

A large, stylized orange chevron graphic pointing to the right, with the text "High performance. Delivered." centered within it.

High performance. Delivered.

The Employee Benefits Tradeoff Video

Video Transcript

Accenture research reveals a new phenomenon on the private health insurance exchange – the employee benefits tradeoff.

Private Exchanges are rapidly gaining traction. 2014 market participation has exceeded early expectations and enrollment will reach more than 40 million by 2018. According to Accenture analysis, employees selecting lower priced health policies that cover a smaller proportion of health expenses in return for income to be used on other benefits or pocketed as cash.

While employees have differing tradeoff priorities, general trends have emerged: 78% are willing to accept a higher deductible, whereas only 23% are willing to accept greater cost sharing.

While most are willing to take on a higher deductible, the majority are only willing to do so if the premium savings they receive are greater than their risk. Accenture has also found that employees are generally less willing to accept restrictions in the provider network.

The income gained by selecting lower priced health insurance can be used on ancillary benefits. Accenture findings suggest that this new pool of “discretionary premium dollars” could grow as high as \$4 billion by 2018.

These findings not only present a promising growth opportunity for ancillary benefits, but also offer insight into the consumer behavior on the increasingly important Private Health Insurance Exchange model.