

WHAT IS THE UTAH HEALTH EXCHANGE?

The Utah Health Exchange (www.exchange.utah.gov) is a new type of online “marketplace” that gives brokers, employers, and consumers consolidated, competitive access to health insurance.

The Utah Health Exchange lets businesses do something they’ve never been able to do before—empower employees to make their own health insurance choices. The Exchange creates a virtual health insurance marketplace where an employer gives employees a set amount of money—a defined contribution—that the employee can then use to go online and buy his/her own health insurance with the help of a licensed health insurance broker.

Businesses are empowered to offer coverage options while still controlling costs. Employees can access the information they need to make informed health insurance choices and then purchase their chosen plan online through the Exchange.

Today, employers with between two and 50 employees can participate in the Exchange for the 2011 plan year. In the future, individuals and large employers (those with more than 50 employees) will also be able to participate. A pilot program for select large employer groups is already underway.

How Does the Exchange Benefit Employers?

- ▶ **Simplified benefits management:** With the Exchange, the only decision the employer has to make is how much to contribute toward each employee’s health benefit. Choosing which plan from which insurance company and provider network is up to employees.
- ▶ **Expanded coverage choices:** A defined contribution plan via the Exchange allows employers to offer expanded health plan options to employees—no more one-size-fits-all benefits packages. In some cases, the Exchange empowers smaller employers to offer coverage for the first time. More options let small businesses attract and retain higher-quality employees and offer “big company” benefits, regardless of size.
- ▶ **Predictable costs:** By making a defined contribution, employers can predict and contain health benefit costs from year to year, while employees can choose the coverage option that makes the most sense financially and medically.
- ▶ **Preserving tax benefits:** A defined contribution plan lets employers give employees the same tax benefits as an employer-sponsored plan. The employee’s



portion of the plan premium is still made with pre-tax dollars, so he/she still enjoys a reduction in taxable income. And the employer reduces its FICA obligations.

How Does the Exchange Benefit Employees?

- ▶ **Individual control and choice:** Employees, not employers, compare and select the health plan that works best for their individual needs and circumstances.
- ▶ **Paying with pre-tax dollars:** Employees pay for their health plan with pre-tax dollars. Employees can also contribute pre-tax dollars to a health savings account (HSA) with a qualifying high-deductible health plan (HDHP) and even further reduce their overall tax liability as well as use those pre-tax dollars to pay for qualifying expenses.
- ▶ **Premium aggregation:** In the future, employees will be able to aggregate premium contributions from multiple sources, such as the employer’s defined contribution, the employee’s own contribution, and possible other contributions from a second employer, a spouse’s employer, and so on.



Who Is HealthEquity?

HealthEquity is the nation's oldest and largest dedicated health savings trustee. It helps individuals and families build health saving while it helps employers spend less on benefits through innovative integrated health care account (HSA, HRA, FSA, VEBA) administration and investment platforms backed by 24/7/365 service, personalized savings strategies, and consumer education.

All HealthEquity health savings accounts are FDIC insured* and HealthEquity is licensed by the US Treasury as a non-bank trustee.

How Is HealthEquity Involved with the Exchange?

The State of Utah selected HealthEquity to administer health care financial services for the Utah Health Exchange because of HealthEquity's unmatched 24/7/365 service, proven ability to help employers and consumers navigate health care decisions, and HealthEquity's unique integrated online enrollment and management for most health care plans in Utah.

Learn More

Visit the Exchange at
www.exchange.utah.gov

Visit HealthEquity at
www.healthequity.com

*Excludes funds transferred by a member to Charles Schwab for the purchase of mutual funds.
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