MAPLE BROOKS™
Benefits & Consulting

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THE RISK REPORT

Annual Update

2023 HSA Contribution Limits, Deductible Minimums

THE IRS has announced significantly higher health savings account (HSA) contribution limits for 2023, jacking them up more than 5%.

The new limits were announced in conjunction with other changes, such as increases in the minimum deductibles and maximum out-of-pocket expenses for high-deductible health plans (HDHPs).

The increases are much larger than usual due to inflation, which has been trending higher than it has in more than four decades.

If both spouses with family coverage are age 55 or older, they must have two HSA accounts in separate names if they each want to contribute an additional $1,000 catch-up contribution.

If only one spouse is 55 or older but the younger spouse contributes the full family contribution limit to the HSA in his or her name, the older person must open a separate account to make the additional $1,000 catch-up contribution.

Next Year's Amounts

HSA annual contribution limit
Individual plan: $3,850, up from $3,650 in 2022*
Family plan: $7,750, up from $7,300 in 2022
* Catch-up contributions: People who are 55 or older may contribute an additional $1,000 a year to their HSA.

HDHP minimum annual deductible
Individual plan: $1,500, up from $1,400 in 2022
Family plan: $2,800, the same as in 2022

HDHP annual out-of-pocket maximum
Individual plan: $7,500, up from $7,050 in 2022
Family plan: $15,000, up from $14,100 in 2022

Maximum out-of-pocket for ACA-compliant plans**
Individual plan: $9,100, up from $8,750 in 2022
Family plan: $18,200, up from $17,400 in 2022
** Non-grandfathered plans only.

HSAs explained

Under federal law, an HSA must be tied to an HDHP. An HSA is a special bank account that can be used to pay for or reimburse for your employees' eligible health care costs. They can put money into their HSA through pre-tax payroll deduction, deposits or transfers. As the amount grows over time, they can continue to save it or spend it on eligible expenses.

Employers can also contribute to the accounts, but the annual contribution maximum applies to all contributions in total (from the employee and the employer).

The money in the HSA belongs to the employee and is theirs to keep, even if they switch jobs. The funds roll over from year to year and can earn interest.

Planning ahead

Knowing what these limits are in advance can help employers plan their messaging for the 2023 open enrollment season.

If you want to get ahead of the ball, you can start updating your payroll and plan administration systems to reflect the 2023 amounts.

You should include the new limits in relevant communications you send to your staff, particularly in regards to open enrollment, plan documents and summary plan descriptions for next year. ❖

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Employee Benefits Priorities

Mental Health, Telemedicine, Cost-Cutting in Focus

A NEW survey has found that managing health care costs and expanding mental health benefits will be a top priority for U.S. employers as they ramp up benefits to compete for talent in the tight job market spawned by the COVID-19 pandemic.

Additionally, virtual care is expected to become an essential and long-lasting feature of employers' health insurance and employee benefits strategies over the next few years, according to the "2022 Emerging Trends in Healthcare Survey" by Willis Towers Watson.

The focus on health care and insurance costs, mental health and expanded telehealth comes as employers continue pulling out all the stops to compete in a tight job market, but face health care inflation headwinds.

Here's the direction many employers are going:

Dealing with rising costs

In light of continuing rising health insurance costs, 94% of employers surveyed said they are redoubling their efforts to make benefits more affordable for their workers.

Nearly two-thirds of employers (64%) said they will take steps to address employee health care affordability over the next two years. Steps they are considering include:

- Improving quality and outcomes to lower overall cost.
- Adding low- or no-cost coverage for certain benefits.
- Making changes to their employees' out-of-pocket costs.
- Increasing the amount they contribute towards their employees' health insurance premium.

Mental health

Eighty-seven percent of employers said that enhancing mental health benefits will be a priority for them.

That's in response to numerous studies and reports indicating that the COVID-19 pandemic has spurred a mental health crisis.

Mental Health, Stress Taking Its Toll

- 83% of CEOs and 70% of employees report missing at least one day of work because of stress, burnout and mental health challenges.
- 28% of workers report feeling "very engaged" in their work.
- Top stressors for employees are COVID-19; burnout because of increased workload or lack of staff; poor work-life balance; and poor management and leadership.
- Remote workers are feeling increasingly isolated.

Source: Headspace Health "Workforce Attitudes Toward Mental Health" report.

In response to the mental health crisis, 66% of employers said that ensuring that their health and well-being programs support remote workers will be a key priority of their strategy over the next two years.

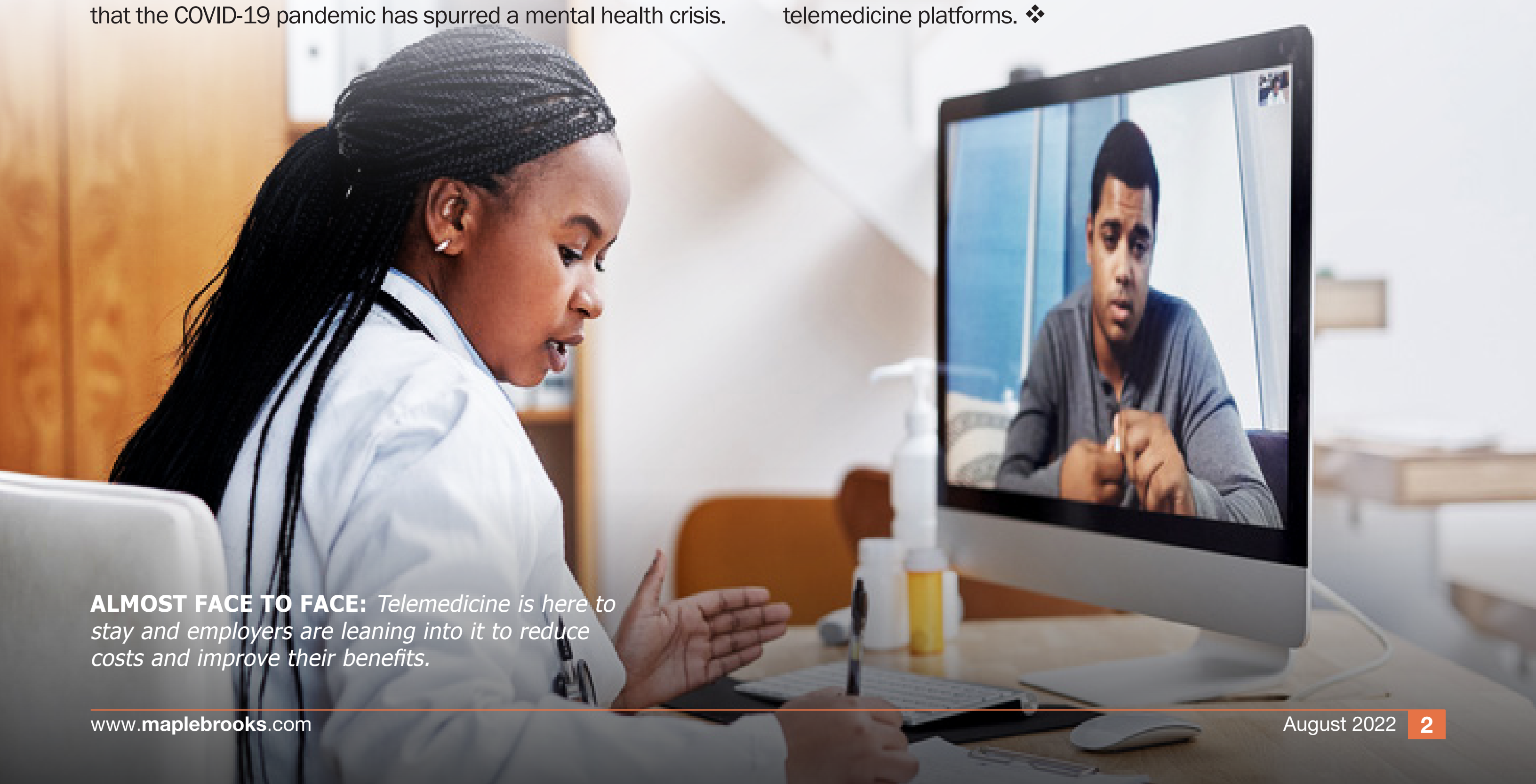
Virtual care

In response to the pandemic, Congress passed laws allowing health insurers to cover telemedicine as they would other visits to a doctor. And now telemedicine is poised to be a permanent fixture of employers' health care strategies.

Willis Towers Watson found that by the end of 2023:

- 95% of employers expect to offer virtual care for medical and behavioral health issues,
- 61% expect to offer lower cost-sharing for virtual care,
- 53% of employers expect the expansion of telemedicine to help decrease costs in the long run, and
- 50% believe virtual care will improve health outcomes.

Fortunately for employers, a number of companies have cropped up during the last few years that focus on delivering state-of-the art telemedicine platforms. ❖



ALMOST FACE TO FACE: *Telemedicine is here to stay and employers are leaning into it to reduce costs and improve their benefits.*

Better Choices

All-Year Benefits Education Helps Your Staff Get It Right

WHILE MOST organizations ramp up their benefits communications about a month before open enrollment starts, the efforts often drop off at the start of the year.

That's a shame because many employees are woefully unaware of how their benefits function and are often not taking full advantage of what their employer and they are paying for. Employees that don't understand their benefits fully may end up paying out of pocket for services that are covered.

With surveys showing that three in five employees have only a basic understanding of the benefits they receive from their employer, it's important that you continue to educate your staff about their benefits, coverage changes brought on by recent regulations and how to get the most out of their current benefits.

If you enlighten them about what they have and how to use those benefits, they will be more likely to stay with you.

Keep it going

The month or two prior to open enrollment is when most companies kick their benefits communications into high gear. They start sending their employees e-mails, mail and memos making them aware of open enrollment and that they can start researching plans.

Most companies will hold at least one meeting with the troops to answer questions and explain any changes that are being made. But after open enrollment ends, communications often go into hibernation until the prelude to the next open enrollment.

You can fill that void by regularly "dripping" information to them over the course of the year. Each drip can be a short benefits meeting or educational information that is sent out to your employees.

For example, under a Biden administration executive order, as of Jan. 15, all health insurers have been required to reimburse covered individuals for up to eight at-home COVID-19 tests per month. By keeping your staff informed of developments like these, they can save money and take advantage of this benefit more fully. Here's how:

Be proactive

It's important that you communicate benefit developments to your staff, and that requires that your human resources or benefits team stays on top of changes.

It's the team's responsibility to proactively alert employees about changes and updates about their benefits, as well as reminders about how certain benefits work. By sending out these reminders, or holding meetings, you can educate your workers in making the right benefit and coverage decisions.

Leverage technology

One key part of educating your employees requires tapping technology by offering an online hub that houses all of the information about each of the benefits you offer. This way, they can go to this source first if they have questions. It's also more convenient for them as they can access it in the privacy of their homes.

Many health plans now also have apps for enrollees that give them a plethora of information about their coverage, including how much they have paid in deductibles over the year and other information about their health insurance.

Plan communications for the year

Design a content calendar that focuses on putting out timely information and reminders. For example, remind employees about how their health savings account works and what they can spend the funds on.

During flu season, send out reminders on preventative measures they can take, including how their health insurance can help them get a flu shot.

Another topic could be instructions on adding spouses to their plans or notifications about Medicare for employees who are nearing 65 years old.

The key is to stay in front of your staff and always encourage them to come to your benefits team with any questions they have. One e-mail to your team could result in reminding one of them to come to you for clarification about their coverage.

The takeaway

By regularly communicating about your benefits to your staff, you can provide them with the confidence that they have the information they need about their benefits – and that if they don't, they know how to get it. That in turn helps them make the best decisions for themselves and their families.

And your organization will also benefit as regular engagement gives you the opportunity to better evaluate your benefits offerings and identify areas where you can improve or expand. ❖

Employer Poll

Alleviating Employee Insurance Burden a Top Priority

AS THE 2023 group health open enrollment season nears, more employers have heard concerns among their staff and are focusing on affordability and easier access to health care services, according to a new study.

Mercer's "Health & Benefit Strategies for 2023" study, which surveyed more than 700 employers, found that more than two-thirds of businesses are planning to improve their health benefit options to better compete for talent.

The survey found that 70% of all large employers were planning benefit enhancements for 2023. While small employers are somewhat less likely to be planning enhancements, still more than half (53%) say that they are.

One in five employers said they would put a special emphasis on improving benefits for low-wage and unskilled workers, while two-thirds said they planned to focus on all employees. The biggest concern among employers is the increasing costs that employees have to shoulder for their health benefits.

Employers are starting to realize that a high-deductible health plan with an attached health savings account is not a good fit for all of their employees. In fact, the high-deductibles have been blamed for saddling an increasing amount of U.S. workers with more medical debt. ❖

TacklingAffordability

- 41% of employers said they've added a low- or no-deductible plan option, while 11% said they are considering it.
- 11% said they offer at least one plan with no employee premium-sharing. Mercer found that these kinds of arrangements are more common among small employers. Another 11% said they are planning on adding a free option.
- 16% said they offer a narrow/high-performance network plan with low cost-sharing, and another 24% said they are planning on offering one for 2023.
- 17% said they offer salary-banded contributions (with lower-wage workers required to pay less for their share of premium than higher-wage staff). Another 15% said they plan to offer this type of arrangement for 2023. But Mercer warns: "While charging lower-paid employees less is the goal, charging some employees more could have a negative impact on hiring at those levels."