

HEALTH PLAN TRENDS  
*group size & industry*  
**CALIFORNIA**



**THE UNITED BENEFIT ADVISORS® (UBA)** employee benefits survey is the nation's definitive employee benefits benchmarking survey. This valuable data enables meaningful study of trends among different size employer groups, within specific regions and states, and by industry groups. 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 benefit plans offered by 800 employers covering more than 36,000 employees.

With this granular data, UBA Partner Firms help employers avoid the top two benchmarking pitfalls:

- 1) Automatically adopting the practices of the nation's largest employers who are most often studied by other data sets but are not typically the best benchmarks.
- 2) Looking only at plan data supplied by a single carrier.

UBA Partner Firms help employers of all sizes benchmark their employee benefits plans more accurately based on both national and regional trends and also compared to local, industry, and sized-based peers.

This State Trends Report highlights key cost benchmarks among the following groups:

- Small, midsize, and large employers
- Four of the top industries in California

When employers compare their plan to local peers of the same size or industry, the top three questions typically asked are:

- 1) What type of plans do my peers offer?
- 2) What is the cost per employee?
- 3) What are the in-network deductibles and out-of-pocket maximums?

## TOP BENCHMARKS BY GROUP SIZE

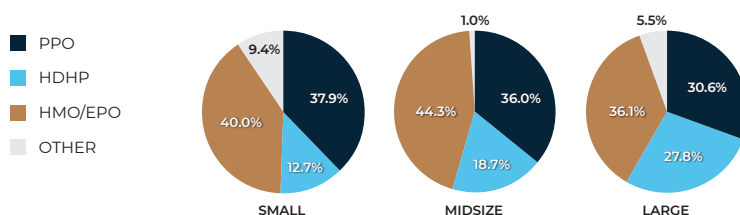
**UBA EMPLOYEE BENEFITS BENCHMARKING** provides data from employer groups of all sizes. Group size has a tremendous impact on cost, making it an important benchmark for any employer.

### WHAT TYPES OF PLANS DO MY SIZE-BASED PEERS OFFER?

Preferred provider organization (PPO) plans are prevalent in California; however, health maintenance organization (HMO)/exclusive provider organization (EPO) plans have significant traction in certain California markets, particularly among small and midsize groups. High deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans, are more commonly offered by large employers. Point of service (POS) plans are virtually nonexistent in the state.

### PREVALENCE OF PLAN TYPE BY GROUP SIZE

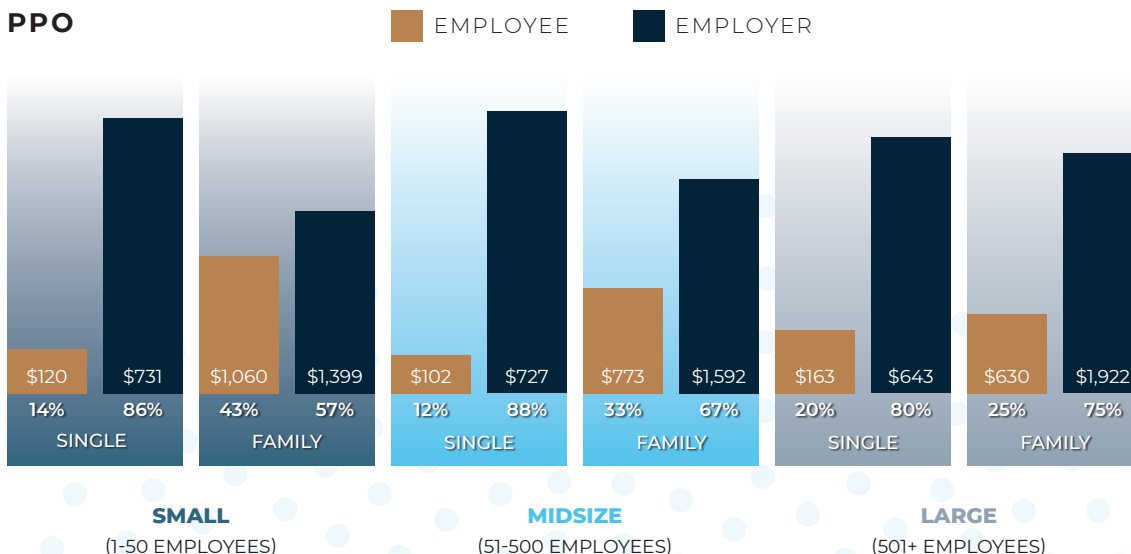
GROUP SIZE	PPO	HDHP	HMO/EPO
SMALL (1-50 EMPLOYEES)	37.9%	12.7%	40.0%
MIDSIZE (51-500 EMPLOYEES)	36.0%	18.7%	44.3%
LARGE (501+ EMPLOYEES)	30.6%	27.8%	36.1%



### HOW MUCH DO MY SIZE-BASED PEERS PAY PER EMPLOYEE?

Employees at small businesses in California pay the highest health plan premiums for family coverage. Midsize and large employers in the state pick up significantly more of the monthly family premiums.

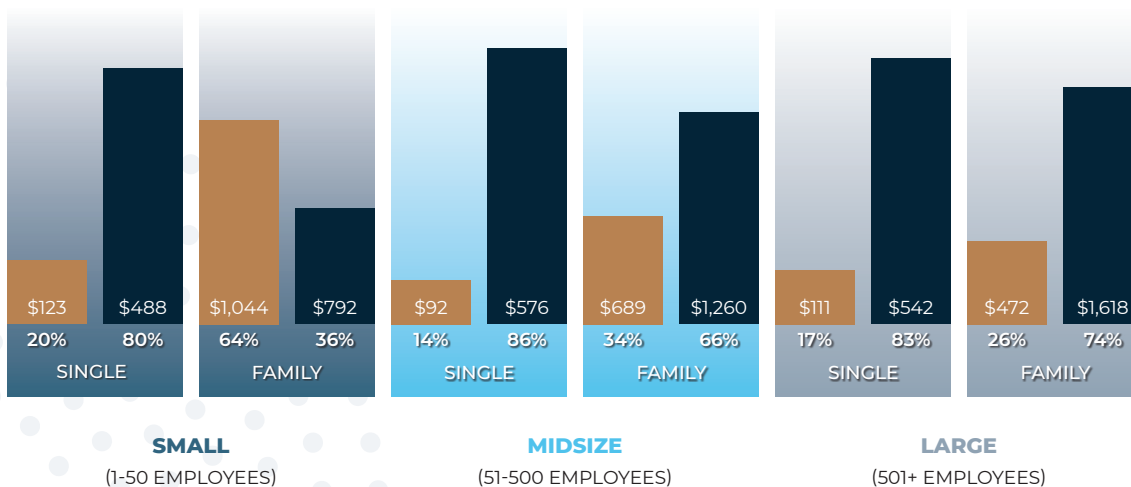
### AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT



**AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT**

**HMO/EPO**

EMPLOYEE EMPLOYER



**WHAT ARE THE DEDUCTIBLES AND OUT-OF-POCKET COSTS FOR MY SIZE-BASED PEERS?**

Deductibles across all group sizes in California are generally lower than those found nationally and regionally. Nationally, PPO plans have a median in-network deductible of \$1,800 for singles, and \$1,500 in the West. HMO/EPO plans have a median in-network deductible of \$1,500 nationally and \$250 in the West. Small businesses are setting much higher out-of-pocket maximums than their larger counterparts.

**MEDIAN SINGLE IN-NETWORK DEDUCTIBLES AND OUT-OF-POCKET COSTS**

GROUP SIZE	PPO		HMO/EPO	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
SMALL (1-50 EMPLOYEES)	\$500	\$7,800	\$250	\$7,500
MIDSIZE (51-500 EMPLOYEES)	\$500	\$4,000	\$0	\$3,000
LARGE (501+ EMPLOYEES)	\$500	\$3,000	\$0	\$1,800

**TOP BENCHMARKS BY INDUSTRY**

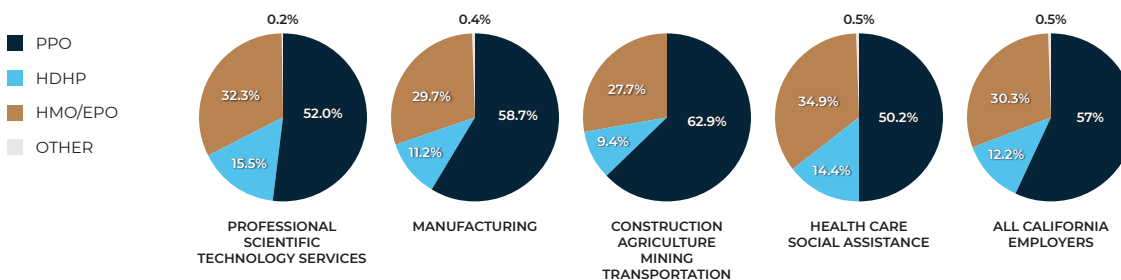
**IN CALIFORNIA**, four of the top industries studied in UBA’s Employee Benefits Benchmarking are Professional/Scientific/Technology Services, Manufacturing, Construction/Agriculture/Mining/Transportation, and Health Care/Social Assistance.

**WHAT TYPES OF PLANS DO MY INDUSTRY PEERS OFFER?**

PPO plans especially dominate the Construction/Agriculture/Mining/Transportation industry in California, but employers in the Health Care/Social Assistance industry have above-average interest in HMO/EPO plans.

## PREVALENCE OF PLAN TYPE BY INDUSTRY

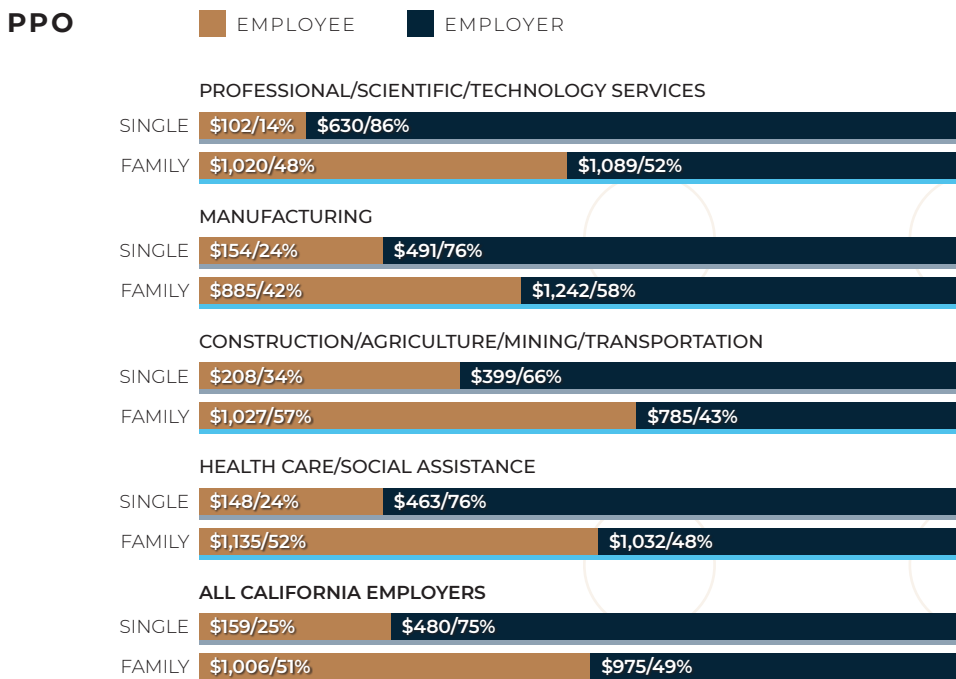
TOP 4 CALIFORNIA INDUSTRIES	PPO	HDHP	HMO/EPO
PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES	52.0%	15.5%	32.3%
MANUFACTURING	58.7%	11.2%	29.7%
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	62.9%	9.4%	27.7%
HEALTH CARE/SOCIAL ASSISTANCE	50.2%	14.4%	34.9%
<b>ALL CALIFORNIA EMPLOYERS</b>	<b>57.0%</b>	<b>12.2%</b>	<b>30.3%</b>



## HOW MUCH DO MY INDUSTRY PEERS PAY PER EMPLOYEE?

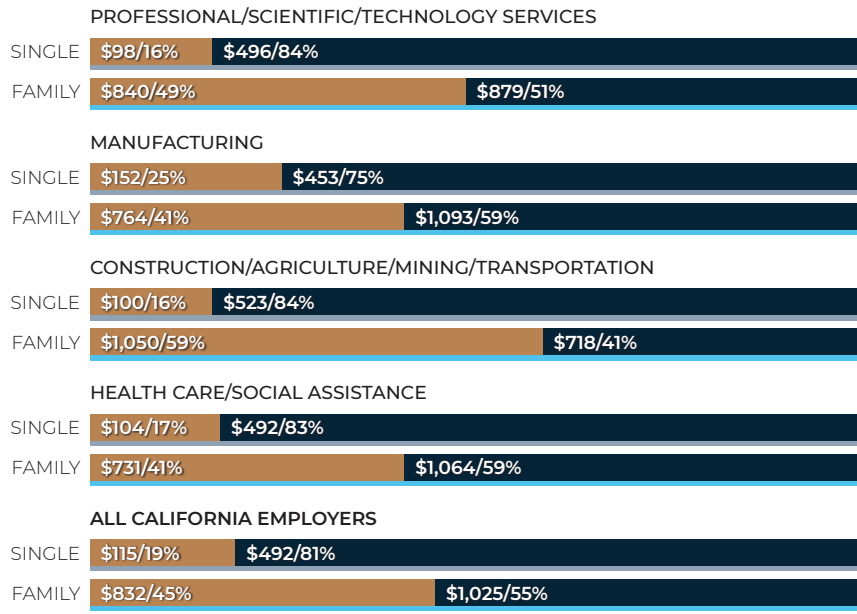
Employers in the Professional/Scientific/Technology Services industry in California pay an above-average percent of single premiums for PPO and HMO/EPO plans, while the Manufacturing and Health Care/Social Assistance industries in the state pick up the highest percent of family premiums for PPO and HMO/EPO plans, respectively.

## AVERAGE MONTHLY PREMIUM CONTRIBUTION



**AVERAGE MONTHLY PREMIUM CONTRIBUTION**

**HMO/EPO** ■ EMPLOYEE ■ EMPLOYER



**WHAT ARE THE DEDUCTIBLES AND OUT-OF-POCKET COSTS FOR MY INDUSTRY PEERS?**

The Professional/Scientific/Technology Services industry has PPO plan deductibles below the state median for singles. The Health Care/Social Assistance sector has no HMO/EPO plan deductible for singles.

**MEDIAN SINGLE IN-NETWORK DEDUCTIBLES AND OUT-OF-POCKET COSTS**

TOP 4 CALIFORNIA INDUSTRIES	PPO		HMO/EPO	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES	\$625	\$7,800	\$250	\$4,500
MANUFACTURING	\$875	\$7,800	\$250	\$4,500
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	\$1,000	\$8,150	\$250	\$6,625
HEALTH CARE/SOCIAL ASSISTANCE	\$1,000	\$8,150	\$0	\$6,750
ALL CALIFORNIA EMPLOYERS	\$1,000	\$8,100	\$250	\$6,250



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that retain top talent and help recruit  
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