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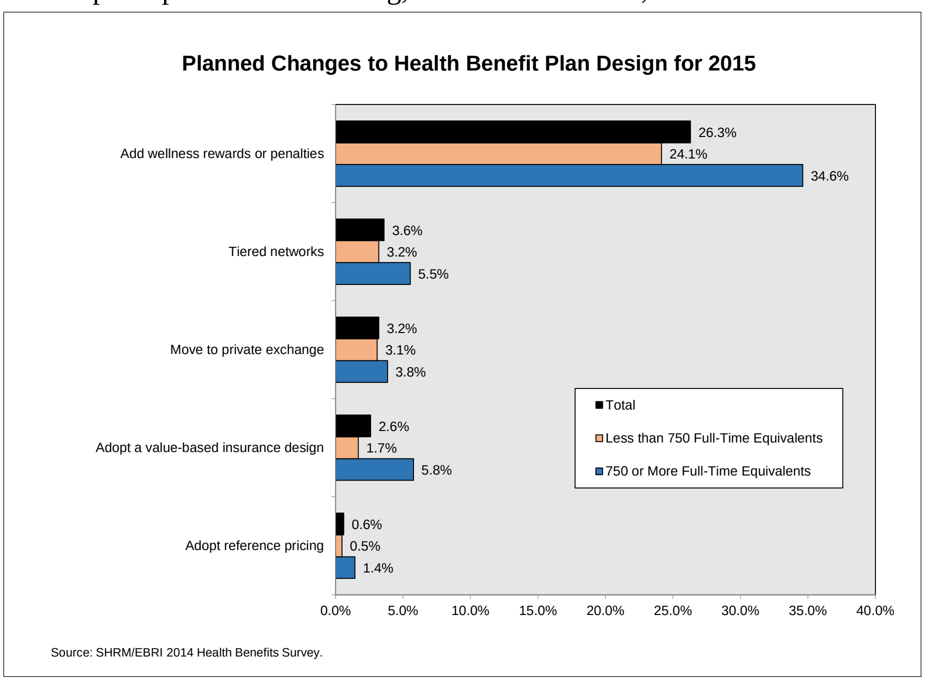
New Research from EBRI:

Employers Increasingly Adopting Wellness Incentives During Open Enrollment for 2015

WASHINGTON—Few employers plan to eliminate or make major changes in their health care benefits in the near future—but changes are inevitable, especially the growth of wellness programs designed to address worker risks and behaviors, which drive chronic conditions, and account for a large percentage of overall spending, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

The EBRI report, based on findings from the SHRM/EBRI 2014 Health Benefits Survey, finds that few employers expect to trigger the so-called "Cadillac tax" on high-cost health plans in 2018, and few are planning to eliminate their health benefits. Since this has been a topic of wide speculation, the Society for Human Resources Management (SHRM) and EBRI conducted a survey of private- and public-sector employers to find out what they are actually planning on.

"We are in the middle of open enrollment season, so we figured people would be interested to know what health plan sponsors are thinking," said Paul Fronstin, director of EBRI's Health Research and Education Program, and author of the report. "We found that very few employers plan to make major changes—at least for now—and most seem to be moving toward adoption of wellness programs."



Specifically, the SHRM/EBRI 2014 Health Benefits Survey found that only 1 percent of plan sponsors are planning to eliminate health benefits in 2015.

However, while most workers will not see major changes to their benefits next year, they are likely to see a continuation of changes that employers have been making for a number of years.

Among other findings in the SHRM/EBRI 2014 Health Benefits Survey:

- A relatively large number of employers continue to introduce wellness rewards and penalties, possibly the result of the combination of the PPACA-allowed higher financial incentives and the 2018 excise tax on high-cost health plans. Employers may also be focusing on wellness programs because of the link to worker risks and behaviors, which drive chronic conditions and account for a large percentage of overall health spending.
- Few employers are planning to make changes to eligibility for spousal coverage and part-time worker benefits, and few are moving toward tiered networks, private health insurance exchanges, value-based insurance design, and reference pricing. Employers may be waiting for evidence from early adopters before making untested changes.
- Ultimately, concerns about the excise tax on high-cost health plans may result in accelerated adoption of tiered networks, private health insurance exchanges, value-based insurance design, and reference pricing.

The full report, "What to Expect During Open-Enrollment Season: Findings From the SHRM/EBRI 2014 Health Benefits Survey," is published in the December *EBRI Notes* and is available online at www.ebri.org

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or www.asec.org

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates. For more information go to shrm.org