

Iowa health insurance premiums rise moderately

Health insurance premium increases for Iowa employers moved further into single-digit territory this year, according to a new study released today by employee benefits research firm David P. Lind Benchmark.

The 2014 Iowa Employer Benefits Study found that health premiums increased an average of 6.8 percent from 2013 to 2014, Lind said in [a release](#). By comparison, the average increase a year ago in the study was 9 percent.

Fifty-eight percent of the 1,002 Iowa companies that responded to the survey said they passed some or all of the cost increases along to employees, while 26 percent said their company absorbed the entire cost increase. Fifteen percent of employers said they raised out-of-pocket costs for their workers, and 11 percent said they changed insurance companies.

The Iowa study reports a higher percentage premium increase than a [national study](#), released Wednesday by the Kaiser Family Foundation/Health Research & Educational Trust, which found that health premiums nationally increased an average of 3 percent to \$16,834 for family coverage. However, in Iowa, the average annual premium for all types of medical plans offered by Iowa employers for family coverage - \$14,981 in the Lind study - is significantly lower than the national average.

In Iowa, fewer than 1 percent of Iowa employers reported dropping health insurance coverage this past year, Lind's survey found. That trend has been consistent throughout the study's 16-year history, Lind said.

In this year's study, 81 percent of employers reported offering health coverage, an increase from 77 percent the prior year. Lind said the most apparent reason for the increase is that employers with fewer than 20 workers reported a higher offering of health insurance.

"Despite the challenging cost issues along with the continued uncertainty of the Affordable Care Act, Iowa employers appear resolute about continuing to offer health insurance coverage to their workforce for the foreseeable future," Lind said.

Preliminary results of a separate [national study](#) released today by Mercer LLC forecasts that per-employee health benefits costs will rise by 3.9 percent on average in 2015.

Cost growth slowed to 2.1 percent in 2013, a 15-year low, but appears to be edging back up, Mercer said in a release.

Under the health care overhaul, a significant number of employer health plan sponsors - 22 percent - are likely to see enrollment grow next year when they are required to open their plans to all employees working 30 or more hours per week, according to Mercer.

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