

It's Complicated, Costly and Personal

A BUSINESS OWNER'S GUIDE TO BUYING HEALTH INSURANCE

BY ALICIA BROOKS WALTMAN

Few times of the year evoke as much dread for business owners as enrollment season for health insurance. It's complicated. It's costly. And it's personal. It's a time when employers must adjust benefits to guard their businesses' bottom line while providing their employees with the coverage they need.



JIM O'CONNOR

Add the changing federal regulations, and "open season" can feel more like headache season.

Chamber members who are experts in the field offer the following tips when wading through the benefits-buying morass.

Don't Go it Alone

First and foremost: Get a good benefits broker.

"Get an agent who really cares," says Jeff Scheininger, chairman of the New Jersey Chamber of Commerce who headed the Chamber's Platform for Progress Health Care Coalition for seven years.

A good broker brings in "five, six, seven, even 10" different proposals to an employer several weeks before the enrollment deadline to give the boss time to analyze and discuss the offerings with employees to ensure the fairest rates and coverage, says Scheininger, who is president of Flexline/U.S. Brass & Copper Corp., a Linden-based manufacturer of metal hoses.

"Find a local, trustworthy advisor with experience serving similar-sized groups," advises benefits broker David Stearns, a managing partner for Benefit Service Company in Westfield. A broker should fight on behalf of your employees with the insurer; advise the employer and employees on contribution rates; and inform you how much you are paying compared to other companies your size, Stearns says. The broker will also know how federal regulations affect your policy.

Where to find such an agent? Word of mouth is a good start. Ask your attorney or accountant. Ask human resources professionals, or other business owners. The Society of Financial Service Professionals (www.sfsp.net), a group of 16,000 accredited members around the country, including insurance brokers, can refer you to members in your area.



JEFF SCHEININGER

Be Flexible

Another key to effective benefit buying: flexibility. Don't be afraid to change programs, carriers and brokers. "Don't be tied to one carrier, or one particular format of health care," Scheininger says.

A recent trend in the face of escalating premiums is high-deductible plans in which the employees – often with money kicked in by their employers – pay the first few thousand dollars of their health care expenses every year through their health savings account (HSA). As a result, the cost of their health insurance premiums go down. To cover those initial expenses, part of the employees' paychecks can be direct-deposited into their HSA.

"This exposes employees to the actual cost of health care, and may encourage them to be smarter consumers, and possibly take better care of themselves," says Stearns.

Another option is for employers to self-insure, eliminating premiums and paying all expenses through a plan administrator. In this case, employers will purchase a stopgap policy that protects them from major expenses.

"Self insurance programs and partially self-insured programs used to be the domain of larger employers, but they have come down-market quite a bit," says broker Jim O'Connor, managing director and executive vice president of CBIZ EAO Benefits in Manasquan.

"You'll take more financial risks than if you were fully insured," adds Stearns. "But you have the possibility of rewards if claims you expect to pay out of the plan don't materialize."

Be Preventative

Under the new federal health law, insurers must fully cover preventative care such as well-child visits and screenings such as mammograms. Employers can go a step further, giving employees incentives to keep themselves healthy.

O'Connor, the broker from Manasquan, administers a plan for some clients called a "healthy plan," in which workers get cost breaks on their contributions to insurance premiums if they agree to get all health care screenings. Companies might even give employees a cash bonus at the end of each year for participating in the screenings.

"Money is the great motivator," says O'Connor.

Making the Most of Your Health Benefits, and Your Company's Bottom Line

BY MICHAEL MCGUIRE, CEO, UNITEDHEALTHCARE EMPLOYER & INDIVIDUAL OF NEW JERSEY

It is cost-effective for employers and employees to get into health programs that promote exercise, healthy diets and lifestyle changes before they get sick, said Jay Kingley of Kingley Health in Iselin, which focuses on the treatment and prevention of chronic lifestyle diseases. "If done correctly, preventative care ought to save the health care system a lot of money," Kingley said. "Spending a dollar today will save \$10 tomorrow."

What's Ahead?

Doug Forrester, CEO of Integrity Health of Princeton, believes his company has the answer to containing health care costs. Under his model, employers open round-the-clock health care centers (a "health home") for employees. These centers offer routine and acute care, such as check-ups, sick visits, x-rays and blood work with no out-of-pocket costs to employees. Employees who opt not to use the center pay a co-payment.

After just two years of operating such a system for the Toms River School System, which has about 500 employees, 85 percent of its employees opt to use the center, he says.

"The savings have been phenomenal," says Forrester, who once served as assistant treasurer and director of pensions for New Jersey, and has run for both governor and U.S. senator. "We have lowered [the number of] emergency room visits tremendously."

Of course, business owners hope that health insurance premiums would simply stop rising.

"For me, health care reform should mean an end to double-digit increases in premiums every year," said Scheininger. "I don't think we're going to see that." ❖

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Many employees are unaware that health plans offer wellness programs and other benefits at no additional cost.

Employees who use these benefits may be healthier, more productive, and may pay less for health care. Healthy employees lead to reduced ab-



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senteeism, greater office morale and increased retention.

Many health plans offer online self-assessments that help employees identify elevated blood sugar, high blood pressure, weight issues and other risks, and take steps to address them.

Depending on the policy, there are underused programs that give employees the opportunity to:

- **Receive alerts** when it's time to visit the doctor for check-ups and annual preventive care, such as mammograms, vaccinations and physicals. In addition, many insurance plans offer resources that help guide expectant mothers through their pregnancies or assist those with diabetes and prediabetes, for example.
- **Receive and access information online** to help track prescriptions and health histories, reduce medical errors, increase cost savings and improve health outcomes.
- **Lower prescription drug costs** by using generic or "preferred brand" drugs or receive medication through mail order. An in-

dividual also may be able to cut prescription bills in half by splitting pills, if approved by a physician.

- **Compare treatment costs.** Some health plans offer tools that enable individuals to compare the quality ratings of physicians who participate in your health plan's network, in addition to their cost. The UnitedHealth Premium designation program, for example, recognizes physicians who meet national industry standards for quality.

- **Access 24/7 nurse care lines** where trained, licensed nurses are available to answer basic health questions. They are especially helpful after-hours or for minor health issues that do not require an immediate trip to the urgent-care clinic or emergency room.

By using all available resources and adopting employee-wellness programs, it's easier for employees to get and stay healthy, and even to find ways to reduce their out-of-pocket health expenses. So encourage your staff to review their benefits and use programs – for their health and for the health of your company.

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