

2024 TRENDS REPORT

Employee Benefits Benchmarking

Representing:

\$13+ Billion
IN HEALTHCARE

~1,000,000
EMPLOYEES

7,800+
EMPLOYERS



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Health Plan Design & Cost

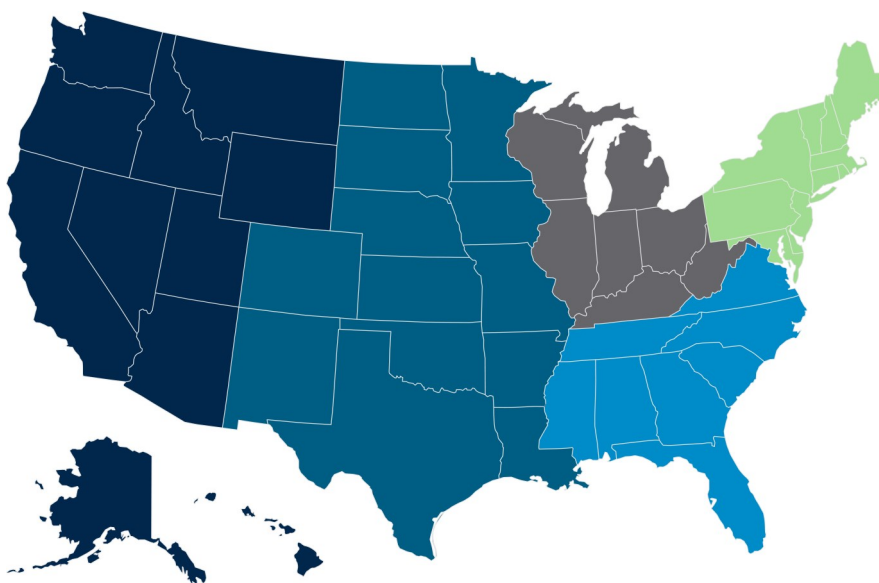
Nationwide, health plan costs rose by 6.4% in 2023, up from the previous year's 5.7% increase. Small employers with 50 or fewer employees were the hardest hit by medical inflation.

Inflation

- 2023 marks the second year of higher costs following a three-year trend from 2019 to 2021 of more manageable increases between 4% and 5%.
- This year's cost increases are still well below the record high of nearly 10% in 2018.

Region

West	\$12,388
Central	\$11,567
North Central	\$13,044
Southeast	\$12,530
Northeast	\$14,369

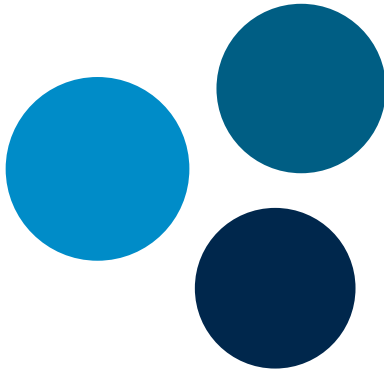


Plans in the Northeast continue to cost the most, largely due to more state-mandated benefits

Health Plan Cost

Industry

Government / Education / Utilities	\$14,087
Financial / Insurance / Real Estate	\$13,142
Professional / Scientific / Technology	\$13,032
Manufacturing	\$12,598
Health Care / Social Assistance	\$13,935
Wholesale / Retail	\$12,376
Construction / Agriculture / Transportation	\$11,699
Information / Arts / Accommodation & Food	\$12,178
Business Support Services	\$11,940



Group Size

● 1 - 50 Employees	\$12,299
● 51 - 500 Employees	\$12,995
● 501+ Employees	\$13,270

Across all plans, the average annual cost per employee is \$12,776 and reflects both the employer and employee contributions

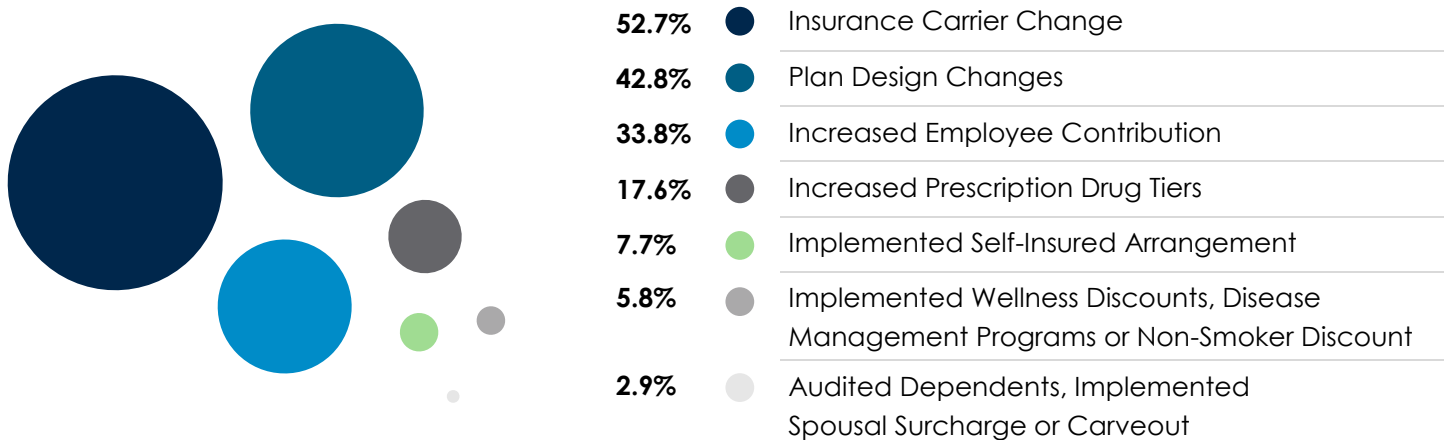




Cost Management Strategies

Compared to last year, nearly 73% more employers added prescription drug tiers, making it the fastest-growing cost mitigation strategy.

In 2023, employers relied on changing insurance carriers and making plan design adjustments to achieve lower costs. Employee contributions jumped nearly 22% from last year.

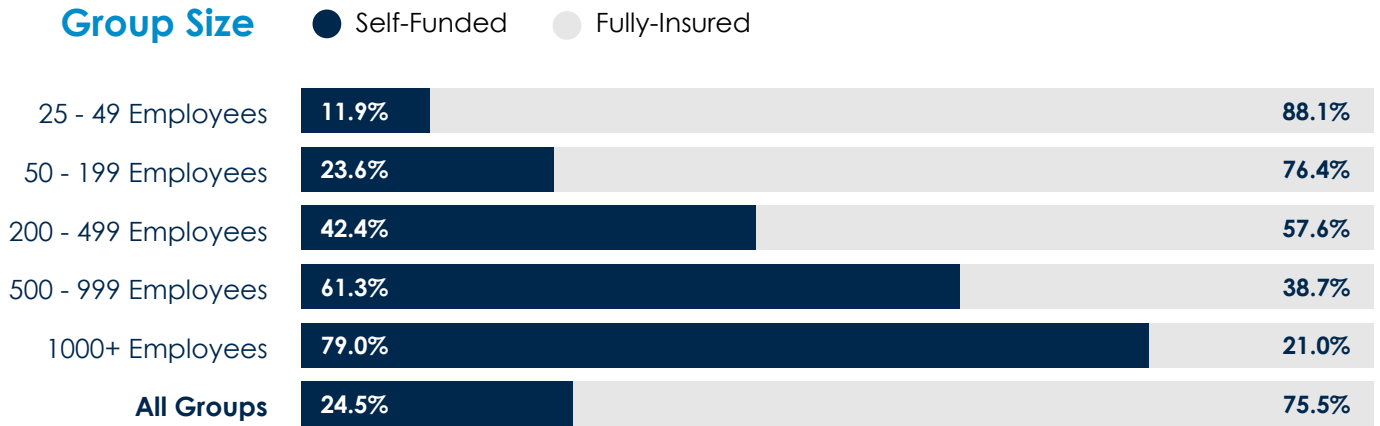


Fully-Insured vs. Self-Funded

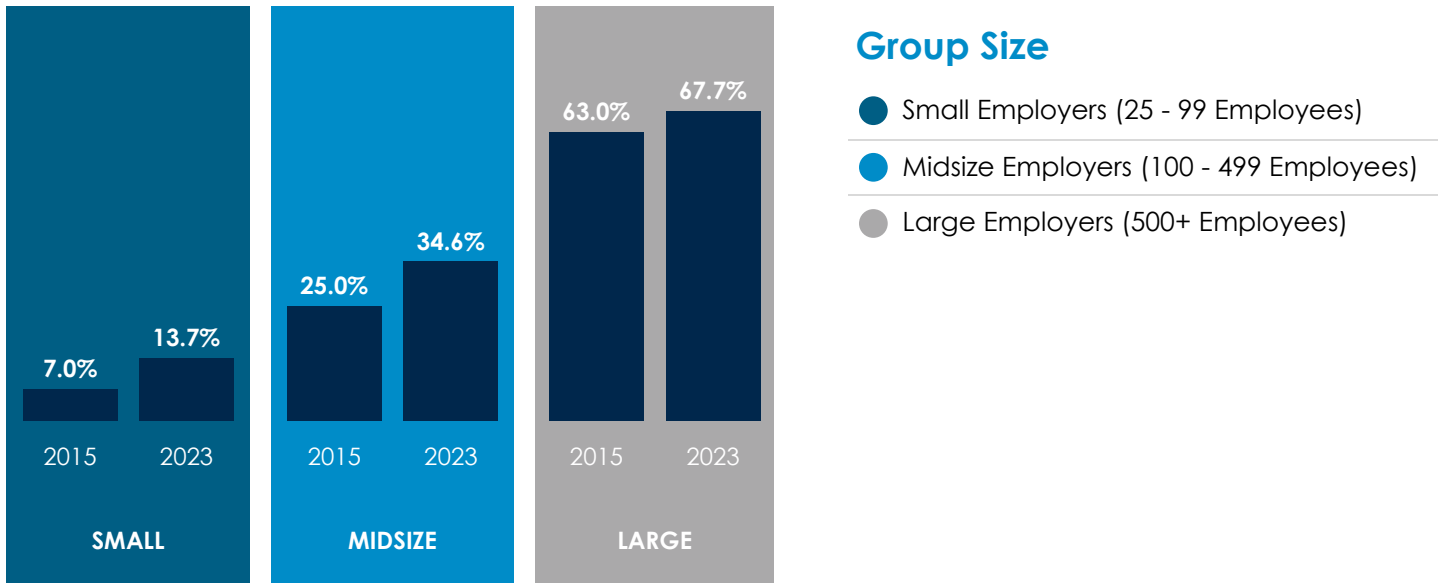
Approximately 24.5% of all employer-sponsored health plans with more than 25 employees have self-funded arrangements. In 2023, the largest groups increased self-funding arrangements by 6.5% over the previous year.

In 2023, self-funding grew 7.8% among groups with 50 to 199 employees and 4.4% among groups with 200 to 499 employees over the previous year, indicating continued interest in this option, even among smaller businesses

Funding Strategies by Group Size



Percentage Self-Funded by Group Size Over Time





Plan Design, Prevalence, & Enrollment

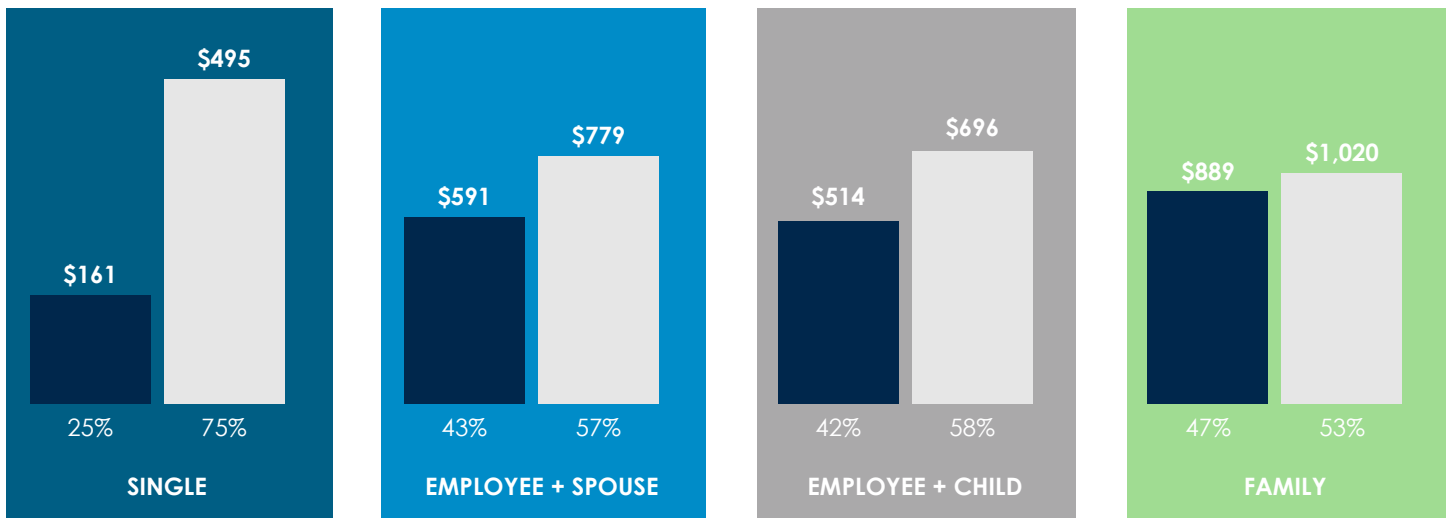
Regional trends primarily drive plan prevalence.

Plan Design

- Though median health plan costs rose 6.4% overall this year, high deductible health plan (HDHP) costs rose more than 9% on average in many parts of the country, including in the North Central, Southeast, and Northeast.
- Median PPO plan deductibles, which employers are usually reluctant to change, are now \$2,000, up from \$1,800 last year.
- Employees have gotten a bit of a reprieve since out-of-pocket maximums for PPO plans have gone down from \$6,250 to \$6,000 in 2023.

Average Monthly Premium Contribution *(all plans)*

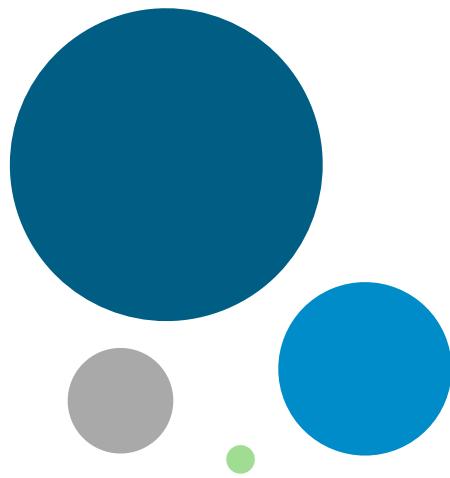
● Employee ● Employer



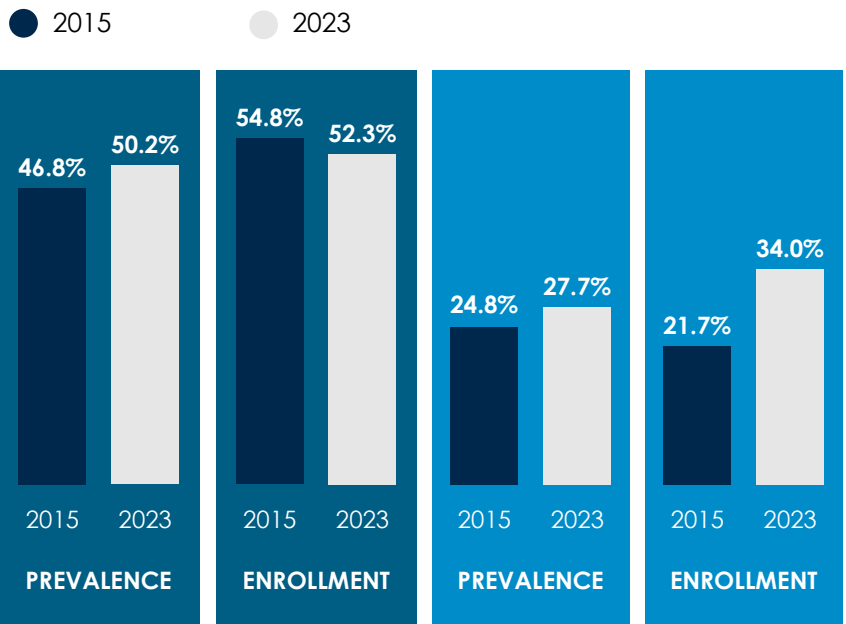
While 33.8% of employers increased employee contributions in 2023, most employers increased their percentage of premium contributions by just 3% on average across plan tiers.

Plan Prevalence vs. Enrollment

While the prevalence of PPO plans slightly increased since 2015, enrollment has declined. However, enrollment in HDHPs has increased significantly even without a corresponding increase in prevalence.

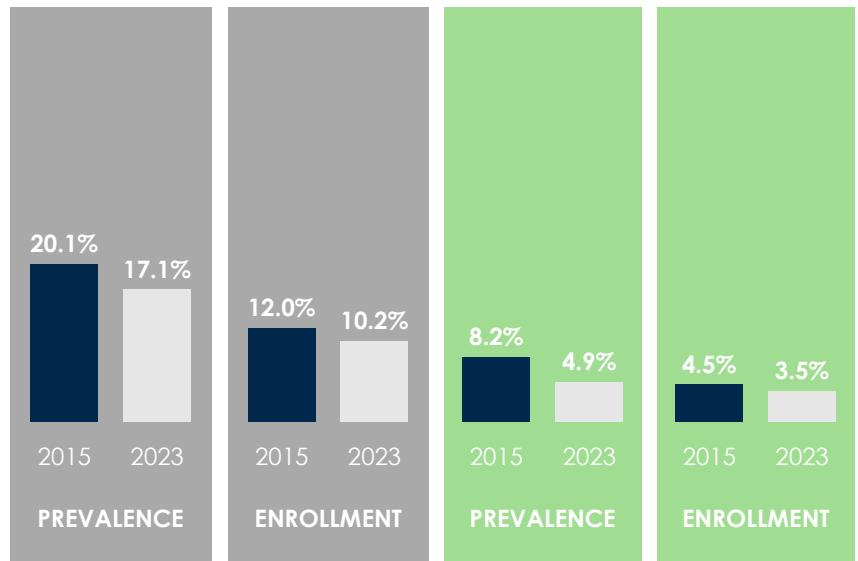


- 52.7% ● PPO Plans
- 42.8% ● HDHPs
- 33.8% ● HMO / EPO Plans
- 17.6% ● POS Plans



PPO

HDHP



HMO / EPO

POS



Small Employers

In 2022, small groups were more reluctant to shift costs to employees and used this cost lever less often than their larger counterparts. However, in 2023, in the face of 7.1% cost increases for small group plans, this cost mitigation strategy increased by 43% among small businesses.

Employers with 50 or fewer employees represent 53% of plans included in the 2024 UBA Employee Benefits Benchmarking Trends Report, making it ideal for small business benchmarking.

By the Numbers

- Among small businesses, the average annual cost per employee was \$12,299 in 2023, reflecting both employer and employee contributions to health plan premiums.
- In 2023, health plan premiums among small businesses rose 7.1% from the previous year.
- Generally, 88.1% of small businesses with 25 to 50 employees have fully insured health plans, but that number is decreasing for some of these groups. Looking long-term at small groups with 25 to 99 employees, in 2015, only about 7% of these employers were self-funded. By comparison, in 2023, nearly 14% of these groups had a self-insured arrangement.

Health Plans Offered by Small Businesses

52.3%

PPO

23.0%

HDHP

19.4%

HMO / EPO

5.2%

POS

Health Plans Offered by Small Businesses

\$12,270	Preferred Provider Organization (PPO) Plans
\$11,381	High Deductible Health Plans (HDHPs)
\$12,084	Health Maintenance Organization (HMO) / Exclusive Provider Organization (EPO) Plans
\$12,882	Point of Service (POS) Plans

Employee / Employer Average Monthly Premium Contribution Split

Across all plan types, small employers contribute 75% of premiums for single coverage and 44% of premiums for family coverage.

PPO	Employee / Employer	
Single	\$152 / \$468	25% / 75%
Employee + Spouse	\$654 / \$638	51% / 49%
Employee + Child	\$568 / \$601	49% / 51%
Family	\$1,079 / \$734	60% / 40%

The average PPO plan deductible for singles is \$2,000, with an out-of-pocket maximum of \$6,500.

HDHP	Employee / Employer	
Single	\$116 / \$416	22% / 78%
Employee + Spouse	\$516 / \$627	45% / 55%
Employee + Child	\$446 / \$578	44% / 56%
Family	\$818 / \$791	51% / 49%

The average HDHP deductible for singles is \$3,500, with an out-of-pocket maximum of \$6,250.

HMO / EPO	Employee / Employer	
Single	\$142 / \$445	24% / 76%
Employee + Spouse	\$573 / \$652	47% / 53%
Employee + Child	\$511 / \$608	46% / 54%
Family	\$963 / \$786	55% / 45%

The average HMO/EPO plan deductible is \$2,000 for singles with an out-of-pocket maximum of \$7,000.

POS	Employee / Employer	
Single	\$164 / \$463	26% / 74%
Employee + Spouse	\$688 / \$628	52% / 48%
Employee + Child	\$575 / \$610	49% / 51%
Family	\$1,085 / \$798	58% / 42%

The average POS plan deductible is \$2,500 for singles with an out-of-pocket maximum of \$6,000.

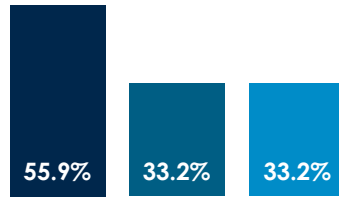
Benchmarking Small Business Copays

	PPO Plan	HMO / EPO Plan	POS Plan
Office Visit	\$30	\$30	\$30
Specialty Provider	\$55	\$55	\$70
Generic Rx	\$10	\$10	\$10
Formulary Rx	\$40	\$45	\$45
Non-Formulary Rx	\$75	\$75	\$75
Specialty Rx	\$250	\$150	\$250

In 2023, small businesses raised out-of-pocket maximums and specialty prescription copays.

HDHPs are often accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. Small employers contribute \$1,000 to HSAs for singles and \$1,300 for families.

Top Three Strategies for Managing Cost



- Charge Insurance Carrier
- Change Medical Plan Design
- Increase Employee Share of Monthly Premium

Among small businesses, 44.7% offer dental plans that provide orthodontic coverage. Of those that do provide orthodontic care, 30.4% are for children only, while 13.2% cover adults and children.

Additional Benefits Offered by Small Groups

Benefit / Program	Percentage of Employers Offering
Dental	64.6%
Chiropractic Care	61.5%
Vision	61.3%
Basic Life Insurance	53.6%
Accidental Death & Disability (AD&D) Insurance	47.4%
Voluntary AD&D	42.9%
Basic Long-Term Disability (LTD) Insurance	33.5%
Critical Illness	32.4%

Additional Benefits Offered by Small Groups *continued*

Benefit / Program	Percentage of Employers Offering
Basic Short-Term Disability (STD) Insurance	28.2%
Short-Term Disability - Accident	27.5%
Free Parking	26.1%
Telecommuting / Flex Time Schedule	16.1%
Wellness	9.0%
Pet Insurance	6.2%
Tuition Reimbursement	4.3%

Typical Small Business Vision Plan Design

Eye Exams

Once Every 12 Months



Copay \$10
Coverage \$40

Eyeglass Frames

Once Every 24 Months



Copay \$25
Coverage \$130

Eyeglass Lenses

Once Every 12 Months



Copay \$25
Coverage \$130

Contact Lenses

Once Every 12 Months



Copay \$25
Coverage \$130

Small Group Dental Plans

Dental Plan Average Monthly Cost

● Employee ● Employer

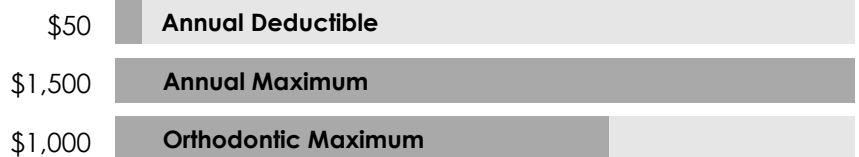
Single \$34



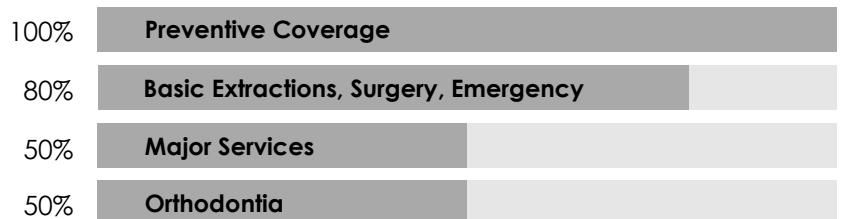
Family \$124



Dental Plan Design Component



Dental Plan Design Component





Midsized Employers

Midsized companies are price shoppers and switch carriers more often than their larger counterparts to keep inflation below the national 6.4% median.

Midsized employers with 51 to 500 employees represent approximately 43% of plans included in the 2024 UBA Employee Benefits Benchmarking Trends Report.

By the Numbers

- In 2023, health plan premiums among midsized businesses rose 5.7% from the previous year.
- More than 72% of midsized businesses have fully insured health plans. However, self-funding grew 7.8% among groups with 50 to 199 employees and 4.4% among groups with 200 to 499 employees. In 2015, about 25% of midsized groups, those with 100 to 499 employees, were self-funded. In 2023, that number had increased to nearly 35%.

Health Plans Offered by Midsized Businesses

48.5%

PPO

28.5%

HDHP

17.8%

HMO / EPO

5.2%

POS

Average Costs by Plan Type - Per Employee Per Year

\$13,509

Preferred Provider Organization (PPO) Plans

\$11,872

High Deductible Health Plans (HDHPs)

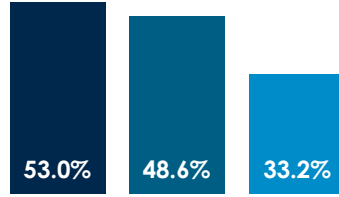
\$13,191

Health Maintenance Organization (HMO) / Exclusive Provider Organization (EPO) Plans

\$13,550

Point of Service (POS) Plans

Top Three Strategies for Managing Cost



- Charge Insurance Carrier
- Change Medical Plan Design
- Increase Employee Share of Monthly Premium

Employee / Employer Average Monthly Premium Contribution Split

Across all plan types, midsize employers contribute 75% of premiums for single coverage and 54% for family coverage. This is consistent across employers of all sizes, who contribute 75% of single premiums and 53% for families.

PPO	Employee / Employer	
Single	\$160 / \$507	24% / 76%
Employee + Spouse	\$589 / \$815	42% / 58%
Employee + Child	\$498 / \$739	40% / 60%
Family	\$861 / \$1,104	44% / 56%

The average PPO plan deductible for singles is \$1,750, with an out-of-pocket maximum of \$5,500.

HDHP	Employee / Employer	
Single	\$107 / \$485	25% / 75%
Employee + Spouse	\$433 / \$805	35% / 65%
Employee + Child	\$358 / \$735	33% / 67%
Family	\$626 / \$1,108	36% / 64%

The average HDHP deductible for singles is \$3,100, with an out-of-pocket maximum of \$5,500.

HMO / EPO	Employee / Employer	
Single	\$142 / \$507	22% / 78%
Employee + Spouse	\$531 / \$806	40% / 60%
Employee + Child	\$455 / \$766	37% / 63%
Family	\$774 / \$1,131	41% / 59%

The average HMO/EPO plan deductible is \$1,400 for singles, with an out-of-pocket maximum of \$5,000.

POS	Employee / Employer	
Single	\$173 / \$493	26% / 74%
Employee + Spouse	\$640 / \$683	45% / 55%
Employee + Child	\$572 / \$778	46% / 54%
Family	\$1,000 / \$981	50% / 50%

The average POS plan deductible is \$2,000 for singles, with an out-of-pocket maximum of \$6,000.

In 2023, midsize companies focused on families and increased their contributions to all non-single plan tiers across all plan types.

Benchmarking Midsize Businesses Copays

	PPO Plan	HMO / EPO Plan	POS Plan
Office Visit	\$25	\$25	\$30
Specialty Provider	\$50	\$45	\$55
Generic Rx	\$10	\$10	\$10
Formulary Rx	\$35	\$35	\$35
Non-Formulary Rx	\$70	\$60	\$65
Specialty Rx	\$150	\$150	\$125

On average, midsize employers contribute \$750 to HSAs for singles and \$1,200 for families.

Among midsize businesses, 64.7% offer dental plans that provide orthodontic coverage. Of those that do provide orthodontic care, 41.4% are for children only, while 22.8% cover adults and children.

Additional Benefits Offered by Midsize Groups

Benefit / Program	Percentage of Employers Offering
Vision	85.8%
Dental	85.1%
Basic Life Insurance	80.6%
Accidental Death & Disability (AD&D) Insurance	75.4%
Basic Long-Term Disability (LTD) Insurance	63.0%
Basic Short-Term Disability (STD) Insurance	58.3%
Short-Term Disability - Accident	57.3%
Short-Term Disability - Illness	56.2%
Parking / Transportation Benefits	42.6%
Wellness	36.5%
Tuition Reimbursement / Industry Certification	35.1%
Chiropractic Care	32.0%
Telecommuting / Flex Time Schedule	27.4%
Pet Insurance	23.8%
Vendor Discounts	10.9%
On-Site Cafeteria	8.6%

Typical Midsize Business Vision Plan Design

Eye Exams

Once Every 12 Months



Copay \$10
Coverage \$40

Eyeglass Frames

Once Every 24 Months



Copay \$25
Coverage \$130

Eyeglass Lenses

Once Every 12 Months



Copay \$25
Coverage \$130

Contact Lenses

Once Every 12 Months



Copay \$25
Coverage \$130

Midsize Group Dental Plans

Dental Plan Average Monthly Cost

● Employee ● Employer

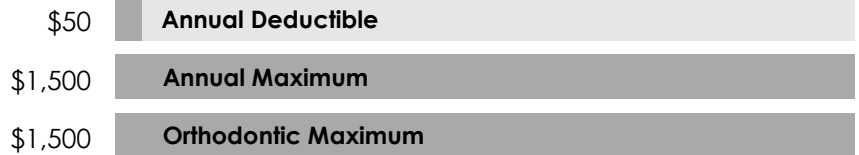
Single \$34



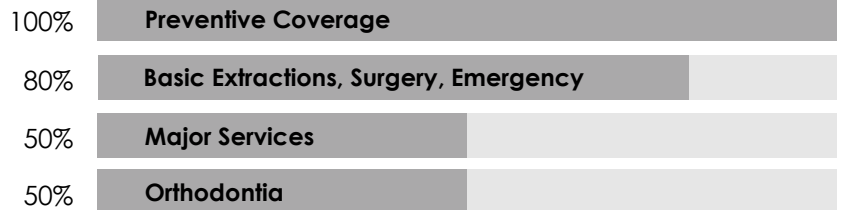
Family \$119



Dental Plan Design Component



Dental Plan Design Component





Large Employers

In 2023, large employers faced significantly higher cost increases (6% in 2023 vs 3.9% in 2022).

By the Numbers

- The 2024 UBA Employee Benefits Trends Report examined approximately 300 large employers with more than 500 employees. Together, they represent 540,000 employees nationwide.
- Approximately 79% of employers with more than 1,000 employees have self-funded plans. Among groups with 501 to 1000 employees, 61% are self-funded.

Health Plans Offered by Large Businesses

46.9%

PPO

34.3%

HDHP

14.4%

HMO / EPO

4.3%

POS

Average Costs by Plan Type - Per Employee Per Year

\$13,777

Preferred Provider Organization (PPO) Plans

\$12,077

High Deductible Health Plans (HDHPs)

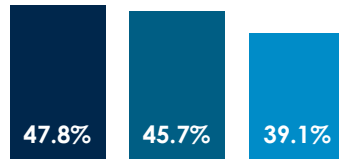
\$14,534

Health Maintenance Organization (HMO) / Exclusive Provider Organization (EPO) Plans

\$13,285

Point of Service (POS) Plans

Top Three Strategies for Managing Cost



- Charge Insurance Carrier
- Change Medical Plan Design
- Increase Employee Share of Monthly Premium

Employee / Employer Average Monthly Premium Contribution Split

Across all plan types, large employers contribute 79% of premiums for single coverage and 67.2% for family coverage. This surpasses the contributions of smaller employers, who contribute 75% of premiums for singles and 53% for families.

PPO	Employee / Employer	
Single	\$165 / \$516	24% / 76%
Employee + Spouse	\$515 / \$977	35% / 65%
Employee + Child	\$438 / \$829	35% / 65%
Family	\$671 / \$1,300	34% / 66%

The average PPO plan deductible for singles is \$1,250, with an out-of-pocket maximum of \$5,000.

HDHP	Employee / Employer	
Single	\$100 / \$512	16% / 84%
Employee + Spouse	\$334 / \$941	26% / 74%
Employee + Child	\$268 / \$849	24% / 76%
Family	\$437 / \$1,304	25% / 75%

The average HDHP deductible for singles is \$3,000, with an out-of-pocket maximum of \$5,000.

HMO / EPO	Employee / Employer	
Single	\$142 / \$572	20% / 80%
Employee + Spouse	\$419 / \$1,041	29% / 71%
Employee + Child	\$358 / \$989	27% / 73%
Family	\$586 / \$1,443	29% / 71%

The average HMO/EPO plan deductible is \$600 for singles, with an out-of-pocket maximum of \$4,000.

POS	Employee / Employer	
Single	\$173 / \$486	26% / 74%
Employee + Spouse	\$524 / \$868	38% / 62%
Employee + Child	\$422 / \$796	35% / 65%
Family	\$810 / \$1,073	43% / 57%

The average POS plan deductible is \$1,500 for singles, with an out-of-pocket maximum of \$5,500.

Large employers essentially absorbed this year's cost increases and did not increase deductibles, copays, or employee contributions while increasing ancillary benefits.

Benchmarking Large Businesses Copays

	PPO Plan	HMO / EPO Plan	POS Plan
Office Visit	\$25	\$25	\$25
Specialty Provider	\$40	\$40	\$50
Generic Rx	\$10	\$10	\$10
Formulary Rx	\$35	\$30	\$35
Non-Formulary Rx	\$60	\$50	\$60
Specialty Rx	\$125	\$80	\$200

HDHPs are often accompanied by health savings accounts (HSAs) or health reimbursement arrangements (HRAs) that help employees cover out-of-pocket costs until their deductible is met. On average, large employers contribute \$600 to HSAs for singles, and \$1,000 for families.

Additional Benefits Offered by Large Groups

Benefit / Program	Percentage of Employers Offering
Vision	91.6%
Dental	89.8%
Basic Life Insurance	87.9%
Accidental Death & Disability (AD&D) Insurance	81.5%
Basic Long-Term Disability (LTD) Insurance	79.1%
Supplemental Life Insurance	75.2%
Wellness	73.4%
Short-Term Disability - Illness	72.7%
Basic Short-Term Disability (STD) Insurance	72.3%
Short-Term Disability - Accident	70.3%
On-Site Clinic / Nurse	37.8%
Pet Insurance	33.3%
Parking / Transportation Benefits	33.3%
Chiropractic Care	24.4%
Tuition Reimbursement	22.2%
On-Site Cafeteria	20.0%
Vendor Discounts	17.8%
Telecommuting	11.1%

Typical Large Business Vision Plan Design

Eye Exams

Once Every 12 Months



Copay \$10
Coverage \$10

Eyeglass Frames

Once Every 24 Months



Copay \$20
Coverage \$145

Eyeglass Lenses

Once Every 12 Months



Copay \$20
Coverage \$130

Contact Lenses

Once Every 12 Months



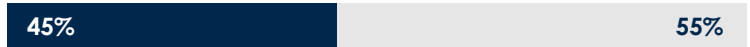
Copay \$20
Coverage \$130

Large Group Dental Plans

Dental Plan Average Monthly Cost

● Employee ● Employer

Single \$33



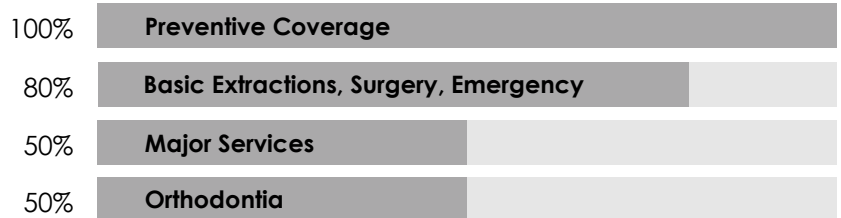
Family \$111



Dental Plan Design Component



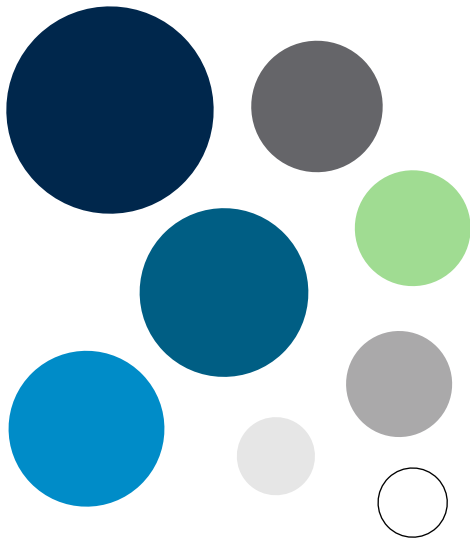
Dental Plan Design Component



Among large businesses, 73.4% offer dental plans that provide orthodontic coverage. Of those that do provide orthodontic care, 42.6% are for children only, while 30.9% cover adults and children.

Wellness Program Components

More than 74% of large employers offer wellness programs, the most common being wellness websites or newsletters, blood pressure and cholesterol screenings, and employee assistance programs (EAPs). However, large groups typically have much more robust services to round out the offering.



Wellness Program Component

- 81.7% ● Healthy Living Web Resource / Wellness Newsletter
 - 67.4% ● Blood Pressure / Cholesterol Screenings
 - 63.7% ● EAP
 - 51.0% ● Flu Shots
 - 46.9% ● Smoking Cessation Program
 - 42.9% ● Telephonic Health Coaching
 - 32.7% ● Weight Loss Program
 - 28.6% ○ Classes in Nutrition or Healthy Living
- └── Percent of Wellness Programs Offering





Self-Funding

Self-funding continues to be an attractive option, growing 7.8% among groups with 50 to 199 employees, 4.4% among groups with 200 to 499 employees, and 6.5% among employers with more than 1,000 employees over the previous year.

In 2023, 24.5% of employers had a self-funding arrangement. Conventional wisdom regards self-funded plans as the most viable plan for large employer groups; however, UBA Partner Firms find that self-funding is increasingly an option for small and midsize groups, enabling employers the flexibility to address the changing needs of their employees.

Small Business Prevalence

Approximately 11.9% of groups with 25 to 50 employees were self-funded in 2023, compared to 12.5% the previous year. Nearly 22% of employers with 50 to 199 employees were self-funded in 2023, up 7.8% from the previous year.

Self-Funded Groups

25 - 99 Employees



Midsize and Large Group Prevalence

Looking at groups with 501 to 1,000 employees — 61% are self-funded, and approximately 79% of employers with more than 1,000 employees have self-funded plans, up 6.5% from last year.

Self-Funded Groups

100 - 499 Employees



Self-Funding & Wellness

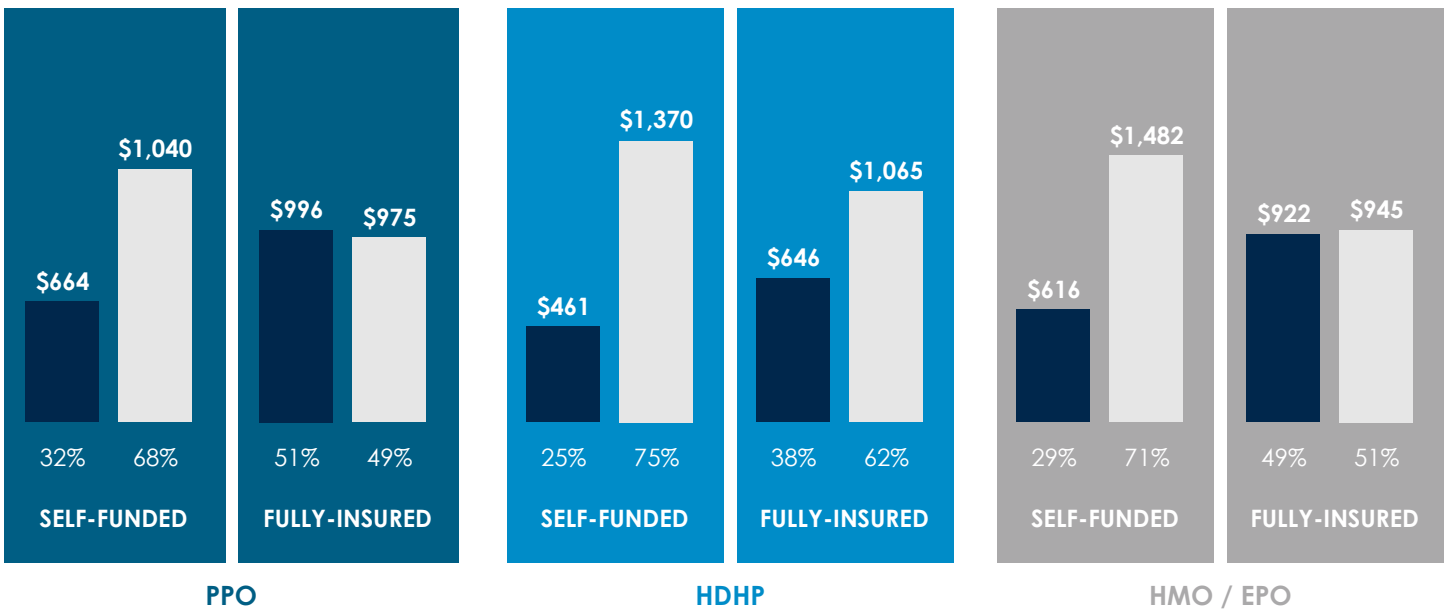
Wellness programs are an increasingly important part of an overall self-funding strategy. Self-funding arrangements incentivize employers to take an active role in improving employee health, and 73.4% of self-insured groups with more than 500 employees offer a wellness program. Though many analysts categorize wellness programs as only popular among the nation's largest employers, 36.4% of small to midsize businesses (500 or fewer employees) that are self-funded offer wellness programs, up from 23% in 2021, demonstrating that wellness offerings are not a luxury item, particularly when an employer is not fully insured.

Small Business Prevalence

Employers adopting self-funding arrangements can often customize their plan designs due to increased financial flexibility, claims data transparency, and tax advantages. For example, self-funded employers often contribute slightly more toward single coverage amounts to be competitive with what employees pay at their fully insured counterparts. Surprisingly, however, self-insured employers contribute significantly more to family premiums across all plan types and group sizes. UBA Partner Firms find these increased family contributions enhance employee participation, allowing employers to balance risk over a larger population while providing a potential retention benefit.

Average Monthly Family Premium Contribution (all plans)

● Employee ● Employer





Life & Disability Benefits

Small businesses with 50 or fewer employees are driving growth in basic life insurance and short- and long-term disability insurance, with respective increases of 14.5%, 8.5%, and 12.4% over the past year.

Life Insurance Coverage

This benefit is more commonly offered than disability coverage.



Most employers provide flat-dollar life insurance coverage. The larger the group, the more likely it is to offer benefits one or two times the employee's salary. In fact, 32% of large businesses with more than 500 employees offer two times the employee's salary.

Short-Term Disability Coverage

Prevalence of short-term disability (STD) benefits increases with employer size.



Most STD plans cover 60% of salary for 13 weeks. The larger the group, the more likely it is to provide benefits for up to 26 weeks.

Basic Long-Term Disability Coverage

Long-Term disability is slightly more prevalent than short-term disability



Most basic LTD plans cover 60% of an employee's salary up to age 67, following a 90-day elimination period.





Wellness Programs

The fastest growing wellness offerings are discounts or reimbursements for health clubs or weight management programs, from 28% prevalence in 2022 to more than 50% of those offering wellness in 2023.

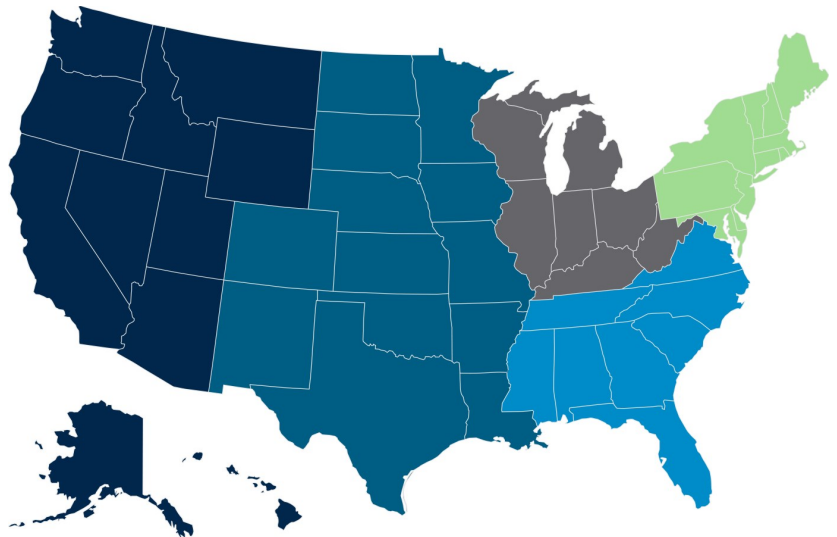
Just 23.3% of all employers offer wellness programs, but that number jumps to 74% among large groups with more than 500 employees. However, 36.4% of self-funded small businesses (50 or fewer employees) offer wellness programs, up from 23% in 2021, demonstrating that wellness offerings are an increasingly important part of an overall self-funding and cost-containment strategy.

Prevalence by Group Size

1 - 50 Employees	9.0%
51 - 500 Employees	36.5%
501+ Employees	73.4%
All Group Sizes	23.3%

Prevalence by Region

● Southeast	24.2%
● Central	12.9%
● West	17.7%
● North Central	26.0%
● Northeast	30.6%
All Regions	23.3%





Wellness Program Component

- 84.6% ● Healthy Living Web Resource / Wellness Newsletter
- 75.4% ● EAP
- 62.1% ● Telephonic / Online Health Coaching
- 50.1% ● Health Club / Weight Management Discount / Reimbursement
- 29.1% ● Smoking Cessation Program
- 28.6% ● Flu Shots
- 19.3% ● Weight Loss Program

└── Percent of Wellness Programs Offering

