**Health Benefit Costs Vary Widely by Industry, SHRM Benchmarking Shows**

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| **11/10/2010** | By Andrew Mariotti, SHRM Customized Research Services  |

  Health care costs per covered employee in the U.S. vary significantly by industry and other factors, according to the 2011 Society for Human Resource Management (SHRM) Health Care Benchmarking Survey.The survey, created by SHRM’s Strategic Research Program and reviewed by SHRM's Total Rewards Special Expertise Panel, collected health care metrics across a variety of U.S. industries in 2011, including data on premiums, cost sharing, deductibles, co-pays, self-insurance and stop-loss coverage. In addition, organizational data such as employee size and geographic region were obtained. The data reflect plan year 2010, along with expectations for revenue change in 2011.In February 2011, an e-mail that included a link to the SHRM Benefits Benchmarking Survey was sent to 13,000 randomly selected SHRM members who were HR managers, assistant or associate directors, directors, assistant or associate vice presidents, vice presidents or presidents. Of these, 2,558 senior HR professionals responded on behalf of their organizations, yielding a response rate of 20 percent. The survey was accessible for eight weeks.**Sample Results**The following U.S. industries spent the most on health care per covered employee during plan year 2010. Taking into account both employer and employee expenses including premiums, cost sharing and other coverage costs, the survey revealed.

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| **Highest Total Annual Health Care Cost Spending per Covered Employee:** |
| **Industry** | **Number of Respondents** | **Mean** |
| Utilities | 19 | $20,567 |
| Insurance | 64 | $14,132 |
| Real estate | 38 | $11,554 |
| Government | 180 | $11,406 |
| Manufacturing | 263 | $11,114 |
| *Source: SHRM Customized Benchmarking Service.* |

The following U.S. industries spent the least on health care per covered employee during plan year 2010.

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| **Lowest Total Annual Health Care Cost Spending per Covered Employee:** |
| **Industry** | **Number of Respondents** | **Mean** |
| Telecommunications | 44 | $5,626 |
| Publishing, broadcasting and other media | 33 | $6,171 |
| Accommodation and food services | 39 | $6,355 |
| Arts, entertainment and recreation | 30 | $6,549 |
| Business support services | 81 | $7,188 |
| *Source: SHRM Customized Benchmarking Service.* |

**Reasons for Cost Variations**There are many reasons that might account for the differences in spending, according to SHRM research analysts, such as:**•** Industries that hire more unionized employees might have richer health care plans.**•** Industries with an aging workforce might have more health claims than industries that employ a young workforce.**Employers' Costs**In addition to total per-employee cost spending, the survey showed that the type of health care plan offered affects employers' health care costs. For example, the average monthly employer contribution to a consumer-driven health plan in 2010 was $258, but for a preferred provider organization (PPO) plan it was $420.Employer/employee cost-sharing also affects organizations' health care costs. Industries that compete more for talent might contribute more—or all—of the monthly premium to attract and retain employees. |