

What You Think You Know is Wrong



Traditional Group Major Medical is no longer the optimal solution for every workforce.

Slowly over the last 10 years, a growing number of industries have struggled to afford health insurance for their employees. The result? An all-time low in employee satisfaction and resulting loss of effectiveness of employer sponsored health insurance as a recruiting and retention tool

To take it a step further, the conventional wisdom that major medical is “gold standard” and top of the list of preferred employee benefit options, is simply untrue for

many, if not most American workers. Let’s examine the facts:

- The average premium for Major Med is – \$465 p/m
- **The average premium for Access Plans - \$90 to \$150 p/m**
- The average deductible for Major Med is – \$1,650 individual
- **The average out of pocket cost for an Access Plan - \$25 per year!**

Misconception #1 Everyone is better off with Major Medical coverage: Working class (hourly employees) number one concern is basic out patient cost for medical services. Survey after survey suggests that catastrophic protection fall far behind out of pocket expensed for basic services.

Misconception #2 Major Medical plans are superior motivation for recruitment and retention of employees: Although this remains true for white collar executive employees, that vast majority of working families prefer coverage that limits cost sharing and emphasizes smaller out of pocket costs for routine and even moderately severe medical care.

Misconception #3 Access Based Plans (Hospital Indemnity or Limited Medical Plans) shortchange employees and leave them vulnerable to catastrophic claims that will bankrupt them:

Contrary to popular myth, indemnity plans can expand coverage to include limits of \$200,000 or more. These limits include; Hospital/Surgical benefits, with lab, advanced diagnostics and follow-up care adding thousands more in coverage. Dread diseases can average \$100,000 to \$200,000 with only a very few (mostly end stage events) exceeding these limits. Coverage also eliminates most coinsurance, out of pocket limits and deductibles. Cost for these “super indemnity” plans? Usually 50% of major med or around \$100 to \$250 per employee per month!

