

Connecting the Dots

Benefit Communications Call for New Approaches To Educate Employees

WHILE EMPLOYEES are open to assuming more responsibility for their **own** and their **families' healthcare**, they are woefully **unprepared** for the role, according to two new surveys.



Of 39,000 employees surveyed nationally, Hewitt found that 93% are comfortable with taking greater responsibility for making

healthcare decisions, but they need help to do so. Furthermore, 79% doubt that **their actions** will have an **impact** on **controlling costs**.

"Healthcare is obviously quite complicated, and employers need to do more to connect the dots for employees," says Jennifer Murphy, Hewitt healthcare communications leader. "Choice is important to employees, but they need meaningful choices and more guidance."

However, a recent WorldatWork survey found that 81% of employers continue to communicate the **same benefit** message to all employee groups, even though their initiatives may focus on individualized health status improvement utilizing strategies such as comprehensive wellness programs, health risk assessments, and disease management initiatives. "This is a good opportunity to do more targeted messaging," says Doug Grieser, WorldatWork project

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Monetary Incentives

Employers Get 'Pushy' about Health



EMPLOYERS ARE rolling out several unconventional monetary incentive programs around the country to **coax, push, or even force** employees to **become healthier**. Their twin goals are to **boost productivity** and to **help control** rising healthcare and insurance **costs**.

For example, PacifiCare is among the more ambitious in its incentives. In addition to cash, the health management company offers its 9,100 employees **additional rewards** for participating in classes to stop smoking or to manage their diabetes or asthma. Vanderbilt University's HealthPlus program **pays cash to employees** who peel off pounds, exercise, stop smoking, or take other steps to stay fit. At ITW Dynatec in Hendersonville, KY, employees get an extra \$15 per month for exercising and making healthy lifestyle choices. For those deemed wise healthcare consumers, the amount increases to \$20 per month in 2006.

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For Plan Years on/after July 1

Final Regs Update HIPAA Portability



ALTHOUGH THE final HIPAA portability regulations do not differ substantially from the interim rules issued in **1997**, there are significant changes to the language in the model certificate of creditable coverage, including **new categories of creditable coverage**, such as recognition of a state children's health insurance program, as well as changes to preexisting condition limitations (PCLs) and special enrollments.

It is particularly important that plan sponsors assure that special enrollments are **being offered when required** and that retirees and their dependents are being offered their rights. In addition, all plan sponsors will have to review their plans to determine if they contain any inadvertent PCLs, and those with PCLs will need to assure that their notices, open enrollment materials, and summary plan descriptions (SPDs) are **up to date**.

Open enrollment materials, certificates of creditable coverage, and SPDs will generally need to be **in compliance by 2006**, as the final regulations are applicable for plan years **beginning on or after July 1, 2005**. ■

Connecting the Dots . . .

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manager, and to **communicate** throughout the plan year rather than only during open enrollment, which is **current standard practice**.



As the trend towards more **consumer-based** health plans requires employees to become more **engaged** in the decision-making process, "employees need

these plans explained to them in **as many forms as possible**," according to Jay Coldwell, product director of emerging markets at Wausau Benefits. Tools include health coaching, web-based tools, cost information, comparative information, and pharmaceutical information. Consequently, **employers will need to shift** to a new **communication** paradigm in order to provide their diverse workforce with the **tools, context, and knowledge** to make meaningful choices to best suit their own unique situations, according to Grieser.

The hard part is engaging employees to use these resources effectively to help control costs. "The key is **knowing your audience** and reaching them **where they are**, with the words and images that will **resonate** and move them to **make wise choices**," says Howard Smith, president of Smith Strategic, a communication firm in Arlington, VA.

To help employees connect the dots, employers will need to tailor incentives and messages to **cost issues** and **specific solutions** so that employees understand why they should **care**, what happens if they don't do anything, and what action steps they can take to help **improve** the situation. ■

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Rewards systems, which are gradually entering the healthcare world, are the wave of the future as consumers begin to take responsibility for controlling their health costs. Therefore, a number of other employers are trying similar monetary approaches on a smaller scale, such as incentives that encourage lifestyle changes by offering discounts on health insurance premiums or wellness credits in an employee's paycheck. Gordian Health Solutions, for example, reduces an employee's premium by \$30 as a reward for enrolling in a health-improvement program.

While many efforts focus on smokers, some are not voluntary. Seven employees resigned from Weyco Inc. of Okemos, MI, in January rather than submit to a nicotine test. Studies have shown that nonsmokers alone save companies an average of \$1,000 a year, according to the Kaiser Family Foundation. The Centers for Disease Control estimate that each year there are 440,000 deaths from tobacco use; 400,000 deaths from poor diet and physical inactivity; and 85,000 deaths due to alcohol consumption. ■

Bulletin Briefs

◆ *When is Your Open Enrollment Period ?*

The open enrollment period is normally the 31 day window beginning the month before renewal. For example, if an employer group policy renews 4/1/05, the open enrollment period is 3/01/05 until 3/31/05. It is during this period that employees who were not previously enrolled can join the plan and current participants can make changes to their plan including adding dependents or changing plan designs. All changes must be made on applications and signed and submitted prior to the end of the open enrollment period. If you do not know when your open enrollment is, please ask us!

◆ *Online Tools Increase CDHP Participation in 2005*

Thanks to the use of online tools, enrollment in consumer-driven health plans continues to grow. According to a Hewitt study, the use of more than one online tool was more likely to result in the selection of a different medical plan. Online enrollment was the most popular tool used, while health plan comparison charts, provider directories, health-care cost summaries, and healthcare spending calculators were also popular.

◆ *Coordinated Benefits Company, LLC has moved!*

Coordinated Benefits Company, LLC and Benefits Partnership, LLC is excited to announce that we have moved to a new location! Since our company is continually growing and expanding (in more ways than one!), we have moved down the street to a larger space. Our new address as of Monday, March 14th: 923 N. Plum Grove Road, Suite C, Schaumburg, IL 60173-4785. ■

The *HRinsider*SM *bulletin* is brought to you each month courtesy of **Coordinated Benefits Company, LLC***, a UBA member. For more information, contact Nicole T. Geu at info@cbcco.com or 847.605.8560 x12.



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