

Design tools

How to build a better health plan **Interviewed by Meredyth McKenzie**

One of the biggest challenges business leaders face is finding a health plan that meets all of their needs.

But before you even begin researching the options, you need to determine your overall objective for the plan. Do you want it to encourage healthier lifestyles among employees? Do you want it to include higher-quality networks?

"Figuring out what you want to accomplish is the beginning of the process," says Don Whitford, director of sales and client services at Priority Health. "You also need to understand the overall value of your health plan and how it can help as a recruiting and retention tool for employees."

Smart Business spoke with Whitford about what to consider when building a health plan and how to make sure you are meeting your employees' needs.

What factors should a business leader consider when building a health plan?

The first is wellness and looking at the connection that employees have with the plan. Is it embedded in the benefit design and then supplemented with wellness programs that focus on behaviors important to your company? Or are they stand-alone components? For example, if you have a high population of smokers, you may want to develop a health plan that will encourage your employees to quit smoking.

Cost is the next factor. When you think of cost, it's centered on premium. That's a major component, but you can adjust the premium through changes in benefits, co-pay and deductibles. It's looking at how much you want to contribute and how much you want your employees to contribute.

You can either choose a simple benefit design, or a new spending account plan such as a Health Reimbursement Arrangement, Flexible Spending Accounts or Health Savings Accounts.

The third factor is network. Some carriers boast that they have every physician in their network. But that's not a real network, because there are no qualifications and everyone is allowed to participate. You need to look for a network that has criteria for its physicians and hospitals, so it's based on outcomes and quality medical care.

The last factor is service. Your employees may only interact with the carrier's



Don Whitford
Director of sales and client services
Priority Health

customer service team, so you want to look at the services provided. Hours are important, because you want a carrier with evening and weekend hours so your employees don't have to call during the workday. But you need to make sure the carrier can guarantee a certain level of service.

Make sure the carrier can tell you its first-call resolution rate — employees only need to call once to get a problem solved. What does the carrier do with its calls? Does it record them in case there is a problem or concern?

How do you build a health plan that meets employee needs?

Survey your employees to see what types of benefits are most important to them. That will help design a plan tailored around those specific health needs.

You can also build in incentives to encourage wellness. If your carrier offers health risk assessments — online questionnaires analyzing behaviors and other factors contributing to health — you can provide some type of reward to employees who complete them. Or if the carrier offers disease management programs, you can give employees incentives for participating in those activities.

Oftentimes, employees don't fully un-

derstand the total cost of health care. They only see what they're paying, such as a portion of the premium, deductible or co-pay. You need to clearly communicate why you're making these decisions.

The total health care cost needs to be shared. Tell employees what percentage you are paying, what percentage you want them to pay and what they can do to help control future costs.

What resources are available to help you build your plan?

You can work with an independent insurance agent or health benefits consultant and also use your carrier's resources when designing a health plan. Carrier representatives can also work with you to understand your needs. Carrier Web sites also have a lot of information that can educate you and your employees about the plan.

What are the benefits of taking the time to put together the right health plan for your company?

Setting your objective will determine what is right for you. You want the plan to improve employee health, so they're more aware of the behaviors they can control. Employees will then see the positive impact they can have on their well-being as well as the potential impact to reduce future health care costs.

It can also have a positive impact on your absenteeism rates, improve productivity, make employees greater contributors and improve morale.

How often should you revisit your plan design?

You need to review it annually. Frequently, you just renew the health plan, but things change, product designs change, so it's important to look at it every year. Have your representative, consultant or agent present options to you.

Don't accept the status quo of the plan you've had for years just because you think it's the best. There are plenty of options as plans are becoming more cutting edge and are tied to achieving better outcomes for your work force. <<

DON WHITFORD is director of sales and client services for Priority Health. Reach him at don.whitford@priorityhealth.com or (248) 324-4711.

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