

HEALTH PLAN TRENDS

among employers

ALABAMA



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 Alabama, the survey includes employee benefits plans offered by 170 employers covering nearly 51,000 employees to offer valuable benchmark data.

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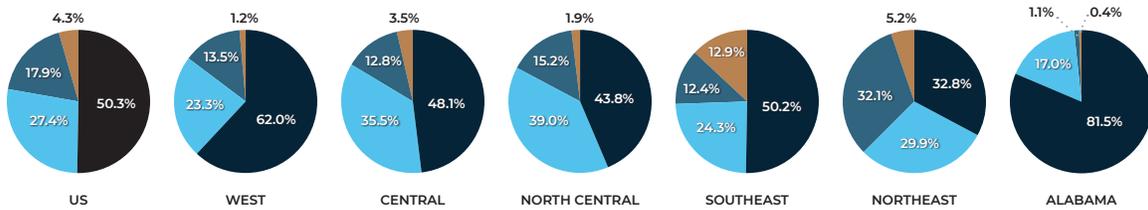
For Alabama employers interested in making the most informed health care plan decisions possible, it's crucial to compare your plans and costs not just to national benchmarks, but to peers in your state and region. This State Trends Report highlights key benchmarks to help you strategically manage plan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

TOP PLANS IN ALABAMA

PREFERRED provider organization (PPO) plans dominate most of the nation, and particularly in Alabama. High deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans, represent 17% of Alabama plans. Health maintenance organization (HMO)/exclusive provider organization (EPO) plans and point of service (POS) plans are rare in the state.

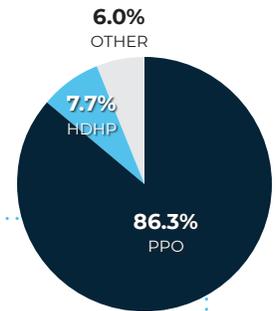
PLAN PREVALENCE IN ALABAMA

PLAN TYPE	US	WEST	CENTRAL	NORTH CENTRAL	SOUTHEAST	NORTHEAST	ALABAMA
PPO	50.3%	62.0%	48.1%	43.8%	50.2%	32.8%	81.5%
HDHP	27.4%	23.3%	35.5%	39.0%	24.3%	29.9%	17.0%
HMO/EPO	17.9%	13.5%	12.8%	15.2%	12.4%	32.1%	1.1%
POS	4.3%	1.2%	3.5%	1.9%	12.9%	5.2%	0.4%



PREVALENCE VS. ENROLLMENT

IN ALABAMA, 86.3% OF EMPLOYEES ENROLL IN PPO PLANS, WHILE 7.7% OF EMPLOYEES CHOOSE AN HDHP.

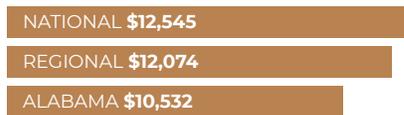


COST COMPARISONS

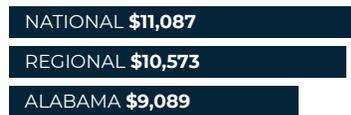
IN GENERAL, health plans in Alabama are less expensive than national and regional averages. For example, on average, PPO plans cost \$10,532 per employee annually, while HDHPs in Alabama cost \$9,089 per employee per year.

AVERAGE TOTAL COST PER EMPLOYEE PER YEAR

PPO



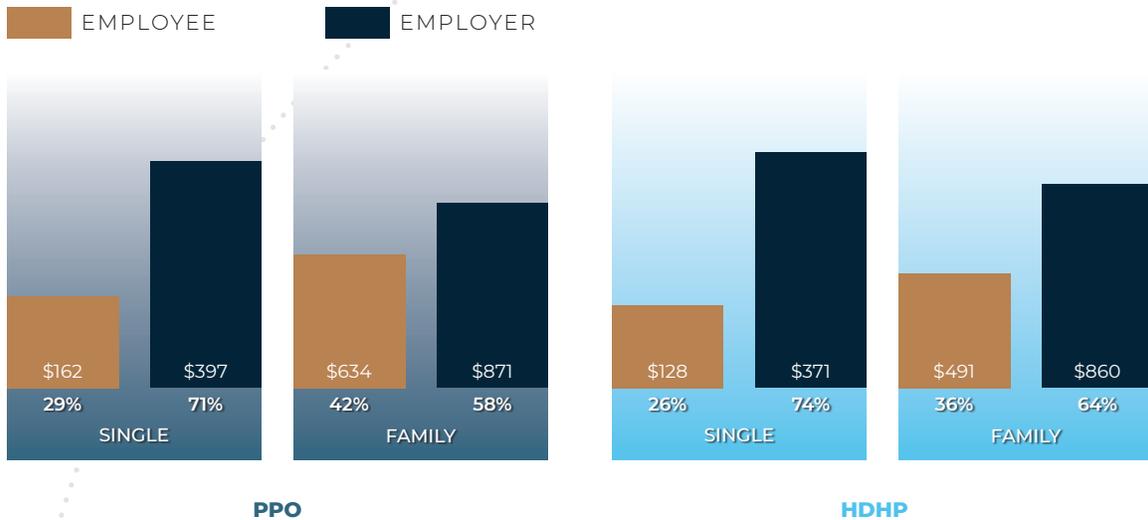
HDHP



SETTING THE MONTHLY CONTRIBUTION FOR EMPLOYEES

Alabama employers typically pick up 71% of PPO plan premiums for singles and 58% of family premiums, compared the national 75/43 single/family employer contributions for these plans. Employers offering HDHPs in the state cover 74% of single premiums and 64% of family premiums compared to the 80/58 single/family employer split found nationally for these plans.

AVERAGE MONTHLY PREMIUM CONTRIBUTIONS



SETTING DEDUCTIBLES AND OUT-OF-POCKET COSTS

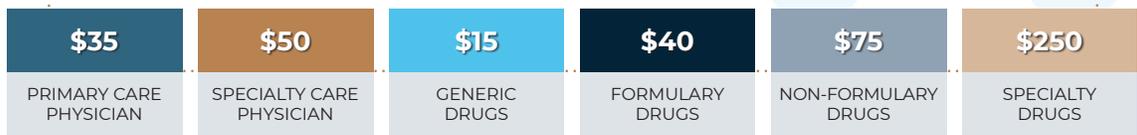
Alabama’s median in-network PPO plan deductible for singles is \$500. By comparison, the national median PPO plan deductible is \$1,800 for singles; in the southeast region, it is \$2,000. The median in-network deductible for singles on HDHPs in Alabama is \$2,500, compared to \$3,000 nationally and \$3,500 in the Southeast.

MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



ALABAMA HDHPS FOR SINGLES TYPICALLY INCLUDE AN \$800 EMPLOYER CONTRIBUTION TO HEALTH SAVINGS ACCOUNTS (HSAS) OR HEALTH REIMBURSEMENT ARRANGEMENTS (HRAS) TO HELP DEFRAID OUT-OF-POCKET COSTS.

AVERAGE PPO PLAN COPAYS IN ALABAMA





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

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