




# Healthcare Benefits - Findings & Recommendations

*Released February 2022*

*Updated October 2022*

  
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## Introduction

A solid compensation program, including healthcare benefits, can go a long way in successfully recruiting and retaining qualified staff. Unfortunately, the cost of group healthcare plans puts this benefit out of reach for many small nonprofits. To provide current information and resources to nonprofits in Wyoming, the Wyoming Nonprofit Network has developed this document that outlines findings and recommendations for health insurance as well as other health-related benefits a nonprofit may choose to provide.

We would like to express our gratitude to the member committee that delve into this topic and offered information, resources, and guidance to our staff as we conducted our research. Our thanks also to the companies and agencies that helped to contribute to this document.

*Disclaimer: The information contained in this Guide is intended for general guidance only. While every effort has been made to provide accurate and current information, the application and impact of laws can vary widely based on the specific facts and circumstances of each situation. Given the changing nature of laws, rules, and regulations, there may be certain information contained in this material that cannot be relied upon in specific situations. Accordingly, information concerning legal matters is provided with the understanding that the Wyoming Nonprofit Network and its representatives are not licensed attorneys, public accountants, or insurance brokers engaged in rendering legal advice and services. As such, we highly recommend that you consult an attorney concerning your specific legal needs and have your health benefits reviewed by an attorney. We are not responsible for any errors or omissions, or unauthorized use of or reliance on the legal information. Every effort has been made to provide complete, accurate information, however, the materials are provided “as is” with no guarantee. Results obtained from the use of this information are made without warranty of any kind, expressed or implied, including, but not limited to warranties of performance, merchantability, and fitness for a particular purpose.*

## **Association Plans and MEWAs**

The Wyoming Nonprofit Network is often asked if we can put together an association plan to provide healthcare insurance for members. We have researched this many times, going as far back as our original formation in 2005.

Association plans and Multiple Employee Welfare Agreements (MEWA) are types of group medical insurance that allow smaller companies to join together to access the savings that larger businesses can typically access through group medical coverage. Both plan types must conform to state regulations, ERISA laws, and must have a large enough pool of participants to maintain viability and financial stability.

There are two different options to consider when putting together a group plan:

- Full-insured – Seek to save costs by combining the purchasing power of participating employers. The group contracts with an insurance company or health plan to provide health benefits, thereby transferring the risk. They are expensive, have less flexibility, and may be subject to health insurance tax. The rates for some enrollees may not be less than what they can find from other insurance providers.
- Self-insured – A Trust is established to collect premiums from enrollees and pays medical claims. The Trust may hire an administrator to handle claims management and compliance, but the risk of medical claims remains within the Trust. All medical claims are paid from the financial resources of that Trust. In our most recent research, we came across multiple examples of small to medium-sized state associations that created a self-insured plan but were unable to maintain financial stability after just a few catastrophic medical claims.

Regardless of the type of plan, we have found in our research that rates were not as competitive as they currently are in the Healthcare Insurance Marketplace. Given the risks and resources needed to establish association plans and MEWAs and the availability of the lower rates on the Marketplace, the Wyoming Nonprofit Network is unable to recommend creating a health plan at this time.

We have outlined information about options you may choose to explore as an organization and options individual employees may want to investigate. As stated in the disclaimer on page 1, this information is for general guidance only. Prior to pursuing any of these options, consult with an industry professional.

## **Health Insurance Options for Employers**

### **Small - Group Plans**

Employers throughout the years have commonly chosen group coverage insurance plans. These are the plans many are familiar with and equate health benefits to. Group insurance plans are partially paid for by the employer with the employer contributing 50-100% of the premium cost. Employees pay any copays and deductibles for sought services.

These policies are usually purchased through a health insurance company (example – Blue Cross Blue Shield) or brokers. Employees pay their portion with pretax dollars. Each insurance company may have different eligibility requirements for enrollment, including a minimum number of employees enrolled. The cost and requirements of group healthcare plans can be difficult for many small nonprofits.

### **SHOP Marketplace**

The Health Insurance Marketplace also offers a Small Business Health Options Program (SHOP)<sup>1</sup> for small employers who want to provide group health and/or dental insurance to their employees. SHOP offers flexibility in allowing the employer to choose only health and/or dental or both, choose how much to pay towards employees' premiums, and enrollment timeframes. The SHOP Marketplace allows employers to enroll directly through their insurance company or enroll with a local SHOP-registered broker. Employers with 25 or less full-time employees making \$50,000 or less may qualify for the Small Business Health Care Tax Credit. Employers may enroll in SHOP any time of year and do not have to wait for the open enrollment period. Employers will want to keep multiple factors in mind when deciding whether to purchase a group policy through the SHOP Marketplace or to direct employees to purchase their own individual policies through the Marketplace. If an employer purchases the insurance for employees, those employees may not use the Premium Tax Credit (subsidies offered by the federal government), if employees purchase their own insurance the employer may not use the Small Business Health Care Tax Credit. In addition, if an employee purchases their own insurance, their Premium Tax Credit will be reduced by the amount of the offered HRA, if their employer is offering an HRA program. The SHOP Marketplace website has many tools and calculators to assist employers in making the best decision for their organization. See the next section for information on individual coverage through the Marketplace.

*(Mountain Health Co-op is the only insurance company in Wyoming offering SHOP plans. Contact them at (855) 447-2900 or [mountainhealth.coop](http://mountainhealth.coop) for more information.)*

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<sup>1</sup> <https://www.healthcare.gov/small-businesses/choose-and-enroll/shop-marketplace-overview/>

## **Health Insurance Marketplace – An Option for Your Employees**

The most affordable insurance currently is through the Health Insurance Marketplace (*see more information about the Marketplace below*). Unlike group plans, marketplace plans are purchased by the individual who wants the insurance, rather than by an employer. With the Premium Tax Credits (subsidies offered by the federal government) offered through healthcare.gov, insurance premiums are considerably lower than traditional group insurance providers offer. Oftentimes, deductibles and max out of pocket amounts are much lower than traditional group plans as well. Again, the Premium Tax Credit is only offered to individuals purchasing through the Marketplace on their own.

An employer does have the option to offer the benefit of a Health Reimbursement Arrangement (HRA) to potentially assist in covering the cost of the premium or other medical expenses. Although, individuals who purchase Marketplace insurance plans will notice that their Premium Tax Credit is reduced or eliminated altogether when they have an HRA. Employees are not allowed to receive the Premium Tax Credit *and* pre-tax HRA benefits. This is informally called double dipping. HRAs can be set up to reimburse employees for pre-tax and taxable health expenses, so be sure to discuss the type of plan with your HRA representative.

In almost all cases, the monthly premiums employees pay would be lower if the funding intended for an HRA were put into that employee's salary and there was an understanding it was for insurance. We encourage nonprofits to work with their accountants on these details.

Marketplace insurance is not available to everyone. Employees whose employers already offer health insurance or are offered health insurance through a spouse's employer are not eligible to receive the Premium Tax Credit on individual Health Insurance Marketplace policies. Also, individuals who make less than 100 percent of the Federal Poverty Level do not qualify.

### **Health Insurance Marketplace<sup>2</sup>:**

The Health Insurance Marketplace<sup>®</sup> (also known as the "Marketplace" or "Exchange") is operated by the federal government in most states, including Wyoming. The Marketplace provides health plan shopping and enrollment services through websites, call centers, and in-person help. Individual Marketplace Insurance can be purchased at healthcare.gov during open enrollment periods each year. You may qualify to enroll during Special Enrollment Periods during life events. Enroll Wyoming Navigators<sup>3</sup> can help you through the process and answer

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<sup>2</sup> <https://www.healthcare.gov/glossary/health-insurance-marketplace-glossary/>

<sup>3</sup> <https://enrollwyo.org/>

any questions you may have. Open enrollment runs from November 1st, 2022 and ends January 15, 2023. Check with Enroll Wyoming on the next open enrollment period dates.

The Marketplace partners with healthcare carriers in each state to provide various tiers of coverage. In Wyoming, the carriers are Blue Cross Blue Shield of Wyoming and Mountain Health Co-op. When you have Marketplace insurance, premiums will be paid directly to the insurance company and any assistance with or changes to the policy will occur through the Marketplace platform. Individual healthcare plans purchased through the Marketplace may be eligible for the Premium Tax Credit. This tax credit significantly lowers the cost of the policy premium. Below are estimates based on costs in January of 2022 (sample purpose only) – Do your own research at <https://www.healthcare.gov/see-plans/#/>.

**SAMPLE**

Age	# in Household	Taxable Income (per Household)	Premium Tax Credit (Subsidy amount)	Cost for a plan
35	6	\$80,000	\$2,851	18 plans with a monthly premium under \$200**
35 Uses Tobacco*	1	\$50,000	\$348	3 plans with a monthly** premium under \$200
50	4	\$70,000	\$2,741	12 plans with a \$0 monthly premium**
55	1	85,000	\$656	4 plans under \$250 per month

\*Tobacco Use increases the price of Marketplace Health Insurance plans

\*\* All plans sold through the marketplace must cover the 10 Essential Health Benefits - <https://www.healthcare.gov/coverage/what-marketplace-plans-cover/>.

The health insurance plans available through the marketplace are the same plans BCBS of WY and Mountain Health Co-op sell in the private market, they just cost less because of the Premium Tax Credits.

For an individual to choose which plan works best, it is important to understand how the Premium Tax Credit functions. The IRS explains the tax credit as follows, “The Premium Tax

Credit is a refundable tax credit designed to help eligible individuals and families with low or moderate income afford health insurance purchased through the Health Insurance Marketplace, also known as the Exchange.” The size of your premium tax credit is based on a sliding scale. Those who have a lower income get a larger credit to help cover the cost of their insurance. When you enroll in Marketplace insurance, you can choose to have the Marketplace compute an estimated credit that is paid to your insurance company to lower what you pay for your monthly premiums (advance payments of the premium tax credit, or APTC). Or you can choose to get all the benefit of the credit when you file your tax return for the year. If you choose to have advance payments of the premium tax credit made on your behalf, you will reconcile the amount paid in advance with the actual credit you compute when you file your tax return. Either way, you will complete Form 8962, Premium Tax Credit (PTC) and attach it to your tax return for the year.<sup>4</sup>

The onset of Covid 19 brought with it a public health crisis. One of the ways the Biden Administration prioritized public health was to offer additional premium tax credits to those who qualify. These additional tax credits make these plans even more affordable. Recently when the 2022 Inflation Reduction Act passed, these additional premium tax credits were extended through 2025.

*Enroll Wyoming is a grant-funded organization who has no sales goals and provides free consultation and navigation for the application process for Marketplace Insurance. Please contact Enroll Wyoming Lead Navigator Dasa Robertson at 307-214-0786 for more information about how both nonprofits and individuals can save considerably with marketplace insurance plans.*

## **Additional Options for Health Benefits**

### **Health Reimbursement Arrangement (HRA):**

A Health Reimbursement Arrangement is a type of tax-advantaged spending account that is provided to the employee by the employer and is owned by the employer. The funds in the account are used by the employee to pay for qualified medical expenses, tax-free. Regulatory legislation for HRAs saw many changes in 2016. If your organization investigated HRAs prior to 2016, consider reviewing it again to see if qualifications and benefits specific to your organization may have changed.

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<sup>4</sup> <https://www.irs.gov/affordable-care-act/individuals-and-families/questions-and-answers-on-the-premium-tax-credit#:~:text=The%20premium%20tax%20credit%20is,based%20on%20a%20sliding%20scale>

The Wyoming Nonprofit Network (WNN) researched multiple HRA administration companies. After working extensively with PeopleKeep, they have now become a member benefit partner of the WNN. PeopleKeep, Inc. is a privately held corporation that provides a software platform and helps small and medium-sized organizations administer HRAs. PeopleKeep works directly with organizations to choose, set up, and administer the best HRA. Employers choose which employees will be eligible and sets the allowance cap that fits within their budget. The allowance typically rolls over each month and ends at the end of the year for the QSEHRA and ICHRA HRAs (*see next page for descriptions*). This allows employers to know exactly how much this health benefit will cost each year. As employees have expenses to turn in for reimbursement, they will provide documentation through PeopleKeep’s online platform, and employers will be able to log in at the designated time of month for reimbursement totals.

PeopleKeep also works with each organization to help them remain compliant throughout the year. They currently charge each organization \$30 per month base-fee plus \$15 per employee per month, with a 3-seat minimum. PeopleKeep has agreed to waive the \$150 one-time set-up fee for all Wyoming Nonprofit Network members and will soon be adding a “Health Concierge” button to our partnership landing page that will assist WNN members in deciding which healthcare plan might be best for their organization and how a PeopleKeep HRA can complement each choice.

PeopleKeep currently offers three types of HRAs that all have a similar function but operate differently.

- QSEHRA – Qualified Small Employer HRA (Employers may not offer group health insurance and a QSEHRA)
  - Available to employers with fewer than 50 employees
  - All full-time employees are automatically eligible (there is no opt-out option for employees), and employers may choose to include part-time employees as well
  - Employees with spouse’s group coverage can participate on a tax-free basis, but may not have group premium payments reimbursed
  - For 2022, annual contribution cap of \$5,450 per single employee and \$11,050 per employee with a family
  - Individuals participating in the HRA are still eligible for the Premium Tax Credit, but the amount of the credit is reduced dollar-for-dollar by the amount of the HRA allowance



- Medical expenses available for reimbursement are any and all items listed in IRS Publication 502<sup>5</sup>
  - Organizations only have two designation options for types of eligible employees: full time or part time.
- ICHRA – Individual Coverage HRA (Employers can offer group coverage, but they cannot offer employees a choice between HRA and group coverage.)
    - No business size restrictions
    - Employers can specify eligibility guidelines that are more flexible than the QSEHRA
    - Employees must have individual QUALIFIED coverage to participate
    - Employees with spouse’s group coverage cannot participate
    - Employees offered the HRA are not eligible for the Premium Tax Credit. Employees can waive the HRA (opt-out) and collect the Credit if their HRA allowance is considered unaffordable by healthcare.gov.
    - No annual contribution caps
    - Medical expenses available for reimbursement are any and all items listed in IRS Publication 502 <sup>4</sup> if the employee’s qualified plan covers the expenses
- GCHRA – Group Coverage HRA
    - No business size restrictions
    - Organizations must offer group coverage
    - Available only to employees also covered by the organization’s group health insurance policy
    - Can roll over month-to-month and year-to-year
    - Employees with spouse’s group coverage cannot participate
    - Medical expenses available for reimbursement are any and all items listed in the IRS Publication 502 with the exception of individual insurance premiums<sup>4</sup>

PeopleKeep now offers WorkPerks. This is not an HRA but is a reimbursable employee stipend plan offers a less restrictive reimbursement structure that may be used for a wider variety of wellness costs. Read more in the Other Benefits to Consider section.

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<sup>5</sup> <https://www.irs.gov/forms-pubs/about-publication-502>

**Direct Primary Care (DPC):**

A Direct Primary Care plan is a contract membership model between the patient and the physician. DPC physician's typically charge a flat fee structure the patient pays every month or every year for a specified or even unlimited number of visits. This fee covers many services rendered through a primary care doctor, and makes preventative, wellness, and chronic care services more affordable for many. The fee structure, contract timeframes, and number of patients included (self/family) are determined by the physician and not insurance. Because insurance carriers and their regulations are removed, the design of DPC plans are meant to improve patient/doctor relationships, healthcare outcomes, lower overall health care costs, and stabilize revenue for a primary physician's office. Some patients still choose to carry healthcare insurance to cover services not covered by DPC, such as hospital and specialty care. Holding a DPC contract works especially well for those carrying a high-deductible insurance plan that would be paying out-of-pocket for non-preventative services. Unfortunately, there is no master directory list of physicians or clinics in Wyoming offering Direct Primary Care services. Currently the best way to learn of providers near you is to do an online search of Direct Primary Care and your town or region name.

**NPO Insurance Services<sup>6</sup>:**

In our research, we came upon NPO Health Insurance Services. This information is not an endorsement of this company; there are likely other companies providing similar services. NPO Insurance Services works closely with nonprofits and have designed health insurance plans with the needs of nonprofit staff in mind. They market themselves as a health insurance plan and not a major medical insurer. NPO is based in Baltimore, MD and has been in business for 14 years. They are underwritten by Philadelphia Life, and insured members will work with Philadelphia Life while shopping for services, negotiating rates, and reporting incidents.

NPO offers multiple PPO plans that allow the employer to stack benefits in a way that is most favorable to the organization and staff. Prescription, labs, and behavioral health can be included. Dental is also available. NPO is structured differently than a traditional insurance carrier in that NPO pays the insured from predetermined amounts rather than paying the medical provider directly. The process is as follows, an insured walks into hospital for a broken arm and tells them they will be paying cash for services. The insured is then billed the cash price, NPO sends a set amount that is paid for all broken arms in the insured's region to the insured, and the insured pays the bill directly. If NPO believes the bill is too high, they will contact the medical provider directly to negotiate the cost down. NPO also offers healthcare financing. Like traditional insurance carriers, the insured will need to visit in-network preferred providers for the best service prices, although utilizing services outside the preferred network is

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<sup>6</sup> [www.npohealthinsurance.com](http://www.npohealthinsurance.com)

still allowed. One service that NPO provides that others don't necessarily, is if the insured knows ahead of time that a particular procedure will need to be done, NPO will shop around within your specified distance and call you with the best price and where to go. Or you can go online and do the shopping yourself. The weakest part of the NPO plans seems to be the prescription plan. Many prescriptions are covered, many are free, but there are still many that are not covered at all.

NPO's premium structure is set up in a way that a few unhealthy outliers may pay a higher premium, but the majority of the group will receive lower rates and have pre-existing conditions included. NPO offers low-cost telehealth-only plans that some staff members might find preferable. Currently, \$39 or \$59 options are available that cover the entire family. These plans do not include prescription or hospital coverages, again these are only for telehealth services. More information about NPO Insurance Services can be found on their website. [www.npohealthinsurance.com](http://www.npohealthinsurance.com).

### **Wyoming Chamber Health Benefit Plan<sup>7</sup>:**

The Wyoming Chambers Health Benefit Plan was founded in 2007. Currently, the plan covers 14 chambers in Wyoming. Not every Chamber of Commerce participates, so this healthcare plan will only be an option in some areas of Wyoming and for organizations that are members of their local Chamber of Commerce.

Otherwise known as a MEWA (Multiple Employer Welfare Agreement), the Wyoming Chambers Health Benefit Plan is structured so that contributions are held in a Trust that is directed by a Board of Trustees chosen from participant members of the Plan. The Trust is contracted with insurance and/or reinsurance companies to ensure financial stability of the Trust and benefits offered. These contracts may change over time as costs change and are voted on and approved by the Board of Trustees.

The Wyoming Chamber Health Benefit Plan currently offers employees a choice among seven different medical plans and two dental benefit choices. Multiple requirements must be met for an organization to be eligible to join, with one specific rule of a minimum of 2 full-time employees are required to enroll for each organization. Visit your local Chamber to see if participation is an option.

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<sup>7</sup> <https://www.sheridanwyomingchamber.org/wp-content/uploads/2020/08/2020-2021-Brochure.pdf>

### **Health Insurance Co-Ops:**

Health insurance co-ops are member-owned insurance groups that offer a payment structure intended to reduce costs and compete with large private insurance carriers. They generally have thousands of members that contribute to health care costs, collecting only what they spend, and thereby keeping costs low while only paying for real costs rather than inflated costs. One such Co-Op in Wyoming that participates in the Healthcare Insurance Marketplace and is an Affiliate Member of the Wyoming Nonprofit Network is Mountain Health Co-Op. They offer a variety of insurance plans for individuals and groups. The Wyoming Nonprofit Network found difficulty in finding detailed information about Co-Ops, so as always, we encourage thorough research before making any decision about your organization's healthcare plan.

### **Other Benefits to Consider:**

As the cost of healthcare continues to rise, many small organizations may simply find it impossible to offer a healthcare plan. Although this is understandable, it would be in the best interest of the organization to then consider other health-related benefits. These benefits might include vision, dental, retirement, mental health, and allowances for wellness activities and memberships. Most of these benefits can be offered for very little cost as opposed to a full healthcare plan.

Wyoming Nonprofit Network continues to explore partnerships for dental insurance that would allow members of the WNN to participate as a larger pool, thereby gaining the lower rates that come with many members buying in.

It is important to remember that mental health care is just as important as traditional healthcare. The Wyoming Nonprofit Network has partnered with Three Trails Employee and Family Assistance Program, a Casper nonprofit, to offer mental health services to organization employees and their family members. Three Trails EFAP is a counseling benefit that provides, unlimited counseling to eligible employees and eligible family members of employees. This low-cost benefit is paid for by the nonprofit organization and there is no insurance involvement. The current cost to member organizations is \$65 per employee per year, which also covers the cost for their family members, and is delivered via telehealth throughout the Wyoming or in-person in Casper. For more information about this benefit contact Jamie Leslie at 307.237.5750 or visit their webpage<sup>8</sup>.

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<sup>8</sup> <http://www.threetrailsefap.org/>

A retirement plan can also be an important benefit in recruiting and retaining a strong workforce. A trusted Affiliate Member of the Wyoming Nonprofit Network is Mutual America<sup>9</sup>. Mutual of America has specialized in providing retirement products and related services to nonprofit organizations and their employees for many years. As a mutual company, they do not have stockholders and are not publicly traded. They operate solely for the benefit of their customers rather than for short-term demands of stockholders. Mutual America operates as a small company helping individuals and organizations choose plans to benefit their specific needs. They also come into the organization offering organizational and personal training.

A Reimbursable Employee Stipend Plan allows employers to build a competitive, personalized benefits package that lets employers offer employee stipends for health, wellness, and remote work expenses. Like an HRA, but less restrictive, PeopleKeep now offers WorkPerks. WorkPerks lets employers, of all sizes, maintain complete control over their budget while employees are free to use their allowances the way that works best for them, such as reimbursement for gym memberships, internet costs, counseling, and more. Employers set the reimbursement amounts and PeopleKeep's administration dashboard allows the employees to easily submit their expenses and the employer to easily see reimbursement amounts needed. Log into your profile on our website to learn more about this and other member benefits.

It can be difficult to recruit and retain employees in a time of low unemployment, especially when budgets are limited. Being able to offer health insurance can make those efforts easier, but since offering a traditional healthcare plan is not an option for many smaller organizations, it may be necessary to look to more creative solutions. Offering even a small HRA or wellness stipend, mental health plan, vision, dental, retirement, tuition reimbursement, flexible schedule, remote opportunities, etc. can help recruit and retain the staff needed to keep your organization operating at a high level. This is why the Wyoming Nonprofit Network has worked to help find creative options that might be right for your organization. Continue to watch our website, the Member Bulletin, your email, and our Facebook page for added member benefits throughout the year.

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<sup>9</sup> <https://www.mutualofamerica.com/>