

Memorial Hermann Hybrid Product

Frequently Asked Questions

Why did Memorial Hermann create a small group Hybrid product?

Memorial Hermann Health Plan created this Hybrid product to continue providing competitive, viable options in the small group market. This product also allows groups the opportunity of receiving a return on their premium dollars.

What are the main differences between metal plans and the Memorial Hermann Hybrid product?

The Memorial Hermann Hybrid product is a partially self-funded product that is not confined to the regulations of the Affordable Care Act (ACA). The Hybrid product also allows the employer the opportunity to receive a return on their premium dollars.

How are employers able to receive a return on their premium dollars?

When a company offers the Hybrid product, a percentage of their monthly premium dollars will fund a claims account. If the group does not utilize all of their claims account in a plan year, the group will receive a portion of the remaining dollars.

What types of variables are considered when calculating the premium rates?

The Memorial Hermann Hybrid product rates will be calculated with the same methodology as the Memorial Hermann metal plans that are community rated and based on the demographics provided.

What are some financial considerations for employers offering the Hybrid product?

The employer is responsible for paying the total monthly premium billed. If the employer decides to voluntarily terminate prior to the close of the plan year, they may be subject to an early termination fee.

How does offering the Hybrid product impact employer tax responsibilities?

Employers who offer the Hybrid product will have different reporting requirements to ensure their employees are not charged the individual mandate fee. For clarification on tax responsibilities please contact your qualified tax professional.

Are groups that are enrolled in the Hybrid product subject to the PCORI (Patient Centered Outcomes Research Institute) fee?

Yes. For clarification on tax responsibilities please contact your qualified tax professional.

If an employer offers the Hybrid product, will medical underwriting be required?

There will be no individual or group medical underwriting for this product.

How do employers benefit from choosing the Memorial Hermann Hybrid product?

Along with access to Memorial Hermann's trusted network, employers can also experience reduced premium costs and a return on their premium.

Will my employees receive an Evidence of Coverage or a Certificate of Coverage document?

No, but the employer will receive a summary plan description template to distribute to employees.

All Commercial HMO products are underwritten by Memorial Hermann Commercial Health Plan, Inc.

All Commercial PPO products are underwritten by Memorial Hermann Health Insurance Company.

All Hybrid products are administered by Memorial Hermann Health Solutions, Inc.