



# Healthcare BENEFITS 101

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An overview of a complex system



## Group Health Insurance Plans

Employer sponsored health plans that provide healthcare insurance coverage to employees and their families.

# Why offer health insurance?

Compete for talent

Protect employees

Some group health plans costs are less per member than individual health plans

Wages are not the only factor in employee job decisions

Healthy employees = happy and productive employees

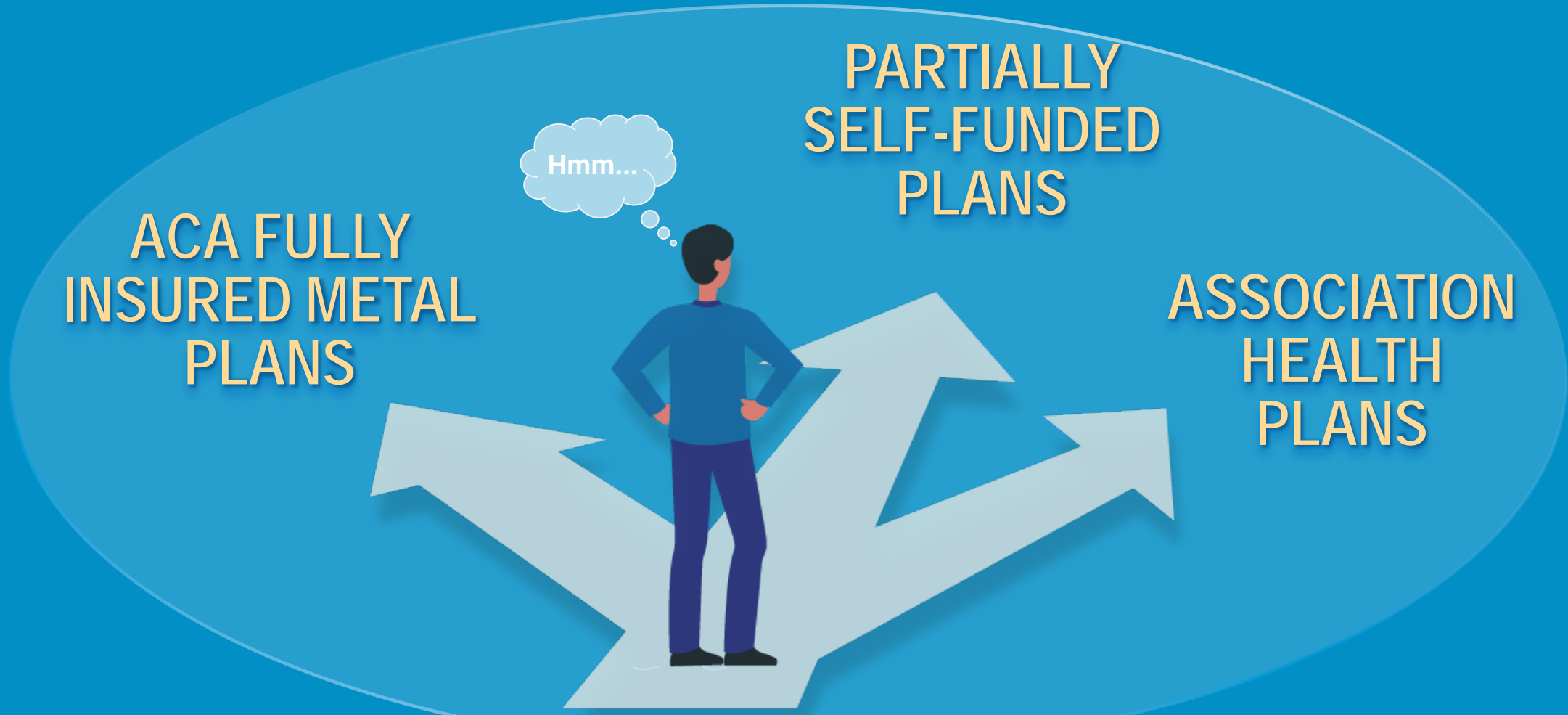


# Is My Company Eligible For a Group Health Plan?

Companies must have at least 1  
common law employee enrolled on  
the plan; who is not the Owner  
and/or the Owner's wife.



# Common Types of Small Group Health Plans





## Fully-insured ACA Plans

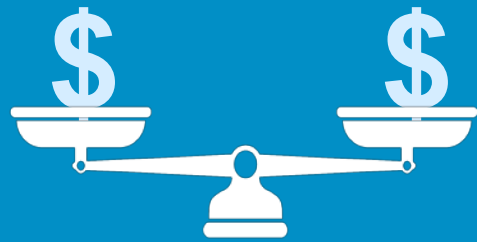
### ADVANTAGES

- ✓ Guaranteed Issue
- ✓ Pooled rating
- ✓ Available to 2-50 sized employers
- ✓ No gender rating
- ✓ Network and plan design flexibility

### DISADVANTAGES

- ✓ May not be the lowest priced options
- ✓ Constraints on plan design
- ✓ Benefits generally change from year to year





## Partially Self-Funded

### ADVANTAGES

- ✓ Competitive pricing for some groups
- ✓ Potential for employer to earn back dollars if claims are lower than expected
- ✓ Greater benefit flexibility
- ✓ Gender rating

### DISADVANTAGES

- ✓ Requires at least 9 enrolled employees with Individual Medical Questionnaires
- ✓ Groups can be declined
- ✓ Overall health status of the group is factored in to the price of the plans.





## Association Health Plans

### ADVANTAGES

- ✓ Pricing can be competitive for groups that qualify
- ✓ Additional flexibility on plan designs
- ✓ Supports parent association and industry.
  - e.g., Medical Doctors, Manufacturing, Tech, Construction, Autoworkers...
- ✓ Available to groups of 2+

### DISADVANTAGES

- ✓ Groups can be declined
- ✓ Additional association, trust, managing partner and 3<sup>rd</sup> party administrator fees may erode potential discount.
- ✓ Must be a member of the association in order to purchase.





# Terms You Need To Know

**Premium**

**Copays**

**Deductibles**

**Coinsurance**

**Maximum Out of  
Pocket Expense**



## What Type of Product Do I Want?

### PPO - Preferred Provider Organization

Offers In- and Out-of-network coverage.

Members can see specialists without a referral.

Wide range of providers and specialists to choose from.

Provides out of state coverage.

### HMO - Health Maintenance Organization

Provider choice is limited.

Coverage applies to In-network services only, except for emergent care.

Care is directed and coordinated by your assigned PCP.

## Traditional Copay Plans



- Offers copays for commonly used services.
- Deductible typically applies to inpatient and outpatient services.
- Member cost share applies to the member's out-of-pocket expenses.

## Consumer Driven High Deductible Health Plans



- Most services are subject to the deductible, before the health insurance pays out.
- Preventative services are covered at 100%.
- Commonly paired with a Health Savings Account.

# High Deductible Health Plans paired with an HSA



High Deductible  
Health Plan

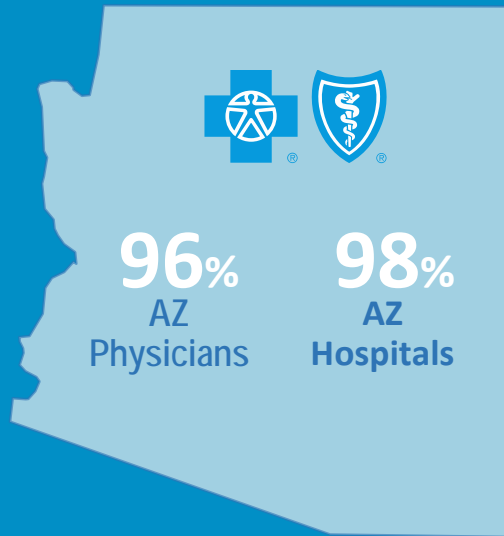


Health Savings  
Account

## Advantages of a Health Saving Account

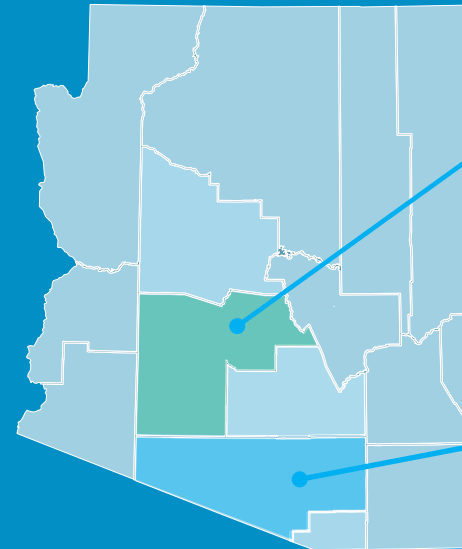
- ✓ Contributions are tax deductible.
- ✓ Interest earned is withdrawn tax free.
- ✓ Employers can contribute to an employees H.S.A.
- ✓ Funds can be used to pay for qualified medical expenses, such as medical deductibles, dental care, contact lens, glasses, hearing aids, etc.
- ✓ If an employee leaves their employer, they keep the funds in their H.S.A account.

## Broad Network



- Lots of providers, specialists and facilities to choose from.
- May be a little higher in price.
- Greater choices

## Narrow Network



- Alliance**
  - 11.5% DISCOUNT
  - 1200+ Physicians
  - 20+ Hospitals
- PimaConnect**
  - 13% DISCOUNT
  - 240+ Physicians
  - 5+ Hospitals

- Fewer providers to choose from.
- Pricing is typically 10-15% lower than the big broad network option.
- County or region specific

Be sure to check the company's provider directory to make sure your provider is **“In-network”**



# How Much Does Group Health Insurance Cost?



## Get a quote



**Complete Member level census** - include all employees and dependents to be covered by group health plan



**Submit completed census to\**  
Quotes based on specific group demographics

Hmm, I like what I see,  
**what's next?**

1. Select the plans and networks you'd like to offer to your employees.
2. Determine your contribution approach.
3. Schedule open enrollment meetings.
4. Complete New Group paperwork.

Complete and send your applications to your Broker or carrier

**Employer  
Application**

**Group Size  
Questionnaire**

**Wage and Tax  
Document**  
(If 9 Or Fewer Eligible)

**Eligibility  
Census**



## Consider enhancing your benefits offering



Dental



Accident and Critical  
Illness



Life and  
Disability



EAP



Vision

You must have at least 70% of eligible employees enroll in your group health plan. (Eligible waivers are not factored into the calculation).

Employers are usually required to contribute at least 50% “Employee Only” premium.

- Exception: Participation requirements can be waived during the Small Group Open Enrollment timeframe from Nov. 15-Dec 15 for a 1/1 effective date.

Discrimination is not permitted, and employers should be clear on who’s eligible for coverage.

COBRA and mini COBRA laws apply in the state of Arizona.

THANK YOU

QUESTIONS?