



## NEWS RELEASE

### **CTHRA Identifies Industry Trends in Employee Benefits** Announces Highlights from 2012 Survey Results

**NAPERVILLE, ILL.,** June 25, 2012—The Cable and Telecommunications Human Resources Association (CTHRA) today released the highlights of its 2012 Employee Benefits Survey. In spite of continued budgetary pressures resulting from the recession, potential impacts of healthcare reform, and changes in federal regulations, CTHRA's research found that the cable industry continues to offer employees rich medical, wellness, and retirement benefits.

With input from industry employers, CTHRA revamped its Benefits Survey in 2011 to establish industry-specific cost and best practice benchmarks that human resources (HR) professionals, chief financial officers, and other corporate executives can use to develop cost-effective and competitive benefits packages that will help attract and retain talent. Unlike other benefits surveys available in the marketplace, CTHRA's is industry-specific.

"We use CTHRA survey results to benchmark how much we spend on healthcare and other benefits relative to our peers in the industry," said Bill Strahan, executive vice president (EVP) of HR for Comcast Cable. "Our executives are very focused on knowing what others are doing. We have a very particular focus on making sure that our employees carry a fair portion of the premium costs but that we are not over-burdening them. The CTHRA survey helps us pinpoint our relative position."

#### **Survey Methodology**

CTHRA's 2012 Employee Benefits Survey focused on medical plans: total and net medical cost per employee and covered employee, costs as a percentage of salary, contribution levels, Relative Benefit Values (RBV), and plan features such as co-pay levels, deductibles, and out-of-pocket maximums for each major medical offering. In addition, the survey collected and compiled data for life insurance, disability insurance, dental insurance, severance pay, and retirement plans.

CTHRA retained Willis, a leading global financial and human resource consulting firm and insurance broker, to conduct the survey. Sixteen industry employers participated: Bright House Networks, Cablevision, Charter Communications Inc., Comcast Cable Communications Inc., Suddenlink Communications, Time Warner Cable Inc., A & E Networks, AMC Networks, Crown Media Family Networks, C-SPAN, Discovery Communications, Home Box Office, Scripps

Networks Interactive, Starz Entertainment, The Weather Channel, and Turner Broadcasting System.

The confidential survey separated data into two participant categories: multiple system operators (MSOs) and programmers (cable and broadcast networks), and each participant received a detailed report, including the median, average, high, and low for each metric, as well as the participating company's data for comparison purposes.

### **Standard Benefits**

Companies in the cable and telecommunications industry understand that benefits are a critical component of employee compensation. All 16 of CTHRA's survey respondents offer robust benefits packages that include medical coverage, dental coverage, life insurance, accidental death and disability (AD&D), long-term disability (LTD), and retirement savings plans.

"Even in a slow economy, attracting and retaining top talent is imperative for our members," shared CTHRA's executive director Pamela Williams, CAE. "By offering competitive benefits, companies can differentiate themselves and be more attractive to prospective employees."

### **Healthcare**

With national attention focused on healthcare reform and costs, medical insurance continues to be a highly valued employee benefit. All industry employers participating in CTHRA's survey offer health insurance. The most prevalent forms are Preferred Provider Organization (PPO) and Point of Service (POS) plans, and a few companies offer Health Maintenance Organizations (HMOs) or Exclusive Provider Organizations (EPOs).

On average, CTHRA's survey respondents spend approximately \$10,000 on medical costs per eligible employee (\$10,655 for programmers and \$10,089 for MSOs). However, differences between MSOs and programmers healthcare practices do exist. For example, MSOs' average net medical cost is 19 percent of the average employee salary (average salary represents the total payroll divided by the number of employees), and for programmers it is 9 percent.

In their medical contribution targets (the employer's estimated cost sharing with employees for both employee and dependent contributions in total), the findings for MSOs and programmers are closer. Among MSOs, the employer's share of medical coverage averages 79 percent, and for programmers it averages 83 percent.

"Benefit costs represent a significant investment by cable MSOs and programmers," said Tom Mathews, EVP of HR for Time Warner Cable. "The industry needs to design benefit programs that effectively and efficiently support our employees and their dependents yet mitigate future cost increases for our companies."

"We believe that healthcare reform and cost control in terms of plan design will be critical in this year's planning process," added Anthony Amato, vice president of global benefits for

Discovery Communications. "The data we receive from CTHRA's Benefits Survey is extremely valuable in helping us shape our plans."

One new cost-control trend revealed in the 2012 survey is the growing availability of Consumer Driven Health Plans (CDHPs). The goal of these plans is to encourage employees to be better consumers of healthcare and more aware of its true cost. Typically, CDHPs have lower monthly premiums than traditional plans, but higher deductibles. Preventive care is covered at 100 percent, but employees must first meet their deductible before other services are covered. CDHPs can also feature Health Savings Accounts (HSAs), which allow employees and employers to contribute money to cover deductibles and other healthcare costs. Funds left in HSAs roll over to the next year, and employees can move the accounts from one employer to another.

Of the 10 programmers surveyed, four now offer CDHPs, up from two of last year's survey participants. MSOs, however, have been slow to adopt CDHPs. Only one MSO surveyed offers a CDHP, the same number as in 2011. However, that MSO says the CDHP is the company's most popular medical insurance option. Among those offering CDHPs, plan deductibles range from \$1,200 to \$2,400 for single-person coverage to \$2,400 to \$4,800 for family coverage. Of the five companies offering CDHPs, four contribute to employee HSAs and one to a Health Reimbursement Account (HRA). Employer contributions for single-person coverage range from \$500 to \$750 and for family coverage \$1,000 to \$1,500.

### **Wellness Initiatives**

Survey participants also showed strong interest in encouraging employee participation in wellness activities such as tobacco cessation and weight loss programs. Ten companies (six programmers and four MSOs) offer employees incentives to participate in Health Risk Assessments (HRAs), biometric screening, and behavior modification programs. Incentives include cash, gift cards, lower premiums, and, in one case, reduced benefits for noncompliance.

"We believe this interest in wellness incentives indicates more consumerism and better management of the health of the employee population," said Bill Danish, senior vice president of Willis.

Industry employers have been aggressively implementing a variety of healthy-living initiatives to help lower healthcare costs and improve employee satisfaction. Offerings include onsite wellness centers and gyms, personal training and onsite exercise challenges, nutrition consultation, occupational nursing services, stress management, confidential counseling, and free blood pressure and cholesterol screenings.

### **Retirement Plans**

Retirement plans are also attractive to employees, and 100 percent of survey participants offer such benefits. There are two types of retirement plans: a Defined Contribution (DC) retirement plan where the payout is determined by the amount contributed into the plan (such as a 401k), and a Defined Benefits (DB) plan, a more traditional pension plan, where payouts are determined by personalized factors such as final average pay.

Of CTHRA's survey respondents, 67 percent of the MSOs and 30 percent of programmers, offer DB plans. In addition, all 16 respondents also offer DC plans. However, employers vary in the time they require employees to be on the job before they become eligible to participate in a DC plan. Of those surveyed, 33 percent of MSOs and 40 percent of programmers enroll new hires immediately in their 401k plans, while the remainder require a waiting period. This year the survey also asked companies if they offered auto enrollment and auto increase for their 401k plans. Half of MSOs provide both auto options, while 80 percent of the programmers surveyed offered auto enrollment and 70 percent offered auto increases.

Cable employers also match employee contributions to DC plans. CTHRA's survey reveals that on average MSOs match \$3,700 per employee and programmers match \$4,600 per employee.

"Overall the survey data movement for both the MSOs and programmers was consistent with general employer averages," said Danish. "Other than the increase in Consumer Driven Health Plans and more interest in wellness initiatives, 2012 results were similar to 2011. However, based on responses, we believe 2013 may show more movement in anticipation of healthcare reform."

In the coming months, industry employers can also look forward to the release of findings from CTHRA's 2012 Human Capital Metrics and Annual Compensation Surveys. For more information about CTHRA's surveys, please visit [www.cthra.com/surveys](http://www.cthra.com/surveys).

**Media Contact:** [Melissa A. Hicks](mailto:Melissa.A.Hicks@mosaicmarketing.com), Mosaic Marketing, 484.888.6766

## **DEFINITIONS FOR CTHRA'S 2012 BENEFITS SURVEY**

**Covered Employees:** employees electing coverage

**Covered Participants:** the total number of individuals (employees and dependents) covered under the plan

**Eligible Employees:** all active benefit-eligible fulltime hourly and salaried non-bargained employees

**Net Costs:** total costs less employee contributions

**Relative Benefit Values:** actuarial benefit values based on plan design features and like demographics. A higher RBV represents a richer plan design.

**Total Costs:** total costs for coverage (claims and administrative costs)

## **About CTHRA**

The Cable and Telecommunications Human Resources Association (CTHRA) is the premier human capital resource for the industry and a growing nonprofit organization with more than 1,900 members spanning 100 companies. CTHRA provides industry-specific benchmarks, information and resources, as well as networking and educational opportunities. Its groundbreaking initiatives include compensation, employee benefits, and human capital metrics surveys, an Annual HR Symposium, roundtables and webinars. For more information, visit [www.cthra.com](http://www.cthra.com).

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