NEWS BRIEF

Provided by: Ronstadt Insurance

Medical Stop-loss Premiums Up Nearly 10% in 2022

The average stop-loss coverage premium for self-insured group health plans in the United States increased 9.8% for the nearly 250 health plans in Segal's national medical stop-loss database's 2022 data set. That's up from 8% in the 2021 data set.

In 2022, the most common stop-loss insurance deductible is $250,000, up from $200,000 in 2021, according to Segal's recent data set. However, specific stop-loss deductibles for self-insured group health plans vary widely, ranging from under $200,000 to $2 million.

The average per-participant stop-loss insurance premiums have an inverse relationship with stop-loss plan deductibles. So, as deductibles rise, premiums fall. For example, in 2022, for a stop-loss coverage plan with a $200,000 deductible, the median monthly per-participant premium was $85.80. But, for a stop-loss coverage plan with a $500,000 deductible, the median per-participant premium was $29.90.

Over the last two years, high-cost claimants with $100,000 or more in paid annual claims accounted for less than 1% of all claimants but 28% of total medical plan claim expenses. In addition, an increasing number of drug therapies exceed $1 million annually in prescription paid claims for a single individual. These numbers underscore the value provided by stop-loss policies. As the number and value of high-amount health care claims continue to grow, stop-loss coverage provides asset protection and cost predictability, especially for smaller groups and those with modest cash reserves.

Employer Takeaways

As costs continue to increase and the quality of care becomes increasingly important, medical stop-loss insurance can be an essential tool to help employers manage volatility. With the rapid rate of change in newly approved medical technology and procedures, employers need to ensure their stop-loss coverage policies align with their coverage needs.

Contact Ronstadt Insurance for more information on stop-loss coverage.