

Planning Benefit Enrollment Communication Messages and Techniques

A Discussion Guide and Thought Starter

Why a New Approach is Needed

Recent research shows the failure of many health plan communication efforts – **only one-third of employees surveyed believe health plan costs impact their employer's business success!** This troubling finding probably explains why only 15% say it's appropriate for employers to reduce benefits and only 28% say it's appropriate for employees to pay more for the coverage. There's also a credibility problem. Only about half of the employees believe what their employers tell them about health plan costs. And who needs to be a better consumer? Eighty two percent of the employees say they are already good health care consumers. Clearly, the "health care costs are rising" messages have had little impact. (*Making Health Care Consumerism Work*, Towers Perrin, August 2004).

Employees' lack of understanding of basic health plan economics may be at the heart of the problem. Another study found that 78% of the employees surveyed did not believe their employer's plan had limited funds. They believe "insurance companies" – not the employers – pay their benefit costs. Worse yet, many believe that if they use lower-cost services and supplies, such as generic drugs, they are boosting the insurance companies' profits. Is this the unintended consequence of showing employees the health plan costs on an individual basis – such as, "last year, the company paid \$5,500 for your medical *insurance*"? Do too many employees mistakenly believe they should be spending the "insurance company's money" – in a self-funded plan? (Medco Health Solutions survey)

Test it yourself. Ask a few of your employees where they think the money comes from to pay their health care benefit expenses.

The need for better health plan communication has never been greater. The following outline is designed to help HR professionals conduct a benefit communication planning session. The outline can help explore new ideas to breakthrough to employees about the business issues of the health plan ... and get employees more involved in helping control the plan's costs.

Conduct a Communication Planning Session – with representatives from corporate leadership, employee communication, employee benefits, and other related areas ... discuss and agree to:

- Communication objectives and success measures – what will employees know and do as a result of a highly successful communication campaign?
- Key messages – what 'billboard messages' should employees encounter on the road to a successful communication campaign?
- Challenges, obstacles, and solutions – what are the major roadblocks to successful communication and what are the best ways to overcome them?
- Communication vehicles – what effective and credible means should be used in getting the messages conveyed, understood, and accepted by employees ... in a cost-effective manner? (use trustworthy messengers including senior management and 'employees of influence')
- Tone, image, and impression – serious or light-hearted, formal or casual, straightforward or salesy, low-cost or flashy ... and so on?
- Audience and stakeholders – including special communication for supervisors, retirees, shareholders, COBRA participants, telephone reps ... and others?
- Alignment – how will what the company says about its business mission and its intended values for employees be reflected in the benefit communication?
- Responsibilities and timing – who does what by when?

Explore Potential Communication Techniques – Ideas and Approaches to Consider

A 'Call to Action' Approach ... moving beyond the 'health care costs are rising' message

I. Pre-Enrollment Communication

Building the business case and demonstrating the thoroughness and thoughtfulness of the revised benefits (overview of content – to be expanded)

Engaging employees in the health plan cost problem: (possible messages)

- One of our key business expenses is rising [five/ten?] times faster than all the others.
- Last year we spent over \$\$\$ on these expenses ... this year we expect to spend another \$\$\$... that's XX% [or \$\$] more than we spend on rent, electricity, [insert other easily recognizable business expenses].
- What is this business expense? It's our health plan!
- If all of us focus more on how we buy our non-emergency health care services, we can better control this business expense.
- Every dollar paid out of the plan for medical claims comes from [company name] and our employees – it's not the [insurance company's name] money ... the [insurance company's name] processes the paperwork and writes checks using the money [company name] and our employees pay into the plan.
- Over the [time period], you will receive more information about what drives the business expense of the health plan, what you can do to help keep these expenses down, and what changes we are considering to better manage these expenses.

Showing employees what they can do ... so they don't feel like helpless victims of increasing costs (overview of content – to be expanded)

How you can help:

The economics of our self-funded health plan expenses are pretty straightforward – the cost of the health plan equals the amount paid out for the claims plus the expense to run the plan [add insured 'HMO membership charges'] – all that's paid with money from [company name] and our employees ... which comes from the money our customers pay for our products and services.

The things you can do to help control the health plan costs are simple as well.

1. Be healthy and stay safe ... eat well, wear seatbelts, exercise, don't use tobacco, and avoid unsafe activities.

The best way to hold down health plan expenses is to avoid accidents and avoidable health problems.

2. Use effective services and treatments that have lower costs ... when you need non-emergency medical care, spend the money carefully. Don't use emergency rooms for non-emergencies. Ask if generic or non-prescription drugs might work as well as a higher-priced brand name prescription. Take advantage of the price discounts offered by 'network' doctors, hospitals, and pharmacies. And show your interest by asking, 'How much would this cost if I paid the full price myself?' Knowing the price is a key element of being a smart shopper.

3. Don't ignore health problems ... get checkups and attend to things before they become more expensive to correct ... if your cholesterol is high, your weight needs to be lower, or if you find something suspicious, take action now.

4. Help your doctor get it right the first time ... when you receive medical attention, help avoid a misdiagnosis by clearly describing past illnesses, medicines and supplements you are taking, and your current symptoms. When you're given new medicine, ask what foods, liquids, or other medicines you should or should not take with it.

5. Act like a customer ... learn about your condition – use the Internet or library to find out what other health care professionals have to say about it and what's being done to correct it. Become your own advocate, but not your own physician. And if you aren't satisfied with the service or treatment, tell the health care professional that your expectations are not being met. Be sure the treatment is working and it's worth the price you and the company are paying.

Demonstrating through company actions that health care costs matter (overview of content – to be expanded)

What [company name] is doing to support healthy lifestyles that help control costs

- Elimination of unhealthy elements in our work environment – no high-fat candy in vending machines, better information about food content in the company-sponsored cafeteria, signs posted in smoking areas stating the amount paid by the health plan for tobacco-related conditions (mention other steps to create a health-focused workplace).
- Publication of high-value health consumer success stories ... examples (disguised for HIPAA privacy) of what employees are doing to help control the business expense of the health plan – including a breakout of what types of services and treatments are being purchased by the plan and the actual cost to the plan.
- Reinforce how the health plan is funded (use business terms rather than insurance jargon) ... the ‘business expense’ of the health plan rather than ‘the insurance pays’ – to employees, jargon such as ‘send your *insurance* claims to the medical *insurance* company’ or ‘use your *insurance* I.D. card,’ makes it sound like they are spending the insurance company’s money when they use the health plan.
- A suggestion voice mail or email box ... a message system for employees to share their ideas regarding how to control the business expense of the health plan.
- A special publication or internal website feature from a well-known physician or medical association that outlines suggestions for improving health and becoming a wiser health care consumer.
- A health care price listing (web or paper) ... a summary of the typical full retail prices of various services, treatments, and prescriptions.
- A wallet card for employees to carry with them so when the doctor writes a prescription the employees will have the names of the available discounted medications that they can ask their doctor to consider for the treatment – plus a reminder to ask for generic and non-prescription medications that might work as well.
- Stories that demonstrate the real purpose of the plan ... how serious medical conditions are protected by the plan from the crush of huge medical bills, how the mail-order drug program helps employees receive ongoing medicine at home at a lower cost (add others).
- A ‘Using Your Plans to Save You Money’ feature article (web or paper) ... include reminders about the nurse line, network discounts, generic drugs, and other techniques available to employees – with a special edition on ‘Saving Money Using the Flexible Spending Account’ (spending tax-free money generally saves roughly \$25 on every \$100 put in and used ... be aware of the IRS penalty for not using all the money ... but don’t miss out on the program – if an employee leaves \$2 of the \$100 put in, she is ahead \$23 rather than \$25 – not a loss of \$2.)
- Other actions ... to be determined in the planning session

Preparing employees to understand and accept the need for change (overview of content – to be expanded)

What Plan Changes Are Being Planned

- Reinforce the overall intent of the plan – to help pay the expenses of a catastrophic medical condition ... put less emphasis on the smaller, more common expenses (copays and deductibles) – mention the plan’s lifetime benefit coverage.
- What other employers are doing (add a general summary and mention the ‘consumer-involved’ approach)
- What limited and difficult choices are available in controlling the business expenses of the health plan: (examples)
 - Reduce the coverage – drop specific types of covered treatments and prescriptions, lower the portion of the cost paid by the plan ... which increases the amount patients pay who receive services (add other techniques).
 - Increase the amount employees contribute out of their paychecks to enroll in the plan.
 - Limit or eliminate the use of non-discount doctors, hospitals, and pharmacies.
 - Give employees more choices of plans – set employee contributions higher for options that pay more for frequently used services or are less cost-effective.

Business Expense of the Health Plan		
<u>Sources of Costs</u>	must be balanced by	<u>Sources of Funds</u>
<ul style="list-style-type: none"> • Claims paid • HMO memberships • Administration (5% - 8%) 		<ul style="list-style-type: none"> • Employer • Employee
Business expense	^	Ultimately paid by customers

- Add a side bar – what is the real price of:
 - Non-emergency use of an emergency room ... rather than using an urgent care facility.
 - A doctor's visit for a common cold ... could it have been dealt with effectively by a free phone call to a health nurse?
 - A brand name prescription requested by a patient (based on a TV ad) that the doctor did not initially offer to prescribe.

II. Enrollment Communication

Announcement of the changes – assure employees that every question will be answered

- **Employee meetings** – meeting leader training, presentation materials, handouts, and meeting announcement posters/emails.
- **Highlights folder/booklet**
 - Quick review of the key issues and plan objectives.
 - Highlights of the enrollment choices and employee actions required by the enrollment deadline (what happens if employees do not act).
 - Summary chart of the options – showing costs (employee and perhaps employer) along with the key plan features organized by frequently used services (created without insurance jargon).
 - Other content – based on plan design and on ideas from the planning session.
- **Employee tools**
 - Enrollment form – paper, phone, website, or combination.
 - Modeling tools for projecting the medical option 'best buy' (per-paycheck contributions vs. potential employee out-of-pocket costs when treatment is needed ... treatment delivery approach – doctor-directed care (HMO and POS) vs. patient-coordinated care (PPO and traditional coverage).
 - Life insurance needs and disability income estimator.
 - Flexible Spending Account needs and tax-savings estimator.
- **Call center** – a single source for answers.
- **Reminder card/email** – what employees need to do by when.
- **Confirmation statement** – following enrollment to confirm the elections and coverage.
- **Other effective techniques** ... identified in the planning session.

Articles about improving health plan communication can be found at www.DennisAckley.com

Dennis Ackley
Ackley Associates
www.DennisAckley.com