

Survey: Area employers expecting 14 percent hike in health care costs in 2011

Matthew Daneman • Staff writer • November 10, 2010

Area employers are expecting their health insurance premiums to go up by more than 14 percent next year, according to a survey by the Rochester Business Alliance.

The business group's annual health and benefits survey this year included responses from 182 employers representing a combined 84,950 workers. Among the findings:

- Employers increasingly are gravitating toward high-deductible health coverage along with health savings accounts. According to survey results, 30 percent of respondents are offering one or more such plans, up from 15 percent in last year's survey.

- To deal with the premium increases, 17 percent of respondents plan to absorb most of the additional cost, while 15 percent plan to split the extra cost with workers and 10 percent plan to pass on the majority of the added costs to employees.

- 14 percent of respondents say they are considering a cut in benefits or offering lower-cost plans.

- Employers continue to cover most of the cost of workers' health coverage. Survey respondents said they are covering on average 75 percent of the cost of single-person plans and 67 percent of two-person and family plans. And 22 percent said they cover all the costs of single coverage for at least one plan.

- And in comparing health care costs in the Rochester area to other communities, 13 percent of respondents said local costs are higher, while 40 percent said they were lower and the remainder said costs are about the same.

The Rochester Business Alliance findings come as numerous area employers are in the midst of open enrollment periods when workers are trying to decide what health care coverage plan to enroll in for 2011.

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