

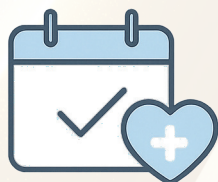


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PICKING ChatGPT's BRAIN

What Will Employer-Sponsored Health Benefits Look Like in Ten Years?

If you haven't yet played around with ChatGPT, the generative artificial intelligence (AI) chatbot developed by OpenAI, Inc., you're missing out on an incredible (and fun) AI experience. ChatGPT is simple to use, and its immediate and thorough results are fascinating and often outside the box. In addition to ChatGPT's amazing and instantaneous analysis, it can offer results that are (mostly) free of human bias. Here's what happened when I put ChatGPT to the test and asked about the role of employers in health benefits in the next decade.



Question 1:

Will employers still be providing health benefits in 10 years?

ChatGPT's Response:

Most likely yes, but with changes.

Why they'll still be involved:

- **Attracting and retaining talent:** Health insurance remains one of the most-valued employee benefits. Employers offering robust plans are more competitive in tight labor markets.
- **Tax advantages:** Employer-sponsored coverage is still tax-deductible for employers and untaxed for employees in the U.S.
- **Lack of a public alternative (U.S.):** Unless significant reform (e.g., universal healthcare) happens, the private market will dominate, with employers playing a key role.

But the model may shift:

- **Defined contribution vs. defined benefit:** More employers are exploring fixed-dollar contributions (e.g., through Individual Coverage Health Reimbursement Arrangements ICHRAs), giving employees a budget to buy their own insurance on exchanges.

- **Insurtech platforms:** Companies may shift from traditional group plans to digital-first solutions with built-in wellness tools and data integration.
- **More personalization:** Think à la carte health benefits instead of one-size-fits-all plans.



Question 2:

How Much Will Employer Health Insurance Cost in 10 Years?

ChatGPT's Response:

U.S. Cost Projections (2025 → 2035):

Current State (2025 est.):

- **Average employer cost per employee per year:**
≈ \$17,500 – \$18,000 (for family coverage);
≈ \$7,000 – \$8,000 (for single coverage)
- **Annual premium growth:**
5–7% average over last decade

Projected Cost in 2035 (if current trends hold):

- **Family coverage:**
At 6% compound annual growth rate (CAGR) →
≈ \$31,500–\$32,000 per employee per year

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continued

- **Single coverage:**
≈ \$12,000–\$13,000 per year

(These assume no major policy or structural changes. Disruption (e.g., Medicare expansion) could radically alter this.)

Note: Employers typically pay about 70–75% of premiums. That means their share could be \$23,000+ per employee in 2035 for family plans.



Question 4:

What About Outside the U.S.?

ChatGPT's Response:

In countries with universal healthcare (e.g., Canada, UK, much of Europe):

Employers generally don't cover core health care, but they often provide supplemental private insurance (e.g., dental, vision, faster access).

Costs are much lower compared to U.S.—typically \$1,000–\$3,000 per employee per year.

In rapidly growing markets like India or China:

Employer-provided health insurance is increasing, especially in tech and white-collar sectors, though premiums are still relatively low compared to Western standards.

Bottom Line

Question	Answer
Will employers still pay?	Yes — though many may use new models (like ICHRAs, defined contribution)
Average cost by 2035 (U.S.)	≈\$31,000+ per family plan; ≈\$12,000+ for single
Cost-control strategy?	More digital tools, risk sharing, plan redesign, and personalization
Outside U.S.?	Employer role is smaller; costs are much lower



Question 3:

What Employers Might Do to Control Costs?

ChatGPT's Response:

1. **Adopt ICHRAs** or defined-contribution models.
Fixed-cost model helps cap budget exposure.
2. **Use value-based care** and narrower networks.
Contract with high-performance providers to reduce claims.
3. **Incentivize wellness** and chronic management. Use digital tools to promote preventive care and reduce expensive interventions.
4. **Explore self-insurance.** Larger employers may self-fund their plans and buy stop-loss insurance to manage risk.
5. **Shift cost to employees.**
Some employers may increase deductibles or employee premium shares if inflation accelerates.



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