

Changes and Options Worth Considering with Health Care Renewals

HBK CPAs & Consultants

42nd Annual Employment Issues

Update and Luncheon

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The DJB Group



A photograph of a rocky shoreline with driftwood and a tree under a cloudy sky. The foreground is filled with smooth, light-colored rocks and pieces of driftwood. A single, leafless tree stands on the left side of the frame. In the background, a calm body of water stretches towards a range of dark, misty mountains under a heavy, grey sky.

**BECOME A STUDENT
OF CHANGE. IT IS
THE ONLY THING
THAT WILL REMAIN
CONSTANT.**

Anthony D'Angelo

Premium rates are determined by plan designs.

How do you weigh the affordability of premiums vs. the affordability of plan usage?

Plan designs

- Continue to see higher plan deductibles (i.e. \$3500 to \$4400)
- Copays continue to increase (\$40 to \$60 for PCP)
(ER copay after deductible)
- Higher Out-of-Pocket Limits (up to \$9,100/year)

Networks



- Broad (offers the most in-network providers)
- Narrow (limits some of the in-network providers)
- Most narrow (carrier-owned providers are the predominant in-network providers)



More access = Higher Premiums!!!

Rates

- Continued to see increases throughout 2022
- Seeing both increases and **DECREASES** for 2023!

We now see true competition!

\$1500 plan with one carrier **increased 15+%** while a **\$1000** plan with another carrier showed a **4+% decrease for 1/1/23.**

Carriers

Still two main players for fully insured plans in the small group market (<50)

- Highmark
- UPMC

Funding

- Fully Insured
- Self-Funded
- Partially self-funded
 - Level-Funded plans
 - The Difference Card
 - Captives
 - Consortiums

Employee Contributions

- Do you increase (after increasing incomes) or decrease to offer a more competitive and attractive benefit package?
- Do you change dependent coverage?
- Are decisions based on cost or the need to attract and retain employees?

Is it time to eliminate your group health plan?

- Individual Coverage Health Reimbursement Account (ICHRA)
- First available in January 2020
- Allows businesses of all sizes to offer employees a monthly allowance of tax-free money, allowing them to buy health insurance that fits their unique needs while controlling costs and addressing ACA compliance.
 - Removes the health plan from the employer benefit package. Does this hurt hiring/retention?
 - Removes assistance from HR (employees are on their own). Saves company time, but what do employees expect from HR?
 - 20 employees could have 20 different plans (confusion).
- **CANNOT** be offered along with a group health plan.

What about next year?

- Benefits need to be looked at each year as something is always changing.
- What if you try something new and it doesn't work? You can always fall back on an ACA plan for <50 groups.
- Be prepared for change!!!
 - Cost
 - Benefits
 - Contributions
 - Carriers

Thank you!

**If you have questions,
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