



UBA

Shared Wisdom.
Powerful Results.®

2023

UBA EMPLOYEE BENEFITS BENCHMARKING

TRENDS REPORT

Representing:

\$28 BILLION
IN HEALTHCARE

~1,000,000
EMPLOYEES

10,000+
EMPLOYERS



THE
POWER
of
B E N C H M A R K I N G



EMPLOYERS MUST TAKE A MORE FOCUSED
APPROACH TO EMPLOYEE BENEFITS BENCHMARKING
TO BE AN EMPLOYER OF CHOICE.

SINCE 2005, United Benefit Advisors® (UBA) has surveyed employers nationwide to create the definitive employee benefits database. This valued data is used to create this annual report highlighting national employer-sponsored health plan trends by region, state, industry, and size. In addition, this year's report includes various non-medical employee benefits to reflect employers enhancing their benefit programs.

UBA Partner Firms position themselves and their clients to thrive in the changing employee benefits marketplace. They leverage the nation's definitive employee benefits database to create localized benchmarking assessments that help clients compare employee benefits programs against competitors to develop data-driven and strategic employee benefits programs.



“THE UBA EMPLOYEE BENEFITS BENCHMARKING TRENDS REPORT, WITH DATA FROM A RANGE OF SMALL AND LARGE EMPLOYERS, MAKES IT AN ACCURATE SNAPSHOT OF THE NATION’S BROADER EMPLOYEE BENEFITS TRENDS. AS A RESULT, KEY STAKEHOLDERS CAN RELY ON UBA PARTNER FIRMS FOR NATIONAL AND MORE GRANULAR BENCHMARKS THAT ENABLE BEST-PRACTICE STRATEGIC PLANNING WITHIN ANY INDUSTRY, GROUP SIZE, AND LOCATION.”

COLLEEN KUCERA · PRESIDENT, UBA

“UBA Partner Firms collaborate throughout the year with our professional association – the National Association of Health Underwriters (NAHU), now the National Association of Benefits and Insurance Professionals (NABIP). This partnership on the latest industry trends, legislative and regulatory issues, and professional development means that UBA Partner Firms meet the highest standards of knowledge and professionalism for their clients.”

JANET TRAUTWEIN

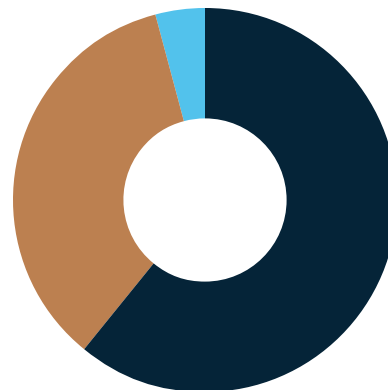
EXECUTIVE VICE PRESIDENT & CEO, NABIP

ABOUT UBA

UNITED BENEFIT ADVISORS® (UBA) is the nation’s leading independent employee benefits advisory organization with more than 200 offices throughout the United States, Canada, and Europe. UBA empowers 2,000+ advisors to both maintain their independence while capitalizing on each other’s shared knowledge and market presence to provide best-in-class services and solutions.

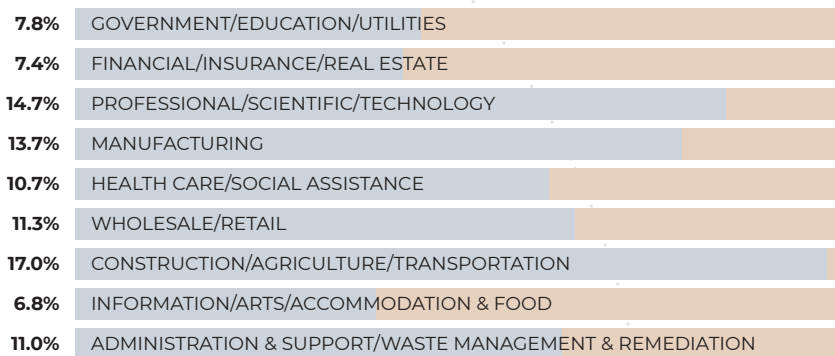
THE 2023 UBA Employee Benefits Benchmarking Trends Report represents \$28 billion in healthcare dollars spent, nearly 1,000,000 employees, and 10,389 employers nationwide. This report provides employers with insights into national employee benefits trends from 2022 data. This valuable data set allows UBA Partner Firms to offer clients custom peer-based benchmarking reports to monitor local trends for best practices. In addition, UBA Partner Firms provide a unique local and national perspective to transform employee benefits negotiation and develop winning employee benefit plan strategies to help employers attract and retain top talent.

EMPLOYER SIZE

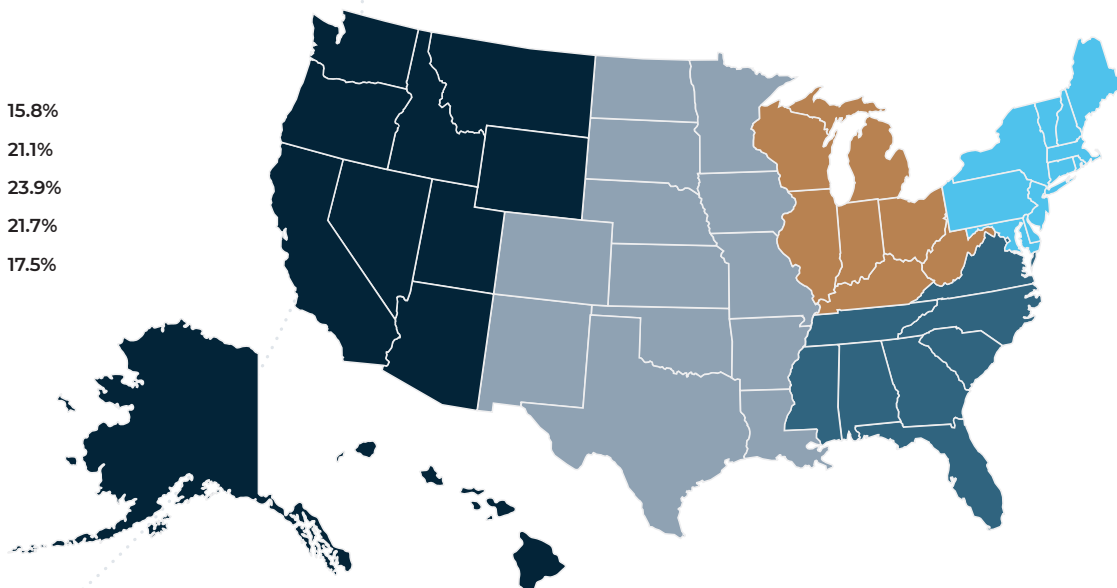
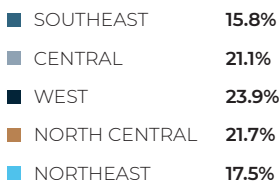


While small businesses dominate the nation, UBA's data represents a significantly higher proportion of midsize and large businesses than the national average of 1.5% and 0.2% reported by the NAICS for those groups.

INDUSTRY



REGION



TOP

EMPLOYEE BENEFITS

trends

- TREND 1 HEALTH PLAN DESIGN & COST** Median health plan premiums rose almost 6%, ending a three-year trend of increases between 4% and 5%.
- TREND 2 COST MANAGEMENT** Top three cost management strategies are changing plan design, switching carriers, and increasing employee premium contributions.
- TREND 3 PLAN PREVALENCE & ENROLLMENT** Preferred provider organization plans (PPOs) are the most popular plan type, with 50% of employers offering and 50% of employees enrolled.
- TREND 4 PPO PLANS** Employers contribute 75% of monthly PPO plan premiums for singles and 43% of premiums for families.
- TREND 5 HDHPS** High deductible health plans (HDHPs) are offered by 27% of employers, a 13.9% increase from 2021.
- TREND 6 HMO/EPO PLANS** Health maintenance organization (HMO)/exclusive provider organization (EPO) plans are offered by 18% of employers, a 14.2% decrease from 2021.
- TREND 7 POS PLANS** Point of service (POS) plans are only offered by 4% of employers in select markets, primarily in the Northeast and Georgia.
- TREND 8 DENTAL & VISION BENEFITS** Nearly 70% of employers offer vision benefits and dental coverage. However, these employee benefits jump to nearly 90% among large employers (501+ employees).
- TREND 9 LIFE & DISABILITY BENEFITS** Life insurance is more commonly offered than disability coverage, with about 60% of employers nationwide offering basic life insurance. More than 40% of employers offer short-term or long-term disability.
- TREND 10 WELLNESS PROGRAMS** About 25% of employers offer wellness programs. However, this employee benefit jumps to about 50% among large employers (501+ employees). In addition, self-funded small businesses had a 15% increase of this offering year-over-year.
- TREND 11 SMALL EMPLOYER TRENDS** Employers with fewer than 50 employees were especially hard-hit with rising costs due to pandemic-related causes but were reluctant to shift costs to employees.
- TREND 12 MIDSIZE EMPLOYER TRENDS** More than 68% of employers with 51 to 500 employees have fully insured health plans, but those choosing self-funding continues to increase.
- TREND 13 LARGE EMPLOYER TRENDS** Approximately 75% of employers with 1,001+ employees have self-funded plans. Among groups with 501 to 1000 employees, 36.7% of plans are fully insured, and 63.3% are self-funded.

TRENDS REPORT

TREND 1 HEALTH PLAN DESIGN & COST

INFLATION

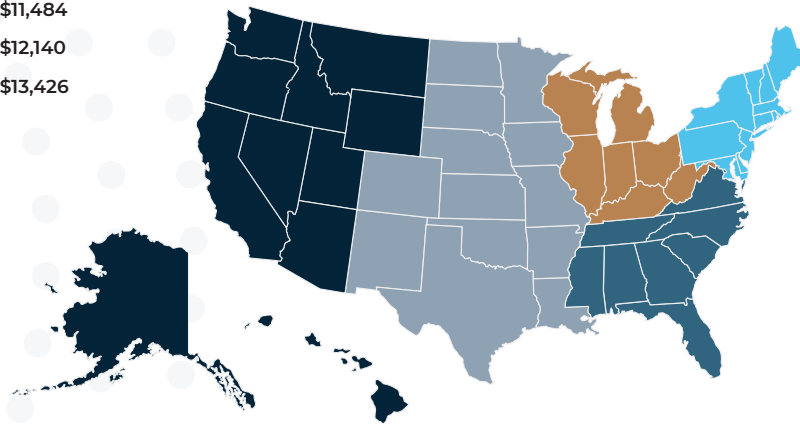
THE 2022 UBA employee benefits benchmarking finds that health plan premiums rose approximately 5.7%, ending a three-year trend of more manageable increases between 4% and 5%. As predicted, health care costs have increased more than usual due to a wide range of pandemic-related causes but are well below the record high of nearly 10% in 2018. UBA Partner Firms have leveraged highly specialized benchmarking, careful plan design, and informed negotiation to help employers manage rising costs.

TOTAL AVERAGE ANNUAL COST PER EMPLOYEE (all plans)

ACROSS ALL PLANS, the average total annual cost per employee is \$12,024 and reflects both the employer and employee contributions.

REGION

■ SOUTHEAST	\$11,667
■ CENTRAL	\$11,633
■ WEST	\$11,484
■ NORTH CENTRAL	\$12,140
■ NORTHEAST	\$13,426



Plans in the Northeast continue to cost the most, largely due to more state-mandated benefits

GROUP SIZE

1 - 50 EMPLOYEES	\$11,829
51 - 500 EMPLOYEES	\$12,243
501+ EMPLOYEES	\$12,795

TRENDS REPORT

TREND 1 INDUSTRY

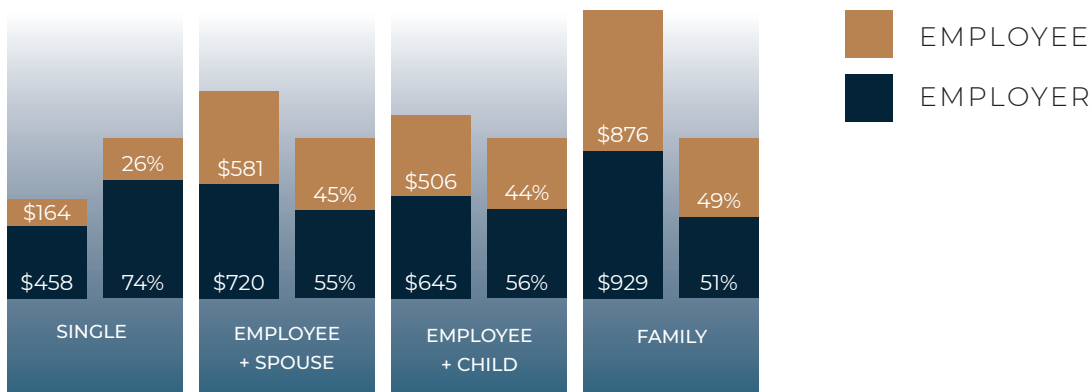
GOVERNMENT/EDUCATION/UTILITIES	\$13,289
FINANCIAL/INSURANCE/REAL ESTATE	\$12,787
PROFESSIONAL/SCIENTIFIC/TECHNOLOGY	\$12,361
MANUFACTURING	\$11,770
HEALTH CARE/SOCIAL ASSISTANCE	\$12,970
WHOLESALE/RETAIL	\$11,639
CONSTRUCTION/AGRICULTURE/TRANSPORTATION	\$11,171
INFORMATION/ARTS/ACCOMMODATION & FOOD	\$11,489
ADMINISTRATIVE & SUPPORT/WASTE MANAGEMENT & REMEDIATION SERVICES	\$11,213

PLAN TYPE

PREFERRED PROVIDER ORGANIZATION (PPO)	\$12,545
HIGH DEDUCTIBLE HEALTH PLAN (HDHP)	\$11,087
HEALTH MAINTENANCE ORGANIZATION (HMO)/ EXCLUSIVE PROVIDER ORGANIZATION (EPO)	\$12,221
POINT OF SERVICE (POS)	\$12,834

The Construction industry has some of the lowest plan costs, while public sector employers have the priciest plans

AVERAGE MONTHLY EMPLOYER & EMPLOYEE PREMIUM CONTRIBUTION (all plans)

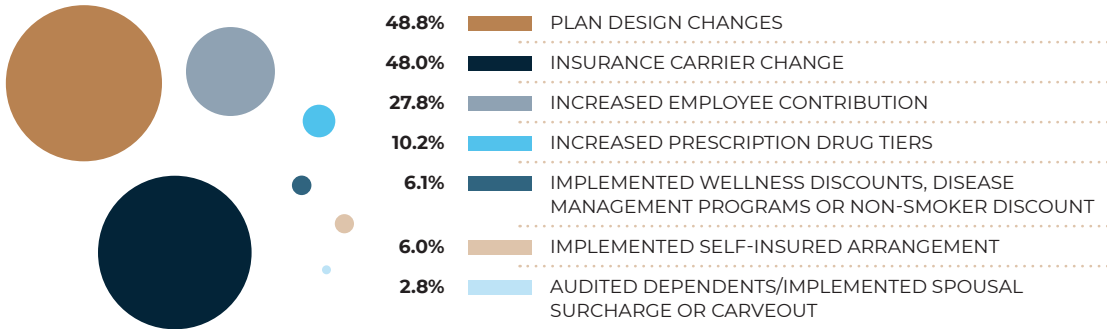


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TRENDS REPORT

TREND 2 COST MANAGEMENT STRATEGIES

IN 2022, to achieve lower costs, employers relied on adjustments to plan design and changes in insurance carriers.

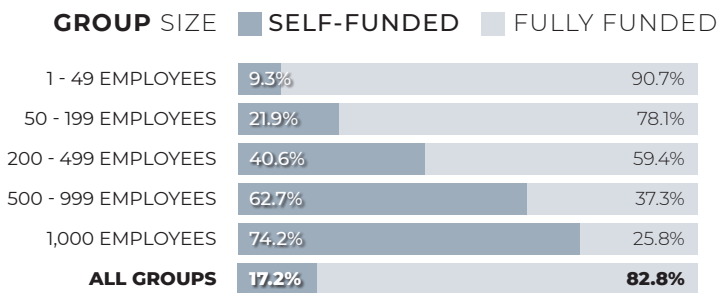


Large groups with 250+ employees were as likely to increase employee contributions (39.3%) as they were to make plan design changes (39.3%) or carrier changes (40.4%). Their smaller counterparts (50 or fewer employees) were more reluctant to shift costs to employees and used this cost lever less often (23.2%).

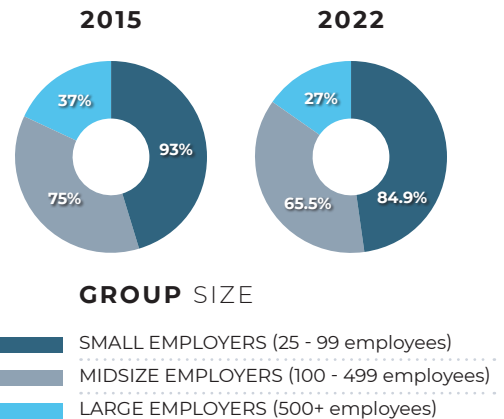
FULLY FUNDED VS. SELF-FUNDED

NEARLY 83% of employer-sponsored health plans are fully insured. Conventional wisdom has typically regarded self-funded plans as most viable for large employer groups, and in fact, about three quarters of groups with 1,000+ employees use these funding strategies to mitigate costs. However, UBA finds that self-funding is increasingly an option for small and midsize groups, so it is critical to benchmark your plan regionally as well as nationally.

FUNDING STRATEGIES BY GROUP SIZE



PERCENTAGE FULLY INSURED BY GROUP SIZE OVER TIME



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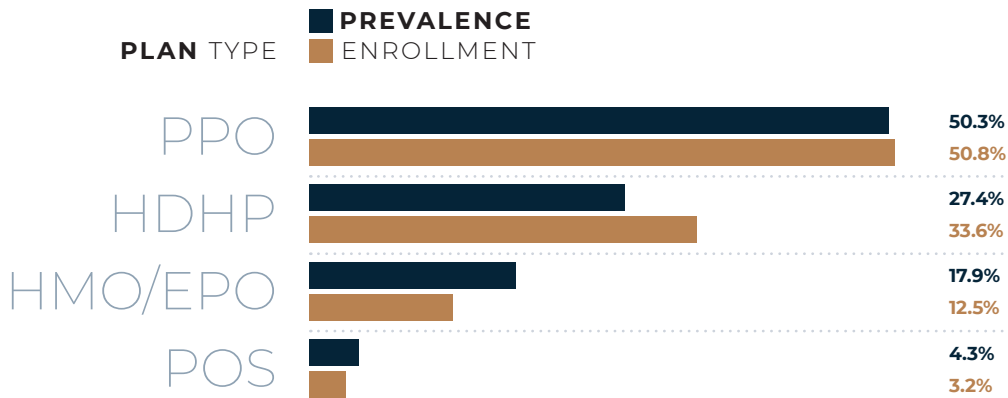


TRENDS REPORT



TREND 3 PLAN PREVALENCE AND ENROLLMENT

APPROXIMATELY half of all employers offer preferred provider organization (PPO) plans, while 27% offer high deductible health plans (HDHPs) and 18% offer health maintenance organization (HMO)/exclusive provider organization (EPO) plans. Point of service (POS) plans are relatively rare and are found in select markets in the Northeast and in Georgia. Indemnity plans are virtually nonexistent.



Plan prevalence is primarily driven by regional trends, rather than employer size or industry.

Employees generally mirror employer interest in the various plan types.

KEY BENCHMARKS

- PPO plans are particularly popular in the West, but Alabama, Oklahoma, and South Carolina also heavily favor these plans.
- Large employers, as well as groups in the North Central U.S. have an above-average prevalence of HDHPs—though HDHPs dominate in Connecticut as well.
- HMO/EPO plans are most prevalent in the Northeast, but these plans also have significant traction in Hawaii, Wisconsin, and some areas of California.



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UBA FINDS THAT SELF-FUNDING IS INCREASINGLY AN OPTION FOR SMALL AND MIDSIZE GROUPS, SO IT IS CRITICAL TO BENCHMARK YOUR PLAN REGIONALLY AS WELL AS NATIONALLY WHEN EVALUATING THIS OPTION.



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TRENDS REPORT



TREND 4 PPO PLANS

APPROXIMATELY half of all employers offer preferred provider organization (PPO) plans, which is consistent with 2021. PPO plans are particularly popular in the West, but Alabama, Oklahoma, and South Carolina also heavily favor these plans. (UBA defines PPO plans as those that generally require no referrals, offer out-of-network coverage, and cover employees across multiple states, among other features.)

TOTAL COST

ON AVERAGE, PPO plans cost \$12,545 per employee per year, inclusive of both employer and employee contributions, and more than 50% of employees overall enroll in these plans.

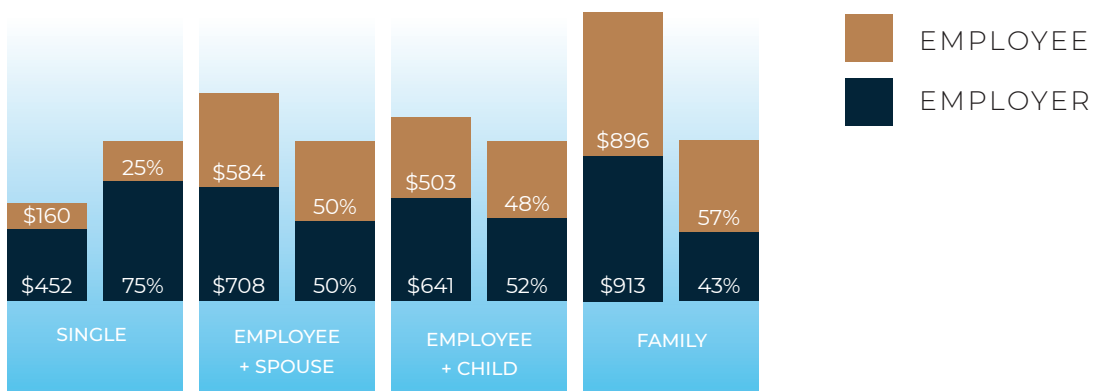
AVERAGE PPO PLAN COST PER EMPLOYEE PER YEAR

REGION		GROUP SIZE	
SOUTHEAST	\$12,074	1 - 50 EMPLOYEES	\$12,318
CENTRAL	\$12,435	51 - 100 EMPLOYEES	\$12,527
WEST	\$11,908	101 - 250 EMPLOYEES	\$13,224
NORTH CENTRAL	\$13,110	251 - 500 EMPLOYEES	\$12,966
NORTHEAST	\$14,179	501 - 1,000 EMPLOYEES	\$12,896
		1,001+ EMPLOYEES	\$13,800

INDUSTRY KEY BENCHMARKS

- PPO plans in the construction industry, West, and Southeast have the lowest costs.
- Plans offered by large employers (1,001+ employees), as well as those in the public sector and the Northeast cost the most, generally due to more generous plan designs.

AVERAGE MONTHLY PREMIUM CONTRIBUTIONS





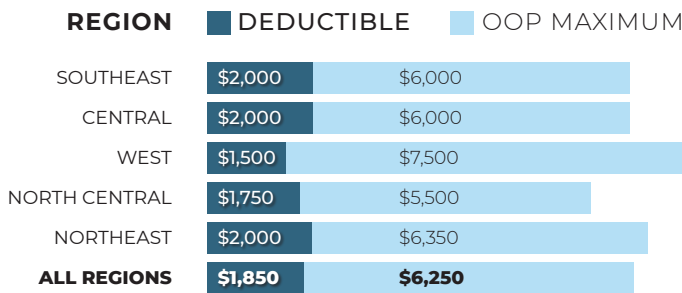
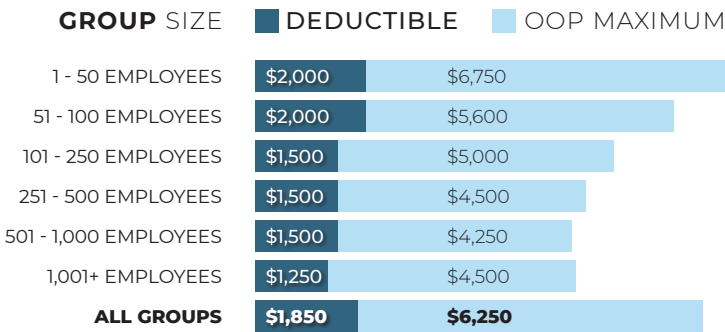
TRENDS REPORT



TREND 4 KEY BENCHMARKS

- High-tech employers and groups located in the western U.S. can often tout their highly competitive PPO plans for single employees, which typically cover 80% of their premiums.
- Employers in the north central and northeastern U.S.—or large employers nationwide (500+ employees)—can often market their family PPO plan coverage as an employment differentiator since they pick up 65% of these premiums on average.
- Public sector employers, including those in government, education, and utilities, can boast of the most generous PPO plans in the nation—with some of the lowest monthly premiums—in addition to picking up 80% and 65% of single and family coverage, respectively.

MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



Other PPO out-of-pocket costs usually include office visit copays averaging \$30 and specialty visit copays are approximately \$50. Prescription drug copays are typically \$10 for generic drugs, \$40 for formulary drugs, \$70 for non-formulary drugs, and \$150 for specialty drugs.



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TRENDS REPORT

TREND 5 HDHPs

OVERALL, about 27% of employers across the nation offer high deductible health plans (HDHPs), a 13.9% increase from 2021.

TOTAL COST

ON AVERAGE, HDHPs cost \$11,087 per employee per year, inclusive of both employer and employee contributions. Sometimes referred to as “consumer-directed health plans,” HDHPs typically cost less than other plans and employers pick up more of the premiums when compared to other types of plans.

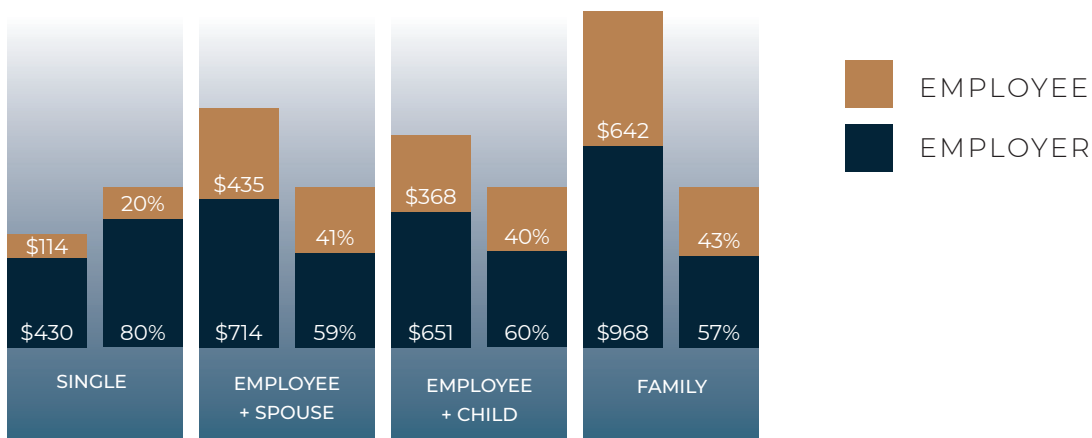
AVERAGE HDHP PLAN COST PER EMPLOYEE PER YEAR

REGION		GROUP SIZE	
SOUTHEAST	\$10,573	1 - 50 EMPLOYEES	\$10,901
CENTRAL	\$10,740	51 - 100 EMPLOYEES	\$10,912
WEST	\$10,669	101 - 250 EMPLOYEES	\$11,585
NORTH CENTRAL	\$11,126	251 - 500 EMPLOYEES	\$11,358
NORTHEAST	\$12,167	501 - 1,000 EMPLOYEES	\$12,186
		1,001+ EMPLOYEES	\$11,506

KEY BENCHMARKS

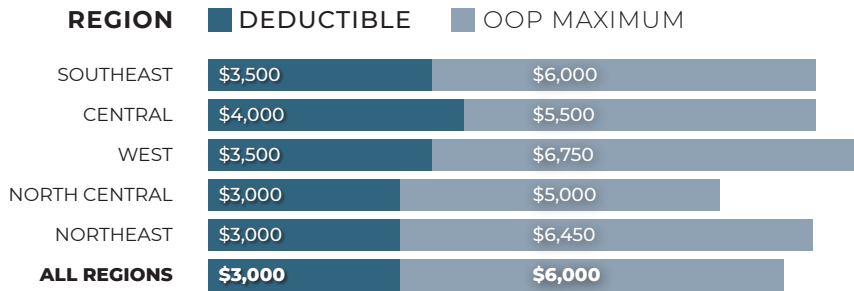
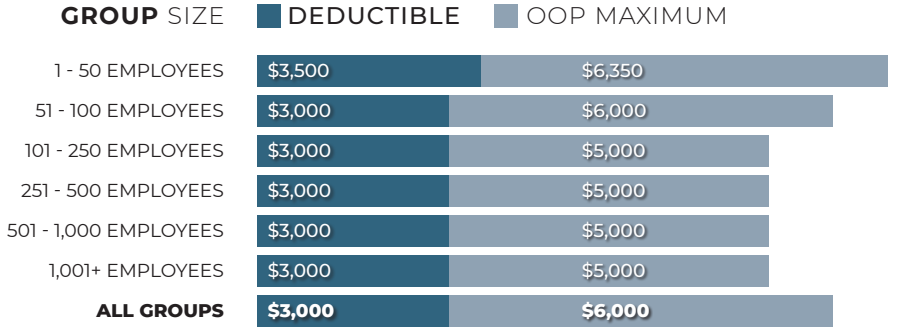
- Businesses in the Southeast have the lowest HDHP costs.
- HDHPs in the Northeast cost the most.

AVERAGE MONTHLY PREMIUM CONTRIBUTIONS



TRENDS REPORT

TREND 5 MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



THE MEDIAN HDHP DEDUCTIBLE FOR SINGLES REMAINS UNCHANGED FROM 2021 AT \$3,000, BUT OUT-OF-POCKET MAXIMUMS FOR THESE PLANS WENT FROM \$5,000 IN 2021 TO \$6,000 IN 2022.

HDHPs often are accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. On average, employers contribute \$800 through these instruments for singles, and \$1,200 for families.



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TRENDS REPORT



TREND 6 HMO/EPO PLANS

IN GENERAL, 18% of employers offer health maintenance organization (HMO)/exclusive provider organization (EPO) plans, which reflects a 14.2% decrease in prevalence from 2021. However, this national trend can be misleading since some regions and local markets are wholly devoted to these plans.

TOTAL COST

ON AVERAGE, HMO/EPO plans cost \$12,221 per employee per year, inclusive of both employer and employee contributions.

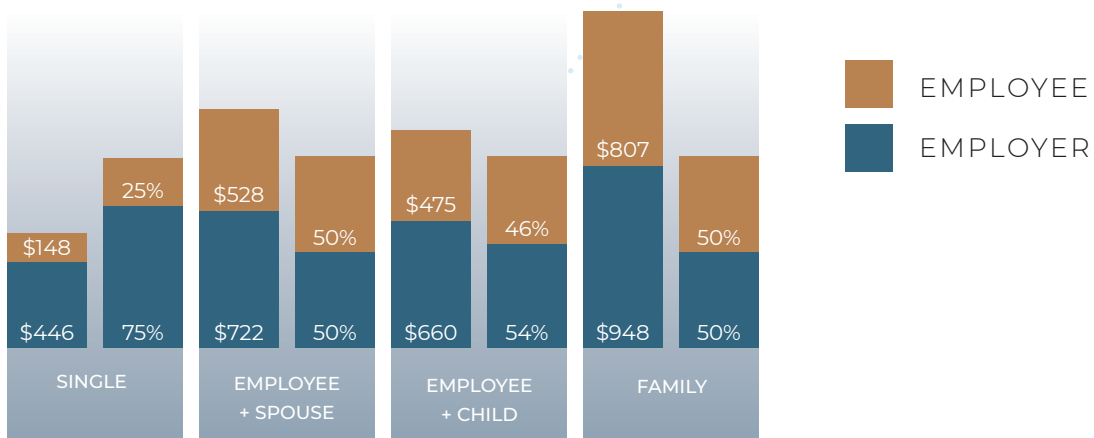
AVERAGE HMO/EPO PLAN COST PER EMPLOYEE PER YEAR

REGION		GROUP SIZE	
SOUTHEAST	\$12,511	1 - 50 EMPLOYEES	\$11,988
CENTRAL	\$10,848	51 - 100 EMPLOYEES	\$12,172
WEST	\$11,997	101 - 250 EMPLOYEES	\$12,831
NORTH CENTRAL	\$11,080	251 - 500 EMPLOYEES	\$12,527
NORTHEAST	\$13,582	501 - 1,000 EMPLOYEES	\$13,509
		1,001+ EMPLOYEES	\$13,155

KEY BENCHMARKS

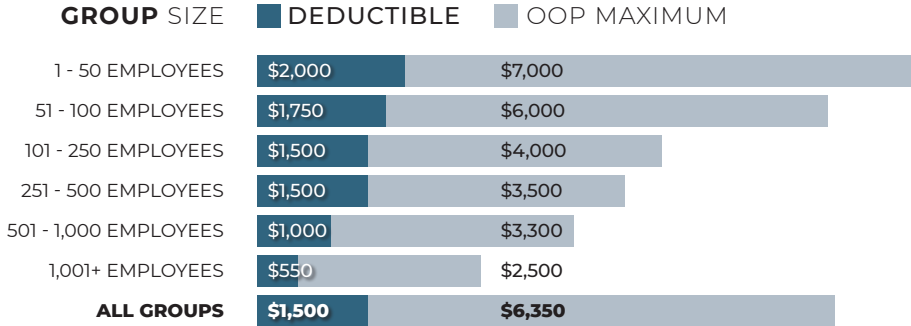
- Small businesses as well as those in the central U.S. have the lowest HMO/EPO plan premiums.
- HMO/EPO plans in the Northeast—as well as those offered by large groups—cost the most.

AVERAGE MONTHLY PREMIUM CONTRIBUTIONS

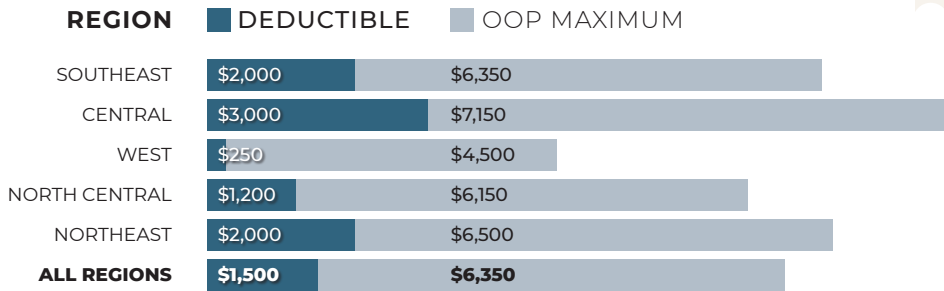


TRENDS REPORT

TREND 6 MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



EMPLOYERS TYPICALLY
CONTRIBUTE 75% OF
HMO/EPO PREMIUMS
FOR SINGLES AND 50%
OF FAMILY PREMIUMS.



Other out-of-pocket costs for employees on HMO/EPO plans usually include office visit copays and prescription drug copays. Across all companies, regular office visit copays are \$25 on average, while specialty visit copays are approximately \$50. Prescription drug copays are typically \$10 for generic drugs, \$40 for formulary drugs, \$70 for non-formulary drugs, and \$150 for specialty drugs.



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TRENDS REPORT



TREND 7 POS PLANS

APPROXIMATELY 4.3% of employers in the U.S. offer point of service (POS) plans, which makes them relatively rare and generally found in select markets in the Northeast and in Georgia.

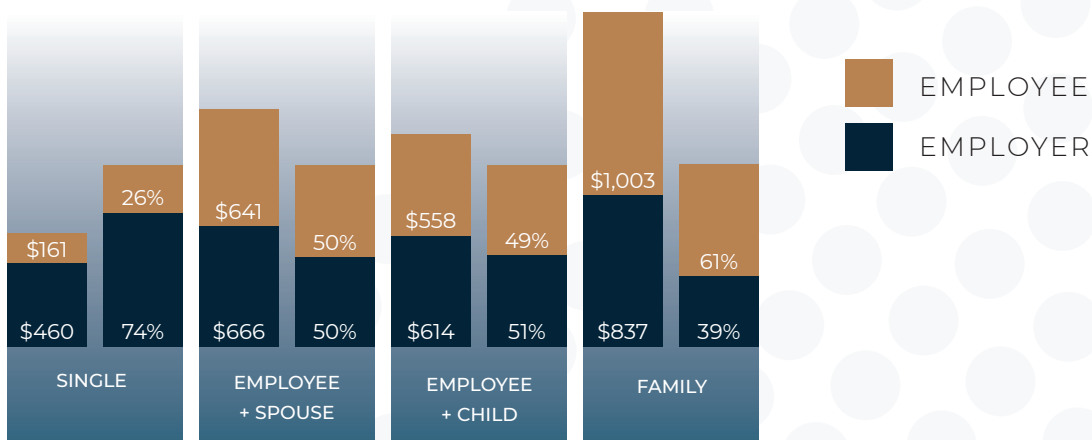
TOTAL COST

ON AVERAGE, POS plans cost \$12,834 per employee per year, inclusive of both employer and employee contributions. These plans are among the most expensive and, as a result, few employers offer them—and only 3.2% of employees nationwide enroll in them.

AVERAGE POS PLAN COST PER EMPLOYEE PER YEAR

REGION		GROUP SIZE	
SOUTHEAST	\$13,416	1 - 50 EMPLOYEES	\$13,184
CENTRAL	\$11,326	51 - 500 EMPLOYEES	\$12,265
WEST	\$11,307	501+ EMPLOYEES	\$12,903
NORTH CENTRAL	\$11,491		
NORTHEAST	\$14,087		

AVERAGE MONTHLY PREMIUM CONTRIBUTIONS



KEY BENCHMARKS

- Small employers (1-50 employees) offering POS plans pick up 75% of single premiums while their larger counterparts (500+ employees) only pick up 65% of single premiums. Conversely, large groups offer competitive POS plans to families, picking up 55% of the premiums while small employers only pick up 34%.



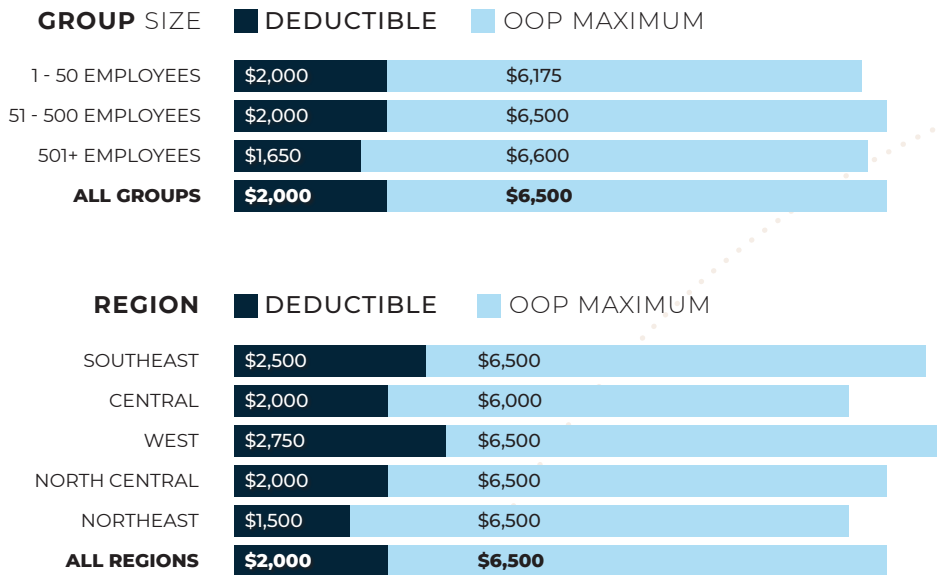
TRENDS REPORT



TREND 7 KEY BENCHMARKS continued

- Employers in the West offer the lowest premiums for POS plans for singles and still pick up 75%. Businesses in the north central and northeastern U.S. have low POS plan premiums for families and they pick up 53% to 60%.
- Public sector employers (including those in government, education, and utilities) offer the richest POS plans for singles and families alike, in addition to picking up 82% and 58% of single and family premiums, respectively.

MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



Other out-of-pocket costs for employees on POS plans usually include office visit copays and prescription drug copays. Across all companies with POS plans, regular office visit copays are \$30 on average, while specialty visit copays are approximately \$55. Prescription drug copays are typically \$10 for generic drugs, \$40 for formulary drugs, \$70 for non-formulary drugs, and \$150 for specialty drugs.



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UBA EMPLOYEE BENEFITS BENCHMARKING FINDS THAT HEALTH PLAN PREMIUMS ROSE APPROXIMATELY 5.7%, ENDING A THREE-YEAR TREND OF MORE MANAGEABLE INCREASES BETWEEN 4% AND 5%.



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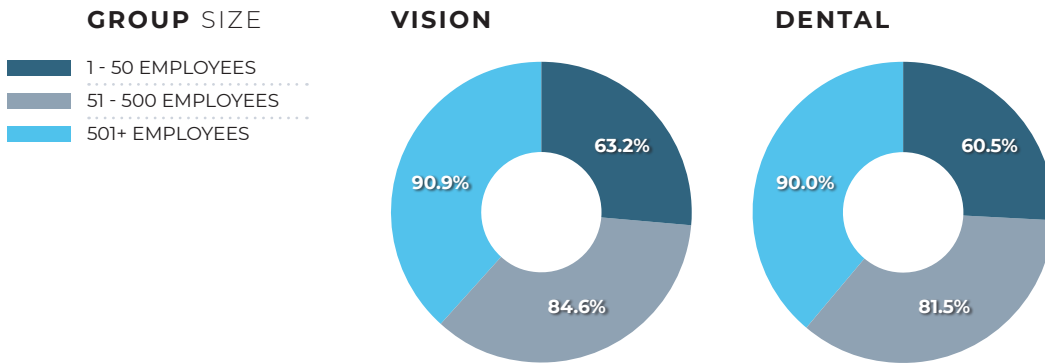
TRENDS REPORT



TREND 8 DENTAL & VISION BENEFITS

NEARLY 72% of employers offer vision benefits and 68.6% of businesses offer dental coverage. The vast majority of dental plans are preferred provider organization (DPPO) plans.

VISION PLAN PREVALENCE AND DESIGN



MOST COMMON VISION BENEFIT COMPONENTS

EYE EXAMS

ONCE EVERY 12 MONTHS

 **COPAY \$10**
COVERAGE \$40

EYEGLASS FRAMES

ONCE EVERY 24 MONTHS

 **COPAY \$20**
COVERAGE \$130

EYEGLASS LENSES

ONCE EVERY 12 MONTHS

 **COPAY \$25**
COVERAGE \$130

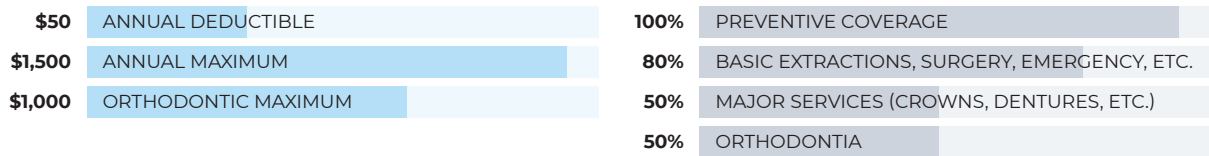
CONTACT LENSES

ONCE EVERY 12 MONTHS

 **COPAY \$20**
COVERAGE \$130

MOST COMMON DENTAL BENEFIT COMPONENTS

APPROXIMATELY 51.5% of dental plans offer orthodontic coverage. Of those that do provide orthodontic care, 34.6% are for children only, while 16.3% cover adults and children. Typically, employers pick up 50% of the orthodontic care, up to \$1,000 per eligible person.

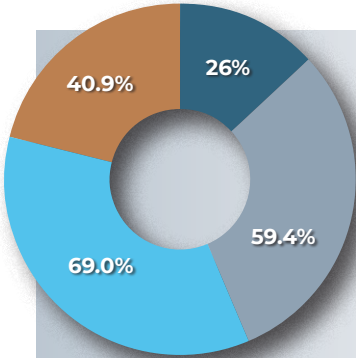


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TRENDS REPORT

TREND 9 DISABILITY & LIFE BENEFITS

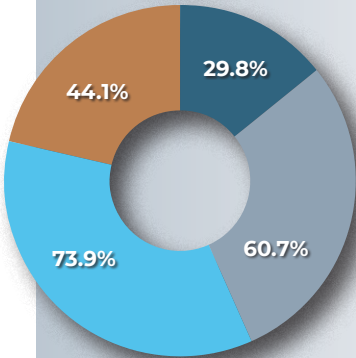
GROUP SIZE



SHORT-TERM DISABILITY BENEFITS

APPROXIMATELY 41% of employers offer basic short-term disability (STD) coverage.

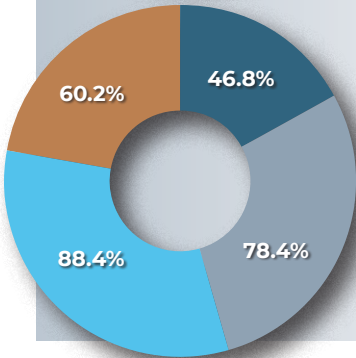
Most STD plans cover 60% of salary for 13 weeks. The larger the group, the more likely it is to provide benefits for up to 26 weeks.



BASIC LONG-TERM DISABILITY BENEFITS

APPROXIMATELY 44% of employers offer basic long-term disability (LTD) coverage.

Most basic LTD plans cover 60% of an employee's salary up to age 67, following a 90-day elimination period.



LIFE INSURANCE COVERAGE

APPROXIMATELY 60% of employers nationwide offer basic life insurance.

Most employers provide a flat dollar amount of life insurance coverage. The larger the group, the more likely it offers benefits that are one or two times the employee's salary. In fact, 33% of large businesses with 501+ employees offer two times the employee's salary.



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TRENDS REPORT

TREND 10 WELLNESS PROGRAMS

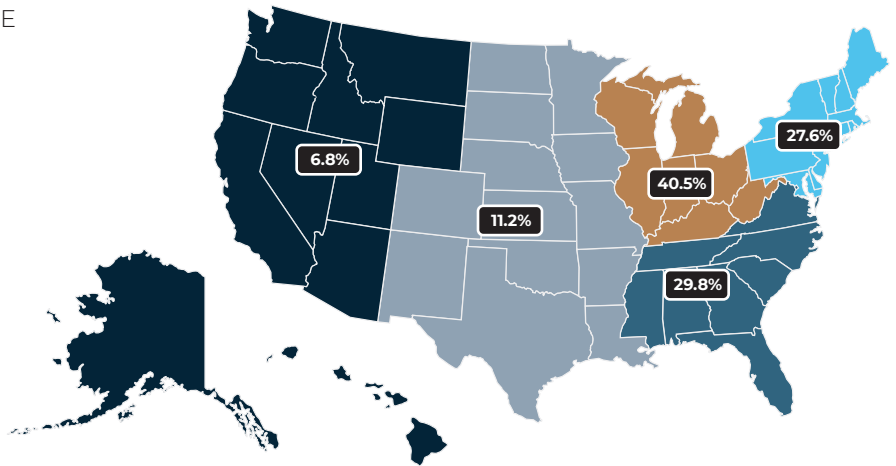
APPROXIMATELY 25% of employers offer wellness programs. Typically, the larger the organization, the more likely a wellness program is offered. In fact, about half of large businesses with more than 500 employees offer wellness. Surprisingly, however, 38.5% of small businesses (500 or fewer employees) who are self-funded offer wellness programs, which is a sizable increase compared to last year's 23%, demonstrating that wellness offerings are often an important part of an overall self-funding strategy.

PREVALENCE BY GROUP SIZE

1 - 50 EMPLOYEES	12.6%
51 - 500 EMPLOYEES	37.6%
501+ EMPLOYEES	51.2%

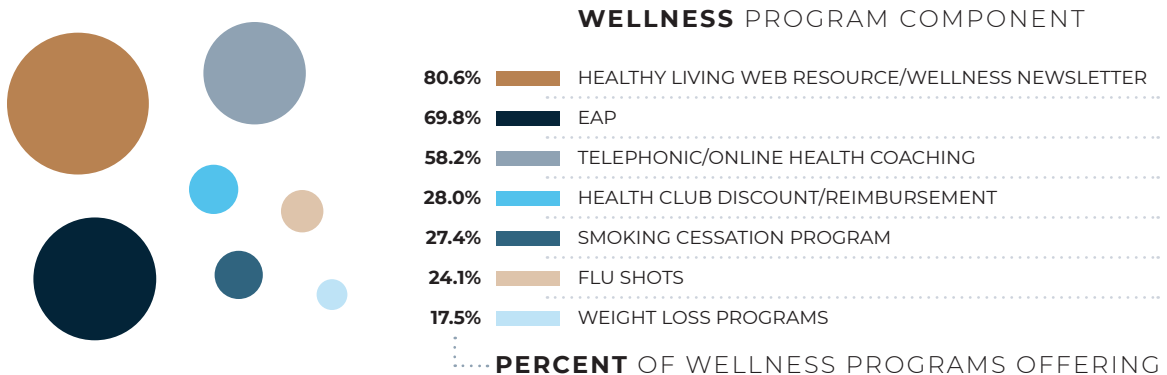
PREVALENCE BY REGION

■ SOUTHEAST	29.8%
■ CENTRAL	11.2%
■ WEST	6.8%
■ NORTH CENTRAL	40.5%
■ NORTHEAST	27.6%



WELLNESS PROGRAM COMPONENTS

WELLNESS programs typically include a variety of offerings, the most common being wellness websites and newsletters, and an employee assistance program (EAP). The vast majority of wellness programs are provided by a third-party vendor (only about 7% are offered as part of the medical plan).



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ON AVERAGE, PPO PLANS COST \$12,545 PER EMPLOYEE PER YEAR, INCLUSIVE OF BOTH EMPLOYER AND EMPLOYEE CONTRIBUTIONS, AND MORE THAN 50% OF EMPLOYEES OVERALL ENROLL IN THESE PLANS.



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TRENDS REPORT



TREND 11 SMALL EMPLOYER TRENDS

EMPLOYERS with 50 or fewer employees represent 61% of plans included in the 2023 UBA Employee Benefits Benchmarking Trends Report, making it ideal for small business benchmarking.

BY THE NUMBERS

- In 2022, health plan premiums among small businesses rose 6.1% from the previous year. As predicted, small employers have especially been hit with rising costs due to a wide range of pandemic-related causes.
- Generally, more than 90% of small businesses have fully insured health plans, but that number is decreasing. In 2015, only about 7% of small groups (25-99 employees) were self-funded. By comparison, in 2022 just over 15% percent of these groups are self-funded.

HEALTH PLANS OFFERED BY SMALL BUSINESSES

PREFERRED PROVIDER ORGANIZATION (PPO) PLANS	46.9%
HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)	26.1%
HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLAN	21.8%
POINT OF SERVICE (POS) PLANS	5.1%

46.9%

PPO

26.1%

HDHP

21.8%

HMO/EPO

5.1%

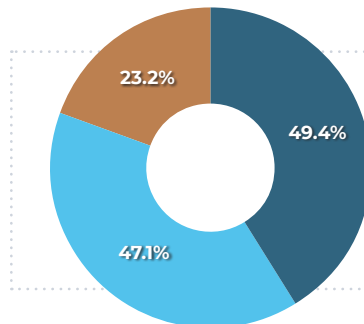
POS

AVERAGE COSTS BY PLAN TYPE · PER EMPLOYEE PER YEAR

\$12,318	PREFERRED PROVIDER ORGANIZATION (PPO) PLANS
\$10,901	HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)
\$11,988	HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLANS
\$13,184	POINT OF SERVICE (POS) PLANS

TOP THREE STRATEGIES FOR MANAGING COST FOR MANAGING COST

- MEDICAL PLAN DESIGN CHANGES
- CHANGE INSURANCE CARRIER
- INCREASED EMPLOYEE SHARE OF MONTHLY PREMIUM



SMALL GROUPS WERE MORE RELUCTANT TO SHIFT COSTS TO EMPLOYEES AND USED THIS COST LEVER LESS OFTEN THAN THEIR LARGER COUNTERPARTS.

TRENDS REPORT

TREND 11 EMPLOYEE / EMPLOYER

AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT

PPO

SINGLE	\$150 / \$449	25% / 75%
EMPLOYEE + SPOUSE	\$597 / \$642	50% / 50%
EMPLOYEE + CHILD	\$527 / \$591	50% / 50%
FAMILY	\$981 / \$777	65% / 35%

The average PPO plan deductible for singles is \$2,000, with an out-of-pocket maximum of \$6,750.

HDHP

SINGLE	\$120 / \$408	35% / 77%
EMPLOYEE + SPOUSE	\$475 / \$631	50% / 50%
EMPLOYEE + CHILD	\$424 / \$577	46% / 54%
FAMILY	\$769 / \$801	54% / 48%

The average HDHP deductible for singles is \$3,500, with an out-of-pocket maximum of \$6,350.

HMO/EPO

SINGLE	\$150 / \$414	25% / 75%
EMPLOYEE + SPOUSE	\$567 / \$614	50% / 50%
EMPLOYEE + CHILD	\$524 / \$563	50% / 50%
FAMILY	\$929 / \$716	65% / 35%

The average HMO/EPO plan deductible is \$2,000 for singles with an out-of-pocket maximum of \$7,000.

POS

SINGLE	\$158 / \$472	25% / 75%
EMPLOYEE + SPOUSE	\$684 / \$642	54% / 46%
EMPLOYEE + CHILD	\$607 / \$566	51% / 49%
FAMILY	\$1,136 / \$771	66% / 34%

The average POS plan deductible is \$2,000 for singles with an out-of-pocket maximum of \$6,175.

BENCHMARKING SMALL BUSINESS COPAYS

	PPO PLAN	HMO/EPO PLAN	POS PLAN
OFFICE VISIT	\$30	\$30	\$30
SPECIALTY PROVIDER	\$55	\$50	\$60
GENERIC RX	\$10	\$10	\$10
FORMULARY RX	\$40	\$45	\$45
NON-FORMULARY RX	\$75	\$75	\$70
SPECIALTY RX	\$200	\$200	\$150

HDHPs often are accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. On average, small employers contribute \$960 through these instruments for singles, and \$1,200 for families.

TRENDS REPORT

TREND 11 ADDITIONAL BENEFITS OFFERED BY SMALL GROUPS

BENEFIT/PROGRAM	PERCENTAGE OF EMPLOYERS OFFERING
VISION	62.8%
DENTAL	60.5%
CHIROPRACTIC CARE	55.9%
BASIC LIFE INSURANCE	46.8%
ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE	40.5%
BASIC LONG-TERM DISABILITY (LTD) INSURANCE	30.0%
VOLUNTARY AD&D	30.0%
BASIC SHORT-TERM DISABILITY (STD) INSURANCE	26.0%
SHORT-TERM DISABILITY – ACCIDENT	25.8%
SHORT-TERM DISABILITY – ILLNESS	23.8%
PARKING/TRANSPORTATION BENEFITS	23.7%
TELECOMMUTING/FLEX TIME SCHEDULE	18.4%
WELLNESS	12.6%
PET INSURANCE	4.6%
VENDOR DISCOUNTS	3.3%

Among small employers, the top three benefits after medical are vision and dental

Basic Life Insurance offered by small businesses typically offers a flat dollar amount versus a multiple of salary

TYPICAL SMALL BUSINESS VISION PLAN DESIGN

EYE EXAMS

ONCE EVERY 12 MONTHS



COPAY \$10
COVERAGE \$40

EYEGLASS FRAMES

ONCE EVERY 24 MONTHS



COPAY \$20
COVERAGE \$130

EYEGLASS LENSES

ONCE EVERY 12 MONTHS



COPAY \$25
COVERAGE \$130

CONTACT LENSES

ONCE EVERY 12 MONTHS



COPAY \$15
COVERAGE \$130

SMALL GROUP DENTAL PLANS

DENTAL PLANS offered by small businesses generally cost \$39 per single per month and \$127 per family per month with employers covering 67% and 28% of those premiums, respectively.

DENTAL PLAN DESIGN COMPONENT		DENTAL PLAN DESIGN COMPONENT	
\$50	ANNUAL DEDUCTIBLE	100%	PREVENTIVE COVERAGE
\$1,500	ANNUAL MAXIMUM	80%	BASIC EXTRACTIONS, SURGERY, EMERGENCY, ETC.
\$1,000	ORTHODONTIC MAXIMUM	50%	MAJOR SERVICES (CROWNS, DENTURES, ETC.)
		50%	ORTHODONTIA

Approximately 42% of dental plans offered by small businesses provide orthodontic coverage. Of those that do provide orthodontic care, 28.4% are for children only, while 12.8% cover adults and children.

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TRENDS REPORT



TREND 12 MIDSIZE EMPLOYER TRENDS

MIDSIZE EMPLOYERS with 51 to 500 employees represent approximately 35% of plans included in the 2023 UBA Employee Benefits Benchmarking Trends Report. Often lumped in with either very small, local businesses or ultra-large, global corporations, midsize groups have unique negotiating power, both leveraging their emerging size, yet still with a manageable workforce.

BY THE NUMBERS

- In 2022, health plan premiums among midsize businesses rose 5.5% from the previous year.
- More than 68% of midsize businesses have fully insured health plans, but that number is decreasing. Looking just at midsize groups with 100 to 499 employees, approximately 25% were self-funded in 2015. In 2022, that number increased to nearly 35%.

HEALTH PLANS OFFERED BY MIDSIZE BUSINESSES

PREFERRED PROVIDER ORGANIZATION (PPO) PLANS	45.9%
HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)	32.4%
HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLAN	17.6%
POINT OF SERVICE (POS) PLANS	4.0%

45.9%
PPO

32.4%
HDHP

17.6%
HMO/EPO

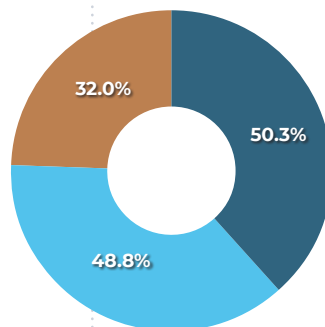
4.0%
POS

AVERAGE COSTS BY PLAN TYPE · PER EMPLOYEE PER YEAR

\$12,857	PREFERRED PROVIDER ORGANIZATION (PPO) PLANS
\$11,227	HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)
\$12,473	HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLANS
\$12,265	POINT OF SERVICE (POS) PLANS

TOP THREE STRATEGIES FOR MANAGING COST

- CHANGE INSURANCE CARRIER
- MEDICAL PLAN DESIGN CHANGES
- INCREASED EMPLOYEE SHARE OF MONTHLY PREMIUM



WHILE SWITCHING CARRIERS AND CHANGING PLAN DESIGN ARE THE TOP WAYS MIDSIZE COMPANIES ARE MITIGATING COSTS, THESE GROUPS ARE MORE LIKELY TO INCREASE EMPLOYEE CONTRIBUTIONS THAN THEIR SMALLER COUNTERPARTS.



TRENDS REPORT



TREND 12 EMPLOYEE / EMPLOYER

AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT

PPO

SINGLE	\$161 / \$473	25% / 75%
EMPLOYEE + SPOUSE	\$577 / \$782	47% / 53%
EMPLOYEE + CHILD	\$482 / \$688	45% / 55%
FAMILY	\$837 / \$1,038	48% / 52%

The average PPO plan deductible for singles is \$1,500 with an out-of-pocket maximum of \$5,000.

HDHP

SINGLE	\$110 / \$436	20% / 80%
EMPLOYEE + SPOUSE	\$417 / \$750	37% / 63%
EMPLOYEE + CHILD	\$348 / \$666	36% / 64%
FAMILY	\$607 / \$1,009	38% / 62%

The average HDHP deductible for singles is \$3,000 with an out-of-pocket maximum of \$5,000.

HMO/EPO

SINGLE	\$146 / \$470	25% / 75%
EMPLOYEE + SPOUSE	\$520 / \$780	43% / 57%
EMPLOYEE + CHILD	\$439 / \$731	42% / 58%
FAMILY	\$759 / \$1,084	43% / 57%

The average HMO/EPO plan deductible is \$1,500 for singles with an out-of-pocket maximum of \$5,000.

POS

SINGLE	\$154 / \$452	26% / 74%
EMPLOYEE + SPOUSE	\$602 / \$680	50% / 50%
EMPLOYEE + CHILD	\$505 / \$647	48% / 52%
FAMILY	\$934 / \$860	52% / 48%

The average POS plan deductible is \$2,000 for singles with an out-of-pocket maximum of \$6,500.

BENCHMARKING COPAYS AMONG MIDSIZE GROUPS

	PPO PLAN	HMO/EPO PLAN	POS PLAN
OFFICE VISIT	\$30	\$25	\$30
SPECIALTY PROVIDER	\$50	\$40	\$50
GENERIC RX	\$10	\$10	\$10
FORMULARY RX	\$35	\$35	\$40
NON-FORMULARY RX	\$70	\$60	\$65
SPECIALTY RX	\$150	\$150	\$150

HDHPs often are accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. On average, midsize employers contribute \$780 through these instruments for singles, and \$1,250 for families.

TRENDS REPORT

TREND 12 ADDITIONAL BENEFITS OFFERED BY MIDSIZE GROUPS

BENEFIT/PROGRAM	PERCENTAGE OF EMPLOYERS OFFERING
VISION	84.7%
DENTAL	81.7%
BASIC LIFE INSURANCE	78.6%
ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE	71.5%
BASIC LONG-TERM DISABILITY (LTD) INSURANCE	60.8%
BASIC SHORT-TERM DISABILITY (STD) INSURANCE	59.5%
SHORT-TERM DISABILITY - ACCIDENT	58.7%
SHORT-TERM DISABILITY - ILLNESS	54.4%
PARKING/TRANSPORTATION BENEFITS	40.5%
WELLNESS	37.9%
TELECOMMUTING/FLEX TIME SCHEDULE	27.5%
CHIROPRACTIC CARE	26.1%
TUITION REIMBURSEMENT/INDUSTRY CERTIFICATION	24.8%
PET INSURANCE	17.6%
ON-SITE CAFETERIA	9.5%
VENDOR DISCOUNTS	5.0%

Among midsize employers, the top three benefits after medical are vision, dental, and basic life insurance

Basic life insurance offered by midsize businesses typically offers a flat dollar amount versus a multiple of salary

TYPICAL MIDSIZE BUSINESS VISION PLAN DESIGN

EYE EXAMS

ONCE EVERY 12 MONTHS



COPAY \$10
COVERAGE \$40

EYEGLASS FRAMES

ONCE EVERY 24 MONTHS



COPAY \$20
COVERAGE \$130

EYEGLASS LENSES

ONCE EVERY 12 MONTHS



COPAY \$25
COVERAGE \$130

CONTACT LENSES

ONCE EVERY 12 MONTHS



COPAY \$20
COVERAGE \$130

MIDSIZE EMPLOYER DENTAL PLANS

DENTAL PLANS offered by midsize businesses generally cost \$33 per single per month and \$116 per family per month with employers covering 50% and 27% of those premiums, respectively.

DENTAL PLAN DESIGN COMPONENT		DENTAL PLAN DESIGN COMPONENT	
\$50	ANNUAL DEDUCTIBLE	100%	PREVENTIVE COVERAGE
\$1,500	ANNUAL MAXIMUM	80%	BASIC EXTRACTIONS, SURGERY, EMERGENCY, ETC.
\$1,000	ORTHODONTIC MAXIMUM	50%	MAJOR SERVICES (CROWNS, DENTURES, ETC.)
		50%	ORTHODONTIA

Approximately 66.5% of dental plans offered by midsize businesses provide orthodontic coverage. Of those that do provide orthodontic care, 45.6% are for children only, while 20.4% cover adults and children.



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WELLNESS PROGRAMS TYPICALLY INCLUDE A VARIETY OF OFFERINGS, THE MOST COMMON BEING WELLNESS WEBSITES, NEWSLETTERS, AND AN EMPLOYEE ASSISTANCE PROGRAM (EAP). MOST WELLNESS PROGRAMS ARE PROVIDED BY A THIRD-PARTY VENDOR WITH ONLY ABOUT 7% OFFERED AS PART OF THE MEDICAL PLAN.



THE
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TRENDS REPORT



TREND 13 LARGE EMPLOYER TRENDS

THE 2023 UBA Employee Benefits Benchmarking Trends Report examined approximately 300 large employers with more than 500 employees, representing hundreds of thousands of employees nationwide. Large employers wield significant power at the negotiating table, employ different funding strategies, and may provide broader benefit packages to attract and retain employees.

BY THE NUMBERS

- In 2022, health plan premiums among large businesses rose 3.9% from the previous year. For most businesses, health plan costs rose due to a variety of pandemic-related causes, but large groups were protected from these increases.
- Approximately 75% of employers with 1,001+ employees have self-funded plans. Among groups with 501 to 1000 employees, 36.7% of plans are fully insured, and 63.3% are self-funded.

HEALTH PLANS OFFERED BY LARGE BUSINESSES

PREFERRED PROVIDER ORGANIZATION (PPO) PLANS	48.9%
HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)	34.0%
HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLAN	13.5%
POINT OF SERVICE (POS) PLANS	3.7%

48.9%

PPO

34.0%

HDHP

13.5%

HMO/EPO

3.7%

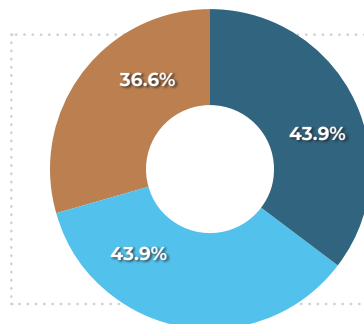
POS

AVERAGE COSTS BY PLAN TYPE · PER EMPLOYEE PER YEAR

\$13,234	PREFERRED PROVIDER ORGANIZATION (PPO) PLANS
\$11,895	HIGH DEDUCTIBLE HEALTH PLANS (HDHPS)
\$13,401	HEALTH MAINTENANCE ORGANIZATION (HMO)/EXCLUSIVE PROVIDER ORGANIZATION (EPO) PLANS
\$12,903	POINT OF SERVICE (POS) PLANS

TOP THREE STRATEGIES FOR MANAGING COST

- MEDICAL PLAN DESIGN CHANGES
- INCREASED EMPLOYEE SHARE OF MONTHLY PREMIUM
- CHANGE INSURANCE CARRIER



UNLIKE THEIR SMALLER COUNTERPARTS, LARGE GROUPS WERE AS LIKELY TO INCREASE EMPLOYEE CONTRIBUTIONS AS THEY WERE TO MAKE PLAN DESIGN CHANGES OR CARRIER CHANGES.



TRENDS REPORT



TREND 13 EMPLOYEE / EMPLOYER

AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT

PPO

SINGLE	\$160 / \$487	24% / 76%
EMPLOYEE + SPOUSE	\$493 / \$883	38% / 62%
EMPLOYEE + CHILD	\$437 / \$747	37% / 63%
FAMILY	\$676 / \$1,184	35% / 65%

The average PPO plan deductible for singles is \$1,250 with an out-of-pocket maximum of \$4,500.

HDHP

SINGLE	\$100 / \$494	18% / 82%
EMPLOYEE + SPOUSE	\$324 / \$927	26% / 74%
EMPLOYEE + CHILD	\$260 / \$836	25% / 75%
FAMILY	\$462 / \$1,256	25% / 75%

The average HDHP deductible for singles is \$3,000 with an out-of-pocket maximum of \$5,000.

HMO/EPO

SINGLE	\$140 / \$505	20% / 80%
EMPLOYEE + SPOUSE	\$377 / \$966	25% / 75%
EMPLOYEE + CHILD	\$367 / \$949	27% / 73%
FAMILY	\$544 / \$1,331	27% / 73%

The average HMO/EPO plan deductible is \$1,000 for singles with an out-of-pocket maximum of \$3,000.

POS

SINGLE	\$185 / \$439	35% / 65%
EMPLOYEE + SPOUSE	\$512 / \$769	42% / 58%
EMPLOYEE + CHILD	\$392 / \$772	39% / 61%
FAMILY	\$721 / \$1,055	61% / 55%

The average POS plan deductible is \$1,650 for singles with an out-of-pocket maximum of \$6,600.

BENCHMARKING COPAYS AMONG LARGE GROUPS

	PPO PLAN	HMO/EPO PLAN	POS PLAN
OFFICE VISIT	\$25	\$20	\$25
SPECIALTY PROVIDER	\$40	\$40	\$50
GENERIC RX	\$10	\$10	\$10
FORMULARY RX	\$35	\$30	\$35
NON-FORMULARY RX	\$60	\$50	\$60
SPECIALTY RX	\$143	\$100	\$120

HDHPs often are accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. On average, large employers contribute \$600 through these instruments for singles, and \$1,000 for families.



TRENDS REPORT



TREND 13 ADDITIONAL BENEFITS OFFERED BY LARGE GROUPS

BENEFIT/PROGRAM	PERCENTAGE OF EMPLOYERS OFFERING
VISION	91.3%
DENTAL	90.4%
BASIC LIFE INSURANCE	87.7%
ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE	79.6%
BASIC LONG-TERM DISABILITY (LTD) INSURANCE	74.3%
SUPPLEMENTAL LIFE INSURANCE	69.1%
BASIC SHORT-TERM DISABILITY (STD) INSURANCE	68.9%
WELLNESS	67.9%
SHORT-TERM DISABILITY – ACCIDENT	66.2%
SHORT-TERM DISABILITY – ILLNESS	64.2%
TUITION REIMBURSEMENT	33.3%
PARKING/TRANSPORTATION BENEFITS	33.3%
ON-SITE CLINIC/NURSE	28.2%
CHIROPRACTIC CARE	25.6%
PET INSURANCE	25.6%
TELECOMMUTING	17.9%
VENDOR DISCOUNTS	17.9%
ON-SITE CAFETERIA	15.4%
SUPPLEMENTAL LONG-TERM DISABILITY (LTD)	10.5%

Among large employers, the top three benefits after medical are vision, dental, and basic life insurance

Basic life insurance offered by large businesses typically offers a multiple of salary versus a flat dollar amount

TYPICAL LARGE BUSINESS VISION PLAN DESIGN

EYE EXAMS

ONCE EVERY 12 MONTHS



COPAY \$10
COVERAGE \$45

EYEGLASS FRAMES

ONCE EVERY 24 MONTHS



COPAY \$20
COVERAGE \$140

EYEGLASS LENSES

ONCE EVERY 12 MONTHS



COPAY \$20
COVERAGE \$130

CONTACT LENSES

ONCE EVERY 12 MONTHS



COPAY \$10
COVERAGE \$130

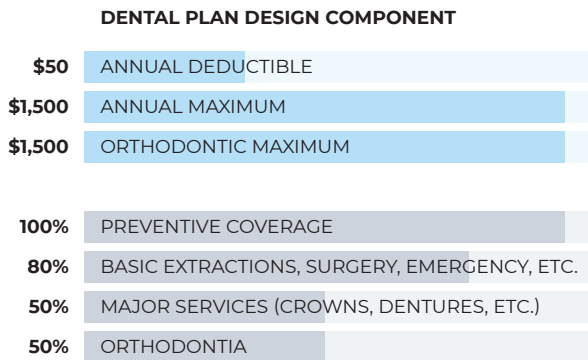


TRENDS REPORT



TREND 13 LARGE GROUP DENTAL PLANS

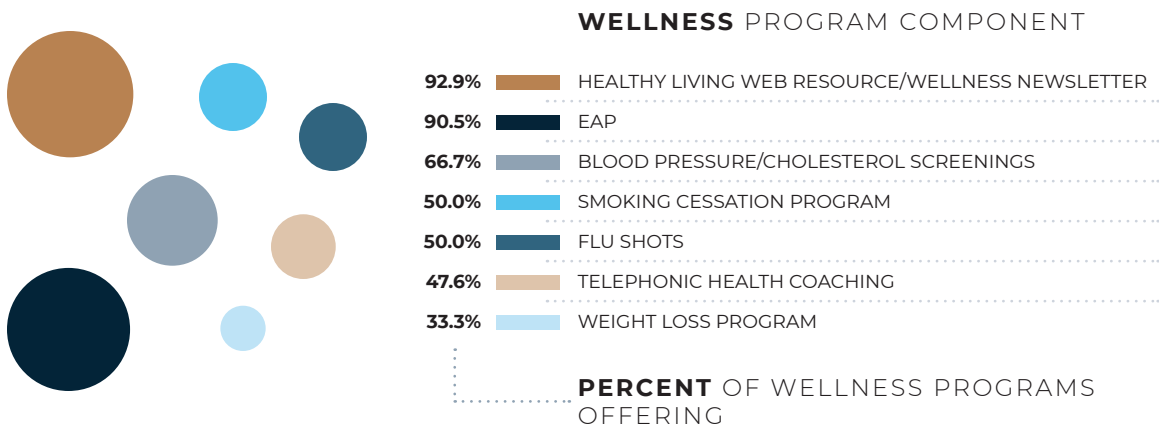
DENTAL PLANS offered by large businesses generally cost \$32 per single per month and \$108 per family per month with employers covering 56% and 52% of those premiums, respectively.



Approximately 71.5% of dental plans offered by large businesses provide orthodontic coverage. Of those that do provide orthodontic care, 42% are for children only, while 29.5% cover adults and children.

WELLNESS PROGRAM COMPONENTS

NEARLY 68% of large employers offer wellness programs, the most common being wellness websites and newsletters, and employee assistance programs (EAPs). However, large groups typically have much more robust services to round out the offering.



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EMPOWERS INDEPENDENT BENEFIT ADVISORS
TO LEAD TODAY'S EMPLOYEE BENEFITS MARKET.

Employers served by UBA Partner Firms mirror 98% of employers and industries, including small to large companies in every geographic region and major U.S. metropolitan area.



UBA is the nation's leading independent employee benefits advisory organization with more than 200 offices throughout the United States, Canada, and Europe. UBA empowers 2,000+ advisors to both maintain their independence while capitalizing on each other's shared knowledge and market presence to provide best-in-class services and solutions.



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