

THE FALLACY OF THE ONE-SIZE-FITS-ALL BENEFITS THEORY

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When you need to purchase a major appliance, do you drive to the closest home store and buy whatever looks like a good deal, or do you research brands and carefully evaluate your choices?

Would you spend \$600 for a new set of tires without checking to make sure they're the right size and style for your vehicle?

Most Americans invest considerable time in evaluating their choices before making major purchases. They talk with friends or coworkers to gather feedback on brands and stores, review consumer information about the products, and may visit several stores for comparison shopping. Most consumers want high value for their purchases. They don't want to end up with a lemon.

Employees, however, don't enjoy this kind of consumer confidence about the decisions they must make for their healthcare benefits because their employers may not be investing sufficient time in helping them evaluate plan options.

ONE SIZE DOESN'T FIT ALL

Some employers select healthcare benefits without listening to employees' needs and understanding their concerns. They have a one-size-fits-all philosophy about benefits, believing all plans are the same, only the price is different, or thinking employees should be thrilled just to have access to healthcare benefits. However, there are many employers today that recognize the importance of the right mix of healthcare benefits as a vital component of maintaining a high level of employee satisfaction, and for recruitment and retention of quality employees.

RIGHT PLANS, HIGH VALUE, BEST PRICE

Employers can maximize their benefits plans by following these guidelines:

- 1. Listen to employees' ideas, opinions, and benefits needs.** Gather feedback on benefits from unbiased individuals in the organization, especially if employees work under a union contract. Listen to their suggestions and priorities on benefits options. Ask for evaluations of previous benefits plans and insurance carriers. Find out their concerns and fears, and healthcare needs.
- 2. Define what you hope to accomplish with employee benefits.** It's important to clearly understand why you provide employee benefits. Are specific benefits required by union contract or necessary to recruit and retain quality employees? Look for benefits that are a good match for those considerations.

3. Identify critical benefits plan needs. Review plan utilization trends and employee demographics. (Your insurance broker and/or carrier can provide this information.) Look for large segments of workers with specific needs, certain types of health conditions, or those nearing retirement age. List critical features for each benefit option.

4. Work with your insurance broker/agent. To help your broker shop for the right mix of benefits, explain your benefits goals, insurance carrier preferences, and plan design requirements.

5. Find the best insurance carrier and plan options. All carriers are not the same. Each has different strengths, areas of expertise, and operational philosophies. Few have the flexibility to design a range of plans, with many offering canned options and a few set features.

Ask carriers for specific details on their experience with businesses of similar size and scope to yours, and for a history of premium increases. Identify carriers that will be good partners in providing the best benefits plans.

6. Communicate benefits to employees. Employees are interested in their healthcare benefit options. However, they're often overwhelmed by the complexity of healthcare benefits and the pressure of making the right choices for their families.

Invest time in communicating benefits to employees. Invite the insurance carrier to employee meetings to explain benefits plans, costs, and options. Clearly communicate the reasons for any changes in plan components from the previous year so employees understand they are not receiving lesser-quality plans this year.

As workers from the Baby Boomer generation consider retirement options, employers have an opportunity to provide benefits that will meet the increased health care needs of these experienced workers to convince them to remain with the company, even on an amended work schedule. It's also important to focus on retaining and recruiting quality younger employees who will assume Boomer's leadership roles and work responsibilities. The one-size-fits-all philosophy toward benefits won't work in today's shrinking workforce. There are many insurance carriers and plan design options, so invest the time to find the right fit for your company and employees.

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For assistance in understanding insurance plans and carrier choices, or comparing coverage options, contact the Ameritas Group marketing department at 800-776-9446.