

# Benefit Insights

## **Use Communications to Involve Employees in Health Plan Spending Control**

Implementing cost-sharing increases or cutting benefits in an effort to bring health plan costs under control can be unpleasant tasks for employers, with concerns about how the news will impact employee productivity and morale. The better employees understand the reasons such plan changes are necessary, however, the lesser the chance that the changes will have a negative impact.

According to the 2009 UBA Employer Benefit Perspectives survey from United Benefit Advisors, more than 80% of employers felt employees are at least aware of the health care crisis and the reasons for increased cost sharing or benefit reductions; a little less than 20% of employees themselves said they were upset about the benefit reductions or cost increases that their employers implemented. Since communications can play an important role in bringing employees on board with health plan changes, what steps can employers take to make implementation as smooth as possible? Here are a few ideas, both for plan-change-targeted and ongoing health plan communications-

- Make sure employees are aware of the reality of health care costs. Research and publicize to employees national health care cost data and cost trends. Be specific: for example, contrast the average cost of a hospital stay or doctor's office visit today with that of five or 10 years ago. Do the same for the average cost of coverage under various types of health plans.
- Share specific cost data from your company's health plans. Employees frequently think of the cost of the health plan only in terms of what they pay in premiums, and overlook the employer's contribution. This narrow view hides the true cost of health care coverage, as well as what the employer pays toward the cost of coverage (which, ideally,

employees should see as part of their total compensation package).

- Use concrete examples to illustrate how health plan spending can cut into the ability of the company to make outlays in other areas. For example, determine the approximate dollar amount increase in the company's health plan contribution one year to the next, and compare it to some other company expense. Is the amount of the increase equal to an employee salary? Stated differently, has health plan spending growth prevented a needed hiring? Use this process to show how health plan cost increases can eliminate raises and bonuses, result in the cancellation of company events, delay the purchase of new equipment, and the like.
- Help employees see that when they use their health benefits astutely, they not only save themselves money, but also keep plan costs down as well. For example, when employees use preferred providers, they receive the highest plan benefit, and the plan pays the lower, negotiated preferred provider rate. If employees have begun to understand the point above-how health plan spending can impact salary increases, staffing, investment in equipment, etc.-this can motivate them to use the plan more wisely.
- Use statistical data to show employees how, generally, unhealthy people use more health care, resulting in higher plan costs. If employees accept this, they're more likely to try to follow recommended preventive care schedules, attempt to change unhealthy behaviors, and overall aim to become more physically fit.

Employers want employees to be active participants in controlling rising health care costs. To-the-point communications can bring employees on board in this effort, resulting in more manageable costs for employer and employee alike.

Employers make a large investment in their benefits program, and employees cannot appreciate these benefits if they don't understand them. Employers want employees to be active participants in controlling rising health care costs. To-the-point communications brings employees on board with plan changes and make implementation as smooth as possible.





## **Overcome the Hurdle of Language Barriers in Benefits Communications**

From the beginning, the United States has been a multi-cultural nation. As immigrants streamed into the U.S. through the gates of Ellis Island, they brought their culture and languages along with them, earning America the nickname, The Melting Pot. This demographic reality has continued to the present day, as people of different cultures, religions, races, and languages live in our multi-ethnic, multi-linguistic society.

Recent statistics reflect the linguistic diversity of this country. For example, according to a 2007 U.S. Census Bureau American Community Survey, 19.5% of the U.S. population over the age of 5 speaks a foreign language. Of those speaking a language other than English, more than 60% speak Spanish/Creole; 19% Indo-European; 15% Asian Languages; and 1% other. Nearly 68% of foreign language speakers in the U.S. are between the ages of 18 and 64, and many of these individuals are part of the American workforce. Language diversity among employees can present a variety of challenges related to (among other things) the communication of employee benefits.

Employers with non-English speaking workers must work to ensure these employees truly comprehend their benefits programs. Employers need to examine two areas of communications: what is required and what is good workplace communications practice.

The basic required communications piece of an employee benefit package is the summary plan description (SPD). The federal law that governs employee benefit plans, ERISA, does not require that employers provide SPDs in languages other than English. On the other hand, ERISA regulations do require that, in certain situations, an employer must provide within the English-language SPD a notice in another language offering speakers of that language help in understanding their benefits.

In order for an employer to comply with ERISA regulations, the offered assistance does not need to involve written materials, but must be “calculated to provide [the non-English speakers] with a reasonable opportunity to become informed as to their rights and obligations under the plan.” Furthermore, the employer needs to explain the procedures that employees must follow to obtain such assistance. For example, the notice in the other language could include the name, office hours, and phone number of the plan administrator.

In what situations are employers required to provide this notice? If the plan covers less than 100 plan participants, and 25% or more of the plan participants are literate in only the same non-English language, the employer has to provide the notice. For larger plans, the notice is required if either 500 or more participants or at least 10% of the participants are liter-

ate in only the same non-English language. Therefore, if only a very small number of workers are non-English speakers, the notice is not required. Conversely, an employer may need to provide notices in more than one non-English language (for example, in Spanish and Korean) if the requisite number of workers are literate in only those languages.

Many employers with non-English-speaking workers choose to go beyond the SPD requirements to make certain that all workers understand their benefit programs. Steps to consider include:

- Requesting employees who are fluent in both English and the foreign language to assist those who have difficulty with English. This can be especially valuable at benefits meetings, where the rapid flow of a presentation can be overwhelming and hard to follow.



- Translating some written materials into a foreign language. These might include enrollment forms, highlights of the benefit programs as well as comparison charts. Companies that specialize in translation services for business needs could be contacted for this service.
- Opening benefits meetings, including enrollment meetings, to family members. In particular, younger family members are more likely to be fluent in English.
- Having bi-lingual or separate meetings in another language is also an option, but this option may require more time as well as create more expense.

Employers make a large investment in their benefits programs, and employees cannot appreciate these benefits if they don't understand them. Additionally, complex employee benefits programs can be confusing, even for native English-speakers. Therefore, taking actions to ensure that all employees have an equal opportunity to understand their benefits is an investment that helps employer and employees, alike.

## Encourage Your Plan Members to Keep Lines of Communication Open with Their Doctors

The Commonwealth Fund's 2008 International Health Policy Survey reported that in the U.S.:

- 38 % of study participants left the doctor's office without getting important questions answered.
- Only 53 % said their doctor involved them in treatment option decisions.
- 41 % said their doctor had not reviewed their list of medications in over two years.

Each of the above problems can bring about serious health consequences. How do your plan members compare with these statistics? Is there a potential drug interaction crisis looming, with the potential to create an outlier cost for your company to bear? Below are a few tips you can share with your plan members to encourage open and detailed communication with their doctors.

1. Write down the names and the dosage of all the medications you take. Although you may feel that you have your medications memorized, it is not uncommon to confuse bits of data when you're trying to pass the information along to your doctor. It is better to hand the doctor a written list so that he can quickly extract the data he needs.
2. Before you visit the doctor, think about topics you would like to discuss during this visit. For example, if you were previously diagnosed with high blood pressure, your doctor may have asked you to reduce salt intake, exercise more, quit smoking, and take an anti-hypertensive medication. Since he will be curious about your progress, make notes of what you plan to tell him.
3. Make a list of questions you would like to ask the doctor. You will be more able to think clearly about questions in the comfort of your home, than when you are sitting on an exam table and wearing a paper gown.
4. Arrive on time for your appointment. If you are anxious because you're late, and the doctor is aggravated that he is

running behind schedule, the lines of communication may not be open.

5. Be aware that your doctor is neither a miracle worker with a perfect solution to every problem; nor is he an adversary purposely ignoring your needs. He is a highly trained professional using his best judgment to guide you in both treatment options and preventive care. If you feel he is veering off course, speak up and be involved in guiding the conversation.
6. Don't be discouraged if the doctor refers you to a nurse or physician's assistant. These professionals are also highly trained and will often spend significant time explaining medical information to you.
7. Jot down new instructions as well as answers to your questions. It can be difficult to remember all that is said during an office visit, especially if you received unexpected news or information.
8. If you get home and realize you are confused about the doctor's instructions, don't hesitate to call the office. It is far better to get the information straight in your mind, than to make errors in your care or medication routine.
9. Pay your doctor bills. A medical office is a business, and if you fail to pay your bills, your relationship with your doctor can suffer.



Overall, remind your members to be active partners with their doctors as they pursue both medical treatments and preventive healthcare.

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- Some benefits have multiple uses but may have been promoted narrowly, so that employees may not understand their true value. Employee assistance programs (EAPs), for example, may be perceived as a source of help for substance abuse problems, but EAPs also typically offer a wide range of services many employees could avail themselves of, such as childcare and elder-care referral and assistance with financial issues and debt counseling.
- Employees often underestimate the value of their benefits and compensation package, but there's a good reason for this-many companies neglect to inform employees of what the company spends to make the benefits offerings available. Employees see their own

contributions for medical, dental, etc., on their paycheck stubs, but other than during open enrollment-if even then-many companies simply never let employees know what the company pays for employee benefits. Consider distributing "total compensation statements," which show employees the actual amount the employer is compensating them, through salary, mandated benefits (e.g., Social Security, Medicare), and the company's employee benefits program.

As the economy improves and benefits budgets become less constricted, these measures can remain in place, continuing to enhance the value of your benefits package in employees' eyes.

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## Get Creative with Benefits Strategies During an Economic Downturn

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In an economic downturn, companies can struggle to maintain their existing employee benefits programs, much less think about adding new ones. In times like these, low- and no-cost measures can help a company to keep its benefits programs vibrant and evolving to meet employee needs. Here are some such measures to consider:

- A recession may make it impossible to allocate additional company dollars to benefits, but an employer can give employees time and convenience instead, through various strategies-
  - Set up a direct deposit program for employee paychecks. Depending on the financial institution used, the direct deposit program may be a bridge to discounted financial services, such as free checking, waived ATM fees, and the like.
  - If business needs permit, give employees more control in balancing their work and personal demands through some form of flexible scheduling. This could include flexible hours, summer hours, compressed workweeks and telecommuting. Some employers find that employees on flexible schedules are better performers on the job, because they can more readily attend to personal issues and thus be more focused when at work.
  - Investigate adding voluntary benefits. These no-cost-to-the-employer benefits can add a dimension to your

benefits programs that can be difficult to achieve through a traditional benefits package. Employees are able to buy benefits at prices more affordable than what is available in the individual market; they have the convenience of payroll deduction; they also have the convenience of benefits being marketed to them, rather than having to seek them out on their own.

- Investigate discount programs. In these programs vendors offer their products and services at a discount to a company's employees. The vendor's motivation is access to the employer's workforce, with the hope that the discount will steer buyers in their direction rather than to their competitors.
- Although many workplaces have gone more casual, others maintain specified dress codes. Employees appreciate when certain days are designated as casual-blue jeans okay-and the atmosphere that can accompany a casual dress day can give the workplace a lift.
- Examine existing benefits programs to see what works and what doesn't, and ask whether dollars should be reallocated to better meet employee needs. For example, are there medical plan options in which few employees participate? A streamlining of the available options can reduce administrative and program costs alike.

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