



## NBPA STREAMLINES ITS OPERATIONS

NBPA is streamlining its operations. As a result, NBPA is moving services provided by its Minneapolis office to its Fargo office. Other than discontinuing our COBRA services, it is business as usual at NBPA.

Here is a list of contacts to help you with the transition.

- **Customer Service.** Employees can call 800-554-3951 or [bpacs@noridian.com](mailto:bpacs@noridian.com) for claim inquiries and benefit information or visit [www.mynbpa.com](http://www.mynbpa.com).
- **Employer Services.** For day-to-day service questions, contact Anita Koehn at 800-340-6881 or e-mail [anita.koehn@noridian.com](mailto:anita.koehn@noridian.com).
- **Eligibility Department.** For enrollment questions, billing inquiries and prescription questions, contact Donni Luecke at 800-554-3951 prompt 4 or [nbpaenrollment@noridian.com](mailto:nbpaenrollment@noridian.com).
- **Document Support.** For brochures, marketing materials and forms, contact Anita Koehn at 800-340-6881 or [anita.koehn@noridian.com](mailto:anita.koehn@noridian.com).
- **Plan Support.** For implementation, contracts, plan changes, escalated service issues and report requests, contact Val Schwartz at 800-554-3951 prompt 4 or [valerie.schwartz@noridian.com](mailto:valerie.schwartz@noridian.com).
- **Broker Support.** For renewals and marketing, contact Anita Koehn at 800-340-6881 or [anita.koehn@noridian.com](mailto:anita.koehn@noridian.com).

Our mailing address and fax number are:

Noridian Benefit Plan Administrators  
PO Box 2339  
Fargo, ND 58108  
Fax: 701-237-0626

## EMPLOYEES STRUGGLE WITH AFFORDABILITY GAP

Employees are facing an affordability gap as rising health care costs continue to outpace inflation and pay increases, according to a survey of employees conducted by Towers Watson. Stressed employees are not as satisfied with their health plans.

According to the survey, 72 percent of employees said their employers asked them to contribute more to their health benefits. Employers' annual health care costs are expected to rise to an average of \$10,730 in 2011.

Survey findings include:

- Almost two-thirds of employees are satisfied with their health care plans, down from 69 percent in 2007.
- 45 percent are satisfied with the cost of their health care plan, down from 53 percent in 2007.
- One-fourth of employees believe they are more stressed as a result of health care spending.

Employees are worried they may be asked to pay higher premiums, deductibles and copays. Many employees have become risk-averse, and 30 percent of employees would rather pay more out of their paychecks today for predictable health costs tomorrow.

This chart indicates steps employees have taken to reduce health care costs from 2007-2010.

STEPS EMPLOYEES HAVE TAKEN TO REDUCE HEALTH CARE COSTS			
	2007	2008	2010
TRIED TO TAKE BETTER CARE OF MYSELF	61%	66%	57%
WENT TO THE DOCTOR ONLY FOR MORE SERIOUS CONDITIONS OR SYMPTOMS	35	40	33
DELAYED GOING TO THE DOCTOR	24	32	26
SAVED ADDITIONAL MONEY IN AN ACCOUNT THAT CAN ONLY BE USED FOR MEDICAL EXPENSES	15	20	20
SKIPPED RECOMMENDED DOCTOR VISITS	-	17	15
USED PROGRAMS OFFERED BY MY COMPANY THAT HELP ME DO THINGS LIKE LOSE WEIGHT, STOP SMOKING, ETC.	-	16	15
DID NOT FILL OR SKIPPED DOSES OF PRESCRIBED MEDICATION	13	17	14
TALKED TO THE DOCTOR MORE CAREFULLY ABOUT AFFORDABLE TREATMENT OPTIONS	9	14	11
LOOKED FOR LESS EXPENSIVE HEALTH CARE PROVIDERS	4	8	7
NEGOTIATED A LOWER PRICE WITH THE DOCTOR	1	2	3
NONE OF THESE	14	14	21

Source: Towers Watson, November 2010

## SEGAL SURVEY REVEALS TREND

Most benefit plan cost trend rates for 2011 will remain unchanged from 2010, according to the Segal Health Plan Cost Trend Survey. Segal defines trends as “a forecast of per capita claims that takes into account various factors, such as price inflation, utilization, government-mandated benefits, and new treatments, therapies and technology.”

According to Segal, “although there is usually a high correlation between a trend rate and the actual cost increase assessed by a carrier, trend and the net annual change in plan costs are not the same. Changes in the costs to plan sponsors can be significantly different from projected claims cost trends, reflecting such diverse factors as group demographics, changes in plan design and participant contributions.”

The survey found:

- Cost trends for all 2011 medical plan types will likely be eight times more than the consumer price index for all urban consumers. This is consistent with previous years’ findings.
- Project trend rates for Preferred Provider Organizations and Point-Of-Service will vary by region. The Midwest will have the lowest trend rate of 9.8 percent compared with the Northeast and West’s 11.2 percent.
- Cost trends for High-Deductible Health Plans will likely be lower in 2011 than in 2010.
- Prescription drug trends (for both retail and mail order) will likely be at 9.2 percent for active participants and early retirees. This is consistent with the past three-year trend of less than 10 percent.
- Overall, the biggest cost trend factor is price inflation for inpatient hospital stays.

Employers who sponsor health plans will continue to grapple with offering health plans that their employees can afford—especially in industries affected most by the recession. Despite trend forecasts that health plan costs will be similar to current levels, there is little good news for employees. Health costs will outpace inflation and pay increases.

Many employers can’t increase employee cost-sharing amounts. As a result, Segal reported employers will try to manage costs through wellness, care management, value-based designs, data mining and deeply discounted provider networks.

## 2010 HEALTH CONFIDENCE SURVEY RESULTS

Higher health care costs have affected 54 percent of Americans with health insurance, according to the Employee Benefit Research Institute. Consequently, many employees are changing how they use health care: 80 percent report they are trying to take better care of themselves and 73 percent request generic drugs more often.

This chart shows the changes in how employees have used health care from 2004-2010.

CHANGES IN HEALTH CARE USAGE RESULTING FROM COST INCREASES, AMONG THOSE EXPERIENCING INCREASE IN COSTS							
	2004	2005	2006	2007	2008	2009	2010
TRY TO TAKE BETTER CARE OF YOURSELF	74%	71%	80%	81%	76%	79%	80%
CHOOSE GENERIC DRUGS WHEN AVAILABLE	81	79	82	78	74	77	73
TALK TO THE DOCTOR MORE CAREFULLY ABOUT TREATMENT OPTIONS AND COST	58	57	57	66	63	67	69
GO TO THE DOCTOR ONLY FOR MORE SERIOUS CONDITIONS OR SYMPTOMS	57	54	56	64	62	64	58
DELAY GOING TO THE DOCTOR	45	40	44	50	47	46	44
SWITCH TO OVER-THE-COUNTER DRUGS	40	33	36	42	39	38	36
LOOK FOR CHEAPER HEALTH INSURANCE	26	28	26	29	33	29	33
LOOK FOR LESS EXPENSIVE HEALTH CARE PROVIDERS	28	27	26	33	33	29	34
NOT FILL OR SKIP DOSES OF YOUR PRESCRIBED MEDICATION	NA	21	22	28	20	25	25

Source: Employee Benefit Research Institute, Notes, September 2010