

HEALTH PLAN TRENDS  
*among employers*  
CALIFORNIA



**UNITED BENEFIT ADVISORS® (UBA)** has years of experience surveying thousands of employers nationwide regarding their group health plan offerings. The UBA survey is the nation’s definitive employee benefits benchmarking survey. Since 2005, UBA Partner Firms have studied plan design and cost trends among employers on a state, regional, and national basis. Data in the 2023 UBA Employee Benefits Benchmarking Trends Report and State Trends Reports are based on responses from 10,389 employers representing nearly one million employees across the nation—and more than \$28 billion in healthcare dollars spent. In California, the survey includes employee benefits plans offered by 800 employers covering more than 36,000 employees to offer valuable benchmark data.

*Since 2005, UBA Partner Firms across the U.S. have studied plan design and cost trends among employers on a state, regional, and national basis.*

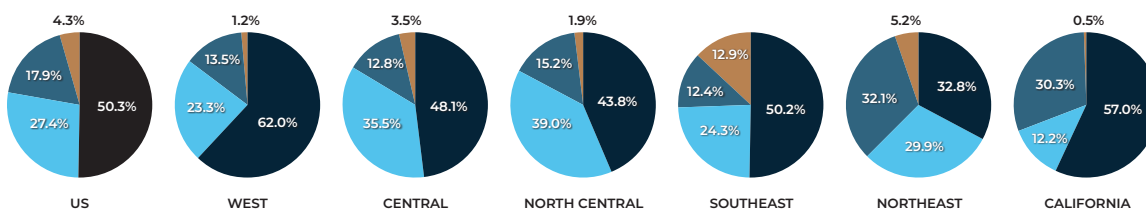
For California employers interested in making the most informed healthcare plan decisions possible, it’s crucial to compare your plans and costs not just to national benchmarks, but to peers in your state and region. This State Trends Report highlights key benchmarks to help you strategically manage plan renewal decisions.

## TOP PLANS IN CALIFORNIA

**PREFERRED** provider organization (PPO) plans dominate most of the nation and are also popular in California. However, health maintenance organization (HMO)/exclusive provider organization (EPO) plans have significant traction in certain California markets, making the prevalence of these plans highly nuanced within the state. High deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans, as well as point of service (POS) plans, are not common in California.

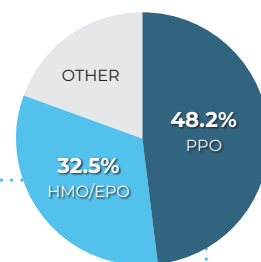
### PLAN PREVALENCE IN CALIFORNIA

PLAN TYPE	US	WEST	CENTRAL	NORTH CENTRAL	SOUTHEAST	NORTHEAST	CALIFORNIA
PPO	50.3%	62.0%	48.1%	43.8%	50.2%	32.8%	57.0%
HDHP	27.4%	23.3%	35.5%	39.0%	24.3%	29.9%	12.2%
HMO/EPO	17.9%	13.5%	12.8%	15.2%	12.4%	32.1%	30.3%
POS	4.3%	1.2%	3.5%	1.9%	12.9%	5.2%	0.5%



### PREVALENCE VS. ENROLLMENT

IN CALIFORNIA, 48.2% OF EMPLOYEES ENROLL IN PPO PLANS, WHILE 32.5% OF EMPLOYEES CHOOSE AN HMO/EPO PLAN.

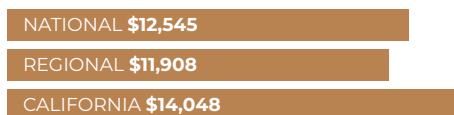


## COST COMPARISONS

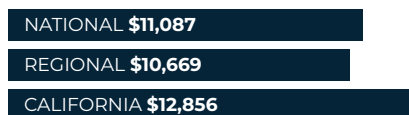
**IN GENERAL**, health plans in California are more expensive than national and regional averages. For example, on average, PPO plans cost \$14,048 per employee annually, while HMO/EPO plans in California cost \$13,163 per employee per year.

### AVERAGE TOTAL COST PER EMPLOYEE PER YEAR

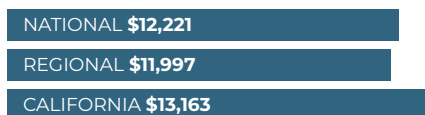
#### PPO



#### HDHP



#### HMO/EPO



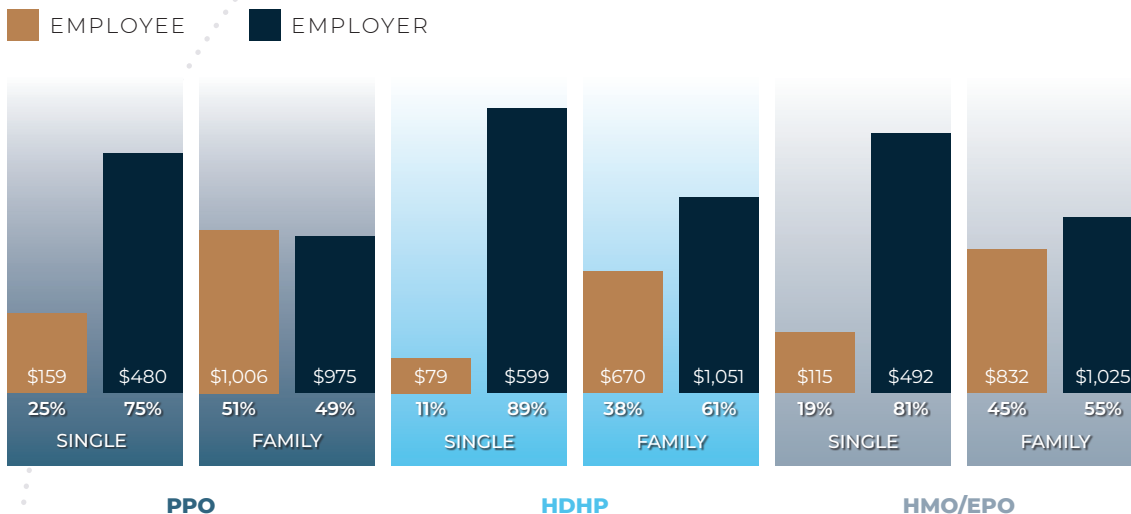
#### POS



### SETTING THE MONTHLY CONTRIBUTION FOR EMPLOYEES

California employers typically pick up about 75% of PPO plan premiums for singles and 49% of family premiums, compared to the national 75/43 single/family employer contributions for these plans. Employers offering HMO/EPO plans in the state cover 81% of single premiums and 55% of family premiums, compared to the 75/50 single/family split found nationally for these plans.

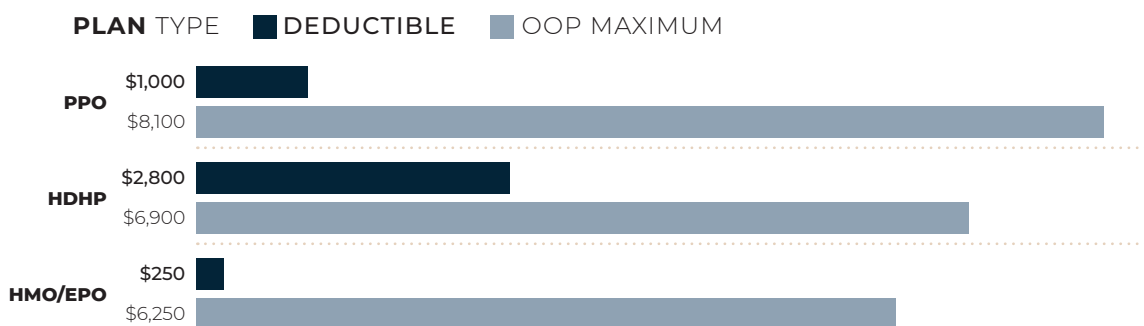
### AVERAGE MONTHLY PREMIUM CONTRIBUTIONS



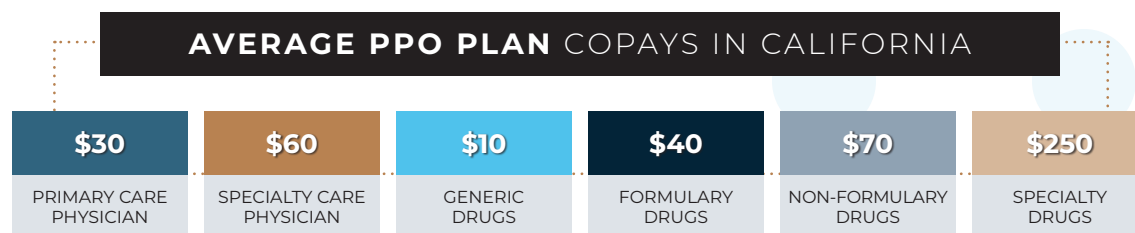
## SETTING DEDUCTIBLES AND OUT-OF-POCKET COSTS

California’s median in-network PPO plan deductible for singles is \$1,000. By comparison, the national median PPO plan deductible is \$1,800 for singles; in the western region, it is \$1,500. The median in-network deductible for singles on HMO/EPO plans in California is \$250, compared to \$1,500 nationally and \$250 in the West.

## MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



CALIFORNIA HDHPS FOR SINGLES TYPICALLY INCLUDE A \$1,200 EMPLOYER CONTRIBUTION TO HEALTH SAVINGS ACCOUNTS (HSAS) OR HEALTH REIMBURSEMENT ARRANGEMENTS (HRAS) TO HELP DEFRAY OUT-OF-POCKET COSTS.





REALLY READY TO OFFER RAVED-ABOUT HEALTH PLANS?

A UBA Partner Firm is ready to help.  
Make informed health plan decisions  
that retain top talent and help recruit  
new talent.

REQUEST A  
BENCHMARKING  
REPORT

**UNITED BENEFIT ADVISORS®** (UBA) is the nation's leading independent employee benefits advisory organization with more than 200 offices throughout the United States, Canada, and Europe. UBA empowers 2,000+ advisors to maintain independence while capitalizing on each other's shared knowledge and market presence to provide best-in-class services and solutions.

LOCAL SERVICE. NATIONAL PRESENCE.