

NAVIGATING

US HEALTH INSURANCE



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Prepared by

FOOTHOLD AMERICA

EMPOWERING YOUR
GROWTH



NOTE FROM THE HEAD OF EMPLOYER OF RECORD SERVICE



**ANGELIQUE
SOULET**

Head of EOR Service
Foothold America

For businesses of all sizes, offering health insurance to employees across the US is critical for attracting and retaining top talent. However, administering benefits nationwide and maintaining compliance with state-specific regulations can take time and effort. Fortunately, there are solutions available to help you navigate these challenges.

Please read our guide to learn how to offer affordable and competitive healthcare benefits to your distributed workforce across the US.

Building a distributed workforce across the US grants businesses many perks, including access to a broader talent pool. However, it also introduces challenges like administering competitive healthcare benefits to employees in various states.

Don't underestimate the US healthcare learning curve - it's steeper than Mount Everest.



CAN HEALTH INSURANCE WORK IN DIFFERENT STATES?

Many US health insurance plans cover emergency services at any hospital nationwide, regardless of where you purchased the plan. However, depending on the specific healthcare plan, non-emergency care may only be covered in the state where you bought it.

DISCLAIMER

Always check your specific health insurance plan documents to understand the extent of your coverage, for emergency and non-emergency care, both in and out of the network. If you need clarification on your coverage, contact Foothold America directly.

CHALLENGES OF PROVIDING HEALTH INSURANCE FOR WORKERS IN THE US

Offering health coverage across the United States presents a unique challenge due to the fragmented nature of the healthcare system. Each state has its own individual insurance mandates, regulations, and provider networks. Researching and offering state-specific plans can be time-consuming, resource-intensive, and potentially exceed your capacity or budget.

COMMON CHALLENGES:

* RESEARCH:

Providing flexibility for employees to work anywhere in the US is difficult when unsure about their medical coverage in different states.

* AFFORDABILITY

The inability to afford multiple state-specific health plans can hinder hiring talent across the US.

* ADMINISTRATION

Managing a nationwide remote team and its comprehensive benefits can be complex and requires navigating HR intricacies.

* COMPLIANCE

Relocating an international employee to the US necessitates ensuring compliant relocation and continued medical coverage.

* ATTRACTION

Offering a competitive and unique benefits package, including robust health insurance, is crucial to attract top US talent.

* COMPETITION

Establishing a US market presence requires making medical benefits competitive against leading companies in your industry.

NAVIGATING HEALTHCARE FOR YOUR DISTRIBUTED WORKFORCE



1. National Group Health Insurance Plan
2. Separate State Health Insurance Plans

5 OPTIONS TO CHOOSE FROM



3. Health Reimbursement Arrangement (HRA)
4. Health Insurance Stipends

**5. RECOMMENDED: UTILIZING AN
EMPLOYER OF RECORD (EOR)**



NATIONAL GROUP HEALTH INSURANCE PLAN

A national group health insurance plan provides the same health insurance coverage to all distributed employees across the United States, regardless of their state of residence.

PROS:

Simplified Administration:

Eliminates the need to manage and track various state-specific health insurance regulations.

Uniform Coverage:

All employees receive the same level of coverage, fostering a sense of fairness and consistency within the workforce.

CONS:

Limited Options:

Fewer health insurance companies offer national group plans, resulting in a restricted selection of plan choices for employees.

Potentially Higher Costs:

National plans often come with higher premiums and overall costs due to the broader network coverage they typically provide.



SEPARATE STATE HEALTH INSURANCE PLANS

This approach offers individual health insurance plans specific to each state where your distributed employees reside.

PROS:

Tailored Coverage:

Employees can choose plans that best fit their location-specific needs and preferences, potentially leading to higher satisfaction and engagement.

Suitable for Regional Distribution:

If your workforce is concentrated in specific regions, state-specific plans can provide cost-effective coverage targeted to those areas.

CONS:

Administrative Burden:

Managing and administering multiple plans with varying regulations and requirements across different states can be complex.

Limited Applicability:

This approach might not be feasible for geographically scattered workforces, as offering individual plans for every location could become unwieldy and expensive.

Inequity Between Plans:

Separate plans can result in employees receiving various levels of coverage, which can lead to perceptions of inequity and dissatisfaction.



HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

An HRA is a tax-advantaged account employers establish to reimburse employees for qualified medical expenses. Employers contribute a fixed amount to the account, and employees can use these funds to pay for their health insurance premiums and eligible medical costs.

PROS:

Reduced Administrative Burden:

Employers avoid the complexities of managing group health plans, simplifying their administrative duties.

Employee Choice:

Employees can choose the health insurance plan that best meets their individual needs and preferences.

Tax Advantages:

HRA contributions are tax-deductible for employers and tax-free for employees when used for qualified medical expenses.

CONS:

Limited Investment Opportunities:

Employers cannot invest the funds within the HRA accounts, potentially impacting long-term financial planning.

Administrative complexity of managing reimbursements and tracking expenses:

This creates a burden and complexity for both the employee and the employer.

Dependence on employer funding:

The amount of funds available in an HRA is determined by the employer's contributions.

Restricted Reimbursement:

Due to employer-defined rules, only qualified medical expenses are eligible for reimbursement, potentially limiting employee utilization of the funds.



HEALTH INSURANCE STIPENDS

A health insurance stipend is a fixed amount added to an employee's base salary specifically intended to cover health insurance costs and potentially other benefits. It can be paid annually as a lump sum or distributed on a recurring basis.

PROS:

Simplified Administration:

Requires minimal administrative effort for employers, eliminating the complexities of managing group health plans.

State Compliance Flexibility:

Avoids compliance issues associated with varying state regulations nationwide.

Budget Control & Employee Choice:

Employers retain control over the healthcare budget allocated through the stipend amount.

CONS:

Tax Implications:

Employers incur payroll taxes on the stipend amount, and employees must report it as taxable income.

Employee Burden:

The responsibility of sourcing, selecting, and managing their healthcare plan is placed on the employee, which can be time-consuming and burdensome.

RECOMMENDED (OPTION 1)

UTILIZING AN EMPLOYER OF RECORD (EOR)

An Employer of Record (EOR) is a third-party company that acts as the legal employer of your distributed workforce across the United States. The EOR assumes various employer-related responsibilities on your behalf, including administering health benefits to your employees.

Function: While the EOR legally employs your workforce, you retain complete control over day-to-day operations.

PROS:

* COMPREHENSIVE SUPPORT:

EOR partners offer comprehensive legal guidance and tailor-made healthcare administration for your employees, ensuring compliance with all relevant state labor laws.

* REDUCED ADMIN BURDEN:

With an EOR service managing benefits administration, companies can focus on core business operations and other strategic initiatives.

* COMPETITIVE BENEFITS:

EORs can provide access to top-tier benefits plans for your distributed workforce. EOR services have established relationships with insurance providers and benefit vendors, providing companies access to comprehensive and competitive benefit options.

* STREAMLINED OPERATIONS:

The EOR handles hiring, onboarding, payroll, and compliance, allowing you to engage and relocate talent efficiently and cost-effectively.

CONS:

* VARIATION IN SERVICES:

Not all EOR providers offer identical plans, rates, or levels of support. Some might work with external health insurance providers, potentially impacting costs.

* LIMITED CUSTOMIZATION

The EOR may provide a standardized package that may not fully align with the company's specific needs, potentially limiting their ability to tailor benefits to your workforce.

RECOMMENDED (OPTION 2)

UTILIZING A PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

A Professional Employer Organization (PEO) is a third-party company that co-employs a business's workforce, assuming significant HR and administrative responsibilities. By entering into a co-employment relationship, the PEO becomes a joint employer with the client company, sharing liability for employees. PEOs typically provide comprehensive HR services including payroll processing, benefits administration, tax management, workers' compensation, and compliance support. This allows businesses to focus on core operations while mitigating HR risks and costs.

FOOTHOLD AMERICA'S PEO+ CROSS-BORDER SUPPORT™ SERVICE

* COMPREHENSIVE EMPLOYEE PAYROLL

We manage compliant payroll processing, statutory and voluntary employee benefits withholdings, year-end employee tax documents, recurring time-intensive tasks, including payroll grid management.

* BENEFITS ADMINISTRATION

We offer large-employer benefits plans through negotiated master agreements for health, dental, vision, and more, so you can offer a competitive benefits package. We'll evaluate the private market to compare your options so you are sure to get the best rates.

* TAX MANAGEMENT

We manage the intricacies of US federal and state withholdings and the submission of statutory social security and unemployment payment. We manage registration in new states where you hire new employees, so you don't have to.

* EXPERT HR GUIDANCE

We offer HR guidance, including compliance with employment regulations and best practices. We help you with employee classification and difficult employee terminations so you are confident in your decisions.

WHY BUSINESSES CHOOSE FOOTHOLD AMERICA TO HIRE AND ADMINISTER BENEFITS IN THE USA



✓ **INCLUSIVE COVERAGE:**

Our US-focused benefits cover employees in any life and employment stage. Whether hiring a single employee or a large team, we'll support you with customizable and comprehensive options. This grants your talent access to affordable healthcare solutions and control over their coverage choices.

✓ **COMPETITIVE COSTS:**

Foothold America offers affordable and competitive benefits coverage. Additionally, employers can choose a contribution level that aligns with their budget.

✓ **TRANSPARENT PRICING:**

Our US-specific plans provide transparent and affordable pricing, allowing complete visibility into benefits costs. This ensures your employees know of medical costs upfront, avoiding surprises during office visits or procedures.

✓ **COMPLIANCE EXPERTISE:**

With extensive experience in US labor laws, you can trust your healthcare benefits will always be compliant.

CONTACT US



FOOTHOLD AMERICA

Phone/

+(617) 702-3402

Email/

info@footholdamerica.com

Website/

www.footholdamerica.com

Address/

Global HQ
68 Harrison Avenue 6th Floor Boston,
MA 02111