

JUSTWORKS.

Understanding Renewals From A to Z

CERTIFIED PEO

Introduction to Health Insurance Renewals

It is that time of year again... Time to pick new health insurance plans for your company! Take care of your team for the upcoming year with the benefits that best fit your company's needs and budget.

Flexibility

Tailor your benefits to what your employees need.

A Chance to Reset

Take advantage of the chance to reset your coverage.

Online Only

Use Justworks for a simple, online-only renewals process.

What are Renewals?

Renewals are an opportunity for employers to refresh your benefits offerings based on plan availability and updated pricing. Leading up to renewals, health insurance providers assess your policy, and you receive new pricing for the upcoming plan year. With Justworks, renewals happen annually for plans effective November 1. As an employer, you'll receive new pricing on your plans and decide whether to renew your current plan or select new plans to offer your team.

If your company offers FSA or HSA, keep in mind that renewals for those benefits will occur later in November.

What can I expect?

An opportunity to change plans and contributions to meet your company's needs.

Your company may have changed since you last signed up for your healthcare plan. This is an opportunity to pick new plans or reset contributions.

An increase in monthly premium.

In general, health insurance rates tend to increase every plan year for all employers. This increase can be influenced by several factors, including:

- **Inflation**

Healthcare prices are currently outpacing economy-wide inflation nationwide.

- **Government**

As more people join government-sponsored healthcare programs (like Medicare and Medicaid) the demand for medical services increases, which in turn increases costs.

- **General increases in healthcare and prescription drug costs**

New innovations in healthcare treatments and diagnostic tools are expensive to develop, and also increase the demand for medical services.

While the majority of consumers are seeing more expensive health plans and higher deductibles overall, your company's specific plan and the type and cost of claims associated with its use can also play a role in determining your rates.

Open enrollment for employees.

Renewals are also an opportunity for your employees to pick their plans. During open enrollment, your employees will select their health coverage from the plans you decide to make available to your team.

What steps should I take?

Clarity is key. Here's how to make the process easy for you and your company.

Communicate with your employees early.

Your renewals period is a good opportunity to let your employees know that open enrollment is approaching and what that will mean for their health insurance options. In this packet, you'll find an Employee Survey template you can use to get feedback on what kind of healthcare options your employees want to see.

Once the open enrollment period begins, educate employees on any plan changes and walk them through their options.

Justworks will provide materials throughout the process to help you set up your employees for success. Barring a Qualifying Life Event such as marriage, divorce, or the birth or death of a child, employees will have to stick with the options they select until the next open enrollment period for the following plan year.

Keep important dates top of mind.

For Justworks customers, for example, company plan selection is August 14, 2019 to September 4, 2019 and open enrollment for employees is September 24, 2019 to October 3, 2019. New plans go into effect on November 1, 2019.

Employee Survey

The renewals period offers an opportunity for you to change plans and contributions to meet your company's needs. One great way to determine those needs is to survey your current employees.

Below is a survey template you can send to your team to get a better understanding of their health insurance needs and preferences. This is intended to help you gather general information that will help you make decisions about your offering for the upcoming plan year. You can print this form for your employees, or simply copy and paste into an email or survey form if you like to keep things digital.

Note: Please be sure to remind your employees not to include any specifics about their personal health information with you or anyone making insurance decisions at your company.

Benefits Survey

Please fill out this survey to help us understand how you use our company's benefits. Remember: Don't include any specifics about your personal health information!

1. Are you enrolled in health insurance coverage through our company?
2. If you are not enrolled, what is the main reason behind your decision? Is it due to alternative coverage, cost, dissatisfaction with the current offerings, or something else?
3. If you are enrolled in our coverage, which plan did you pick?
4. Are all of your regular providers covered by your plan?
5. Do you find your share of the premium contribution to be fair and manageable?
6. Do you feel that our plans have low enough deductibles?
7. Are you interested in enrolling in an HSA-compatible plan?



Employee Survey, Continued

8. On a scale of 1-10, how important is an FSA to you? Please explain your answer.

9. What is more important to you: a broader network of providers or lower monthly costs?

10. Would you rather pay more for monthly premium and less out of pocket when you go to the doctor, or less monthly premium and more of the cost share when you actually go to the doctor?

11. On a scale of 1-10, how important is out-of-network coverage to you?

12. If you are not taking advantage of health insurance currently, will you be opting in for this plan year? Why or why not?

13. Are you a remote employee?

14. Do you travel domestically for work? If so, how often?



Renewals Planning

Before you dive into renewals, it's a good idea to educate yourself so you can make the best plan decisions for your team. Review this brief glossary to get up to speed on some common health insurance terms and acronyms.

Glossary

- EPO** **Exclusive Provider Organization** provides in-network coverage only without pre-authorization (except in life or death emergencies). EPO plans do not require members to elect primary care physicians or require referrals in order to see specialists.
- FSA** **Flexible Spending Account** An FSA allows employees to use pre-tax dollars to pay for out-of-pocket healthcare or dependent care expenses. These funds are only available during the calendar year, January 1st through December 31st, and expire at the end of the year. Any funds that are not used by the end of the year are forfeited.
- HDHP** **High Deductible Health Plan** According to IRS rules, plans have a deductible of at least \$1,350 and an out-of-pocket maximum on in-network expenses of \$6,750 for the employee-only tier of coverage through 2019. For 2020, deductibles will be at least \$1,400, and the out-of-pocket maximum on in-network expenses will be \$6,900 for the employee-only tier of coverage. With the exception of preventative care, the coinsurance and all cost sharing will not apply to any services before the deductible has been met. Please refer to the plan

document or contact your carrier to determine which services have the deductible requirement waived. You may be eligible to contribute to an HSA if enrolled in a HDHP.

HSA

Health Savings Account The health saving account allows you to contribute pre-tax dollars to pay for eligible medical expenses. Funds contributed towards your HSA do not expire, even if you decide to change medical plans or if your employment is terminated. Unlike an FSA, an HSA belongs to the employee. Employees set up a pre-tax account that is specific for their health savings. In order to be eligible to enroll in and contribute to an HSA, you are required to be enrolled in a HDHP medical plan.

POS

Point of Service provides in- and out-of-network coverage. Traditionally speaking, POS plans are “gated,” meaning a member must choose a primary care provider (PCP) who is the “point of service.” All Aetna POS plans accessed through Justworks are “open access,” meaning participants do not need a referral from a PCP to see a specialist. As with Preferred Provider Organizations (PPOs) or any other plans covering both in and out of network services, if you choose to access healthcare services outside of your network, you’ll have higher out-of-pocket costs, and not all services may be covered

Network

The network determines which providers and facilities are covered by the selected insurance plan. You will want to use the insurance carrier’s “Find a doctor” tool to make sure you’re able to access your preferred healthcare providers.

Please note that all medical insurance plans provided through Justworks’ Aetna policy are considered “Open Access.” This means that you are not required to choose a Primary Care Physician (PCP) or obtain a referral to see a specialist.

Justworks is a PEO

Access better benefits at better prices with Justworks.

How? We band our customers together under the Justworks umbrella. We then work with trusted providers to secure top-notch benefits and perks with our group's buying power.

Like other PEOs, Justworks will help you save significantly on employee benefits, automate your payroll, and help with certain employment-related compliance. Unlike other PEOs though, we've gone out of our way to build amazing software and offer 24/7 customer support.

Want to get started?

Call us at (844) 749-7785, or reach out via email at hello@justworks.com.

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