



# The Speed Bumps, Potholes And Pitfalls Of Health Insurance

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## EPO-Exclusive Provider Organization

In network only health plan which generally does not require referrals from primary care physician to see a specialist.



## PPO-Preferred Provider Organization

Provides the same features of an EPO, however, allows the ability to see any doctors regardless of whether they participate in an insurance plan or not.





## PEO-Professional Employer Organization

PEOs are offered through many companies. The company becomes a "co-employer" with the PEO. Attraction to a PEO has been lower insurance premium and less liability.



There are four metallic  
levels of plans  
Platinum, Gold ,  
Silver and Bronze



## Deductible

Money which an employee must pay in addition to a copay.





## HSA-Health Savings Account

Allows employees or owners of a business to have funds set aside on a pre- tax basis to pay medical or medically related expenses (subject to IRA regulations).

# HRA-Health Reimbursement Arrangement

A company owned and funded option to pay documented medical expenses for employees. The key is that it is employer controlled and NOT portable.







## FSA-Flexible Spending Account

Allows employees to contribute their own money on a pre-tax basis towards an account to pay medical expenses. \$500 is now allowed to be rolled over if not used.



## Traditional versus High Deductible

Traditional copay plans have been offered for many years. However, over the past few years, the premium difference and claims risk have made high deductible plans more attractive.



## MOOP-out of pocket maximum

This is the most money that an employee will lay out of their pocket for medical claims.





## The Numbers

A typical gold plan in NY is \$3,000 per month per family with a maximum out of pocket (MOOP) of \$10,400

A bronze plan in NY is \$2,000 per month per family with a Max out of pocket (MOOP) of \$13,500

Companies save \$12,000 per year per family by switching



## Biggest Misconception

**Example 1:** An employee will pay more out of pocket with this option not less.  
(example 1: Employee sustains major illness and has \$50,000 of claims.

**MOOP - Gold Plan** will be \$10,400

**MOOP - Bronze Plan** will be \$13,500.  
However, company funds \$7000 of \$13,500  
and employee only pays \$6,500

## Biggest Misconception

**Example 2:** Employee has surgery.

**Gold plan** - Employee pays \$1,000 hospital copay, and \$60 copays for follow up visits.(assume 4 visits; \$240); Cost to employee is \$2,240 with after tax dollars. \$1,000 hospital copay, \$1,000 deductible and \$60 copay for follow up visits.

**Bronze plan** - Employee pays \$500 pre-tax then company money covers the rest. Total outlay to employee is \$500 pre tax.







## Biggest Misconception

**Example 3:** Employee has 2 prescriptions \$600 yearly and 3 doctor visits \$750 for the year.

**MOOP - Gold Plan** will be copays totalling \$750.00.

**MOOP - Bronze Plan** will be \$500 pre tax.

## Recommended Set Up

Employees pay the first \$500 of contracted rate charges; companies then fund the next \$7000 of contracted rate charges. Companies save \$5000 per family /worst case scenario



## Questions?

Let me know about any questions  
you may have.

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