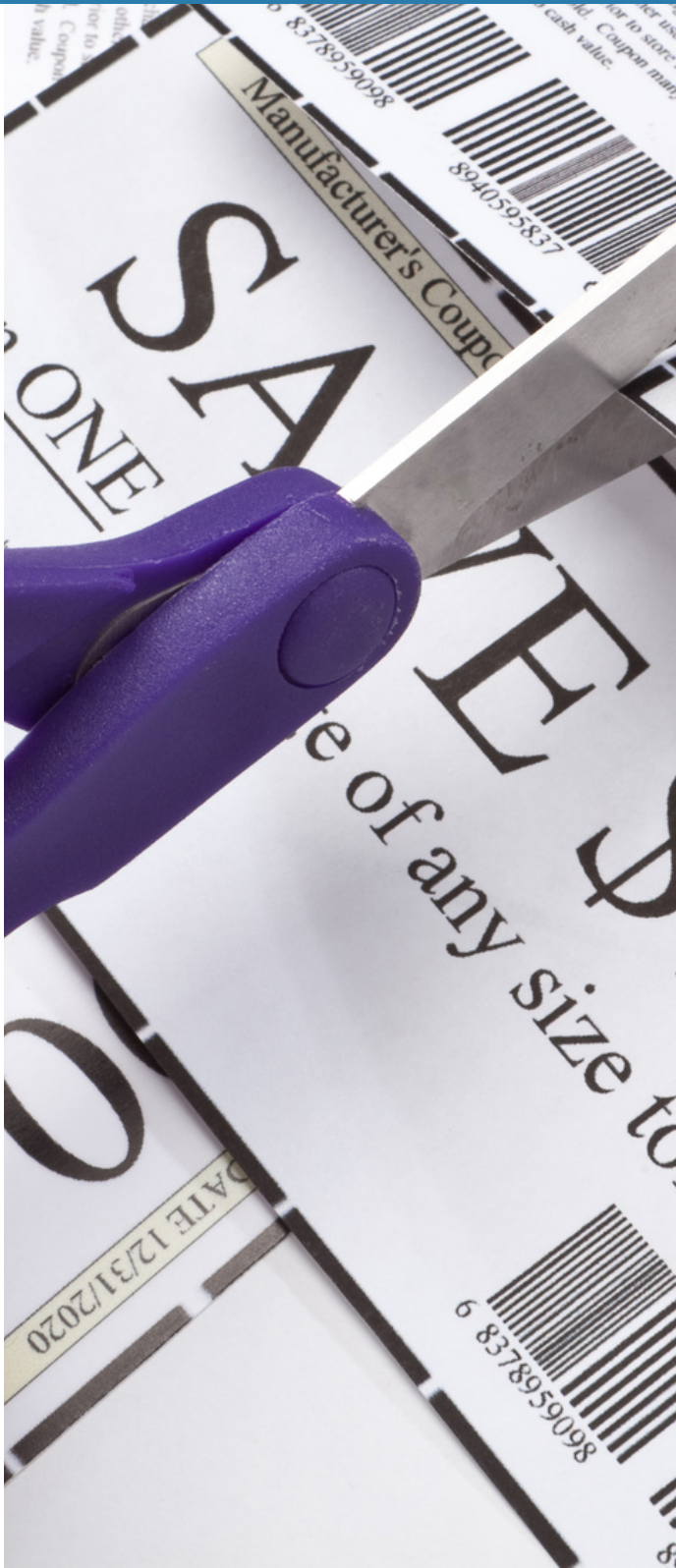


IS THERE A COUPON FOR THAT? COST CONTROL STRATEGIES FOR EMPLOYEE BENEFITS



It's no secret that offering health benefits costs employers a lot of money – [almost eight percent](#) of a company's operating budget (on average). And with every passing year, if it seems like it's getting more expensive to offer employee benefits, that's because it is. In the last five years, the cost of offering employee benefits has increased an average of [five to seven percent per year](#).

We're currently in a highly competitive, job seeker's market in which the overall employee experience you create within your organization directly impacts your ability to [attract and retain top talent](#). Employee benefits are an integral component to building a company culture in which employees feel valued and satisfied.

Though designing a robust employee benefits program is more important than ever before, doing so isn't cheap. Organizations are looking for ways to provide the benefits they need in a financially sustainable way. The best case scenario is to be able to save money on employee benefits, while shifting as few of these costs as possible to employees.

Resources & strategies you can leverage to help reduce your healthcare spending:

Determine employee use of programs

Regularly ask for employee feedback about what benefits they want and use that information in addition to analyzing utilization rates. Look at the numbers to see how many employees are taking advantage of the programs in your benefits package. Is a wellness program not getting a lot of engagement? What about smoking cessation programs? Did you roll out a new offering that didn't catch on? These underutilized benefits could be good candidates for elimination. Or, you may want to [talk to a broker](#) about ideas to increase utilization before you consider elimination.

Choose a plan, wisely

Employers can help reduce their healthcare spending by making sure their benefits offerings are tailored to the employee population's varying needs. A prepackaged, one-size-fits-all approach offered by a carrier is likely to cost more money. There are various plan design options and cost containment strategies you can explore with your Employee Benefits broker that could potentially reduce the cost of premiums for you and your employees, such as High Deductible Health Plans (HDHP), zero cost to telehealth, and having carriers subsidize wellness.

Assess pharmacy offerings

With pharmacy costs continuing to climb, encouraging the use of biosimilars as clinically effective, lower cost options could save you a lot of money. You can also turn to a prescription risk management provider that can provide specialized expertise and solutions to increase your value to expense ratio.

Cut down administrative costs

Benefits administration can be costly if you rely too much on your HR team. Whenever possible, use online portals or automated messaging systems for enrollment and benefits communications instead of having these be manual tasks someone on your HR team needs to take on. An automated and integrated benefits system can also empower your employees to be more self-sufficient. If you already use a benefits system, look at your options to make sure you're using a modern, cost-effective option. Another way to potentially save money is to outsource your benefits management to a third-party provider.

Employee education

Learning the ins and outs of benefits takes a lot of time. For employees, the amount of jargon and specifics to learn can be a deterrent to using available benefits. Employees who don't understand their benefits are more likely to make poor decisions in the way they use their benefits. For example, an employee might end up going to the emergency room for a nonserious issue instead of using their telehealth benefits because they didn't know about them, costing both the plan and employee a lot more money. Offer education and resources to your employees about benefits to avoid these scenarios. If you don't have the internal resources to do this, consult with your Employee Benefits broker about what you can do to educate your employees about their benefits.

Telemedicine

Telemedicine is here, and it's here to stay. Encouraging employees to make use of virtual services provides a win-win situation: you'll likely spend less on unnecessary emergency room visits, and employees have convenient access to providers for wide ranging needs.

Wellness programs

Chronic conditions, such as heart disease, diabetes, and musculoskeletal pain, are the biggest contributors to employer healthcare spending. A well-administered wellness program has the potential to reduce instances of chronic illnesses, and disease management programs can help employees control their conditions. Both of these outcomes reduce healthcare spending.



Structuring a holistic employee benefits program while trying to cut costs is difficult to do without the guidance of an experienced partner. There are a lot of variables to consider with any decisions you make about your benefits offerings.

[Contact our Employee Benefits team](#) for an assessment of your current plan and recommendations about ways to help contain your healthcare costs.

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