

Choosing health coverage for a small team is a real operations project—even when “HR” is one person who also handles payroll, hiring, and the office keys. The right approach depends on your employees’ locations, eligibility, budget, and what kind of help you want with administration. It is not as simple as picking the cheapest plan.

Start with a question I always asked before comparing premiums: **Who is in-network for our employees’ ZIP codes?** A plan that looks affordable on paper may be a poor fit if its doctors or hospitals are out of network where your team lives—especially if employees work remotely across state lines.

This guide explains where to look, how to compare a health insurance broker with buying directly from an insurer, which small-group rules to check early, and how health reimbursement arrangements (HRAs) work. It also offers a manageable process for handling benefits without HR.



Start with employee locations, eligibility, and needs

Before requesting quotes, build a basic census of the people who may be covered. For each employee, note their home ZIP code and state, whether they are full-time or part-time under the applicable rules, and whether they want employee-only or family coverage. Do not collect medical histories to shop for plans. A broker or carrier can tell you what information is actually needed and how to handle it securely.

Then ask employees what matters to them. You do not need to ask for private health details. Instead, ask whether they want to keep particular doctors, how they feel about a narrow network, whether they value predictable copays or lower premiums, and whether they need coverage for dependents. For a remote team, do not assume one network serves everyone. Check access by ZIP code and state, including routine care, hospitals, and urgent care.

Why small businesses look beyond the public marketplace

When people say “the marketplace,” they may mean the individual public exchange or the small-business marketplace. In the United States, HealthCare.gov serves many states; some states operate their own exchange.

The Small Business Health Options Program (SHOP) is the small-employer marketplace pathway, though its availability and practical use can vary by location. Start at the official federal or state marketplace site rather than an advertisement that imitates one.

Some employers look beyond the public exchange because they want a group plan, a particular carrier or network, help comparing plan designs, or a contribution structure that fits their budget. A broker may also bring options from insurers that are not presented in the same way on an exchange. In some areas, the available SHOP choices may be limited, or the employer may prefer to compare the wider local small-group market.

That does not make the exchange irrelevant. It can be a useful source of plan information and a place for employees to explore individual coverage. Depending on income, household details, and access to employer coverage, an employee may qualify for premium tax credits for individual-market coverage. Employer coverage can affect that eligibility, so employees should check current rules with the marketplace or a qualified tax professional instead of assuming that one option is always better.

Also ask whether a small employer may qualify for the Small Business Health Care Tax Credit. Eligibility depends on requirements that can include employer size, average wages, the type of coverage offered, and the employer's contribution. The rules are specific and can change. Check the IRS and official marketplace guidance, or ask a tax professional before building the credit into your budget.

Check small-group eligibility and participation rules first

Before comparing plan prices, ask whether your business qualifies to buy small-group coverage in the state where the plan will be issued. Definitions of a small employer and rules for counting workers can vary. An insurer or broker may need to confirm who counts as an eligible employee, how owners are treated, and whether your business must meet a minimum size or other conditions.

Participation and employer-contribution requirements are not minor details. A carrier or state may require a certain percentage of eligible employees to enroll, or the employer to pay a minimum share of the premium. How employees with other qualifying coverage are counted can matter. Seasonal, part-time, newly hired, and waived employees may also be treated differently under plan and state rules.

Get the actual rules for each option in writing before you select a plan. Ask these questions early:

- Does our business qualify for this small-group plan in our state?
- Which workers count as eligible employees, and how are owners or family members treated?
- What participation percentage must we meet? How are employees with other coverage handled?
- Is there a minimum employer contribution, and does it apply to dependents?
- What happens if an employee declines coverage, moves, or becomes eligible midyear?
- Are there enrollment windows or documentation requirements we need to meet?

Do not wait until the end of the process to discover that the team cannot meet a participation rule. A broker can help interpret carrier requirements, but ask the carrier or administrator to confirm the final eligibility and enrollment rules. Keep the confirmation with your benefits records.

Health insurance broker vs. buying direct from a carrier

A health insurance broker can help a small employer compare plan options, explain enrollment steps, and coordinate with insurers. Brokers commonly receive compensation from insurers, but the arrangement can vary.

Ask how the broker is paid, which carriers they represent, whether they can show options outside their current portfolio, and whether you will owe any separate fee.

Buying directly from a carrier can work if you already know which insurer you want and are comfortable managing the comparison and enrollment process. It does not automatically mean a lower price or simpler administration. Confirm that you are seeing the plan options available to a business like yours, and ask who will help with eligibility questions, employee additions and terminations, and renewal paperwork.

Consideration Working with a broker Shopping directly with a carrier Plan comparison May compare multiple carriers and explain differences; ask which insurers are included. Usually focuses on that carrier's products. Guidance Can help with eligibility questions, enrollment, and renewal planning; confirm the scope of service. Carrier representatives can explain their plans and processes, but not competing products. Compensation Ask about commissions, fees, and any conflicts of interest. Ask whether the quoted price includes any broker compensation and what support is included. Employer workload May reduce research time, but the employer still has decisions and responsibilities. You may handle more comparison and coordination yourself.

For either route, use a one-page comparison sheet for every carrier or broker conversation. Record the plan name, monthly premium, employer contribution, deductible, out-of-pocket maximum, network, prescription coverage, participation rules, enrollment deadlines, and the person responsible for follow-up. If a plan summary is vague, ask for the official Summary of Benefits and Coverage (SBC) and the current provider-directory link.

Compare the plan, not just the monthly premium

Premiums are easy to compare and easy to overvalue. Look at what an employee could pay in a year, not only what the business pays each month. Review the deductible, copays or coinsurance, out-of-pocket maximum, prescription tiers, and whether common services are covered before the deductible. Check referrals and prior authorization requirements where relevant.

Then verify the network. Search for specific doctors and facilities by name and ZIP code in the insurer's current directory, and call the provider's tradersdna.com office to confirm the exact plan network. Directories can be outdated, and a carrier may sell multiple plans with different networks. For employees in several states, check each location separately. Ask whether the plan offers a national network, local network, or out-of-area coverage—and what "out of network" means for non-emergency care.

Compare the SBCs side by side and make a short list of trade-offs. One plan may have a higher premium but a lower deductible or broader network. Another may suit employees who are comfortable with a narrower network and higher cost sharing. The best fit is the plan employees can use and the business can sustain through renewal, not simply the lowest quote.

HRA-style arrangements: a different way to contribute

An HRA is an employer-funded arrangement that reimburses eligible medical expenses, often including qualifying individual health insurance premiums, under defined rules. Employees generally submit substantiation of an eligible expense before reimbursement. It is not the same as giving employees an unrestricted cash allowance, and the employer should not improvise the legal structure or tax treatment.

Several HRA types may be relevant to small employers. A Qualified Small Employer HRA (QSEHRA) is generally designed for eligible small employers that do not offer a group health plan. An Individual Coverage HRA (ICHRA) can be used by employers of different sizes, subject to rules that include offering it on permitted terms to employee classes and requiring participants to have qualifying individual coverage. Other arrangements, such as

an excepted-benefit HRA, have narrower purposes. Eligibility, notice, substantiation, affordability, and interaction with marketplace subsidies can be complicated.

An HRA can give an employer a defined contribution and let employees choose qualifying individual coverage that suits their location. But it also creates administrative work: setting up compliant plan documents, communicating allowance rules, verifying coverage or expenses, processing reimbursements, and handling notices and records. Employees may need to compare individual plans themselves. A third-party administrator or qualified benefits professional can help, but the employer remains responsible for choosing an arrangement that complies with applicable requirements.

Before choosing an HRA, ask a qualified administrator or benefits adviser:

- Which HRA types can our business use, given our size and whether we offer group coverage?
- How do employee classes, contribution limits, and substantiation rules apply?
- How might the arrangement affect employees' marketplace premium tax credits?
- What notices, plan documents, reporting, and ongoing administration are required?
- How will employees in different states find and maintain qualifying coverage?

Make benefits administration manageable without HR

You do not need a full HR department to run a careful process, but someone must own the calendar and records. Assign a benefits contact—even if it is the owner or office manager—and keep a shared, access-controlled folder for plan documents, employee notices, enrollment confirmations, invoices, and renewal comparisons. Limit access to personal information.

1. **Set a renewal calendar.** Start well before the effective date. Ask the carrier or broker when rates, plan documents, and enrollment materials will be ready.
2. **Confirm your employee census.** Review work locations, eligible employees, dependent elections, and any expected hires or departures.
3. **Check rules before selecting.** Confirm small-group eligibility, participation, employer contribution, and enrollment deadlines for each option.
4. **Compare usable coverage.** Check networks by ZIP code, then compare the SBCs, cost sharing, prescriptions, and total employer cost.
5. **Explain the choice clearly.** Give employees the plan documents, key dates, how to enroll, and where to ask questions. Avoid promising that a provider is in network without verifying the exact plan.
6. **Review throughout the year.** Track qualifying life events, new-hire enrollment deadlines, invoice changes, and carrier notices. Keep a record of who is responsible for each task.

Benefits administration also means knowing where your role ends. A broker, carrier, payroll provider, or HRA administrator may handle specific tasks, but ask exactly which ones. Get responsibilities in writing: who collects forms, who submits enrollments, who confirms effective dates, and who answers employee questions. Employers may still have legal obligations even when a vendor performs the day-to-day work.

Use reliable sources—and verify what you find

Use the official public health insurance marketplace exchange for your state or HealthCare.gov to review marketplace information and identify the right contact for your location. For employer coverage and tax questions, consult official resources such as the IRS, the Department of Labor, and your state insurance department. A broker

can add local context, but important claims about eligibility, networks, and deadlines should be checked against current plan documents or official guidance.



Google Search also lets some users follow or add sources as “preferred sources” so those outlets can appear more prominently in relevant news results. If the “follow” or “add to preferred sources” prompt appears in your Search experience, you can use it to prioritize reliable sources you already trust. Availability and the exact interface can vary. Treat it as a discovery aid—not a substitute for checking the official source, the document’s date, or the plan’s actual terms.

A practical next step

Begin with a current employee census and a list of ZIP codes, then confirm eligibility and participation rules before reviewing prices. Ask every broker or carrier, “Who is in-network for our ZIP codes?” and request written answers on the network, contribution requirements, and enrollment process. Compare group coverage with an HRA only after you understand the rules and administrative workload of each path.

For a small business without HR, a disciplined checklist can make benefits decisions less overwhelming. The goal is not to find a plan that is cheapest in isolation. It is to choose an arrangement employees can actually use, that the business can afford, and that someone on the team can administer reliably.