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### **Health Insurance Costs Continue to Rise; Employers Continue Cost Sharing with Employees**

DENVER—Employer health-care premium costs have risen as much as 82 percent over the past five years, yet the vast majority of employers continue to pay for most of their employees' health insurance, according to the 2004 Mountain States Employers Council Health and Welfare Plans survey of 633 employer organizations in Colorado and Wyoming.

The survey of 607 employer organizations in Colorado showed that the average monthly COBRA rate for family health-care coverage has risen to \$923 from \$506 since 2000, reflecting an 82-percent increase. Similarly, the rate for employee and a spouse has risen 81 percent to \$648 per month. Employee-only coverage has risen 75 percent for the same period, to \$318 per month.

In 2004, Colorado employers, on average, pay 83 percent of costs for employee-only coverage, 69 percent of employee/spouse coverage, and 68 percent of family coverage.

Colorado employers health-care costs in the past 12 months have risen an average 14 percent. According to the survey, 20 percent of employers absorbed all of the increase, while 14 percent of employers passed the entire increase on to employees. The remainder shared the premium increases with employees, on average absorbing 73 percent and passing on 27 percent.

“While health-care costs continue to increase, our survey indicates employers are striving to keep the impact on their employees at a minimum,” said MSEC President Michael G. Severns. “The majority of employers have chosen to either absorb all increases or share them with them with employees, thus continuing the availability, and affordability, of coverage for employees and their families.”

The survey also indicated that over the past two years, employer contributions to employees' investment and retirement plans have remained consistent. Twenty-nine percent of employers fully matched their employee's contributions to their plans in 2004, compared to 22 percent in 2003. Seventy-one percent of employers matched at a rate less than 100 percent (typically 50 percent) in 2004, compared to 79 percent in 2003.

Only 12 percent of employers offered no contributions in 2004, compared to 11 percent in 2003.

MSEC has conducted benefit and personnel practice surveys since 1947, expanding the Insured Plans survey in 1975 to provide employers with more comprehensive data on health-care costs and retirement/investment options.

Mountain States Employers Council, with 2,500 member employers, offers services in all areas of employment law, human resources, management development and surveys. Founded in Denver in 1939, MSEC members are served by 50 human resource and management development professionals and 30 staff attorneys.

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