



MyWave Survey Results

Health Plan Survey
2006

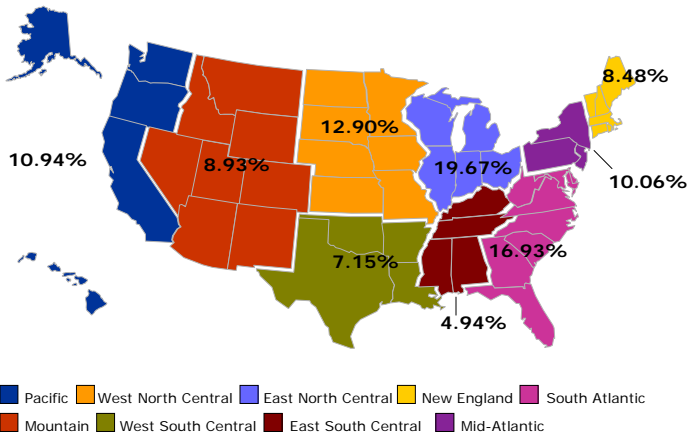
Health Plan Survey

While consumer-driven health plans continue to be of interest to employers, overall health plan design is a critical piece in the puzzle. How are employers positioning their plan design offerings? Take a look at this year's survey results to determine how you fare.

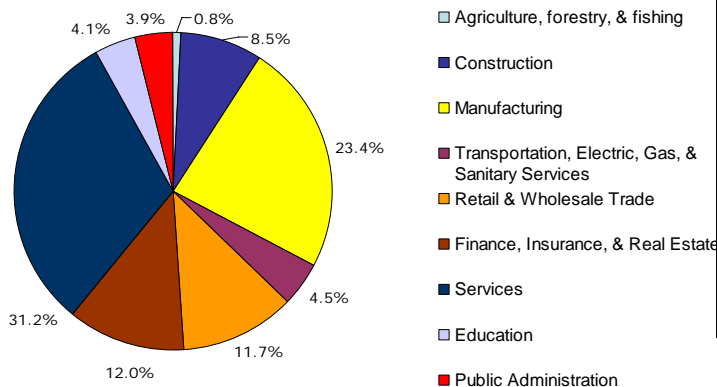
This survey has taken into consideration the plan design and cost of the four primary plan types: PPO, HMO, POS, and Indemnity plans. It also covers the prevalence of Health Reimbursement Arrangement (HRA) and Health Savings Account (HSA) plans, and the issues that are foremost on employers' minds related to health care costs. Almost 1600 health plans are summarized in this year's results.

Demographic Information

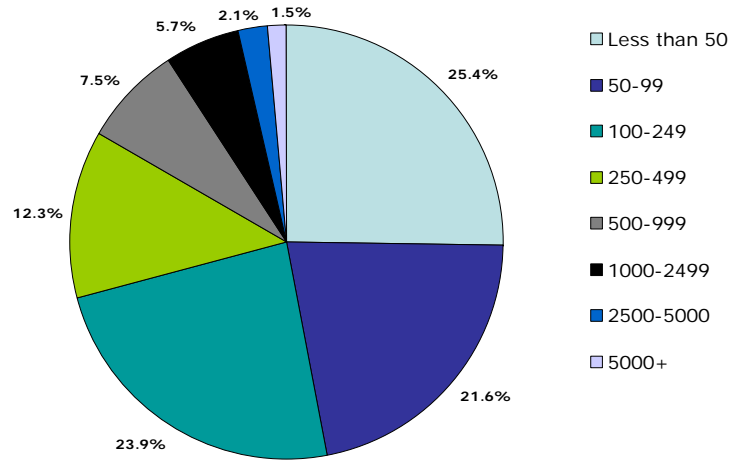
In Which Region is your Organization Based (most employees)?



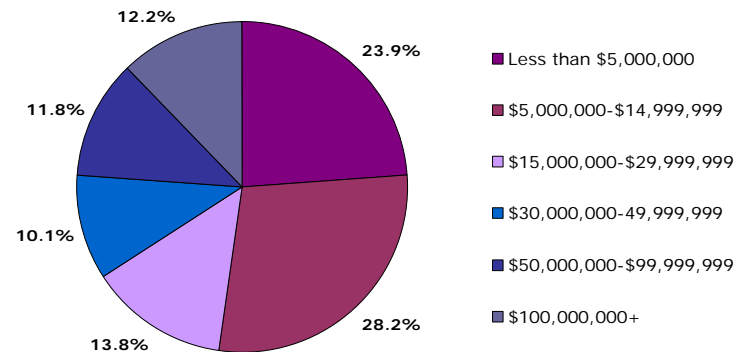
In which Industry/Sector does your Organization Operate?



How Many Employees Does Your Organization Employ?



What is Your Organization's Annual Revenue?



PPO Results

PPO plans continue to be the most popular, with 61.0% of the plan offerings being a PPO plan. Both HRAs and HSAs grew in their popularity. 12.5% of these plans use an HRA (up slightly from 12.1% in 2005), with 27.3% of them being offered as a total replacement option (up from 20.3% in 2005). An additional 14.4% (up from 10.1% in 2005) of the PPO plans use a HSA option, with 36.3% being offered as a total replacement (up from 28.85 last year). The PPO results include information on 959 plans.

PPO In-Network vs. Out-of-Network Deductible

	In-network deductible	Out-of-network deductible
\$1 - \$99	6.30%	3.47%
\$100 - \$199	3.83%	1.90%
\$200 - \$249	4.45%	4.03%
\$250 - \$499	25.22%	15.10%
\$500 - \$749	23.36%	19.35%
\$750 - \$999	3.09%	4.59%
\$1000 - \$1499	17.80%	20.13%
\$1500 - \$1999	4.82%	4.92%
\$2000 - \$2499	4.94%	10.51%
\$2500+	6.18%	12.53%
No out-of-network coverage		3.47%

PPO In-Network vs. Out-of-Network Employee Coinsurance

	In-network employee coinsurance	Out-of-network employee coinsurance
0%	19.70%	8.48%
5% - 9%	2.98%	1.03%
10% - 14%	22.22%	2.98%
15% - 19%	3.78%	1.37%
20% - 24%	44.67%	16.61%
25% - 29%	1.03%	2.52%
30% - 34%	2.06%	23.14%
35% - 39%	0.11%	1.26%
40% +	3.44%	38.83%
No Out-of-Network Coinsurance		3.78%

PPO In-Network vs. Out-of-Network Out-of-Pocket Maximum

	In-network out-of-pocket max	Out-of-network out-of-pocket max
Less than \$249	5.93%	0.95%
\$250 - \$499	2.49%	1.30%
\$500 - \$999	6.88%	1.78%
\$1000 - \$1499	17.20%	6.76%
\$1500 - \$1999	14.71%	6.64%
\$2000 - \$2499	19.45%	12.10%
\$2500 - \$3499	20.52%	20.64%
\$3500 - \$4999	5.34%	16.37%
\$5000 - \$7499	5.22%	18.51%
\$7500+	2.25%	11.74%
No Out-of-Network Coverage		3.20%

PPO In-Network vs. Out-of-Network Office Copay

	In-network office copay	Out-of-network office copay
\$0 - \$9	0.37%	0.12%
\$10 - \$14	8.72%	1.11%
\$15 - \$19	21.05%	3.58%
\$20 - \$24	33.62%	5.93%
\$25 - \$29	12.58%	3.46%
\$30 - \$34	8.34%	2.96%
\$35 +	2.86%	7.41%
Subject to deductible & coinsurance	12.45%	70.12%
No out-of-network coverage		5.31%

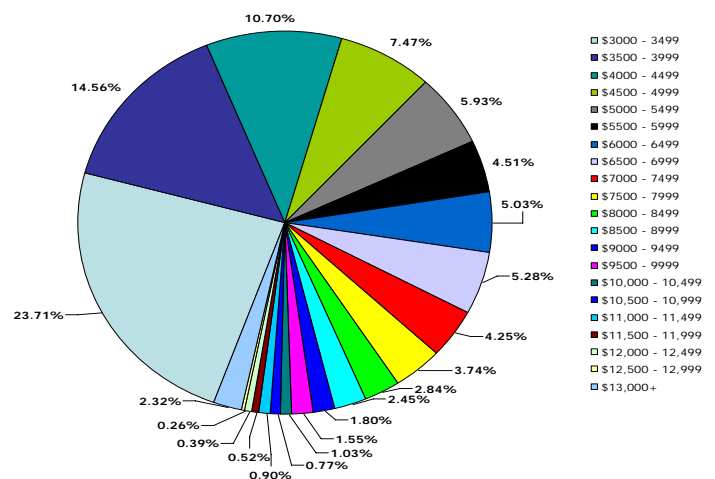
PPO In-network vs. Out-of-Network Emergency Room Copay

	In-network ER copay	Out-of-network ER copay
\$25 - \$49	4.58%	2.17%
\$50 - \$74	18.34%	9.77%
\$75 - \$99	12.67%	7.00%
\$100 - \$124	24.85%	15.56%
\$125 - \$149	2.29%	1.45%
\$150 +	8.32%	7.60%
N/A	28.95%	52.47%
No out-of-network coverage		3.98%

PPO Employee Contribution Percentage

	Employee	Employee + Spouse	Employee + Children	Family Coverage
1-4%	8.50%	-	1.53%	1.52%
5-9%	6.67%	2.54%	3.74%	3.59%
10-14%	13.17%	3.39%	5.69%	6.49%
15-19%	10.50%	4.24%	6.10%	6.22%
20-24%	18.83%	9.32%	12.62%	12.71%
25-29%	13.67%	11.02%	9.57%	10.22%
30-34%	9.17%	10.17%	9.57%	9.67%
35-39%	3.50%	5.08%	4.72%	5.39%
40-44%	3.83%	5.93%	3.74%	4.83%
45-49%	0.83%	3.39%	0.97%	1.38%
50%+	10.00%	31.36%	31.48%	34.12%
N/A	1.33%	13.56%	10.26%	3.87%

Annual Average Cost per Employee for PPO Plans



HMO Results

HMO plans rank second in popularity, with 26.7% of the plans being offered as HMO plans. The HMO results include information on 414 plans.

HMO In-Network vs. Out-of-Network Deductible

	In-network deductible	Out-of-network deductible
\$1 - \$99	28.91%	9.49%
\$100 - \$199	3.32%	3.48%
\$200 - \$249	3.79%	2.85%
\$250 - \$499	13.74%	10.13%
\$500 - \$749	21.80%	8.54%
\$750 - \$999	1.42%	0.32%
\$1000 - \$1499	17.54%	7.59%
\$1500 - \$1999	3.32%	1.90%
\$2000 - \$2499	3.32%	3.16%
\$2500+	2.84%	5.38%
No out-of-network coverage		47.15%

HMO In-Network vs. Out-of-Network Employee Coinsurance

	In-network employee coinsurance	Out-of-network employee coinsurance
0%	48.44%	20.40%
1% - 9%	6.80%	2.27%
10% - 14%	11.90%	2.27%
15% - 19%	2.83%	1.70%
20% - 24%	18.98%	11.05%
25% - 29%	2.55%	3.12%
30% - 34%	4.25%	6.80%
35% - 39%	1.13%	1.13%
40% +	3.12%	6.52%
No Out-of-Network Coinsurance		44.76%

HMO In-Network vs. Out-of-Network Out-of-Pocket Maximum

	In-network out-of-pocket max	Out-of-network out-of-pocket max
Less than \$249	17.59%	3.40%
\$250 - \$499	3.09%	2.78%
\$500 - \$999	10.49%	4.01%
\$1000 - \$1499	16.98%	4.32%
\$1500 - \$1999	20.06%	4.63%
\$2000 - \$2499	10.80%	5.56%
\$2500 - \$3499	12.96%	9.88%
\$3500 - \$4999	2.47%	5.86%
\$5000 - \$7499	2.16%	4.01%
\$7500+	3.40%	3.09%
No Out-of-Network Coverage		52.47%

HMO In-Network vs. Out-of-Network Office Copay

	In-network office copay	Out-of-network office copay
\$0 - \$9	1.26%	0.31%
\$10 - \$14	17.67%	3.14%
\$15 - \$19	28.39%	3.14%
\$20 - \$24	30.28%	6.60%
\$25 - \$29	13.88%	5.66%
\$30 - \$34	4.73%	3.14%
\$35 +	0.95%	3.14%
Subject to deductible & coinsurance	2.84%	17.61%
No out-of-network coverage		57.23%

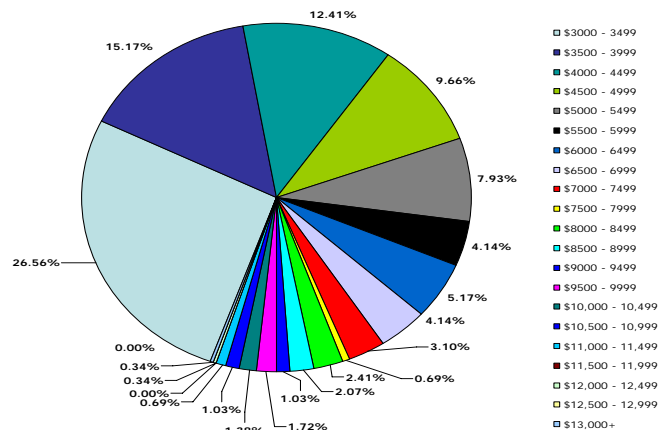
HMO In-Network vs. Out-of-Network Emergency Room Copay

	In-network Emergency Room copay	Out-of-network Emergency Room copay
\$25 - \$49	3.45%	0.63%
\$50 - \$74	26.65%	10.03%
\$75 - \$99	16.30%	5.64%
\$100 - \$124	36.99%	11.60%
\$125 - \$149	0.94%	-
\$150 +	9.72%	7.21%
N/A	5.96%	17.24%
No out-of-network coverage		47.65%

HMO Employee Contribution Percentage

	Employee	Employee + Spouse	Employee + Children	Family Coverage
1-4%	5.69%	19.05%	2.94%	8.50%
5-9%	9.00%	4.76%	5.88%	6.67%
10-14%	14.69%	4.76%	11.76%	13.17%
15-19%	7.58%	14.29%	8.82%	10.50%
20-24%	18.96%	4.76%	15.69%	18.83%
25-29%	14.22%	9.52%	19.61%	13.67%
30-34%	9.48%	19.05%	12.75%	9.17%
35-39%	4.74%	-	2.94%	3.50%
40-44%	3.79%	4.76%	6.86%	3.83%
45-49%	1.42%	4.76%	1.96%	0.83%
50%+	9.95%	9.52%	6.86%	10.00%
N/A	0.47%	4.76%	3.92%	1.33%

Annual Average Cost per Employee for HMO Plans



POS Results

POS plans rank third, with 10.2% of the plans offered being POS plans. The POS results include information on 161 plans.

POS In-Network vs. Out-of-Network Deductible

	In-network deductible	Out-of-network deductible
\$1 - \$99	12.05%	4.29%
\$100 - \$199	2.41%	3.57%
\$200 - \$249	6.02%	4.29%
\$250 - \$499	21.69%	12.86%
\$500 - \$749	31.33%	25.00%
\$750 - \$999	2.41%	2.86%
\$1000 - \$1499	13.25%	21.43%
\$1500 - \$1999	6.02%	5.71%
\$2000 - \$2499	3.61%	5.00%
\$2500+	1.20%	10.71%
No out-of-network coverage		4.29%

POS In-Network vs. Out-of-Network Employee Coinsurance

	In-network employee coinsurance	Out-of-network employee coinsurance
0%	47.55%	11.89%
5% - 9%	3.50%	1.40%
10% - 14%	11.89%	1.40%
15% - 19%	2.10%	1.40%
20% - 24%	23.08%	18.18%
25% - 29%	1.40%	4.90%
30% - 34%	3.50%	26.57%
35% - 39%	0.70%	-
40% +	6.29%	29.37%
No Out-of-Network Coinsurance		4.90%

In-Network vs. Out-of-Network Out-of-Pocket Maximum

	In-network out-of-pocket max	Out-of-network out-of-pocket max
Less than \$249	22.54%	2.82%
\$250 - \$499	4.23%	-
\$500 - \$999	6.34%	1.41%
\$1000 - \$1499	14.79%	9.15%
\$1500 - \$1999	15.49%	7.04%
\$2000 - \$2499	11.97%	11.27%
\$2500 - \$3499	12.68%	24.65%
\$3500 - \$4999	4.93%	12.68%
\$5000 - \$7499	3.52%	15.49%
\$7500+	3.52%	10.56%
No Out-of-Network Coverage		4.93%

POS In-Network vs. Out-of-Network Office Copay

	In-network office visit copay	Out-of-network office visit copay
\$0 - \$9	-	-
\$10 - \$14	10.29%	-
\$15 - \$19	31.62%	0.75%
\$20 - \$24	36.76%	5.22%
\$25 - \$29	11.76%	5.97%
\$30 - \$34	2.21%	2.24%
\$35+	2.21%	7.46%
Subject to deductible & coinsurance	5.15%	72.39%
No out-of-network coverage		5.97%

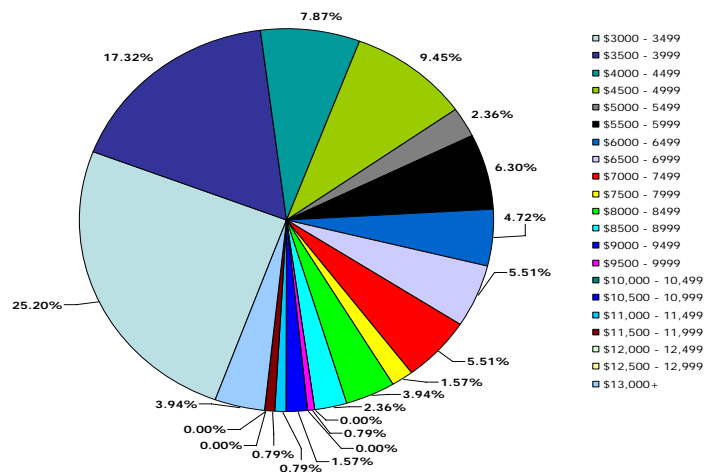
POS In-Network vs. Out-of-Network Emergency Room Copay

	In-network Emergency Room copay	Out-of-network Emergency Room copay
\$25 - \$49	5.07%	0.72%
\$50 - \$74	24.64%	13.77%
\$75 - \$99	20.29%	8.70%
\$100 - \$124	32.61%	18.12%
\$125 - \$149	-	-
\$150 +	7.97%	8.70%
N/A	9.42%	42.03%
No out-of-network coverage		7.97%

POS Employee Contribution Percentage

	Employee	Employee + Spouse	Employee + Children	Family Coverage
1-4%	2.94%	-	0.86%	-
5-9%	5.88%	2.54%	2.59%	2.56%
10-14%	11.76%	3.39%	3.45%	3.42%
15-19%	8.82%	4.24%	4.31%	2.56%
20-24%	15.69%	9.32%	10.34%	11.97%
25-29%	19.61%	11.02%	9.48%	8.55%
30-34%	12.75%	10.17%	9.48%	10.26%
35-39%	2.94%	5.08%	4.31%	2.56%
40-44%	6.86%	5.93%	5.17%	12.82%
45-49%	1.96%	3.39%	2.59%	4.27%
50%+	6.86%	31.36%	31.90%	35.90%
N/A	3.92%	13.56%	15.52%	5.13%

Annual Average Cost per Employee for POS Plans



Indemnity Results

Indemnity plans are, of course, the smallest percentage being offered as they are only 2.4% of the total. 10.8% include an HRA, up from 6.4% in 2005. Of these plans, 50% of them are offered as a total replacement option (up from 33.3% in 2005). An additional 18.9% of the indemnity plans use an HSA option (up from 5.8% in 2005), with 28.6% being offered as a total replacement (down from 55.6 last year). The indemnity results include information from 37 plans.

Indemnity In-Network vs. Out-of-Network Deductible

	In-network deductible	Out-of-network deductible
\$1 - \$99	3.45%	3.33%
\$100 - \$199	17.24%	20.00%
\$200 - \$249	10.34%	6.67%
\$250 - \$499	24.14%	20.00%
\$500 - \$749	-	6.67%
\$750 - \$999	6.90%	3.33%
\$1000 - \$1499	17.24%	10.00%
\$1500 - \$1999	6.90%	3.33%
\$2000 - \$2499	6.90%	6.67%
\$2500+	6.90%	16.67%
No out-of-network coverage		3.33%

Indemnity In-Network vs. Out-of-Network Employee Coinsurance

	In-network employee coinsurance	Out-of-network employee coinsurance
0%	20.59%	14.71%
5% - 9%	2.94%	-
10% - 14%	11.76%	2.94%
15% - 19%	-	-
20% - 24%	52.94%	32.35%
25% - 29%	5.88%	8.82%
30% - 34%	-	2.94%
35% - 39%	-	2.94%
40% +	5.88%	32.35%
No Out-of-Network Coinsurance		2.94%

Indemnity In-Network vs. Out-of-Network Out-of-Pocket Maximum

	In-network out-of-pocket max	Out-of-network out-of-pocket max
Less than \$249	12.12%	12.12%
\$250 - \$499	3.03%	-
\$500 - \$999	6.06%	3.03%
\$1000 - \$1499	33.33%	21.21%
\$1500 - \$1999	15.15%	9.09%
\$2000 - \$2499	3.03%	9.09%
\$2500 - \$3499	9.09%	18.18%
\$3500 - \$4999	9.09%	9.09%
\$5000 - \$7499	3.03%	6.06%
\$7500+	6.06%	12.12%

Indemnity In-Network vs. Out-of-Network Office Copay

	In-network office visit copay	Out-of-network office visit copay
\$0 - \$9	-	-
\$10 - \$14	11.11%	3.57%
\$15 - \$19	14.81%	7.14%
\$20 - \$24	7.41%	3.57%
\$25 - \$29	3.70%	-
\$30 - \$34	3.70%	-
\$35 +	-	-
Subject to deductible & coinsurance	59.26%	75.00%
No out-of-network coverage		10.71%

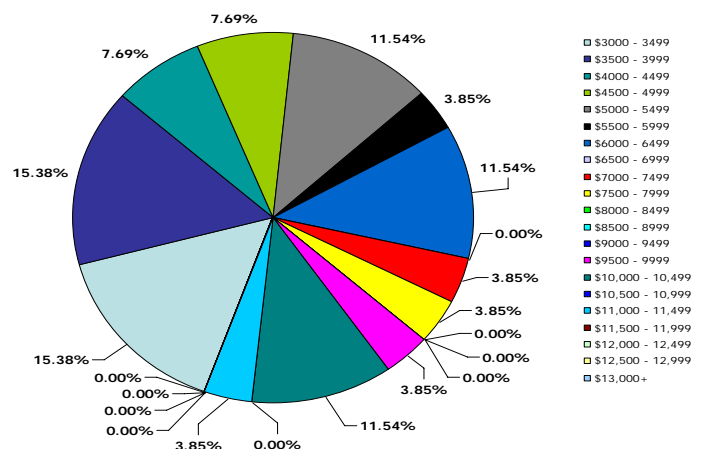
Indemnity In-Network vs. Out-of-Network Emergency Room Copay

	In-network Emergency Room copay	Out-of-network Emergency Room copay
\$25 - \$49	3.23%	3.23%
\$50 - \$74	12.90%	6.45%
\$75 - \$99	6.45%	-
\$100 - \$124	6.45%	6.45%
\$125 - \$149	-	-
\$150 +	6.45%	6.45%
N/A	64.52%	64.52%
No out-of-network coverage		12.90%

Indemnity Employee Contribution Percentage

	Employee	Employee + Spouse	Employee + Children	Family Coverage
1-4%	19.05%	4.00%	4.00%	4.00%
5-9%	4.76%	8.00%	8.00%	8.00%
10-14%	4.76%	4.00%	4.00%	4.00%
15-19%	14.29%	12.00%	12.00%	16.00%
20-24%	4.76%	4.00%	4.00%	4.00%
25-29%	9.52%	8.00%	8.00%	8.00%
30-34%	19.05%	16.00%	12.00%	12.00%
35-39%	-	-	-	-
40-44%	4.76%	4.00%	8.00%	8.00%
45-49%	4.76%	4.00%	-	-
50%+	9.52%	20.00%	20.00%	24.00%

Annual Average Cost per Employee for Indemnity Plans



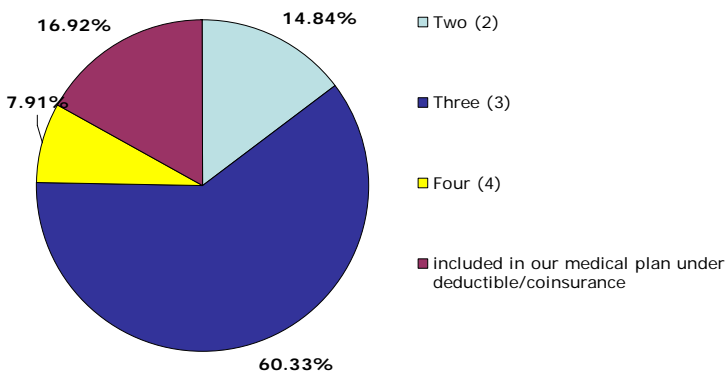
Prescription and Health Care Cost Results

The majority of respondents, 60.33%, are utilizing a three-tier copay plan to control costs for their prescription drug plans. Additionally, the most common copay range for tier 1 is \$10 - \$14, for tier 2 \$25 - \$29, and \$50+ for tier 3. Only 7.91% offer a 4-tier program at this point.

Employers plan to utilize a number of strategies to reduce health care costs. The top strategies for reducing health care cost include: studying health care cost or utilization data (over 70% are definitely or likely to try this); increase or enhance employee communications (over 52% definitely or likely to try); and increase consumerism resources for their staff (over 52%).

Similar to the 2005 survey, many respondents commented on their interest in the following strategies: an HSA or HRA plan, adding more consumer information, health fairs and wellness initiatives, and making plan design or carrier changes. Finding new and creative ways to address these concerns is the continued challenge for the future.

How Many Tiers does your Prescription Plan have (Excluding Mail Order)?



Prescription Copay Tiers

	Tier 1	Tier 2	Tier 3	Tier 4
\$0 - \$9	11.04%	0.61%	0.61%	0.97%
\$10 - \$14	55.83%	1.22%	-	0.97%
\$15 - \$19	15.95%	9.76%	0.61%	1.94%
\$20 - \$24	6.13%	17.07%	4.88%	2.91%
\$25 - \$29	3.07%	27.44%	4.27%	2.91%
\$30 - \$34	1.23%	22.56%	9.76%	5.83%
\$35 - \$39	-	9.76%	9.76%	6.80%
\$40 - \$44	-	1.22%	21.34%	9.71%
\$45 - \$49	-	-	9.76%	1.94%
\$50 +	0.61%	1.83%	28.66%	49.51%
N/A	6.13%	8.54%	10.37%	16.50%

What is Your Organization Doing to Reduce Health Care Costs for this Plan Year, or in the Near Future?

	Will not Utilize	Might Utilize	Will Likely Utilize	Will Definitely Utilize
Study health care data for cost or utilization patterns	20.9%	28.7%	27.5%	22.8%
Increase/enhance employee communications	5.2%	24.7%	39.8%	30.3%
Include consumerism resources (Web site, self-help)	13.7%	33.7%	31.0%	21.6%
Increase the amount employees pay in contributions	20.9%	38.7%	26.1%	14.3%
Increase cost sharing to the employees (copays, deductibles, coinsurance)	17.0%	43.0%	26.3%	13.7%
Restrict employee eligibility for coverage	75.1%	18.0%	4.3%	2.6%
Add/increase use of Disease Management	38.4%	41.4%	13.5%	6.6%
Add/increase wellness program	22.3%	41.0%	20.0%	16.7%

Contact your The Rollins Agency, Inc. representative at P 914-337-1833, to discuss how this survey information can assist you in your future benefit plan strategies.

This survey was conducted in January-April, 2006 and available to over 125,000 individuals through the MyWave Web site provided by your broker/consultant. This survey was anonymous, so responses have not been validated for statistical significance or margin of error.

