



October 24, 2006

The 2005 Employer Health Insurance Survey Report confirms what RI employees and employers have been feeling: increases to health insurance premiums have become difficult to bear, especially in the small group market (employers with 50 or fewer employees).

Faced with annual double digit premium increases, small employers are being forced to decide between increasing cost sharing with employees, dropping health benefits altogether, or taking a hit to core business performance. Employees are forced to decide between the risks of going uninsured or sharing in the rising costs.

The results of our survey confirm national data showing that the costs to business of providing health insurance to their employees are continuing to escalate. Some of the key findings include:

- **Health insurance premiums in Rhode Island are above the national average.**
In Rhode Island, the average monthly premium for individual coverage is \$398 as compared to \$335 nationally.
- **Fewer employers are offering health coverage.**
In 2005, only 74% of employers offered coverage as compared to 79% in 1999.
- **Employers are requiring employees to pay a larger percentage of health care premiums.**
In 2005, only 38% of employers paid the full premium for individual coverage compared to 61% in 1999.
- **Fewer employees are enrolling in health coverage when it is offered.**
In 2005, only 69% of full-time eligible employees enrolled in coverage as compared to 80% in 1999.

The results of this survey serve to inform policy makers, employers and other stakeholders as we struggle with the challenges of rising medical costs and insurance premiums. If you would like more information about addressing the rising costs of health insurance and policy initiatives in Rhode Island to address them, please contact our office by phone at 401.222.5424 or by email at HealthInsuranceInquiry@ohic.ri.gov.

Christopher F. Koller, Health Insurance Commissioner
State of Rhode Island