



PLAN DESIGN AND CONTRIBUTION MODELING

THE USI  ONE ADVANTAGE®
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Plan Design & Contribution Challenges

Many employers fail to provide a diverse spread of benefit offerings and contributions to meet the varying needs of employees.



How do we know we are collecting enough in employee contributions?



Why do our benefits seem more expensive than the competition?



I don't see a plan that's right for me.

- Although plans may appear diverse due to copay, deductible, and co-insurance amounts, many employers offer plans within too narrow a band of actuarial value.
- Self-funded employers may not be appropriately evaluating fully insured equivalents to set employee contributions.
- Employers looking to offer a defined contribution strategy need an accurate assessment of actuarial plan value.
- Contributions may be inadvertently steering employees into a more expensive plan for the employer.
- Employers lack benchmark data regarding employee contributions.

PLAN DESIGN & CONTRIBUTION MODELING

Ensure Diverse Plan Design Options

USI's actuarial value calculator evaluates plan design structure to ensure appropriate distribution of plan offerings.

USI Actuarial Value Calculator		Existing Plan	Plan 1	Plan 2
Enrollment ? <i>Optional (but recommended)</i>	Employee Only	55		
	Family	45		
		100		
Network Discount Advantage ?		Normal / Neutral	Normal / Neutral	Normal / Neutral
Deductible ?	Single	\$5,000	\$1,500	\$750
	Family	\$10,000	\$3,000	\$1,500
	Type	Embedded	Embedded	Embedded
	Applies To:	Medical and Rx	Medical and Rx	Medical and Rx
	Rx Only - Single			
	Rx Only - Family			
OOP Maximum ?	Single	\$8,550	\$5,000	\$3,000
	Family	\$17,100	\$12,500	\$6,000
	Rx Only - Single			
	Rx Only - Family			
IP Hospital	Copay	\$0	\$0	\$0
	Copay Type	Per Visit	Per Visit	Per Visit
	EE Coinsurance	0%	20%	0%
	Apply Ded.?	Yes	Yes	Yes
Outpatient Services				
Emergency				

- Employers should offer two or three plans with a significant spread of actuarial value to meet the needs of a diverse employee population.
- HDHPs should be evaluated inclusive of any employer contributions to HRA or HSA.
- Self-funded employers should use actuarial value to determine fully insured equivalents and set employee contributions.
- Utilize the **USI Benefits Benchmarking Study** to ensure market competitiveness.

USI Actuarial Value Results			
	Existing Plan	Plan 1	Plan 2
Actuarial Cost Value (ACV); Rating Factors	64.3%	76.7%	84.5%
Value Relative to Selected Plan:	100%	119.3%	131.5%
Increment / Decrement	0.0%	19.3%	31.5%
ACV including HRA/HSA	64.3%	76.7%	84.8%
Value Relative to Selected Plan:	100%	119.3%	132.0%
Increment / Decrement	0.0%	19.3%	32.0%

This illustrate a reasonable spread of AV values of 64.3%, 76.7%, and 84.5%.

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Appropriately Design Employee Contributions

USI's propriety interactive contribution decision support tool models multiple scenarios and evaluates the impact to employer cost and employee migration.

USI Contribution Decision Support Tool

USI CONTRIBUTION DECISION SUPPORT

Legend: ■ Required ■ Overwritten

SELECT CONTRIBUTION TYPE STARTING POINT HERE

Set Employee Share

Set Employee Share
Set Separate EE and Dependent Share
Set Contribution Percentile
Same Percentage Increase for EE and ER
Fixed % Employee Contribution Increase
Employee gets 50% of the Increase
No Change to Employee Contributions
Employee gets 100% of Increase

Plan Design		Enrollment	Premiums ²	Employer Share	Employee Contribution			Overall Value	
Actuarial Value ¹	Percentile Rank				Employee Contrib.	% of Premium	Percentile Rank	Overall Value	Percentile Rank
Employee Only		200	\$1,500.00	\$1,120.00	\$380.00	25%	7%		
EE + SP		100	\$2,500.00	\$1,880.00	\$620.00	25%	31%		
EE + CHRN		50	\$3,000.00	\$2,250.00	\$750.00	25%	16%		
Family		150	\$3,800.00	\$2,850.00	\$950.00	25%	28%		
Subtotal		500	\$1,270,000	\$952,000	\$318,000	25%	21%		

4 Tier

Add Plan
Remove Plan

EPO (Renewal)

Employee Only
EE + SP
EE + CHRN
Family
Subtotal

Pre-designed strategies to model contribution options



NEXT STEPS

- As the employer's renewal approaches, USI will model plan designs and contribution strategies to help employer select the most appropriate design for their needs.
- We can demonstrate this for your plan with the following information:
 - Current plan designs
 - Carrier premium or premium equivalent rates
 - Employee contributions



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