

## HEALTH PLAN TRENDS

### *group size & industry*

#### ALABAMA



**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 Alabama, the survey includes employee benefit plans offered by 170 employers covering nearly 51,000 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 Alabama

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

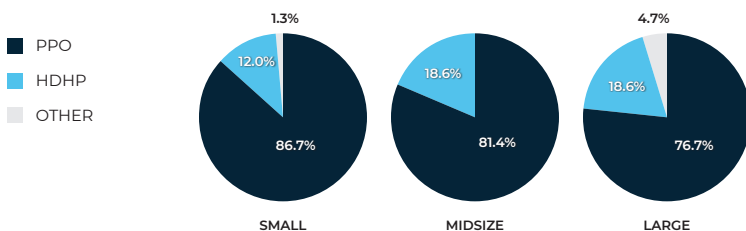
**UBA EMPLOYEE BENEFITS BENCHMARKING** provides data from employer groups of all sizes. Group size has a tremendous impact on cost, making it an important benchmark for any employer.

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

Employers in Alabama overwhelmingly choose preferred provider organization (PPO) plans. However, the larger the group, the more likely they are to offer high deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans. Health maintenance organization (HMO)/exclusive provider organization (EPO) plans and point of service (POS) plans are rare in the state.

### PREVALENCE OF PLAN TYPE BY GROUP SIZE

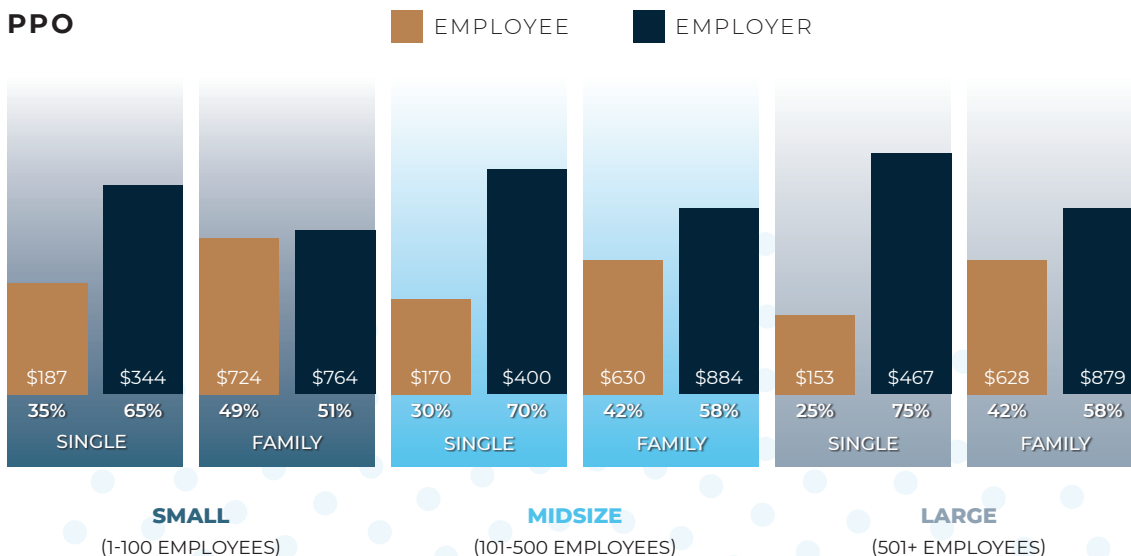
| GROUP SIZE                  | PPO   | HDHP  |
|-----------------------------|-------|-------|
| SMALL (1-100 EMPLOYEES)     | 86.7% | 12.0% |
| MIDSIZE (101-500 EMPLOYEES) | 81.4% | 18.6% |
| LARGE (501+ EMPLOYEES)      | 76.7% | 18.6% |



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

Large businesses in Alabama pay a greater percentage of health plan premiums for singles and families than their smaller counterparts.

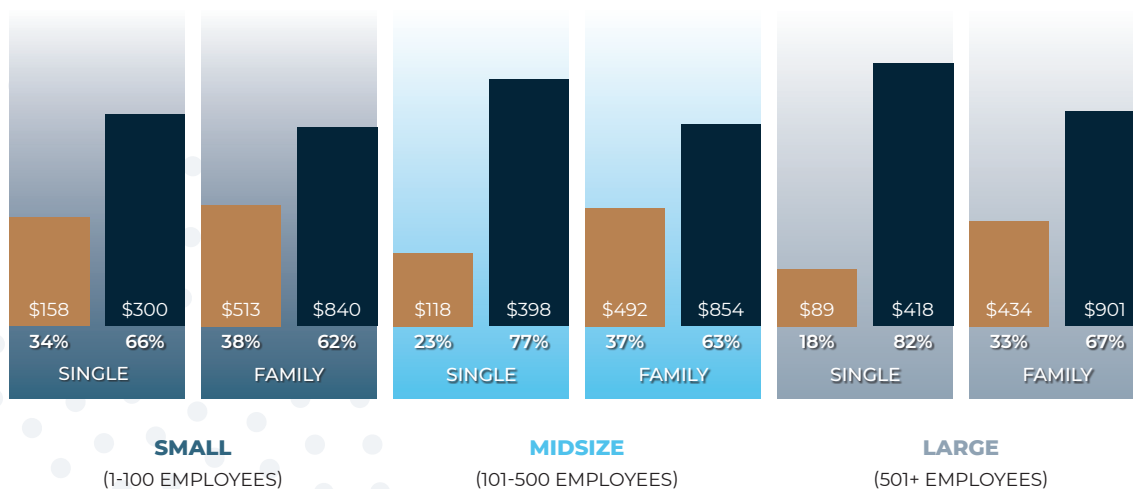
### AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT



**AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT**

**HDHP**

EMPLOYEE EMPLOYER



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

While all health plan deductibles and out-of-pocket maximums in Alabama are below national and regional norms, midsize employers in Alabama have the lowest health plan deductibles and out-of-pocket maximums for employees. For 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 is \$3,000 nationally and \$3,500 in the Southeast.

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

| GROUP SIZE                  | PPO        |             | HDHP       |             |
|-----------------------------|------------|-------------|------------|-------------|
|                             | DEDUCTIBLE | OOP MAXIMUM | DEDUCTIBLE | OOP MAXIMUM |
| SMALL (1-100 EMPLOYEES)     | \$1,200    | \$6,000     | \$2,500    | \$5,000     |
| MIDSIZE (101-500 EMPLOYEES) | \$500      | \$5,000     | \$2,250    | \$5,000     |
| LARGE (501+ EMPLOYEES)      | \$750      | \$5,000     | \$2,300    | \$5,000     |

**TOP BENCHMARKS BY INDUSTRY**

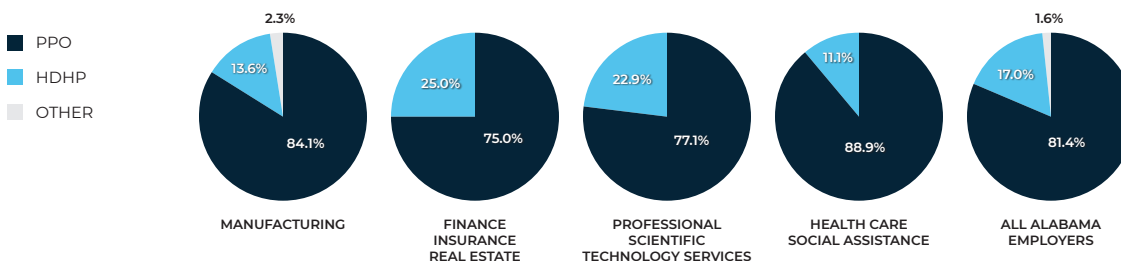
**IN ALABAMA**, four of the top industries studied in UBA’s Employee Benefits Benchmarking are Manufacturing, Finance/Insurance/Real Estate, Professional/Scientific/Technology Services, and Health Care/Social Assistance.

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

While all industries in Alabama overwhelmingly choose PPO plans, the Health Care/Social Assistance sector has the highest prevalence of these plans and the least interest in HDHPs.

## PREVALENCE OF PLAN TYPE BY INDUSTRY

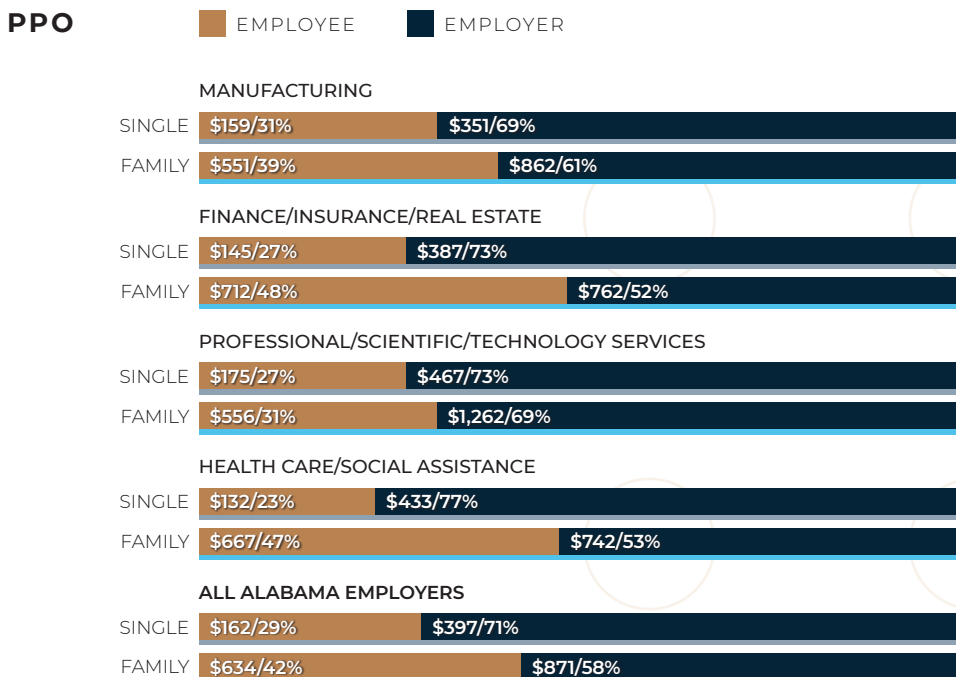
| TOP 4 ALABAMA INDUSTRIES                    | PPO          | HDHP         |
|---------------------------------------------|--------------|--------------|
| MANUFACTURING                               | 84.1%        | 13.6%        |
| FINANCE/INSURANCE/REAL ESTATE               | 75.0%        | 25.0%        |
| PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES | 77.1%        | 22.9%        |
| HEALTH CARE/SOCIAL ASSISTANCE               | 88.9%        | 11.1%        |
| <b>ALL ALABAMA EMPLOYERS</b>                | <b>81.4%</b> | <b>17.0%</b> |



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

The Health Care/Social Assistance industry in Alabama pays the highest percentage of PPO plan premiums for singles. The Professional/Scientific/Technology Services industry in Alabama pays the highest percent of PPO plan premiums for families.

## AVERAGE MONTHLY PREMIUM CONTRIBUTION



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

The Manufacturing industry in Alabama has set its PPO plan deductible above the state median. The Professional/Scientific/Technology Services and Health Care/Social Assistance industries have set out-of-pocket maximums for PPO plans below the state median.

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

| TOP 4 ALABAMA INDUSTRIES                    | PPO          |                |
|---------------------------------------------|--------------|----------------|
|                                             | DEDUCTIBLE   | OOP<br>MAXIMUM |
| MANUFACTURING                               | \$750        | \$5,000        |
| FINANCE/INSURANCE/REAL ESTATE               | \$500        | \$5,000        |
| PROFESSIONAL/SCIENTIFIC/TECHNOLOGY SERVICES | \$500        | \$4,000        |
| HEALTH CARE/SOCIAL ASSISTANCE               | \$550        | \$4,000        |
| <b>ALL ALABAMA EMPLOYERS</b>                | <b>\$500</b> | <b>\$5,000</b> |



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