

PIKES PEAK SBDC WEBINAR

WEBINAR -EMPLOYEE BENEFITS 101: UNDERSTANDING YOUR OPTIONS



Pikes Peak Small Business Development Center

FREE CONSULTING | PRACTICAL TRAINING | BUSINESS RESOURCES

www.pikespeaksbdc.org



Funded in part through a cooperative agreement with the U.S. Small Business Administration



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I serve as a dedicated point of contact for our valued customer groups. It is my goal to provide professional insurance guidance, expertise and exceptional service. I promise to perform accurate and thorough reviews of client coverage, exposure and price, and communicate recommendations to my customers in a timely manner. In addition to my role as an account executive I lead our Select Employee Benefits account management team. I have worked in the insurance field for the last twelve years. For eight years I worked for UnitedHealthcare where I held three different positions within the Small Business segment. These positions allowed me to learn many aspects of the insurance world and my roles included quoting, service, education and sales. I accepted a position with HUB International as an Account Executive in October, 2015.

HUB

Advocacy. Tailored Insurance Solutions. Peace of Mind

Employee Benefits 101

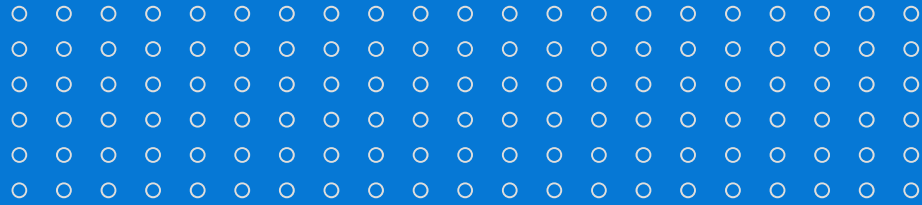
Understanding Your Options



Agenda

- 1 | How Does Health Insurance Work
- 2 | What are the Advantages of Having Insurance
- 3 | What is the Right Plan for Your Business
- 4 | What Do You Need and Who Can Enroll
- 5 | What is the Role of Insurance Brokers

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How Does Health Insurance Work



What Does Health Insurance Get You



- **Access to Care** – Health insurance carriers contract with doctors, facilities and pharmacies to create a network of providers where members are able to seek medical and prescription services – this is known as a Network
- **Discounts for Care** – As part of this contracting agreement those providers discount their rates for members of that insurance carrier on average around 40% off billed charges
- **Cost Protection** – Under all small group insurance plans available there are protections called – Out of Pocket Maximum (OOP) levels which outline the most a member will pay for covered care in a given plan year

What are Health Insurance Cost Drivers



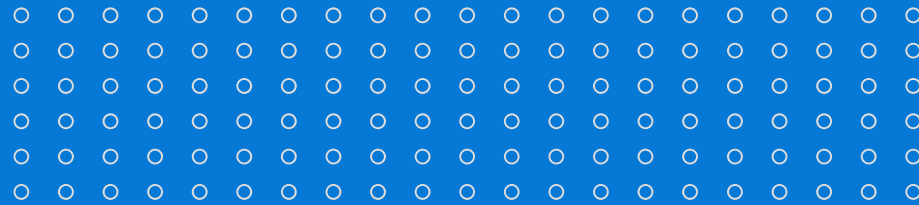
- Access, Protections, Claims & Trend = Insurance Premium Cost Drivers
- Greater Access = Higher Cost
- Narrower Access = Lower Cost
- Lower OOP Max = Higher Cost
- Higher OOP Max = Lower Cost
- Claims – the amount of and type of claims your population experiences can impact year over year cost
- Trend – annual change in cost based on contract pricing between providers and insurance carriers

What is and isn't Covered by Health Insurance



- Covered:
 - Essential Health Benefits – preventive care; emergency transportation; emergency care; hospitalization; maternity; prescriptions; lab tests; mental health services; rehabilitation services; pediatric care
 - Affordable Care – a health insurance plan must cover at least 60% of the cost of care for covered services
 - Pre-existing Treatment – health insurance cannot deny care based on a person's past health conditions
 - Dollar Limits – there can no longer be lifetime or annual caps placed on specific covered care
- Not Covered (These can vary by plan & carrier)
 - Cosmetic services; Infertility; Bariatric; long term care; hearing aids
 - While these services may not be covered there could be discounts available

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What are the Advantages of Having Insurance

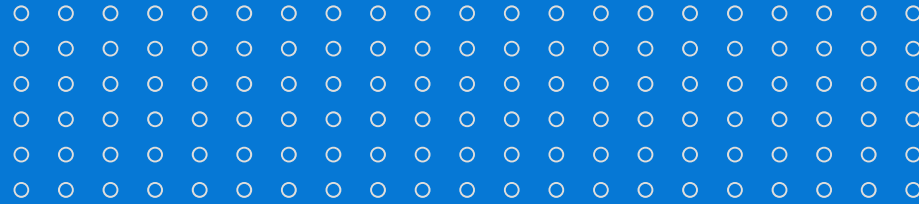


How Does Insurance Help Your Business



- Attraction & Retention – having benefits in place at your organization can help you draw and maintain your valued staff
- Plan Selection – many more plan options are available to groups than what individuals have access to
- Network Availability – similar to plan selection, those plans have more robust networks than individual plans allowing greater access to care
- Premium Deductions – both what you as the employer pay towards insurance premiums along with the amounts your employees pay can be accounted for on a pre-tax basis
- Tax Credits – If you have under 25 employees your business could potentially qualify for tax credits

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What is the Right Plan for Your Business



What Do All the Acronym's Mean



- PPO/POS – Plan containing both in and out of network care, usually on a national platform
- EPO – Plan with full access to in-network nationally with no out of network coverage
- HDHP/HSA – Plan which allows for a tax advantaged member health savings account to pay for medical, dental and vision costs
- HMO – Plan with access to a smaller network, no out of network coverage and usually requires the selection of primary care provider and referrals for certain care



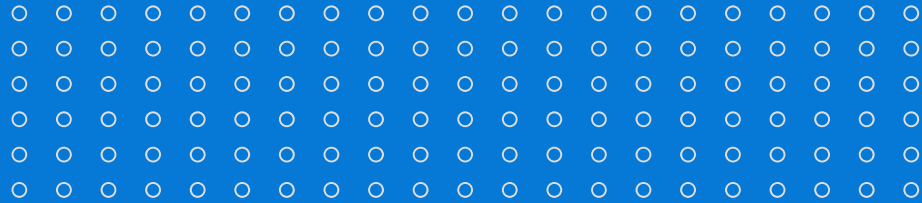
Fully Insured

- Adjusted community rated (ACR) plans filed with the states
- Available to business of 2-99 employees
- Claims performance & experience by group has virtually no impact on rates

Self-Funded

- Degrees of self-funding – level/partial, graded, bundled & unbundled
- Generally in small group only level/partial is available
- Underwritten rates
- Potential refund of surplus a portion of surplus dollars
- Claims performance & experience can impact future rates

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What Do You Need & Who Can Enroll



Putting Coverage in Place



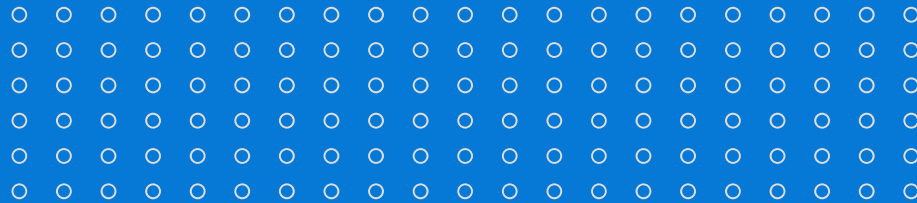
- Your Business Needs – (can vary by insurance carrier)
 - Registered business in Colorado
 - 2 or more full time, benefits eligible employees one of which being a W2 non-owner employee
 - Certain business records such as payroll, UITR, tax/ownership documents
 - Census spreadsheet with employee and dependent information which includes name, address, coverage elections, date of birth, date of hire, and gender
 - Individual medical questionnaire and/or group risk assessment form (only on Level Funding plans)
 - Binder check – one month of premium

Who is Eligible for Coverage



- Employee Type – W2 employees and owners are eligible – some carriers also allow 1099 contract employees to come onto plans
- Hours Worked – benefits eligible generally those working 30 hours or more per week – some carriers allow this down to 20 or 24 hours per week
- Waiting Period – This is the period of time, a probationary time a newly hired employee must wait before being eligible to join your business's benefit plans. The Affordable Care Act stipulates this period cannot exceed 90 days from date of hire

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What is the Role of Brokers



How Do Brokers Help



- Consultation – Provide information and guidance on plan compliance, trends in the market and custom fit solutions
- Marketing – Identify what insurance carrier plan options are available based on company size and location
- Decision Making – Based on your coverage goals and needs help in selecting the plan(s) which meet your needs
- Application Process – Navigating your company through the forms and steps to get coverage in place

How Do Brokers Help



- Education – Overall employee satisfaction with the plans offered is greatly impacted by the understanding they and their family members have with how the benefit plans work
- Service Support – Errors happen typically in areas like billing or eligibility, brokers help facilitate getting these corrected when they occur
- Advocacy – At the start of 2020 there were 72,184 unique medical claim codes. With that many possible codes there is a significant chance of mistakes taking place when processing claims

Thank you.

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