

Henderson Brothers, Inc.
Fourth Annual
Mid-Market Employee Benefits
Survey Results

July 31, 2008

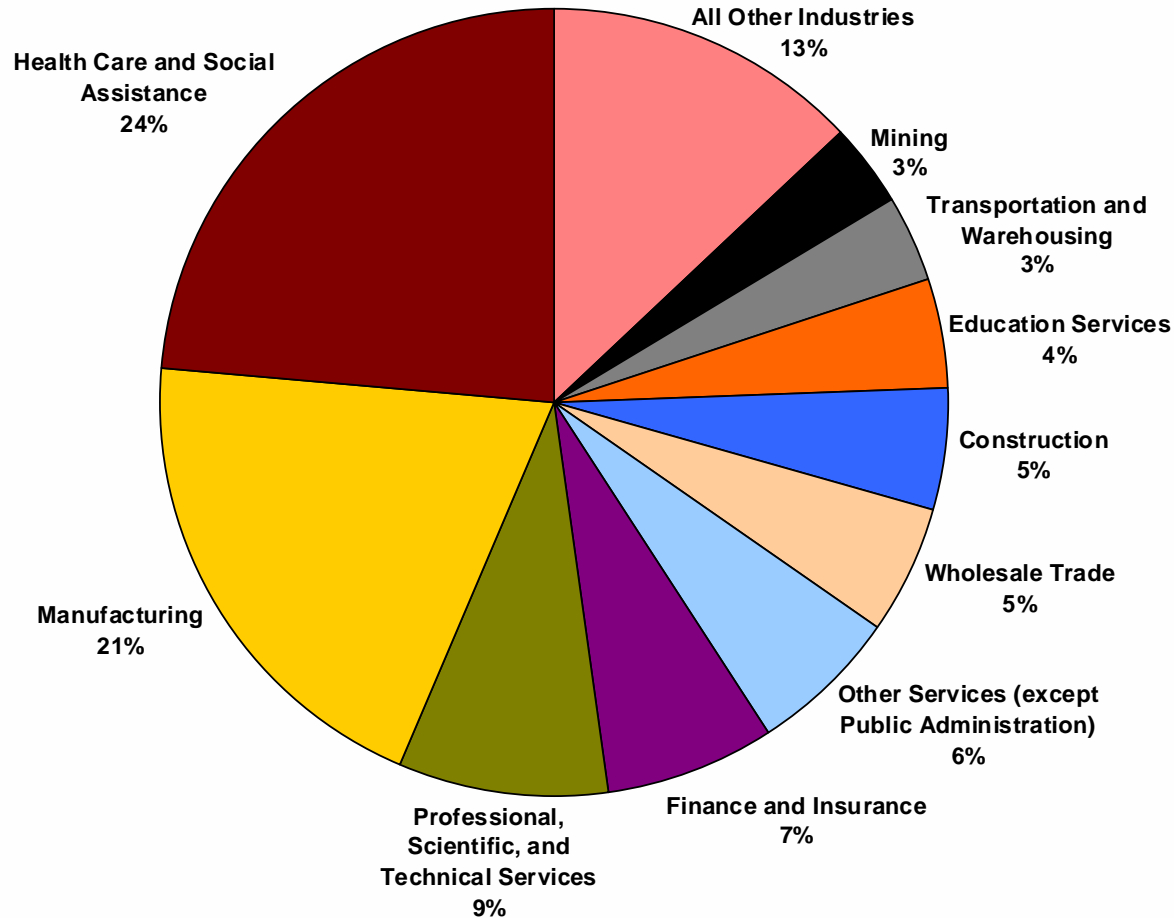
Summary of Results –

Top Story

- **2008 Medical cost increases still outpace inflation**
 - **6% locally vs.**
 - 5% locally in 2007
 - 7% nationally in 2008 (as of 7/21/08)
 - 7 % nationally in 2007
 - **2008 Western PA Area PPO and HMO/EPO plan design values are 0.5% and 0.33% lower than those of 2007**
 - **2008 Western PA Area POS plan design value is 1% higher than that of 2007**
- **Locally, 8% of employers currently offer and 36% are considering offering a consumer driven health plan (CDHP) in 2009**

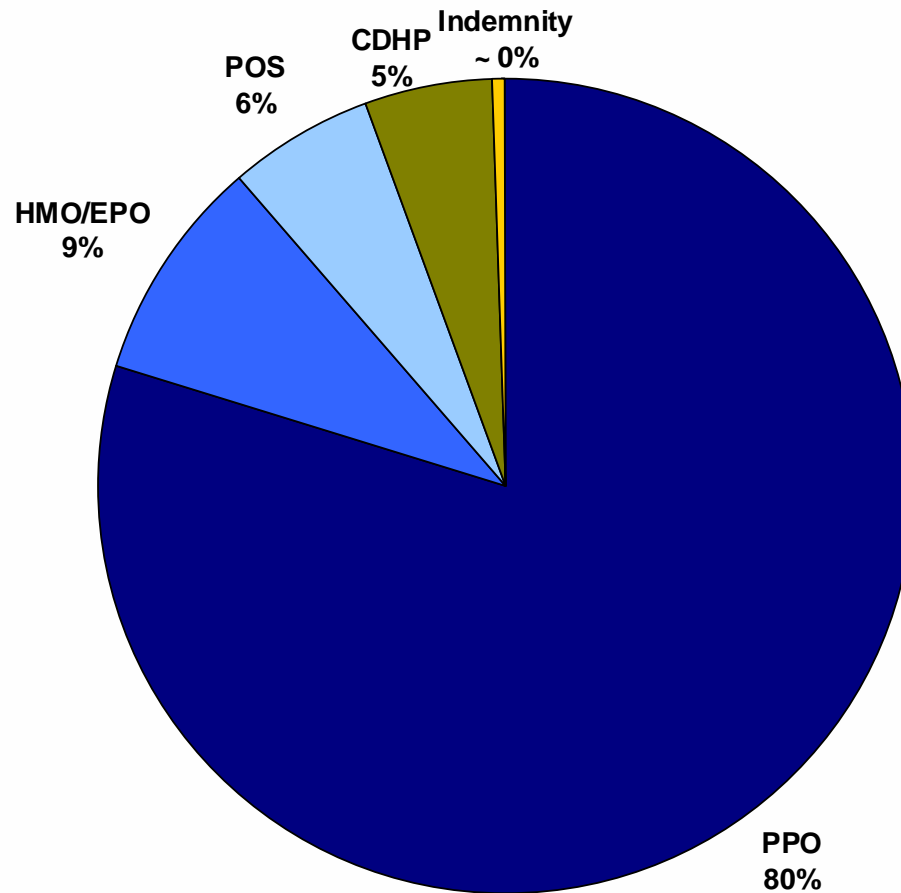
Benchmarking

Industries Represented – 2008 Western PA Area



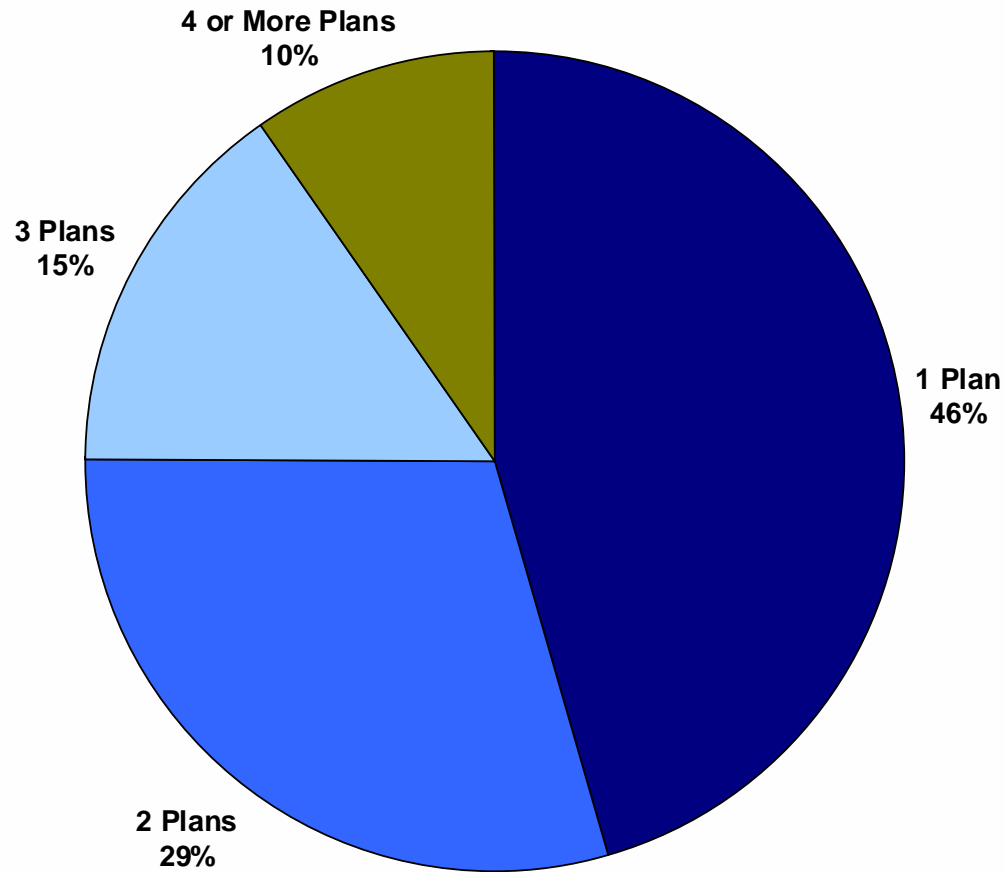
Benchmarking

Medical Plan Prevalence



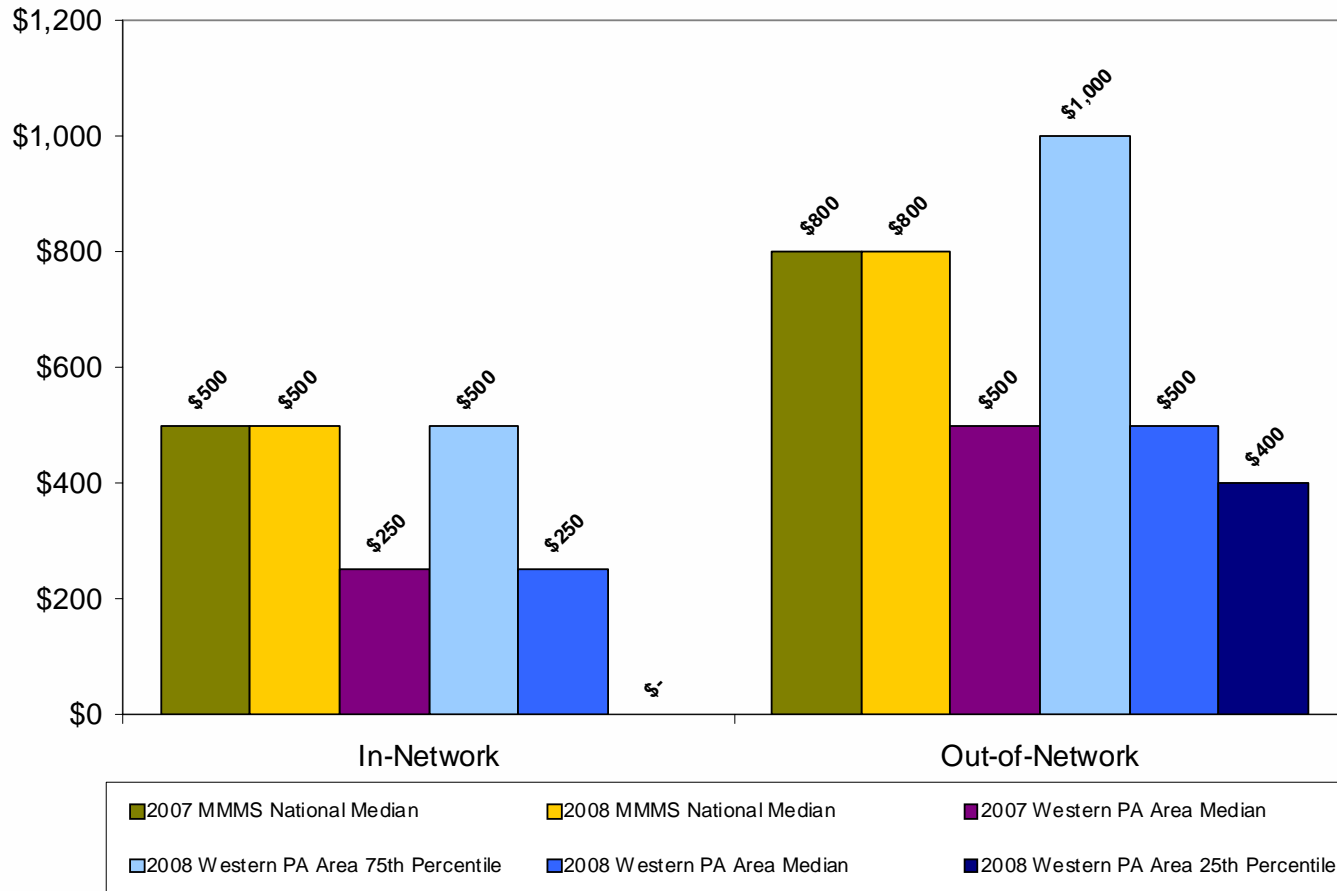
Benchmarking

Number of Plans Offered



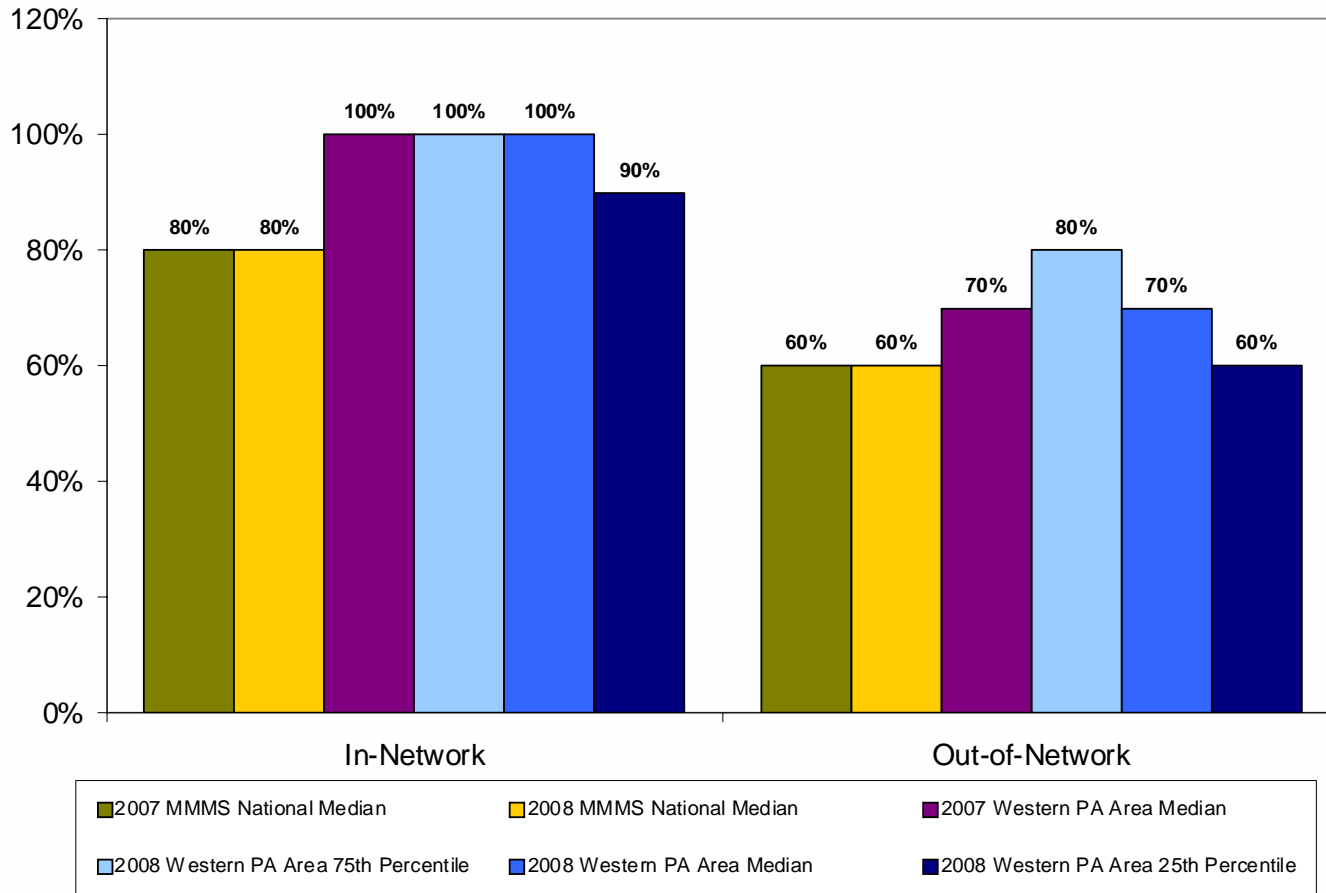
Benchmarking

Deductible – PPO Plans



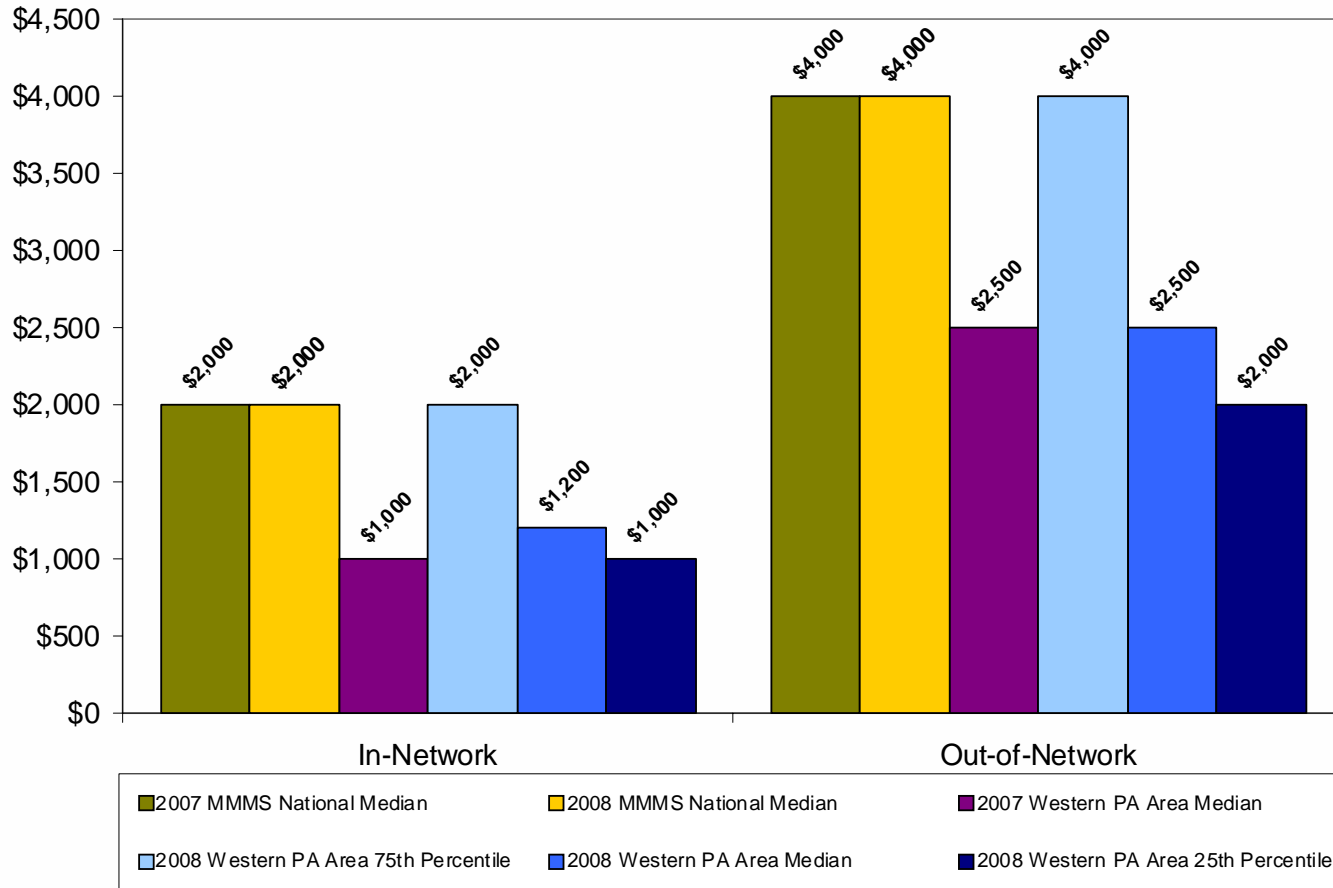
Benchmarking

Employer Coinsurance – PPO Plans



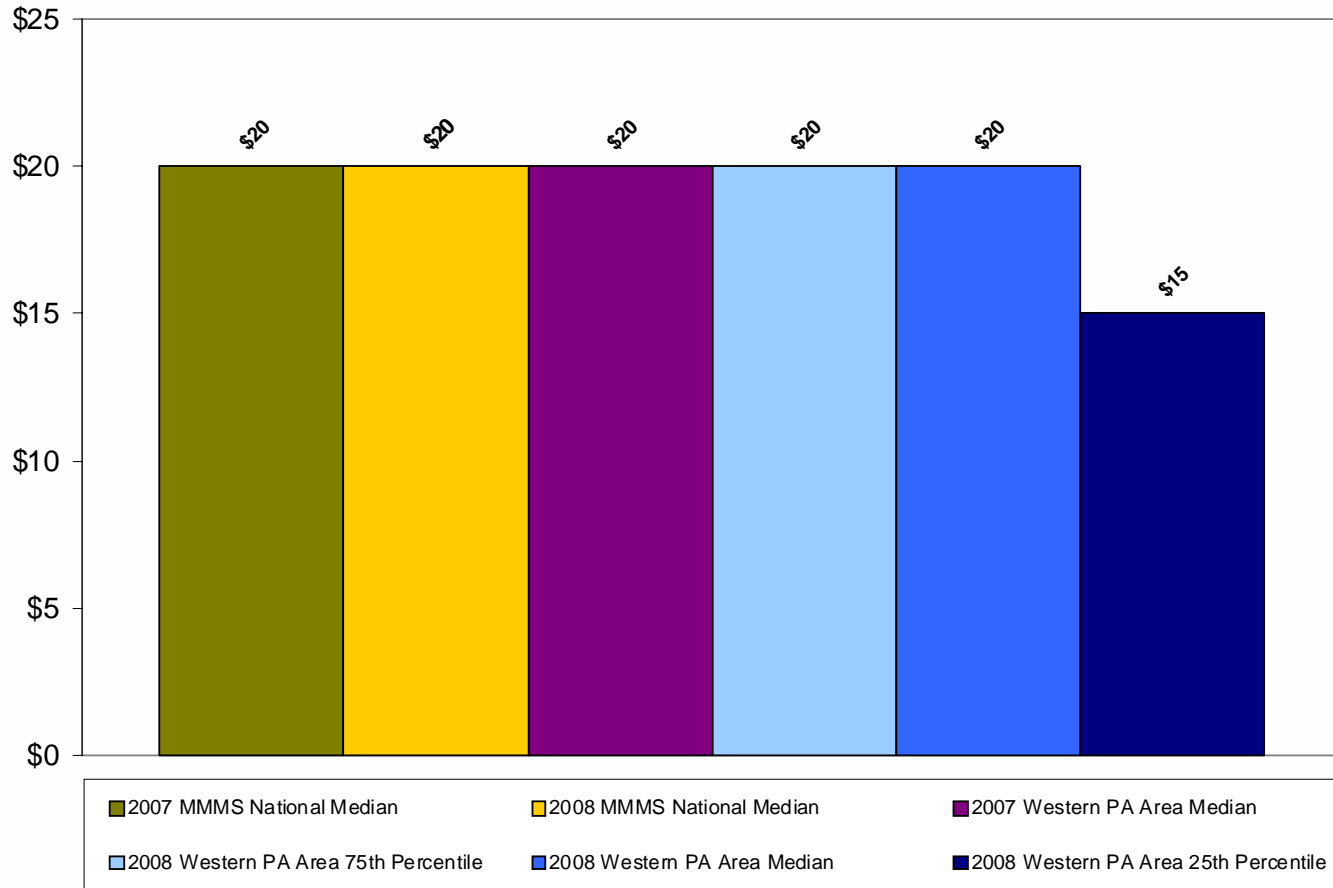
Benchmarking

Out-of-Pocket Maximum – PPO Plans



Benchmarking

Office Visit Copay – PPO Plans



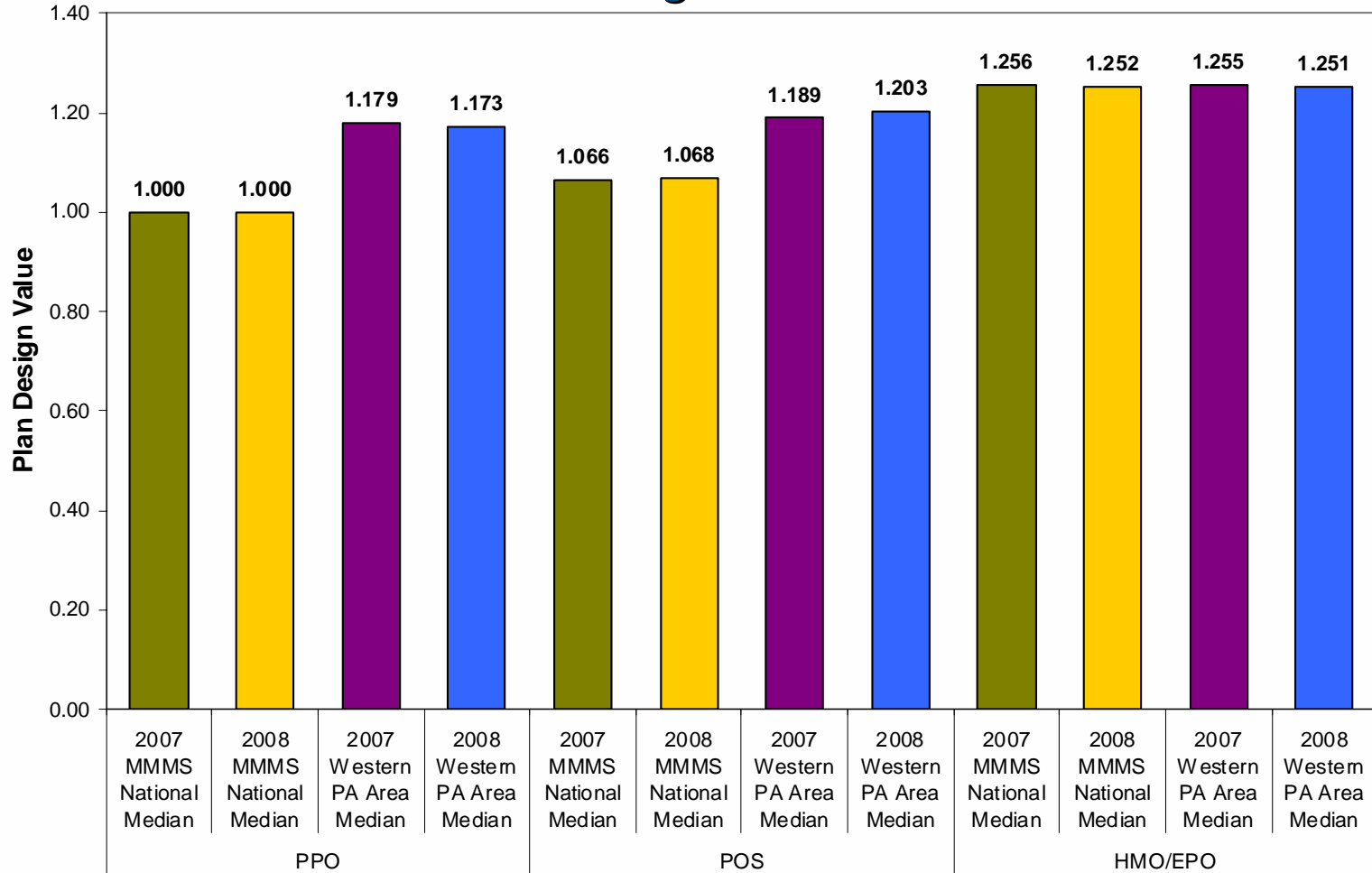
Benchmarking

Medical Plan Summary – PPO

	National (2007)	National (2008)	Western PA Area (2007)	Western PA Area (2008)
Deductible	\$500/\$800	\$500/\$800	\$250/\$500	\$250/\$500
Coinsurance	80%/60%	80%/60%	100%/70%	100%/70%
OOP Max	\$2,000/\$4,000	\$2,000/\$4,000	\$1,000/\$2,500	\$1,200/\$2,500
OV Copay	\$20	\$20	\$20	\$20
Rx Copay (retail)	\$10/\$25/\$45	\$10/\$25/\$45	\$10/\$20/\$40	\$10/\$25/\$40

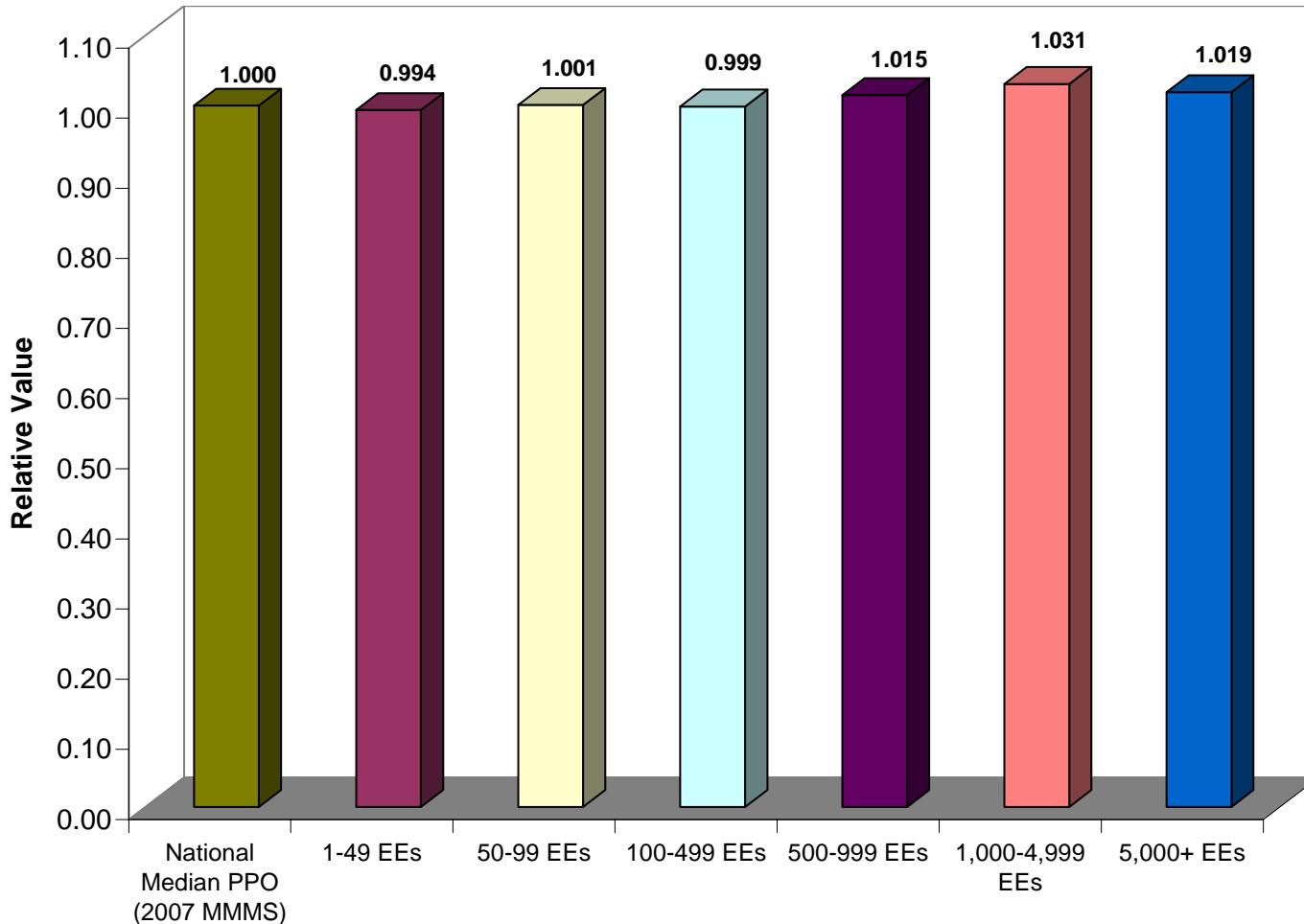
Benchmarking

Relative Value of Plan Designs



Benchmarking

Relative Value of National PPO Plan Designs



Benchmarking

Other Medical

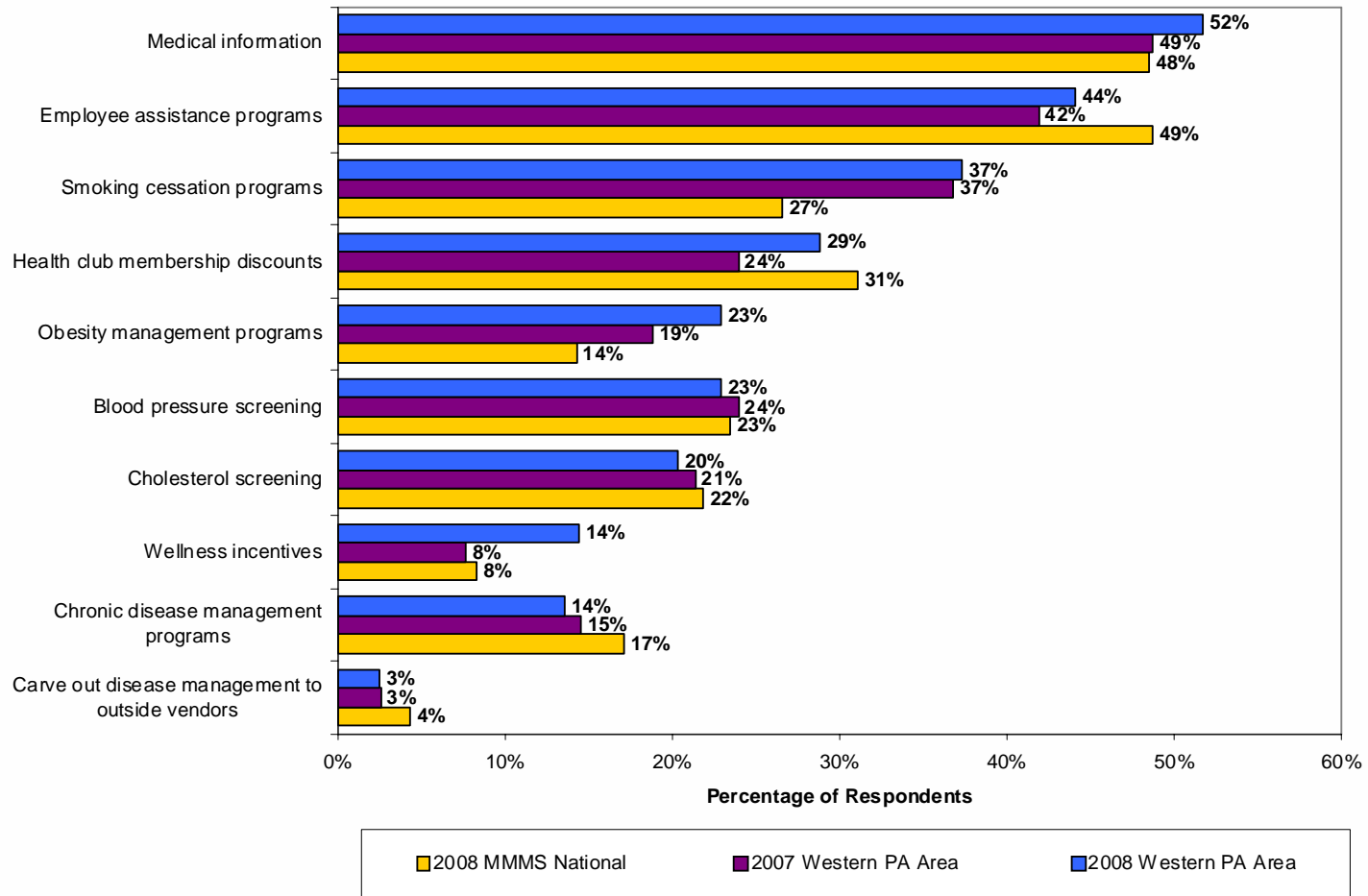
▪ **Waiting Periods and Eligibility**

- 55% of companies have 1-3 months waiting period for full-time employees
- 60% of companies do not offer health benefits to part-time employees
- 60% of companies that offer part-time employees benefits require at least 20-29 hours per week to be eligible



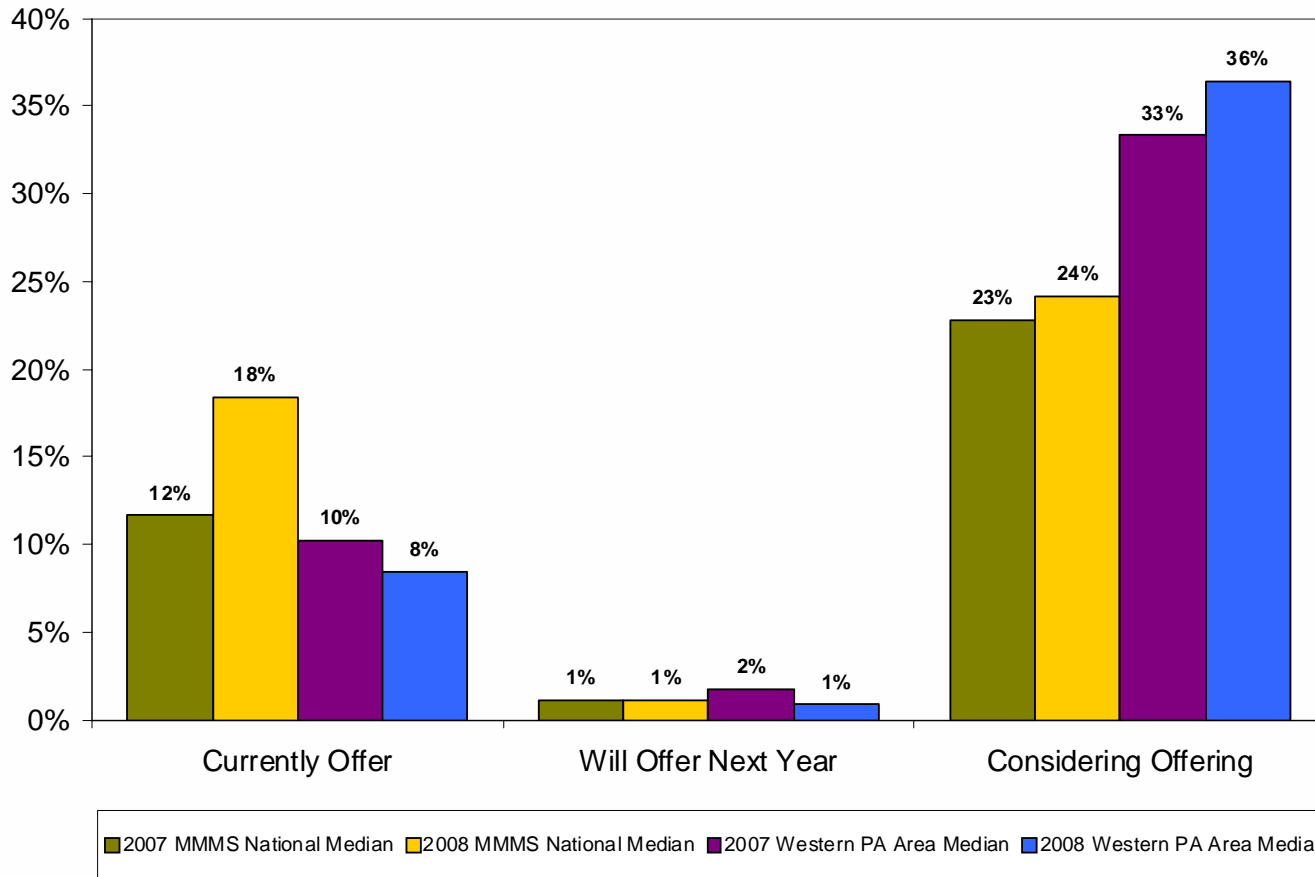
Benchmarking

Wellness Programs Offered



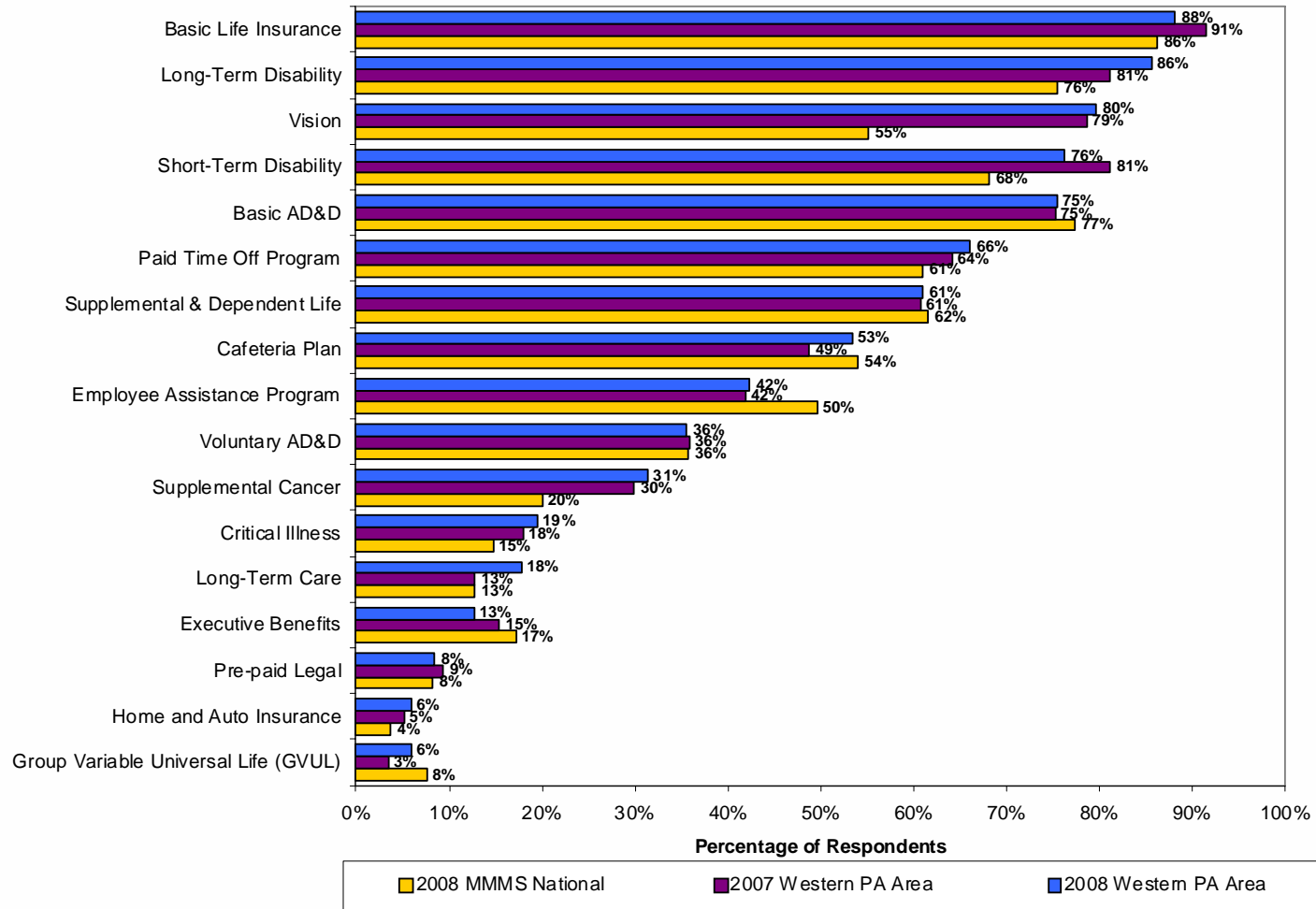
Benchmarking

Consumer Driven Health Plans – Plan Prevalence



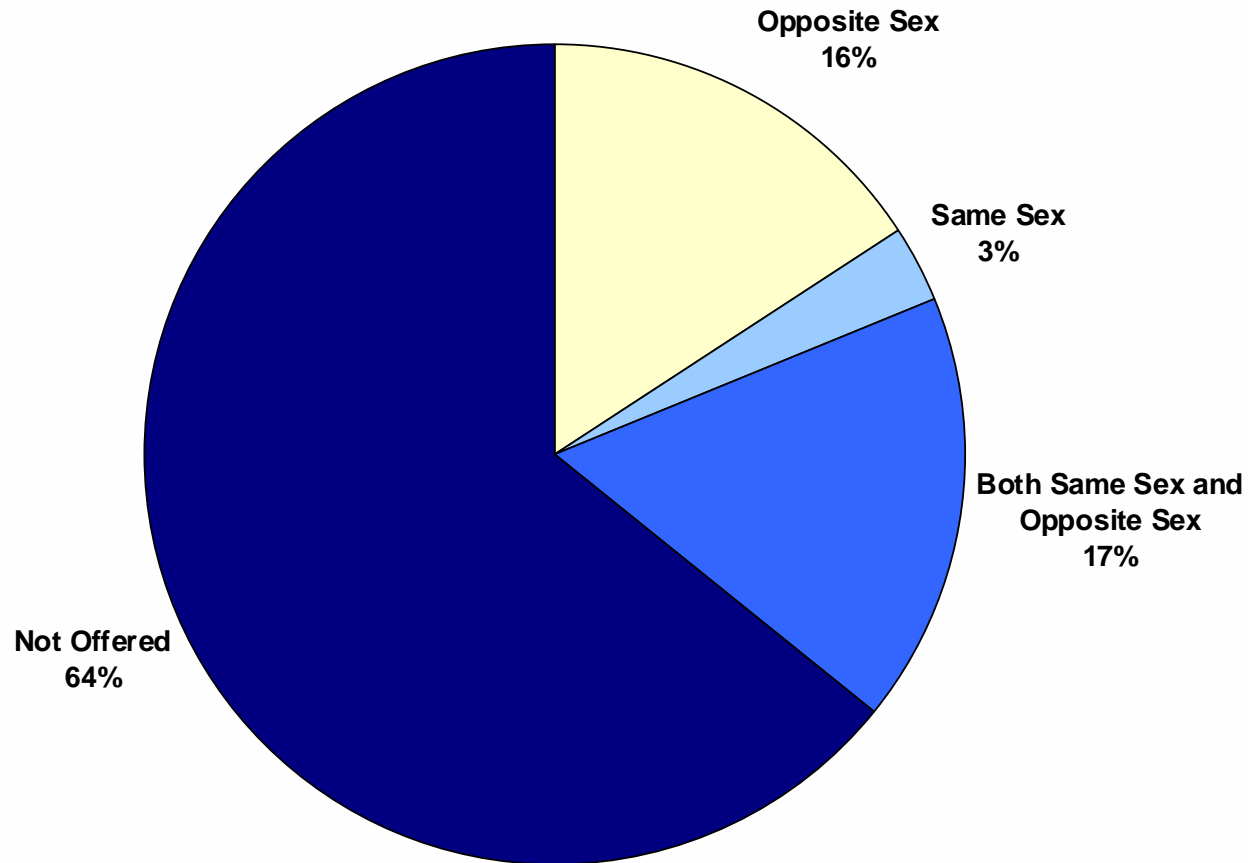
Benchmarking

Prevalence of Other Benefits



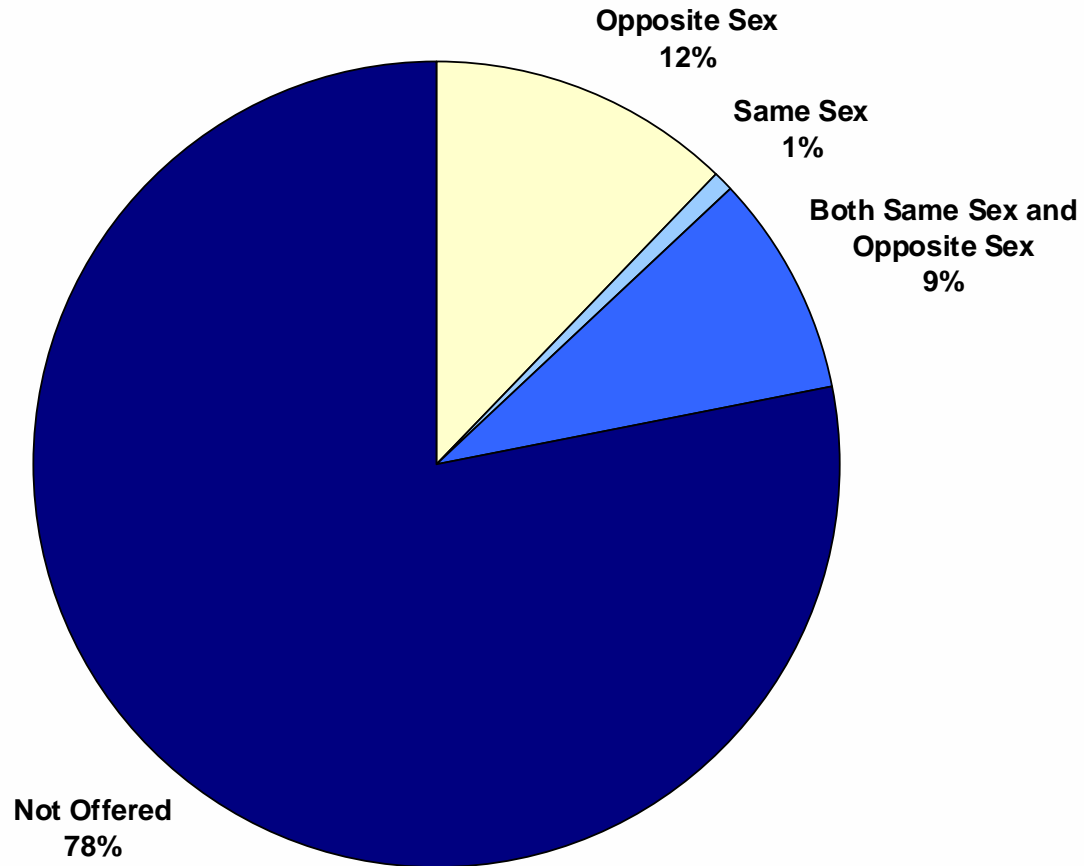
Benchmarking

Domestic Partner Coverage – Medical



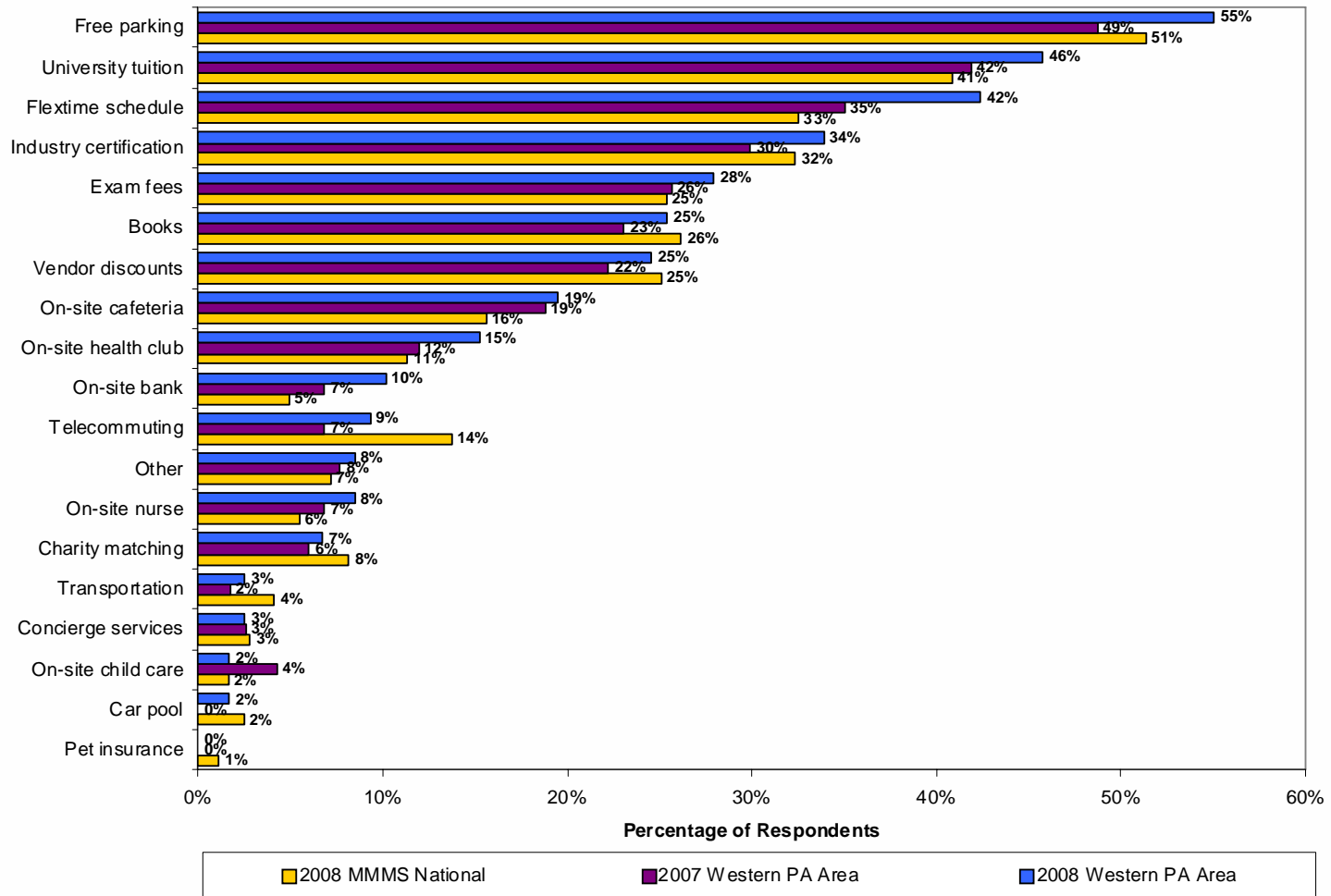
Benchmarking

Domestic Partner Coverage – Life

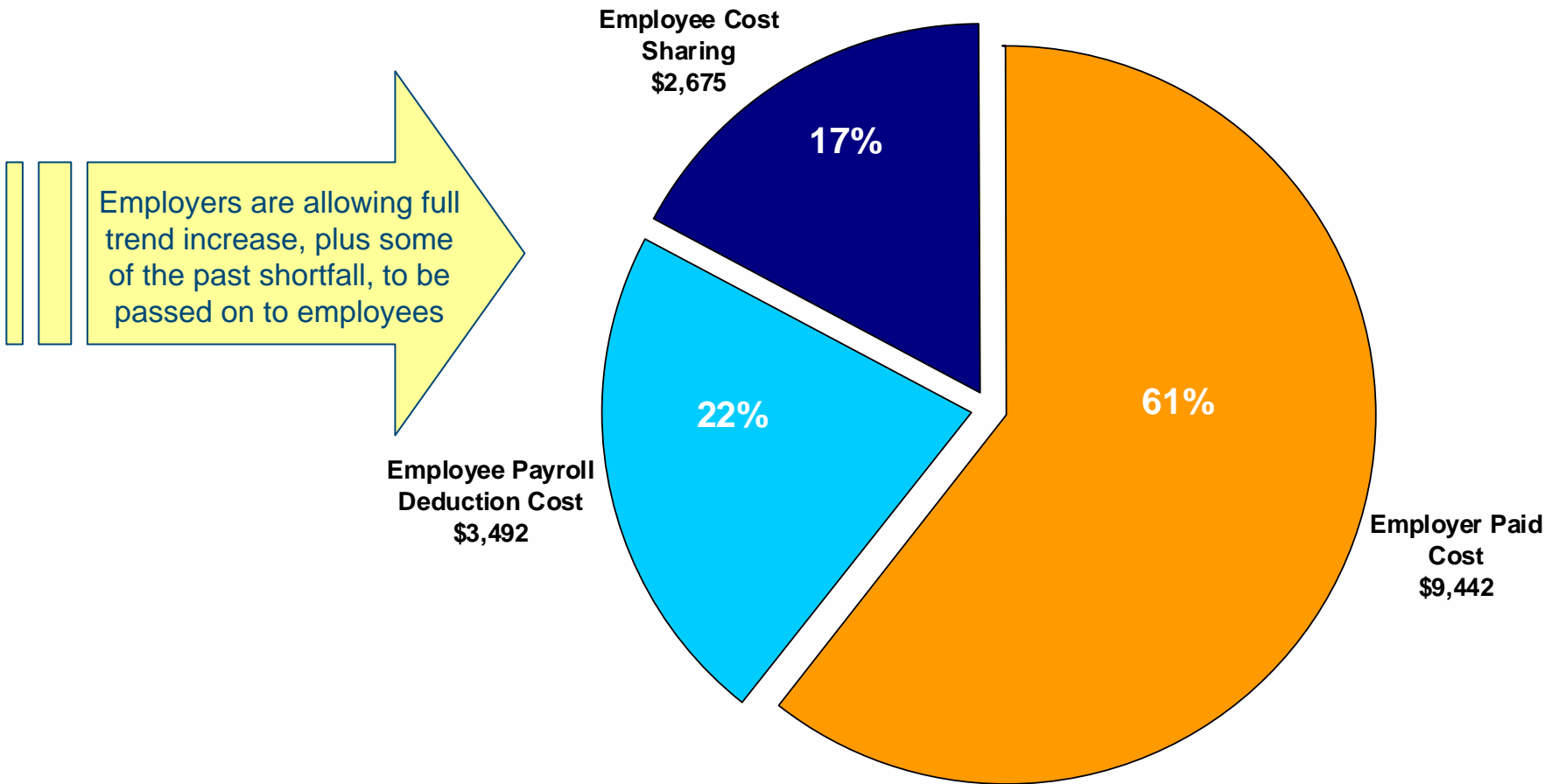


Benchmarking

Additional Benefit Provided



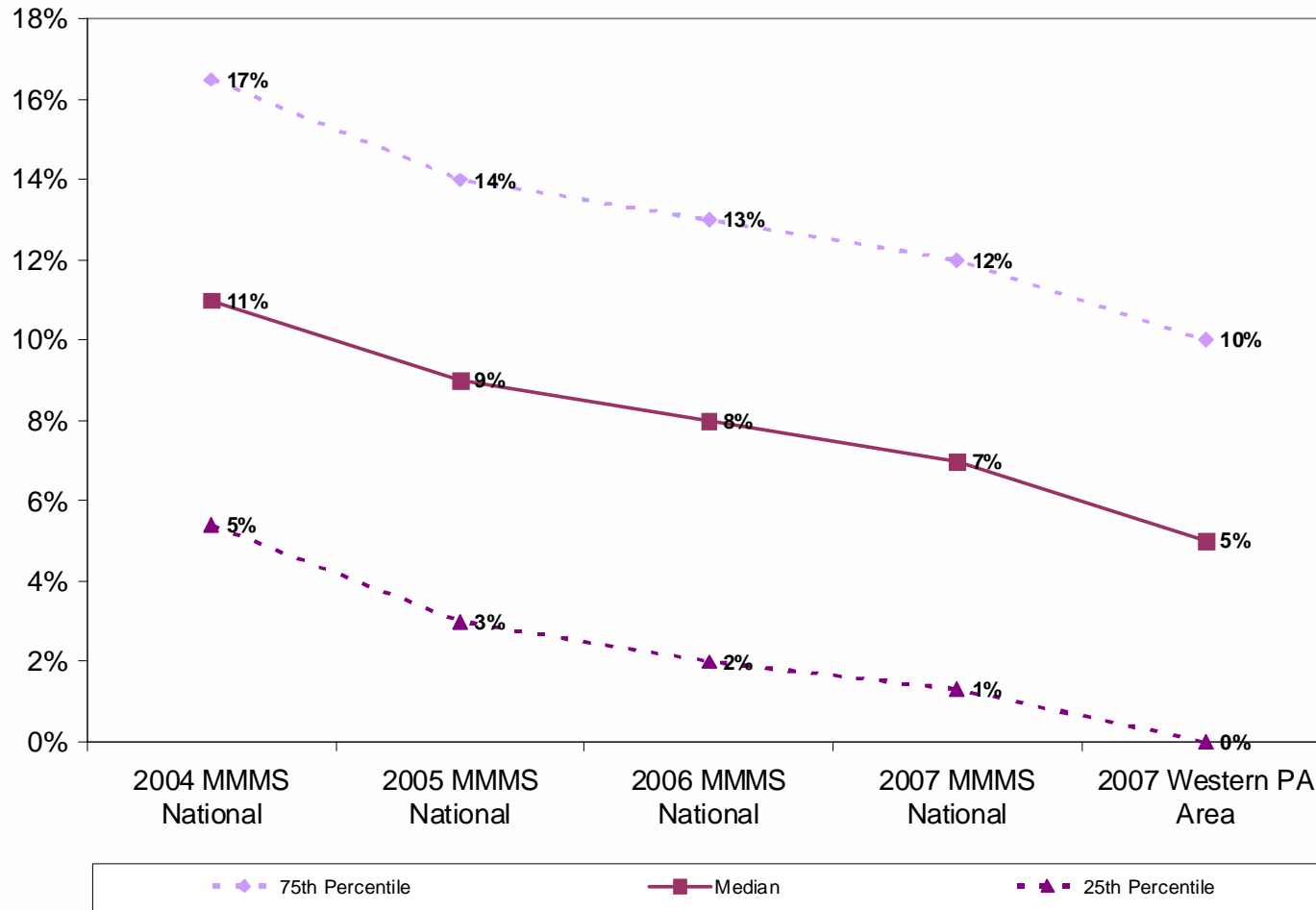
Medical Costs



Source: Milliman Medical Index 2008 – Medical Cost by Source of Payment

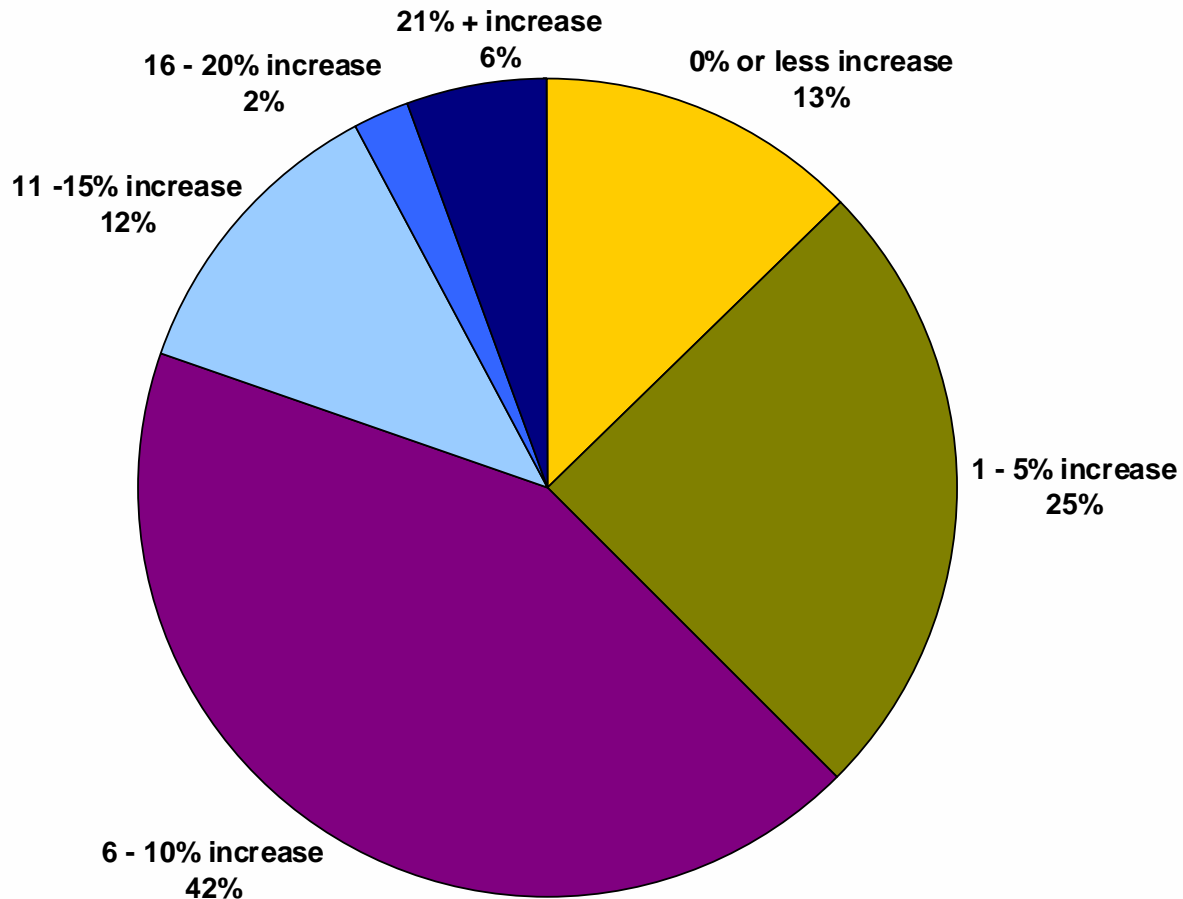
Benchmarking

Medical Plans Cost Increase – Historical Results



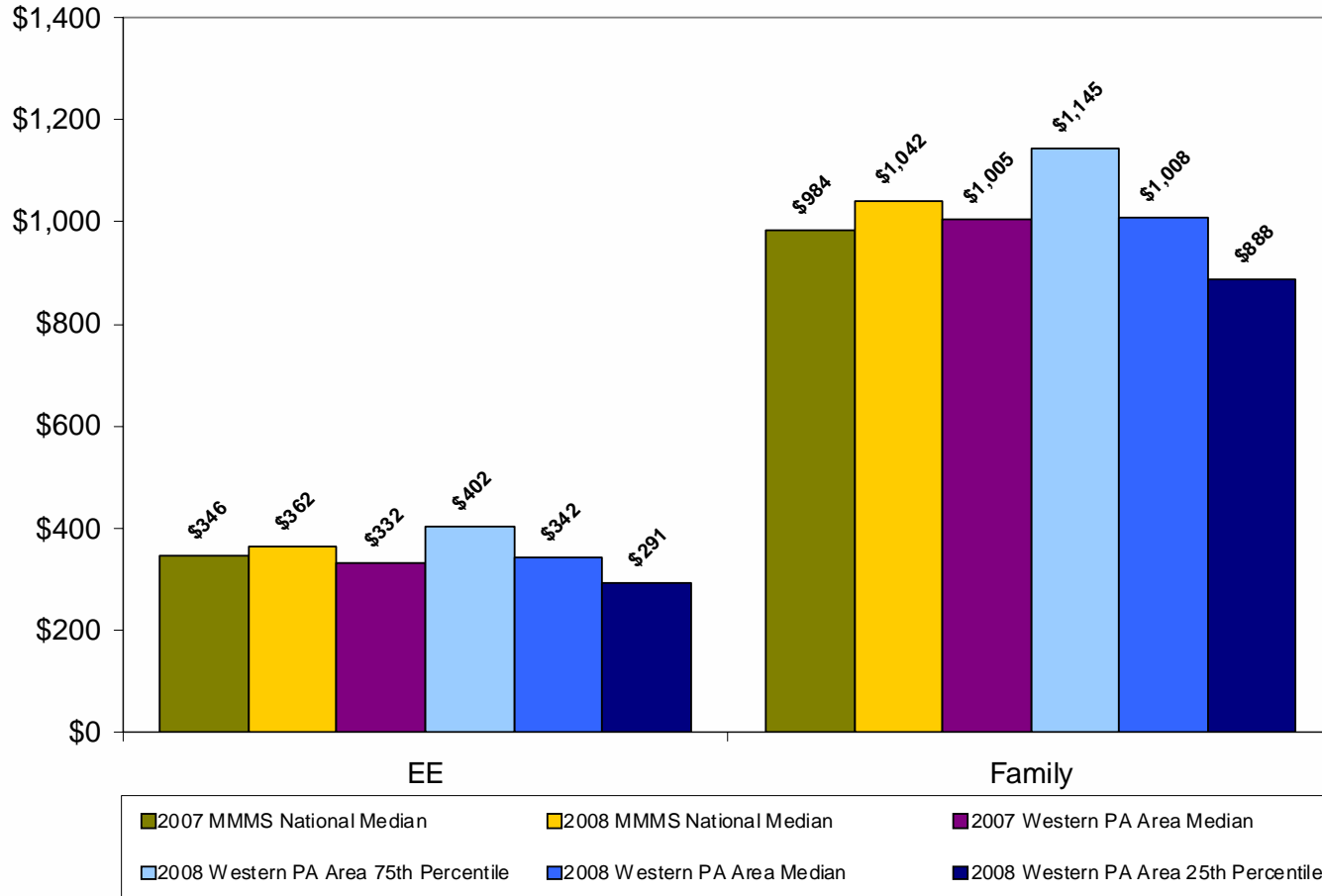
Benchmarking

Medical Plans Cost Increase – 2009 Expected



Benchmarking

Monthly Premium – PPO Plans



Benchmarking

Top Ten Cost Control Strategies

