

New Survey: Local Governments Concerned about Health Costs, Unsure How Best to Confront Challenge While Maintaining a Healthy Workplace

WASHINGTON, D.C.- New [survey results](#) on local government employee health care issues offer fresh evidence that while employee health care costs remain a top priority of local governments, approaches to controlling cost remain varied.

Conducted jointly by **Cigna and ICMA, the International City/County Management Association**, the new survey featured responses of nearly 1,500 local governments on a range of pressing health-related questions, designed to help develop solutions that have a lasting impact on benefit costs.

"As the survey shows, local governments are increasingly looking for ways to save money by improving the health and well being of their employees. That's why Cigna offers an array of health and lifestyle management programs with proven success in helping customers to engage in healthy behaviors that reduce health care costs," says Sheila McGinley, president of Cigna's government segment.

Among the key survey findings:

- **Employee Health Costs a Top Concern of Local Governments**. The cost of employee health care benefits is one of the top two concerns reported by local governments. A full 71% listed "employee health care costs" as one of their top three general operating concerns, ranking below "Budget" (93%) and ranking far ahead of the next closest concern, "Service Delivery" (41%) on the list of priorities.
- **Cutting Healthcare Costs**. When asked, "What approaches are you taking to reduce your health care expenses/claim costs?" the four most popular answers for actions already taken were: "increase the share of total health care costs paid by employees" (51%), "audit or review eligibility or enrollment in your health plan" (46%), "actively manage communication to educate customers on health care costs and living a healthier lifestyle" (43%), and "significantly increase pharmacy copays, deductibles or coinsurance" (42%).
- **Local Governments Cite Four Major Obstacles to a Healthy Workforce**. Local governments identified four primary obstacles to developing a healthy workforce: "lack of employee engagement" (mentioned by 65% of local governments), "lack of sufficient financial incentives to encourage participation in programs" (65%), "lack of adequate budget to support effective health management programs" (60%), and "too many other demands on employees /not enough time" (54%).

Cigna works closely with its local government clients to develop programs that improve health and lower costs. In fact, we've found that clients (public and private) who implement lifestyle management programs get healthier employees. For instance, clients who offer smoking cessation programs find that 81% of those enrolled are tobacco-free after one year. For those clients offering weight management programs, employees lose on average seven pounds in one year and have a decrease of body mass index of approximately 1.26 points.

- **Uncertainty Remains About Effects and Implementation of Affordable Care Act**. Several questions asked local governments directly about their plans and understanding of federal health care legislation passed in 2010. Specifically:
 - **Most local governments "need to learn more" about the Patient Protection and Affordable Care Act**. When asked, "What is your level of understanding of the Health Care Reform legislation?" the vast majority of local government respondents - 63% - said "Partially understand, need to learn more." Comparatively, 18% of respondents said, "completely understand the legislation but need to assess impact," 12% indicated, "completely understand the legislation and its impact on our health benefits," and 7% said, "have heard about it, but don't understand the legislation or its impact on our benefits."
 - **Most local governments plan to take a "wait and see" approach on potential changes due to Affordable Care Act**. When asked whether they planned to make any changes to

employees' health care benefits as a result of the health reform legislation , 54% said they would "wait and see how it unfolds; unwilling to speculate, " while 44% said "no changes were currently planned ." A miniscule percentage indicated plans to drop health coverage for any class of employee.

Among other relevant findings, overall, a full 99% of local government respondents offer medical insurance as part of their current employee health care plans, along with 92% who offer dental and 92% who offer pharmacy provisions as part of the employee plans. Additionally, population size seemed to be a factor in whether local governments have programs in place to address workforce health concerns, with larger local governments reporting the availability of these programs at a noticeably higher rate than smaller localities show.

Access the Survey, [Local Government Employee Health Insurance Programs, 2011](#)

[About ICMA](#)

ICMA, the International City/County Management Association, advances professional local government worldwide. Our mission is to create excellence in local governance by developing and advancing professional management to create sustainable communities that improve lives worldwide. ICMA provides member support; publications; data and information; peer and results-oriented assistance; and training and professional development to nearly 9,000 city, town, and county experts and other individuals and organizations throughout the world. The management decisions made by ICMA's members affect millions of individuals living in thousands of communities, from small villages and towns to large metropolitan areas.

About Cigna

Cigna (NYSE: CI) is a global health service company dedicated to helping people improve their health, well-being and sense of security. Cigna Corporation's operating subsidiaries in the United States provide an integrated suite of health services, such as medical, dental, behavioral health, pharmacy and vision care benefits, as well as group life, accident and disability insurance. Cigna maintains sales capability in 30 countries and jurisdictions and has approximately 66 million customer relationships throughout the world. All products and services are provided exclusively by such operating subsidiaries and not by Cigna Corporation. Such operating subsidiaries include Life Insurance Company of North America, Cigna Life Insurance Company of New York, and Connecticut General Life Insurance Company. To learn more about Cigna, visit <http://www.cigna.com/employersandorganizations/taft-hartley-federal-plans>.. To sign up for email alerts or an RSS feed of company news, log on to <http://www.cigna.com/newsroom/rss> . Also, follow us on Twitter at [@cigna](#) , visit Cigna's YouTube channel at <http://www.youtube.com/cigna> and listen to Cigna's podcast series with healthy tips and information at <http://www.cigna.com/podcasts> or by searching "Cigna" in iTunes.

[About the Survey: Local Government Employee Health Insurance Programs, 2011](#)

The Local Government Employee Health Insurance Programs survey was completed in 2011. The survey was sent to 5,664 municipalities and counties with a population of 10,000 or greater. The overall survey response rate is 26%. The city response rate is 30%, and the county response rate is 20% (not shown). The survey was conducted in collaboration with Cigna an ICMA strategic partner. The individual data are proprietary.