

# Are You Up To Date? The Top Trends and Innovations in Employee Benefit Plan Designs

Presented by Joe Deyo, Director of Group Benefits  
Zander Insurance Group - Nashville, TN

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# Employee Benefits



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# Employee Benefits

Medical    Dental Vision    Life Disability    Other

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## Employee Benefits Renewal and Planning Meeting

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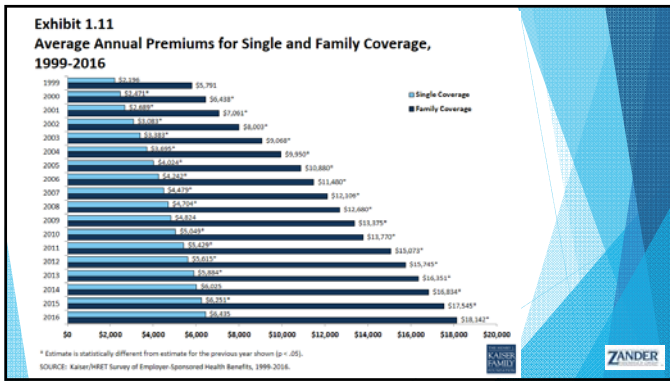
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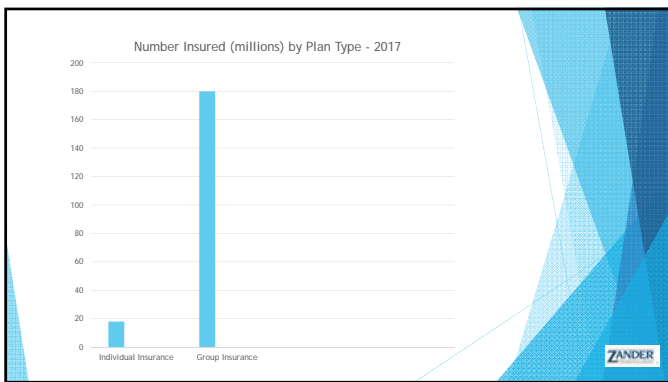
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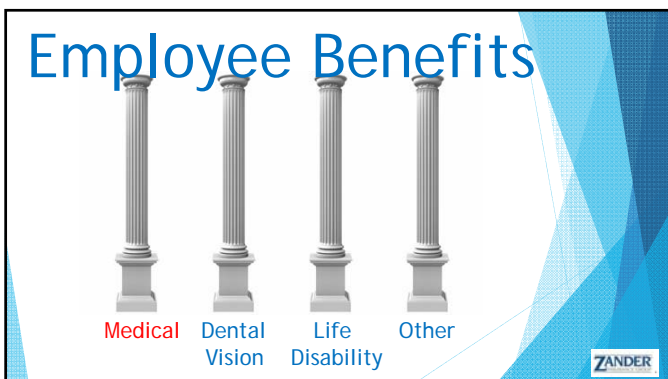
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### Medical Plan Types

#### PPO

- ▶ Often have copays for office visits and drugs
- ▶ Deductibles can be a wide range
- ▶ Range of Maximum Out Of Pockets up to \$7,350 in 2018

#### HDHP

- ▶ Individual Deductible of \$1,350 or more in 2018
- ▶ Maximum Out Of Pocket is \$6,650 or less in 2018
- ▶ Qualifies for a Health Savings Account (HSA)

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### Average Cost Sharing in Medical Plan Types

#### PPO

- ▶ Deductible
  - ▶ Single \$1,500
  - ▶ Family \$3,000
- ▶ Max Out of Pocket
  - ▶ Single \$4,000
  - ▶ Family \$9,000

#### HDHP

- ▶ Deductible
  - ▶ Single \$2,600
  - ▶ Family \$5,200
- ▶ Max Out of Pocket
  - ▶ Single \$5,000
  - ▶ Family \$10,000

Source: 2016 UBA Health Plan Survey

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### Plan Outlook

- ▶ PPO Plans Declining - But Not Dead Yet
  - ▶ About 80% of employers still offer at least one PPO
- ▶ HDHP Plans with HSA
  - ▶ The BUZZ
  - ▶ HDHP only plan choice at about 20% of Employers
  - ▶ About 6 in 10 Employers make an HSA contribution
    - ▶ Median amount is \$500.00 for employee only
- ▶ Average number of plan choices offered: 3

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## Best Practice Set #1

### Medical Plans 2017-18



- ▶ Offer Multiple Plans (2, 3, or 4)
- ▶ One of those needs to be HDHP (lowest cost possible)
- ▶ Contribute to the HSA and they will come
- ▶ Have a logical range of employee contribution costs
- ▶ Use Four Tiers of enrollment: EE, ES, EC, EF

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## Best Practice Set #2

### Medical Plans 2017-18



- ▶ Smart Choice of Carriers and Networks
  - ▶ Shop HARD!
- ▶ Promote and Offer Telemedicine
- ▶ Teach Employees How to Use the Plans
  - ▶ Shopping and Comparison Tools

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## Prescription Shopping Example

- ▶ Tamiflu (oseltamivir) 75mg, 10 dose packet
- ▶ Big Name Insurance Cost: \$117.72 at Walgreens
- ▶ Coupon with GoodRx Cost: \$58.46 at Walgreens
  - ▶ [www.goodrx.com](http://www.goodrx.com)



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# Employee Benefits



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## Dental Plans

- ▶ Not all Plans created equal; not all 100/80/50
- ▶ Lots of Levers to Pull
  - ▶ Maximums, Deductibles, Coinsurance
  - ▶ Procedure Movement, Frequencies
  - ▶ Out of Network Allowances
- ▶ Orthodontia (braces)
- ▶ Dual Plan Options
- ▶ Good News for small investment


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## Vision Plans

- ▶ Common Elements
  - ▶ Copays: \$10 exam and \$25 materials most common
  - ▶ Frame Allowance: \$150.00 is now typical
  - ▶ Frequency: 12/12/24 most common
- ▶ Network Dilemmas
  - ▶ Walmart
- ▶ Options, Options, Options


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### Best Practice Set #3 Dental & Vision 2017-18



- ▶ Offer BOTH - at least on employee pay all basis
- ▶ Dental
  - ▶ Negotiate to eliminate MAJOR class waiting period
  - ▶ Consider \$1,500 Maximum or get Max Stretcher
  - ▶ Consider two dental plan offering (High/Low)
- ▶ Vision
  - ▶ Get Frame and Contact Allowance to \$150.00
  - ▶ Know where they want to go

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### Life Insurance

- ▶ Encourage Employees To Buy Outside of Work
- ▶ Two Flavors at Work
  - ▶ Base Life - Employer Paid
  - ▶ Voluntary Life - Employee Paid
- ▶ Very Competitive Market
  - ▶ Voluntary Life is Very Profitable for Carriers
- ▶ Guaranteed Issue Amounts Increasing

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## Disability Insurance

- ▶ Two Flavors to Consider
  - ▶ Short Term - Typically Covers Under 90 Days
  - ▶ Long Term - Typically Starts After 90 Days
- ▶ Contract **Details** are Key in LTD
  - ▶ AND Contract vs. OR Contract
  - ▶ Duration: SSNRA vs. Age 65; 3 or 5 Year Options
- ▶ Consider Gross Up if Employer Paid

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## Best Practice Set #4

### Life & Disability 2017-18



- ▶ Remember the 74%!
- ▶ Base Life Insurance of \$10-25K
- ▶ Offer Voluntary Life
- ▶ Offer Short Term Disability
  - ▶ Voluntary with 8 Day Elimination is Typical
- ▶ Review Your LTD Contract and Shop
  - ▶ Employer Paid, SSNRA, 60%, 90 Days is Typical

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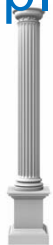
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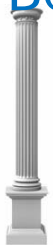
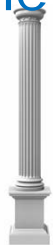
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## Employee Benefits



Medical

Dental  
VisionLife  
Disability

Other

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### Other Benefits

- ▶ Soft Landing Benefits
  - ▶ Accident, Critical Illness, Bridge
- ▶ Identity Theft Protection
- ▶ Student Loan Repayment Assistance
- ▶ Employee Assistance Plan (EAP)
- ▶ Paid Parental Leave
- ▶ FSA - Health, Dependent Care
- ▶ Legal Plans, Pet Insurance
- ▶ Other, other, other



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### Best Practice Set #5 **Other Benefits** 2017-18



- ▶ Customize to Your Company Needs and Culture
- ▶ Survey Employees if Needed
- ▶ Consider Administration and Education
- ▶ Give Renewed Perspective to Each Benefit

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### Other **HOT TOPICS** Around Benefits

- ▶ Systems
- ▶ Compliance
- ▶ Wellness
- ▶ Transparency Tools
- ▶ Concierge / Health Advocacy
- ▶ Defined Contribution
- ▶ Private Exchanges
- ▶ Reference Based Pricing
- ▶ 401K



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## QUESTIONS?

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