

## **Two River Benefits Consultants LLC**

We are the experts on benefits for the Staffing Industry.

We understand the common problems and provide solutions.

We work hand in hand with our clients helping them to reduce costs and improve their profitability.

We believe our clients need to understand their decisions, client education is a focus.

We help our clients make the best-informed decisions regarding their benefits, insurance, and pension needs.

We pride ourselves on our service. Our client retention rate over the past 5 years is 98%.

We have the industry knowledge and capability to fulfill all your needs.

**“I love getting the most value for my money! It’s a pleasure working with Two River Benefits.... Very responsive and they stay on top of the situation.”**

**Polly McDonald, Telesearch**

Member and Partner of the



## **TWO RIVER BENEFITS CONSULTANTS, LLC**

**300 Route 35 South  
Plaza III, Suite 200  
Ocean, NJ 07712**

**Dave Koch CEO  
Gordon Frederick VP  
Phone: 732-517-0220  
Fax: 732-517-0160**

**Email:**

**gfrederick@tworiverbenefits.com  
dkoch@tworiverbenefits.com**

**www.tworiverbenefits.com**



## **TWO RIVER BENEFITS CONSULTANTS, LLC**

**Specialists for the Staffing Industry**

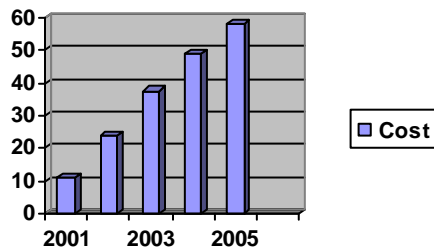


## **Control Your Healthcare Costs**

## How to Control Health Care Costs “Break the Mould”

### Consumer Directed Health Plans (CDHP)

The Chart below reflects the percent increase in health care premiums since 2000. Source “Kaiser Family Foundation, “Employer Health Benefits” September 2005.



As shown in the chart, traditional major medical premiums have increased 60% from the years 2000-2005 with no end in sight. The rate of these increases has quickly made CDHP's a viable long-time health care solution for more and more employer groups,

A CDHP with a Health Reimbursement Account (HRA) or Health Savings Account (HSA) provides traditional medical coverage, with a tax free way to build funds for future medical expenses.

A CDHP offers greater flexibility and control over the use of health care benefits while sharing the burden of responsibility between employer and employee.

A CDHP can reduce your company's health care premium by 30%-50% versus the major medical renewal.

## CDHP Facts or Fiction

Fact- CDHP's are for everyone. Traditional plans often do not limit the amount of out of pocket expenses. CDHP's include a limit and then cover all expenses 100%.

Fact- Research shows many employees cannot afford to participate in employer offered health plans. Worse, employers continue to decrease insurance coverage due to rising premiums. Given the ever increasing cost of health care, employees need to take more responsibility.

Fact-Research indicates those with CDHP's are 30% more likely to get their annual exams compared to those with traditional plans. Further, they are 20% more likely to follow a treatment regimen and 25% more likely to engage in healthy behaviors. There is no evidence indicating people in CDHP's postpone receiving the care they need.

**Pre-tax deductions will save your company money on FICA, (\$7.65 for every \$100.00 in premium)**

To qualify as a CDHP Federal Law requires the health insurance deductible to be at least \$1,100 for singles and \$2,200 for families. Generally CDHP's do not cover first dollar medical expenses. In a CDHP plan claims are 100% reimbursed to the level of the deductible.

## HRA Accounts

These are CDHP plans generally with a \$2,500 deductible for singles and \$5,000 for families. Only employers can contribute to an HRA. Employer contributions are tax deductible and are used to fund the deductible. The HRA reimburses claim expenses, at the end of the fiscal year unused balances revert back to the employer. HRA's are not portable, if an employee leaves their job, HRA coverage ceases and the account balance returns to the employer.

**In 2006, Horizon HRA's experienced an average 40% usage of the employer contributed deductible. At the end of the plan year 60% was returned to the employer. "OCA 2006 statistics Savoy Assoc."**

## HSA Accounts

The individual employee owns the HSA, although both employer and employee can contribute to the account. At the end of the year the employee can carry over any balance to the following year. HSA accounts are completely portable. An HSA is generally exempt from tax. Distributions are permitted at any time; however, only those amounts used to pay for qualified medical expenses are tax free. Amounts that remain in the account at the end of the year are generally carried over to the next year. Earnings on the amounts in an HSA are not included in income while held in the HSA. With an HSA there is no use it or lose it rule.

**HSA's can be funded to the maximum 2007 deductible of \$2,850 for singles and \$5,650 for families, even though the plan deductible may be lower.**

**Need more information on controlling your health care costs? Two River Benefits has over twenty years of experience educating companies on receiving the best value for their medical premiums.**