

Group Health Insurance

Attract and retain talent with group health insurance



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What is a Group Health Insurance?

Group health insurance coverage is a policy that is purchased by an employer and is offered to eligible employees of the company (and often to the employees' family members) as a benefit of working for that company. A group health insurance plan is a key component of many employee benefits packages that employers provide for employees. The majority of Americans have group health insurance coverage through their employer or the employer of a family member. One of the advantages for employees in a group health plan is the contribution most employers make toward the cost of the health coverage premium – in many cases, employers pay one-half or more of the monthly premium for an employee. Another advantage is that most employers have established Premium Only Plans (often called POP plans) that allow employees to pay any employee-required contributions to premiums on a pre-tax basis. Between the employer contributions, which aren't taxable for employees, and the POP plan, employer-provided health insurance is significantly subsidized due to these tax breaks (www.nahu.org).

How are premium rates determined for small group employers?

Premium rate determination with the advent of the ACA is significantly different than has been the norm in many states prior to the ACA law. Small group insurance plans are now rated as modified community rating. With modified community rating, health plans may vary the community rate based on limited factors such as age, geography or smoker status. Example: With modified community rating with a variation for age, the rate is higher to insure the 55-year-old male smoker with cancer and a heart condition. However, the insurer would have to use the same rate when calculating premiums for the healthy 27-year-old male as it would for a male employee who is the same age but suffers from juvenile diabetes. Depending on the rules applicable in a state, employers may be able to provide their employees with choices of different insurance companies; different plans within a metal tier or choice of different plans at different metal tiers (www.nahu.org).

Contact us

Contact your Innovate Healthcare agent to find out how we help you get valuable coverage at an affordable price. For more information about the Innovate Healthcare Group Insurance product, please contact David Evans at devans@innovate.com or (614) 555-1212.