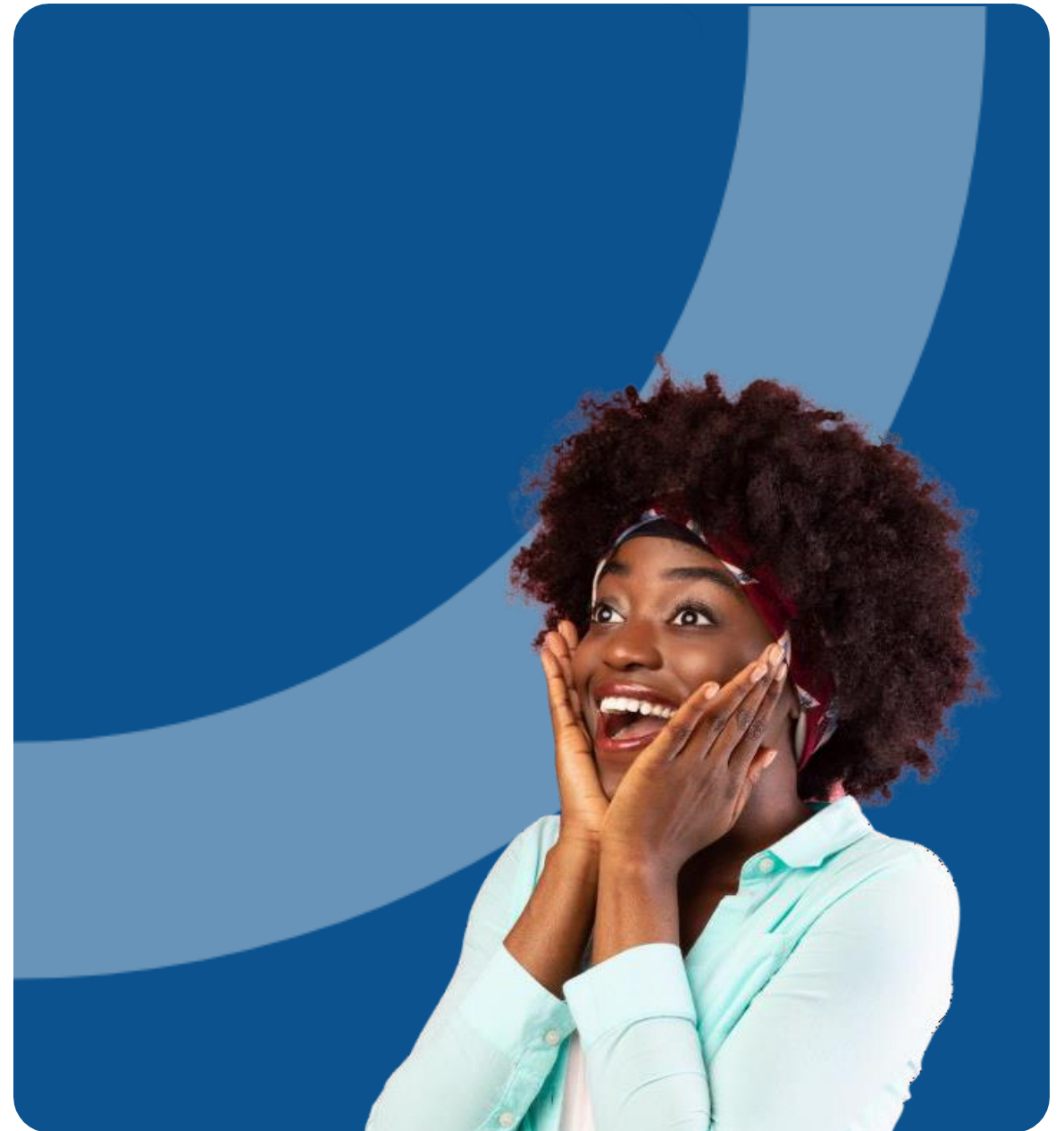




How New Health Insurance Tax Laws Can Reduce Employer Health Care and Transform Benefits

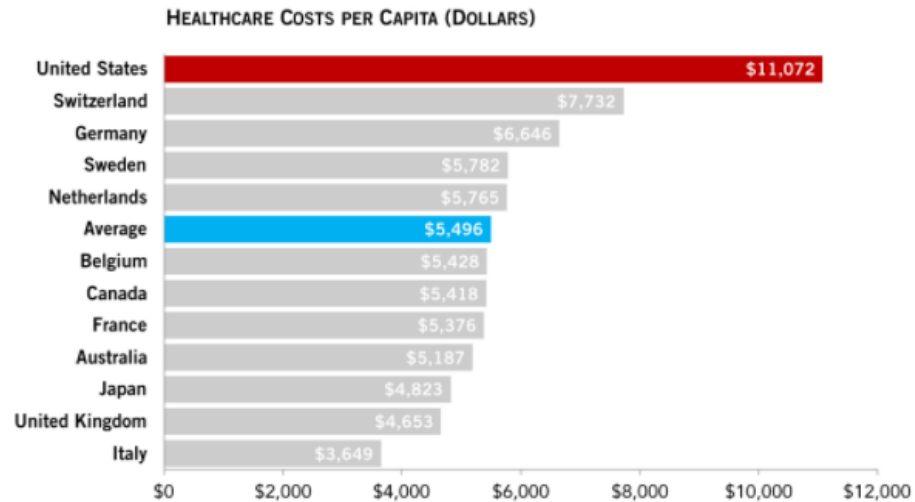
The future of health insurance and
benefits is here.



U.S. has highest health care costs in the world



U.S. per capita healthcare spending is almost twice the average of other wealthy countries



SOURCE: Organisation for Economic Co-operation and Development, OECD Health Statistics 2020, July 2020.

NOTES: The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Average does not include the U.S. Data are for 2019. Chart uses purchasing power parities to convert data into U.S. dollars.

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Although the United States spends more on healthcare than other developed countries, its health outcomes are generally not any better



SOURCE: Organisation for Economic Co-operation and Development, OECD Health Statistics 2020, July 2020.

NOTES: Data are not available for all countries for all metrics. Data are for 2019 or latest available.

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The Market hasn't Changed in 80 years. Premiums, employee contributions, and deductibles are rising at a staggering rate.

These challenges are leading to financial stress and dissatisfaction among employees, making it increasingly difficult for employers to retain talent and maintain a happy and productive workforce.

43%

Increase in employer group health
plan premiums (2012 - 2022)

71%

Increase in employee plan
contributions (2012 - 2022)

150%

Increase in average group health plan
deductibles to employees (2012 - 2022)

Source: Kaiser Family Foundation's 2022 Employer Health Benefits Survey

IMPACT ON TAKE HOME PAY

Table 3: Adjusted Salary Increases from 2009 to 2019, for Bottom Quartile Earners

	Midwest	Northeast	South	West
(A) Salary Increase	\$1,110	\$1,573	\$297	\$1,405
(B) Premium Increase	\$2,247	\$585	\$2,649	\$2,378
(C) Effective Salary Increase (A - B)	-\$1,137	\$988	-\$2,352	-\$973

Medical Expenditure Panel Survey

Major Obstacle to Fixing System

Most Solutions Are Only Treating
the Symptoms

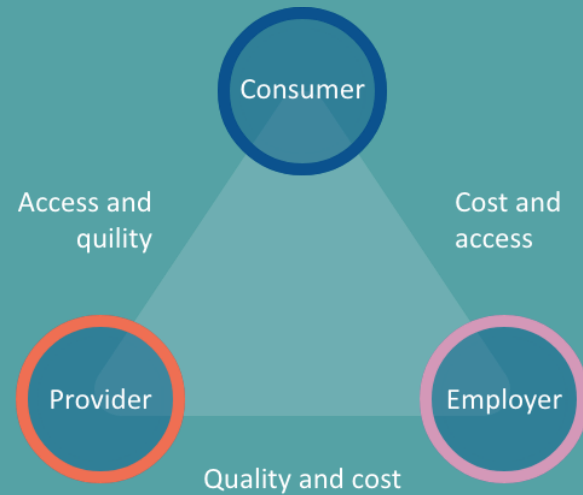
Root Cause

Tax Laws

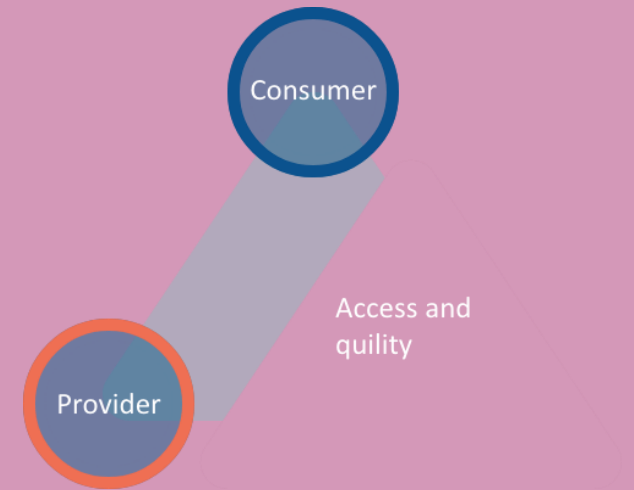
The United States is the Only country in the World Where Someone
Other than the Consumer Makes the Purchase.

THE PROBLEM

2014



THE SOLUTION



“Not too far away from now – in the next 6-7 years – 75 million Americans will be retail buyers of healthcare. And they’ll come to the marketplace with their own money and either a subsidy from their employer or a subsidy from their government. And it doesn’t much matter – they’ll be spending their money.”

— Mark Bertolini | Ex-CEO of Aetna

“The shift to health care consumerism is unstoppable.”



JANUARY 1, 2020 LAWS CHANGED

For the First Time in 75 Years
an Individual Health Insurance
Plan Can be Purchased
Through Employers on a Pre-
tax Basis

The Individual Coverage Health Reimbursement Account was Born
ICHRA

ICHRA IN ITS SIMPLEST TERMS

Modification to Health Reimbursement Accounts

1. Made the premium of an individual health insurance policy (including Medicare) an eligible expense under a HRA
2. Raised the HRA limit to accommodate higher expense

Environmental Conditions: A RECOGNIZED PROBLEM

The first step towards a new health care system

ICHRA is not an Accident

*"Employer based Health
Insurance is inflationary"*

Federal Government

*"Only way to drive down
costs is to empower the
consumer."*

Federal Government

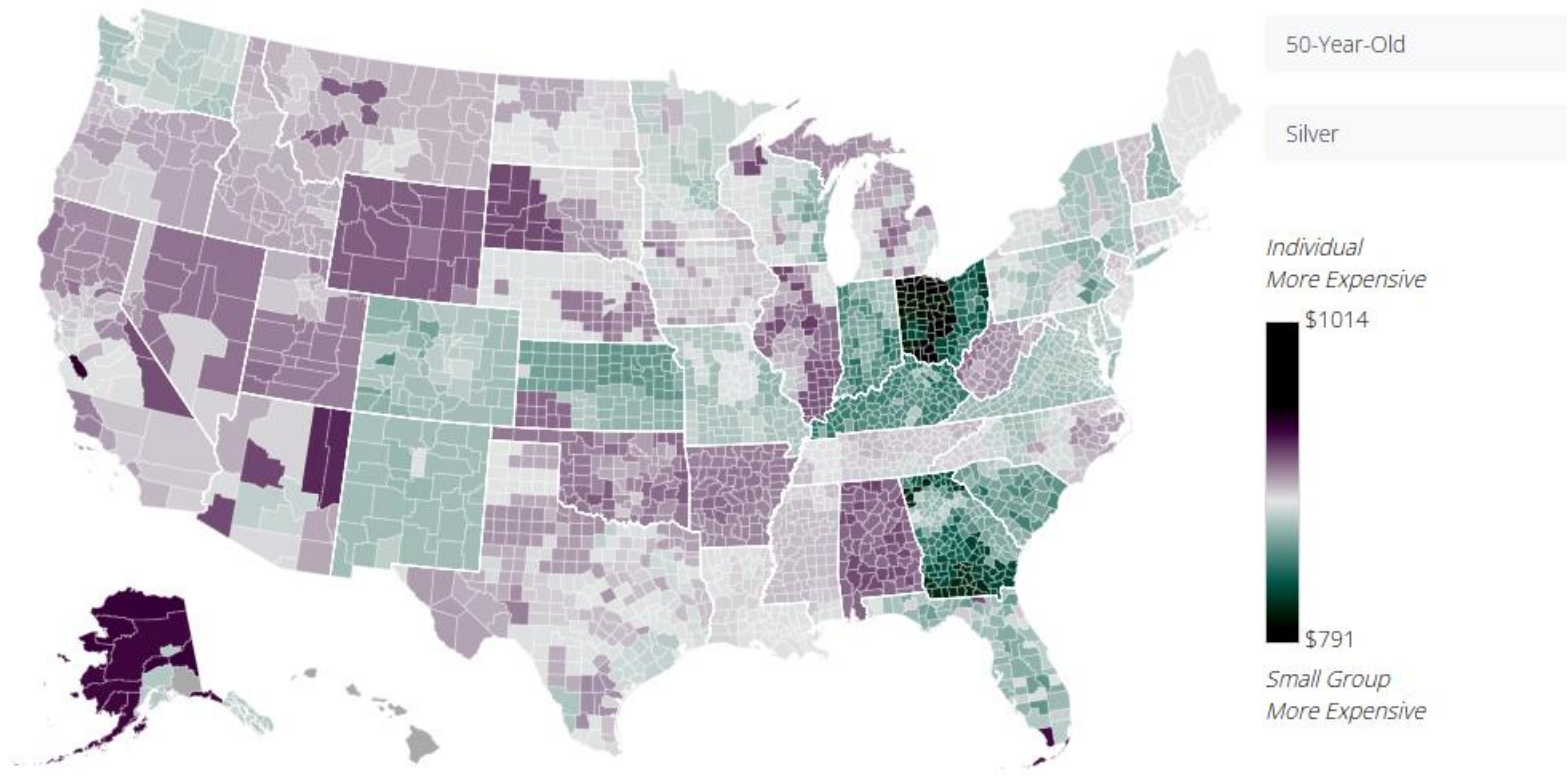
Common Misperceptions



- Individual Market is Expensive
- Employers Have more buying power
- Employees don't know how to choose (Employers Don't Know (TIAA Cref study is average employers overbuying by \$1800)
- Employees Don't Understand Health Insurance (75% today don't understand what coinsurance means.)

Group Plans Versus Individual Market Silver Plans Cost Comparison

Difference Between the Lowest Cost Silver Plans on the Individual and Small Group ACA Markets by County, 2025:



How This Works

1. Employer, with guidance from consultant, determines how much money they will provide employees. Amounts may differ by age, family status, and State.
2. Program gets communicated to employees
3. Employees go to website to learn about the program and elect insurance. If insurance costs are above the employer contribution the employee requests a payroll deduction.
4. Elections with the costs and payroll deduction amounts by employee are provided to the employer.
5. Employer payroll deducts employee funds from payroll.
6. Employer and employee funds for premiums are sent to Administrator to pay premiums.

Benefits of ICHRA

- Benefits for Employers

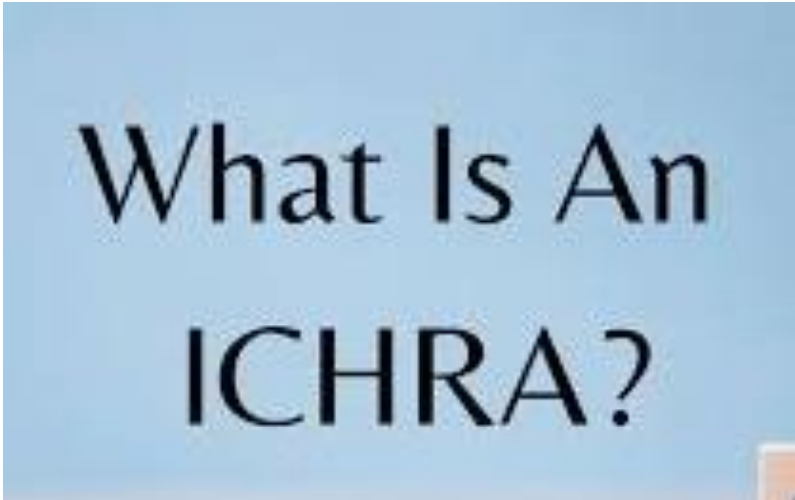
- Budget: Develop a fixed budget for Health Insurance
- Choice: Give Employees more options
- Less Work: Eliminate administrative functions
- Flexibility: Define eligibility by different employee classes
- Good bye Employer Increases: No more medical insurance renewals
- Multi-State – Employees Choose Locally

- Benefits for Employees

- Personalization: Choose individual insurance based on needs
- Savings: Employee contributions are pre-tax
- Choice: Access to many more plan options
- Portability: Keep the insurance when one changes jobs

Other ICHRA Basics

- Works much like Group Insurance – Laws did not change
- Employer and Employee contributions are Pre-tax
- Insurance must be purchased “off-exchange” to get the maximum tax benefits
- Employees Would Not be Eligible for Subsidies
- Can’t discriminate – 10 Classes
- Need to Provide Affordable Coverage (50+)
- Need Plan Documents (ICHRA is the Plan)
- Do Proper IRS Filings

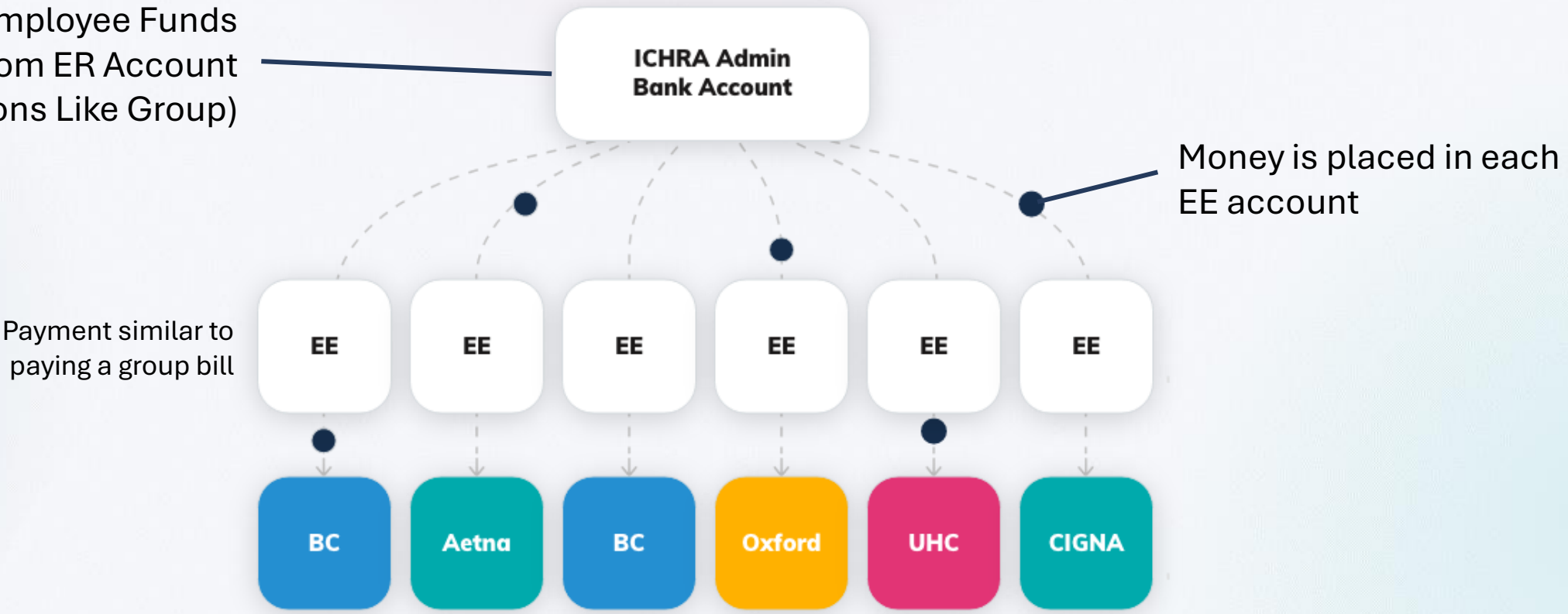


What Is An
ICHRA?



Payment Process Has Simplified Administration

Employer and Employee Funds
Drawn from ER Account
(Payroll Deductions Like Group)



Carriers charge each employee account

Employee Enters Their Profile

The Choice is Yours

Joe Test

✓

Getting Started

2

Profile and Settings

3

Benefits Package Creator

Welcome to your Benefits Package Creator

Please complete your profile below and click Next to continue

Personal Details

First Name *

Joe

Last Name *

Smith

Home Address *

1 Main St

Apt./ Suite no. *

Enter Suite No.

Telephone *

508-555-5555

City *

Concord

03301

County *

MERRIMACK

State *

Next

Cancel

Employee See Employer Contribution

The Choice is Yours

Joe Test

- ✓ Getting Started
- ✓ Profile and Settings
- 3 Benefits Package Creator

- I Contributions
- II Shop Health Plans
- III Your Cart

Monthly Employer Contribution
\$423.15

Amount Spent
\$0.00

Amount Available
\$423.15

Employee Contribution Needed
\$0.00



Contributions



Shop Health Plans



Your Cart

Select your Health Plan Option Below

[Click for Instructions](#)

Next

☒ Shop Off Exchange

☐ Not Buying Health Insurance (Waive Coverage)

Effective Date of Coverage

05-01-2025



Monthly Employer Contribution

\$423.15

Please Read The Following Individual Coverage Health Reimbursement Account Documents

☐ By checking this box, I certify that I have reviewed the documents listed above and agree to abide the terms contained therein.

Employees See and Choose Plans

The Choice is Yours

Joe Test

- Getting Started
- Profile and Settings
- 3 Benefits Package Creator
- Contributions
- II Shop Health Plans
- III Your Cart

Monthly Employer Contribution
\$423.15

Amount Spent
\$0.00

Amount Available
\$423.15

Employee Contribution Needed
\$0.00

Contributions

Shop Health Plans

Your Cart

Shop for Health Plans

Zip Code : 16801 | Plans Found : 65

Filters

All (Insurance Carriers)

All (Metal Tier)

All (Deductibles)

All (Price Range)

Sort Price Low To High

Sort Price High To Low

☐ HSA Eligible

Compare Plans 0

Bronze HMO 7450/0/50

Capital BlueCross
HMO
Metal Level: Expanded_Bronze
HSA Eligible: No

Deductible: \$7,450
Out of Pocket Maximum: \$9,100
Primary Care Visit: \$50
Generic Drug Co-Pay: \$10

Compare

Plan Details

View Plan Summary Document

Add to Cart

Silver 201 HSA

Ambetter
HMO
Metal Level: Silver
HSA Eligible: Yes

Deductible: \$5,800
Out of Pocket Maximum: \$5,800
Primary Care Visit: \$0 after deductible
Generic Drug Co-Pay: \$0 after deductible

Compare

Plan Details

View Plan Summary Document

Add to Cart

Silver 203

Ambetter
HMO
Metal Level: Silver
HSA Eligible: No

Deductible: \$4,450
Out of Pocket Maximum: \$7,250
Primary Care Visit: \$15
Generic Drug Co-Pay: \$3

Compare

Plan Details

View Plan Summary Document

Add to Cart

Bronze QHDHP PPO 6400/0/50

Capital BlueCross
PPO
Metal Level: Expanded_Bronze
HSA Eligible: Yes

Deductible: \$7,450
Out of Pocket Maximum: \$9,100
Primary Care Visit: \$50
Generic Drug Co-Pay: \$10

Compare

Plan Details

View Plan Summary Document

Add to Cart

Geisinger Marketplace Premier HMO 40/80/8400

Geisinger
HMO
Metal Level: Expanded_Bronze
HSA Eligible: No

Deductible: \$8,400
Out of Pocket Maximum: \$9,100
Primary Care Visit: \$40
Generic Drug Co-Pay: \$0 after deductible

Compare

Plan Details

View Plan Summary Document

Add to Cart

Geisinger Marketplace All-Access HMO Pharmacy First 8500

Geisinger
HMO
Metal Level: Expanded_Bronze
HSA Eligible: No

Deductible: \$8,400
Out of Pocket Maximum: \$9,100
Primary Care Visit: \$40
Generic Drug Co-Pay: \$0 after deductible

Compare

Plan Details

View Plan Summary Document

Add to Cart

Authorize the Election

The Choice is Yours

Joe Test

✓

Getting Started

✓

Profile and Settings

3

Benefits Package Creator

✓

Contributions

✓

Shop Health Plans

III

Flexible Spending

IV

Your Cart

Monthly Employer Contribution

\$423.15

Amount Spent

\$486.50

Amount Available

\$0.00

Employee Contribution Needed

\$63.35

Contributions

Shop Health Plans

Your Cart

Plan and Benefits Summary

Add Primary Care Physician

Summary Information

Carrier	Plan Type	Plan Name	Metal Tier
Ambetter	HMO	Gold 201 HSA	Gold

Total: \$486.50

Available Contribution from Your Employer: \$423.15

Amount that will be deducted each month from payroll

Contribution Required: \$63.35

☐ I hereby acknowledge my obligation of \$63.35 will be deducted by my payroll administrator each month.

Note: Coverage will not be bound until the application is approved.

Please see your plan administrator if you would like to contact your agent. The insurance rates are estimates and may vary slightly based on your final enrollment.

Authorize Elections

Print

Example

Insurance Premium = \$1000
Employer Contribution = \$700
Employee Cost = \$300

Employee Chooses Lower Cost Plan
Insurance Premium = \$800
Employer Contribution = \$700
Employee Cost = \$100

This is 66.67% Savings

It Doesn't Hurt to Check

Information Needed to Quote

Current and Renewal Rates and Plan Information

Employer and Employee Contributions

Census

- Employee and Dependent DOB
- Home Zip if Multi-state
- Plan elected if More than One
- Income for Affordability Testing





Corporate Benefits Consultants, Inc.

THANK YOU!

Jim Robick

724-779-4606 x.1 | jrobick@corpbenefit.com