

**Contact:**

Janet Arnold-Grych  
Director of Marketing and Communications  
MRA  
Tel: 262.696.3365  
Fax: 262.696.3366  
E-mail: [janet@mranet.org](mailto:janet@mranet.org)

**FOR IMMEDIATE RELEASE**

## **MRA Releases New Wisconsin Health Care Spending Report** *Premium increases stabilize; additional increases borne by employers*

March 17, 2006, Waukesha, Wis. — MRA has released the results of its 2006 Wisconsin Economic Impact: Healthcare Spending Survey. Findings indicate that health care premium increases have stabilized and employers are looking to absorb more of these costs themselves. The survey was conducted in January 2006 by MRA, a leader in the optimization of human resources. A total of 199 MRA member organizations in Wisconsin are represented with 61% of those from the manufacturing sector and 39% from the service, financial, health and related industries sectors. Among respondents, 52% have fewer than 100 employees, 31% have 100 – 249 employees, 10% have 250 – 499 employees and 7% have 500 or more employees.

“It’s evident that healthcare costs continue to remain of great concern to employers,” said Susan Fronk, MRA President and CEO. “Our findings from these and other surveys indicate that some moderation has occurred and health care costs are not eroding plans for growth. Businesses are continuing to expand and to make investments in their organizations and their people.”

### Premium Increases

The percentage increase in health care premiums appears to have leveled off. Nearly one-half (49.7%) of companies say that their premium increases during their most recent renewal period were less than 10%. A total of 80.0% of companies say their increases were 14% or less. Increases were slightly greater in 2005’s renewal period during which 46.4% said their premiums increased less than 10% and a total of 71.6% said their increases were 14% or less.

### Employer Portion of Health Care Costs

On average, in 2005 companies spent 15.5% of total gross payroll of their health, dental, vision and prescription plan. This is very similar to 2004’s average of 15.7% and 2003’s average of 15.6%.

## MRA Releases New WI Economic Impact: Health Care Spending Report

While the percentage of total costs remains similar, more of those costs were assumed by employers. Approximately 80% of total monthly healthcare premiums, whether for an employee; an employee + one; or an employee and his or her family, were paid for by employers in 2005. This percentage is greater than that noted in the previous two years.

Average percent of total monthly premium cost, or premium equivalent if self-funded, paid for by the employer	<b>2005 (Jan. 2006 data)</b>	<b>2004 (Jan. 2005 data)</b>	<b>2003 (Jan. 2004 data)</b>
Employee or single coverage	77.1%	73.9%	76.3%
Employee + 1	78.8%	70.6%	72.6%
Family	80.3%	71.9%	74.7%

Health Cost Control Measures

Furthering this trend of employers assuming additional healthcare costs, nearly three in ten Wisconsin companies surveyed say they took no action to curb rising health care costs in 2005. This is sharply down from the previous two years when only 19% and 16% of companies said they took no action in 2004 or 2003, respectively.

## Percentage of organizations implementing cost control methods:

Action taken*	<b>2005 (Jan. 2006 data)</b>	<b>2004 (Jan. 2005 data)</b>	<b>2003 (Jan. 2004 data)</b>
None	29.0%	18.9%	16.3%
Increased employee contributions to premium	29.0%	41.2%	41.1%
Increased employee-paid deductible	30.1%	38.7%	42.0%
Increased employee out-of-pocket maximum	23.0%	32.8%	35.7%
Increased employee co-pay for doctor visits	14.2%	26.9%	35.4%
Increased employee co-pay for prescription drug program	21.3%	25.6%	29.5%

\*Responses do not total 100% as more than one answer may be checked.

MRA Releases New WI Economic Impact: Health Care Spending Report

For 2006, this trend looks to continue as 18.5% say no action is planned and more than one-third, 33.9%, say they don't know at this point. Among those who do plan to take action, 16.5% say they will increase employee contributions to premium, 14.2% will increase employee paid deductible and 11.9% will increase the employee out-of-pocket maximum. Only a handful of companies say they plan to switch from a fully-insured to a self-funded plan or vice versa, or plan to institute employee contribution to premiums for the first time.

The complete report, which also contains data on economic measures, is available free to members who participated in survey. The report is also available for purchase through MRA.

*MRA is a not-for-profit employers' organization serving 2300 employers throughout Wisconsin, Illinois, and Iowa, covering close to a half million employees. An expert in the optimization of human resources, MRA applies its talent, tools and training to help organizations achieve their business objectives. For more information on MRA visit [www.mranet.org](http://www.mranet.org) or call 800.488.4845.*

# # #