
American Hospital Association

DIVERSIFIED
Partners in Retirement Solutions
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Introduction

About the Survey

*Retirement Plan Trends in Today’s Healthcare Market—2011* is the ninth annual survey conducted by Diversified and the American Hospital Association (AHA). This report analyzes responses from healthcare retirement plan sponsors nationwide. It was developed to present plan sponsors and their advisors with comprehensive benchmarking information and to help with the strategic evaluation of their retirement programs.

American Hospital Association

The AHA is a not-for-profit association of healthcare provider organizations and individuals that are committed to the health improvement of their communities. The AHA is a national advocate for its members, which include nearly 5,000 hospitals, healthcare systems, networks, and other providers of care. Founded in 1898, the AHA provides education for healthcare leaders and is a source of information on healthcare issues and trends. For more information, visit www.aha.org.

AHA Solutions, Inc.

AHA Solutions, Inc. is a resource to hospitals pursuing operational excellence. As an American Hospital Association (AHA) member service, AHA Solutions collaborates with hospital leaders and market consultants to conduct product due diligence and identify solutions to hospital challenges in the areas of finance, human resources, patient flow and technology. AHA Solutions provides related marketplace analytics and education to support product decision-making. As a subsidiary of the AHA, the organization convenes people with like interests for knowledge-sharing centered on timely information and research. AHA Solutions is proud to reinvest its profits in the AHA mission: creating healthier communities. For more information, contact AHA Solutions at 800-242-4677 or visit www.aha-solutions.org.

Diversified

Diversified is a leading provider of customized retirement plan administration, participant communication and open architecture investment solutions for mid- to large-sized organizations. Diversified has been serving the healthcare market since 1963 and is the leading provider of retirement plan services to healthcare organizations. The company’s expertise covers the entire spectrum of defined benefit and defined contribution plans, including: 401(k) and 403(b) (Traditional and Roth); 457; nonqualified deferred compensation; profit sharing; money purchase; cash balance and Taft-Hartley plans; and rollover and Roth IRA. Diversified helps two million participants save and invest wisely for and throughout retirement.

Headquartered in Harrison, NY, the company’s regional offices are located nationwide. To learn more, visit www.divinvest.com.

Retirement Research Council™

The Retirement Research Council, the market intelligence group at Diversified, is dedicated to:

• Presenting a comprehensive picture of the private retirement plans market
• Providing plan sponsors and their advisors with comprehensive, actionable benchmarking information
• Analyzing trends to assist with strategic evaluation of retirement plans

Drawing on more than 50 years of experience in retirement plans management, the Retirement Research Council periodically assembles experts from all facets of the retirement plans business to evaluate the current and future impact of trends shaping the industry.
Market Overview

The not-for-profit market is comprised of roughly 39,000 plans representing more than 12 million participants and nearly $1 trillion in assets.

Although the healthcare segment is comprised of fewer than 4,000 plans and represents only about 10% of all not-for-profit plans, these plans hold nearly one-quarter of all not-for-profit plan assets and have more participants than any other segment. There are nearly five million participants in retirement plans sponsored by healthcare organizations, representing about 40% of the overall not-for-profit market.

Source: Spectrem Group, 2011
Retirement plans in the healthcare market continue to evolve. Employers still believe in the importance of participant education, and both employers and employees realize there is a dire need for better retirement preparedness. After a tumultuous few years, plan sponsors are regaining their footing and are eager to help participants achieve their retirement goals.

Employers recognize the need to help participants save, in part because they are paying a decreasing amount of the retirement bill. The trend of declining defined benefit plans is continuing. Organizations that offer a 401(k) plan in addition to a defined benefit plan are most likely to be experiencing this decline. However, there is some indication that this trend could slow over the next year or so. Fewer plan sponsors expect to make changes to their plans and fewer plan sponsors expect to freeze their plans than one year ago.

In organizations that expect a modification to their defined benefit plan, defined contribution plan enhancements are expected to compensate for the cutback. Since excessive contribution amounts (more than six-in-ten plans are currently under-funded) and market volatility are the leading contributors to plan changes, and changes are expected to stabilize, plan sponsors may be anticipating a calmer, more prosperous environment.

This is consistent with experts’ opinions as concluded in Diversified’s proprietary research Prescience 2015, issued in July 2011.

Healthcare organizations report that two-thirds of their employees participate in a defined contribution plan. Participation rates in 401(k) plans are higher than those in 403(b) plans. Typically, employees contribute about 5% of their salary; highly compensated employees contribute slightly more, 7%. These figures are concerning as there is expansive evidence that these levels are not sufficient for most individuals to achieve a fully-funded retirement.

Consistent with their objective of helping employees financially prepare for retirement, most healthcare plan sponsors make contributions to their defined contribution plans. The presence of these contributions is likely to increase both savings and participation rates. A fixed, matching contribution is most common. The match is often $0.50 on the first 4% or 6% of salary. Fewer plan sponsors are offering a stated percent of salary as compared to a year ago, and when offered, the likeliest contribution is 2-3%. Most healthcare plan sponsors fully vest employees in the plan after three years—and one-third fully vest immediately.

Typically employers require employees to be just 18 years of age to enroll in defined contribution plans. Healthcare organizations are slightly more stringent when it comes to receiving employer contributions as employees need be at least 21 in most organizations. Though most plan sponsors impose service requirements on defined contribution plans, they are less likely to impose a service requirement for plan entry as compared to eligibility for employer contributions. This is consistent with more lax age requirements on plan entry. Since plan sponsors indicate that the primary goal of their retirement plan is to help employees prepare for retirement, healthcare plan sponsors should consider how the imposition of a service requirement affects their participation—generally the longer the service requirement, the lower the participation. However, it’s interesting to note that plans with a service requirement of less than three months have a higher participation rate than plans with no service requirement at all. This may indicate that newly-hired employees are too distracted to focus on enrolling in a retirement plan. The notice of eligibility after a three-month wait might come at a time when employees are more likely to focus on this opportunity.

A significant number of plan sponsors are acting on the challenge of motivating employees to save, as one-third of organizations employ automatic
enrollment. This is effective as just 8% of participants opt out of the plan once enrolled, resulting in greater participation than for plans that do not use automatic enrollment. However, only one-quarter of healthcare organizations have implemented automatic escalation. Automatic features are becoming more vital as organizations realize the importance of assisting employees with retirement savings.

Using only one automatic feature alone however—either automatic enrollment or automatic escalation—is not likely to be enough to help participants achieve a fully-funded retirement. While plan sponsors recognize the importance of retirement savings, and are increasingly using automatic enrollment, they admit that the default deferral of 3%, which is most common, is not sufficient. Using automatic enrollment with automatic escalation is key to helping participants meet their retirement income goals.

While there has been some stabilization in the economy, a significant number of participants continue to dip into their retirement savings to assist with current expenses. One-in-ten participants currently has an outstanding loan and almost one-half of sponsors surveyed state hardship withdrawals have increased in the past two years.

Plan sponsors are increasingly taking advantage of complete open investment architecture. The sole use of proprietary funds continues to decline and many plans (29%) do not offer any proprietary funds at all. Retirement plan providers who rely on their proprietary funds in the healthcare market may find this a hindrance to future business development.

Use of multiple vendors is declining and there could be greater responsibility placed on the sole vendor as outsourcing of various retirement plan management functions is common, and increasing. Loans, hardship withdrawals, QDROs and paperless enrollment are more likely to be outsourced than in the past, and this trend is likely to continue. However, outsourcing has taken hold out of necessity. When plan sponsors opt to not outsource, they do so because they feel their own human resources staff can handle the functions.

Many healthcare plan sponsors expect to improve employee education, which is vital given employee demand. This could result in an opportunity for advisors and providers to examine the specific educational needs of sponsors and their participants to deliver well-suited education to each situation. This could possibly have a greater level of influence in setting advisors and providers apart.

About four-in-ten (39%) healthcare plan sponsors have an on-site representative, and the representative’s responsibilities are varied. They assist with several tasks including education and enrollment. As retirement planning and servicing becomes more technologically advanced, and more functions can be handled easily online and through interactive voice response vehicles, plan sponsors and providers need to encourage participants to use these vehicles, so the on-site representatives can be utilized for greater employee education and less for tactical items such as enrollment.

Plan audits conducted last year overall were more costly than plan sponsors expected, with 44% paying between $10,000 and $20,000 as compared to just 26% who expected to pay this amount according to a previous iteration of this survey. A direct bill for service is most likely.

*Retirement Plan Trends in Today’s Healthcare Market – 2011* presents hot topics and ongoing trends occurring in an evolving market. The findings are designed to help plan sponsors and their advisors compare their plans to industry benchmarks, enabling them to measure plan health and to provide direction for future plan management.
Defined Benefit Plans

Plan Types

The prevalence of defined benefit plans continues to decline among organizations that also offer a defined contribution plan. In 2011, 37% of organizations that offer a defined contribution plan also offer a defined benefit plan, compared to 45% one year ago.

Defined benefit plans are also more common among larger organizations. Sixty-six percent of companies with 5,000 or more employees offer a defined benefit plan, compared to only 28% among organizations with less than 5,000 employees.

Though 403(b) plan sponsors are still more likely to offer a defined benefit plan compared to 401(k) plan sponsors, this level has declined slightly to 42% in 2011 from 51% in 2010. Defined benefit plan offering by 401(k) sponsors has remained stable at 26%.

Defined benefit plan prevalence increases with employer size. Organizations with larger defined contribution plans are more likely to have a defined benefit plan.
Sixty-seven percent of organizations with $500 million or more in defined contribution plan assets offer a defined benefit plan, compared to only 11% of organizations with less than $10 million in defined contribution plan assets.

Plan Design and Service

Traditional defined benefit plans are more prevalent than cash balance and other hybrid plans.

Final pay is the most common type of defined benefit formula, consistent with last year, used by six-in-ten plan sponsors. Just 37% of sponsors use a career average formula.

Almost four-in-ten defined benefit plan sponsors (38%) involve a defined contribution provider in plan administration. The most common services provided are benefit calculations (25%), participant statements (21%) and benefit payments (21%). Overall, defined contribution provider assistance has increased to 38% in 2011 from 34% in 2010. There is a wide disparity on the level of Form 5500 support that defined benefit plan sponsors receive from their providers. Forty-one percent of providers complete Forms 5500 in their entirety, 23% complete them partially and 36% do not provide any Form 5500 support.

Anticipated Changes

Though there has been a recent decline in defined benefit plans, there may be some stability over the next few years as fewer sponsors expect to make changes to their plan structure. Just one-quarter of healthcare organizations expect to change their defined benefit plans, down from 37% in 2010. Additionally, the incidence of freezing defined benefit plans is likely to remain level. About one-in-ten healthcare organizations (9%) expect to freeze their defined benefit plans which is fairly consistent with their stated expectations last year (7%). Organizations expect to enhance their...
defined contribution plans to compensate for terminating or freezing their defined benefit plans in roughly the same proportion (7%). Just 3% of sponsors expect to engage a consultant to assist with defined benefit plan strategy, a decrease from 6% one year ago. Excessive contribution amounts and market volatility are the leading contributors to plan changes.

Financial Impact

Most defined benefit plans are at least 80% funded, nearly four-in-ten have a funding level greater than 90%. Defined benefit plan sponsors are still grappling with several plan concerns. Thirty-eight percent of sponsors indicate that they are concerned about the defined benefit plan’s impact on the sponsor’s financial statements. One-third of healthcare plan sponsors are concerned about the organization’s long-term commitment to the plan.
Defined Contribution Plans

Plan Types

Healthcare plan sponsors continue to maintain several types of plans—with many offering multiple defined contribution plans. Seventy-eight percent of healthcare organizations offer a 403(b) plan and almost three-in-four of these are ERISA plans. 457(b) plans are also prominent with 59% of respondents offering one. 401(k) plans are offered by just less than one-half (46%) of healthcare organizations.

Most healthcare sponsors (90%) engage just one provider to manage their primary defined contribution plan, up from 85% a year ago. However, when they use more than one provider, they are likely to use several. In fact, plan sponsors with a non-exclusive arrangement use an average of four defined contribution plan providers.

Participation and Requirements

Healthcare organizations report that two-thirds of their employees participate in their retirement plans. Participation is higher in 401(k) plans (72%) compared with 403(b) plans (65%). Consistent with prior years, highly compensated employees are more likely to participate (90%) than non-highly compensated employees (60%).

Overall, employees are most likely to contribute 5% of salary (7% for highly-compensated employees). For the large majority of participants, this represents $1,000 to $4,999 annually.

Most healthcare plan sponsors impose an age requirement for both plan entry and eligibility for employer contributions. Though fewer organizations impose a requirement for employer contributions than for plan entry, when there is a requirement, it is more stringent. Almost four-in-ten (39%) mandate the attainment of age of 21 for employer contributions and almost the same percentage require the attainment of age 18 for plan entry.

Healthcare organizations are more likely to impose a service requirement for employer contributions (83%) than they are for plan entry (72%). More than one-third (38%) of healthcare organizations require more than one year of service for
Defined Contribution Plans

receiving employer contributions, and 41% require a waiting period of three months to one year. The most common service requirement for plan entry is three months to one year (37%).

Defined Contribution Plan
Age Requirements

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<td>32%</td>
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<td>Age 18</td>
<td>29%</td>
<td>41%</td>
</tr>
<tr>
<td>Age 21</td>
<td>35%</td>
<td>39%</td>
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Defined Contribution Plan
Service Requirements

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<th>Service Requirement</th>
<th>Plan Entry</th>
<th>Employer Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Requirement</td>
<td>28%</td>
<td>41%</td>
</tr>
<tr>
<td>Less than Three Months</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Three Months to One Year</td>
<td>15%</td>
<td>37%</td>
</tr>
<tr>
<td>Longer than One Year</td>
<td>4%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Median Participation by
Service Requirement for Plan Entry

- No Requirement: 75%
- Less than 3 Months: 79%
- Three Months to One Year: 66%
- Longer than One Year: 50%
Imposing a longer service requirement has an adverse impact on plan participation. Healthcare plan sponsors with a service requirement of less than three months report a 79% participation rate, as compared to a 66% participation rate with a service requirement of three months to one year, and just a 50% participation rate with a service requirement greater than one year. It is interesting to note that the participation rate is slightly lower when there is no service requirement at all (75%) than when there is a three-month waiting period (79%). This could indicate that during their first days at a new job employees might be too distracted to enroll in a defined contribution plan, and having a short waiting period might provide a great reminder at a time when they are more likely to enroll.

**Employer Contributions**

The majority of healthcare organizations make employer contributions to their plans (87%), and this increases participation (a 68% participation rate is reported in plans with employer contributions, 64% without). Fixed contributions that are stated in the plan document are more common (65%) than discretionary contributions (22%).

Matching contributions remain most prevalent (74%), and a match of $0.50 on the first 4% or 6%
of salary is the most common formula. There has been a decrease in plans that contribute a stated percent of salary (32% in 2011; 45% in 2010). For sponsors that do contribute a stated percent of salary, 2% to 3% remains most common.

Vesting

Vesting schedules for defined contribution plans are fairly evenly split across immediate vesting (34%), cliff vesting (35%) and graded vesting (31%). In the past year, there has been an increase in plans that include immediate vesting and a decrease in plans that include graded vesting. The most common vesting schedule lengths are three years (40%) and five years (36%).

401(k) plans are more likely to use immediate or graded vesting schedules, compared to 403(b) plans where cliff vesting is more common.

Investment Options

Healthcare organizations offer a wide selection of investment options within their defined contribution plans. More than one-half of plans offer more than 15 investment options, which is consistent with 2010.
401(k) plans tend to offer more investment options (67% offer more than 15) compared to 403(b) plans (57%).

Proprietary fund usage is less common in 2011 than in prior years. Fewer healthcare organizations state that all funds in their plans are proprietary (6% in 2011 versus 16% in 2010). Twenty-nine percent of plans take advantage of true open investment architecture, offering no proprietary funds.

The presence of stable value funds is high, as three-in-four healthcare defined contribution plans (74%) offer one. This has increased in the past year (from 66% in 2010), perhaps as a result of recent market volatility.

### Automatic Services and Investment Solutions

The offering of investment advice is common with more than seven-in-ten plans (71%) offering this service. One-half of plans offer managed accounts (53%) and just over one-third have adopted lifetime income/annuity options (34%).

The availability of automatic features is also becoming more widespread, however the prevalence did not increase dramatically. Automatic enrollment
Defined Contribution Plans

Increased to 36% in 2011 from 29% in 2010. Automatic escalation increased to 23% from 14%. Automatic enrollment, automatic escalation and managed accounts are more prevalent in 401(k) plans than in 403(b) plans. The most common default investment option is a target date option.

Automatic enrollment is key to greater participation. Sponsors report a participation rate of 79% in plans with automatic enrollment versus 62% without. This gap has closed somewhat since 2010, which may reflect that participants are feeling volatility is stabilizing, and realizing that they are likely to not have enough to retire.

Once automatically enrolled, participants are likely to stay in the plan. Fewer than one-in-ten participants (8%) opt out after automatic enrollment. This is consistent with 2010 survey findings.

Default deferral levels have also increased somewhat, as fewer participants are contributing less than 3%; 27% contributed less than 3% in 2011 as compared to 35% in 2010. A default level of 4% is more common in 2011 (24% in 2011 compared to 14% in 2010).

Though the default deferral levels have increased, few plan sponsors (5%) feel that the deferral level is high enough for participants to achieve a funded
There appears to be a disconnect between sponsors and participants. Most sponsors acknowledge that their default deferral is not intended to be adequate in the long term but more as a starting point for participants to build upon. However, participants seem to believe that the default deferral is an implied endorsement of the rate, and few participants increase their deferral rate above the default. According to The National Bureau of Economic Research, “A large proportion of automatically enrolled new employees accept both the default contribution rate and the default investment allocation associated with the plan...the contribution rates of new enrollees became lower after the defaults were implemented, even as many more new employees participated in the plans.” (www.nber.org “How to Increase 401(k) Savings,” May 23, 2011).

Since plans are not using a default deferral rate that is adequate for participants to achieve a funded retirement, sponsors should strongly consider using automatic deferral escalation in conjunction with automatic enrollment. Automatic escalation is successful in increasing retirement account balances; the average account balance in plans with automatic escalation is $43,042, compared to $28,234 in plans without. Industry thought-leaders surveyed for Diversified’s Prescience 2015: Expert Opinions on the Future of Retirement Plans agree, “unless the standard automatic deferral contribution rate is increased dramatically—to 12% or higher—we believe that pairing automatic enrollment with automatic escalation is critical to participants’ achieving a funded retirement.”
Loans and Hardship Withdrawals

Eight-in-ten plans permit loans, and in those plans, 10% of participants currently have an outstanding loan. This is consistent with 2010. Participants are diligent about loan repayment as only 2% of plan loans are reported to be in default.

Loan balances have held steady since 2010, with an average balance of $5,000. Hardship withdrawal amounts have declined slightly, averaging $2,500 in 2011 versus $2,717 in 2010.

Though there are signs that the economy may be rebounding, hardship withdrawals are likely to remain prevalent as almost one-half (47%) of healthcare organizations report an increase in hardship withdrawals over the past two years. It will be interesting to see how this trend takes shape over the next two years.

Use of Advisors

Nearly eight-in-ten healthcare organizations report using the services of a retirement plan professional. Consultants are the most common advisor type (30%) followed by independent advisors (21%). This has remained unchanged since 2010.
Key advisor responsibilities involve investments, particularly ongoing monitoring (79%) and selection (77%).

Advisors are typically compensated via a hard-dollar fee (41%) paid on a retainer basis (61%). Independent advisors are more likely to be paid on a retainer basis (86%), compared to advisors overall (61%). When asset-based fees are used, the most common fee is less than five basis points though 20% of plans pay five to ten basis points.

Advisors typically bill the plan sponsor directly (48%), though this level has decreased since 2010 (57%). Payment through an expense/ERISA budget account has increased (27% in 2011 versus 22% in 2010).

Advisor meetings are commonly held quarterly, as stated by two-thirds of healthcare organizations. Only 7% of sponsors meet with their advisors monthly.
Plan Audits

In 2007, there were sweeping legislative changes to 403(b) plans, including audits required for plan years beginning on or after January 1, 2009. A previous iteration of this survey inquired about plan sponsor expectations regarding these audits. Sponsors were correct in their prediction that their accountants would conduct plan audits (48% expected, 47% actual).

Plan sponsors were also fairly accurate in their prediction of how fees would be paid. More audit fees were paid by direct bill (71% expected, 77% actual) than through an expense/ERISA budget (19% expected, 17% actual) or other ways of payment (10% expected, 6% actual).

While one-third of healthcare organizations were unsure what the cost of the plan audit would be, the majority of sponsors who did venture a guess predicted that the cost would be less than $10,000 (30%) or $10,000-$20,000 (26%). In actuality, 33% of sponsors paid less than $10,000, and 44% of sponsors paid between $10,000 and $20,000.

Plan sponsors were highly involved in the audit.
Outsourcing and Vendor Activity

Three-quarters of healthcare organizations outsource at least some aspects of plan management, and outsourcing is becoming more widespread. Aside from a slight decline in the outsourcing of eligibility determination and employer match calculation, outsourcing has increased for all other functions measured. The most commonly outsourced plan functions are loans (59%), hardship withdrawals (56%), paperless enrollment (49%) and QDROs (47%).

The most prevalent reason healthcare organizations do not outsource is related to staffing—they feel they have adequate human resources staff to perform the functions. However, this is becoming less of a reason for outsourcing (60% in 2011 from 71% in 2010). Fewer healthcare organizations report having a desire to maintain control, indicating a possible continuing increase in outsourcing in the future.

There does not seem to be an increase in vendor changes on the horizon. Few healthcare organizations anticipate changing providers or consolidating recordkeepers.
Defined Contribution Plans

Methods for Communicating Retirement Plan Information

- Print Materials Mailed to Employee Homes: 78%
- On an Internet Site: 78%
- By Telephone or Voice Response System: 57%
- On an Intranet Site: 55%
- Electronic Materials Sent to Employees’ Work E-mail Address: 54%
- Retirement Benefit Fairs: 50%
- Posters: 48%
- Electronic Materials Sent to Employees’ Home E-mail Address: 28%
- Retirement/401(k) Day: 27%

Best Indicator of Plan’s Success

- Participation Rate: 61%
- Participants are on Track to Meet Their Goals: 26%
- Income Replacement Ratio: 3%
- Amount Saved per Employee: 3%
- Deferral Rate: 2%
- Other: 4%

Defining and Measuring Success

According to survey respondents, the primary goal of offering a retirement plan is to help employees accumulate income for retirement (65%). Fewer sponsors state that their goal is to retain employees (20%) or because it is “the right thing to do” (20%). Only 3% state that they offer their plan in order to recruit employees.

Healthcare organizations are most likely to use high employee participation as the primary measure of plan success (61%), compared to just 26% who feel that the plan is successful if participants are on track to meet their goals.

We expect to see the measure of plan success continue to evolve. Using only one statistic, even plan participation, does not tell a complete story. For example, plans that have 100% participation but very low deferral rates may not be preparing participants adequately for retirement. Technology now allows both sponsors and participants to use a more holistic measure of whether the plan is helping participants achieve a funded retirement.

Employee Communications

According to Diversified’s 2011 Participant Satisfaction Research, two-thirds of participants look to their retirement plan provider for retirement information, so communication is key. The most common ways that plans communicate retirement plan information to employees are through printed material mailed to homes and via a website (78% each). Use of the Internet in communications by healthcare organizations increased from 69% in 2010. Communications through telephone/voice system has also increased (to 57% in 2011 from 46% in 2010).
A more comprehensive measure helps sponsors ensure more appropriate plan utilization and helps participants more clearly see their progress toward their retirement income goals, enabling them to consider actions that are likely to lead to a more financially secure retirement.

Managing retirement programs can present many challenges for sponsors. Key challenges are motivating employees to save adequately (77%), helping participants invest wisely (57%) and keeping up with regulatory changes (51%). Almost one-third of sponsors find it challenging to meet their fiduciary responsibilities (31%).

Change is in the air. More than one-half of health-care organizations (55%) anticipate they will make a change to their retirement plan in the next year. One-third (34%) state they are going to improve employee education. This is a significant step in the right direction as education could lead to assistance in retirement income goal planning. According to Diversified’s 2011 Participant Satisfaction Research, 57% of participants are interested in receiving help in establishing a retirement income goal, and one-half would like help measuring their progress toward meeting their goals.
On-Site Representatives

More than one-third (39%) of plan sponsors have a dedicated on-site representative. These representatives are more likely to be part-time (57%) than full-time (43%).

The primary responsibilities of the on-site representatives involve planning, education and enrollment. Their most common responsibilities are to help employees understand the plan (93%), provide retirement income planning (79%), improve employee appreciation of the plan (79%) and enroll employees (74%).

Consistent with 2010, on-site representatives are typically compensated through a combination of salary and bonus (82%).
Conclusion and Methodology

Conclusion

As the economy continues to rebound from the economic turmoil over the last few years, healthcare organizations are working diligently to provide retirement plans that will meet the needs of both their organizations and employees. This is a challenging but worthwhile task. *Retirement Plan Trends in Today’s Healthcare Market – 2011* is designed to help sponsors and advisors strategically evaluate the strength and competitiveness of their retirement programs. Diversified and the American Hospital Association look forward to helping our clients, members and partners successfully meet their retirement plan goals.

Survey Design and Data Collection

Diversified and the American Hospital Association collaborated to conduct the *Retirement Plan Trends in Today’s Healthcare Market – 2011* survey. Comprised of 82 questions, the survey was conducted online in the second quarter of 2011. The respondent sample represents healthcare organizations that have one or more active defined contribution plans. A total of 194 hospital administrators and chief financial officers responded to the study.
### Respondent Profiles

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<td>Not-For-Profit</td>
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<table>
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<th>Number of Eligible Employees</th>
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<td>More than 20,000</td>
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<th>Defined Contribution Plan Assets</th>
<th>Percent of Respondents</th>
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<td>Less than $10 million</td>
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<tr>
<td>$250 to $499.99 million</td>
<td>9%</td>
</tr>
<tr>
<td>More than $500 million</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Association Member</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>73%</td>
</tr>
<tr>
<td>No</td>
<td>27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization Type</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute Care Hospital</td>
<td>71%</td>
</tr>
<tr>
<td>Physician Group Practice</td>
<td>20%</td>
</tr>
<tr>
<td>Ambulatory Care Center</td>
<td>14%</td>
</tr>
<tr>
<td>Long-term Care Facility</td>
<td>13%</td>
</tr>
<tr>
<td>Teaching Hospital</td>
<td>12%</td>
</tr>
<tr>
<td>Specialty/Niche Hospital</td>
<td>12%</td>
</tr>
<tr>
<td>Children's Hospital</td>
<td>48%</td>
</tr>
<tr>
<td>Heart Hospital</td>
<td>10%</td>
</tr>
<tr>
<td>Rehabilitation Hospital</td>
<td>10%</td>
</tr>
<tr>
<td>Cancer Hospital</td>
<td>5%</td>
</tr>
<tr>
<td>Obstetrics &amp; Gynecology Hospital</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>24%</td>
</tr>
<tr>
<td>Nursing Care/Assisted Living Facility</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Census Region</th>
<th>Percent of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>East North Central (IL, IN, MI, OH, WI)</td>
<td>26%</td>
</tr>
<tr>
<td>East South Central (AL, KY, MS, TN)</td>
<td>6%</td>
</tr>
<tr>
<td>Middle Atlantic (NJ, NY, PA)</td>
<td>15%</td>
</tr>
<tr>
<td>Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)</td>
<td>10%</td>
</tr>
<tr>
<td>New England (CT, MA, ME, NH, RI, VT)</td>
<td>9%</td>
</tr>
<tr>
<td>Pacific (AK, CA, HI, OR, WA)</td>
<td>18%</td>
</tr>
<tr>
<td>South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)</td>
<td>16%</td>
</tr>
<tr>
<td>West North Central (IA, KS, MN, MO, NB, ND, SD)</td>
<td>15%</td>
</tr>
<tr>
<td>West South Central (AR, LA, OK, TX)</td>
<td>12%</td>
</tr>
</tbody>
</table>
Thank You for Participating!

Akron Children’s Hospital
Alamance Health Care
AmSurg
AnMed Health
Aptium Oncology, Inc.
Archbold Medical Center
Asante
Ascension Health
Ashtabula County Medical Center
AtlantiCare
Banner Health
Benefis Health System
Big Horn Hospital Association
Blue Mountain Hospital
Cape Regional Medical Center
Casa Colina, Inc.
CGH Medical Center
Channing House
Children’s Hospital and Health System
Children’s Hospital Central California
Children’s Hospitals and Clinics of Minnesota
Cobre Valley Regional Medical Center
Columbus Regional Hospital
Community Blood Center/Community Tissue Services
Anonymous
Anonymous
Regina Jones
Margie F. Roberts
Ron Bryan
Zach Wheeler
Anonymous
Terry Hartig
Lisa Shank
Anonymous
Vicki Weber
Terry Olinger
Gary Robertson
Bob Houser
Mary Jo Armand
Karen DuPont
Thomas McCawley
Julie Jones
Anonymous
Christopher Nola
Donna Van Dreser
Rita Murphy
Anonymous
Michele Stevens
Community Hospital Corporation
Crittenton Hospital Medical Center
Deborah Heart and Lung Center
DeSoto Memorial Hospital
East Tennessee Children’s Hospital
Edward Hospital
Egan Healthcare Services
Essentia Health
Exempla
Finger Lakes Health
Flambeau Hospital, Inc.
Franciscan SCC HealthCare Ministry
Garden City Hospital
Genesis Health System
Glencoe Regional Health Services
Glens Falls Hospital
Good Samaritan Hospital
Goodall Hospital
Greenville Hospital System
Griffin Hospital
Hawaii Pacific Health
Hayes Green Beach Memorial Hospital
Heart of America Medical Center
Hearthstone at Murrayhill
Laurie Breedlove
Howard Bosworth
Anonymous
Dan Hogan
Paul Bates
Alison Frederick
Anonymous
Josh Elleson
Anonymous
Deb Brown
Barbara Michalski
Anonymous
Steven Solomon
Judy Winslow
Anonymous
Nancy J. Smith, PHR
Marlene Blaszkiewicz
Carolyn Burgess
Anonymous
Anonymous
Anonymous
Anonymous
Jennifer Bucienski
Anonymous
Anonymous
Thank You for Participating!

Hermann Area District Hospital
Holy Family Memorial
Indiana University Health
Intracare Medical Center Hospital
IU Health Bloomington Hospital
Jefferson University Hospital - Methodist
Johnson Regional Medical Center
Kansas Heart Hospital
Kuakini Health System
Lady of the Sea General Hospital
Lakeland Regional Medical Center
Lawrence Health Services
Lee Memorial Health System
Lincoln County Healthcare
Logansport Memorial
Longmont United Hospital
Martin Memorial
Massac Memorial Hospital
MediSys Health Network
Memorial Health System
MemorialCare
Mercy Health Partners
Methodist Hospital of Southern California
Middlesex Hospital
Denise R Witthaus, MBA
Anonymous
Tim Fosnot
Frederick Chan
Ron Maines
Joseph Micucci
Maribel Baker
Teresa Wolfe
Anonymous
Bennie Smith
Anonymous
Sherri Brown
Larry Werges
Lisa McIlwain
Anonymous
Warren Laughlin
Mark Cocorullo
Michelle Keplinger
Max Sclair
Anonymous
Anonymous
Anonymous
Jill Underwood
Donna Stroneski
Midland Memorial Hospital
Minnesota Gastroenterology, P.A.
Mission Community Hospital
Mission Health System
Montgomery Cancer Center
Moses Cone Health System
MultiCare Health System
MultiCare Health System
Odessa Memorial Healthcare Center
Park Nicollet Health Services
Parkview Health
Phelps Memorial Health Center
Pioneers Medical Center
Porter Medical Center
Presbyterian Senior Living
Preston Memorial Hospital
Ranken Jordan Pediatric Specialty Hospital
Saint Anthony Hospital
Saint Barnabas Health Care System
Saint Luke’s Health System
Saint Raphael Healthcare System
Salem Community Hospital
Salem Health
Samaritan Health Services
Russell Meyers
Rachael Redenius
John Holder
Patti Moore
Penny Gallops
John Konicek
Judy Swain
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
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Anonymous
Anonymous
Anon
Savoy Medical Center
Sayre Memorial Hospital
SCAN Health Plan
Seacrest Village Retirement Communities
Seton Health
Shenandoah Shared Hospital Services, Inc.
Shore Health System
Sinai Health System
Southwest General Health Center
St. Elizabeth Healthcare
St. Francis Hospital
St. Joseph Hospital of Nashua, NH
St. Joseph’s Health Care
St. Mary’s Dean Ventures, Inc.
St. Mary’s Health System
Stanly Regional Medical Center
Staten Island University Hospital
Stormont-Vail HealthCare
Suburban Hospital, Inc.
Sunset Association
Tenet Healthcare Corporation
Terrebonne General Medical Center
The Estates at Carpenters
The Methodist Hospital System
Annette M. Thibodeaux, PHR
Misty Carter
Anonymous
Pam Ferris
Anonymous
Deborah Raynes
Anonymous
Kelly Walters
Suzanne M. Schloss
Marianne Tait
Pamela Shovelson
Donna Beaupre
Anonymous
Anonymous
Anonymous
Anonymous
Anonymous
Bernard H. Becker
Cynthia D. Brandt Campagna, PHR
Chad Tuttle
Anonymous
Michelle Rousseau
Brian Robare
Marsha Coco
The Nemours Foundation
The Queen’s Health Systems
TriHealth
Union Hospital
Union Hospital, Inc.
United Church Homes, Inc.
United Regional Health Care System
University of Rochester
UNM Hospitals
Upland Hills Health
UPMC
Valley Medical Center
Via Christi Health
Wallowa County Health Care District
Weeks Medical Center
Wheaton Franciscan Healthcare
Yale–New Haven Hospital
Undisclosed
Undisclosed
Undisclosed
Anonymous
Jennifer Hatcher
Darwin Smith
Sally Zoel
Anonymous
Heather Hornel
Michelle Barrett
Cindy Paulsen
Troy Marx
Anonymous
Anonymous
Julie Humphrey
Linda Childers
Linda Rexford
Karen Hanley
Robert Garvey
Alexis Anderson
Cheri Davis
Chris Faber
We would like to thank the American Society for Healthcare Human Resources Administration (ASHHRA) for their invaluable support in fielding this survey.