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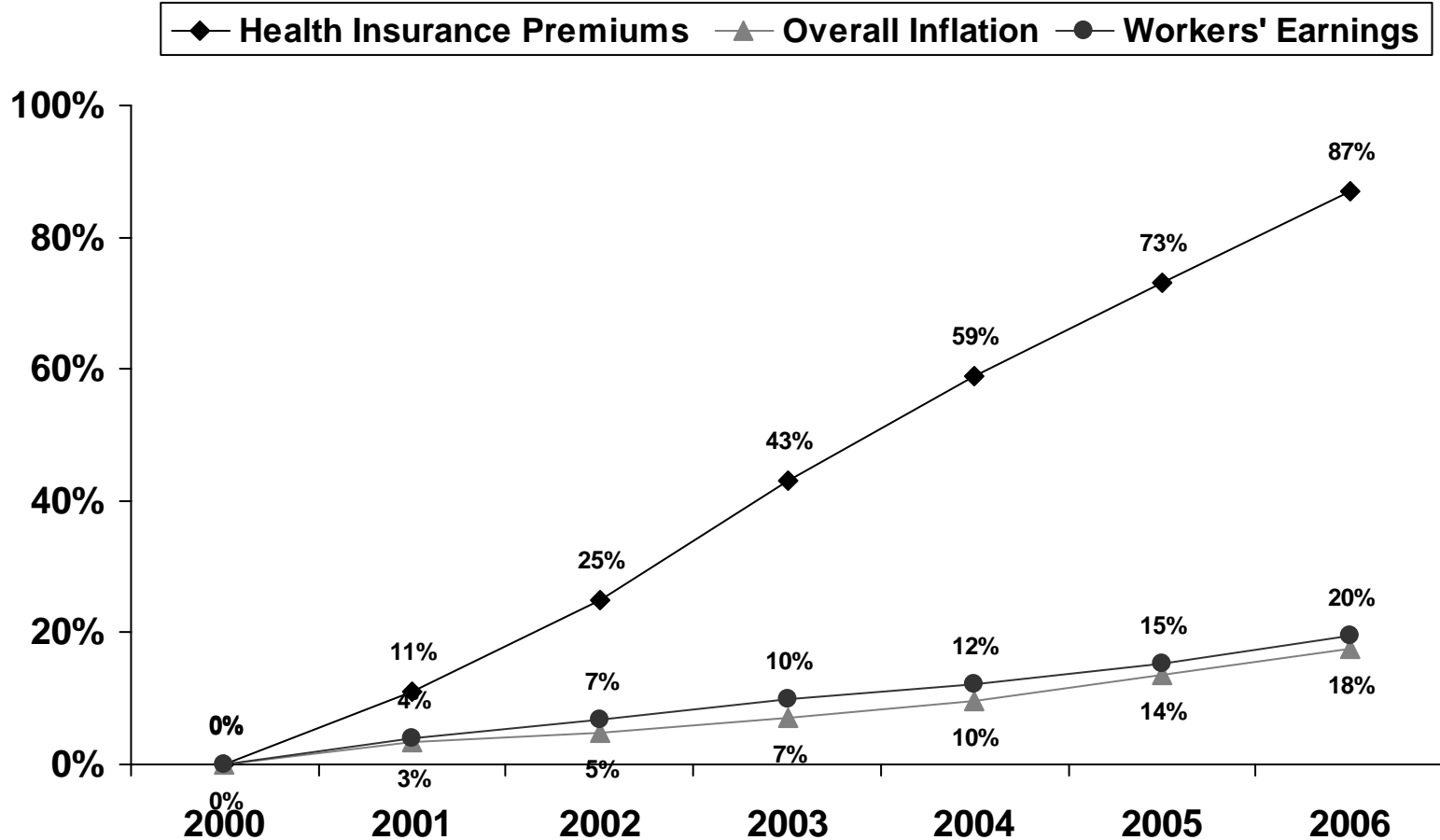


Survey of Employer Health Benefits 2006

September 26, 2006

Chart 1

Cumulative Changes in Health Insurance Premiums, Overall Inflation, and Workers' Earnings 2000 - 2006



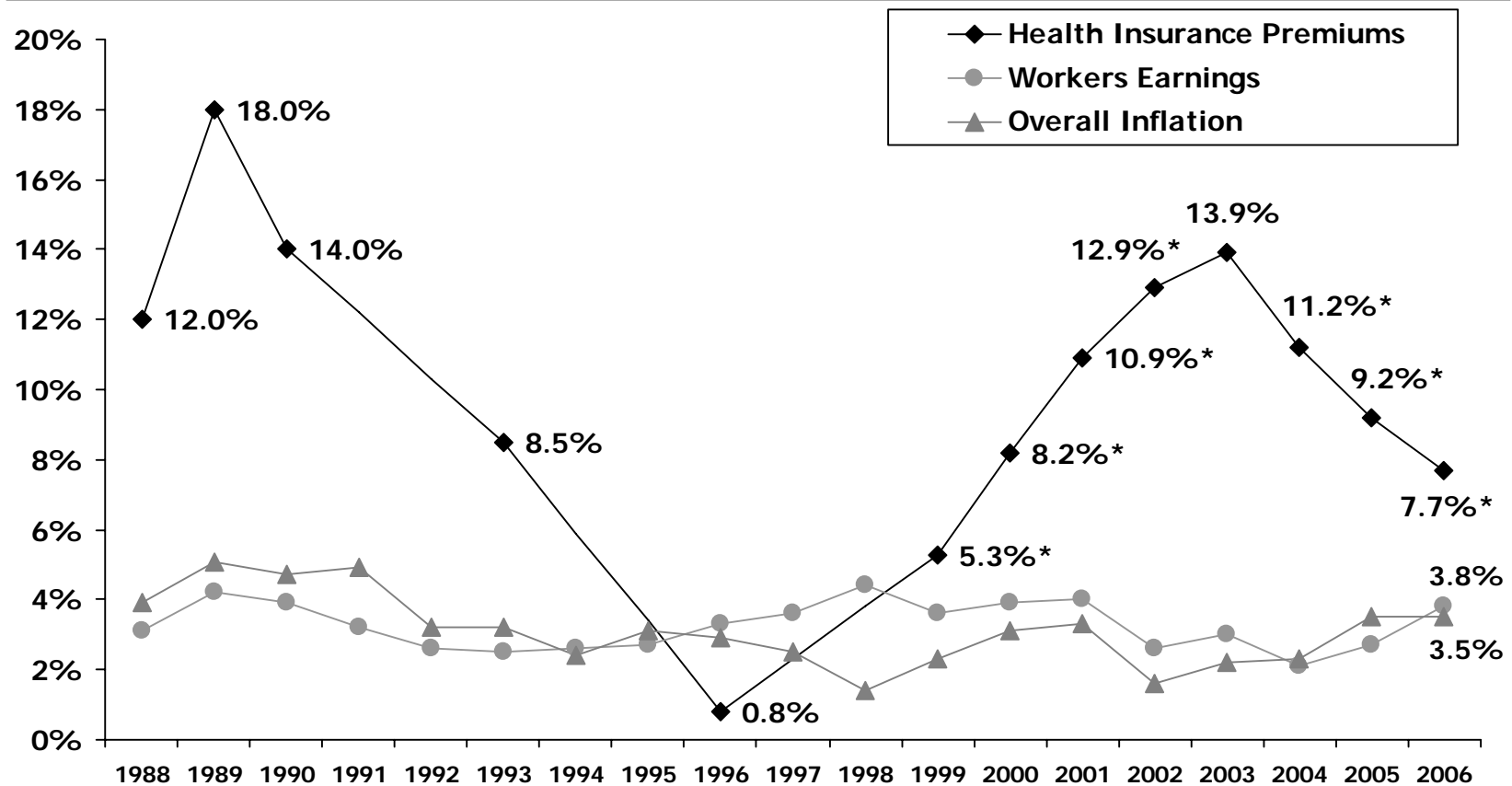
Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 2001-2006; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 2001-2006; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey (April to April), 2001-2006.

Chart 2

Employer Health Benefits 2006 Annual Survey

Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2006

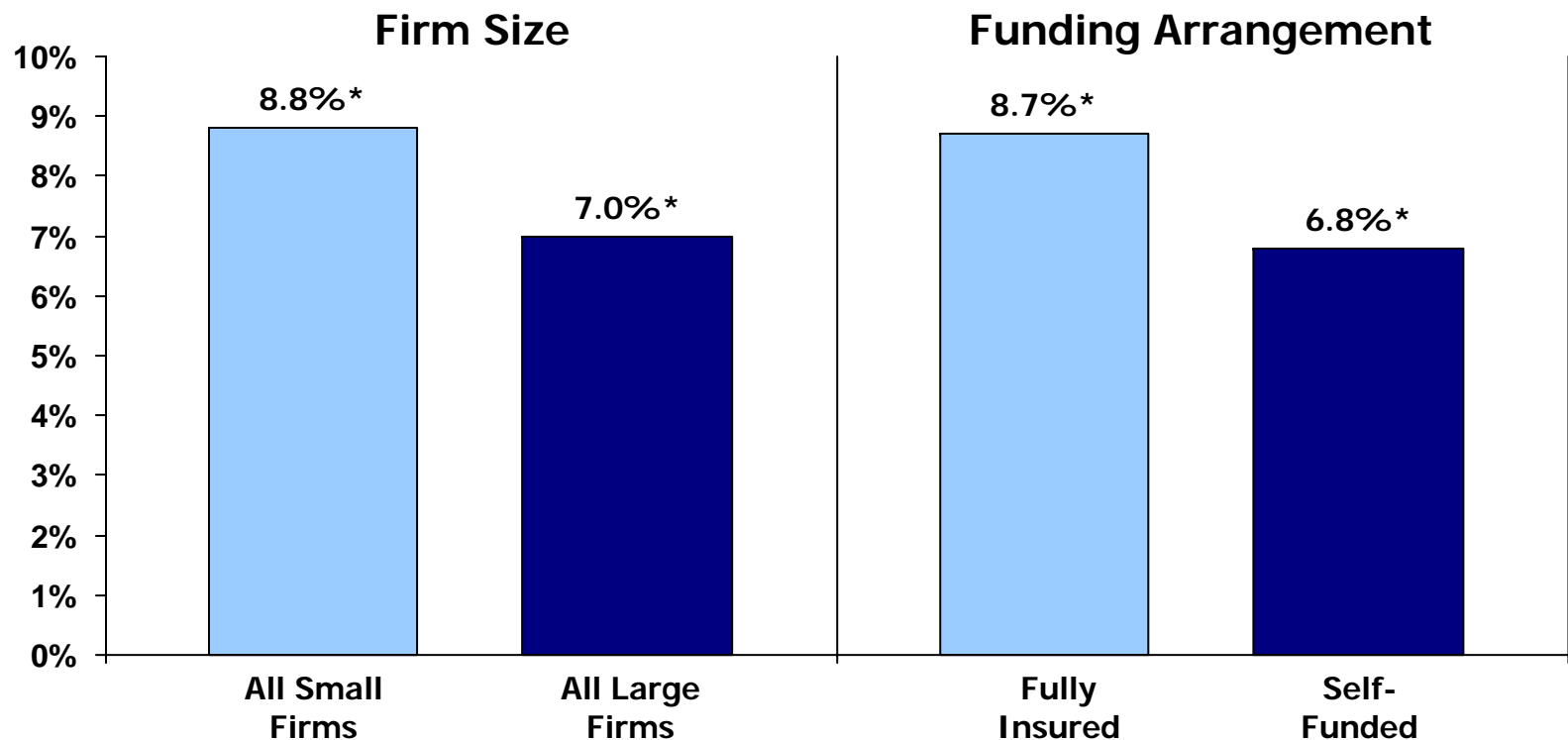


*Estimate is statistically different from the previous year shown at $p < 0.05$.

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988, 1989, 1990; Bureau of Labor Statistics, Consumer Price Index (U.S. City Average of Annual Inflation (April to April), 1988-2006; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1988-2006 (April to April).

Average Premium Increase by Firm Size and Funding Arrangement, 2006



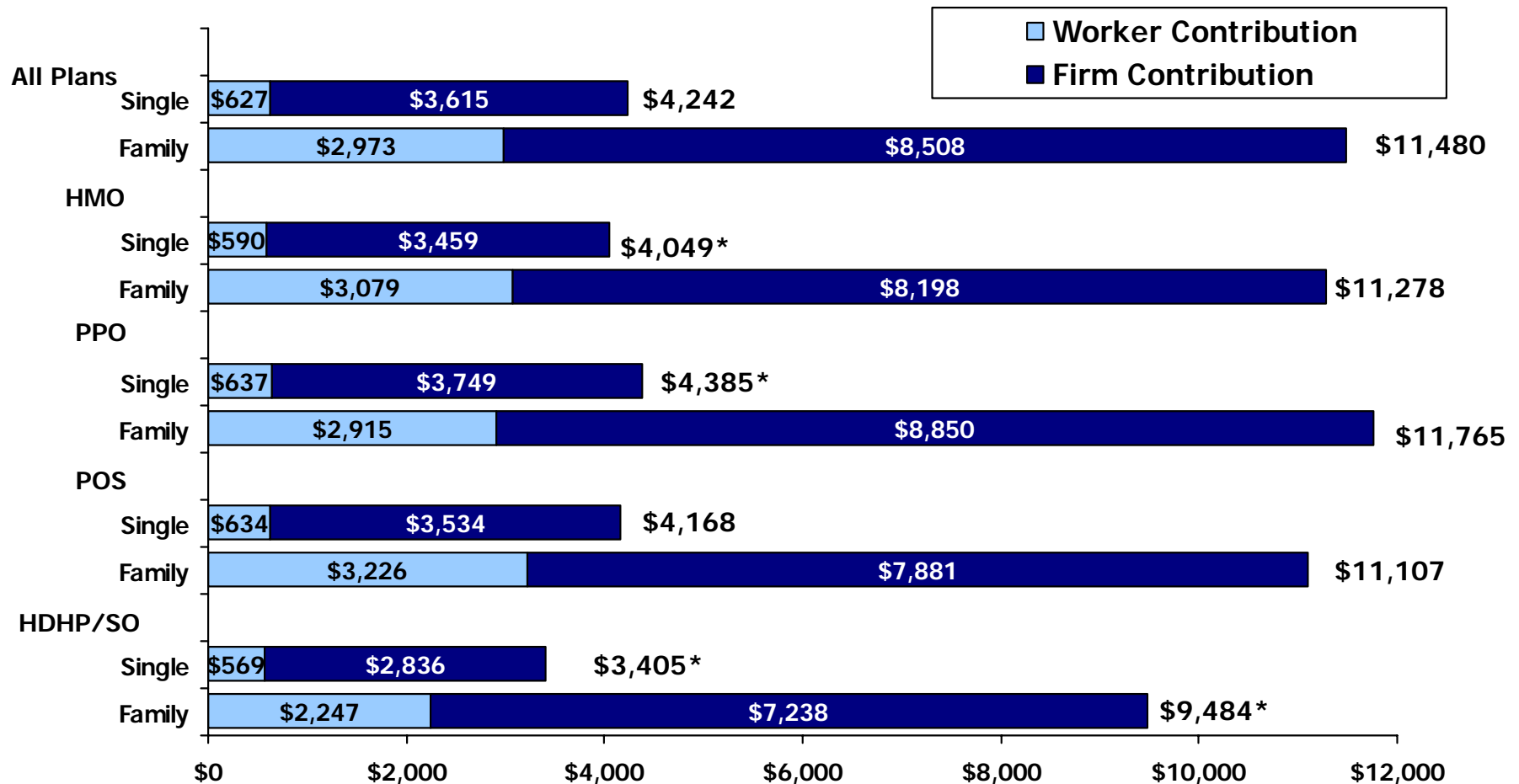
*Estimates are statistically different between categories by firm characteristic at $p < .05$.

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006.

Chart 4

Average Annual Premiums for Covered Workers, by Plan Type, 2006



* Estimate of total premium is statistically different from All Plans estimate by coverage type at $p < .05$.

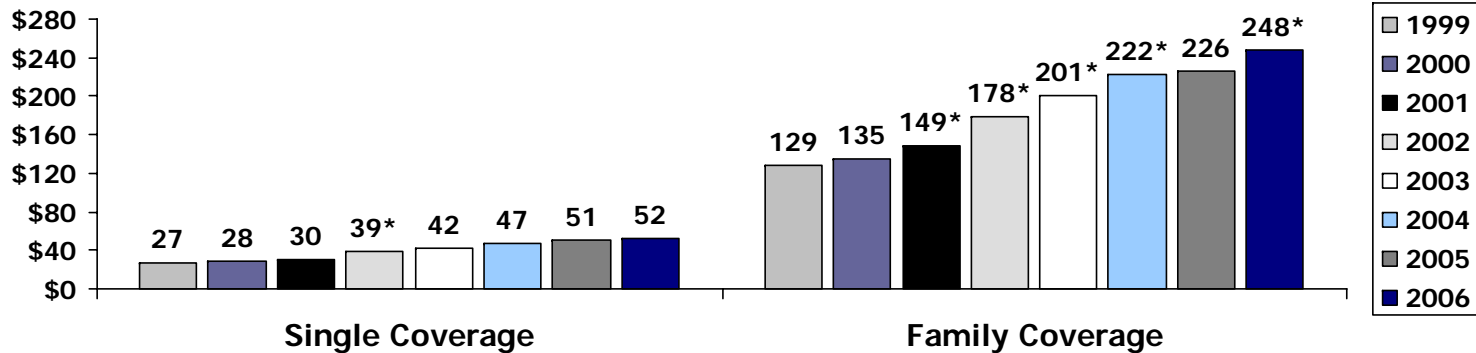
Note: Family coverage is defined as health coverage for a family of four.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006.

Chart 5

Employer Health Benefits 2006 Annual Survey

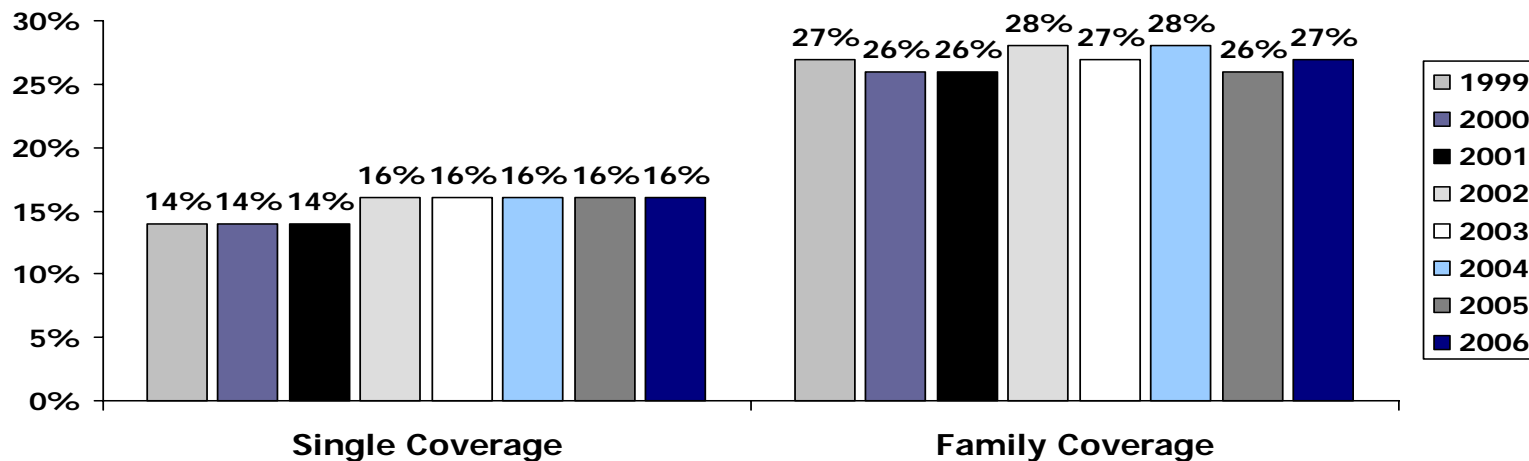
Average Monthly Worker Contribution, 1999-2006



*Estimate is statistically different from estimate for the previous year shown at $p < .05$.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006.

Percentage of Premium Paid by Covered Workers, 1999-2006*

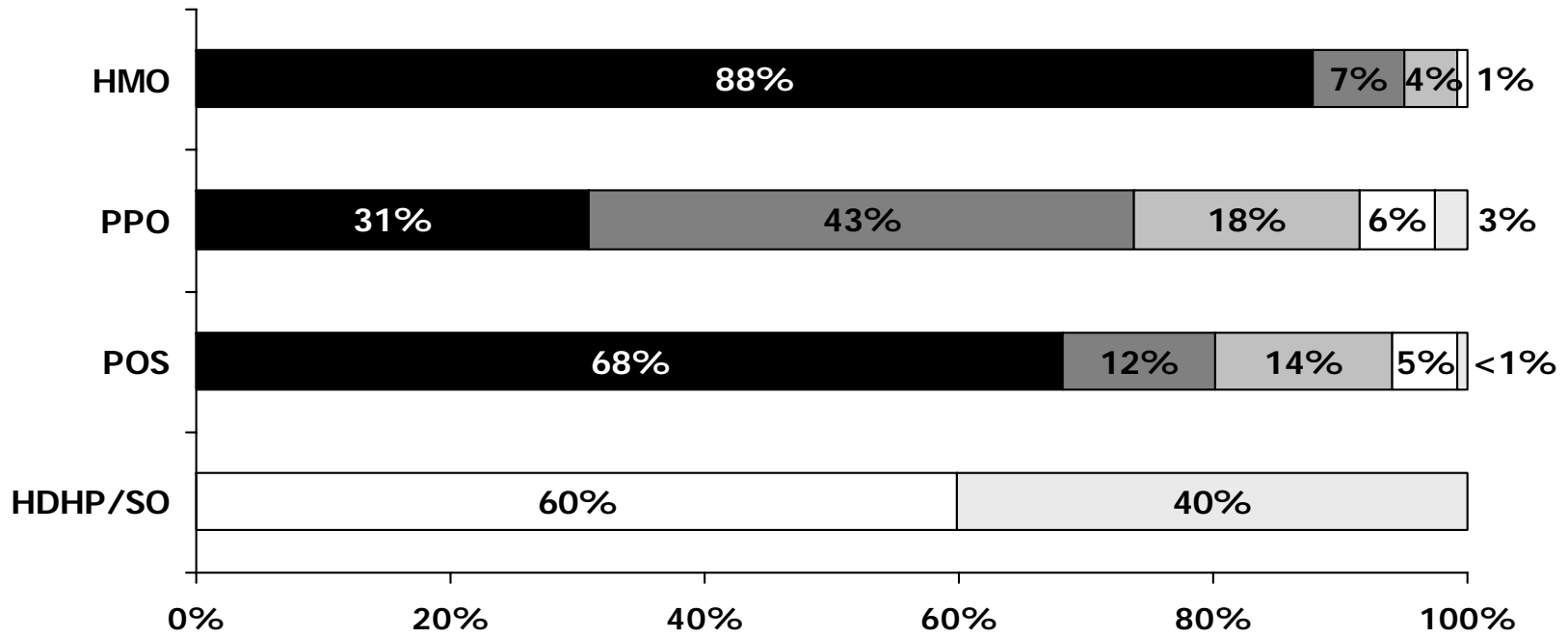


*Tests found no statistical difference from estimate for previous year shown at $p < .05$.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006.

Chart 6

Distribution of Covered Workers by In-Network General Annual Deductible Amounts For Single Coverage, by Plan Type, 2006



No Deductible
 \$1 to \$499
 \$500 to \$999
 \$1,000 to \$1,999
 \$2,000 or More

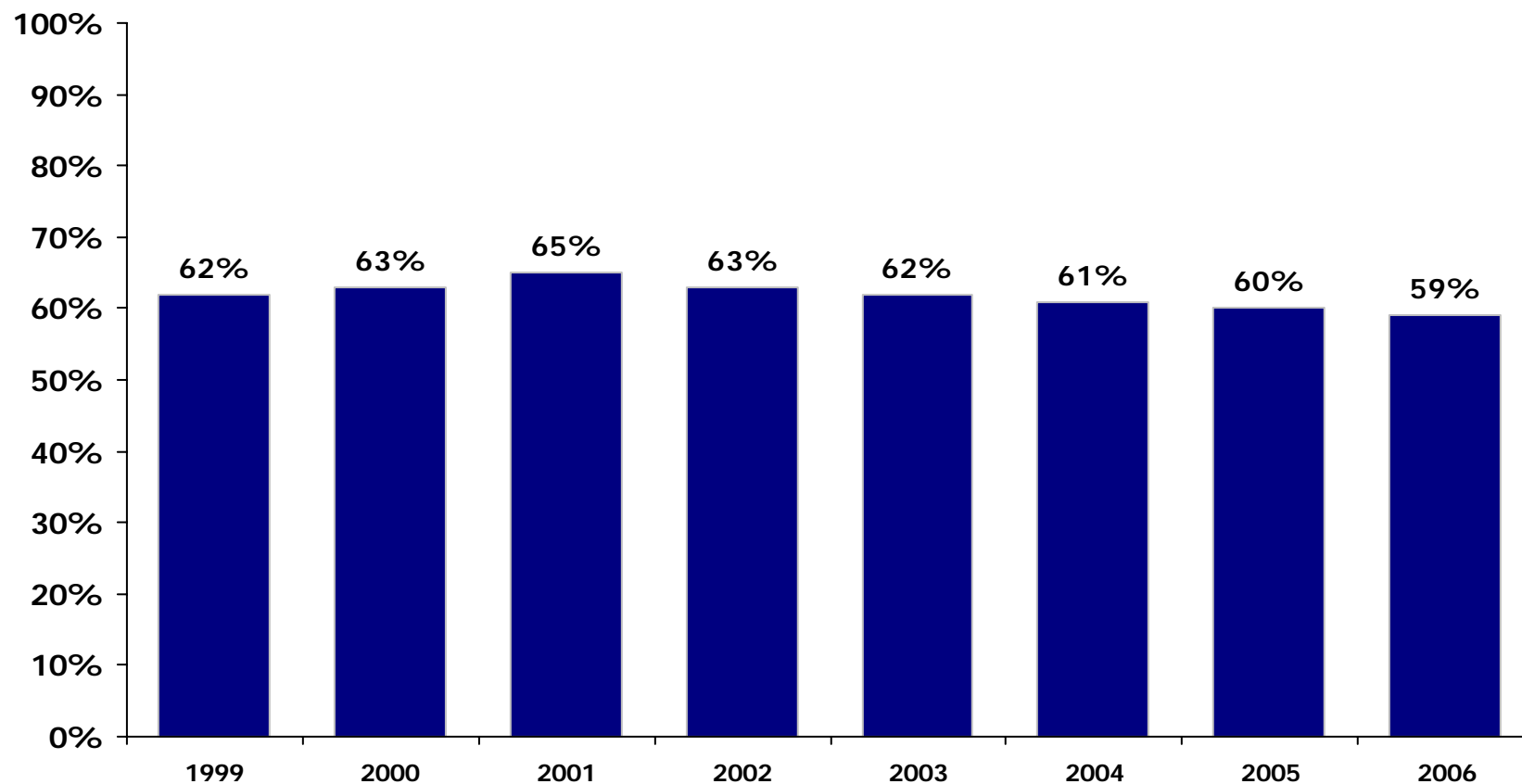
Note: Distributions may not add to 100% due to rounding.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006

Chart 7

Employer Health Benefits 2006 Annual Survey

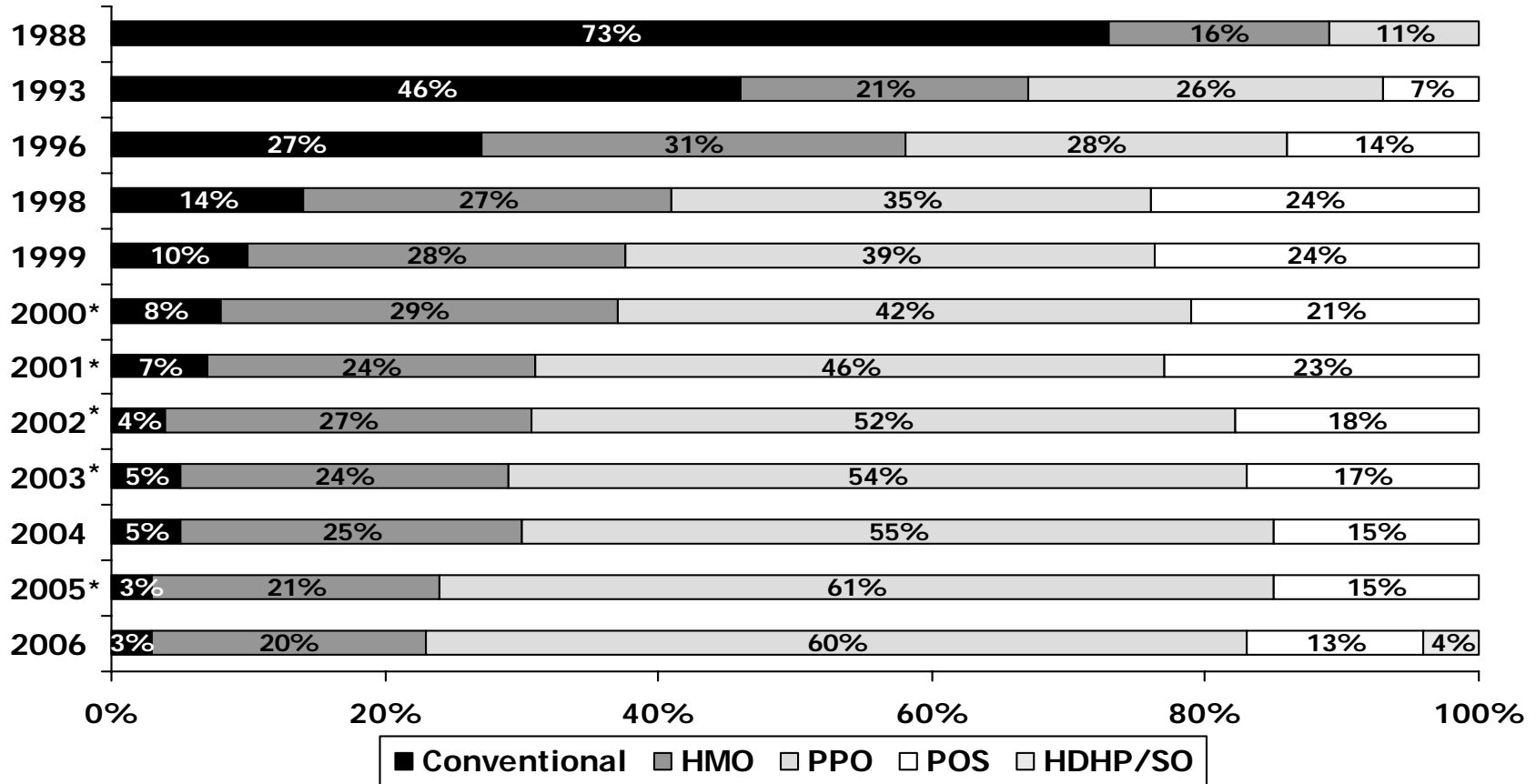
**Percentage of All Workers Covered by Their Employers' Health Benefits,
in Firms Both Offering and Not Offering Health Benefits, 1999-2006***



* Tests found no statistical difference from estimate for the previous year shown at $p < .05$.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006.

Health Plan Enrollment for Covered Workers, by Plan Type, 1988-2006



*Distribution is statistically different from distribution for the previous year shown at $p < .05$. No statistical tests are conducted for years prior to 1999. No statistical tests are conducted between 2005 and 2006 due to the addition of HDHP/SO as a new plan type.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2006; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996, 1998; The Health Insurance Association of America (HIAA), 1988.

**Estimate of Workers Enrolled in “Consumer-Driven” Health Plans, by Plan Type
2005-2006**

Millions of Workers

	2005	2006
HSA Qualified HDHP	0.8	1.4*
HRA/HDHP	1.6	1.3
HDHP/SO	2.4	2.7

*Estimate is statistically different from previous year shown at $p < .05$.

Source: Kaiser/HRET Survey of Employer Health Benefits, 2005-2006.

Chart 10

Employer Health Benefits 2006 Annual Survey

Average Annual Premiums, Worker and Firm Contributions For Covered Workers in PPO and HDHP/SO Plans, 2006

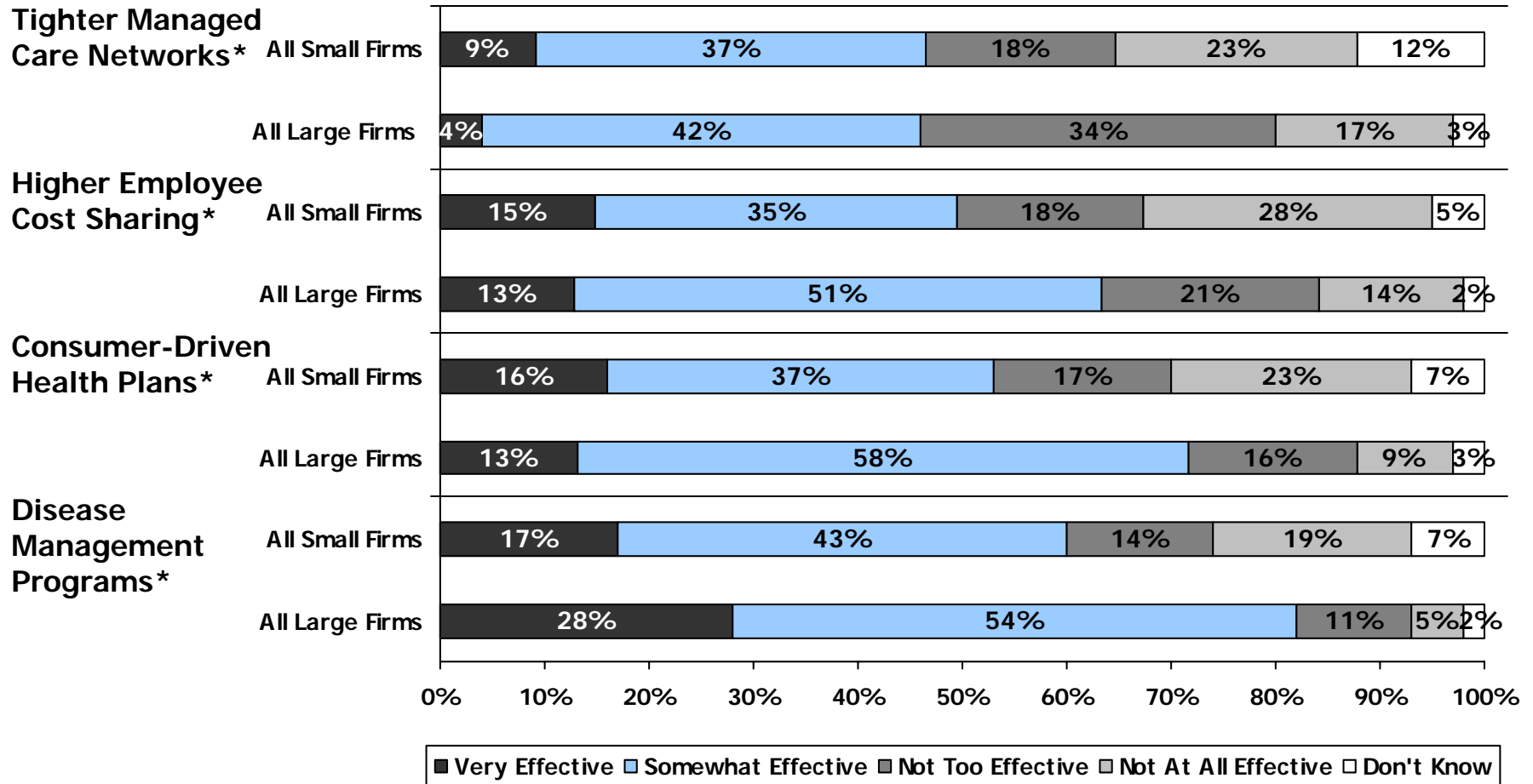
	PPO		HDHP/SO	
	Single	Family	Single	Family
Worker Contribution to Premium	\$637	\$2,915*	\$569	\$2,247*
Firm Contribution to Premium	\$3,749*	\$8,850*	\$2,836*	\$7,238*
Total Annual Premium	\$4,385*	\$11,765*	\$3,405*	\$9,484*
Firm Contribution to the HRA or HSA	NA	NA	\$743	\$1,359
Total Annual Spending (Total Premium Plus Firm Contribution to HRA or HSA)	\$4,385	\$11,765	\$4,148	\$10,844

*Estimates are statistically different between PPO and HDHP/SO plans at $p < .05$.

NA: Not Applicable

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006.

Distribution of Firms' Opinions on the Effectiveness of the Following Cost Containment Strategies, 2006



*Distributions are statistically different between All Small Firms and All Large Firms within category at $p < .05$.

Note: Distributions are among all firms both offering and not offering health benefits.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2006.

Chart 12

Among Firms Offering Health Benefits, Distribution of Firms Reporting the Likelihood of Making the Following Changes in the Next Year, 2006

	Very Likely	Somewhat Likely	Not Too Likely	Not At All Likely	Don't Know
Increase the Amount Employees Pay for Health Insurance	21%	28%	21%	28%	2%
Increase the Amount Employees Pay for Prescription Drugs	10%	29%	28%	29%	3%
Increase the Amount Employees Pay for Deductibles	12%	27%	25%	31%	5%
Increase the Amount Employees Pay for Office Visit Copays or Coinsurance	8%	31%	25%	32%	4%
Introduce Tiered Cost Sharing for Doctor Visits and Hospital Stays	1%	16%	32%	43%	8%
Restrict Employees Eligibility for Coverage	2%	4%	21%	73%	<1%
Drop Coverage Entirely	2%	4%	7%	86%	1%
Offer HDHP/HRA‡	6%	18%	31%	44%	1%
Offer HSA Qualified HDHP‡	4%	19%	29%	45%	3%

‡ Among firms not currently offering this type of HDHP/SO.



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