

Simplifi BenefitsSM

Easy | Affordable | Personal

Overview

Companies have traditionally offered limited benefit “Mini-Med” plans on an insured or self-funded basis to give their lower paid employees access to basic medical care. The premiums are relatively inexpensive and participants get insurance cards, a PPO network and copays for RX and Doctor Office visits. However, these plans offer very little value and as such will no longer be available after 2014. Plans that received waivers from HHS can operate until 2014 as long as they meet new compliance regulations.

Problems

- Low participation rates and high touch administration
- Unpredictable experience at medical providers
 - Each insurance company has a slight variation, but what is most common is that the plan will illustrate a maximum benefit of \$5,000 or \$10,000 but that amount is nearly impossible to reach since it is capped at \$100-\$300 per inpatient day.
 - The biggest problem is that there is also a maximum for “Outpatient” benefits which is typically a fraction of the overall maximum. Annual benefits of \$500 to \$1,500 are most common and they include all charges outside of a hospital. In many cases that amount is reached is one or two trips to the doctor (including labs and x-rays).
 - These plans leave employees with a lot of unpaid bills, collection calls and almost no benefits for hospitalizations
- The biggest issue is that the mere fact that these plans are offered preclude otherwise eligible low-income employees from eligibility in Medicaid, S-Chip and other programs designed to offer comprehensive care. So instead of a Mini-Med being better than nothing it is actually much worse.

Simplifi Benefits Solution

Replacing Mini-Med allows entire workforce to meet their needs in the most affordable way. The company benefits by not sponsoring a plan that is viewed negatively in the press and worker community as well as all of the tax benefits (minus administrative burden) found in sponsoring the Mini-Med.

- Younger, healthy workers find comprehensive medical plans for similar cost basis of Mini-Med and can pay for these plans on a pre-tax basis.
- Those who qualify for Medicare, Medicaid or S-Chip will be eligible since they are no longer eligible for “employer sponsored insurance”.
- Higher income employees with pre-existing conditions can enroll in State or Federal programs, many times with premium subsidies making them comparable in cost to the Mini-Med. Premiums can be paid pre-tax.

