

MEMBER COST SHARE FUNDING POLICY | NATIONAL

An explanation of our guidelines for large group customers

Offering your large group clients one of our deductible plans can help them control their health care costs while helping you build your business. You can use the information here to make sure your clients understand our policy on employer funding or reimbursement of member deductibles, copays, or coinsurance.

Help your clients understand our policy on reimbursement of member cost sharing

Employers often want to help their employees pay for the care they get. However, deductible payments, copays, and coinsurance are always the employee's financial responsibility. Our deductible plans are designed and priced based on the assumption that members will share the costs for their care.

Employers who offer reimbursements to their employees for deductible payments, copays, or coinsurance can affect how members use their plans. These changes in utilization can invalidate the assumptions we make to establish our plan benefits and pricing, and may result in higher monthly bills for all plan members.

As a result, Kaiser Permanente restricts employers from funding or directly reimbursing employees for their costs for covered care, except as outlined below.

For more information about our policy on employer funding for deductible plans, contact your Kaiser Permanente representative. To get details on our deductible plans or Health Payment Account options such as health reimbursement arrangements (HRAs) and health savings accounts (HSAs), go to account.kp.org.

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What are the restrictions on employer funding arrangements for member cost sharing?^{1,2}

Kaiser Permanente allows large group employers to fund up to \$1,000 of the individual deductible and \$2,000 of the family deductible without impacting health plan rates – as long as that amount doesn't exceed 60% of the total respective deductible. If a large group employer funds or directly reimburses employees for deductible payments beyond those authorized limits, or for any copays or coinsurance, the broker must inform their Kaiser Permanente representative before any reimbursement starts.³ We'll adjust the employer's new or renewal rate quote to account for any funding beyond the authorized thresholds.

How can employers help their employees cover health care costs?

Offering a deductible plan paired with an HRA⁴ or HSA can be an effective way for employers to help their employees cover their costs for care. Please make sure your clients understand that employers can fund an employee's HSA only if the employee is enrolled in a Kaiser Permanente HSA-qualified High Deductible Health Plan (HDHP) HMO plan. Any contributions must be made according to federal tax laws for HSAs.⁵

This information applies to plans effective on or after January 1, 2023.

1. The restriction in our deductible funding policy has been in effect since February 1, 2008. Therefore all group deductible plans and/or direct reimbursement arrangements with effective dates on or after February 1, 2008, will be subject to our policy restrictions. **2.** For allowable HRA contribution limits, please contact your Kaiser Permanente representative. **3.** This includes direct monetary payments, employee reimbursements provided through the use of third-party products such as payment cards, gap, or bridge products, or other alternative funding arrangements intended to offset or reimburse an employee's cost of covered care. **4.** Kaiser Permanente will adjust the new or renewal rate quotes for employers funding an HRA beyond the authorized thresholds. **5.** Kaiser Permanente will adjust the new or renewal rate quotes for employers funding an HSA beyond the authorized thresholds.