

2024

UBA EMPLOYEE BENEFITS BENCHMARKING

STATE TRENDS REPORT

CALIFORNIA



THIS STATE REPORT highlights key employee benefits benchmarks to help employers strategically manage plan renewal decisions.

United Benefit Advisors® (UBA) has years of experience surveying thousands of employers nationwide regarding their group health plan offerings. Since 2005, UBA Partner Firms have studied plan design and cost trends among employers on a state, regional, and national basis. Data in the 2024 UBA Employee Benefits Benchmarking Trends and State Reports are based on responses from 7,800 employers representing approximately one million employees nationwide—and more than \$13.2 billion in healthcare dollars spent. In California, the survey includes employee benefits plans offered by 459 employers covering more than 47,000 employees to provide valuable benchmark data.

Since 2005, UBA Partner Firms across the U.S. have studied plan design and cost trends among employers on a state, regional, and national basis.

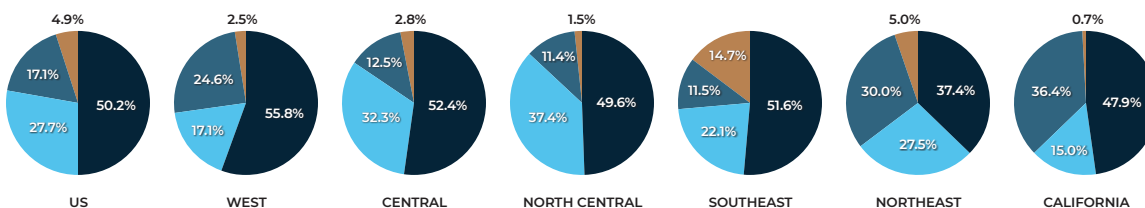
For California employers interested in making the most informed employee benefits decisions possible, it's crucial to compare your plans and costs to national benchmarks and peers in your state and region.

TOP PLANS IN CALIFORNIA

PREFERRED provider organization (PPO) plans dominate most of the nation, including California. However, health maintenance organization (HMO)/exclusive provider organization (EPO) plans have significant traction in certain California markets, making the prevalence of these plans highly nuanced within the state.

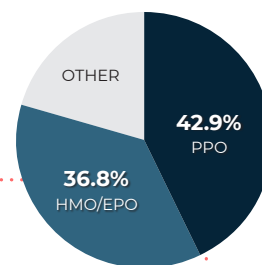
PLAN PREVALENCE IN CALIFORNIA

PLAN TYPE	US	WEST	CENTRAL	NORTH CENTRAL	SOUTHEAST	NORTHEAST	CALIFORNIA
PPO	50.2%	55.8%	52.4%	49.6%	51.6%	37.4%	47.9%
HDHP	27.7%	17.1%	32.3%	37.4%	22.1%	27.5%	15.0%
HMO/EPO	17.1%	24.6%	12.5%	11.4%	11.5%	30.0%	36.4%
POS	4.9%	2.5%	2.8%	1.5%	14.7%	5.0%	0.7%



PREVALENCE VS. ENROLLMENT

IN CALIFORNIA, 42.9% OF EMPLOYEES ENROLL IN PPO PLANS, WHILE 36.8% OF EMPLOYEES CHOOSE AN HMO/EPO PLAN.

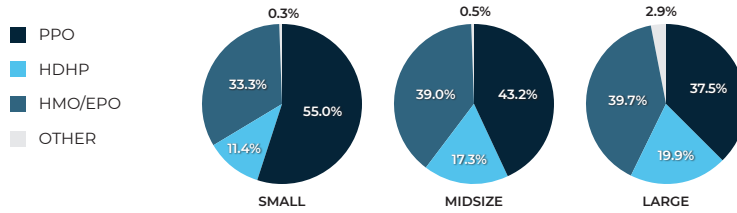




SMALL BUSINESSES in California prefer PPO plans, while large groups prefer HMO/EPO plans.

PLAN PREVALENCE BY GROUP SIZE

GROUP SIZE	PPO	HDHP	HMO/EPO
SMALL (1-50 EMPLOYEES)	55.0%	11.4%	33.3%
MIDSIZE (51-250 EMPLOYEES)	43.2%	17.3%	39.0%
LARGE (251+ EMPLOYEES)	37.5%	19.9%	39.7%



COST COMPARISONS

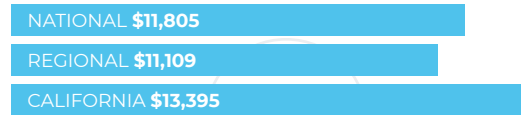
HEALTH PLAN COSTS in California are higher than national and regional averages.

AVERAGE TOTAL COST PER EMPLOYEE PER YEAR

PPO



HDHP



HMO/EPO



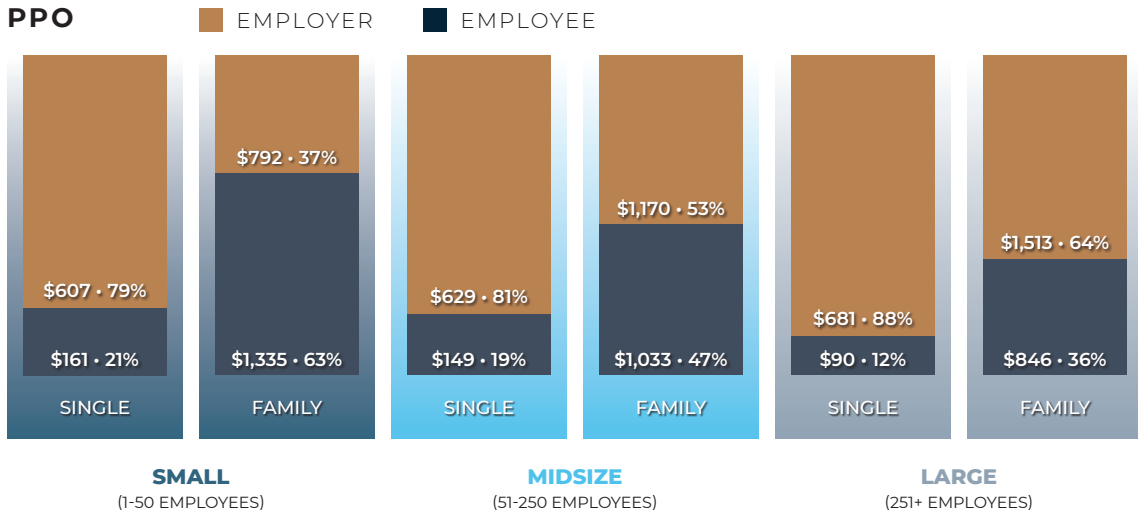
SETTING MONTHLY CONTRIBUTIONS FOR EMPLOYEES

- California businesses offering PPO plans pay 80% of single and 45% of family premiums, compared to the national 76/53 single/family employer contributions for these plans.
- Employers in the state offering HMO/EPO plans cover 83% of single and 57% of family premiums, compared to the national 77/55 single/family employer contributions.
- Groups offering HDHPs typically pick up 88% of premiums for singles and 64% of family premiums, compared to the national 82/63 single/family employer contribution split.
- Large employers in California are contributing a significantly higher percentage of monthly health plan premiums for families.

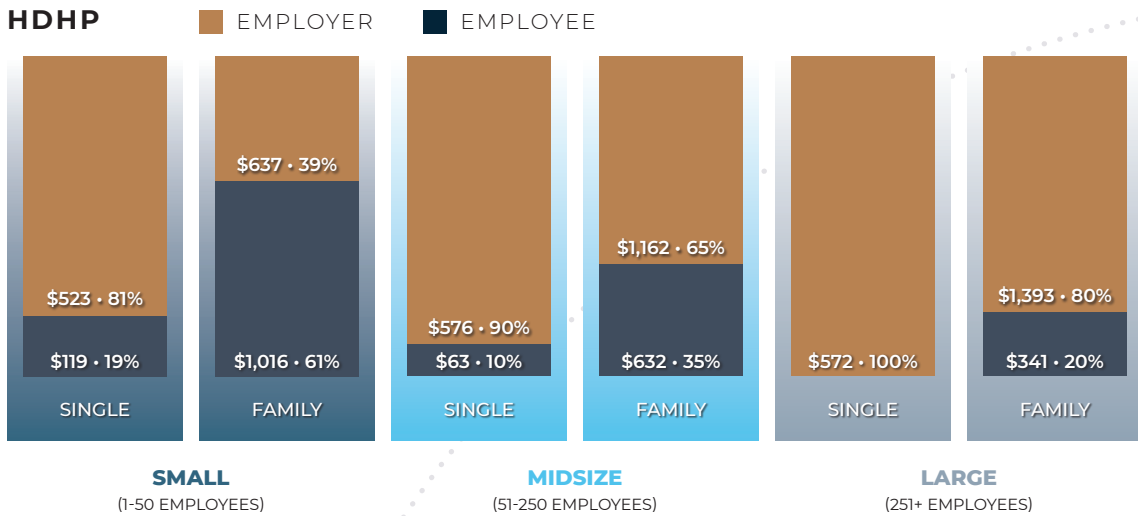


AVERAGE MONTHLY PREMIUM CONTRIBUTIONS BY GROUP SIZE

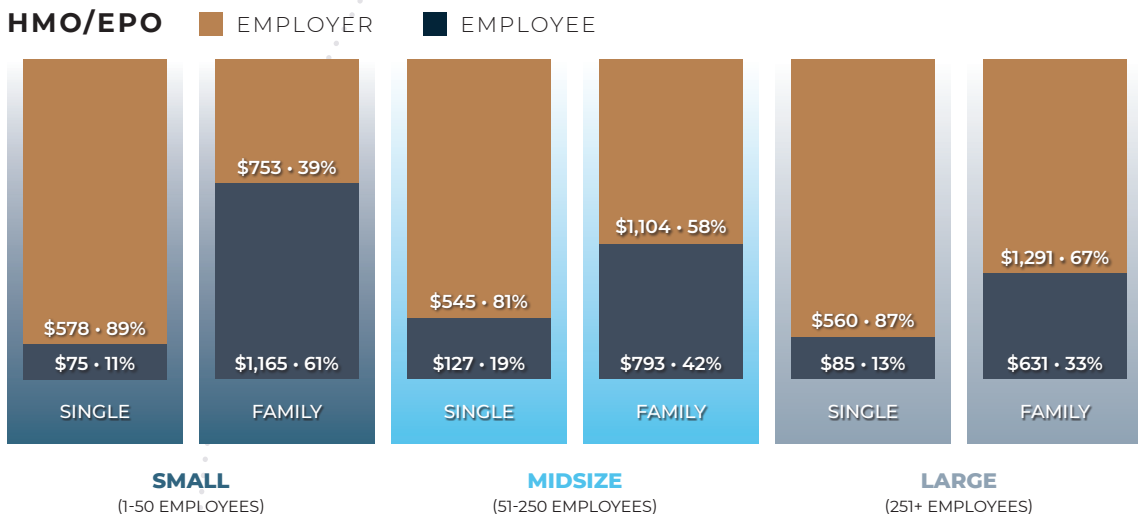
PPO



HDHP

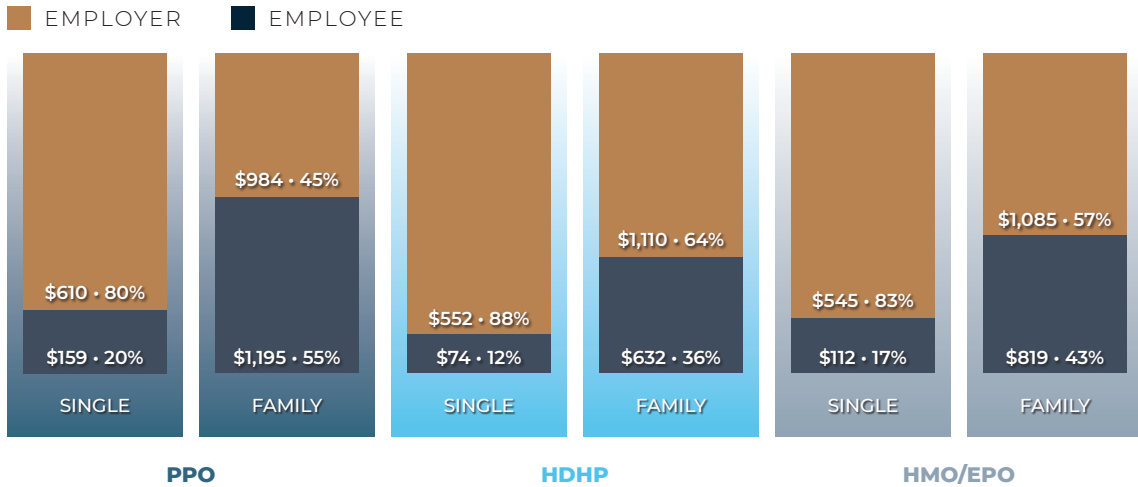


HMO/EPO





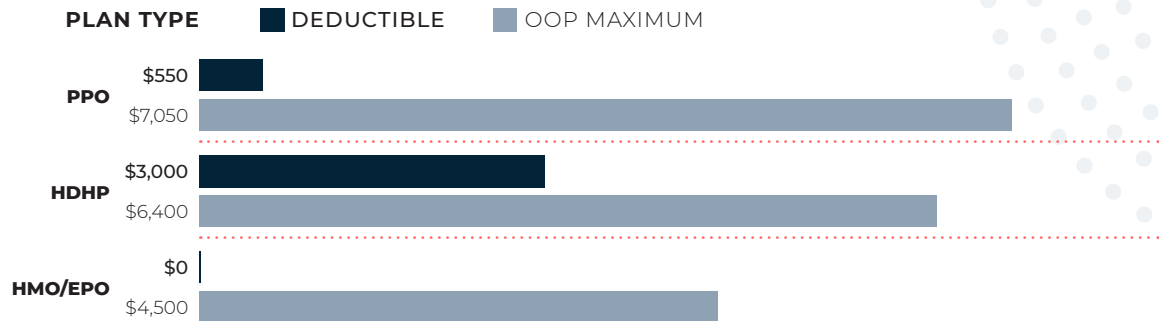
AVERAGE MONTHLY PREMIUM CONTRIBUTIONS BY PLAN TYPE



SETTING DEDUCTIBLES AND OUT-OF-POCKET COSTS

California’s median in-network PPO plan deductible for singles is \$550, compared to \$2,000 nationally and \$1,500 regionally for these plans. There are typically no deductibles for singles on HMO/EPO plans in California, compared to \$1,500 nationally and \$250 in the Western U.S. The median in-network deductible for singles on HDHPs in California is \$3,000, compared to \$3,475 nationally and \$3,500 in the Western U.S.

MEDIAN SINGLE DEDUCTIBLES AND OUT-OF-POCKET COSTS



CALIFORNIA HDHPs FOR SINGLES TYPICALLY INCLUDE A \$1,200 EMPLOYER CONTRIBUTION TO HEALTH SAVINGS ACCOUNTS (HSAs) OR HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs) TO HELP DEFRAY OUT-OF-POCKET COSTS.



MEDIAN SINGLE IN-NETWORK DEDUCTIBLES AND OUT-OF-POCKET COSTS BY GROUP SIZE

GROUP SIZE	PPO		HDHP		HMO/EPO	
	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM	DEDUCTIBLE	OOP MAXIMUM
SMALL (1-50 EMPLOYEES)	\$750	\$8,150	\$2,700	\$7,050	\$250	\$7,375
MIDSIZE (51-250 EMPLOYEES)	\$500	\$5,750	\$3,000	\$6,350	\$0	\$3,500
LARGE (251+ EMPLOYEES)	\$500	\$3,500	\$2,500	\$3,500	\$0	\$2,500

Large groups in California have the lowest health plan deductibles and out-of-pocket maximums compared to their smaller counterparts.

AVERAGE PPO PLAN COPAYS IN CALIFORNIA

\$30	\$50	\$10	\$40	\$70	\$250
PRIMARY CARE PHYSICIAN	SPECIALTY CARE PHYSICIAN	GENERIC DRUGS	FORMULARY DRUGS	NON-FORMULARY DRUGS	SPECIALTY DRUGS

AVERAGE HMO/EPO PLAN COPAYS IN CALIFORNIA

\$30	\$50	\$10	\$35	\$40	\$250
PRIMARY CARE PHYSICIAN	SPECIALTY CARE PHYSICIAN	GENERIC DRUGS	FORMULARY DRUGS	NON-FORMULARY DRUGS	SPECIALTY DRUGS



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