

**SOLUTION FOCUS**

Benefit: QSEHRA
Industry: Technology
Region/State:
California
Number of employees: 14

SUMMARY OF BENEFITS

- Ongoing annual savings of \$20,000
- Savings reallocated to other employee benefits and salary increases
- QSEHRA benefits support employee retention efforts
- 100% participation rate

“What PeopleKeep offers is a great option for small businesses because they provide so much control over costs. They allow us to participate in the health insurance market without having to find a broker or choose a small and expensive group health plan.”

David Herzog
Vice President & General Manager

CompuWave secures consistent annual savings and stabilized employee retention by switching to a QSEHRA

CompuWave chooses PeopleKeep over group health insurance due to its budget-friendly health benefit and easy-to-use administration software solution.

The Challenge

In 2017, David Herzog, Vice President and General Manager of CompuWave, started feeling the pressure of rising group health insurance costs. As a small family-owned company, CompuWave needed to attract and retain employees to maintain and grow their business. But the group health plan they'd had since opening continued to raise premium costs each year, prompting David to look for a more cost-effective solution.

The Solution

Soon after researching small business health benefits, David found PeopleKeep and the qualified small employer HRA (QSEHRA). With a QSEHRA, employers reimburse staff — tax-free — for their medical expenses and insurance premiums. In addition to the QSEHRA's simple reimbursement model, PeopleKeep's easy-to-use administration software won David over and he quickly seized the opportunity to make the switch.

The Results

CompuWave is now saving \$20,000 a year over group health insurance and has a 100% participation rate with the QSEHRA. Employees and new hires have expressed positive feedback on the flexibility to choose a health plan that meets their needs. Even better, CompuWave's savings are being used for raises and other employee benefits, helping to retain employees and entice job seekers.

The Challenge

As the Vice President and General Manager of CompuWave, a small family-owned company, David Herzog knew that finding a benefit that was both affordable and would provide a small group of employees with the comprehensive coverage they needed would be difficult. Although the company has little turnover, he wanted to ensure they had a health benefit in place that would attract talent in the area and retain current employees.

“Our overall group health premium just kept going up in excess of 10% every year with no real change in our risk pool that would justify it.”

For several years, CompuWave had a typical small employer group health insurance plan they acquired through a broker. Under this plan, the company paid 100% of their employees’ insurance premiums. But when their premiums started becoming too expensive — their rates rising at least 10% every year with no changes to their plan or risk

— they wanted to be more hands-on with controlling their health benefit costs. This need for a more budget-friendly option drove David to begin researching what other solutions were out there for small businesses.

The Solution

David found PeopleKeep very quickly during his research and immediately knew it would be the right option for CompuWave. After working with PeopleKeep’s team of personalized benefit advisors and viewing a demonstration on the QSEHRA product and dashboard, he felt comfortable with the benefit, including the setup, and overall HRA software experience.

“I was given a short demo on the product initially and I liked the dashboard experience and the simplicity of managing the benefit.”

A QSEHRA is a tax-free health benefit for companies with fewer than 50 employees. It’s used to reimburse employees for their individual health insurance premiums and other eligible out-of-pocket medical expenses. Employers set a monthly allowance of their choice, making the benefit personalized and functional for their employees and budget. To help employees get started, PeopleKeep partners with KindHealth, a health insurance concierge service that helps employees find an individual insurance plan that works best for their needs.

Initially, David selected an allowance based on standard silver level plans in the California individual health insurance market. He knew that slight adjustments could easily be made each year to match the change in cost of the silver plan, so selecting the starting allowance amount was easy. David was impressed that the QSEHRA would give CompuWave a reliable way of capping their health benefit expenses while also giving employees more insurance options to choose. A much more affordable and flexible option than group health, David confidently switched to the QSEHRA with PeopleKeep not long after discovering them.

The Results

Since joining PeopleKeep in 2017, CompuWave and its employees have benefitted from a consistently positive experience with the QSEHRA. They have a 100% participation rate and regularly save at least \$20,000 a year since switching from a group health plan. The savings they're now gaining are put back into the company's budget and are used for salaries, bonuses, and other employee benefits.

Employee feedback frequently speaks to the ease of selecting a policy and the appreciation of receiving insurance premium reimbursements, which has contributed to retention efforts. *Feedback from a recently-hired employee and other candidates has been positive as well. Moreover, onboarding to the QSEHRA ran smoothly and was self-explanatory. Explanations on how to shop for a policy and what expenses qualify for reimbursement are clearly displayed on the dashboard, making it straightforward for employees to understand how to use the benefit.

"Working with the customer service team through the chat function has been great and responses have been fast."

David continues to enjoy the administration capabilities of the benefit. Updating the employee directory is quick and scheduling monthly reimbursements is as easy as clicking a button and sending to payroll. Working with PeopleKeep's customer support team isn't often needed due to the ease of the benefit, but any time an employee needs to reach out, questions are answered swiftly and thoroughly.

David is saving time administering the QSEHRA in comparison to the time he would have spent working with a broker to try to find the best health plan for his company that would also meet the needs of each employee. With the QSEHRA and PeopleKeep, his employees have the freedom to choose the plan that best fits their unique situation, leaving him time to focus on running the company.

About the Company

Headquartered in Ventura, California, CompuWave's core business is providing data products and services to government agencies as well as educational institutions and major corporations. Its distribution channel consists of over 50 warehouses throughout the United States and offers close to 900,000 products from over 10,000 manufacturers. CompuWave has built a dedicated team to support its customer base. Whether it's sales, service or networking, CompuWave has the skilled personnel to complete any tasks.