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FOR IMMEDIATE RELEASE

Local CPA Firm Conducts Survey Re Vermont Healthcare Exchange

- *54% of businesses surveyed will offer health plan to employees in 2014 compared to 81% in 2013*
- *Slightly less than half of businesses that will NOT offer 2014 health coverage will provide alternatives to employees including increased compensation*
- *New exchange system proving to be slightly costly to businesses in terms of time and money*

Williston, VT November 18, 2013 – The Certified Public Accounting firm of Davis & Hodgdon Associates CPAs located in Williston, Vermont, conducted a survey earlier this month regarding the impact of Vermont’s new healthcare exchange system on Vermont-based businesses. The survey was completed by over 130 small- to medium-sized businesses located throughout the state and primarily in Chittenden (44%), Washington (10%), and Windsor (10%) counties, but also in Windham (8%) and Rutland (8%). Most of those surveyed responded within four hours of the survey launch, demonstrating the urgency of this topic among many Vermont businesses.

Respondents were asked to provide detailed information about their employee health insurance benefit plans for the current year of 2013 as well as their intent for the new health plan year 2014. They were also asked to react to and report on their initial experience with Vermont Health Connect, the new Health Insurance Exchange. Respondents were also asked to gauge the new system’s effect on the cost of daily business operations and whether their businesses are taking advantage of the healthcare tax credits.

Vermont industries surveyed included professional and technical, manufacturing, retail, finance and insurance, health care and social assistance, construction, hotel and restaurant, education services, agriculture, information, and wholesale trade.

For the current year, 81% of businesses surveyed indicated that they provide health coverage to employees on some level. 39% of which offer full single or family coverage,

21% offer full single coverage only, while 8% provide a flat dollar amount in excess of \$300 per month, and 4% provide a flat dollar amount less than \$300 per month. 28% of those businesses providing health coverage on some level in 2013 have provided another option to their employees.

When the same respondents were asked about intent for the new health plan year 2014, only 54% indicated that they will offer health coverage to their employees. Of those businesses that will offer health plans for 2014, 44% will provide a flat dollar amount in excess of \$300 per month and 12% will provide less than \$300 per month. 43% of respondents that will offer plans in 2014 indicated that they will provide an alternative to their employees.

Of those businesses surveyed, 34% indicated that they will NOT offer health coverage to employees for the new health plan year 2014. As an alternative to health coverage 24% of those that will not offer a 2014 health plan will increase employee compensation and 22% will offer another alternative. 2% of those not offering a 2014 health plan indicated that they will begin or increase contributions to employee Health Savings Accounts (HSAs) while **52% stated that they will offer no alternative.**

When asked to rate the feedback and reaction from their staff in regards to Vermont Health Connect, the weighted average response fell between “unfavorable” reactions to that of “ambivalence”. Based on their own initial experience with Vermont Health Connect, business respondents reactions fell between “unfavorable” and “undecided”.

Respondents were then asked to gauge the effect of using the new exchange system on their general daily business operations, in regards to overall time and money spent. The general consensus reaction fell between “slightly costly” and “costly”. In addition, 60% of those who responded have consulted with a broker, while others used consultants including Human Resources Specialists, Accountants, Attorneys, Navigators and the Vermont State Help Line.

What does Davis & Hodgdon’s managing partner, John Davis think it means? “I sense a great deal of trepidation among businesses regarding how best to respond to the new exchange system. Survey results show a significant drop in businesses that are offering health plans or alternatives to employees in 2014, which may indicate that many are taking a “wait and see” approach prior to committing to alternatives to the coverage they once offered their employees.” Davis continued, “It’s also interesting that only 21% of businesses surveyed are taking advantage of the health care tax credits, which may indicate that the benefits of this credit have been overstated.”

For complete survey results, go to <http://survey.constantcontact.com/survey/a07e8ciqlkwhmrt9iyi/results>.

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