

Choosing a benefit plan for your business?



The vast majority of employers today provide benefit plans for their employees. Some of these plans have existed for many years and may no longer offer coverage that meets the needs of today's employees. Others are relatively new or have been refreshed because of the cost inflation of benefit plans. In any case, the success of a benefit plan depends on whether it meets the goals for which it was created. Consider the following when selecting a benefit plan or renewing your existing one.

Employer considerations

- 1. Financial limitations** — Benefit plans cost money. With health-care inflation exceeding general inflation, an insurance company that can help you limit the escalation of claim costs is critical to your plan's long-term viability. Tools that help include the offering of low-cost alternative drugs, limits on reasonable and customary fees, limits on frequency of services and provisions for alternative treatments.
- 2. Wellness** — For sustainability, a benefit plan requires features and controls that provide the most value for your money. Wellness is an excellent component of ensuring your program's sustainability. Formalized programs encourage employees to take the steps necessary for maintaining and improving their wellness and rely less on drugs and treatments.
- 3. Future stability** — Even well thought out plans that incorporate the two considerations above may face substantial cost increases in future. If the insurance

company set an initial price below its own requirements in order to win your business, you will face price increases in the years to come. The problem isn't the plan you have chosen or the wellness of your employees, but rather unrealistic pricing at the onset.

- 4. Administrative requirements** — Central administration is necessary to a benefits program. Employers typically assume this role. Communication between employer and insurance company about employee eligibility can occur in various ways, from the mailing of paper forms to self-service via the Internet or exchange of electronic files. Find an insurer that does business the way that suits you.

Employee considerations

- 1. Value of the plan** — Studies consistently show employees place high value on their benefit plans. Communication maintains a considerable influence on satisfaction with the plan; the better the rating for communication efforts, the more positive employees are about quality and loyalty to the employer.

To learn more, contact your Plan Advisor or Pacific Blue Cross:

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- 2. Coverage** — Employees who feel their benefit plan meets their needs are more likely to think positively of their employers. Positive attitudes create more productive and efficient work environments. Additionally, with the everyday use of social media, employers looking to recruit human capital want their existing workers to encourage others to join their organizations.
 - 3. Service** — If the insurance company selected to provide coverage doesn't do its job well, employees can become greatly dissatisfied. Responsiveness in paying claims and resolving issues over the phone is critical to employees' satisfaction. Poor service providers can cause employees to think negatively of their employers.
 - 4. Cost** — When faced with coverage reductions, employees tolerate additional cost sharing. Sixty-eight percent of employees responding to the 2012 Sanofi Canada Healthcare Survey expressed willingness to either pay higher premiums or a higher portion of the cost when actually using medical services to maintain the same levels of coverage.
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