



Survey of Fortune-Ranked Companies Shows Varied Levels of Confidence and Interest in Private Health Insurance Exchanges

Large Employers 'Fully Committed' to Company-Sponsored Benefits, Express Mixed Reaction to Private Health Insurance Exchanges

CHICAGO, IL, USA, April 29, 2014 /EINPresswire.com/ -- The majority of large employers remain fully committed to providing an array of company-sponsored benefits and are currently uncertain about whether private health insurance exchanges will be a part of their benefits strategy, according to a national survey of mostly Fortune1000-ranked companies.

The survey—conducted by [Pacific Resources](#), with question design and response analysis assistance provided by [Milliman](#)—focused on capturing the current perspective on private exchanges from some of the largest employers in the United States. The companies surveyed represent nearly three million employees and 5.9 million covered members, with a median employee population of 23,000. Approximately 75 percent of the companies that responded to the survey are ranked in the Fortune 1000, with several listed in the top 50.

Key survey findings:

1. Employer-sponsored benefits are viewed as a strategic asset

A significant majority of large employers (80%) view their employer-sponsored benefits as a strategic asset for attracting, recruiting and retaining employees and an integral part of their employee engagement and productivity strategy. Only 13 percent view it as a required expense of being in business.

The survey found that 75 percent are fully committed to providing an array of employer-sponsored benefits as a part of their total rewards program and will continue to actively look at all potential tactics to manage the costs associated with their benefits plans including exchanges, wellness programs and other incentives.

2. Perspective on private exchanges is evolving, and confidence and interest is varied

While nearly all large employers (91%) believe they have a 'good to excellent' understanding of the opportunities, challenges and decisions required to move to a private exchange, their levels of confidence and interest are varied.

While a little more than half of large employers (51%) are at least somewhat confident that private exchanges will be a viable alternative to current methods of providing health coverage to active employees, the other half (49%) are not confident or are unsure.

The current level of interest in private exchanges is split, with half showing some level of interest and the other half indicating no interest at this time. Currently, a little more than one-third (37%) have no plans to evaluate private exchanges and 13 percent have conducted an evaluation and decided not to move forward with an exchange as a replacement to their current medical benefit plan.

However, 35 percent indicated that they have begun to evaluate private exchanges as a potential benefits strategy for active employees, 11 percent are interested in evaluating exchanges and three percent are currently in an exchange.

When asked how they would evaluate private exchange vendors, 34 percent said they had not determined an approach, 25 percent would perform the evaluation using in-house resources, and 25 percent would engage a consultant that does not sponsor an exchange. Only 13 percent indicated that they would engage their existing consultant if that consultant sponsored a private exchange.

3. Cost is the driving factor

When asked to rank the most important factors in determining their move to a private exchange, 85 percent identified cost savings as most important.

However, when asked about the projected percent of savings they would need to achieve in the first year in order to justify the move, more than half (55%) said they didn't know. The rest of the responses were fairly evenly dispersed across a range of options from less than 2 percent to greater than 10 percent savings.

4. Majority of employers want to remain self-insured

Sixty percent indicated they would want to remain self-insured if they moved to a private exchange while only 13 percent indicated they would move to fully-insured programs.

The remaining 27 percent were undecided but cited concerns about moving to fully-insured products for various reasons such as the ability to manage administrative and state requirements and the long-term cost effectiveness for fully insured products.

The survey was conducted online during February and March 2014. Respondents were senior human resource or benefits executives with decision-making authority within their organizations.

Link: [Executive Summary](#)

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