

# Survey Reveals Employer Attitudes Regarding Private Exchanges

The *5th Annual Employer Survey on Private Exchanges* indicates exchanges appear to be gaining some traction with post-65 retiree groups, but aren't driving change when it comes to active employees.

Conducted by the Chelko Consulting Group, in cooperation with the Worldwide Employee Benefits Network (WEB), the annual survey tracks employer attitudes pertaining to the viability of private exchanges as a healthcare coverage strategy for active and retired employee groups.

## Staying the Course with Employees

With 74% of employers not interested in using an exchange as a solution for delivering benefits to their active employees, it appears this once heavily touted option lacks any real forward momentum.

In fact, less than one percent of respondents were currently using an exchange for active employees.

## Signs of Life Among Retirees

Over half of employers believe private exchanges have a future for providing coverage to retirees. Only 55% of responding organizations provide retiree medical benefits.

But among those organizations that do provide retiree coverage, exchanges seem to be a popular solution — especially for Medicare-eligibles — with one out of four currently opting for an exchange to cover this segment and another 42% considering the option.

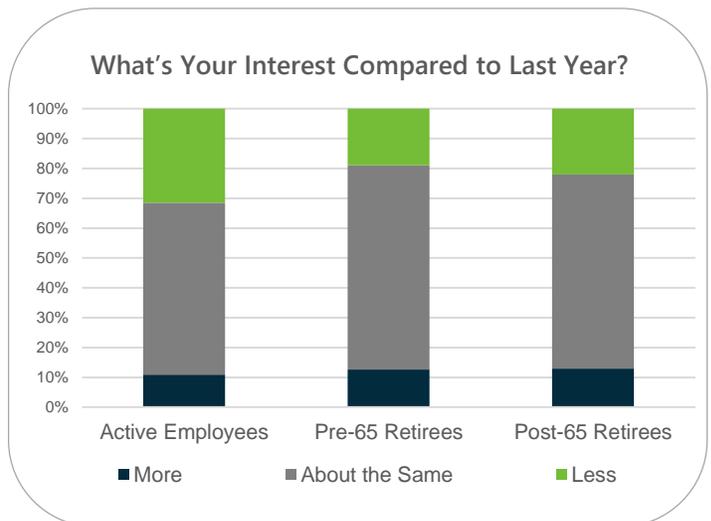
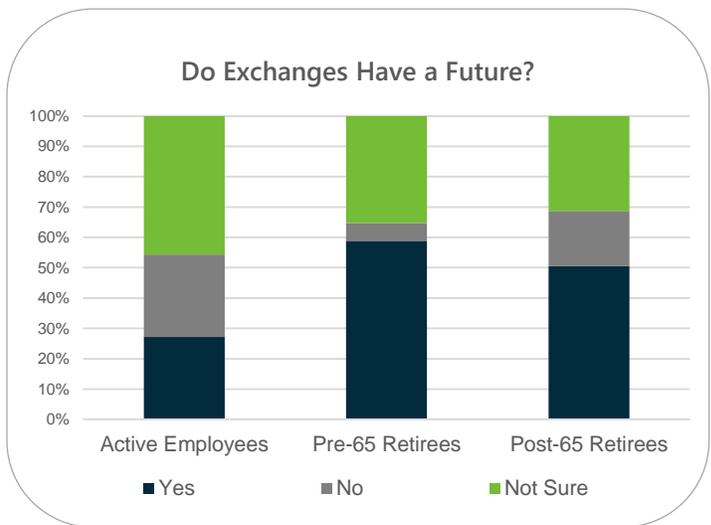
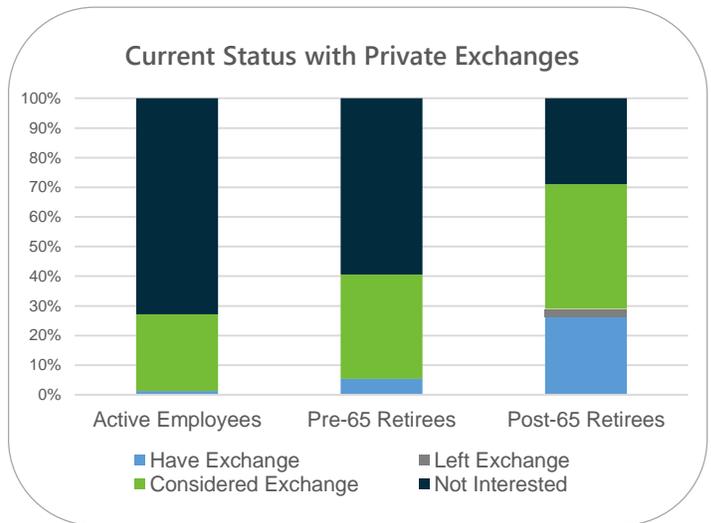
Things are moving more slowly with respect to pre-65 retirees, as only 5% of employers currently use an exchange for this group and only 35% are considering the option.

## On the Fence

At the end of the day, many employers are still unsure regarding the future of private exchanges for their active employees and retirees.

The majority of respondents reported no change in their level of interest pertaining to private exchanges when compared to a year ago. Approximately three times as many are "less interested" as compared to those who are "more interested" when it comes to their active employees.

Also, about 50% more employers indicated they were "less interested" than before when it came to exchanges for their retirees.



## The Driving Force

Not surprisingly, the primary motivation — by far — to use a private exchange for active employees is lower cost. For retirees, companies were much more motivated by increasing coverage options, improving member experience, and reducing administrative burden.

## What's Next?

For the time being, it appears the attractiveness of private exchanges as a viable solution for employers will remain an unanswered question for mindful benefits professionals looking to keep pace with an evolving marketplace.

