



# HOW TO USE MERPS TO WRITE MORE BUSINESS

According to the latest statistics from the American Medical Association, each person in the U.S. spends an average of \$13,493 on healthcare. That's a significant portion of many employees' annual salaries.

Businesses that cover part of these medical expenses help encourage employee loyalty while helping staff prioritize their well-being. As a side bonus, staff members who put their health first will likely perform better and reach productivity goals.

A Medical Expense Reimbursement Plan (MERP) is a popular choice for many businesses. It offers financial relief for employees while ensuring optimal control for employers. Our guide explains this plan in detail and debunks any MERP misconceptions.

**LEARN MORE ABOUT MERPS**

[www.DifferenceCard.com/Services/Products/MERP](http://www.DifferenceCard.com/Services/Products/MERP)

# First, What is a MERP?

## Exploring the Basics of Medical Expense Reimbursement Plans

**MERPs are employer-funded solutions** that aim to reimburse employees for predetermined medical expenses. They work best with a high-deductible insurance plan, enabling employees to afford higher out-of-pocket medical costs. MERPs are an effective solution for businesses across industries due to their flexibility and tax-free benefits.



In addition to the financial benefits MERPs offer both employers and employees, MERPs also reduce the need for human resources (HR) teams to process medical claims. By eliminating the need to follow up with every employee's medical appointment, HR professionals can focus on other valuable tasks.

Choosing a MERP solution helps businesses cut down on administrative obligations while assisting employees with:

- Deductibles
- Coinsurance
- Copayments
- Prescriptions
- Dental and vision care

# Debunking Common MERPs Myths for Brokers

Companies can choose from several employer-benefit funding options, making it paramount that your clients consider the pros and cons of each plan. As MERPs are less well-known, some misconceptions can prevent organizations from choosing this option. Here are some common myths and the truth about MERPs to help put their minds at ease.

## 1. MERPs Are Only for Large Companies

Unlike other insurance carriers that provide a standard selection of benefits, MERPs offer full customization. This allows small, medium and large enterprises to choose and fund the benefits they want to offer their employees.

Having the power to choose benefits means organizations can control how much or little they spend. In addition, they can offer benefits relevant to their staff to enhance retention processes. For example, Gen Zers are typically more concerned with mental health than other generations. Offering more wellness benefits enables companies to provide the support their teams need.

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## 3. MERPs Are Not Compliant With Healthcare Regulations

For MERPs to retain their tax-free status, they must meet all healthcare regulations and legal requirements. The Difference Card aims to assist brokers with compliance by providing a comprehensive package consisting of the following:

- Summary of Benefits and Coverage (SBCs)
- Summary Plan Descriptions (SPDs)
- Non-discrimination testing protocol



# How is a MERPs Different from Other Healthcare Options?

By explaining the difference between healthcare plans, you help your client make the right choice for their business. Here's a breakdown of the other options they might choose instead of MERPs:

- **Health Saving Accounts (HSAs)**: HSAs allow employees to accumulate savings to put towards out-of-pocket costs. There is no expiration date on these funds, and they grow tax-free.
- **Flexible Spending Accounts (FSAs)**: As these plans are in the employer's name, all funds not claimed will go directly to them at the end of each period. In addition, there is no accommodation for family unit changes, such as divorce or additions to the family.
- **Health Reimbursement Arrangements (HRAs)**: From integrated and individual coverage to expected benefits, there are different HRA plans to consider. One thing to note is that they cost employees nothing, which means the employer bears all costs

## MERP vs HRA

When considering MERP versus HRA, remember that both employee healthcare plans are tax-free and help staff pay for out-of-pocket costs. **The key difference is that MERPs allow for employee contributions, making them more favorable to employers.** Another main difference is their level of customization. As MERPs are not linked to a specific insurer, companies can create tailored plans and shop around for the best carrier when it comes time for renewals.

## Addressing Plan Limitations and Funding Options

When signing employees up for MERP solutions, it's important to communicate that only some medical requirements are covered. In addition, employees will be partly liable for the selected benefits.

To help employees get the most value from their plan, employers can choose a more extensive list of benefits. Companies can also make additional contributions to MERP funding opportunities to ensure staff receive the care they need.

# How The Difference Card Enhances MERPs

Many brokers choose to connect with a TPA, like [\*\*The Difference Card\*\*](#), to ensure they offer their clients the best service. Here's how we enhance our MERP:

- **Unique benefits:** Whether your clients want to fund dental check-ups or therapeutic massages, you can tailor the plan accordingly. This helps organizations attract top talent while saving an average of 18% on employee health benefits.
- **Optimal savings:** The Difference Card provides clients with a full claims history, enabling organizations to identify trends so they can optimize benefits. These data insights help employers maximize their savings.
- **Top-tier service:** From querying benefits to clarifying the claims process, our dedicated Client Success Teams and experienced Member Service Call Center Representatives are ready to assist brokers and their clients.

## FAQs on Medical Expense Reimbursement Plans

When offering employers MERP solutions, there are likely to be multiple questions. [\*\*Equip yourself with all the answers\*\*](#) by taking a look at our most common queries:

### **How Do Employers Reimburse Medical Expenses?**

Employers must communicate to their teams that a third-party provider does all reimbursements. Once staff submit proof of their approved medical claims, they must wait the specified time before reimbursement.

### **What MERP Is Best for My Client?**

MERPs include stand-alone, individual, group or vision and dental plans. As all companies and their workforces are unique, it's best to conduct a needs analysis to establish the right solution. In addition, partnering with a reputable provider can offer your client the MERP solution they need.

### **What Are the Benefits of MERP Solutions?**

From increased employer control to wellness benefits for employees, MERP solutions benefit all members of the organization. But perhaps the greatest benefit for brokers is increased data. By better understanding your client's workforce, you can tailor benefits accordingly.

# Taking the Next Step: Exploring MERP Solutions With The Difference Card

When attracting and retaining employees, health insurance benefits are a significant draw. While organizations can consider multiple employer-funded health plans, MERP solutions are a great option due to their flexibility of coverage and employee control.

The Difference Card makes it their mission to help brokers offer their clients the best MERP options for optimal employee benefits.

[\*\*Contact our team for more information\*\*](#), or help your clients maximize their savings and offer more benefits – [\*\*request a proposal now.\*\*](#)

**Explore the Benefits of  
The Difference Card's  
Section 105 Plan**

[Contact Us](#)

