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Web Briefing for Media: 2015 Kaiser/HRET Employer Health Benefits Survey
Kaiser Family Foundation
September 22, 2015

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OPERATOR: I would now like to turn the conference over to Drew Altman. Please go ahead, sir.

DREW ALTMAN: Thanks, operator. Hi everyone. We are in California, Chicago, and Washington, D.C., so good morning and good afternoon, depending on where you are. This is, amazingly, our 17th Employer Health Benefits Survey. This year we have a very moderate premium increase, but an important trend involving increasing deductibles to talk about, which I think could be an emerging issue in healthcare, along with drug costs, which are obviously in focus right at the moment and other consumer issues, as well as findings on the Cadillac tax, how employers are responding to the employer mandates, wellness benefits, and more to talk about.

I am personally very happy to be back with our partners at HRET and for a summary of this to be published in *Health Affairs*, as it is every year. You are going to hear from Matthew Rae, who is our lead analyst on the survey, and from Gary Claxton, who you all know has led the project every year since the beginning of time.

I will be back in just a minute with some very brief framing comments, but, first, let's hear from Maulik Joshi, who is the President of HRET, our longtime partner on this project.

So, Maulik, go ahead.

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MAULIK S. JOSHI: Great. Thank you very much, Drew, and welcome to everyone. Again, as Drew said, we are just absolutely delighted to be able to partner with the Kaiser Family Foundation on this in its 17th year. It really is quite amazing. This is a terrific resource for us as a nation, especially knowing all the changes that are happening in healthcare today and for the foreseeable future. So we hope this provides a really incredible resource that way.

Again, thanks to Drew, Gary, Matthew, the entire Kaiser Family Foundation team. Just exceptional work. We appreciate the thought, leadership, and support in doing this.

I am going to turn it back over to Drew quickly, but I just want to highlight one set of data points that I think will provide a little bit of interesting information as we get into some of the main messages.

Drew already framed a little bit around the moderate premium increase, some of the changes around deductibles, and other areas that I know Gary and Matthew will get into more. One of the other things talk a little bit about just for a minute or so is on the health and wellness that we're seeing offered by large firms at very high rates.

We know from the survey that 50-percent of large firms offer or require their employees to complete a health risk assessment, a really important piece around health and wellness. Fifty-six-percent of large firms use incentives or

penalties to encourage their employees to complete biometric screenings, an important in-person health exam that helps you to measure things such as cholesterol or blood pressure by a professional.

Eighty-one-percent of large firms offer their employees at least one health behavior program, such as stop smoking, losing weight or other lifestyle behavioral changes. And then also large firms, again, that offer health benefits and wellness, 38-percent offer employees a financial incentive to participate in or complete the wellness program.

When you look at just these as a quick snapshot, I think it's all very positive news, especially as we speak to health as a priority in addition to healthcare in our community.

So just a little bit of what's happening. And, again, I'm going to turn it back over to Drew and the team to get into the more framing of the big messages. But, again, positive notes already around some of the high level of offering and participation around health and wellness.

But thank you again to the Kaiser Family Foundation for their support and everybody's being on this. Drew, back to you.

DREW ALTMAN: Thank you, Maulik. I'm actually glad you started with that, because that's a really important change in

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the landscape of employer health benefits, and I want to make sure those findings don't get lost today. Actually, great.

All right. Just a couple of introductory comments from me, very brief. I want to get to the findings. The 4-percent increase we're reporting for 2015, it continues a remarkable 10-year run of moderate increases in premiums and health costs, generally. We can talk about that. It's also a health cost slow-down, which has been, I would say, all but invisible to consumers, in large part because of deductibles, other forms of cost-sharing have been going up so much faster than their wages or premiums in recent years, almost seven times faster than wages and almost three times faster than premiums over the last five years. It's a very, very striking finding, and that's why we featured it in the press release.

And I think that explains why, in our separate August Kaiser tracking poll, people named deductibles as their top health cost problem. There could be a further spurt in deductibles if the Cadillac tax goes into effect. You know, it may or may not. It may be modified. It may be repealed, or it may go into effect just as intended. We don't know, but if it goes into effect, because raising deductibles is certainly one response employers will make to the tax.

You will also see in the survey that despite all the debate about the so-called employer mandate or employer requirements as the requirement is poised to go from employers

with 100 to 50 workers, the actual employer response does not match the rhetoric of the debate. It's muted. It's modest. It cuts in different directions with no big shift to part-time employment.

Overall, having watched employer responses to healthcare costs for a very long time, with the moderation we're seeing in premium increases, you won't see employers doing anything dramatic on health benefits. We didn't see that in the past when costs were rising by double digits, and there's even less reason to expect that we will see it now.

On the other hand, with deductibles growing so much faster than wages, as the ACA fades a little bit as an issue after the *King* decision, I think many politicians will be looking for a less partisan post-ACA agenda that will resonate with the public in health, and deductibles and drug costs and other pocketbook consumer issues could emerge as the next big health issue, not instead of the ACA, but alongside the ACA.

So we'll have a more multi-faceted health policy agenda. And I discuss this in my Think Tank column in the *Wall Street Journal*, which should be live just about now. So with that brief introduction, let me turn it over to Matthew and Gary. We're going to start with Matthew. We'll go through the key findings, and then, of course, we'll take your questions.

So Matthew.

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MATTHEW RAE: This is Matthew Rae. I'm a senior health policy analyst, and I work on the survey. So as Drew alluded to, the big finding this year was the big increase in–the 4-percent increase in both single and family coverage premiums. The average coverage premium is now $17,500, with workers contributing almost $5,000 towards family coverage premiums on average.

As Drew said, this continues sort of a period of modest growth. We see an average annual growth rate of 5-percent for the last ten years. This is lower than the growth rate we saw in the early 2000s, and I think Gary has some stuff to add on where premiums may be going at the end of the presentation.

Even a smaller rate of growth can have meaningful impact on workers and employers alike. Since we've done this survey 17 years ago, family health insurance premiums and worker contributions have both increased about 200-percent. Workers' earnings and inflation have grown about a quarter as fast. In 2015, workers' earnings increased 1.9 percent, and overall inflation remains flat.

There continues to be meaningful differences in average premiums in worker contributions at different types of firms. This chart focuses on firm size, with the dark blue, the worker contribution and the total bar height as the premium. As we see in the past, small and large firms have different approaches to the worker contribution toward the premium. On

average, workers at small firms contribute less for single coverage, but more for family coverage.

There are also differences by the wage level at the firms. On average, workers at firms with many lower-wage workers contribute more for family health insurance, but are covered by a less expensive policy than covered workers at firms with fewer lower-wage workers. Employers contribute less for both single coverage and family coverage, on average, for covered workers at firms with many lower-wage workers.

In addition to making a contribution to the premium, most workers face additional cost sharing when they access services. As you were speaking about, one of the big findings this year is around deductibles. The percent of covered workers enrolled in a plan with a general annual deductible has increased over time from 55-percent in 2006 to 81-percent in 2015.

In addition to more workers facing a deductible, the average deductible workers do face has increased. In 2015, the average annual deductible for covered workers who have a deductible is 1,218, more than–just more than $900 five years ago. Looking at all covered workers, those who have a deductible and those who don’t, the average deductible is now $1,077 compared to $646 five years ago.

Over the last five years, the growth in the average deductible for all workers has gone up 67-percent, far

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outpacing the growth in premiums and workers' earnings more generally. Family premiums have increased 24-percent over the same period.

Following from these trends around deductibles, the percent of covered workers enrolled in a plan with a high deductible has increased over time. What we used to think of as a high deductible has become commonplace amongst employers. In 2015, 63-percent of covered workers at small firms and 39-percent of covered workers at large firms pay a deductible of $1,000 or more.

I'm going to turn it over to Gary to carry on the findings.

GARY CLAXTON: Good morning, all. It's Gary Claxton. I'm Vice President here. We're first looking at enrollment. In 2015, 52-percent of covered workers are enrolled in a PPO plan, which is a decrease from last year. Twenty-four-percent are enrolled in a high-deductible health plan with some sort of savings option, either a health reimbursement arrangement or a health savings account qualified plan. Fourteen-percent are enrolled in an HMO, 10-percent in a point-of-service plan, and 1-percent in a conventional plan.

Importantly, every year we look at the offer rate, what percent of firms are offering health benefits to their employees. Fifty-percent of firms offer health benefits to at least some of their employees in 2015, which is similar to the

percentage over the last few years. Almost all large firms offer coverage. Ninety-seven-percent of firms with 100 or more workers offer coverage. Over the long-term, though, the percent of firms offering coverage has fallen from the rates we have seen in the early 2000s, and you can sort of see the downward general slope there.

Sixty-three percent of workers in firms that offer health benefits are covered by the benefits offered by their own firm. That also is similar to previous years. This slide also shows eligibility and take-up rates, which also are similar to previous years. Also similar to what we saw with the offer rate, the coverage rate has fallen over the long-term from the rates we saw in the early 2000s. So in both case, we're seeing a trend towards modestly less offer and less coverage at your own firm. The two are interrelated.

Over the last few years, benefit consultants, brokers, insurers, and others have developed private exchanges where employers can offer their employees a choice of health plans. Some analysts and people in the employee benefit world see this approach as a way to put a defined contribution arrangement in place, but a defined contribution employer's contributed set amount towards health benefits which an employee can applied towards whatever health plan they choose, often with a sort of large number of plans to choose from.

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While this approach has gotten a lot of attention in the literature, we still see a very small percentage of covered workers get their benefits through a private exchange in 2015, and a very small percent of firms are offering benefits through a private exchange. Seventeen-percent of employers do say they are considering using a private exchange in the future, and 26-percent are considering a defined benefit approach.

As was mentioned earlier, we do collect a lot of information on wellness programs because they're such an important part of what is going on in employee benefits these days. For this year, we actually changed the questions and the way we approach it to try and focus in on some key pieces and get more details about certain aspects of it. The good part is we have more information. The bad part is you really can't have trends from our prior data to this year because we did ask the questions differently.

As you can see from this slide, about half of all firms offering health benefits say they ask or require their employees to complete a health risk assessment. Thirty-one-percent of large firms have a financial incentive for employees to complete the health risk assessment. Similarly with biometric screening, about half of large firms ask employees to complete a biometric screen, and 28-percent of large firms have financial incentives to complete the screenings.

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There’s a lot of information in the survey about the screening, including the types of information that’s asked for, like blood cholesterol and body mass index and such. Eight-one percent of large firms offer at least one of the listed wellness programs. They’re listed across the bottom of the slide. And 31-percent of large firms have an incentive tied to participating or completing the program.

As you can see from this slide, large firms are more likely than small firms to have these types of wellness programs. Next slide. Good.

There are lots of incentives for participating and completing in various programs and parts of the wellness approaches that employers take, including incentives as we’ve shown related to the health risk assessment and biometric screening, and also incentives related to the particular wellness programs. And it’s hard to sum that all up.

One way we tried to do that was we asked firms who do have incentives for participating or completing a wellness program what the maximum annual value of the incentive could be, and we asked them to include any incentive that relate to that for completing health risk assessments or biometric screening. I’m trying to get sort of like one number that employees might be subject to under the wellness program. For most workers, the maximum incentive is less than $500. For 16-percent, it’s greater than $1,000.

Another issue that's been—has gotten a lot of discussion, in part because of what's going on in the exchanges in the individual market, are the networks that employers use for their health benefits and that insurers use for the health benefits. We asked a few questions about that.

Seventeen-percent of small firms and 24-percent of large firms say they have a tiered or high-performance network for their largest health plan. These types of networks offer employees financial incentives to use certain providers in the network who might be either considered lower cost or higher quality.

We saw a fairly small share of firms say that they or their insurer eliminated a hospital or a health system from a network to reduce costs, or that they are considering offering a narrow network plan.

Another issue that's gotten some amount of attention in the last year or two has been the cost of prescription drugs, and, particularly, the cost associated with specialty drugs, which might include biologics or other high-cost medications. We ask firms what types of approaches they take to managing these costs, and you can see that there are a variety of them, including step therapy, tight limits on the number of units administered at a single time, utilization management programs, separate cost sharing tiers. This slide shows you the percentage of each of those.

As Drew mentioned, the employer responsibility provisions took effect this year, and they are extended next year. We asked employers who said they had at least 50 full-time equivalent employees if they had taken certain actions in response to the employer requirement. Two-percent said they increased waiting periods for new-hires. Four-percent said they reduced the number of full-time employees they intended to hire. Ten-percent said they changed some job classifications from part-time to full-time, and four-percent said they changed some job classifications from full-time to part-time. Next slide.

We asked firms with 100 or more FTEs about changes that they made to who was offered health benefits in 2015. Twenty-one-percent of employers said they extended eligibility to coverage to people who were not previously eligible. Five-percent said that they offered more comprehensive benefits to some employees who previously were offered limited benefit plans, and 96-percent said they offered at least one health benefit plan that met the minimum value in affordability requirements under the ACA.

Another provision under the ACA that’s getting a lot of attention is the high-cost plan tax, sometimes called the Cadillac tax. We asked firms how they were responding to this. Over half of large firms and a smaller share of small firms said that they had analyzed their plans to see if they would

hit the threshold. Small percentages of firms say that they made changes—that they have already made changes to lower the cost of their plans in response to the tax. Next slide. Of the employers who have taken a response, most of them said that they increased cost sharing, but they've also taken a variety of other approaches, which are listed here, including 34-percent who said they moved benefit actions to account-based plans, such as HRA—health reimbursement arrangements or health savings accounts.

Last slide. I think as Drew mentioned, we've been in a long period of relatively modest premium increases compared to what we had seen previous periods. There's some question as to how long that will last. The, you know, projections in the national health accounts are that healthcare costs are going to increase, and as the economy improves, we would tend to believe that that may be pushing premiums upward. That does seem likely, although with the high-cost plan tax set to take effect in 2018, that might have the, sort of push-down, sort of the impetus for costs to go up as employers take action, probably related to cost sharing, but also narrow networks and other things to try and keep premiums lower and avoid the tax.

So I think that's all for me.

DREW ALTMAN: That's the grand tour. This is Drew. If you're a glutton for punishment, there's pretty much a fat chapter in the report for every slide that you saw. That's a

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quick tour of the findings. Now, operator, if you would just run people through how they ask their questions, and then we'd be happy to take your questions.

OPERATOR: Sure. Ladies and gentlemen, if you would like to register a question, please press star followed by the 1 on your telephone keypad. If your question has been answered and you would like to withdraw your registration, please press the pound key. One moment please for the first question.

DREW ALTMAN: We have a question from the phone, Tammy Lubby, HM.

OPERATOR: And, Tammy, your line is open.

TAMMY LUBY: Hi. Thank you so much for doing this. Can you talk a little bit more about how people are not feeling the slowing healthcare costs, particularly about the deductibles? Can you run through the numbers again and just talk about, you know, what's behind this trend, why are companies raising deductibles? The Cadillac tax is still—this was happening before the Cadillac tax took effect.

DREW ALTMAN: Yes, hi, Tammy. It's Drew. Let me—

TAMMY LUBY: Hi Drew.

DREW ALTMAN: —frame it and then I'll turn it over to Gary and Matthew. I think it's two things. I think it's—just to emphasize this—it's deductibles rising a little bit every year, almost a hundred bucks a year, a little bit every year. Then that really adds up in combination with flat wages. If

wages were keeping up with growth and cost-sharing, it wouldn't be as big a deal for people. The pain level is significant. It really affects family budgets because their wages aren't rising at the same time. It just makes it harder for people to pay the rent or the mortgage or pay for gas to get to work or buy clothes or pay for school.

If you're an employer—I am an employer—one of the very few things you can do to reduce your premium increase quickly in any given year is to increase your deductible. Employers, they don't do any one thing. They do a little bit of everything. But one thing they've been doing every year is increasing their deductible, and they've been doing that every year at a time when wages have been flat.

Gary or Matthew, if you want to elaborate on that or just review some of the numbers again.

TAMMY LUBY: I guess just one other point. Yes, wages have been flat, but if healthcare costs are growing so slowly over the past decade, why has there been the need to continue increasing deductibles at this—a similar pace?

DREW ALTMAN: Actually, one reason they've been growing slowly is because deductibles have been increasing, but try and convince a worker of that. Gary, do you want to jump in on this?

GARY CLAXTON: That was actually a very good answer. We also had a time when the economy was poor, and workers are

happy to keep their jobs. Those tend to be times employers don't necessarily drop health insurance, but they also—it's an opportunity for them to reduce its level of generosity. That did happen during—starting in the mid-2000s. You can particularly see the percent of workers who have a deductible went up, and with the deductible amount also going up, the sort of overall combination is just more people facing these. And that's what we see.

TAMMY LUBY: Okay. I'm sorry, can you just run through—I know the numbers for—I think it was the one-year numbers are in the Summary of Findings. Can you just run through—did you give ten-year or five-year numbers?

GARY CLAXTON: Are you looking for the percentage who have a deductible, or the average—

TAMMY LUBY: No, no, no. The wage—the difference between the wage increase. You have the—in the press release, you have since 2010, you talk about the percent increase in deductibles versus wages.

GARY CLAXTON: Right.

TAMMY LUBY: Do you have the longer view on that as well?

MALE SPEAKER 1: We could do the slide back to 2006. We haven't done it.

TAMMY LUBY: Okay.

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MALE SPEAKER 1: It actually would be much more dramatic because the percent of workers between 2006 and 2010 went up from 56-percent—

DREW ALTMAN: Fifty-five-percent.

MALE SPEAKER 1: Fifty-five-percent.

DREW ALTMAN: To 81-percent.

TAMMY LUBY: Okay. Yes, you can—

MALE SPEAKER 1: So that's—yes, we would be happy to produce that for you. We'll send it along.

TAMMY LUBY: Thank you.

DREW ALTMAN: Thanks. Next question.

MALE SPEAKER 1: Next question from the chat, Carl Eisenhower. Did you see a difference in steps taken to avoid the excise tax between firms with unionized workforces and firms with non-unionized workforces?

GARY CLAXTON: We didn't do that analysis. It's certainly something we can do or someone can do with the—when we release the public use file, but that's not something we did. There are so many statistics here. We don't cross all of them with all of our demographics, but that's certainly something we could look at.

DREW ALTMAN: It's a good question.

MALE SPEAKER 1: We've had a couple of questions asking about state-by-state breakdown of the data. Gary, do you want to talk about whether that's possible or not?

GARY CLAXTON: I mean, sure. This is a national sample, so we don't have the ability to do state by state. We do break down a number of things by region, but that doesn't let you hone in on particular states.

There is a comparable survey done in California, so—which will be three weeks later this year by another foundation, which would provide one point of comparison. We generally can't do state-level analysis.

MALE SPEAKER 1: Okay. Next question, Kathleen McGlory is interested in hearing the panel speak to what we can expect in the future for premiums and deductibles.

DREW ALTMAN: Go ahead, Gary.

GARY CLAXTON: Sure. As to premiums, the general projections, you know, from the CMS actuaries and others are that healthcare costs are not going to stay as low as they are going on into the future, in part because of inflation will probably be a little bit higher, but also the pressure of new drugs coming online and just an improving economy, people will demand a little bit more healthcare would tend to push costs up. I think we can—although not anywhere near the levels that had been seen in the early 2000s.

And so I think we can expect some of that to happen. Again, the high-cost plan tax will, to some extent, push back on that as employers try to avoid it because it's a fairly onerous tax, and hitting it is not something they want to do.

Then one of the things that the, you know, the push-back from the high-cost plan tax will cause, eventually, is more cost-sharing or other types of ways to try to produce efficiency, but probably cost sharing is part of it. There's not a lot of reason to think that the trends we've seen on that will moderate too much, either.

There is a limit to how much you can have in deductibles and keep your workers happy, so as the economy improves, employers will not want to make their health benefits look unattractive. That's always the thing that kind of pushes towards maybe a little bit higher cost, little bit better benefits. The high-cost plan tax pushes back against that, and we will see how it all works out.

DREW ALTMAN: A great subject for reporting is, obviously, cost-sharing is an appropriate part and deductibles are appropriate part of any insurance package. The great subject for reporting now as the deductibles keep going up is how much is too much and for whom, and in particular, how do high deductibles affect people who use a lot of healthcare, who are chronically ill, especially people who may be chronically ill and have modest incomes.

MALE SPEAKER 1: Next question from Alice Nixon. Can you talk more about what you expect the response to be from employers to the Cadillac tax?

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DREW ALTMAN: I think we've been talking around that. Does anyone want to add anything to what we've just said?

MALE SPEAKER 2: We do have a slide as to what employers who had already taken some responses have done. It's—we don't have numbers on them. It's like fourth from the end or third from the end. I think you would expect those types of things—obviously overall, the employer community, some of it has come together, interestingly, both large white-collar firms and unions have come together to try to push for changes in the law. We'll see if that comes about.

We also issued a report about a week and a half ago about sort of the number of firms that might hit the tax at various points in the future, and one of the points we made there was that there are other health benefits that employees receive, like flexible spending account, the ability to do payroll deduction through FSAs which might also be affected by firm responses. That might actually be the first things that are affected. I think you can still find that on our web page.

MALE SPEAKER 1: All right. Next question from Sandy Mack. So there's a drop in eligible workers who sign up for the employer—from the employer—I'm sorry. Let's try this again. There's a drop in eligible workers who sign up for the employer insurance. Any sense of whether the would-be employer contribution [inaudible 00:31:24] goes back into the employee's

paycheck, or is that a cost savings for most of these employers?

GARY CLAXTON: I think what we see is a 1-percent change in eligibility. That's really not statistically significant, so I don't know that we would say that that's a drop that year. Whether or not the over time is a trend or not, it certainly looks downward. I've not tested that over the whole period to see if it is.

I think if, to the extent that the workers do lose eligibility, it may be that it goes into wages. It may not necessarily go into their wages. I think the issues long-term in the employer market have been lower-wage workers just not being able to continue to be offered benefits or to be able to take up their benefits or to be in jobs that are offered benefits. Those workers aren't making very much money. I think that's sort of the long-term issue for the employer market.

MALE SPEAKER 1: Okay. The next question comes from Tammy Smith. Wellness penalties and incentives. They exist for smoking in some places. Do you foresee penalties for failing to lose weight, failing to lower cholesterol and exercise? Also, when workplaces have wellness screenings at the workplace, is there an issue with patient privacy?

MALE SPEAKER 2: As to the first point, we do have in the wellness chapter some information on—related to the percent

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of firms who have particular incentives related to biometric screening, and you can look at that. We're talking about a fairly small percentage of firms at this point, but, yes, there are incentives related to the things you mentioned.

In terms of privacy, certainly, it is an issue that the people who are administering the plan are also the employer, and they are getting all the information that's going into this. How it's being used is something that is subject to HIPAA requirements. Whether or not those are sufficient, I think people disagree about.

DREW ALTMAN: Okay. Once again, I'm going to ask the operator to go over the instructions for questions, and if we don't have any more questions, then we'll do a wrap-up.

OPERATOR: Ladies and gentlemen, as a reminder, to register for an audio question, please press star followed by the number 1.

DREW ALTMAN: All right. We have a question from Karen Bukard of the *Detroit News* on the phone.

OPERATOR: Karen, please proceed with your question.

KAREN BUKARD: Yes, just to clarify with regard to cost-sharing and deductibles, am I understanding correctly that the deductibles are going up mostly because of decisions that are being made by employers with regard to cost-sharing, or is some of this because of pressure by insurance companies in

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terms of the cost of the plans? And to what extent, which is which?

GARY CLAXTON: I mean, to some extent, those two things go together because the employer and the insurer, unless it's self-funded, then it's just the employer, have to make the decision about what level of benefits they offer and the insurers will give them different prices for different levels of generosity in the plans.

It is fairly common for insurers in the small group market to say to employers that your health benefit plan is going to go up by X if you choose to change it, and increasing the deductibles usually is the easiest way to change it. You'll only go up by Y, and things like that often happen. Both parties sort of have to be involved when there is an insurer and an employer.

KAREN BUKARD: But what do we know about the, you know, what's happening to the cost of the plans being offered to these employers? I mean, is there a lot of increases in those plans as a result of, like, new ACA requirements having to do with essential health benefits and so forth? I'm just wondering where the pressure is coming from. Is it mostly coming, you know, from the employers' side, or are the employers really faced with a lot of pressure in terms of the cost of insurance going up?

GARY CLAXTON: Well, I mean, in terms of covered workers, most covered workers are not subject to the essential health benefits. That's only in the small group market, and that's not most employers. Where they feel the pressure, it could be in parts of the, you know, sort of the mid-2000s. The cost pressure might not have been so much from the health plan, per se, but from just general economic conditions, which where employers were cutting back in lots of different places, and health benefits might have been one of them. Going forward, the pressure is going to come as the economy improves, probably, from higher costs.

KAREN BUKARD: Okay. Thanks.

DREW ALTMAN: We have another question on the phone from Jerry Guyzel of Business Insurance.

JERRY GUYZEL: We get it in sum, what would you say are the two or three or four key reasons that cost increases have been and continue to be moderate compared to, say, a decade ago?

DREW ALTMAN: The slow economic recovery, increases in cost-sharing in the healthcare system, and changes in payment and delivery in healthcare. To say it a little bit more simply: The slow economic recovery and changes in the healthcare system.

JERRY GUYZEL: Thank you.

[1] The Kaiser Family Foundation makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

MALE SPEAKER 1: Chat question from Sandy Mack: How much does the availability of a wellness program impact the cost of insurance for employers? Anyone?

GARY CLAXTON: Yeah, I don't think we know that.

MALE SPEAKER 1: Yeah. All right. Well, I think at this point, we're going to wrap up. Does anyone—

DREW ALTMAN: No, but thank you, everyone. We're all available, including our colleagues at HRET, for follow-up with all of you individually. And we will see you for No. 18. Thank you very much.

[END RECORDING]

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