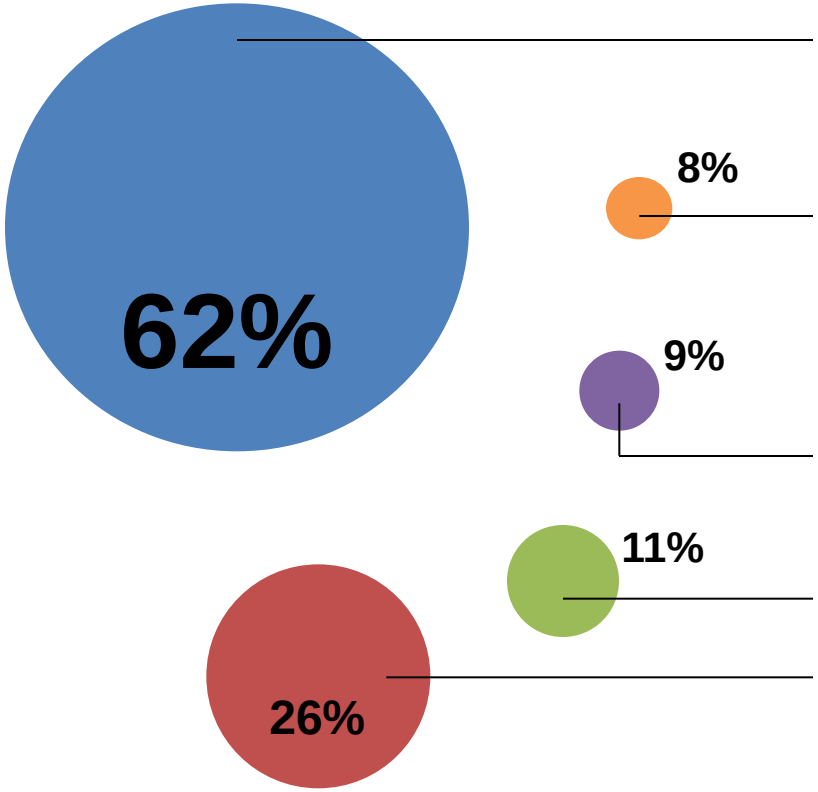
Managing Cost of Health Coverage With a “Defined Contribution” Approach



Approach

- Keeping the employer contribution the same for all plans offered, so employees pay more for more expensive coverage
- Raising the employer contribution by a set amount each year regardless of the actual increase in plan cost; increases above that amount are paid by employees
- Providing employees with a fixed dollar subsidy to purchase coverage on their own
- Some other DC approach
- Not currently considering a DC approach

Source: Mercer’s National Survey of Employer-Sponsored Health Plans, 2011

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