

Communicating Benefit Changes and Rising Health Care Costs



With the cost of health care steadily increasing, chances are good your health care plan will undergo changes that will affect the cost of benefits. How those changes are communicated to employees can make a big difference in the way they are accepted by participants. Your communication efforts should focus on avoiding employee dissatisfaction and educating employees about the changes.

Avoiding employee dissatisfaction hinges on creating an atmosphere of “we are all in this together.” Employees should feel the employer is doing the best it can to keep costs down and benefits high. Consider the following suggestions:

- Discuss the health insurance industry, including use of new technologies, higher utilization of prescription medications, geographic cost differences, and the aging population.
- Show employees the numbers. A simple pie chart showing the total premium and the portions paid by the employer and employee can be very effective. Employees should understand how health care costs affect the company’s bottom line.
- If your company is small enough and your culture allows it, solicit input from employees on whether they would rather have fewer benefits or pay higher premiums.
- When planning changes, look for ways to balance “take-aways” and “givebacks.” For example, if it is necessary to increase employee premium contribution rates, adding a supplementary benefit, such as transportation benefits, can help to balance things out.
- If a new lower coverage plan is being introduced, make an option available that allows employees to “buy up” to a higher level of coverage.
- If more than one plan is offered, a chart comparing the features of the plans can help to clarify the choice.
- Provide a resource with whom employees can discuss their enrollment choices and assist in making the best decision for their situation. Your broker may be able to assist with this process.
- Show empathy and understanding when employees complain and particularly when they offer suggestions.

Educating employees on how to effectively use the health plan can save money for the employer and employees. Plans are often complex and have specific requirements that must be met in order to receive the most benefit. Employees may not even be aware they have certain benefits available to them under the plan. When educating employees about the health plan(s) available to them, consider:

- Thoroughly reviewing the plan with them, including benefits available and requirements for use (i.e., in-network care versus out-of-network care, copays, necessary referrals).
- Highlighting any new or little known features of the plan.
- Advising employees to review their medical bills and to question those that do not appear accurate.
- Educating employees about the appeals process. Let them know that initial denial of a claim is not the last word. Show them where they can find the written description of the appeals process in case they need it.


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Take the time necessary to plan the way your organization will address health care plan changes with plan participants. Try to anticipate questions and areas of concern or dissatisfaction and determine your response to those expected issues in advance. Planning ahead is the best way to ensure employees have the knowledge they need to navigate the health care plan effectively with as little frustration as possible.

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