

South Dakota Employer Health Insurance Survey

Business Research Bureau
School of Business
The University of South Dakota

Zaniya Survey of Employers

- Survey Prepared by Zaniya Staff
- Survey Conducted June 10th to June 21st
- Useable Survey Responses: 640 Firms
- Margin of Error = +/- 3.8%
- Confidence Interval = 95%

Enrollment in Insurance Plans

Enrollment in Insurance Plans

| | <u>Firms Offering Insurance</u> | <u>Employees Enrolled</u> |
|----------------------|--|----------------------------------|
| <u>Single</u> | | |
| Full-Time | 77% | 75% |
| Part-Time | 19% | 24% |
| <u>Family</u> | | |
| Full-Time | 67% | 38% |
| Part-Time | 22% | 13% |

Insurance By Firm Size

| <u># of Employees</u> | <u>%Firms Offering</u> | <u>%Employees Enrolled</u> |
|-----------------------|------------------------|----------------------------|
| 1-9 Employees | 60% | 68% |
| 10-49 Employees | 82% | 58% |
| 50-99 Employees | 94% | 61% |
| 100-249 Employees | 100% | 58% |
| 250+ Employees | 100% | 62% |

Insurance By Firm Size

| <u># of Employees</u> | <u>%FT Enroll</u> | <u>%PT Enroll</u> |
|-----------------------|-------------------|-------------------|
| 1-9 Employees | 79% | 8% |
| 10-49 Employees | 73% | 8% |
| 50-99 Employees | 80% | 14% |
| 100-249 Employees | 73% | 12% |
| 250+ Employees | 76% | 18% |

Insurance By Industry

| <u>Industry:</u> | <u>% FT</u> | <u>% PT</u> |
|------------------|-------------|-------------|
| Agriculture | 54% | 10% |
| Nat.Res./Min. | 67% | 13% |
| Manufacturing | 86% | 10% |
| Construction | 66% | 5% |
| W. Trade | 82% | 0% |
| Retail Trade | 68% | 7% |
| Trans./Utils. | 90% | 5% |
| Information | 75% | 17% |
| Financial | 78% | 15% |
| Professional | 79% | 18% |
| Edu./Health | 83% | 30% |
| Leisure/Hosp. | 64% | 9% |
| Government | 100% | 25% |
| Other Srvcs | 64% | 10% |
| Not Answered | 67% | 0% |
| TOTAL | 75% | 24% |

Years in Business

Enrollment By Years In Business

| <u>Years</u> | <u>FT%Firms</u> | <u>PT%Firms</u> |
|--------------|-----------------|-----------------|
| <1 years | 75% | 0% |
| 1-5 years | 51% | 7% |
| 6-10 years | 59% | 6% |
| 10-15 years | 62% | 11% |
| 16-20 years | 75% | 8% |
| 20+ years | 83% | 18% |

Insurance by Location

Firms Offering Insurance

| <u>Location</u> | <u>FT%</u> | <u>PT%</u> |
|-----------------|------------|------------|
| State | 77% | 19% |
| Sioux Falls | 84% | 19% |
| Rapid City | 84% | 18% |
| Aberdeen | 79% | 19% |
| Brookings | 71% | 33% |
| Huron | 77% | 0% |
| Mitchell | 80% | 31% |
| Pierre | 92% | 20% |
| Spearfish | 100% | 25% |
| Vermillion | 73% | 20% |
| Watertown | 76% | 15% |
| Yankton | 63% | 17% |
| Rest of State | 70% | 19% |

Employees Enrolled

| <u>Location</u> | <u>FT%</u> | <u>PT%</u> |
|-----------------|------------|------------|
| State | 75% | 24% |
| Sioux Falls | 74% | 29% |
| Rapid City | 85% | 20% |
| Aberdeen | 80% | 7% |
| Brookings | 61% | 19% |
| Huron | 73% | 0% |
| Mitchell | 85% | 9% |
| Pierre | 89% | 5% |
| Spearfish | 73% | 4% |
| Vermillion | 81% | 11% |
| Watertown | 72% | 8% |
| Yankton | 62% | 11% |
| Rest of State | 70% | 15% |

Premiums

% Premium Paid By Employer

| | <u>FT%</u> | <u>PT%</u> |
|--------|------------|------------|
| Mean | 66% | 51% |
| Median | 75% | 50% |

Premiums Paid with Pre-Tax Contributions

| | <u>FT%</u> | <u>PT%</u> |
|-----------|------------|------------|
| Yes | 48% | 13% |
| No | 39% | 66% |
| No Answer | 13% | 21% |

Insurance for Retirees

| | <u>FT%</u> | <u>PT%</u> |
|-----------------------|------------|------------|
| Insurance Offered | 11% | 4% |
| Insurance NOT Offered | 71% | 81% |
| No Answer | 18% | 15% |

For Firms Offering Insurance

Reasons For Offering Insurance

(check all that apply)

| | |
|---------------------------------|-----|
| Attract & Retain Employees | 85% |
| Employees Want Or Expect | 67% |
| Ensure Employees Remain Healthy | 65% |
| Boost Employee Morale | 53% |
| Good Corporate Citizen | 53% |
| Cover Business Owner | 36% |
| Increase Employee Productivity | 32% |
| Tax Benefits | 26% |
| Other | 7% |

Cost Control Used – Last 3 Years

(check all that apply)

| | |
|----------------------------------|-----|
| Increased Deductible | 57% |
| Switched Insurance Companies | 25% |
| Increased Employees Contribution | 22% |
| Instituted Wellness Program | 14% |
| Lowered Co-Pay | 14% |
| Added Health Savings Account | 11% |
| Reduced Benefits | 11% |
| Switched To HMO or PPO | 6% |
| Dropped Coverage | 6% |

For Firms Not Offering Insurance

Reasons For NOT Offering Insurance (check all that apply)

| | |
|--------------------------------------|-----|
| Too Expensive | 61% |
| Not Enough Participation or Interest | 21% |
| Not Needed to Attract Workers | 17% |
| Other | 17% |
| Administrative/Paperwork Cost | 7% |

Past & Future Coverage

YES

Have you offered insurance
in the past?

14%

Do you plan to offer insurance
in the future?

15%

Would Consider Offering Insurance

And would be willing to contribute
to employee premiums... 32%

How much would you be
willing to contribute... 57% or \$59

Would Consider Offering Insurance

If:

Administrative Help Available 15%

Less Contribution by Employer 28%

Plan Subsidies Available 40%

Conclusions

10 CONCLUSIONS

1. Approximately 77% of firms offer insurance to FT employees.
2. Approximately 75% of employees are insured.
3. All firms with more than 100 employees offer insurance.

10 CONCLUSIONS

4. Firms pay about 66% of premiums.
5. Few firms offer retiree insurance.
6. Main reason for offering is to attract & retain employees. Expected by employees next.

10 CONCLUSIONS

7. Too expensive main reason for not offering.
8. Raising deductible main cost control.
9. Only small number of firms not offering insurance plan to in future.
10. Subsidies or administrative help would not persuade many firms to offer insurance.

The End
