

# County Health Benefits 2014

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## Executive Summary

County governments not only provide vital health services to residents, but also serve as major public employers offering health benefits to their employees, dependents and retirees. Two surveys in April 2009 and March 2014 of the same sample of counties provide valuable insights and data on county employee health benefits coverage, changes and current challenges. An analysis of these survey results reveals:

**1 – County health benefit eligibility for employees and dependents and county spending on health insurance increased significantly over the last five years.** In 2014, an estimated 2.5 million county employees — out of 3.5 million full-time and part-time county workers — and nearly 2.4 million of their dependents are enrolled in health plans offered by county governments. For health insurance premiums alone, counties spend an estimated \$20 billion to \$24 billion annually. Between 2009 and 2014, average monthly premiums for county health plans increased by 20 percent. Full-time employees are eligible for county health benefits in almost all counties and 80 percent of counties offer health coverage for all employee dependents. Between 2009 and 2014, the share of responding counties offering health coverage to all of their part-time employees doubled (from 8 to 16 percent).

**2 – Counties are making plan changes and reducing costs.** One third of counties reported shopping for a new plan in 2013. Cutting costs was the most common reason cited by counties that changed their offerings (31 percent). Counties are also working with their employees to contain health care costs, by continuing to share premium costs or increasing the deductible amounts, copayments and/or out-of-pocket limits. Between 2009 and 2014, the shares of employee contributions to health insurance premiums stayed relatively the same across plan types and coverage levels. The average deductible across all plans increased by 49 percent for single coverage and 67 percent for family coverage. Over the past five years, the average out-of-pocket maximums increased by an average of 59 percent across all plan types and coverage levels, but are still below the maximum amounts allowed by the Affordable Care Act (ACA).



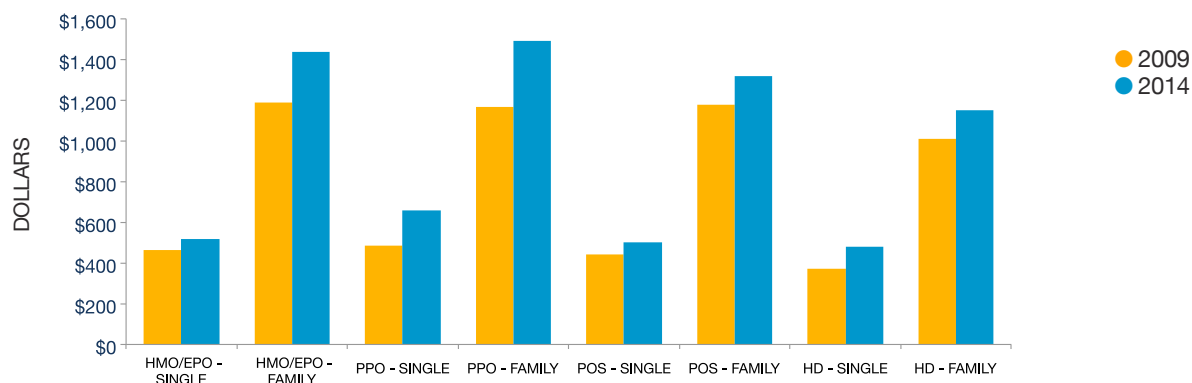
Counties provide extensive health coverage to their employees, dependents and retirees, and continue to balance expanding coverage eligibility with rising costs.

- Counties provide health benefits to an estimated 2.5 million county employees and nearly 2.4 million of their dependents.
- For health insurance premiums alone, counties spend an estimated \$20 billion to \$24 billion annually.
- The complexity of the ACA statute and compliance requirements was the most commonly cited barrier to the implementation of federal health care reform by responding counties.

For the full report, see [www.naco.org/healthbenefits](http://www.naco.org/healthbenefits).

The National Association of Counties (NACo) developed this research in partnership with the Carl Vinson Institute of Government (CVOIG) at the University of Georgia.

## AVERAGE TOTAL MONTHLY PREMIUMS OF HEALTH INSURANCE OFFERED BY COUNTIES, BY PLAN AND COVERAGE LEVEL, 2009 AND 2014



Note: The total monthly premiums include the employer and employee contributions. Both 2009 and 2014 surveys used the same sample of counties. All estimates of change are significant at 95 percent level, except for HD plans under family coverage and POS plans under both single and family coverage. The response rate for these items ranged from 54 percent to 81 percent in the 2009 survey and from 80 percent to 89 percent in the 2014 survey. The survey does not distinguish between grandfathered and non-grandfathered plans.

Sources: NACo/CVIOG surveys, 2009 and 2014

- 3 – Counties are still grappling with the effects of the Affordable Care Act (ACA) on the health benefits offered to their employees.** While 34 percent of responding counties mentioned increased costs because of ACA implementation, 35 percent of counties reported no ACA effects and 7 percent were not aware of any impact on their county, as of March 2014. The complexity of the ACA statute and compliance requirements was the most commonly cited barrier to the implementation of federal health care reform, as reported by 42 percent of responding counties.
- 4 – Most counties offer some type of wellness program, at a higher rate than in 2009.** A majority of counties (59 percent) offered one or more wellness programs in 2009. By 2014, the share of counties offering at least one wellness program rose to more than 80 percent. The most common wellness program among responding counties in 2014 was smoking cessation (60 percent) followed by weight loss programs (52 percent). Between 2009 and 2014, the share of counties offering any rewards to their employees for participation increased from 26 to 35 percent.
- 5 – Counties are more likely to offer retiree health benefits than other employers.** Sixty-eight (68) percent of counties offered health benefits to their retirees in 2014, more than the 2013 national average for employers with more than 200 employees (28 percent). Counties offer retiree health benefits at a higher rate than employers with more than 200 employees for both early retirement (97 percent compared to 90 percent) and after the age of 65 (72 percent compared to 67 percent). In 2014, 93 percent of responding counties offered their current employees health benefits upon retirement.

### FOR MORE INFORMATION, CONTACT

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