

Group Health Insurance Plan Options

MEC (Minimum Essential Coverage) Plans

Description: Basic coverage that satisfies the ACA employer mandate (avoiding certain penalties), but typically covers only preventive services.

Summary: A very low-cost option that provides compliance, but not full medical protection. Often paired with other benefits.

MVP (Minimum Value Plans)

Description: These plans are ACA-compliant, covering at least 60% of expected healthcare costs and including essential benefits like hospitalization and physician services.

Summary: A step up from MEC, offering true medical coverage while keeping costs lower than traditional fully insured plans.

Fully Insured (ACA Plans)

Description: The employer pays a fixed monthly premium to an insurance carrier. The carrier assumes all the risk of employee claims.

Summary: Predictable costs and simple administration, but usually higher premiums. All ACA-mandated benefits are included.

Level-Funded Plans

Description: A hybrid between fully insured and self-funded. Employers pay a set monthly amount (covering claims fund, stop-loss insurance, and admin fees). If claims are lower than expected, employers may get money back at the end of the year.

Summary: More cost control and potential savings than fully insured, while still offering predictable monthly costs.

Self-Funded Plans

Description: The employer takes on the financial risk of paying employees' claims directly, rather than paying an insurance carrier a fixed premium. Stop-loss insurance is usually purchased to cap exposure.

Summary: Maximum flexibility and potential cost savings for larger groups with stable claims, but higher financial risk.

ICHRA (Individual Coverage HRA)

Description: Instead of offering a group policy, employers give employees a tax-free allowance to buy their own individual ACA-compliant health plan.

Summary: Very flexible, especially for employers with diverse or dispersed workforces. Shifts plan choice to employees while controlling employer costs.

Ancillary & Voluntary Coverage Options

Dental Insurance

Covers: Preventive care (cleanings, exams, X-rays), basic procedures (fillings), and major work (crowns, dentures, orthodontics).

Why it matters: Encourages preventive care and reduces out-of-pocket costs for employees.

Vision Insurance

Covers: Eye exams, glasses, contacts, and sometimes discounts on LASIK.

Why it matters: Supports overall health and can help catch other medical conditions early (like diabetes or hypertension).

Life Insurance

Employer-Paid Basic Life: Provides a set amount of coverage (e.g., 1x annual salary).

Voluntary Life: Employees can purchase additional coverage at group rates.

Why it matters: Provides financial security for families.

Disability Insurance

Short-Term Disability (STD): Replaces a portion of income during temporary illness/injury.

Long-Term Disability (LTD): Provides income protection for extended illnesses or permanent disability.

Why it matters: Protects employee income and financial stability.

Accident Insurance (Voluntary)

Covers: Lump-sum payments for unexpected accidents (broken bones, ER visits).

Why it matters: Helps employees manage out-of-pocket costs when accidents occur.

Critical Illness Insurance (Voluntary)

Covers: Lump-sum payout upon diagnosis of a covered serious condition (heart attack, stroke, cancer).

Why it matters: Provides financial support for unexpected major health events.

Hospital Indemnity Insurance (Voluntary)

Covers: Pays cash benefits for hospital admission, daily stays, or surgeries.

Why it matters: Helps offset deductibles and coinsurance under high-deductible health plans (HDHPs).

Other Popular Options

Employee Assistance Program (EAP): Counseling, financial, and legal support services.

Pet Insurance: Coverage for veterinary costs.

Legal & ID Theft Protection Plans.

Wellness Programs: Gym memberships, smoking cessation, mental health resources.