

Common Small Business Health Insurance Misconceptions

(NAPS)—Running a small business is challenging enough without the confusion health insurance can cause. Too often, the resulting angst is driven by common misconceptions that an experienced benefits advisor can help dispel.

Health insurance continues to be one of the most important and valued benefits that employers can offer workers. After salary, it is consistently the top factor for attracting and retaining talent, according to numerous employee benefit studies by Glassdoor and others. This is the case whether a company has two employees or 2,000.

Navigating the employer-sponsored benefit landscape, however, can be especially daunting for small businesses. Cost and compliance considerations alone can seem impenetrable.

But these perceptions are frequently rooted in fallacy rather than fact, said Ron Goldstein, president and CEO of CHOICE Administrators, the nation's leader in developing and administering employee-choice health benefit programs and exchanges for small employer groups. The company's exchanges include the country's first and only multicarrier private exchange, CaliforniaChoice.

Goldstein cites three of the most frequent misperceptions amongst small businesses as follows:

- **It's too expensive.** While there are certainly costs involved with offering health insurance, providing coverage options does not mean a company has to break the proverbial bank.

"As with any operational expense, the first order of business is to establish a budget," said Goldstein. "An agent can then work with their client on what is most appropriate and affordable for their needs."

One example is using a tool such as defined contribution. This is where a business provides each employee with a fixed dollar amount they then can choose how to spend. Workers can select from a set of health plan choices and pay the difference not covered by the employer's contribution. So if they want to spend additionally for a more benefits-rich plan, they can.

In turn, a company is able to lock in costs. This provides budget controls that can be planned and managed monthly and annually.

- **It won't meet everyone's needs.** Small businesses can find and offer health plan solutions that meet the diverse needs of their workforce, and professional agents can help point the way.



New systems and technology can make it easier for small businesses to provide quality health care.

Well-designed health care exchanges, for instance, can be a great option for offering a wide selection of health insurance plans that ensure choice and access to care for employees who most likely need very different coverage. A 22-year-old just starting her first job will likely want a different plan than a 59-year-old sales manager with a spouse, three children and plans to retire in the near future.

A good exchange, then, can offer multiple health insurance plans within a single package. So regardless of which options employees select, businesses get one monthly itemized bill and can manage overall benefit offerings through a single website and online portal, all with the support and guidance from their broker or benefits advisor.

- **It's too complicated.** The industry might be complex, but offering health insurance does not have to be overly difficult for a small business because there are resources and experts available to shoulder the details.

"There are many products and platforms that simplify administration by consolidating information and processes into easy-to-use automated systems," said Goldstein. He added that many carriers and providers have in fact already moved to implement some form of online enrollment. This helps streamline processing and speeds up underwriting. But it also provides one point of entry from where employers and employees can then move on to review and compare options, choose and enroll in a plan, and manage their benefits throughout the year.

While health care can be mystifying, small businesses need not fall prey to misinformation and myths. There are options that can be affordable, offer a variety of choices and are relatively easy to manage, especially with the assistance of a good broker or benefits professional. For additional information, visit www.mycalchoice.com or www.calchoice.com.