

Make the better decision

How open enrollment is used to help employees find the best plan for their needs **Interviewed by Amy Borghese**

The fall season is the time when about 80 percent of employers hold their open enrollments. This annual event allows employees to ask questions and choose the health plan best suited for their families' needs. Choosing a health care plan is no longer just a health care decision, it is a financial decision.

"This is about setting your annual health care budget," says Don Whitford, director of sales and client services with Priority Health. "It is important to prepare for the 'what if' in medical care."

Smart Business spoke with Whitford about how employers should help employees prepare for open enrollment and how to make open enrollment successful for employers and employees.

How can employers prepare for open enrollment?

Communication should be constant. Employers should inform their employees about the types of plans being offered. The financial aspects of the plan should be disclosed as early as possible. Employees should be informed if they are expected to contribute for plan coverage and what out-of-pocket costs can be expected.

How should employees utilize open enrollment?

Employees should track their coverage needs from the previous year and then document how their current plan covered such needs. During open enrollment, you can compare how other plans would have covered the same needs. You should use this period to talk with the representatives at your health plan provider and let them help you figure out which plan will cover your needs.

What should employees ask their carrier when trying to select a plan?

The network — They should ask questions to fully understand which physicians are in the network. Employees should make sure they are comfortable switching physicians if their current physician is not in their network.



Don Whitford
Director of sales and client services
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Co-pays and deductibles — Employees need to know what their out-of-pocket costs are with their plan. They also need to understand what is and what is not covered.

The drug formulary — Every plan uses a drug formulary (see *Smart Business* September 2008), but different health plans cover different drugs. This must be understood by the employee especially if he or she is switching from one benefit plan to another.

The customer service policy — When the employee calls in with a question, to whom will he or she speak? How quickly can the employee expect resolution to his or her problem? What is the percentage of calls that are resolved on the first call?

How can employers make the open enrollment process easy and effective for their employees?

Many employers make the mistake of not taking advantage of the resources their carriers provide. As a business owner, you are not required to be an expert on the health care plans you provide your employees. However, you are responsible for providing the proper resources to help employees

make the best decisions. An employer should allow the carrier to have its representatives address the employees. Schedule on-site walk-in sessions for your employees to meet with representatives from the health plan. The frequency of these sessions will depend on the size of your work force. Employers should also open communication to employees' families.

What educational information should be provided to employees before and during open enrollment?

Carriers should be able to provide crisp, concise benefit summaries. The carrier should have a user-friendly Web site that provides information on a number of topics such as the drug formulary and how benefit designs work. The employer should provide the pricing information for the employees. The key is to be open with all information and how the plans work as early as possible so that employees have enough time and information to make a well-educated decision.

Are there certain areas within a plan that employees should evaluate in an attempt to save money?

These areas may vary between each employee depending on his or her personal needs. That is why it is important to track and identify those needs. There are a few key areas where employees can look to save money. The first area is the deductible. Which services have deductibles or co-pays? What are the amounts of these co-pays? How often do I use these services? Are the competitors' co-pays significantly different?

For employees with younger children, it is beneficial to look at the carrier's coverage for preventive measures such as vaccines and routine checkups. Some carriers only allot a certain amount of funds for preventive services. After the employee's fund is capped, then all preventive measures become an out-of-pocket expense for the employee. <<

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