

## HEALTH PLAN TRENDS

### *group size & industry*

#### ARIZONA



**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 Arizona, the survey includes employee benefit plans offered by 193 employers covering nearly 25,000 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
- Three of the top industries in Arizona

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

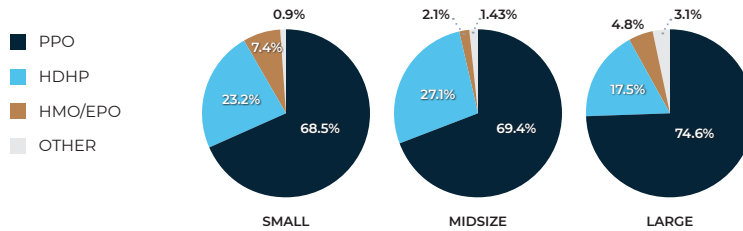
**UBA EMPLOYEE BENEFITS BENCHMARKING** provides data from employer groups of all sizes. Group size has a tremendous impact on cost, making it an important benchmark for any employer.

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

Preferred provider organization (PPO) plans are prevalent in Arizona, particularly among large employers. High deductible health plans (HDHPs), sometimes referred to as “consumer-directed” plans, tend to be most common among midsize groups in Arizona. Health maintenance organization (HMO)/exclusive provider organization (EPO) plans and point of service (POS) plans are not common in the state.

### PREVALENCE OF PLAN TYPE BY GROUP SIZE

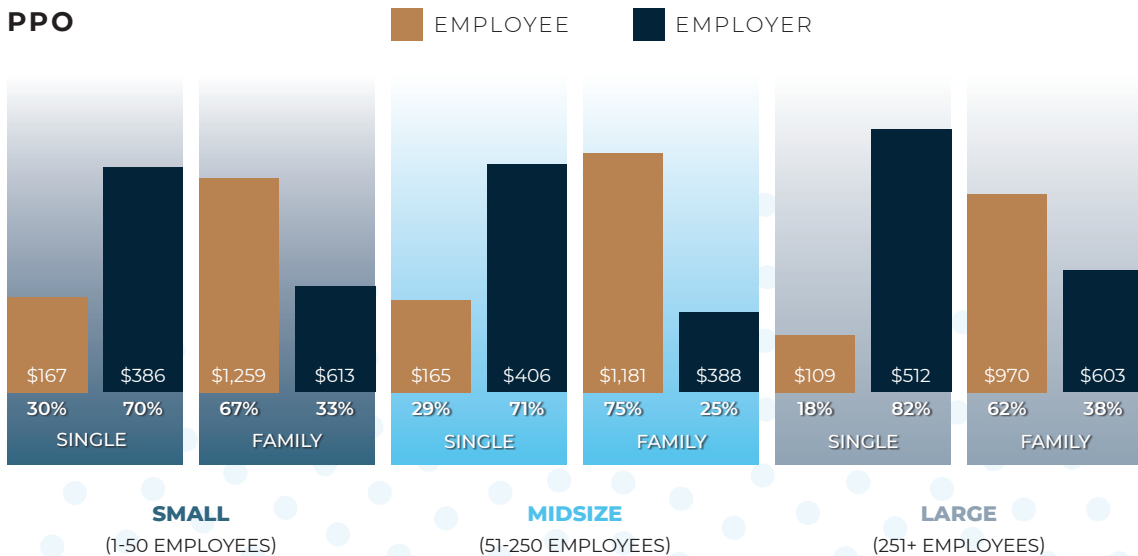
GROUP SIZE	PPO	HDHP	HMO/EPO
SMALL (1-50 EMPLOYEES)	68.5%	23.2%	7.4%
MIDSIZE (51-250 EMPLOYEES)	69.4%	27.1%	2.1%
LARGE (251+ EMPLOYEES)	74.6%	17.5%	4.8%



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

Large employers in Arizona pay the highest percentage of PPO plan premiums for single and family coverage. In addition, these large groups are picking up significantly more of the monthly family HDHP premiums.

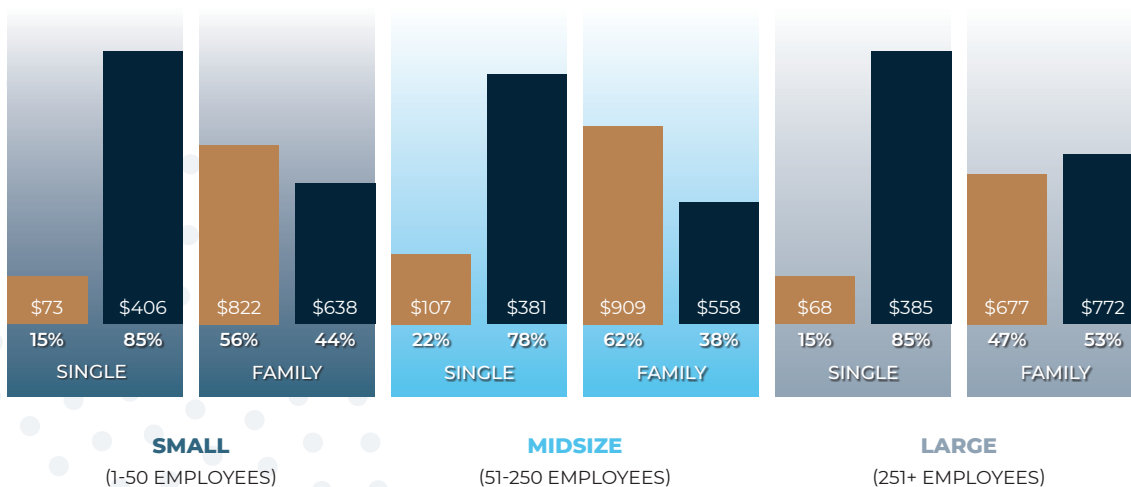
### AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT



**AVERAGE MONTHLY PREMIUM CONTRIBUTION SPLIT**

**HDHP**

EMPLOYEE EMPLOYER



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

Deductibles among small and midsize groups in Arizona are generally higher than those found nationally and regionally. The national PPO plan median in-network deductible is \$1,800 for singles; in the West it is \$1,500. Most groups in Arizona have also set HDHP deductibles above national and regional medians. HDHPs have a median in-network deductible of \$3,000 nationally and \$3,500 in the West. In Arizona, the larger the business, the lower the out-of-pocket maximums for employees.

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

GROUP SIZE	PPO		HDHP	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
SMALL (1-50 EMPLOYEES)	\$3,000	\$7,000	\$5,000	\$6,500
MIDSIZE (51-250 EMPLOYEES)	\$2,000	\$5,000	\$3,500	\$6,250
LARGE (251+ EMPLOYEES)	\$1,250	\$4,500	\$4,000	\$6,000

**TOP BENCHMARKS BY INDUSTRY**

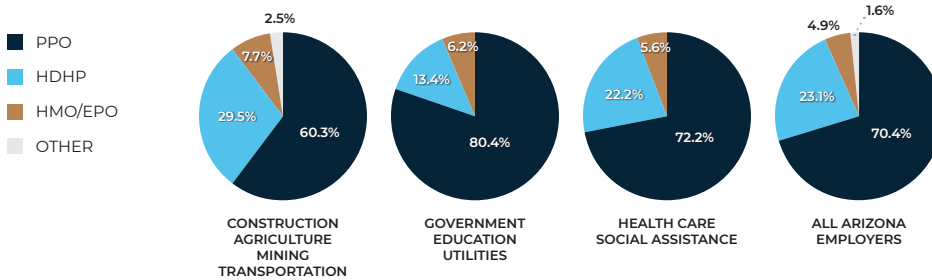
**IN ARIZONA**, three of the top industries studied in UBA’s Employee Benefits Benchmarking are Construction/Agriculture/Mining/Transportation, Government/Education/Utilities, and Health Care/Social Assistance.

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

PPO plans especially dominate the Government/Education/Utilities industry in Arizona, however, employers in the Construction/Agriculture/Mining/Transportation industry have above-average interest in HDHPs.

## PREVALENCE OF PLAN TYPE BY INDUSTRY

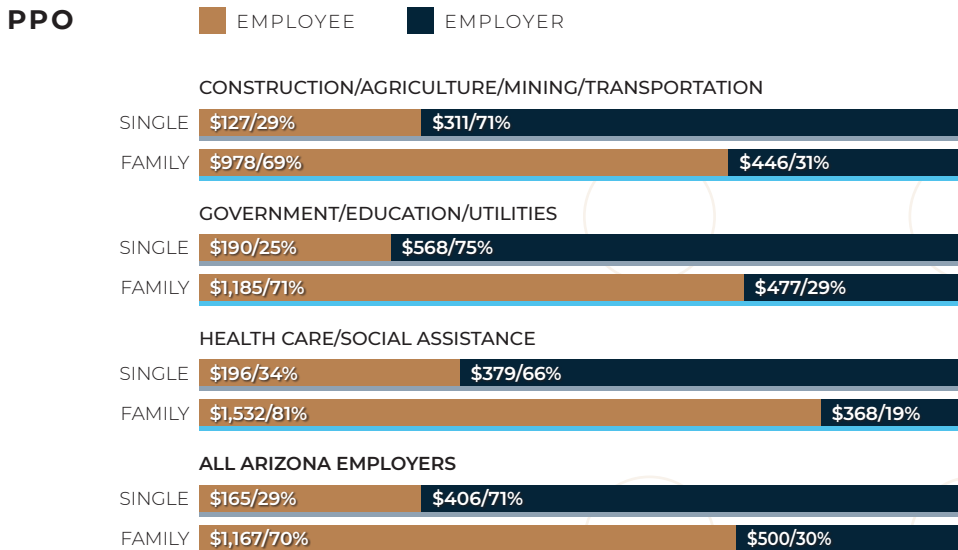
TOP 3 ARIZONA INDUSTRIES	PPO	HDHP	HMO/EPO
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	60.3%	29.5%	7.7%
GOVERNMENT/EDUCATION/UTILITIES	80.4%	13.4%	6.2%
HEALTH CARE/SOCIAL ASSISTANCE	72.2%	22.2%	5.6%
ALL ARIZONA EMPLOYERS	70.4%	23.1%	4.9%



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

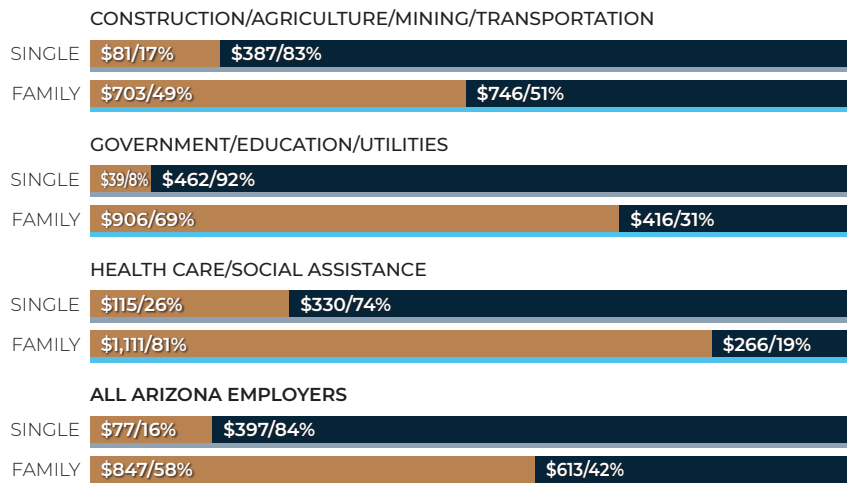
The Health Care/Social Assistance industry in Arizona pays the least toward single and family PPO plan premiums. The Government/Education/Utilities sector in the state covers nearly all of the single premiums for HDHPs, while the Construction/Agriculture/Mining/Transportation industry pays the highest percentage of family HDHP premiums.

## AVERAGE MONTHLY PREMIUM CONTRIBUTION



## AVERAGE MONTHLY PREMIUM CONTRIBUTION

## HDHP


 EMPLOYEE    EMPLOYER


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

The Government/Education/Utilities sector in Arizona has the lowest PPO plan deductibles and out-of-pocket maximums, while the Construction/Agriculture/Mining/Transportation industry has the highest deductibles and out-of-pocket maximums for these plans. The Health Care/Social Assistance sector has a significantly higher HDHP deductible than other industries in the state, particularly the Government/Education/Utilities sector.

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

TOP 3 ARIZONA INDUSTRIES	PPO		HDHP	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
CONSTRUCTION/AGRICULTURE/MINING/TRANSPORTATION	\$5,000	\$7,175	\$5,000	\$6,650
GOVERNMENT/EDUCATION/UTILITIES	\$750	\$2,750	\$3,000	\$5,400
HEALTH CARE/SOCIAL ASSISTANCE	\$2,750	\$6,575	\$6,000	\$6,575
ALL ARIZONA EMPLOYERS	\$2,500	\$6,000	\$4,000	\$6,350



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