Testimony of Tom Secor

President

Durable Corporation

On behalf of the National Small Business Association

House Small Business Committee

“Reimagining the Health Care Marketplace for America’s Small Businesses"

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1156 15th Street, N.W., Suite 502
Washington, DC 20005
202-293-8830
www.nsba.biz

Good Morning. Chairman Chabot, Ranking Member Velázquez and members of the House Small Business Committee, I want to thank you for the opportunity to address this body in reference to the current conditions that small businesses are facing since the passage of the Patient Protection and Affordable Care Act (ACA), and offer some solutions as Congress works to improve the law.

My name is Thomas E. Secor and I am the President of Durable Corporation, a small manufacturer and master distributor located in Norwalk, Ohio. Durable started in 1923, in Seattle, Washington, with the patented invention of the tire-link mat. A mat of small blocks woven onto wires to be used as an entrance mat or what was one of the first anti-fatigue mats. The blocks were made from used bias-ply tires (as opposed to steel-belted tires). We still make these mats today along with a number of other products utilizing components from used bias-ply tires, of which the primary product today is loading dock bumpers.

Durable opened a facility in Norwalk in 1941 and today it is the only facility in operation. We currently employ 37 individuals with an average tenure of 17.3 years. We operate one shift of production (4 – 10 hour days) and office (5 – 8 hour days). We currently offer a Medical Mutual health insurance product.

At Durable we do not produce the lowest cost products but we do produce a consistent high quality product and strive to provide exceptional customer service. The only way this happens is with a quality workforce that is dedicated to this mission. I can attest that these kind of hard-working, committed Americans do exist, as I get the pleasure to work with 36 of them every week.

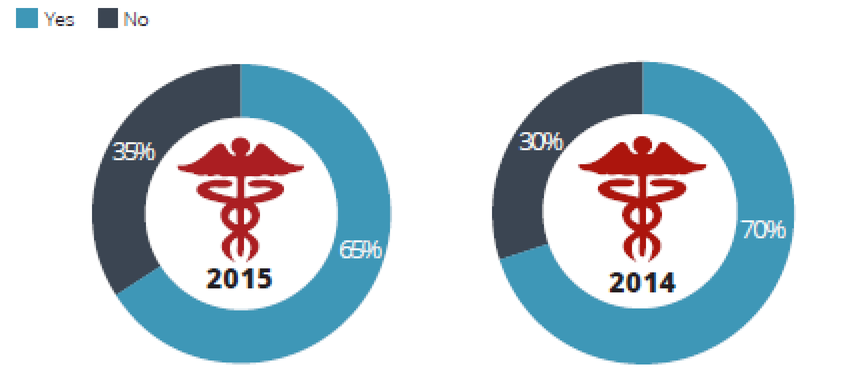
I am pleased to be here also representing the National Small Business Association (NSBA), where I currently serve as a Board of Trustees member and Vice Chair of Membership. NSBA is the nation's oldest small-business advocacy organization, with over 65,000 members representing every sector and industry of the U.S. economy. NSBA is a staunchly nonpartisan organization devoted solely to representing the interests of the small businesses which provide almost half of private sector jobs to the economy.

Health care is certainly one of the most vexing problems facing small businesses, the enormous costs and ongoing uncertainty surrounding our health insurance system is a major cause for concern. Although NSBA's members operate a wide variety of businesses, they all consistently rank health care reform and cost containment as one of our highest priorities. As a business operator, I am deeply troubled by the ongoing difficulties our health care system creates for my fellow small-business owners and their employees, and by the fact that the most recent national effort to reform the health care system has done very little to address the costs we, as small-business owners face.

Fewer and fewer small businesses, especially those with fewer than 50 employees, offer health insurance as an employee benefit. This is not because they do not want to, or cannot find an insurance carrier in their market; it is because they simply cannot afford to offer a plan.

According to the NSBA's 2015 Health Care Survey, offering health insurance as an employee benefit is something the majority of small businesses think is very important in terms of recruiting and retaining good employees, yet fewer firms reported they offered some kind of health-related benefit than in 2014.

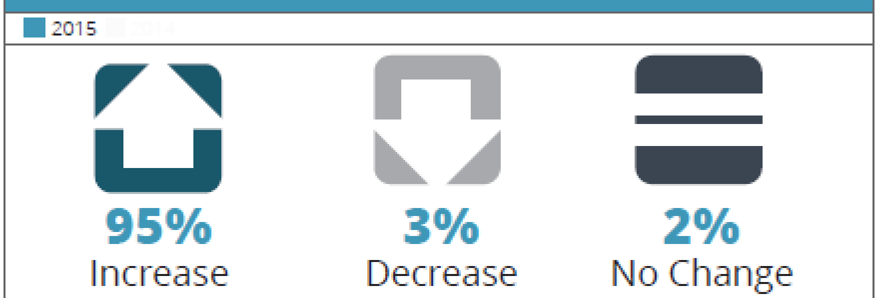
Do you offer any health-related benefits to your employees?



NUMBER OF EMPLOYEES	YES 2015	YES 2014
0-5 employees	41%	46%
6-9 employees	76%	75%
10-20 employees	73%	86%
20-49 employees	89%	91%
50+ employees	93%	94%

America's small businesses continue to face huge health care cost increases and struggle to navigate significant confusion and complexity with the new health care system. NSBA's survey found that when it comes to the ACA, the average time it takes per month for small businesses to stay abreast of all the changes to health care is 13 hours per month – that is nearly four work weeks every year. One-in-four small firms are purposefully not growing as a result of the ACA. It is important to note that the challenge with the cost of coverage is not restricted to employers alone. Individuals seeking coverage on their own, through the public exchanges (marketplaces) face the same issue.

How did your average per-employee health insurance costs change over the last five years ?



In the NSBA survey, 90 percent reported increases in their health plan premiums at their most recent renewal, while 95 percent reported increased health insurance costs over the past five years. In fact, one-in-five small firms report premium increases exceeding 20 percent at their most recent renewal. Over the last five years, 69 percent report increases exceeding 20 percent.

The majority of small firms expect to continue seeing cost increases in the coming years and cost continues to be the number one factor in determining whether or not a small firm is able to offer its employees' health insurance. It is not only the direct cost that both large and small businesses and individuals must bear, but indirect costs as well, including the cost of compliance. Complexity and uncertainty give rise to a system that inappropriately overshadows and often stifles the ability of business owners and individuals to succeed, innovate, and pursue entrepreneurship.

Experience of Durable Corporation

In the fall of 2013, Durable was contacted by our health insurance agent who explained if we renewed our current plan on Dec. 1, 2013, we would have continuous coverage until Nov. 30, 2014, before we would have to try to figure out what we would have to do regarding ACA. So we decided to go with this option, causing less disruption in coverage for our employees—we were not alone in doing an early renewal. According to NSBA data, nearly half of small businesses in mid- to late-2013 either had done, or were considering an early renewal for the same reasons Durable did. Then in October 2014, we began exploring what our options would be after our current plan ended. While we had hoped by that time there would be some clarity and direction in the small-business market, it still did not exist and as we examined our options what became more and more apparent was that if we did find a product it was going to be far more expensive and provide far less coverage than what we were currently providing to our employees.

We tend to be an easy target since, unlike big corporations which have large staffs of accountants, benefits coordinators, attorneys, personnel administrators, etc. at their disposal, small businesses often are at a loss to keep up with, implement, afford, or even understand the overwhelming regulatory and paperwork demands of the federal government and in this case, the ACA.

Given the estimated substantial increase in cost to provide an ACA-approved product and the regulatory uncertainty, I made the hard decision that we had no other choice but to discontinue our health care benefits. Unfortunately, I am not alone in facing this type of dire situation. Since 2009 (the first time NSBA conducted a health care survey), the average per-employee health premium reported in their survey has increased by 90 percent. During this same period, growth and profits have been stagnant. It is little wonder that small-business owners are focused on this cost center, openly wondering whether the current regime is a system they can continue to afford, and increasingly worried that ACA will only add to their miseries.

As a result, I held a number of meetings with our employees, all of whom were sympathetic to the situation the company had been put in but extremely anxious as to what they were going to do. I contacted our health insurance agent and asked if she would come in and spend a couple of days talking to each of our employees individually to assist them in explaining their options. After the two days of meetings, it was determined that only two employees were going to receive any government assistance and the rest would have to purchase a health insurance product in the individual market at significant cost increases with greatly diminished coverage. This was a very trying time for everyone.

Then, at the last minute, I was informed that the Obama administration had decided that we could delay movement to an ACA-approved plan and keep offering our current Medical Mutual plan for an additional year since the small-business market that was envisioned in the legislation had not yet fully materialized. And each year thereafter we have anxiously waited for another extension, since the small-group market remains extremely costly for my business and therefore, for now, we have been allowed to continue offering our Medical Mutual plan.

So what really has happened to working Americans, at least at Durable?

I have attached a two page Health Insurance Annual Summary for the years 2013 through 2017 (see p. 11). The first page of the summary details the plan summary for both plans we offer. We call one a Traditional Plan, which has office co-pays, prescription drug card and has an 80 percent / 20 percent co-insurance after the deductible until the maximum out-of-pocket is met; and the other is a Health Savings Account (HSA) Plan with a high deductible which does not have the office co-pay or prescription drug card, but does provide prescriptions at negotiated rates, allow for pre-tax health-care savings and provides 100 percent insurance coverage after the deductible is met.

The second page displays the employees selecting coverage, the actual costs and who is paying them, the tenure of our employees and their average hourly wage. This page sheds some light on what is actually happening.

From 2013 through 2017, the company has paid 70 percent or more of the cost of coverage. The actual average total cost per employee of coverage has increased by a total of 51.7 percent while the actual annual total cost of coverage has increased by 41.2 percent. This 10 percent difference is due to employees changing the coverage selections (i.e. dropping children or spouses) and declining coverage altogether. Most of the employees in 2013, 2014 and 2015 that declined coverage had insurance through their spouse. The newer employees that are declining coverage have indicated to me that the reason is because it is just too expensive.

During this same period our average tenure began to decline, especially in the past two years, as some of our older employees began to retire. We had five employees retire by the end of 2015 which caused the dramatic decline in tenure. These higher wage retiring employees were also replaced by lower wage new hires which affected the 7.4 percent wage increase—essentially keeping the wages stagnant even though workers were receiving wage increases—over this period.

Given our philosophy of not trying to find the cheapest employees but rather requiring a quality individual dedicated to our mission, this wage will rebound in the next three to five years. Unfortunately, our wage increases simply are not enough to match the increase in the employees' health insurance costs.

These newer, younger and relatively healthier employees are just not willing to pay these prices for coverage. While the result is actually a short term cost savings for Durable, I really question what the long term ramifications of this will be.

This continuous lack of knowing and never-ending cost increases is not sustainable. Our employees, who get up and go to work every day deserve better. Deserve more certainty. Deserve more consideration. Deserve to have access to affordable health insurance and high quality health care services.

It is important to remember, these costs have real-world implications: the NSBA survey shows that one-third of small businesses held off on hiring a new employee and more than half say they held off on salary increases for employees as a direct result of high insurance costs. Of course, these employment decisions are both a reflection of current costs and a window into uncertainty about what the future may hold, both for the economy and the health care system.

NSBA Recommendations

NSBA is focused on reform efforts to fix some of the issues most burdensome to small businesses. Understanding that the ACA, as passed, was primarily about expanding access, not reducing costs, efforts should be made to prioritize health care cost containment and reduce the rate of medical utilization while improving health care quality and empowering consumers.

Fair Sharing of Coverage

Incumbent on any requirement to purchase health insurance is the need to ensure that appropriate and affordable coverage is available for all. With a goal of universal participation there is a need to strike a balance between the population served, the premiums charged and the underwriting risk. NSBA proposes a fair playing field by implementing the following components:

- All individuals should be required to obtain reasonable coverage in the form of a truly basic plan. This will ensure that both healthy and sick individuals participate in insurance pools, spreading risk more evenly. Uncompensated care, currently funded through cost-shifting to the insured, would be dramatically reduced.
- Penalties for individuals' not demonstrating coverage are too low for the individual mandate to be effective; instead penalties should be increased similar to the level of the second lowest cost silver level plan available in the area the individual resides or, at a minimum, the late enrollment penalty applied by Medicare.
- The employer mandate creates greater uncertainty, enormous administrative burdens and financial unpredictability for both firms and employees—while doing virtually nothing to expand coverage—and should be repealed. An effective individual mandate would create market incentives for employer coverage.
- Three-to-one rate bands have dramatically driven up the rates for the young, uninsured, where cost is a significant barrier. NSBA supports returning to a 5-to-1 ratio which would provide relief for individuals and small groups, while keeping the cost down for younger employees and keeping them in the system.
- Eliminate the member level rating and return to a simple to understand and administer single, two-party and family rate structure (composite rating)—ending age discrimination by taking the target off the back of the age 50+ workers.
- Individuals and families should all be able to receive federal financial assistance for health premiums, based upon income. Currently, the subsidies are not available for catastrophic plans available to young Americans—eliminating this distinction will allow these new entrants into the work force to get the low cost coverage that meets their needs.

- The ACA lowered the definition of a full-time employee (FTE) to 30 or more hours per week. Absent eliminating the employer mandate altogether, NSBA supports returning to the 40 hours per week definition.
- Many medical providers have recently merged and/or affiliated with hospitals and/or health systems. Provider consolidation reduces competition by allowing outpatient practices and/or hospitals to gain bargaining power in negotiations with certain insurers, resulting in higher prices for services and/or changing the mix of treatments provided to patients leading to increased spending.
- Increased hospital-physician consolidation also allows more hospitals to receive higher reimbursement for performing the same service in hospital outpatient departments than a physician's office.
- An increase in transparency—a more rigorous review of mergers before they are concluded and increasing the public availability of data—would help facilitate a more robust measurement of the impact of consolidations, which is critically important for determining the impact on health care cost, quality and choice.
- Attention remains on the provider payment levels of the Medicare and Medicaid programs relative to those of commercial payers. In many areas, public programs pay providers significantly lower rates than do commercial health plans. Nationwide, this discrepancy has widened in recent years, as Medicare and Medicaid hospital payments have not kept up with the costs and Medicare physician payment levels have remained flat. The payment rate differential is a cost shift from the public programs to commercial payers. If Medicare and Medicaid paid higher rates, commercial payers could pay lower rates with health care providers still achieving the same overall reimbursement.

Individual Empowerment and Access

Wasteful, inefficient and improper health care is contributing astronomical sums to the overall cost of U.S. health care, and the best way to take a collective step back from the cliff is to engage consumers in their own health care. Engaging those consumers requires some important changes though. The Institute of Medicine estimates that $105 billion of annual waste in health care spending can be attributed to a lack of competition and excessive price variation. A lack of public information on the price of health care services contributes to this waste by denying employers, purchasers, and consumers the information they need to make smart choices. Wise decision making requires accurate information—and not simply MORE information, it must be clear, transparent and easy to understand—that will help consumers evaluate the options and make their own best health care decisions. In order to do this, NSBA offers these solutions:

- Reform the basic benefit package to include only truly necessary benefits and recognize the need for higher health plan deductibles tied into Health Savings Accounts (HSA's). This type of package would help return health insurance to its role as a financial backstop, rather than a reimbursement mechanism for all expenses. More robust consumer behavior will follow.

- The Centers for Medicaid and Medicare Services (CMS) is currently proposing individual and family out-of-pocket maximum levels for ACA-compliant health plans that do not correlate with the current tax code requirements that enable an individual or employer to have a compliant High Deductible Health Plan (HDHP) that then enables them to make HSA contributions. Bring uniformity between HSA's mandatory requirements in the tax code and the CMS's announcement of out-of-pocket maximum requirements in health plans.
- Making health insurance more expensive only makes a challenging situation worse. The Health Insurance Tax (HIT) and similar impositions only add costs that are simply passed along to small-business clients by health insurance companies. The result is fewer businesses offering health insurance to their employees, fewer jobs being created and less innovation. This is why NSBA has been working to fully repeal this onerous and unnecessary tax.
- Basing the Cadillac Tax simply on premiums with no consideration to the age of the covered population or geographic region of the country creates significant inequalities. If a Cadillac Tax is imposed it should be based upon the plan design and applied to Platinum level plans automatically regardless of cost. NSBA has long warned against the Cadillac tax because it will punish small businesses with plans that cost more simply due to the make-up of their workforce. The 40 percent excise tax will impact moderate benefit plans that middle class Americans rely on, as well as the employer-sponsored health insurance market. Further, including HSA, Health Reimbursement Arrangement (HRA) and health care Flexible Spending Account (FSA) contributions in the calculations is counter to the purpose of this tax. The complicated nature of calculating and paying the Cadillac Tax will further harm small employers.
- Repeal the medical device tax, which otherwise will ultimately be passed through insurance carriers to consumers in the form of higher premiums.
- Allow the self-employed to fully deduct the cost of their health insurance premiums—currently they cannot. This results in an additional 15.3 percent tax on the self-employed that no other business owner or worker pays.
- Alternatives to traditional doctors' offices and hospitals—retail clinics, telemedicine, volunteer programs, and urgent-care clinics—can offer near-term relief and should be supported.
- Create consistent tax incentives, regardless of whether health insurance is purchased through an employer or individually. Such incentives would be capped at the premium level for the required package, and additional coverage would be purchased using after-tax dollars. This will curtail over-insurance and ease demand for health benefits in lieu of other compensation.
- Waste, fraud, and abuse appear in all segments of the health care system and in all areas of the country. Fraudulent and abusive practices include overcharging or double-billing health insurance companies or the government for services provided, charging for services not provided, and rendering inappropriate or unnecessary care. Combatting and reducing waste, fraud, and abuse would save money for Medicare, Medicaid and private

payers, and improve the efficiency of the health care system. Any savings could contribute to funding for health reform.

Reducing Costs While Improving Quality

Too often the current third-party payment system financially rewards providers based upon frequency and not necessarily based upon the quality of care being delivered. Beyond the benefits that consumerism can bring, more must be done to improve quality and keep costs in check. A key reason health care costs are so high is because oftentimes health care prices are hidden—most patients and their physicians have little to no idea how much each procedure, medication, or hospital stay actually costs—which hinders market competition and keeps patients and their health care providers from making fully informed decisions. Needed elements to improve the quality of care include:

- Often, higher health care prices do not reflect higher quality. Transparency in pricing will make great strides towards creating informed, engaged health care consumers. This is achievable if HHS ensures that the ACA requirement that insurers provide cost sharing information is implemented in a consumer-friendly way. The ACA's cost sharing disclosure requirements should be modified so that the plan's quoted costs for episodes of care are guaranteed, and hospitals should provide uninsured and out-of-network patients with episode-based costs, which should also be guaranteed.
- Today, patients and purchasers do not have any firm data about performance or outcomes for a drug. With more information and transparency, patients can better decide the right treatment for their family and what price they are willing to pay.
- Allow CMS the ability to negotiate drug prices on behalf of Medicare Part D recipients.
- The continued implementation and the standardization of electronic health records including digital prescription writing, individual electronic medical records, and universal physician IDs can reduce unnecessary procedures, increase efficiency, and improve the quality of care.
- Transparency in both the cost of care and the quality of care being delivered is crucial to help consumers understand their own health care and cost—improved data also can form the basis for publicly-available health information about each health care provider, helping patients make informed choices.
- All providers should make publicly available, a plain-language list of the top 20 inpatient and out-patient procedures' charges (for all categories of patients: uninsured, out-of-network, and each negotiated rate with an insurer, plus Medicare and Medicaid rates) and risk-adjusted outcomes, to be updated annually and expanded until all procedures' cost and outcomes are publicly listed.
- Pay-for-performance initiatives should be adopted by insurers following the lead of the Centers for Medicaid and Medicare Services (CMS). Providers should be reimbursed based upon quality of the health outcomes, rather than procedures.

- Federal legislation to mitigate the cost of medical liability and defensive medicine should, at a minimum, establish a national statute of limitations on health care lawsuits, impose a cap on non-economic damages and limit punitive damage awards.
- Beyond traditional medical malpractice laws, NSBA supports some kind of safe harbor for physicians, as well as the use of Health Courts. Any safe harbor rule would have to be in conjunction with carefully-defined, evidence-based medical procedures. Physicians who abide by those standards and report outcomes would be allowed a certain level of protection from medical liability. Health Courts would allow for the establishment of specialized courts for dealing with medical malpractice claims.
- A conflict exists in the regulation of wellness plans—the EEOC and DOL have ruled on cases which significantly restrict an employer's ability to implement a wellness plan to help improve employees' health status and productivity. NSBA supports the enactment of legislation to clarify the employer's right to implement one-set of wellness plans as provided for in the ACA without interference by the EEOC and DOL.

The small-business community needs substantial relief from the ACA. This level of relief can only be achieved through a broad reform of the current health care system with a goal of reducing the cost of coverage, and providing universal coverage, focus on individual responsibility and empowerment, the creation of the right market-based incentives, and a relentless focus on improving quality while driving out unnecessary, wasteful and harmful care and removing added expenses.

Conclusion

The single most determining factor of the success of Durable is the quality and dedication of our employees. And while their knowledge and ability to perform their daily tasks is unbelievable, the expectation that they can navigate the health insurance market is unrealistic as they have never purchased this product in their entire life. As president, I select the health insurance products offered each year and do so under the guidance of a health insurance professional—without our agent, I too, would be at a loss. While the need for reform of the ACA is clearly urgent, and while there are a number of more short-term reforms that can improve on the system, what small businesses deserve is a health insurance product that is affordable, transparent and of high quality.

President Trump's Executive Order on Jan. 20 directed all federal agencies "to minimize the unwarranted economic and regulatory burdens" of the ACA. While administrative actions will be able to postpone or lighten the burden of the regulations in place, only Congress can actually change the underlying law, not only to provide relief from the existing rules but also to provide new opportunities to give Americans the option of more affordable coverage and more choices of coverage that families, business owners and workers want and need.

Again, thank you for what I consider a true honor to be able to address this committee of elected officials in our nation's capital and I look forward to answering your questions.

DURABLE CORPORATION - HEALTH INSURANCE ANNUAL SUMMARY

	Aetna	2014 - Medical Mutual		2015 - Medical Mutual		2016 - Medical Mutual		2017 - Medical Mutual	
	SprMed + HSA	SuperMed Plus	SprMed + HSA	OH HNOption	OH HNOptionHSA	SuperMed Plus	SprMed + HSA	OH HNOption	OH HNOptionHSA
	HSA Plan	**Traditional Plan**	**HSA Plan**	**Traditional Plan**	**HSA Plan**	**Traditional Plan**	**HSA Plan**	**Traditional Plan**	**HSA Plan**
In-Network Feature Summary									
Co-Insurance	100%	80%	100%	80%	100%	80%	100%	80%	100%
Deductible - Single/Family	$2,500/$5,000	$3,000/$9,000	$2,500/$5,000	$3,000/$9,000	$2,500/$5,000	$3,000/$9,000	$3,000/$6,000	$3,000/$9,000	$3,000/$6,000
Max out of Pocket - S/F	$2,500/$5,000	$6,000/$15,000	$2,500/$5,000	$6,000/$15,000	$2,500/$5,000	$6,000/$15,000	$3,000/$6,000	$6,000/$15,000	$3,000/$6,000
Office Visit - Copay	$0	$25	$0	$25	$0	$25	$0	$25	$0
Emergency Room - Copay	$0	$200	$0	$200	$0	$200	$0	$200	$0
Urgent Care - Copay	$0	$50	$0	$50	$0	$50	$0	$50	$0
Prescriptions	$10/$35/$60/$151	$10/$30/$60		$10/$30/$60		$10/$30/$60		$10/$30/$60	
Actual Monthly Cost									
Employee	$412.24	$441.12	$412.24	$529.93	$493.91	$575.55	$505.64	$627.68	$550.51
Employee/Spouse	$819.36	$882.24	$819.36	$1,059.86	$982.66	$1,151.10	$1,006.14	$1,255.36	$1,095.87
Employee/1 Child	$0.00	$576.90	$0.00	$690.08	$641.84	$753.59	$660.69	$821.21	$718.70
Employee/2 Children	$0.00	$0.00	$0.00	$850.23	$789.77	$931.63	$815.74	$1,014.74	$886.89
Employee/3 + Children	$645.00	$0.00	$0.00	$1,072.76	$995.21	$1,179.89	$1,031.82	$1,285.54	$1,122.19
Employee/Spouse/1 Child	$0.00	$1,018.02	$0.00	$1,220.01	$1,130.59	$1,329.14	$1,161.19	$1,448.89	$1,264.06
Employee/Spouse/2 Children	$0.00	$1,153.80	$1,070.58	$1,380.16	$1,278.52	$1,507.18	$1,316.24	$1,642.42	$1,432.25
Employee/Family	$1,035.00	$1,341.60	$1,244.21	$1,602.69	$1,483.96	$1,755.44	$1,532.32	$1,913.22	$1,667.55
Weekly Employee Cost									
Employee	$16.00	$22.00	$18.00	$24.50	$23.00	$26.50	$23.50	$29.00	$25.50
Employee/Spouse	$52.00	$65.00	$52.00	$79.50	$68.25	$86.25	$70.00	$94.25	$76.00
Employee/1 Child	$0.00	$43.00	$0.00	$41.25	$36.75	$45.00	$38.00	$49.00	$41.00
Employee/2 Children	$0.00	$0.00	$0.00	$57.75	$50.50	$63.50	$52.25	$69.25	$56.50
Employee/3 + Children	$43.00	$0.00	$0.00	$81.00	$69.50	$89.25	$72.00	$97.50	$78.25
Employee/Spouse/1 Child	$0.00	$79.00	$67.00	$96.25	$82.00	$104.75	$84.00	$114.25	$91.50
Employee/Spouse/2 Children	$0.00	$90.00	$75.00	$112.75	$95.50	$123.25	$98.25	$134.50	$107.00
Employee/Family	$80.00	$104.00	$87.00	$136.00	$114.50	$149.00	$118.25	$162.50	$128.50
Annual Cost - Employee									
Employee	$832.00	$1,144.00	$936.00	$1,274.00	$1,196.00	$1,378.00	$1,222.00	$1,508.00	$1,326.00
Employee/Spouse	$2,704.00	$3,380.00	$2,704.00	$4,134.00	$3,549.00	$4,485.00	$3,640.00	$4,901.00	$3,952.00
Employee/1 Child	$0.00	$2,236.00	$0.00	$2,145.00	$1,911.00	$2,340.00	$1,976.00	$2,548.00	$2,132.00
Employee/2 Children	$0.00	$0.00	$0.00	$3,003.00	$2,626.00	$3,302.00	$2,717.00	$3,601.00	$2,938.00
Employee/3 + Children	$2,236.00	$0.00	$0.00	$4,212.00	$3,614.00	$4,641.00	$3,744.00	$5,070.00	$4,069.00
Employee/Spouse/1 Child	$0.00	$4,108.00	$3,484.00	$5,005.00	$4,264.00	$5,447.00	$4,368.00	$5,941.00	$4,758.00
Employee/Spouse/2 Children	$0.00	$4,680.00	$3,900.00	$5,863.00	$4,966.00	$6,409.00	$5,109.00	$6,994.00	$5,564.00
Employee/Family	$4,160.00	$5,408.00	$4,524.00	$7,072.00	$5,954.00	$7,748.00	$6,149.00	$8,450.00	$6,682.00

DURABLE CORPORATION - HEALTH INSURANCE ANNUAL SUMMARY

	2013 - Aetna		2014 - Medical Mutual		2015 - Medical Mutual		2016 - Medical Mutual		2017 - Medical Mutual	
	SuperMed Plus Traditional Plan	SprMed + HSA HSA Plan	SuperMed Plus Traditional Plan	SprMed + HSA HSA Plan	OH HNOption Traditional Plan	OH HNOptionHSA HSA Plan	SuperMed Plus Traditional Plan	SprMed + HSA HSA Plan	OH HNOption Traditional Plan	OH HNOptionHSA HSA Plan
Annual Cost - Durable (Trad./HSA)										
Employee	$ 3,672.00	$ 4,114.88	$ 4,149.44	$ 4,010.88	$ 5,085.16	$ 4,730.92	$ 5,528.60	$ 4,845.68	$ 6,024.16	$ 5,280.12
Employee/Spouse	$ 6,328.00	$ 7,128.32	$ 7,206.88	$ 7,128.32	$ 8,584.32	$ 8,242.92	$ 9,328.20	$ 8,433.68	$ 10,163.32	$ 9,198.44
Employee/1 Child	$ -	$ -	$ 4,686.80	$ -	$ 6,135.96	$ 5,791.08	$ 6,703.08	$ 5,952.28	$ 7,306.52	$ 6,492.40
Employee/2 Children	$ -	$ -	$ -	$ -	$ 7,199.76	$ 6,851.24	$ 7,877.56	$ 7,071.88	$ 8,575.88	$ 7,704.68
Employee/3 + Children	$ 5,620.00	$ 5,504.00	$ -	$ -	$ 8,661.12	$ 8,328.52	$ 9,517.68	$ 8,637.84	$ 10,356.48	$ 9,397.28
Employee/Spouse/1 Child	$ -	$ -	$ 8,108.24	$ (3,484.00)	$ 9,635.12	$ 9,303.08	$ 10,502.68	$ 9,566.28	$ 11,445.68	$ 10,410.72
Employee/Spouse/2 Child	$ -	$ -	$ 9,165.60	$ 8,946.96	$ 10,698.92	$ 10,376.24	$ 11,677.16	$ 10,685.88	$ 12,715.04	$ 11,623.00
Employee/Family	$ 8,352.00	$ 8,260.00	$ 10,691.20	$ 10,406.52	$ 12,160.28	$ 11,853.52	$ 13,317.28	$ 12,238.84	$ 14,508.64	$ 13,328.60
Employees electing cover	29	81%	29	81%	29	81%	29	78%	27	73%
Employees declining	7	19%	7	19%	7	19%	8	22%	10	27%
Total Employees	36		36		36		37		37	
Est. Annual Cost - Employ	$ 62,556.00	30%	$ 64,168.00	29%	$ 77,441.00	28%	$ 83,031.00	28%	$ 82,823.00	28%
- Compa	$ 147,660.00	70%	$ 157,817.36	71%	$ 198,106.12	72%	$ 212,628.60	72%	$ 213,999.16	72%
- Total	$ 210,216.00		$ 221,985.36		$ 275,547.12		$ 295,659.60		$ 296,822.16	
% +/- Prev. Yr.			6%		24%		7%		0%	
Avg. Total Cost per Empl	$ 7,248.83		$ 7,654.67		$ 9,501.62		$ 10,195.16		$ 10,993.41	
% +/- Prev. Yr.			5.6%		24.1%		7.3%		7.8%	
Average Tenure (Years)	21.3		22.6		22.8		18.5		17.3	
Average Hourly Wage	$ 16.16		$ 16.75		$ 17.23		$ 17.29		$ 17.35	
% +/- Prev. Yr.			4%		3%		0%		0%	