# A Simple Guide To Small Business Health and Employee Benefits



IX Solutions
Health Insurance and Benefits

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# About Us

We handle all things health insurance and benefits. Whether it's for you, your business, or a loved one — deciding which health insurance to enroll in is a big decision.

We've been living and breathing health insurance for over 29 years; we're confident we can help you find a plan that fits both your health care and financial needs.

Our team isn't just available once a year when enrollment rolls around (like Healthcare.gov) or when your plan is renewing (like many brokers).
Health insurance is complicated stuff — and it changes like the wind. Our licensed experts are here for you year-round.

We've been servicing small businesses and individuals for decades. And we've made some friends along the way.



Here are some of our partners:

ILLINOIS CHAMBER OF COMMERCE

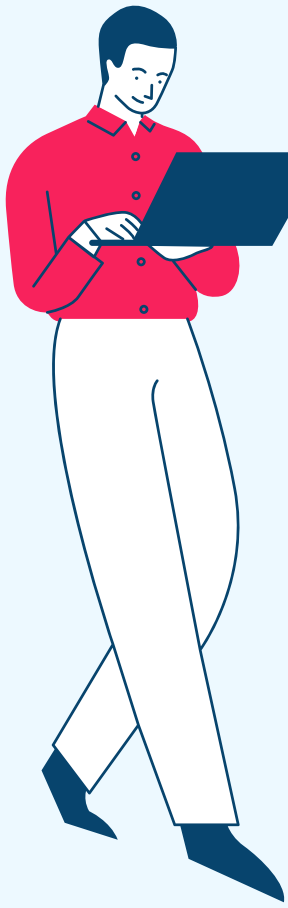
THE CHICAGO BAR ASSOCIATION

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MHEC
Advancing Education Through Cooperation

# Products

- Health
- Life
- Medicare
- Disability
- Vision
- Dental
- Legal
- Compliance
- FSA, HRA, HSA, and COBRA



# Services

Live chat features give you expert advice in minutes
Compliance services for any size business
Online enrollment for all lines of coverage
Help searching in-network doctors and procedures
Help looking up prescription costs

**Talk to a benefits consultant at**

**(855) 563-6993**

# Who is this guide for?

Small businesses are facing unprecedented challenges amid the coronavirus (COVID-19) pandemic. We've created this resource because we understand that it's a big commitment to pay for and administer health benefits for your employees. As a small business, offering group health insurance is one of the biggest advantages you have for attracting talent and improving employee production and retention—especially in challenging times.

With open enrollment already underway, we hope this guide helps you get the most updated advice as you navigate this difficult time.



# Why should I offer **employee benefits?**

Offering group health insurance is one of the biggest advantages you have for attracting talent and improving employee production and retention—especially in challenging times. Here are the five biggest reasons you should offer employee benefits.

1

## It's want employees **value.**

Health insurance is the top valued benefit by employees, according to a survey conducted by the American Institute of CPAs (AICPA) in 2018.

2

## It gives you a **competitive advantage** in hiring.

If employees are choosing between two jobs, they are more likely to join a company that offers health benefits with lower pay, than one that doesn't but with higher pay.

3

## It minimizes **sick days.**

Illness-related lost productivity costs US employers $530 Billion a year.

4

## It's a good **tax move.**

Premium contributions are pre-tax, and companies with more than 50 full-time employees have to pay a tax penalty for not providing health benefits.

5

## It helps with **retention.**

Employees are more likely to stay at their current job if they have great benefits.



# What do employees want in their **health benefits package?**

As the scope of employee benefits becomes broader, it can be hard to know if they are truly effective. We've eliminated the guesswork by letting you know what employees ***really*** want in their health benefits package.

## Price Transparency and Affordability

**75%** **of patients look at price transparency prior to accessing care**

With healthcare costs in the U.S. continuing to increase every year, the importance of understanding and receiving accurate estimates becomes clearer.

Clear information on out-of-pocket expenses impacts consumers' decision to use a healthcare provider.[1] Increasingly, they want to know what care they're getting, how much it costs, and why they need it.

## Simplicity

**25%** **of employees want easier-to-understand employer-sponsored plans**

Many employees want simple, clearly explained plan information so they can understand their benefits and make informed choices about how to use their plan.[2]



Often, this can be done by providing straightforward and easy-to-understand resources (like this guide!), to help take the guesswork out of employee benefits plans. Some brokers, like IXSolutions, also use technology-enabled benefits platforms to make plan enrollment easier for employees.

## Personalization

**18%** **of employees want more personalized health care plans and benefits**

Consumers regularly receive personalized shopping and media recommendations, and they now expect the same kind of personalization in their health care experience. In a survey by AHIP, when asked what their health insurance coverage could be better at (apart from cost), 18% of employees said they would like to have **more personalized and patient-centered coverage.**[2]

To give more personalized coverage, it's important for you to understand your employees' needs, and for your employees to have a good understanding of the kinds of benefits available to them. For example, educating your employees about HSAs or FSAs might give them a chance to save, and provide them with more personalized health care and benefits options. Another way of adding value to your employees' benefits plan is through adding **voluntary coverage**, which includes benefits options that would otherwise be unavailable to them, or would be more expensive to get outside of a group plan. This includes things like legal services, worksite benefits, disability insurance, and life insurance. Different voluntary coverage options work for different people, so it's important to provide these options in the first place!

To learn more about voluntary coverage, contact your health insurance broker.

[1] *TransUnion Healthcare Patient Survey, August 2019*
[2] *AHIP Survey "The Value of Employer Provided Coverage", February 2018*

# What do employees want in their **health benefits package?**

As the scope of employee benefits becomes broader, it can be hard to know if they are truly effective. We've eliminated the guessing game by letting you know what employees really want in their health benefits package.

## Comprehensive Coverage

**39%** **of Americans cite comprehensive coverage as the main factor driving their satisfaction in their current health plan**

As employee benefits packages evolve to address the needs of a changing, multigenerational workforce, we see employees wanting to ensure that the benefits, care, and treatment important to their health needs are covered.[2]

Traditionally, benefits emerged to address core health and retirement needs. In recent years, there has been a broader notion of what employee benefits are. Employee benefits are being challenged to do more—to better address employee wants and needs. One way to supplement and enhance your employees' benefits package is again through adding voluntary coverage.

Voluntary coverage includes products that help create a more meaningful value for your employees' benefits plan, at no cost to you.



## Technology

**26%** **of people on employer-sponsored plans want more online tools and apps to provide information about their health insurance options**

Technology is increasingly being used as a tool to support employee benefit choices and help make informed decisions.[3] Through technology-enabled benefits platforms, employees are better equipped to make decisions and be in control of their health care. These benefits platforms help facilitate enrollment, and prevent any errors that may lead to employees being enrolled in the wrong coverage. Through a technology-enabled benefits platform, employers are also able to provide a simple solution to address both health plan guidance, and providing more options.

## Mindfulness and Mental Health

**43%** **of employers include enhancing mental health services in their top benefit priorities over the next 6 months**

Despite facing rapidly changing business priorities due to COVID-19, a survey by Willis Towers Watson showed employers taking steps to support employees by making benefits enhancements, most notably by prioritizing mental health services and stress/resilience management.[4]

As hospital visit volumes remain stagnant for the time being, new research also validates that alternative healthcare settings for mental health services—such as telehealth services—are growing in popularity. Plans that offer enhanced telehealth access let employees see their doctors anytime, anywhere—all from the comfort of their own home.

*[2] AHIP Survey "The Value of Employer Provided Coverage", February 2018*
*[3] Willis Towers Watson 2019/2020 Benefit Trends Global Insights, October 2019*
*[4] Willis Towers Watson 2020 COVID-19 Benefits Survey, May 2020*

# Health Insurance Basics

# Basic **Terms**

Picking plans requires a careful understanding of a few basic elements. The good news is, health insurance jargon is pretty universal. Here are a few terms you'll probably be seeing when you shop for group health insurance.

## Premium

The **fixed monthly payment** to maintain a health insurance plan. It can be paid fully by an employee, by an employee and your business, or fully by your business.

## Copay vs. Coinsurance

These two both represent the cost an employee will be responsible for during a doctor visit or hospital stay. The difference lies in the fact that copays are fixed amounts, and coinsurances are percentages of the bill to be paid after the deductible.

**A copay is a fixed amount an employee will pay for services covered by the health plan**—such as covered appointments, services, medical equipment, or brand name prescriptions. It's important to note that copays are not subject to deductibles.

**Coinsurance is the percentage paid for services after the deductible has been met.** Coinsurance is calculated as a percentage of the allowed service amount, and kicks in after the deductible has been met.

## In-network

Any health insurance company has a **network** of doctors, hospitals, clinics, labs, and pharmacies that it works with. Your employees will always pay less when seeing a medical provider in their network.

## Deductible

The amount of medical expenses an employee are **required to pay** before your health plan kicks in and pays for your care.

## Out-of-pocket Maximum

An out-of-pocket max is the **maximum amount** an employee will pay for health care during the year (in addition to the monthly premium). After they meet this amount, their plan will pay for all covered medical expenses.

## Out-of-network

When employees see a doctor the health insurance company doesn't have a relationship with, they've gone "out-of-network" and their care may not be covered except in certain situations like emergencies.



# Health Plan **Types**

All health plans give access to a health network. A network refers to the doctors, hospitals, labs and other medical facilities that your employees will have access to as part of their health coverage. A good rule of thumb: the bigger a health insurer's network, the more coverage usually costs.

**There are four main types of networks:**

## **HMOs** (Health Maintenance Organizations)

### Lower price and limited access to care

HMOs are small networks designed around a single medical group or hospital system. With HMOs, you must select a primary care doctor, and referrals are required before you go to a specialist, lab, or other medical facility. Generally, out-of-network care isn't covered.

**Ideal for:** Individuals who want all their health care needs handled by a single doctor or hospital system

## **POSs** (Points of Service)

### Moderate price and broader access to care

POSs offer broader networks than an HMO, and fall somewhere between an HMO and a PPO. They provide lower costs when you see in-network doctors, and typically also include coverage for out-of-network care—with a referral. With POSs, employees must choose a Primary Care Physician (PCP) and get referrals to see a specialist, even if they're in-network.

**Ideal for:** Individuals who want a broader network than an HMO, without a large cost difference



## **EPOs** (Exclusive Provider Organizations)

### Good price and best access to care for price

EPOs are networks that combine the flexibility of a PPO with the cost savings of an HMO. When going for care, there is no need for a referral from a Primary Care Physician (PCP).

Care is covered by doctors and facilities in the network, and out-of-network care will not be covered except in emergencies.

**Ideal for:** Individuals who want the flexibility of a PPO with the cost savings of an HMO

## **PPOs** (Preferred Provider Organizations)

### Moderate price and broader access to care

PPOs are broad networks that cover a large option of doctors and hospitals, and typically cover care from both in-network and out-of-network doctors and facilities. Premiums are usually more expensive due to access to more options.

When going for care, there is no need to choose a Primary Care Physician (PCP), or get a referral to see a specialist.

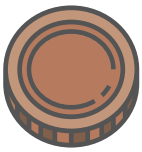
**Ideal for:** Individuals who are okay with paying more to have freedom and flexibility in choosing which doctors or hospitals to visit

# Plan Design **Basics**

Health insurance plans come in a variety of shapes and sizes. How an insurance plan is designed will impact how much your business and your employees will pay for healthcare.

## Traditional Plans

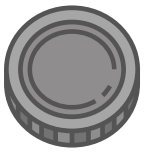
Traditional plans follow a standardized tier structure (called **metallic levels**). Since the inception of Obamacare, metallic levels were created to help categorize health insurance options based on affordability. These plans are available from almost every insurance carrier, and all offer the same health benefits, but differ in the cost share amount between the employee and the insurer.



### Bronze Plan

**Low premium, high deductible**

**60%** of covered health costs paid by insurer, **40%** paid by you



### Silver Plan

**Moderate premium, moderate deductible**

**70%** of covered health costs paid by insurer, **30%** paid by you



### Gold Plan

**Higher premium, lower deductible**

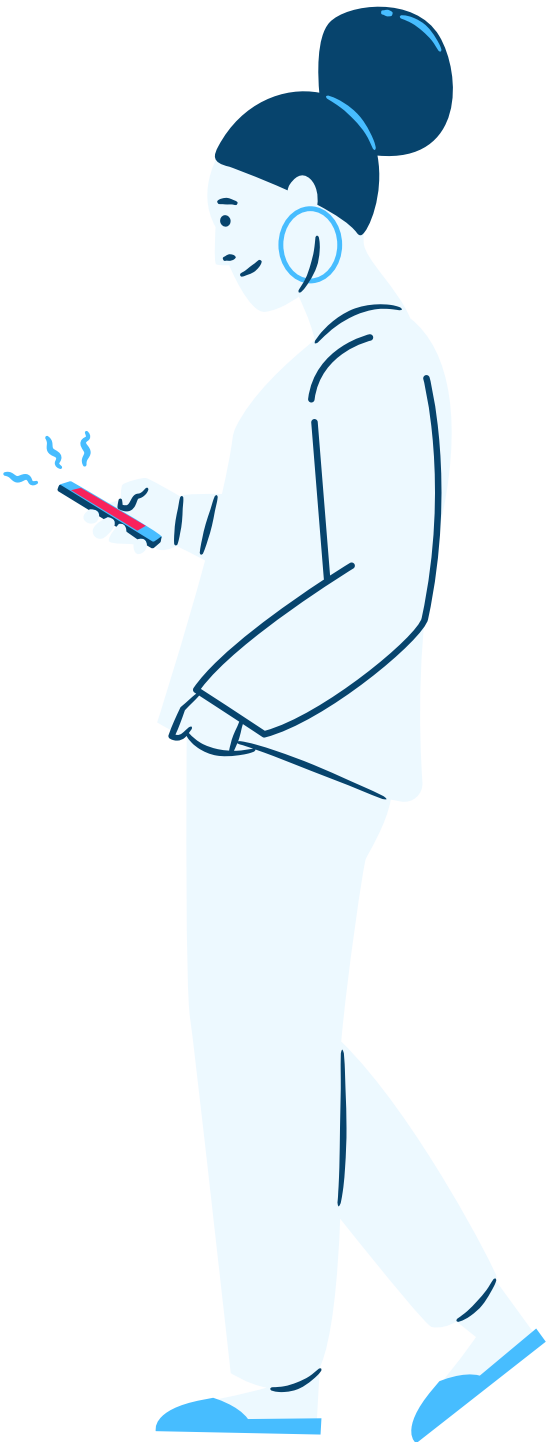
**80%** of covered health costs paid by insurer, **20%** paid by you



### Platinum Plan

**Highest premium, lowest deductible**

**90%** of covered health costs paid by insurer, **10%** paid by you



# Plan Design **Basics**

Health insurance plans come in a variety of shapes and sizes. How an insurance plan is designed will impact how much your business and your employees will pay for healthcare.

## HSA-compatible (Health Savings Account) Plans

HSA-compatible plans are high-deductible plans that work with a health savings account (HSA).

Employees choose how much to contribute, pre-tax, to their HSA and use that money to pay for healthcare expenses. This type of plan is typically one of the more affordable options, but most healthcare expenses will have to be paid by the employee until their deductible is met.



### *What are HSAs and FSAs?*

**HSAs (Health Savings Account)** and **FSAs (Flexible Spending Account)** are pre-tax accounts you can use to pay for healthcare related expenses. With HSAs and FSAs, you can pay for things like co-pays, medical bills, and vision expenses. Both HSA and FSA accounts offer tax benefits and have annual contribution limits. The key differences between them lie in their allowed usage.

An **HSA** works like a savings account, where the money saved can be rolled year after year.

However, if employees opted for a non-HSA eligible health plan, they can set aside money to pay for health care through an **FSA**, where they can put in money pre-tax from their paycheck, and decide what health care bills to pay from their account throughout the year. FSAs also work like a line of credit to cover eligible health care expenses early in the year, as long as you're on track to make your contribution by the year's end.

# Cost Considerations

# 7 Practical Ways to Save on Group Health Insurance

There is one thing everyone can agree on when it comes to health insurance: **it's expensive.** With a little savviness, you can make sure your employees are protected without breaking the bank.

## 1 See what plans are available in your area.




**To find the right health insurer, it's necessary to shop around and see what plans are available in your area—usually through an insurance broker.**

You may find that you can save money by offering new health plan options. Generally, HMOs (health maintenance organizations) and EPOs (exclusive provider organizations) are cheaper than PPOs (preferred provider organizations).

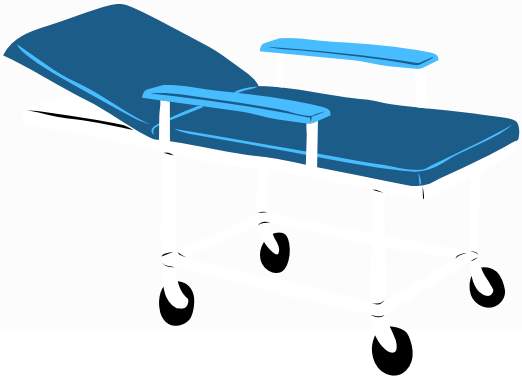
Of course, not all PPO plans are the same. You can have a large network (which is much more expensive), or a narrow network (which is cheaper, but provides less coverage). Making a choice between the two networks can be difficult—but not always. In Illinois, Blue Cross Blue Shield offers a hybrid plan called the **Blue Options Plan**, which gives you the ability to take advantage of the large PPO network with costs similar to a narrow network plan.

It is worth considering changing to a new health plan type upon assessing the kind of access to care that your employees need. If you need help in finding the best plan, you can also contact a consultant from IXSolutions who can help show you all the plan options available.

## 2 Educate your employees on the different health insurance options, how to pick a plan, and how to properly use their plans

**Education can lead to better healthcare spending, such as visiting a walk-in clinic or urgent care, instead of the ER.**

A walk-in clinic or urgent care is usually a good option to consider for non-life threatening symptoms, such as a sore throat, a headache, rashes, or allergies. The ER is best equipped to see people with unexpected and intense symptoms or injuries, such as chest pain, difficulty breathing, or severe bleeding. As many as one in four ER visits can be handled at an urgent care center. Knowing where to go can save you time and money.



# 7 Practical Ways to Save on Group Health Insurance

There is one thing everyone can agree on when it comes to health insurance: **it's expensive.** With a little savviness, you can make sure your employees are protected without breaking the bank.

## 3 Give your employees a chance to save with HSAs or FSAs

**HSAs (Health Savings Account)** and **FSAs (Flexible Spending Account)** are pre-tax accounts you can use to pay for healthcare related expenses. **With HSAs and FSAs, you can pay for things like co-pays, medical bills, and vision expenses.** Both HSA and FSA accounts offer tax benefits and have annual contribution limits. The key differences between them lie in their allowed usage.



If employees opted for a non-HSA eligible health plan (typically lower deductible plans), they can set aside money to pay for health care through a Flexible Spending Account (FSA), where they can put in money pre-tax from their paycheck, and decide what health care bills to pay from their account throughout the year. **FSAs also work like a line of credit** to cover eligible health care expenses early in the year, as long as you're on track to make your contribution by the year's end. However, FSA funds expire by the end of every year, so remind your staff to use their FSA dollars before they expire!



If employees chose an HSA eligible high-deductible health plan, they are eligible for an HSA. **An HSA works like a savings account**, where the money saved can be rolled year after year. Some HSA plans also give the option of investing funds, which earn profits tax-free.

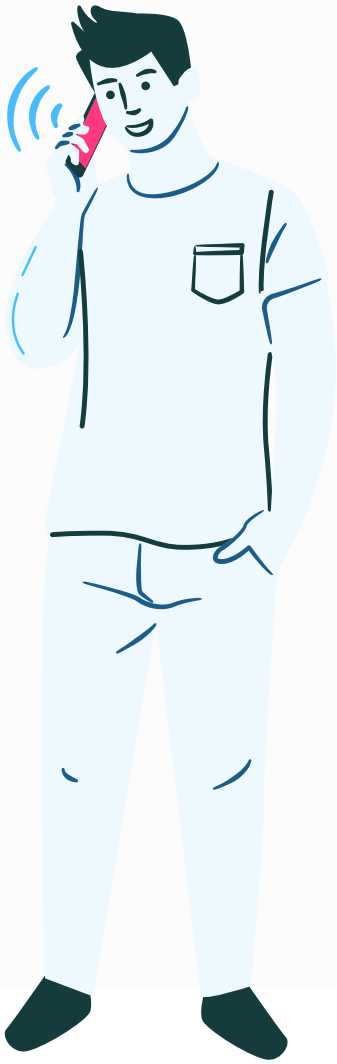
HSA holders can also contribute to a type of **FSA called a Limited Purpose FSA (LPFSA)**, which work like regular FSAs, but funds can only be used for vision and dental expenses.



## 4 Look for virtual care solutions (chances are, your carrier offers them!)

**Many health plans now include virtual care solutions like telemedicine/telehealth options** that are low-cost or even offered at no additional cost to you, and let you talk to a doctor by phone or video instead of visiting a clinic in person.

For routine medical issues such as colds, rashes, UTIs, and pink eye, telemedicine is a great way to get treatment from a medical professional while saving time and money.



# 7 Practical Ways to Save on Group Health Insurance

There is one thing everyone can agree on when it comes to health insurance: **it's expensive.** With a little savviness, you can make sure your employees are protected without breaking the bank.

## 5 Consider level-funded plans to save up to 35% in premiums

Level-funded plans give you the opportunity to save money on premiums and a chance to receive a return of premium following a good claims year.

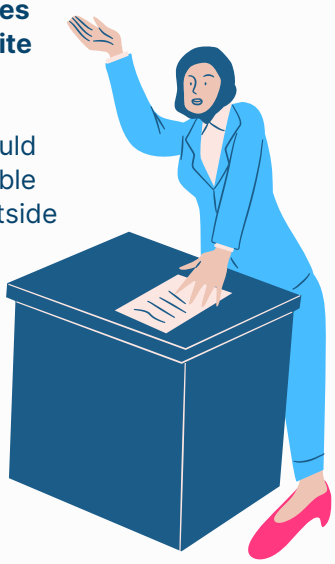


**How it works: you pay a fixed monthly premium based on estimated claims for the year. If your employees don't meet their expected claim amount, the unused funds go back in your pocket.** If your employees do exceed the claim amount, you continue to pay the same fixed monthly premium amount thanks to stop-loss insurance.

Level-funded plans are medically underwritten so it's a great option for healthy groups. Savings can exceed to over 30%.

## 6 Add voluntary coverage at no cost

Another way to add value to your employees' benefits plan is through adding **voluntary coverage (this includes legal services, worksite benefits, disability insurance, and life insurance)**, which would otherwise be unavailable or more expensive outside of a group plan.



Offering these is at no cost to you, but adds more products to create better value for your employee benefits plan.

## 7 Promote good health and wellness

**The last practical way to save money? When everyone in the company stays healthy.**

By promoting good health and wellness, both employers and employees win. Wellness programs encompass everything from quitting smoking to losing weight to staying active to managing stress. You can even incentivize employee participation—just figure out what works best for your business!



# Cost-Effective Benefits & Voluntary Coverage to Provide Your Employees

Another way to add value to your employees' benefits plan is through adding voluntary coverage (this includes legal services, worksite benefits, disability insurance, and life insurance), which would otherwise be unavailable or more expensive outside of a group plan.

Offering these is at no cost to you, but adds more products to create better value for your employee benefits plan.

**Benefits plans outside health insurance may include:**

## Worksite Benefits / Voluntary Benefits

- Critical Illness
- Accident
- Hospital Indemnity
- Cancer
- Heart & Stroke

## MetLife Benefits

- Metlife Legal Plan
- Identity Theft Resolution Services
- Financial Wellness Benefit



## Ancillary Benefits

- Dental
- Vision

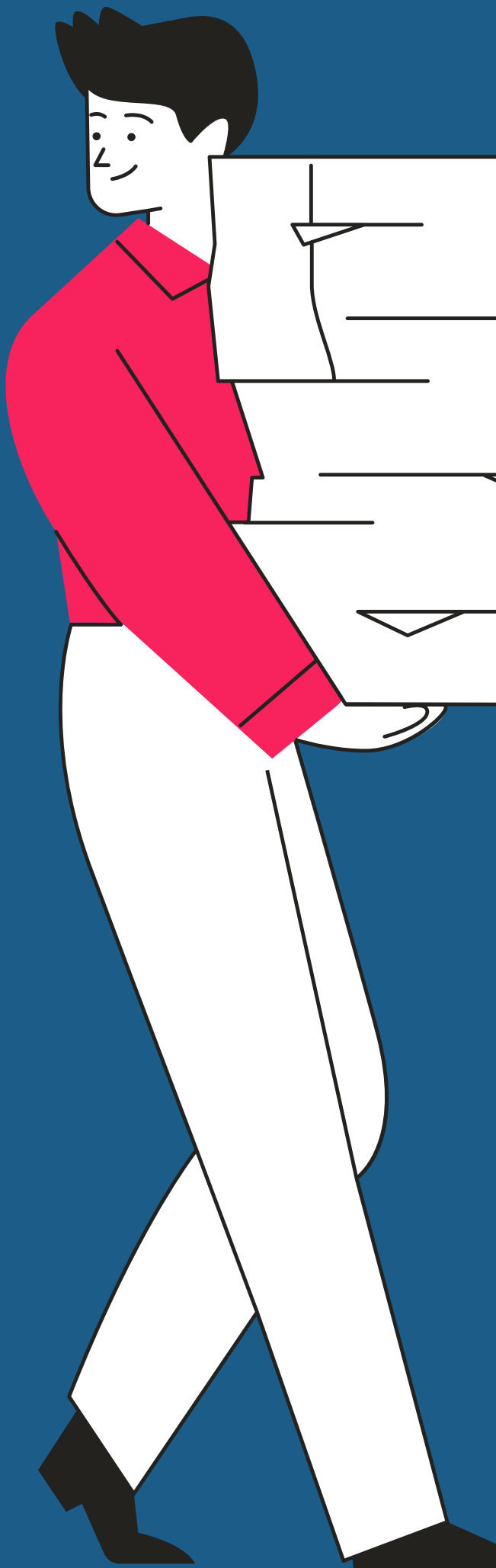
To learn more about these plans, talk to an IXSolutions Benefits Consultant today.

# Looking for group health plans? **We've got you covered.**

For more information, give us a call at

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