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The Importance Of Year-Round Employee Benefits Communication

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Health care costs are an issue for just about every company. One common employer practice could be contributing to the problem. Many companies only communicate their benefits programs to employees once a year, piling on the information at open enrollment. It is better to have the communication going all year round, according to Matthew Roberts, Vice President of Employee Benefits for Brown & Brown of New Mexico (Albuquerque). "If employees are only looking at their benefits once a year, the employer is starting at square one every year, especially with employees that [rarely] utilize the benefits," he warned. "Most are not going to retain much of the information."

Roberts pointed to a survey released in July by Watson Wyatt Worldwide, which revealed that many employees struggle with basic health benefits terms. "How are we going to fix the problem with health care if employees can't explain simple terms?" Roberts commented. A top challenge for 43% of the nearly 2,100 surveyed employees is understanding what their health plan covers. Less than half are comfortable explaining common health benefits terms, such as co-pay or deductible, to a friend or co-worker; fewer than one in four feels comfortable describing health savings accounts, co-insurance, and terms such as formulary.

Once A Year Is Not Enough

Communicating different parts of your employee benefits program throughout the year will make open enrollment that much easier. "If your open enrollment meeting lasts more than 30 minutes, you're going to start losing people," said Roberts. "An employer can spend less time on basic questions and more time discussing the reasons for rising costs, the employer's position, plan changes, etc. If the deductible is going from \$500 to \$1,000, focus on that. You can also focus on specific provisions of certain plans and dig into them more in depth."

Employees primarily care about changes occurring to their medical and dental plans since these will be used during the course of the year. At other times throughout the year, you can focus on life or disability insurance or the retirement plan.

"Employers should [also] make sure employees are using some of the benefits that don't necessarily add cost to the bottom line, such as routine physicals — the whole 'ounce of prevention is better than a pound of cure' idea. Say an employer finds out that only 50% of its members on the health plan are getting routine physicals done. This would be one provision I would target because it's important and it's measurable, at least for larger groups," said Roberts. He suggested measuring progress with quizzes ("sounds childish, but it works"), surveys, and reports from medical or dental carriers. "What works best is going to depend on company culture."

Roberts's big focus is on changing lifestyle behaviors. "It's not rocket science as to why our health care is out of control, so until we deal with the root of the problem — obesity — nothing is going to change. Health renewals aren't going back to 3% or 4%, and managed care has pretty much run its course. So either we can focus on preventing illness or disease, or we can complain about rising health care costs."

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Healthy Communication

If an employer is targeting a specific goal, the only way to achieve it is by continuing to reach out to its employee base. "Don't be afraid to use different mediums of communication," Roberts advised. He believes having frequent face-to-face meetings would be best, but admits it's not always feasible, so also try the intranet, e-mail, handouts, payroll stuffers, and posters. What works best "is really going to depend on the industry. White collar or blue? Does everyone have access to the intranet? What's the average education level? What's the average age of your employees? Different mediums work better for different age segments. So, as you can see, there's a pretty good amount of planning that goes into this."

Any successful communication campaign will need to be backed by senior management. Otherwise, "it will fail, since they aren't going to allocate the proper funds and time for it. I suggest having the CEO/CFO sit in on occasional meetings to get a better understanding of what's going on. I know they're busy, but [attracting and retaining employees] and health care costs are on the top of everyone's lists of concerns."

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