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New Survey Reveals Employers' Plans, Preferences and Challenges Related to Private and Public Health Insurance Exchanges

45% of employers considering health insurance exchanges for health care benefits delivery; exchange features, and objective and credible sources important

NEW YORK – December 12, 2013 – Private health insurance exchanges are one health benefit option employers are considering to reduce their costs and administrative burdens, while increasing choice and access to coverage. According to a national survey of 723 employers, 45% said they plan to consider or will be using a private exchange for their full-time active employees before 2018, although the path they will take is far from clear. The [study](#), by the [Private Exchange Evaluation Collaborative](#) (PEEC), was conducted to help employers better understand what their peers are thinking about private health insurance exchanges, timelines for consideration, and critical features and challenges.

PEEC was recently launched by four leading non-profit business coalitions – Employers Health Coalition, Inc. (Ohio), Midwest Business Group on Health, Northeast Business Group on Health, and the Pacific Business Group on Health – and PwC US, the assurance, tax and advisory services firm, (not an exchange provider) to solicit and provide unbiased, comparative information and support on private exchange strategies, and purchasing decisions.

“Private exchanges have the opportunity to gain traction over the next five years as an alternative to traditional employer sponsored benefit options,” said Christopher Goff, CEO & General Counsel, Employers Health Coalition. “However, many of the firms that have served as ‘trusted advisors’ to employers for benefits strategy and vendor evaluations are now vendors themselves; providing private exchange solutions to employers. “We’ve established the Collaborative to serve as an independent, unbiased party to assess the market place and evaluate private exchange capabilities to meet employer needs and objectives and the findings in this survey will help us accomplish these goals.”

Key survey findings:

- If employers are permitted to contribute towards employees’ coverage on the public exchange/marketplace in 2017/2018, 58% would consider encouraging their employees to obtain coverage through the exchange
- Employers are seeking comprehensive capabilities and services from private exchanges
- Close to 70% of employers believe it is very important that their advisor is independent of any exchange they are considering
- Only 25% think moving to a private exchange will save them money

- The greatest barriers to private exchange adoption relate to their immaturity, the uncertainty about their long term stability and employer’s loss of flexibility, especially as it relates to tailoring benefit plan designs
- Interest in private exchanges extends across all industry segments and employer size, while the importance of exchange features varies between employers
- Employers are split on whether they will move to a defined contribution approach

Survey details

The online survey of employers’ views on health insurance exchanges was conducted in November 2013. There were 723 respondents from a variety of industries representing self-insured and fully-insured employers. The employers ranged in size from small- (33% with fewer than 500 employees), to mid-sized (26% with 500 to 2,499 employees), to large (20% with 2,500 to 9,999 employees), to jumbo (21% with 10,000 or more employees).

“The survey results indicate a strong interest in private exchanges, but also uncertainty about the benefits,” said Laurel Pickering, President & CEO, Northeast Business Group on Health. “PEEC will assist employers with their review of private exchanges, help them navigate the complexities, and determine the value proposition.”

Next up – Private Exchange RFI

The survey results will help develop the baseline for information collected in the PEEC Request for Information (RFI). This tool will collect market intelligence about the leading providers of private health exchanges, resulting in detailed information on their financial models, product offerings, technology, business process capabilities, administrative burden, employee support and more. This market intelligence will help the Collaborative support employers in monitoring the evolution of the private exchange marketplace and determining those most likely aligned with an organization's needs and values.

About the Private Exchange Evaluation Collaborative (PEEC)

The [Private Exchange Evaluation Collaborative](#) (PEEC) is an initiative launched by four leading nonprofit business coalitions, [Employers Health Coalition, Inc.](#) (Ohio), [Midwest Business Group on Health](#), [Northeast Business Group on Health](#), and the [Pacific Business Group on Health](#) – all independent coalitions representing employer health care interests –and [PwC](#) (not an exchange provider) to solicit and provide unbiased, comparative information and support on private exchange strategies and purchasing decisions.

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