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Iowa Employer Health Insurance Premiums Increased 8.4% Annual Family Premium Now at \$17,450

DES MOINES, IA (September 4, 2018) Iowa employer health insurance premiums increased an average of 8.4 percent from 2017 to 2018, according to the *2018 Iowa Employer Benefits Study*[®], the 19th study conducted by [David P. Lind Benchmark](#) of Clive, an employee benefits research firm. The 8.4 percent increase is an average that factors in employers receiving no change, an increase or decrease in their premiums. During the similar period, wages for Iowans increased by 2.5% (source: Iowa Workforce Development). One-thousand-one Iowa employers participated in this year's survey.

The combined average annual premiums for all types of medical plans offered by Iowa employers (HMO, PPO, Traditional Indemnity and Consumer-Driven Health Plans) were \$6,874 (up 5.7% from 2016) for employee-only coverage and \$17,450 (up 10.8% from 2016) for employees who include family members. Since 1999, the year this study began, the single premium has increased by 233 percent while the family premium has increased by 217 percent. Prior to the 2018 survey, 2016 was the last year this survey was performed.

Other findings in the new survey include:

- Iowa employees are asked to contribute about \$113 monthly for employee-only coverage, a 21 percent increase from 2016 (\$93). Employees with family members are asked to pay \$438 a month, an 8.7 percent increase compared to 2016 (\$403). Over the course of 19 years (1999-2018), employee contributions have increased by 205 percent for single coverage and 147 percent for family coverage. In sharp contrast, the Iowa Workforce Development shows the average weekly wage (for all industries) earned in Iowa increased by 50.8 percent between 2001 and 2017. It is important to note that employers continue to pay about 80 percent of the total single-health premium and 70 percent of the family premium - similar to past study results.
- The average deductible that Iowa employees are required to pay in 2018 for single coverage (\$1,900) is \$273 higher when compared to the 2016 average (\$1,627), representing a 17 percent increase. The 2018 family deductible (\$3,899) is \$517 higher when compared to the 2016 deductible. Deductibles since 2004 for both single and family have risen by 236 percent and 229 percent, respectively.
- In the six years (2005-2010) prior to the passage of the Affordable Care Act (ACA) in 2010, family health premiums for Iowa employers have increased by almost 31 percent. From 2011-2018, family premiums have increased by 31 percent.

- From the 2011-2018 post-ACA period, contributions by employees with family coverage have increased by 18.4 percent, compared to 23.5 percent during the 2005-2010 period.
- The percentage change in family deductibles during the same pre-ACA period was 71 percent (from \$1,547 to \$2,644), compared to the family deductible increase of 22.6 percent during the post-ACA period.
- In 2018, 77 percent of all Iowa employers reported an increase to their health insurance premium, a similar finding compared to the previous two studies performed in Iowa.

As health insurance costs continue to rise, employers contain their health insurance costs by:

- Passing some or all of the increased costs to their employees (60 percent)
- Absorbing the entire cost increase (22 percent)
- Increasing deductibles (20 percent)
- Raising employees' out-of-pocket costs (12 percent)
- Increasing co-payments for office visits (10 percent)
- Changing insurance companies (6 percent)
- Offering Consumer-Driven Health Plans (7 percent)
- Increasing prescription drug co-payments (5 percent)
- Reducing pay raises or bonuses (2.5 percent)
- Beginning wellness program initiatives (2 percent)
- Hiring fewer new employees (1 percent)
- No longer providing health insurance coverage (0 percent)

“Premiums continue to increase for employers, causing additional cost-shifting to employees through two primary methods: 1) Increased employee contributions through payroll deduction, and 2) Greater employee responsibilities to pay for care through higher deductibles and other cost-sharing methods,” noted David P. Lind Benchmark President, David Lind. “Similar to prior results, medical costs in Iowa continue to outpace wages, crowding out the ability for employees and their families to save for retirement and/or make purchases of non-medical goods and services.”

The *2018 Iowa Employer Benefits Study*® was conducted during the spring and summer of 2018. Results are based on 1,001 responses from 5,152 randomly selected employers with two or more employees. For the overall sample, the results are accurate to within plus or minus 3.1 percent, at a 95 percent confidence level. Data Point Research, Inc., of Port Charlotte, FL, provided the statistical analysis and mathematical basis for the study.

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David P. Lind Benchmark (DPLB) is an independent, for-profit, and non-partisan employee benefits research firm located in Clive, Iowa. Since 1999, DPLB has provided scientifically-based research to assist private and public employers and policy makers in their decision making. The *Iowa Employer Benefits Study*® is a comprehensive, statistical review of Iowa employee benefits and healthcare that is conducted by David P. Lind Benchmark. Learn more about **David P. Lind Benchmark** at dplindbenchmark.com.

To access and download printable supporting slides, please visit: <https://dplindbenchmark.com/iowa-employer-health-insurance-premiums-increased-8-point-4-percent/>

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