

W H I T E P A P E R S

TRENDS AT A GLANCE

Health Plan Costs

Reseco Insurance Advisors

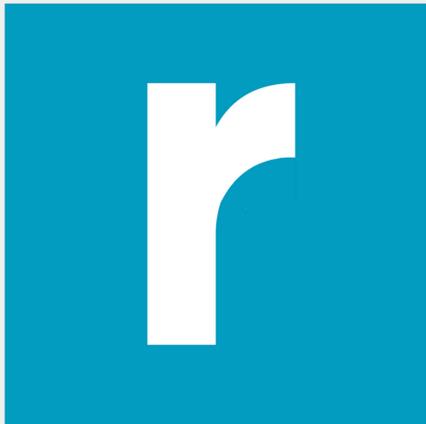
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Introduction

Data within this Trend at a Glance is based on the 2020 UBA Health Plan Survey and are based on responses from **11,788 employers** sponsoring **21,980 health plans** covering **1,366,186 employees nationwide**. Reseco Insurance Advisors is a member of United Benefit Advisors (UBA) and by using this data, we can help employers more **accurately evaluate costs**, contrast the current benefit plan's effectiveness against competitors' plans, and adjust accordingly. This gives employers a **distinct competitive edge** in negotiating rates—and recruiting and retaining a superior workforce.

Altogether, UBA's survey is nearly three times larger than the next two of the nation's largest health plan benchmarking surveys combined. The resulting volume of data provides employers of all sizes more detailed—and therefore more meaningful—benchmarks and trends than any other source. The scope of the survey allows regional, industry-specific, and employee size differentials to emerge from the data. In addition, the large number of plans represented allows for both a broader range of categories by plan type than traditionally reported and a larger number of respondents in each category. Historically, these types of benchmark data were unavailable to small and mid-size employers. For larger employers, the survey provides benchmarking data on a more detailed level than ever before.

Health Plan Costs/Premium Increases



Average health plan premiums rose more modestly in 2020. At 5.4%, up slightly from the 4.6% increase in 2019, but still considerably less than the nearly 10% increase seen in 2018 (which marked a ten-year high). These modest increases were a product of good negotiation. UBA Partners reported that the average initial or proposed rate increase was 9.7%, with final rate increases averaging 5.4% after negotiation. Employees, on average, contribute approximately 32% toward total plan costs, virtually unchanged from last year.

Plan Type	2020 Average Total Cost Per Employee
PPO/POS	\$11,249
HSA	\$10,089
HMO/EPO	\$10,040
ALL PLAN TYPES	\$10,736

Preferred Provider Organization (PPO) Point of Service (POS) Plans

Although PPO/POS plans continue to cost more per employee, they still dominate in both plan prevalence and enrollment. Nearly 60% of employees are enrolling in these types of plans.

Health Savings Account (HSA Plans)

While HSA plans were typically more expensive than HMO/EPO plans prior to 2017, their costs have been about the same for the last two years. About **26% of employees** are enrolled in these plans.

Health Maintenance Organization (HMO)/Exclusive Provider Organization (EPO) Plans

Only 18.7% of plans are HMOs/EPOs and only **14.6% of employees** choose to enroll in these plans.