

## EMPLOYMENT BASED OPTIONS



### Consumer Driven Health Plans:

Consumer Driven Health Plans combine conventional health insurance with non-insurance health benefits, to limit costs. Employees maintain a high level of healthcare coverage, coupling higher deductibles with

discounted plans that cover routine healthcare needs. Employee savings accounts may be used to cover expenses incurred at Preferred Provider Organizations (PPO) networks, participating pharmacies, vision care centers and dental care providers. These plans provide incentives for employees to stay within healthcare budgets, so they become more informed and active consumers. Unspent funds may be rolled over into the next year's account with no tax consequences. Several local insurers provide this option.

**Professional Employer Organization:** Employers may contract with a PEO to “employ” their workers, pooling employees into a larger insurance purchasing pool that can control costs and increase insurance options. The PEO charges a management fee based upon the size of the business. Consult the National Organization of Professional Employer Organizations, [www.napeo.org](http://www.napeo.org), to obtain a listing of providers.

**COBRA:** The Consolidated Omnibus Budget Reconciliation Act of 1985 extends benefits and medical insurance coverage for 18 to 36 months to employees who leave employment or reduce work hours, and to their dependents. For companies with fewer than 20 employees, there is a “mini” COBRA option. Contact the toll-free Insurance Consumer Helpline at 1-800-342-2762.



Brought to you by:



## YOUR GUIDE TO HEALTHCARE COVERAGE

### Employer and Employee Options

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Supplement to the C.E.O.\* Report

## YOUR GUIDE TO HEALTHCARE COVERAGE - EMPLOYER AND EMPLOYEE OPTIONS



Employers in Florida and across the country are experiencing double-digit increases in their group health insurance premiums. The Greater Miami Chamber of Commerce produced this guide to equip business owners, human resource directors, and employees with information they need to evaluate a range of healthcare coverage options.

Several sources provide comprehensive general information to supplement this guide.

The Florida Department of Financial Services, [www.fldfs.com](http://www.fldfs.com), produces the “Small Business Owners’ Insurance Consumers Guide,” with information on required and optional coverage, including tips on purchasing and selecting healthcare insurance. Brochures on topics such as Life Insurance and Long-Term Care are also available for free on the website or by calling the toll-free Consumer Helpline at 1-800-342-2762. Brochures can be downloaded from [www.fldfs.com/Consumers/Guides](http://www.fldfs.com/Consumers/Guides).

Florida employers are required to hire the services of an insurance broker or agent to purchase insurance products. For a list of licensed agents contact the Florida Association of Health Underwriters, [www.fahu.org](http://www.fahu.org), or the National Association of Health Underwriters, [www.nahu.org](http://www.nahu.org). You may also visit the Greater Miami Chamber of Commerce website, [www.greatermiami.com](http://www.greatermiami.com), to find members who have the tools and expertise to assist with your insurance and benefits planning needs: health, dental, vision, life, short-term and long-term disability, prescription medication and retirement.

## NON INSURANCE OPTIONS



**Health Savings Accounts:** HSA's allow employees with high deductible insurance plans (at least \$1,000 for individuals and \$2,000 for families) to contribute pre-tax dollars for medical expenses. The dollars earn interest, tax-free, and withdrawals are not taxed. Withdrawals for non-medical expenses are allowed, but penalties apply. Employees may transfer HSA's if they change jobs, and unspent funds may be rolled over to the next year. Additional information is available from the IRS, [www.irs.gov/pub/irs-drop/n-04-2.pdf](http://www.irs.gov/pub/irs-drop/n-04-2.pdf), and the US Treasury Department, [www.ustreas.gov/press/releases/js1061.htm](http://www.ustreas.gov/press/releases/js1061.htm).

**Flexible Spending Accounts:** FSA's allow employees to use pre-tax dollars to pay for certain personal expenses that are not otherwise covered by insurance. At the beginning of each year employees agree to payroll deductions of up to \$5,000, placing pre-tax dollars into an account to be used for designated expenses. Any funds not used in that year revert to the employer. The IRS outlines allowable medical expenses at [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

**Section 125 Cafeteria Plans:** Funded by the employer or the employee and regulated by IRS, this program allows employees and small business owners to pay for health-related expenses (or other, non-health costs such as dependent care and individual insurance) with pre-tax dollars. Covered costs include insurance premiums and out-of-pocket medical expenses. This program is available to C Corporation and Subchapter S Corporation shareholders who own less than 2% of the company. Those ineligible may nonetheless sponsor a program for employees. Visit [www.floridahealthinsurance.com/section\\_125.htm](http://www.floridahealthinsurance.com/section_125.htm) for a list of insurance carriers and plans.

## INSURANCE OPTIONS FOR INDIVIDUALS AND THE SELF-EMPLOYED

**Group insurance coverage for self-employed individuals:** Any self-employed individual in Florida may apply directly to a group insurance carrier as a "one-life group" during the annual open enrollment period in August. Coverage does not start until October. The policy must be issued regardless of the individual's claims history, pre-existing conditions or health status. Insurers and HMO's may ask health and medical questions and may set increased premiums within specified limits, but may not deny enrollment. A waiting period of up to 24 months may be imposed for medical claims related to pre-existing conditions. If self-employed, medical insurance premiums are tax-deductible.

For additional information contact IRS at [www.irs.gov/smallbiz](http://www.irs.gov/smallbiz) or the National Association for the Self-Employed (NASE) at [www.nase.org](http://www.nase.org).

**Dependent coverage:** Married individuals, or those with domestic partners, may be able to obtain dependent coverage through the partner's employer.

**Association Health Plans:** Any trade, industry or professional association that has been in business for at least three years may provide health insurance for its members. Examples of associations that provide such coverage include the Florida Association of Nonprofit Organizations ([www.fano.org](http://www.fano.org)) and Americans for Financial Stability ([www.afswebsite.org](http://www.afswebsite.org)). For those over age 50, American Association of Retired Persons (AARP) offers an extensive health plan. See [www.aarp.org](http://www.aarp.org).

**Medicaid:** Low-income individuals who meet stringent eligibility requirements will qualify for this publicly funded insurance program. Adults must have dependent children or be certified as disabled or elderly, and meet

immigration eligibility criteria, in order to receive benefits. Contact the Department of Children and Families at 305-377-5055 or [www.dcf.state.fl.us/ess/medicaid.html](http://www.dcf.state.fl.us/ess/medicaid.html).



**KidCare:** Florida KidCare offers free or low-cost health insurance for certain uninsured children. Contact Florida KidCare at 1-888-540-5437 or [www.floridakidcare.org](http://www.floridakidcare.org).

**Veterans Benefits:** Eligible veterans may obtain health care at the Miami Veterans Administration Medical Center at 1201 NW 16th Street. Contact Florida Department of Veteran's Affairs at 305-324-4455 or [www.florida-vets.org/facts/facts.asp](http://www.florida-vets.org/facts/facts.asp).

**AIDS Insurance:** Florida pays insurance costs up to \$650 per month for low and moderate income patients diagnosed with AIDS or HIV infection, and their dependents, who have access to insurance that they can no longer afford. This program is administered by the Health Council of South Florida at 305-592-1452 or [www.healthcouncil.org](http://www.healthcouncil.org).

**Community Health Care Centers:** A network of community healthcare centers provide comprehensive primary and some specialty care on a sliding fee scale based upon family income, to those with or without insurance. A list of such sites can be obtained from the Health Council of South Florida, [www.healthcouncil.org](http://www.healthcouncil.org), or through the Community Access Program of Miami-Dade County (CAP) at 1-866-227-5070.

## OTHER COVERAGE OPTIONS

**Workers' Compensation:** All non-agricultural businesses with four or more employees must have workers' compensation coverage. Construction companies are covered with one or more employee. Coverage can be purchased through commercial carriers, an authorized self-insurance fund, a professional service organization (PEO) or Florida Workers' Compensation Joint Underwriting Association. Contact Florida Department

of Financial Services at 850-921-6966 or [www.workerscompensation.com/florida/quickfacts/glance.htm](http://www.workerscompensation.com/florida/quickfacts/glance.htm) for further information.

**Long-Term Care:** Long-term care insurance covers home healthcare, assisted living facilities, nursing homes or other care related to long-term illness. Insurance brokers or agents can review options with you. Contact the American Healthcare Association for its free brochure, "Understanding Long-Term Care Insurance," at 1-800-628-8140 or [www.LongTermCareLiving.com](http://www.LongTermCareLiving.com). Public funding for long-term care is available within certain limits for those eligible for Medicaid or Medicare. Contact the Agency for Healthcare Administration or Department of Elder Affairs at [www.myflorida.com](http://www.myflorida.com) for further information.

**Dental Plans:** Companies with three or more employees may purchase group dental plans, either through a Preferred Provider Organization (PPO) or dental health maintenance organization. For further information, consult your insurance broker, or the American Dental Association at [www.ada.org/prof/resources/topics/hipaa/index.asp](http://www.ada.org/prof/resources/topics/hipaa/index.asp).



**Disability Insurance:** Disability insurance provides replacement income to an employee unable to work due to an illness or injury. Both short-term and long-term policies are available, with benefits up to 60% of base salary, offset by workers' compensation or social security, if applicable. Further information is available from the Florida Department of Financial Services at [www.fldfs.com](http://www.fldfs.com) or at [www.disability-insurance-center.com/disability-resources.html](http://www.disability-insurance-center.com/disability-resources.html). Publicly funded disability insurance is available within certain limits for those eligible for Social Security Disability or Supplemental Security Income (SSI). Contact the Social Security Administration at [www.ssa.gov](http://www.ssa.gov) for further information.