



# So You Want to Offer Benefits. Now What?

OCTOBER 7, 2022

# Healthcare Implementation Considerations for Small Business



## To Qualify for Small Group Coverage in Oregon State

- ▶ You must employ one common law (W-2) employee that will be enrolling in the health benefit plan at the beginning of the plan year.
- ▶ For this purpose, the following people are **not** considered a common law employee:
  - ▶ a sole proprietor (yourself)
  - ▶ a partner in a partnership
  - ▶ a 2% S Corporation shareholder
  - ▶ the spouse of any of the above
- ▶ This means, you can be the owner of the business, but you must have at least **one w-2 employee** that is not your partner or family member.



ELIGIBLE	NOT ELIGIBLE
<b>Full-time W-2</b>	<i>Temporary employees</i>
<b>Part-time W-2</b>	<i>Leased employees</i>
	<i>Retired or former employees</i>
	<i>Seasonal employees</i>
	<i>Contracted employees (1099)</i>

Who Counts  
as Common  
Law

# Now That We Know Our Employee Counts, What's Next?

- ▶ You'll need to make some decisions around the rules of your health plan:
  - ▶ How many hours does the employee have to work to qualify for benefits
  - ▶ For a newly hired employee, how long do they have to wait before they can enroll in benefits through your business?
- ▶ Once you set these rules, you must apply them equally to all employees

# Employee Eligibility

You can decide the number of hours worked to be eligible for benefits, so long as it is **17.5 or more**

Typically, employers set the hourly requirement at 30 hours per week

## Waiting Period for Benefits Newly Hired Employees

- ▶ You can choose one of the following options for benefits to begin:
  - ▶ On the actual date of hire
  - ▶ 1st of the month following date of hire.
  - ▶ 1st of the month following 30 days from your date of hire
  - ▶ 1st of the month following 60 days from your date of hire
  - ▶ On the actual 91st day following your date of hire (this often creates mid-month enrollments, which can be more difficult to track and administer)





# Now That We Have the Rules...

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HOW DO WE GET THE BENEFITS?



# Type of Coverage Offered

- ▶ There are many health insurance options available in the small group market.
- ▶ At the end of the day, what it really comes down to is, Kaiser – and everything else.
- ▶ Kaiser Permanente
- ▶ Regence BlueCross BlueShield
- ▶ Providence
- ▶ Moda Health
- ▶ PacificSource
- ▶ UnitedHealthcare (UHC)

# Kaiser – A Unique Model

- ▶ Kaiser is usually the least expensive option available because all care runs through the Kaiser system – it's an HMO plan.
- ▶ Kaiser partners with The Portland Clinic, so members can also receive care from all 5 office locations of The Portland Clinic.
- ▶ This adds much greater provider access and flexibility in offering coverage through Kaiser.



## PPO Plans – More Choice & Flexibility

- ▶ A “PPO Plan” has both in-network and out-of-network benefits.
- ▶ This option is the most flexible for being able to pick and choose which providers you want to see, without having to obtain a referral.
- ▶ It's also ideal for businesses with employees in multiple states, which may not provide access to a local HMO plan like Kaiser.



# Multiple Plan Choices

- ▶ You can't offer both Regence and Kaiser – you have to pick one company.
- ▶ But, you can offer multiple plan choices under that company.
- ▶ Many insurers will allow you to offer 3-5 medical plan options to mix or match.
- ▶ You can offer a range of Platinum, Gold, Silver or Bronze plans for employees to choose from.

# What About Dental and Vision...

## Vision

- Vision is usually included within your medical plan

## Dental

- Dental is a separate line of coverage, but it can often be provided by the medical plan carrier, so you only have one monthly bill to pay.

# Life Insurance & Disability Protection

- ▶ Life Insurance and Disability Protection can be added at any time your budget allows
- ▶ Life Insurance
- ▶ Short Term Disability
- ▶ Long Term Disability



## Contribution Structure

How much do you pay / How much do they pay

Insurance companies require the employer contribute a minimum of 50% of the employee-only (single) premium.



It is the discretion of the employer if they want to contribute a higher percentage.



You are not required to pay anything toward the cost of dependent coverage (spouse or children).

## Contribution Structure (Your Cost Share)

For budgeting purposes, you can set your contribution at 50% of the least expensive plan option, allowing employees to buy-up to a richer plan design.

Just like the rules you set around who gets benefits, once you decide how much you'll contribute, you must apply it to everyone equally.

# Working with a Broker...

1

The broker will talk with you about your budget, and the type of coverage you are looking for.

2

You provide a census (spreadsheet) with employee info (date of birth, gender, zip code).

3

The Broker will then run quotes for healthcare, and help you implement the coverage.



# Deciding on Your Options

A presentation will be provided with options based on:

- Which carriers have the best rates and best benefits
- The carrier that has the best access to providers
- A side-by-side comparison of plan options, showing pros/cons of each
- Cost-sharing breakdown between employer and the employee, showing bottom-line costs

# Implementing Coverage

Once the plan has been chosen, the Broker will complete all the applications and get them ready for you to sign.

You'll need to provide some company information, like your Tax ID number, Workers' Comp provider, and some other key details.

# Benefits Launch – Enrollment Time

- ▶ Your existing employees will be eligible to enroll on the date coverage is launched.
- ▶ Anyone who does not enroll at the initial launch must wait until the next open enrollment opportunity, unless they experience a mid-year qualifying event allowing them to make a change (such as marriage, divorce, birth of child, etc.)
- ▶ Newly Hired Employees are eligible to enroll after they meet the waiting period you defined.



# Benefits Launch – The Employee Experience

- ▶ The Broker should provide all information about new plans and prepare a communication piece that can be shared with employees, explaining coverage options, costs, and the rules for enrolling.
- ▶ The Broker can also do information sessions with staff to address questions and help choose plans.
- ▶ They should also help with enrollment forms and submitting everything to the insurance company on your behalf.

## Final Steps – Payroll Deductions



Employee's cost for coverage is withheld from their paycheck on a pre-tax basis.



The Broker will provide you a spreadsheet of cost breakdown based on how each employee enrolled.



You'll set this up in payroll, and employees will see the deduction on their paycheck each pay period.

# Ongoing Service from Your Broker

- ▶ Once your benefits are up and running, your Broker should support you with ongoing administration
  - ▶ Enrollments for new employees / Terminations for employees leaving
  - ▶ Billing or Claim Issues
  - ▶ Review coverage documents and invoices to ensure everything is correctly issued and billed
  - ▶ Serve as a direct contact for employees when questions or issues arise





# Questions?

