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Offering Plan Choice

By Christy Arnold

What does plan choice in healthcare mean to LandrumHR? Our goal is to provide our clients with plan choices that give them an edge with recruiting and retaining great employees. Throughout the year and especially as open enrollment approaches, we analyze and review our health plan offerings to determine if the current range of plans for our clients is first-rate. This includes reviewing enrollment trends within our current offerings, reaching out to clients for feedback, ensuring our benefits department is on top of trends within the healthcare industry, and consulting with our broker to ensure our plans are competitive in our markets. Finally, we evaluate the effect any changes will have on our administrative processes and get to work implementing and communicating with our clients.

Current Enrollments

The first step in reviewing our plan choices is to evaluate our current enrollments. Which plans do participants gravitate towards? We look at price point, health maintenance organization (HMO) offerings versus preferred provider organization (PPO) offerings, deductible ranges, health savings account (HSA) eligible plans, and pharmacy offerings, to name a few. We evaluate these plan characteristics for enrollment trends over prior years to the current year. Our client base contains worksite employees that cover a wide range of jobs, pay ranges, and locations. Our goal is to provide a broad range of plan choices with benefit levels that appeal to as many worksite employees as possible.

Client Feedback

Next, we reach out to clients to request their input. Employers today want to offer a robust package of employee benefits to stay competitive in the market and attract and retain high-performing employees. We ask for their perspectives on the current range of plan choices, the breadth of the network, the use of HMOs and PPOs, and whether they want to offer high-deductible health plans (HDHPs) that are HSA-compatible, and if so, whether they will provide an employer contribution to the HSA. Clients can provide their perspectives along with input from worksite employees on items for us to consider in our process. We also want to ensure we are providing plans that offer minimum essential coverage and minimum value for employees in all work locations for applicable large employer (ALE) clients under the Affordable Care Act (ACA). We review price points with clients to calculate ACA affordability requirements as related to employer contribution amounts.

Healthcare Trends

Many LandrumHR employees participate in various local and national organizations and committees connected to healthcare. In addition, our employees are involved in organizations within our markets that are focused on business and the local economy. The goal is to share and assimilate the information we obtain to determine the direction and range of plan choices in our upcoming open enrollments. We want to be cognizant of changes in laws and regulations at the federal level, as well as at the state and local levels, that may impact our plan choices. We also want to constantly evaluate trends and needs locally as well as nationally. For example, hurricane-impacted areas may require special review and a focus on more accessible plan choices. More and more employers now have remote employees working for them, so the need to offer benefits that are available nationally is becoming more immediate and crucial.

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Staying Competitive

Once we have a thorough understanding of our current internal trends, have solicited client input and requests, and understand the trends in healthcare nationally, regionally, and locally, we meet with our broker to discuss potential changes or a new direction we need to research to stay relevant and meet the needs of our worksite employees. This usually includes a review of worksite employee locations as related to network coverage for various carriers. We evaluate carriers we currently work with and new carrier options to determine the best choices for our client base. Our overarching goal is to balance the needs of all worksite employees with variables such as cost, benefit level, pharmacy benefits, and network access. Our broker is able to provide valuable input about the carriers and trends. LandrumHR prides itself on the long-standing relationships we cultivate and maintain with carriers, but we have to step back and constantly analyze these relationships to ensure we are meeting the needs of clients and worksite employees with our plan offerings and choice.

Administrative Impact

The next consideration in determining plan choice is the internal administrative impact. Does this change require a new process? A new electronic file? Manual work by the staff? Depending on the type of change we implement, the administrative impact can vary widely. A plan change without a carrier change has a minimal impact. A carrier change has a much greater impact, as new processes and workflows will need to be established, new vendor contacts identified, and additional files written and tested, to name a few considerations. All changes require staff education, updated forms, publication of the updated forms on various client-facing systems, and communication to clients and worksite employees.

Once you have completed all of these steps and have identified and implemented a robust and relevant range of plan choices in your group plans, the real work begins. All of this is for naught if you cannot effectively communicate the options available to your clients and worksite employees. Concise, clear, and effective communication of the options and difference in benefit levels to clients and worksite employees is really the most important piece of the process. All of our work, collaboration, research, staff education, and workflow implementation means nothing if clients and worksite employees do not understand the offerings clearly enough to value what is available to them. We put an enormous amount of work into communicating to clients and worksite employees via mail, email, telephone calls, and reminder emails/invitations to review options. We provide information about the plans in a variety of formats to reach and provide an understanding of the benefits to as many worksite employees as possible. We are constantly evaluating and revising our communication process to reach more people, more often and ensure they understand the value of the benefits available and are able to use the benefits to attract and retain top talent for their companies.

The goal of each open enrollment at LandrumHR is to improve our offerings and communication year over year.

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