	1	0	0	5
	Moderate Decrease	0	0	11	5	4	3	3	0	0	26
	No Change	84	66	169	46	35	15	24	6	1	446
	Moderate Increase	12	7	36	18	18	3	12	6	1	113
	Significant Increase	2	4	15	5	4	2	9	0	0	41
	Not Applicable	79	59	89	14	16	2	8	1	0	268
	Grand Total	177	136	323	88	78	25	57	13	2	899
Implementation of smaller hospital / physician networks	Significant Decrease	0	0	1	0	0	0	0	0	0	1
	Moderate Decrease	1	1	2	0	0	0	2	0	0	6
	No Change	103	82	205	53	35	18	28	8	1	533
	Moderate Increase	7	2	9	2	4	2	4	0	0	30
	Significant Increase	3	0	2	1	0	0	0	0	1	7
	Not Applicable	63	51	104	32	39	5	23	5	0	322
	Grand Total	177	136	323	88	78	25	57	13	2	899

TABLE 4. *(continued)* Since its inception, how has the health care reform law affected your company's group health plan in the following areas?*By Employer Size*

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Consideration for moving to lowest cost plan options	Significant Decrease	0	0	1	0	0	0	0	1	0	2
	Moderate Decrease	7	3	6	2	1	0	4	0	0	23
	No Change	68	67	179	38	35	14	23	7	0	431
	Moderate Increase	43	25	41	19	19	5	12	0	1	165
	Significant Increase	24	13	30	9	3	1	4	1	1	86
	Not Applicable	35	28	66	20	20	5	14	4	0	192
	Total	177	136	323	88	78	25	57	13	2	899
Consideration for using a self- insured model	Significant Decrease	1	1	2	1	0	0	1	0	0	6
	Moderate Decrease	0	1	4	1	1	0	2	0	0	9
	No Change	94	73	181	49	32	13	31	7	1	481
	Moderate Increase	8	14	27	9	9	0	2	0	0	69
	Significant Increase	3	3	14	3	4	0	0	0	0	27
	Not Applicable	71	44	95	25	32	12	21	6	1	307
	Grand Total	177	136	323	88	78	25	57	13	2	899

TABLE 5. Has your company identified the costs to comply with the health care reform for the plan year that started on or after September 23, 2010 (for calendar year plans, this would be the 2011 plan year)?

	YES, SPECIFIC COSTS TO COMPLY WITH HEALTH CARE REFORM HAVE BEEN IDENTIFIED	IN THE PROCESS OF IDENTIFYING SPECIFIC COSTS TO COMPLY	NO, NOT YET IDENTIFIED	UNSURE / DON'T KNOW	TOTAL
Construction / Real Estate	10	16	38	8	72
Consulting / Education	9	9	19	7	44
Distribution	7	9	15	2	33
Energy / O&G / Utilities	2	5	9	1	17
Engineering / Automotive	2	2	8	1	13
Financial	8	12	19	3	42
Governmental Entity	6	6	16	4	32
Health Care	24	20	37	9	90
Health Insurance	2	1	1	2	6
Hospitality	6	10	5	1	22
Life / Property & Casualty Insurance	3	2	7	2	14
Manufacturing	31	41	95	12	179
Marketing and Communications	0	2	2	2	6
Non-profit	13	20	45	8	86
Specialty Services / Legal	4	8	14	2	28
Technology	11	7	20	3	41
Other	44	41	78	11	174
Total	182	211	428	78	899

TABLE 6. Has your company identified the costs to comply with the health care reform for the plan year that started on or after September 23, 2010 (for calendar year plans, this would be the 2011 plan year)?

	YES, SPECIFIC COSTS TO COMPLY WITH HEALTH CARE REFORM HAVE BEEN IDENTIFIED	IN THE PROCESS OF IDENTIFYING SPECIFIC COSTS TO COMPLY	NO, NOT YET IDENTIFIED	UNSURE / DON'T KNOW	TOTAL
1 - 49	19	39	99	20	177
50 - 99	9	25	86	16	136
100 - 499	64	78	155	26	323
500 - 999	26	27	32	3	88
1,000 - 2,500	23	23	27	5	78
2,501 - 9,999 with operations within a single state	11	4	9	1	25
2,501 - 9,999 with operations across multiple states	22	12	17	6	57
Greater than 10,000 with operations across multiple states	8	3	1	1	13
Other	0	0	2	0	2
Total	182	211	428	78	899

TABLE 7. Approximately by 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?

	CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Removal of the annual/ lifetime limit for essential health benefits	Decrease in Cost	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	2
	No Change	9	7	5	2	11	4	16	1	7	2	22	1	15	6	7	41	158
	Up to 2% Increase in Cost	4	2	2	1	2	2	8	2	3	1	15	1	3	1	3	12	62
	2-5% Increase in Cost	6	3	1	0	0	2	2	0	1	1	6	0	2	2	1	6	33
	More than 5% Increase in Cost	3	0	4	2	0	0	2	0	1	1	12	0	0	0	1	3	31
	Unsure / Don't Know	4	4	4	1	6	3	13	0	3	0	12	0	11	3	6	17	87
	Total	26	16	16	6	20	11	41	3	15	5	67	2	31	12	18	80	373
Provision of adult child coverage up to age 26	Decrease in Cost	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	2
	No Change	10	4	2	0	5	3	8	0	2	2	12	0	12	5	5	18	89
	Up to 2% Increase in Cost	5	4	2	2	7	4	17	3	7	0	28	2	6	2	7	29	126
	2-5% Increase in Cost	5	3	2	2	0	2	4	0	1	1	12	0	4	1	0	14	51
	More than 5% Increase in Cost	2	1	6	1	2	0	3	0	1	1	7	0	1	0	0	0	25
	Unsure / Don't Know	4	4	4	1	7	2	9	0	4	1	7	0	8	4	6	19	80
	Total	26	16	16	6	20	11	41	3	15	5	67	2	31	12	18	80	373
Removal of pre-existing condition exclusion for children under age 19	Decrease in Cost	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	2
	No Change	13	5	8	3	11	5	19	2	4	1	31	1	15	5	10	36	171
	Up to 2% Increase in Cost	2	3	1	1	2	1	9	1	3	0	10	1	5	2	1	17	59
	2-5% Increase in Cost	4	2	0	0	0	1	1	0	1	2	8	0	2	1	0	7	29
	More than 5% Increase in Cost	2	1	3	0	0	0	2	0	1	1	5	0	0	0	0	0	16
	Unsure / Don't Know	5	4	4	2	6	4	10	0	6	1	13	0	9	4	7	20	96
	Total	26	16	16	6	20	11	41	3	15	5	67	2	31	12	18	80	373
Removal of cost sharing component for preventive services	Decrease in Cost	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	2
	No Change	11	5	4	3	9	1	16	0	5	1	29	1	15	4	7	29	142
	Up to 2% Increase in Cost	3	4	4	1	3	3	7	2	2	1	12	1	3	4	2	17	69
	2-5% Increase in Cost	4	3	0	1	1	3	2	1	1	2	7	0	3	0	2	9	39
	More than 5% Increase in Cost	3	0	3	1	0	0	3	0	1	1	4	0	0	0	0	3	21
	Unsure / Don't Know	5	4	5	0	6	4	12	0	6	0	15	0	10	4	7	22	100
	Total	26	16	16	6	20	11	41	3	15	5	67	2	31	12	18	80	373

TABLE 7. (continued) Approximately by 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?

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Removal of restrictions on care for non grandfathered plans	Decrease in Cost	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
	No Change	9	6	6	4	1	9	5	17	1	8	2	36	1	17	4	8	41	175
	Up to 2% Increase in Cost	4	2	2	0	1	3	0	6	2	0	0	8	1	3	3	3	8	46
	2-5% Increase in Cost	5	2	0	0	0	0	2	3	0	0	1	3	0	1	1	1	3	22
	More than 5% Increase in Cost	3	0	3	1	2	0	0	1	0	1	0	4	0	0	0	0	2	17
	Unsure / Don't Know	5	6	5	1	0	7	4	14	0	6	2	16	0	10	4	6	26	112
	Total	26	16	16	6	4	20	11	41	3	15	5	67	2	31	12	18	80	373
Total impact of all changes to comply with health care reform	Decrease in Cost	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1
	No Change	6	3	1	0	1	5	1	9	0	1	1	9	0	12	2	4	13	68
	Up to 2% Increase in Cost	4	5	2	3	1	6	3	10	2	5	0	19	1	5	2	5	17	90
	2-5% Increase in Cost	9	1	4	1	0	3	2	5	1	0	1	16	0	3	1	3	22	72
	More than 5% Increase in Cost	3	3	5	1	2	0	1	7	0	5	3	16	1	2	2	1	10	62
	Unsure / Don't Know	4	4	4	1	0	5	4	10	0	4	0	7	0	9	5	5	18	8
	Total	26	16	16	6	4	20	11	41	3	15	5	67	2	31	12	18	80	373

TABLE 8. Were all of your company's health plan options grandfathered for the plan year starting on or after September 23, 2010?

	CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/ PROPERTY & CASUALTY INSURANCE
Yes, all health plan options were grandfathered	37	14	18	5	7	22	12	33	0	8	5
Most health plan options were grandfathered	2	2	2	0	1	2	1	8	1	2	0
Only some health plan options were grandfathered	1	2	2	0	1	2	1	3	1	1	0
None of the health plan options were grandfathered	19	16	9	6	2	15	11	27	4	7	6
Unsure / Don't know	13	8	2	4	2	1	6	16	0	3	3
Total	72	42	33	15	13	42	31	87	6	21	14

TABLE 9. Will your company's current grandfathered health plan options remain grandfathered for the plan year starting on or after September 23, 2012?

	CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/ O&G/UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/ PROPERTY & CASUALTY INSURANCE	MANUFACTURING
Yes, all of the current grandfathered health plan options will remain grandfathered	17	11	15	3	2	13	10	21	2	7	2	51
Most of the current grandfathered health plan options will remain grandfathered	1	0	3	0	0	2	0	4	0	1	0	8
Only some of the current grandfathered health plan options will remain grandfathered	2	1	1	0	0	0	0	6	1	0	0	9
None of the current grandfathered health plan options will remain grandfathered	18	15	5	5	7	17	8	25	2	9	5	55
Unsure / Don't know	20	6	6	3	2	9	7	15	1	1	4	28
Total	58	33	30	11	11	41	25	71	6	18	11	151

TABLE 10. Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Reduce coverage to lowest-cost package that will avoid the "pay or play" penalty	Will Implement Prior to 2014	6	2	1	1	0	3	1	9	0	5	0	17	0	2	1	2	7	57
	Will Implement After 2014	5	4	5	0	1	2	1	10	1	5	2	11	1	9	4	2	16	79
	Will Likely Implement but Timing is Uncertain	15	8	9	4	2	11	5	13	0	4	1	32	2	16	3	5	33	163
	Will Definitely Not Implement	2	2	1	1	2	7	2	3	0	1	2	10	0	8	3	9	13	66
	Don't Know / Unsure	25	20	11	4	6	14	14	36	1	3	4	83	2	28	8	16	71	346
	Total	53	36	27	10	11	37	23	71	2	18	9	153	5	63	19	34	140	711
Increase employee contributions toward coverage costs	Will Implement Prior to 2014	8	3	5	1	1	4	2	18	0	8	2	28	1	5	0	3	17	106
	Will Implement After 2014	4	3	5	0	1	4	0	9	1	3	0	16	0	7	4	3	16	76
	Will Likely Implement but Timing is Uncertain	17	10	9	6	4	13	10	10	0	3	5	36	2	23	7	11	38	204
	Will Definitely Not Implement	0	3	1	1	1	1	1	1	0	0	0	3	0	2	1	0	8	23
	Don't Know / Unsure	24	17	7	2	4	15	11	34	1	4	2	71	2	27	8	15	60	304
	Total	53	36	27	10	11	37	24	72	2	18	9	154	5	64	20	32	139	713
Increase percentage of dependent coverage costs paid by employees	Will Implement Prior to 2014	7	4	4	1	0	5	2	16	0	7	2	25	0	6	0	3	18	100
	Will Implement After 2014	1	1	4	1	1	2	1	10	1	4	0	19	1	5	4	3	18	76
	Will Likely Implement but Timing is Uncertain	16	11	8	5	3	14	11	10	0	3	5	38	2	24	4	11	35	200
	Will Definitely Not Implement	4	0	3	1	1	2	1	3	0	2	0	3	0	2	2	0	6	30
	Don't Know / Unsure	26	20	8	2	6	14	9	32	1	2	2	70	2	26	10	16	59	305
	Total	54	36	27	10	11	37	24	71	2	18	9	155	5	63	20	33	136	711
Encourage voluntary migration of employees (and/or dependents) to the exchanges	Will Implement Prior to 2014	4	1	1	0	0	1	0	3	0	2	0	10	0	5	0	0	3	30
	Will Implement After 2014	2	2	4	1	1	2	1	6	0	4	1	12	1	4	2	0	8	51
	Will Likely Implement but Timing is Uncertain	12	6	5	3	1	3	6	15	0	6	0	29	1	14	2	5	28	136
	Will Definitely Not Implement	2	3	2	1	3	9	2	7	0	1	2	10	0	7	5	7	17	78
	Don't Know / Unsure	32	24	15	5	5	21	15	41	2	5	6	93	3	34	11	21	83	416
	Total	52	36	27	10	10	36	24	72	2	18	9	154	5	64	20	33	139	711

TABLE 10. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Drop coverage to trigger migration of employees to the exchanges	Will Implement Prior to 2014	3	1	0	1	0	1	0	3	0	1	0	7	0	3	0	0	3	23
	Will Implement After 2014	0	1	2	1	1	0	1	4	0	4	0	8	0	5	0	0	5	32
	Will Likely Implement but Timing is Uncertain	7	3	5	2	0	3	4	11	0	7	1	17	1	9	1	2	15	88
	Will Definitely Not Implement	10	9	8	2	5	15	4	19	0	3	4	23	1	13	9	12	31	168
	Don't Know / Unsure	33	22	12	4	5	17	15	34	2	3	4	99	3	34	9	19	85	400
	Total	53	36	27	10	11	36	24	71	2	18	9	154	5	64	19	33	139	711
Re-design eligibility to limit the number of benefit-eligible employees (e.g., restrict work hours to fewer than 30 hours per week, etc.)	Will Implement Prior to 2014	3	4	3	2	0	2	0	6	1	8	0	14	1	7	0	0	19	70
	Will Implement After 2014	1	1	2	0	1	1	2	6	0	3	1	5	0	5	2	0	8	38
	Will Likely Implement but Timing is Uncertain	7	6	6	4	2	6	6	12	0	2	1	25	1	12	1	6	19	116
	Will Definitely Not Implement	10	4	7	2	3	8	5	8	0	2	4	26	0	12	5	10	26	132
	Don't Know / Unsure	32	20	9	2	5	19	10	40	1	3	3	84	3	28	11	17	67	354
	Total	53	35	27	10	11	36	23	72	2	18	9	154	5	64	19	33	139	710
Terminate retiree coverage or reduce company financial support for retiree coverage	Will Implement Prior to 2014	4	1	2	2	0	3	1	5	0	4	1	7	0	3	0	0	14	47
	Will Implement After 2014	0	1	2	0	0	2	0	4	1	1	1	3	0	6	0	1	6	28
	Will Likely Implement but Timing is Uncertain	4	7	5	3	3	4	4	6	0	3	0	32	0	6	2	5	15	99
	Will Definitely Not Implement	3	6	5	2	1	4	5	9	0	3	2	13	0	15	4	4	15	91
	Don't Know / Unsure	40	18	12	3	7	22	13	44	1	6	4	94	5	32	12	23	88	424
	Total	51	33	26	10	11	35	23	68	2	17	8	149	5	62	18	33	138	689
Drop coverage for part-timers	Will Implement Prior to 2014	4	2	4	2	0	2	1	3	0	3	2	12	0	5	1	0	11	52
	Will Implement After 2014	3	3	1	0	1	1	1	6	1	4	0	4	1	5	0	0	9	40
	Will Likely Implement but Timing is Uncertain	6	4	5	3	2	7	3	14	0	3	1	28	0	10	2	3	20	111
	Will Definitely Not Implement	5	6	5	1	3	8	2	11	0	1	2	14	0	8	5	5	16	92
	Don't Know / Unsure	34	20	10	4	5	18	16	37	1	6	4	91	4	33	11	25	81	400
	Total	52	35	25	10	11	36	23	71	2	17	9	149	5	61	19	33	137	695

TABLE 10. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/O&G/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Reduce employee headcount	Will Implement Prior to 2014	6	1	3	2	1	0	0	5	0	3	0	11	0	2	0	0	9	43
	Will Implement After 2014	1	1	1	0	0	0	0	3	1	3	0	3	1	2	0	0	5	21
	Will Likely Implement but Timing is Uncertain	4	5	6	2	0	4	2	14	0	4	2	22	2	12	1	2	13	95
	Will Definitely Not Implement	9	8	6	3	4	13	9	11	0	4	4	27	0	8	8	9	32	155
	Don't Know / Unsure	33	21	10	3	6	19	12	37	1	3	3	89	2	37	11	22	78	387
	Total	53	36	26	10	11	36	23	70	2	17	9	152	5	61	20	33	137	701
Raise the new hire coverage elimination period/waiting period to 90 days	Will Implement Prior to 2014	7	4	6	2	0	1	0	5	1	4	1	13	0	4	0	1	10	59
	Will Implement After 2014	2	3	0	0	0	1	1	2	0	2	0	8	1	5	0	0	8	33
	Will Likely Implement but Timing is Uncertain	7	3	5	4	1	3	7	9	0	4	3	25	0	12	3	3	23	112
	Will Definitely Not Implement	6	4	7	1	3	12	3	16	0	2	2	17	1	8	6	8	25	121
	Don't Know / Unsure	30	22	8	3	7	19	12	40	1	5	3	88	3	33	9	21	72	376
	Total	52	36	26	10	11	36	23	72	2	17	9	151	5	62	18	33	138	701
Increase deductibles or co-payments to keep the plan's costs below the "Cadillac tax" threshold	Will Implement Prior to 2014	10	4	8	3	1	1	0	6	0	5	0	12	1	7	1	0	16	75
	Will Implement After 2014	1	2	3	1	3	6	4	13	1	3	5	17	2	6	2	2	15	86
	Will Likely Implement but Timing is Uncertain	14	10	8	2	1	13	9	17	0	5	1	42	0	23	7	12	39	203
	Will Definitely Not Implement	0	1	2	0	1	1	1	1	0	1	0	4	0	4	0	4	5	25
	Don't Know / Unsure	27	19	6	4	5	15	8	34	1	4	3	76	2	23	9	15	64	315
	Total	52	36	27	10	11	36	22	71	2	18	9	151	5	63	19	33	139	704
Expand the scope of wellness programs and/or wellness financial incentives	Will Implement Prior to 2014	7	4	7	1	2	5	5	12	0	2	4	14	0	7	2	1	21	94
	Will Implement After 2014	2	3	2	1	1	3	2	7	0	5	0	14	1	1	1	3	7	53
	Will Likely Implement but Timing is Uncertain	11	8	7	2	2	12	7	15	0	3	2	39	2	19	6	8	30	173
	Will Definitely Not Implement	3	2	2	0	0	2	1	3	0	3	0	7	0	4	1	1	9	38
	Don't Know / Unsure	29	18	8	6	6	14	8	35	2	5	3	79	2	32	10	20	70	347
	Total	52	35	26	10	11	36	23	72	2	18	9	153	5	63	20	33	137	705

TABLE 10. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		CONSTRUCTION/ REAL ESTATE	CONSULTING/ EDUCATION	DISTRIBUTION	ENERGY/REG/ UTILITIES	ENGINEERING/ AUTOMOTIVE	FINANCIAL	GOVERNMENTAL ENTITY	HEALTH CARE	HEALTH INSURANCE	HOSPITALITY	LIFE/PROPERTY & CASUALTY INSURANCE	MANUFACTURING	MARKETING & COMMUNICATIONS	NON-PROFIT	SPECIALTY SERVICES/LEGAL	TECHNOLOGY	OTHER	TOTAL
Stop or reduce company spending on other welfare benefit plans (i.e. dental, vision, etc.)	Will Implement Prior to 2014	4	1	4	2	0	1	0	6	0	2	2	7	0	2	0	0	7	38
	Will Implement After 2014	2	0	1	0	1	2	1	5	0	2	0	7	2	2	0	1	7	33
	Will Likely Implement but Timing is Uncertain	9	8	3	2	2	4	3	10	0	5	1	28	0	10	2	5	20	112
	Will Definitely Not Implement	4	5	7	2	3	7	4	8	0	4	2	16	1	8	7	7	24	109
	Don't Know / Unsure	32	21	11	4	5	22	15	41	2	5	4	95	2	40	11	20	79	409
	Total	51	35	26	10	11	36	23	70	2	18	9	153	5	62	20	33	137	701
Replace non-health welfare benefits (i.e. dental, vision, etc.) with employee-pay-all voluntary benefits	Will Implement Prior to 2014	5	1	2	2	1	1	0	4	0	1	0	9	0	2	0	1	6	35
	Will Implement After 2014	1	1	3	0	1	1	1	5	0	3	1	6	1	5	0	0	8	37
	Will Likely Implement but Timing is Uncertain	9	4	5	1	1	3	7	10	0	4	2	24	0	6	3	6	20	105
	Will Definitely Not Implement	3	6	7	2	3	7	3	10	0	6	3	18	0	8	7	6	18	107
	Don't Know / Unsure	34	23	8	5	5	24	12	39	2	3	3	95	4	40	10	20	83	410
	Total	52	35	25	10	11	36	23	68	2	17	9	152	5	61	20	33	135	694
Reduce company spending on tax-qualified benefits (i.e. pension, 401(k), etc.)	Will Implement Prior to 2014	2	1	2	1	0	1	1	7	0	3	0	6	0	3	0	0	9	36
	Will Implement After 2014	2	1	1	0	0	1	0	3	0	2	0	5	2	2	0	1	6	26
	Will Likely Implement but Timing is Uncertain	6	6	6	2	1	4	3	12	0	2	3	24	0	10	1	1	15	96
	Will Definitely Not Implement	7	7	7	3	4	8	6	8	0	4	3	22	1	7	8	7	26	128
	Don't Know / Unsure	35	19	10	4	6	21	13	41	2	7	3	95	2	40	10	24	82	414
	Total	52	34	26	10	11	35	23	71	2	18	9	152	5	62	19	33	138	700
Reduce compensation, or reduce future increases in compensation (i.e. salary, bonuses, etc.)	Will Implement Prior to 2014	3	3	3	1	0	0	0	8	0	2	1	6	0	1	0	0	9	37
	Will Implement After 2014	1	0	0	0	0	1	1	4	0	2	0	9	2	1	0	0	6	27
	Will Likely Implement but Timing is Uncertain	9	5	8	2	2	4	4	14	0	3	1	23	0	14	2	2	23	116
	Will Definitely Not Implement	5	5	6	2	2	7	4	6	0	3	2	20	0	8	6	9	15	100
	Don't Know / Unsure	32	21	9	5	7	23	14	39	2	7	5	96	3	38	10	20	84	415
	Total	50	34	26	10	11	35	23	71	2	17	9	154	5	62	18	31	137	695

TABLE 11. Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Reduce coverage to lowest-cost package that will avoid the "pay or play" penalty	Will Implement Prior to 2014	13	13	16	5	5	1	2	1	1	57
	Will Implement After 2014	15	10	24	9	7	3	9	2	0	79
	Will Likely Implement but Timing is Uncertain	24	28	61	13	17	7	12	1	0	163
	Will Definitely Not Implement	11	11	27	6	6	1	3	1	0	66
	Don't Know / Unsure	58	55	136	41	25	9	15	6	1	346
	Total	121	117	264	74	60	21	41	11	2	711
Increase employee contributions toward coverage costs	Will Implement Prior to 2014	12	13	41	11	12	6	9	1	1	106
	Will Implement After 2014	12	10	27	6	7	2	11	1	0	76
	Will Likely Implement but Timing is Uncertain	36	36	80	17	17	5	9	4	0	204
	Will Definitely Not Implement	4	6	7	3	1	1	1	0	0	23
	Don't Know / Unsure	57	51	112	38	22	6	12	5	1	304
	Total	121	116	267	75	59	20	42	11	2	713
Increase percentage of dependent coverage costs paid by employees	Will Implement Prior to 2014	11	13	37	10	12	6	8	2	1	100
	Will Implement After 2014	13	8	27	4	8	2	13	1	0	76
	Will Likely Implement but Timing is Uncertain	34	36	77	21	15	8	7	2	0	200
	Will Definitely Not Implement	5	7	10	2	4	0	1	1	0	30
	Don't Know / Unsure	58	48	118	37	21	5	12	5	1	305
	Total	121	112	269	74	60	21	41	11	2	711
Encourage voluntary migration of employees (and/or dependents) to the exchanges	Will Implement Prior to 2014	7	4	11	4	0	0	3	0	1	30
	Will Implement After 2014	11	4	17	5	5	3	5	1	0	51
	Will Likely Implement but Timing is Uncertain	25	20	47	13	17	3	9	2	0	136
	Will Definitely Not Implement	8	16	27	7	8	4	6	2	0	78
	Don't Know / Unsure	70	70	165	45	30	11	18	6	1	416
	Total	121	114	267	74	60	21	41	11	2	711

TABLE 11. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Drop coverage to trigger migration of employees to the exchanges	Will Implement Prior to 2014	6	5	8	2	0	0	2	0	0	23
	Will Implement After 2014	7	5	9	4	3	0	3	1	0	32
	Will Likely Implement but Timing is Uncertain	17	13	32	10	8	2	4	1	1	88
	Will Definitely Not Implement	18	26	61	16	22	11	11	3	0	168
	Don't Know / Unsure	72	66	155	43	27	8	22	6	1	400
	Total	120	115	265	75	60	21	42	11	2	711
Re-design eligibility to limit the number of benefit-eligible employees (e.g., restrict work hours to fewer than 30 hours per week, etc.)	Will Implement Prior to 2014	11	12	21	6	10	2	5	2	1	70
	Will Implement After 2014	5	3	16	3	4	2	5	0	0	38
	Will Likely Implement but Timing is Uncertain	18	12	46	13	10	4	11	2	0	116
	Will Definitely Not Implement	23	25	42	16	11	5	8	2	0	132
	Don't Know / Unsure	64	61	141	36	25	8	13	5	1	354
	Total	121	113	266	74	60	21	42	11	2	710
Terminate retiree coverage or reduce company financial support for retiree coverage	Will Implement Prior to 2014	10	10	11	6	3	0	4	3	0	47
	Will Implement After 2014	4	4	10	2	1	1	6	0	0	28
	Will Likely Implement but Timing is Uncertain	15	8	38	12	14	4	7	1	0	99
	Will Definitely Not Implement	16	19	31	9	8	4	3	1	0	91
	Don't Know / Unsure	74	67	167	44	32	11	21	6	2	424
	Total	119	108	257	73	58	20	41	11	2	689
Drop coverage for part-timers	Will Implement Prior to 2014	13	10	16	3	1	1	6	2	0	52
	Will Implement After 2014	2	5	12	4	5	4	8	0	0	40
	Will Likely Implement but Timing is Uncertain	20	16	41	13	9	2	8	1	1	111
	Will Definitely Not Implement	15	15	37	7	10	5	2	1	0	92
	Don't Know / Unsure	70	64	154	45	33	9	17	7	1	400
	Total	120	110	260	72	58	21	41	11	2	695

TABLE 11. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Reduce employee headcount	Will Implement Prior to 2014	10	8	14	3	3	0	3	2	0	43
	Will Implement After 2014	2	4	8	0	1	2	4	0	0	21
	Will Likely Implement but Timing is Uncertain	15	15	33	13	10	2	7	0	0	95
	Will Definitely Not Implement	21	26	55	15	20	8	8	2	0	155
	Don't Know / Unsure	72	61	151	41	26	9	18	7	2	387
	Total	120	114	261	72	60	21	40	11	2	701
Raise the new hire coverage elimination period/waiting period to 90 days	Will Implement Prior to 2014	13	10	21	4	5	0	5	1	0	59
	Will Implement After 2014	7	2	11	3	4	0	5	1	0	33
	Will Likely Implement but Timing is Uncertain	33	17	33	9	9	2	7	1	1	112
	Will Definitely Not Implement	9	21	41	13	14	10	11	2	0	121
	Don't Know / Unsure	59	62	157	43	26	9	13	6	1	376
	Total	121	112	263	72	58	21	41	11	2	701
Increase deductibles or co-payments to keep the plan's costs below the "Cadillac tax" threshold	Will Implement Prior to 2014	17	10	29	5	4	2	7	1	0	75
	Will Implement After 2014	15	9	26	9	11	9	6	1	0	86
	Will Likely Implement but Timing is Uncertain	29	27	76	23	21	7	15	4	1	203
	Will Definitely Not Implement	2	8	9	1	4	0	1	0	0	25
	Don't Know / Unsure	58	60	122	36	19	3	11	5	1	315
	Total	121	114	262	74	59	21	40	11	2	704
Expand the scope of wellness programs and/or wellness financial incentives	Will Implement Prior to 2014	10	6	36	17	8	6	9	2	0	94
	Will Implement After 2014	7	6	16	5	7	5	7	0	0	53
	Will Likely Implement but Timing is Uncertain	24	22	67	19	18	5	13	4	1	173
	Will Definitely Not Implement	16	6	10	1	5	0	0	0	0	38
	Don't Know / Unsure	64	71	136	32	22	5	11	5	1	347
	Total	121	111	265	74	60	21	40	11	2	705

TABLE 11. (continued) Which of the following changes do you expect employers of your size and in your industry to implement in response to Health Care Reform?

		1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Stop or reduce company spending on other welfare benefit plans (i.e. dental, vision, etc.)	Will Implement Prior to 2014	11	9	9	3	1	2	3	0	0	38
	Will Implement After 2014	1	3	16	3	4	0	5	1	0	33
	Will Likely Implement but Timing is Uncertain	26	16	40	12	9	3	5	0	1	112
	Will Definitely Not Implement	14	19	39	10	12	4	8	3	0	109
	Don't Know / Unsure	68	65	159	46	33	11	19	7	1	409
	Total	120	112	263	74	59	20	40	11	2	701
Replace non-health welfare benefits (i.e. dental, vision, etc.) with employee-pay-all voluntary benefits	Will Implement Prior to 2014	9	8	10	0	3	2	2	1	0	35
	Will Implement After 2014	4	3	15	7	3	0	4	1	0	37
	Will Likely Implement but Timing is Uncertain	23	18	35	11	6	5	6	0	1	105
	Will Definitely Not Implement	15	11	42	11	11	6	8	3	0	107
	Don't Know / Unsure	68	70	160	44	35	7	19	6	1	410
	Total	119	110	262	73	58	20	39	11	2	694
Reduce company spending on tax- qualified benefits (i.e. pension, 401(k), etc.)	Will Implement Prior to 2014	8	9	9	2	2	3	2	1	0	36
	Will Implement After 2014	3	2	9	3	4	0	4	1	0	26
	Will Likely Implement but Timing is Uncertain	21	14	33	8	6	6	7	1	0	96
	Will Definitely Not Implement	17	18	44	17	13	5	11	2	1	128
	Don't Know / Unsure	70	72	164	43	34	7	17	6	1	414
	Total	119	115	259	73	59	21	41	11	2	700
Reduce compensation, or reduce future increases in compensation (i.e. salary, bonuses, etc.)	Will Implement Prior to 2014	9	7	10	2	1	3	4	1	0	37
	Will Implement After 2014	6	2	8	2	4	1	4	0	0	27
	Will Likely Implement but Timing is Uncertain	22	20	38	10	11	4	9	1	1	116
	Will Definitely Not Implement	12	10	39	15	11	3	8	2	0	100
	Don't Know / Unsure	70	72	165	44	31	9	16	7	1	415
	Total	119	111	260	73	58	20	41	11	2	695

TABLE 12. General plan changes in order to comply with Health Reform: Given the Supreme Court decision last June and the current election results, are you considering accelerating any changes to your health coverage prior to Health Reform's required effective dates in order to reposition your plan (i.e. resolve fully-insured plan discrimination issues once regulations are issued; implement automatic enrollment once regulations are issued; extend coverage to full-time employees who are currently ineligible for coverage; amend the eligibility provisions, etc.)?

	1 - 49	50 - 99	100 - 499	500 - 999	1,000 - 2,500	2,501 - 9,999 W/ OPERATIONS WITHIN A SINGLE STATE	2,501 - 9,999 W/ OPERATIONS ACROSS MULTIPLE STATES	GREATER THAN 10,000 W/ OPERATIONS ACROSS MULTIPLE STATES	OTHER	TOTAL
Yes	23	16	31	12	14	5	11	1	1	114
No	74	78	168	55	44	14	28	6	1	468
Unsure / Don't know	58	33	94	15	13	4	8	4	0	229
Total	155	127	293	82	71	23	47	11	2	811

TABLE 13. Approximately by 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?

		20+%	15% - 19%	10% - 14%	5% - 9%	1% - 4%	0%	UNSURE/ DON'T KNOW	TOTAL
Provision of adult child coverage up to age 26	Decrease in Cost	0	0	0	0	2	0	0	2
	No Change	1	2	4	7	29	26	20	89
	Up to 2% Increase in Cost	0	1	7	30	60	4	24	126
	2-5% Increase in Cost	1	3	4	8	23	0	12	51
	More than 5% Increase in Cost	3	0	0	5	10	3	4	25
	Unsure / Don't know	1	2	3	8	23	9	34	80
	Total	6	8	18	58	147	42	94	373

TABLE 14. At present, what is the average percentage of health costs that your company's primary medical plan pays for medical services that your employees incur? (The health care reform law targets a 60% minimum threshold by 2014.)

	LESS THAN 60% OF ALL COVERED SERVICES	60-80% OF ALL COVERED SERVICES	GREATER THAN 80% OF ALL COVERED SERVICES	UNSURE/ DON'T KNOW	TOTAL
Construction / Real Estate	8	39	23	9	79
Consulting / Education	2	21	16	9	48
Distribution	2	18	11	2	33
Energy / O&G / Utilities	0	14	2	2	18
Engineering / Automotive	1	7	5	2	15
Financial	1	23	14	7	45
Governmental Entity	0	16	13	5	34
Health Care	8	48	34	9	99
Health Insurance	1	3	2	1	7
Hospitality	4	11	4	3	22
Life / Property & Casualty Insurance	0	6	5	3	14
Manufacturing	8	109	61	14	192
Marketing and Communications	1	5	1	0	7
Non-profit	1	44	37	10	92
Specialty Services / Legal	1	11	14	4	30
Technology	2	17	20	2	41
Other	13	93	55	24	185
Total	53	485	317	106	961

TABLE 15. Managing the “Pay or Play” mandate: Many employers waited for the Supreme Court Decision, and then they waited for the election results. Now that decisions have been reached in the Court and in the election, has your company made decisions about how to comply with the “Pay or Play” mandate?

	ATLANTIC	MIDWEST	SOUTH	WEST	TOTAL																		
We will Play by continuing to offer coverage that exceeds the minimum essential coverage, and we will continue to adjust coverage and contributions as needed to manage expenses	<table> <tr><td>Considering this Course of Action</td><td>50</td><td>82</td><td>159</td><td>27</td><td>318</td></tr> <tr><td>Will Take this Course of Action</td><td>88</td><td>89</td><td>194</td><td>17</td><td>388</td></tr> <tr><td>Total</td><td>138</td><td>171</td><td>353</td><td>44</td><td>706</td></tr> </table>	Considering this Course of Action	50	82	159	27	318	Will Take this Course of Action	88	89	194	17	388	Total	138	171	353	44	706				
Considering this Course of Action	50	82	159	27	318																		
Will Take this Course of Action	88	89	194	17	388																		
Total	138	171	353	44	706																		
We will Play by continuing to offer coverage that exceeds the minimum essential coverage we will also produce a new, lower coverage option targeted to meet the bare minimum coverage and contribution thresholds (and thus escape pay penalties)	<table> <tr><td>Considering this Course of Action</td><td>66</td><td>102</td><td>206</td><td>33</td><td>407</td></tr> <tr><td>Will Take this Course of Action</td><td>37</td><td>34</td><td>48</td><td>5</td><td>124</td></tr> <tr><td>Total</td><td>103</td><td>136</td><td>254</td><td>38</td><td>531</td></tr> </table>	Considering this Course of Action	66	102	206	33	407	Will Take this Course of Action	37	34	48	5	124	Total	103	136	254	38	531				
Considering this Course of Action	66	102	206	33	407																		
Will Take this Course of Action	37	34	48	5	124																		
Total	103	136	254	38	531																		
We will continue to offer an option that constitutes minimum essential coverage however, we expect to incur a \$250/month penalty for those employees whose contributions exceed the affordable threshold, and who enroll in exchange-based coverage	<table> <tr><td>Considering this Course of Action</td><td>54</td><td>82</td><td>134</td><td>24</td><td>294</td></tr> <tr><td>Will Take this Course of Action</td><td>12</td><td>15</td><td>19</td><td>1</td><td>47</td></tr> <tr><td>Total</td><td>66</td><td>97</td><td>153</td><td>25</td><td>341</td></tr> </table>	Considering this Course of Action	54	82	134	24	294	Will Take this Course of Action	12	15	19	1	47	Total	66	97	153	25	341				
Considering this Course of Action	54	82	134	24	294																		
Will Take this Course of Action	12	15	19	1	47																		
Total	66	97	153	25	341																		
We will continue to offer benefit options that do not meet the minimum essential coverage requirement, but we will Play by creating a new benefit option that meets the bare minimum coverage and contribution thresholds (and thus escape Pay penalties)	<table> <tr><td>Considering this Course of Action</td><td>44</td><td>70</td><td>119</td><td>21</td><td>254</td></tr> <tr><td>Will Take this Course of Action</td><td>10</td><td>17</td><td>20</td><td>2</td><td>49</td></tr> <tr><td>Total</td><td>54</td><td>87</td><td>139</td><td>23</td><td>303</td></tr> </table>	Considering this Course of Action	44	70	119	21	254	Will Take this Course of Action	10	17	20	2	49	Total	54	87	139	23	303				
Considering this Course of Action	44	70	119	21	254																		
Will Take this Course of Action	10	17	20	2	49																		
Total	54	87	139	23	303																		
We will take one or more of the following steps while continuing to offer medical coverage that meets the minimum essential coverage requirements for full-time employees (defined in PPACA as those who work an average of 30 or more hours per week)	<table> <tr><td>Considering this Course of Action</td><td>35</td><td>75</td><td>105</td><td>17</td><td>232</td></tr> <tr><td>Will Take this Course of Action</td><td>20</td><td>14</td><td>28</td><td>6</td><td>68</td></tr> <tr><td>Total</td><td>55</td><td>89</td><td>133</td><td>23</td><td>300</td></tr> </table>	Considering this Course of Action	35	75	105	17	232	Will Take this Course of Action	20	14	28	6	68	Total	55	89	133	23	300				
Considering this Course of Action	35	75	105	17	232																		
Will Take this Course of Action	20	14	28	6	68																		
Total	55	89	133	23	300																		
Reduce hours for part-time employees to fewer than 30 hours per week	<table> <tr><td>Considering this Course of Action</td><td>41</td><td>74</td><td>109</td><td>17</td><td>241</td></tr> <tr><td>Will Take this Course of Action</td><td>27</td><td>22</td><td>50</td><td>6</td><td>105</td></tr> <tr><td>Total</td><td>68</td><td>96</td><td>159</td><td>23</td><td>346</td></tr> </table>	Considering this Course of Action	41	74	109	17	241	Will Take this Course of Action	27	22	50	6	105	Total	68	96	159	23	346				
Considering this Course of Action	41	74	109	17	241																		
Will Take this Course of Action	27	22	50	6	105																		
Total	68	96	159	23	346																		

TABLE 15. (continued) Managing the “Pay or Play” mandate: Many employers waited for the Supreme Court Decision, and then they waited for the election results. Now that decisions have been reached in the Court and in the election, has your company made decisions about how to comply with the “Pay or Play” mandate?

		ATLANTIC	MIDWEST	SOUTH	WEST	TOTAL
Manage seasonal employees so that they do not become eligible for coverage.	Considering this Course of Action	34	64	107	17	222
	Will Take this Course of Action	31	25	43	5	104
	Total	65	89	150	22	326
Use the safe harbor look-back provisions to avoid having part-time or seasonal employees become eligible for coverage	Considering this Course of Action	42	63	113	14	232
	Will Take this Course of Action	26	21	36	5	88
	Total	68	84	149	19	320
Other	Considering this Course of Action	7	18	25	4	54
	Will Take this Course of Action	3	4	6	0	13
	Total	10	22	31	4	67
We will discontinue health coverage and pay the \$166.67/month penalty for full-time employees (less the first 30)	Considering this Course of Action	38	62	111	15	226
	Will Take this Course of Action	6	10	16	2	34
	Total	44	72	127	17	260
We are still willing to wait and determine a course of action at a later date	Considering this Course of Action	37	85	129	29	280
	Will Take this Course of Action	14	25	61	5	105
	Total	51	110	190	34	385
Other	Considering this Course of Action	3	8	14	3	28
	Will Take this Course of Action	4	3	5	1	13
	Total	7	11	19	4	41

TABLE 16. News reports indicates that two large employers have announced plans to migrate to a defined contribution structure featuring five different health plan providers, each offering the same five health coverage benefit plans in a private exchange. If they are successfully implemented, will you consider such a structure in future years?

	ATLANTIC	MIDWEST	SOUTH	WEST	TOTAL
News reports show that two large employers have announced plans to migrate to a defined contribution					
Yes	11	16	32	0	59
Maybe, once employers of my size join such private exchanges	76	75	156	15	322
No	24	24	41	1	90
Unsure / Don't know	36	61	134	37	268
Total	147	176	363	53	739

TABLE 17. What is your current role vs What is your primary industry

INDUSTRY	OWNER/ PARTNER/ CHAIRPERSON	EXECUTIVE MANAGEMENT/ BOARD MEMBER	SENIOR EXECUTIVE/ SENIOR MGMT.	SUPERVISORY ROLE	MIDDLE MANAGER	TEAM LEAD/ PROJECT MANAGER	CONSULTANT SUBJ. MATTER EXPERT	ADMIN. ROLE	ANALYST	OWNER/ PARTNER/ CHAIRPERSON	OTHER	TOTAL
Construction/Real Estate	26	11	25	5	15	0	2	18	2	0	5	109
Consulting/Education	3	6	17	2	15	2	3	13	1	0	4	66
Distribution	8	6	17	0	6	2	1	4	0	0	1	45
Energy/O&G/Utilities	2	1	5	4	2	0	2	6	2	0	0	24
Engineering/Automotive	0	0	7	1	3	0	0	5	0	0	0	16
Financial	0	2	17	5	15	0	5	12	1	1	0	58
Governmental Entity	0	1	19	6	11	0	2	5	1	0	3	48
Health Care	6	12	54	15	28	4	3	22	0	0	3	147
Health Insurance	1	1	2	0	5	0	2	1	2	0	1	15
Hospitality	2	3	13	2	3	0	0	3	0	0	2	28
Life/Property & Casualty Insurance	1	2	10	1	2	1	1	2	0	0	1	21
Manufacturing	17	19	82	13	59	2	6	33	1	1	4	237
Marketing and Communications	2	2	2	0	1	0	0	1	0	0	0	8
Non-Profit	0	12	49	6	23	4	1	17	2	0	8	122
Specialty Services/Legal	8	3	10	2	11	0	1	7	1	0	1	44
Technology	2	3	15	2	21	2	2	1	2	0	0	50
Other	19	15	68	19	51	1	2	46	3	0	14	238
Total	97	99	412	83	271	18	33	196	18	2	47	1276