



8 employer health solutions

By Paul Breslau, Breslau Insurance & Benefits Inc.

Maintaining or starting a group health plan is increasingly difficult for many employers based in the Airpark and throughout Arizona. Here are eight solutions for consideration, each accompanied by an opinion and/or pertinent fact.

Play or pay: There remain a few employers with more than 50 full-time-equivalent employees who continue not to offer health insurance. These employers have ignored the Affordable Care Act mandate and risk IRS tax penalties that are greater than low-cost solutions, such as MEC plans.

Opinion: These employers should immediately contact a health insurance agent to implement an ACA compliant program.

Do nothing: Not offering health insurance remains an option for employers with fewer than 50 full-time-equivalent employees.

Opinion: If competing for new hires and improving employee retention is a challenge, doing nothing is not a helpful route.

Fact: There may be no full-network PPO options in the individual/family market for the 2017 plan year. PPO plans through

work will be more important as people consider their employment and health-plan options.

Tax credit: The Arizona Department of Revenue has offered a tax credit for new, fully insured employer group plans since 2006. Check out AZDor.gov or contact your health-insurance agent.

Fact: There is a waiting list for the funds.

Fact: Many small employers dropped group health and went on individual/family health plans, which may soon be

1. Play or Pay
2. Do Nothing
3. Tax Credit
4. Age Banded Rates
5. HDHP with HSA or Voluntary
6. EMI Health
7. Redirect Health
8. Partially Self-funded

cancelled. The tax credit is available if there has been no employer plan for six months.

Age-banded rates: Most employers and their health agents prefer composite rates, where each employee has the same premium. Age-banded rates for employers with 10, 20 or more employees are available from some health-insurance companies.

Opinion: Age-banded rates lock for enrollment and they solve affordable premium issues for young employees with the proper contribution strategy

HDHP with HSA or voluntary insurance: High Deductible Health Plans lower premiums and increase patient involvement in treatments and their medical costs. HDHPs often are paired with Health Savings Accounts or voluntary insurance.

Opinion: These strategies are excellent, however, they can be confusing to employees if the agent doesn't have a good method of presenting the program.

Fact: HDHP plans can be viewed as negative if the employer doesn't contribute funds into the qualified bank accounts on behalf of employees.

EMI Health: EMI Health successfully combines employers in similar industries into common insurance pools. The entire process is transparent with participating employers managing each industry-specific insurance pool.

Fact: The EMI solution has worked in Utah for decades and shows great promise to continue successful growth in Arizona.

Redirect Health: Guiding employees to the best and most appropriate health care at the lowest cost and eliminating waste and frustrations are two core tenants of Redirect Health.

Opinion: Redirect Health may be the only solution that provides immediate results and solves the longer-term underlying employer group health insurance conundrum.

Fact: Redirect Health may be integrated into a major medical plan so that employees have access to the appropriate care at the appropriate time to streamline the process for the patient and save all parties from unnecessary costs.

Partially self-funded: Fully insured employer rates no longer use industry, gender or health status as rating factors. They and are limited in the use of age in their community rate tables. Therefore, employers with as few as five employees are able to compare partially self-funded rates, which continue to underwrite and use the prohibited factors. Compared to fully insured plans, this saves many employer groups, who tend to be young, male and/or healthy.

Opinion: Within a few years, this trend may undermine the small, fully insured

employer health market similar to the way the individual/family market is impacted now.

To be clear, most larger employers and many employers with quality health plans will not be impacted by the pending market changes. This includes employers with grandfathered and, to a lesser extent, grandmothered plans. As always, your comments and questions are welcome.

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