

NEWS RELEASE

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SURVEY SHOWS HOSPITALS UNDER PRESSURE WITH PPACA BUT STILL OFFERING RICH MEDICAL AND PRESCRIPTION PLANS

New York, NY, July 30, 2014 - The Ninth Annual Cammack Health Benefit Survey of Hospitals in a five-state region showed a 3.6% overall per employee per year cost increase, one of the lowest increases in the past few years. However, the survey found many hospital benefit teams are frustrated by the complexities of the PPACA employer mandate, which requires all large employers to offer affordable and valuable health coverage to all employees who work 30 or more hours per week.

According to Mary Clark, Practice Leader at Cammack Health LLC, "Overall, hospitals continue to offer richer benefit plans than the average for-profit employer, but as costs increase, partly because of federally mandated changes, these benefits are under increasing pressure to change."

Seventy-two percent of the hospitals surveyed in New York, New Jersey, Connecticut, Pennsylvania and Delaware already offer coverage to employees who work hours falling below the mandated minimum. Many hospitals that were surveyed are concerned that employees not officially classified as full-time may exceed the hours requirements and inadvertently fall into an eligible status. The PPACA also had an impact on plan design, imposing out-of-pocket maximums for the first time on most plans.

Other key survey findings include:

- Approximately one third of respondents are aggressively moving to an accountable care model, but there is no single roadmap for adoption.
- Eighty-three percent of participants report offering part-time employees medical and prescription coverage.
- An emerging trend related to urgent care facilities was noted in the survey, with half of plans reporting implementation of separate copays for these services.

- Office visit copays increased in 2014, creating a more significant difference between PCP and specialty copays.

Another emerging trend is implementing 100% coinsurance for non-formulary prescriptions, and creating a separate specialty drug tier. In spite of various cost-mitigating strategies related to prescription drug spending, the imposition of PPACA's new out-of-pocket maximum requirement for non-grandfathered groups means that employers will be responsible for the vast majority of increased prescription drug spending.

The overall 2014 survey participation increased by 50% from last year and expanded the reach and scope within the five-state survey region.

"We have definitely noticed a trend with our own hospital clients of leveraging internal resources to impact health outcomes in a positive way," said Frank Lonardo, Partner at Cammack Health. "We see this trend growing over time as hospitals take on more risk for managing the health of the community."

For additional survey information, please contact Christine Fitzgerald at 646.839.8266 or cfitzgerald@cammackhealth.com. To submit a request for highlights from the survey, please visit cammackhealth.com/survey.

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About Cammack Health

Cammack Health provides employee benefits and healthcare consulting services to hospital and corporate clients. It is the only firm in the region specializing in hospital benefits consulting.

Cammack Health has a broad and deep experience in building and implementing successful strategies for health systems, health plans, employers, and others who are "at risk" for the cost of health care, serving clients nationwide with a concentration along the East Coast. Core strengths include the partnerships we maintain with clients and a knowledgeable and practical management team with a 98% client retention rate.

The company is dedicated to providing an extraordinary level of customer service through best-in-class programs, technology solutions, and innovative problem solving to create value for our clients and their organizations. Clients look to Cammack Health for expert plan and program design, seamless implementation, and ongoing support and service.

Cammack Health mobilizes organizations to establish, deploy, and continuously improve the successful community/population healthcare model, and is known for turning data to insight and insight to action.

The leadership team frequently speaks at important industry events, including Northeast Business Group on Health (NEBGH), Healthcare Financial Management Association (HFMA), and The American Society for Healthcare Human Resources Administration (ASHHRA). Connect with us at cammackhealth.com.