

5 THINGS EVERY EMPLOYER SHOULD CONSIDER

*When Building a Total
Rewards Package*



**REMAINING COMPETITIVE IN
TODAY'S EMPLOYEE MARKET
IS AN ON-GOING OBSTACLE**

With benefit costs on the rise and employee retention and recruiting continuing to be a challenge, companies need to be competitive by thinking outside of the box for the best benefit experience.

We have comprised 5 essential strategies that our clients have implemented to lead the charge in their industries.





1. COST CONTAINMENT STRATEGIES TO CONSIDER

A. Funding Arrangement Options

As the industry has continued to evolve, self-funding has been slowly and steadily rising in popularity for the middle market employers. On an annual basis, employers should review alternative funding options that may benefit them and their employees. Some options include; Health Reimbursement Accounts, level-funding, captives, consortiums, or fully self-funded arrangements.

B. Prescription Management

Prescription Drug spend typically accounts for 20%-30% of an employer's overall health plan costs. Many businesses are carving out their pharmacy benefits, and for good reason with 16%-31% of savings. This is accomplished by going direct to the pharmacy benefit manager with a custom contract language that ensures firm discount percentages verified by audit, rebate share, flexible plan design, and reduced administrative fees.

C. Population Health

By utilizing predictive modeling strategies and advanced data analytics, employers can start to identify employees that may be moving into high risk categories and can intervene with action-based wellness programs to help reduce their risk and healthcare claims. We have found that an action-based population health plan can reduce health claims costs by 10%-25%.

D. Bundled Pricing

When in a self-funded arrangement, a Bundled Pricing model not only allows employers to drive quality of care, but also to take control of pre-negotiated, transparent rates. Bundled pricing solutions target non-emergent services such as diagnostic services, therapeutic services and surgeries at pre negotiated contracts for an all-inclusive flat rate with quality providers/facilities.

E. Reference-Based Pricing

Mark-ups on cost of services can range anywhere from 120% to 500% above Medicare pricing. Referenced-Based Pricing models remove the traditional provider/hospital network, allowing employees to choose any doctor or hospital. Employers engage with a third-party vendor to audit the bill in line with the plan document and negotiate the payment between 120%-180% above Medicare, often averaging claims savings of 15%-30%.



2. **BENCHMARKING**

In order to remain competitive in a challenging talent marketplace, employers should benchmark their benefit plans annually for peer comparison and strategic cost management. Employers should compare their plan design components, total cost and other elements against their region, state,



3. **WELLNESS/FINANCIAL WELLNESS**

We understand the key to a successful business is a fully engaged, healthy staff. Creating a culture that guides and educates employees in effectively managing their mental, physical, emotional, and financial wellbeing is a win-win for both employers and employees. Implementing a workplace wellness program leads to employees that are less stressed, in better physical health, more productive, cost the company less and are more likely to stay.



4. **EMPLOYEE ADVOCACY**

Employees truly need an advocate to navigate the complex healthcare system today. Your employees should have a single point of contact to assist with any claims or billing issues, finding a specialist and hospital in their network, or coaching them on how to utilize their plan. An employee advocacy service frees up employee's time, HR's time, and provides a line of sight into the questions and concerns employees are having, which can then be tailored into education for your employee population.



5. **STRATEGIC COMMUNICATION PLAN**

Far too often open enrollment is the only time employees hear about their valuable benefit plans. To increase employee engagement, appreciation and better utilization of their plan, communication should extend beyond open enrollment through a 12-month strategic communication calendar. This strategy should incorporate several forms of media, such as service calendar, digital interactive guides, customized educational videos, newsletters, mobile apps, emails and more.



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