

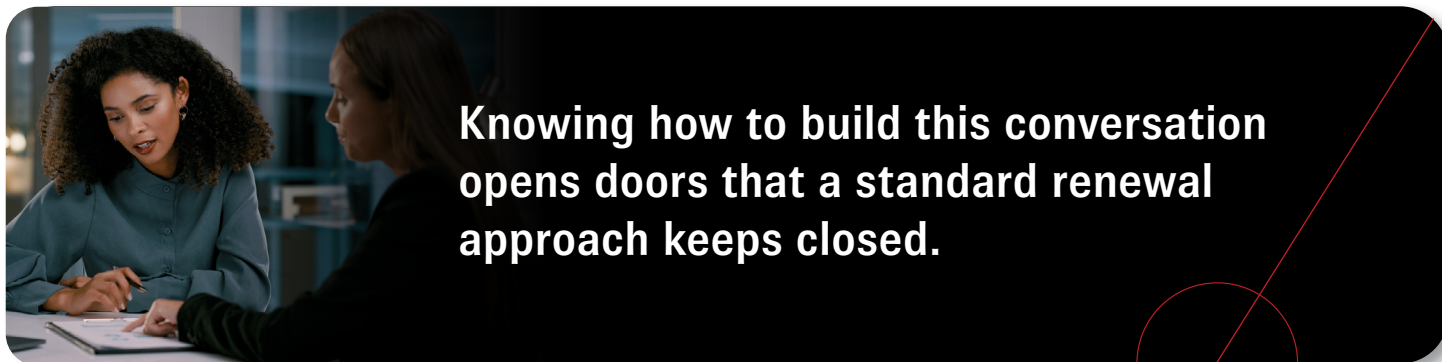
CRC BENEFITS

When Traditional Group Health Stops Making Sense



The renewal conversation has changed. More clients are arriving at that meeting, not just asking for a better rate but genuinely questioning whether the traditional group health model still makes sense for their business. After years of absorbing double-digit increases, watching contributions creep up, and benefits erode, some of them are ready to hear that there is a different way to approach this entirely.

For a lot of those clients, there is. MEC, MVP, and worksite benefits have become one of the more practical answers to a cost problem that traditional group health is no longer solving on its own. Knowing how to build this conversation opens doors that a standard renewal approach may keep closed.



Knowing how to build this conversation opens doors that a standard renewal approach keeps closed.

WHY MORE EMPLOYERS ARE HITTING A WALL

The math has stopped working for a growing share of employers. The average family premium crossed \$26,993 in 2025 and keeps climbing.¹ For a small or mid-sized employer trying to keep contributions at a level employees can actually afford, that trajectory is becoming unsustainable.

The ACA's employer mandate adds another layer. Applicable large employers, those with 50 or more full-time equivalent employees, are required to offer coverage meeting minimum essential coverage standards to at least 95% of their full-time workforce. Miss that mark and the exposure is \$3,340 per full-time employee annually under Penalty A.² Even when an employer does offer coverage, if it is not affordable or does not meet minimum value standards, Penalty B kicks in at \$5,010 per employee who goes to the marketplace and gets a subsidy.³

Most employers in this situation are not trying to dodge their obligations. They are trying to figure out how to meet them without breaking the budget. That is the conversation MEC and MVP were designed for.

WHAT MEC AND MVP ACTUALLY DO

MEC, or Minimum Essential Coverage, is the baseline that satisfies the ACA's offer requirement under Penalty A. When an employer offers MEC to at least 95% of their full-time workforce, they have addressed the most foundational compliance



Missing the ACA mark costs \$3,340 per full-time employee under Penalty A and \$5,010 per employee under Penalty B.²

exposure. MEC plans typically cover preventive services and wellness visits at no cost to the employee, which makes them genuinely useful as a standalone benefit while also serving the compliance purpose.

MVP, or Minimum Value Plan, goes a step further. A plan meets minimum value when it is designed to pay at least 60% of the total cost of covered benefits. Pairing an MVP with a contribution that keeps the employee's cost below 9.96% of their household income in 2026 addresses Penalty B.⁴

One thing that gets missed in this conversation: MEC and MVP are not the whole package. They are the foundation. Worksite benefits, accident, critical illness, and hospital indemnity, layer on top to give employees real protection for the moments that create the most financial exposure. Put it together, and you have a benefits package that manages cost, addresses compliance, and actually delivers something meaningful to the people using it.



MEC and MVP are the foundation. Worksite benefits are what make the package actually deliver something meaningful.

WHERE THIS STRATEGY FITS AND WHERE IT DOES NOT

Like any strategy, this one works best in the right situation. This is not the right answer for every employer.

An employer with a stable, well-funded benefits program and a workforce that values and uses comprehensive major medical coverage is probably not the right candidate for this conversation. That is fine.

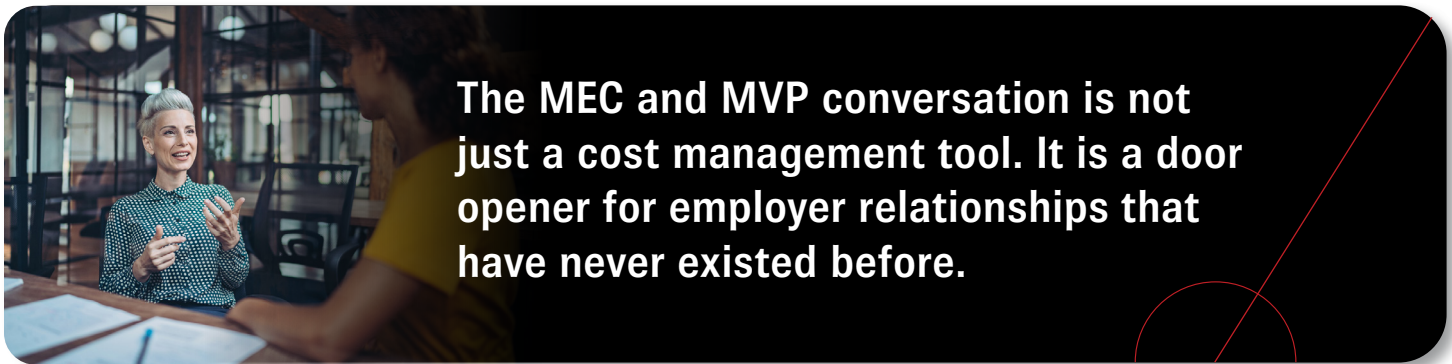
But the employer is facing a contribution strategy that is creating ACA affordability risk? The one dealing with a renewal increase that is no longer absorbable? The one with a workforce that skews younger and healthier, with lower utilization, where the traditional major medical economics have been getting harder to justify? That is exactly where this approach belongs.

And do not overlook the employer who has never been able to offer benefits at all. The ALE threshold sits at 50 full-time equivalent employees, and there are plenty of employers in that range who have been trying to find a path to compliance without the full cost of a traditional group plan. This is that path.

WHAT MAKES THIS CONVERSATION WORTH HAVING

The reason this strategy tends to open new conversations rather than just replace existing ones is that it changes the question. Instead of “how do we fund this renewal,” it becomes “what structure actually serves this employer’s goals and their people.” That is a different kind of engagement, and it tends to go deeper than a standard renewal presentation.

There is a growth dimension here worth naming, too. The employer who has been priced out of traditional group benefits, or who has been operating without coverage because nothing felt workable, represents a real market. A broker who can walk into that conversation with a practical, compliant, affordable path forward is doing something most of the competition is not. The MEC and MVP conversation is not just a cost management tool for existing clients. It is a door opener for employer relationships that have never existed before.



The MEC and MVP conversation is not just a cost management tool. It is a door opener for employer relationships that have never existed before.

BOTTOM LINE

Traditional group health is still the right answer for many employers. But for the ones where it is not, MEC, MVP, and worksite benefits offer a structure that actually works. Compliance addressed. Costs controlled. Employees with real protection for the moments that matter most.

CRC Benefits connects advisors with MEC, MVP, and worksite benefit solutions, along with the compliance guidance and plan design support to build the right structure for each employer’s situation. Reach out to the CRC Benefits team to start the conversation.

CONTRIBUTORS

- + Karen Crotty** is a Benefits Sales Executive for CRC Benefits, leading the MEC, MVP, and alternative benefits initiative for the Northeast region, covering New Jersey, New York, Pennsylvania, and Maryland.

ENDNOTES

1. KFF. “2025 Employer Health Benefits Survey.” October 2025. <https://www.kff.org/health-costs/2025-employer-health-benefits-survey/>
2. PrimePay. “2026 ACA Penalties: Out-of-Pocket Maximums and Employer Mandates.” November 2025. <https://primepay.com/blog/aca-out-of-pocket-employer-mandate-penalties/>
3. PrimePay. “2026 ACA Penalties: Out-of-Pocket Maximums and Employer Mandates.” November 2025. <https://primepay.com/blog/aca-out-of-pocket-employer-mandate-penalties/>
4. IRS. “Rev. Proc. 2025-25: Affordability Percentage for 2026.” 2025. <https://www.irs.gov/pub/irs-drop/rp-25-25.pdf>

Subscribe to

TOOLS + INTEL

crcbenefits.com