

H.156 & S.218: Delivering Access and Savings for Small Businesses

Level-funded health plans empower small employers with **affordable options**.
But **state law forbids** companies under 12 employees from participating.

What is a Level-Funded Plan?

- A health benefits product purchased by small employers.
- Employers pay a fixed monthly amount to **self-fund** health benefits and carry extensive stoploss insurance.
- Employers **retain** a portion of unused health benefits funds.
- Because of stoploss coverage, there is **no downside risk** for small employers.



How does a Level-Funded Plan Work?



Employer and insurance company estimate monthly health expenses



Employer pays fixed monthly amount (incl. stoploss coverage and admin fee)



Employee health costs are covered by what the employer pays in



If employee health costs are **less than** expected, the employer gets a refund

or



If employee health costs are **more than** expected, stoploss coverage kicks in

Fast Facts



36% of employees in small firms are covered by LFPs



46 states permit LFPs for small employers



LFPs can be **35%** cheaper on average



Just **1** state restricts participation more than NC

North Carolina is an Outlier

*Businesses with **5+** employees can purchase a level-funded plan in **43 of the 46** states that offer them, including every state on our border...*

- ✗** But in NC, current law **forbids** small businesses under 12 employees from purchasing a level-funded plan.
- ✗** Only **one state in the country** has a more restrictive law than North Carolina's (North Dakota's minimum employee threshold is 26).

The Solution

- ✓** H.156 & S.218 lets small businesses with 5+ employees purchase level-funded plans.
- ✓** NC law would align with 43 other states, including all our neighbors.
- ✓** Small businesses would have a health benefits option that can result in significant premium savings.

