OREGON HEALTHCARE LEADERS ASSOCIATION

Preparing for Your 2027 Health Insurance Renewal

Are You Looking at All of Your Options?

As healthcare leaders, we spend a great deal of time managing the cost of care for our patients, but we also need to manage the rising cost of healthcare for our own organizations and employees.

The Oregon health insurance market continues to change, and employers are facing increasing premiums and fewer traditional options. This makes it especially important that we do not approach renewal as simply:

"What is our increase this year?"

Instead, this may be the year to ask your broker to step back and evaluate your entire benefits strategy.

Your broker should be helping you understand not only which traditional fully insured plans are available, but also whether alternative funding arrangements, different plan designs, association options, or other strategies could help your organization maintain meaningful benefits while controlling costs.

Ask Your Broker to Look Beyond a Traditional Renewal

For many small employers, the annual health insurance renewal process consists of reviewing the carrier's renewal, comparing a few deductible options, and deciding how much of the increase the employer can absorb.

This year, consider having a broader conversation.

There may be opportunities to structure benefits differently, combine different types of coverage, or access plans through associations or other employer groups. You do not need to know all of the options yourself; that is the conversation to have with your broker.

Consider Asking:

- **What health plan options are available to us outside of the traditional small-group plans we have used in the past?** Ask your broker not just to quote different carriers, but to show you different ways your benefits could be structured.
- **Are there association health plans, health trusts, chambers of commerce, professional organizations, or other employer groups that we qualify to participate in?**

An association health plan generally allows eligible employers to join together through an association, industry group, chamber, or health trust to purchase health benefits as part of a larger group. By combining multiple employers, an association may be able to offer different plan choices, benefit structures, or pricing than an employer could access on its own in the traditional small-group market.

Do not assume your broker has automatically evaluated association options for you. Ask specifically:

> **"What associations, chambers, health trusts, or industry groups could our organization qualify for, and have you compared those options with our traditional small-group renewal?"**

Examples of options that may be worth asking about in Oregon include:

- **Associated Industries Health Trust/Oregon Industry Health Trust** - Offers association health plan options for qualifying employers in several industries, including healthcare.
- **Local or regional Chambers of Commerce** - Some chambers participate in or provide access to association health plans. The Bend Chamber Association Health Plan is one Oregon example.
- **Industry or professional associations** - Depending on your type of organization, there may be industry-specific associations or trusts that provide access to employee benefits.

Association opportunities will vary throughout Oregon. What is available to an employer in Portland, Salem, Bend, Medford, Eugene, or a rural Oregon community may be different. Eligibility can also depend on your industry, number of employees, association membership, and other requirements. Ask your broker to research the association and group-purchasing opportunities available specifically to your organization and geographic area.

Membership in an association may involve dues or other eligibility requirements, so compare the **total cost, provider network, benefits, employer contribution requirements, and plan rules** with your traditional small-group options - not just the monthly premium.

Additional Questions to Ask

- **Are alternative funding arrangements appropriate for an employer our size, such as level-funded or self-funded coverage?** What are the potential savings, risks, stop-loss protections, and financial exposure compared with a traditional fully insured plan?
- **Can we combine a lower-premium medical plan with employer-funded benefits to help employees with their out-of-pocket costs?** For example, could we redirect some of the premium savings into an HRA or employer HSA contribution?

- **Could offering more than one medical plan give employees greater choice while helping us control the employer's overall contribution?** Could we offer a lower-cost base plan and allow employees who want richer coverage to pay the difference?
- **Are there plan designs that combine medical insurance with supplemental benefits?** Could accident, hospital indemnity, critical illness, or other supplemental coverage help protect employees from higher out-of-pocket exposure while allowing us to choose a lower-premium medical plan?
- **Could an HRA, ICHRA, QSEHRA, or another reimbursement strategy be appropriate for our organization?** What would we gain or give up compared with our current group health plan?
- **Are there opportunities to incorporate direct primary care, virtual care, or other primary-care strategies into our benefit design?**
- **What options do we have to address prescription and specialty-drug costs?**
- **What are other small employers using successfully that we have not considered?**

And perhaps most importantly:

> **"If you were given our current total benefits budget and asked to redesign our benefits from the ground up, how would you structure it?"**

Don't Just Compare Insurance Plans - Compare Benefit Strategies

Ask your broker to show you several different ways your organization could spend approximately the **same employer benefit dollars**.

- **Option A:** Traditional lower-deductible medical plan
- **Option B:** Higher-deductible/lower-premium medical plan + employer HSA contribution
- **Option C:** Higher-deductible/lower-premium medical plan + employer-funded HRA
- **Option D:** Lower-premium medical plan + supplemental benefits to help employees manage specific out-of-pocket risks
- **Option E:** Association or health trust option, if eligible
- **Option F:** Level-funded or another alternative funding arrangement, if appropriate for your organization's size and risk tolerance

For each strategy, ask your broker to show you the financial impact for **both the employer and the employee**, including the potential best-case, expected-case, and worst-case exposure where applicable.

The question is no longer simply:

> **"Which insurance plan has the lowest premium?"**

A better question may be:

> **"How can we use the dollars we are already spending on employee healthcare more strategically?"**

The goal is not to shift healthcare costs to employees. It is to understand whether there are different ways to structure those same benefit dollars that can help control the employer's cost while continuing to provide employees with meaningful, affordable access to healthcare.

Look Beyond Premiums

Once you have identified the different benefit strategies available to your organization, make sure you understand what employees will actually experience under each option.

Network

A less expensive plan is not necessarily a better plan if employees cannot access the providers they need. Ask your broker to compare:

- Hospital systems
- Primary-care access
- Specialist networks
- Behavioral-health networks
- Out-of-area coverage
- Coverage for employees or dependents living outside the area

If you operate in multiple Oregon communities, make sure the network analysis reflects **where your employees actually live**, not just where your organization is headquartered.

Pharmacy

Prescription drugs, particularly specialty medications, can significantly affect healthcare costs. Ask your broker whether there are alternative pharmacy arrangements, formularies, specialty-drug programs, or other strategies that should be considered as part of your overall plan design.

Employee Out-of-Pocket Costs

A strategy that saves the employer money but makes healthcare unaffordable for employees may not accomplish the organization's overall goal. Look at the entire package, including:

- Employee premium contributions
- Deductibles
- Copays and coinsurance
- Maximum out-of-pocket exposure
- Employer HSA or HRA contributions
- Prescription costs
- Supplemental benefits

Ask Your Broker to Put the Alternatives Side by Side

Rather than reviewing multiple insurance proposals independently, ask for a comparison of the different **benefit strategies** available to your organization.

For each option, compare:

- Employer annual cost
- Employee annual cost
- Deductible and maximum out-of-pocket exposure
- Employer HSA/HRA contributions
- Provider network
- Prescription coverage
- Financial risk to the employer

- Financial risk to employees
- Administrative requirements
- Advantages and disadvantages
- Potential long-term sustainability

This allows you to compare the **total benefit strategy**, rather than simply comparing premiums and deductibles.

Think Beyond This Year's Renewal

Ask your broker:

> **"If healthcare costs continue increasing, what can we do now to give ourselves more options over the next three years?"**

A good benefits strategy should consider more than getting through the upcoming renewal. Some changes may not produce the greatest savings in year one but could create more flexibility and sustainability in future years.

Understand How Your Broker Is Compensated

Employers should also understand how their broker and other benefit vendors are compensated. Ask:

- What are we paying you directly?
- What commissions are included in our premiums?
- Do you receive bonuses, overrides, incentives, revenue sharing, or other compensation from carriers or vendors you recommend?
- Does your compensation change depending on which carrier or product we select?

This does not mean that commissions are inappropriate. It means employers should understand the financial relationships involved when recommendations are being made.

One Final Question

Before completing your renewal, ask your broker:

> **"What options have you considered that you have NOT presented to us, and why did you determine they were not appropriate for our organization?"**

That question may open an entirely different conversation.

Be Willing to Think Differently

There may not be one solution that works for every healthcare organization. A 15-person independent practice, a 45-person clinic, and a 200-person healthcare organization may need very different strategies.

The important thing is to understand the choices available.

With the changes occurring in Oregon's healthcare and insurance markets, this is an important time for healthcare leaders to ask more questions, compare strategies with one another, and be willing to consider benefit structures we may not have considered in the past.

Our goal should remain the same: provide meaningful healthcare benefits that employees can actually afford to use while keeping those benefits financially sustainable for our organizations.

This handout is intended as a discussion guide for Oregon healthcare leaders. Plan availability, eligibility, pricing, network access, tax treatment, and regulatory requirements vary by employer and arrangement. Organizations should work with qualified benefits, tax, and legal advisors as appropriate.