

LEGACY WEALTH SERVICES



Small Business Health Insurance

Buyer's Guide 2026

Everything You Need to Choose the Right Plan for Your Team

PRESENTED BY

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Health Benefits Are No Longer Optional for Small Businesses

In today's job market, offering group health insurance is one of the most powerful tools a small business owner has for recruiting and retaining quality employees. According to the Society for Human Resource Management, health benefits are the #1 factor employees consider when choosing an employer.

The good news? Group health coverage is often more affordable than you think — especially with the right guidance on plan types, carrier options, and contribution strategies.

This guide covers:

- How group health insurance actually works
- The 4 main plan types (HMO, PPO, HDHP, EPO)
- What employers are required to contribute
- Adding dental and vision coverage
- ACA compliance for small businesses
- How to compare carriers and get the best rates

56%

of small businesses offer health benefits — up from 47% just 5 years ago

\$7,590

average annual employer contribution per employee for single coverage in 2025

100%

of employer premiums are tax-deductible as a business expense

The 4 Main Plan Types Explained

HMO

Most Affordable

HEALTH MAINTENANCE ORGANIZATION

- ✓ Lower premiums for employer and employee
- ✓ Low or no deductible options
- ✓ Requires choosing a primary care physician
- ⚠ Must stay in-network for coverage
- ⚠ Referrals required for specialists

Best for: Cost-conscious employers, teams in urban areas with good network coverage

PPO

Most Flexible

PREFERRED PROVIDER ORGANIZATION

- ✓ No referrals required for specialists
- ✓ Can see out-of-network providers (at higher cost)
- ✓ Large provider networks nationwide
- ⚠ Higher premiums than HMO
- ⚠ Usually has a deductible

Best for: Employees who want freedom to choose their doctors

HDHP + HSA

Tax Advantage

HIGH DEDUCTIBLE + HEALTH SAVINGS ACCOUNT

- ✓ Lowest monthly premiums
- ✓ Paired with HSA — triple tax benefit
- ✓ Employer can contribute to HSA
- ⚠ High deductible before insurance kicks in
- ⚠ Best for generally healthy employees

Best for: Tech-savvy employees, businesses where owner wants tax efficiency

EPO

Hybrid Option

EXCLUSIVE PROVIDER ORGANIZATION

- ✓ No referrals needed (like PPO)
- ✓ Lower premiums than PPO
- ✓ Good network coverage
- ⚠ No out-of-network coverage (like HMO)
- ⚠ Less common than HMO/PPO

Best for: Mid-point between HMO and PPO — good blend of cost and flexibility

Employer Contribution Rules

ACA Requirements (1-49 Employees)

Businesses with fewer than 50 full-time equivalent employees are **not legally required** to offer health insurance under the ACA. However, if you do offer coverage:

- Plans must meet minimum value standards
- Employee contribution cannot exceed 9.02% of household income
- Small Group plans are regulated by state insurance departments

Industry Standard Contribution Strategy

Employee Only Premium **75-100%**

Dependent Coverage **0-50%**

Minimum Required **50%**

SHOP

Small Business Health Options Program — tax credits up to 50% for qualifying small employers

QSEHRA

Reimburse individual premiums tax-free — up to \$6,350/yr single, \$12,800/yr family in 2025

Section 105

Medical reimbursement plans that allow tax-free employee reimbursements

OFTEN OVERLOOKED BENEFITS

Adding Dental & Vision to Your Benefits Package

Dental and vision benefits are among the most valued — and most requested — employee benefits. They're also surprisingly affordable to add to a group health plan, especially through a multi-carrier broker.

Typical Group Dental Coverage:

- ✓ 100% preventive care (cleanings, x-rays)
 - ✓ 80% basic services (fillings, extractions)
 - ✓ 50% major services (crowns, bridges)
 - ✓ Orthodontia option for employees with children
- Employer cost: \$20-\$60/month per employee

Typical Group Vision Coverage:

- ✓ Annual eye exam covered
 - ✓ Allowance for frames or contacts
 - ✓ Discounts on LASIK surgery
- Employer cost: \$8-\$20/month per employee

The Multi-Carrier Advantage

Working with a broker who has access to multiple carriers — rather than being captive to one insurance company — means you get:

- Competitive bidding among top carriers
- Best-fit plans for your team's demographics
- Year-over-year rate comparison at renewal
- Mix and match medical, dental, vision, life
- Unbiased advice — we work for YOU

💡 Pro Tip: Bundle for Savings

Bundling dental and vision with your group health plan often unlocks carrier discounts of 5-15% on all three products.

Group Health Shopping Checklist

Before you meet with a broker, gather this information to get accurate quotes quickly.

About Your Business

- Total number of full-time employees
- Number who will enroll (participation rate)
- Employee age range / demographics
- Current benefit budget per employee/month
- Business zip code / employee locations
- Desired effective date
- Existing plan (if switching carriers)

Plan Preferences

- Preferred plan type (HMO / PPO / HDHP)
- Maximum employee out-of-pocket tolerance
- Important carriers / networks for employees
- Any specific medications to check formulary
- Interest in dental / vision add-ons
- Interest in life insurance / disability add-ons
- HSA preference



Timeline to Expect

Day 1

Initial consultation & census collection

Days 3-7

Carrier quotes received

Days 7-14

Plan selection & enrollment

Day 30+

Coverage effective date



Ready to Get Group Health Quotes for Your Business?

We shop multiple carriers on your behalf — at no cost to you. Get a custom comparison of plans, premiums, and benefits designed for your team.

[Get Free Group Health Quotes](#)

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