

# 7 Considerations when Reviewing Your Employee Benefits Plan



Balancing the need to offer the benefits employees want with the financial prudence CFOs and CEOs demand can seem like a never-ending challenge for employers. **Fortunately, there's a way to make both sides happy.** In previous articles, we've mentioned the importance of reviewing benefit offerings and cutting those that are not needed, valued, or utilized. Here, we discuss how your broker will help you select the right benefits providers to help effectively manage costs and the needs of your organization.



## **PARTNER WITH A TRUSTED EMPLOYEE BENEFITS ADVISOR.**

Depending on your funding arrangement, you need a strong advocate working with the insurers or third-party administrator (TPA) from the get-go. Knowing you have someone who can watch trends, review real-time data and analytics, provide advice, and genuinely negotiate on your behalf when renewal time rolls around can be extremely helpful for getting a tighter control over benefit costs.

**1**

**Separate out pharmacy benefits** - If your health plan uses a pharmacy benefits manager (PBM), your benefits Advisor will help you identify if you can separate or carve out these benefits from your health plan. By unbundling these services, you can often eliminate unnecessary fees and make it easier for employees to get their medications. Although it's sometimes overlooked, this step can often help self-funded employers save as much as 20% on the cost of pharmacy benefits in their health plan.

**2**

**Consider the advantages of joining a captive** - For organizations with less than 300 employees that are considering self-insurance as a cost-saving strategy, your Advisor may suggest a captive arrangement, which can provide an attractive opportunity. It spreads the risk of paying higher health insurance costs across the pool of employees from other similar-size groups in the same industry instead of absorbing that on your own. Plus, you can gain more visibility into real-time utilization data, which can help you catch increasing cost trends and act quickly to reverse them before they get too big.



3

**Look for comprehensive benefits communications** - Talk with your Advisor about the importance of carriers offering a robust employee communications program, not just at open enrollment but all year long. Your Advisor will help you find carriers and service providers offering strategic plans that can not only help increase employee awareness and appreciation for the valuable offerings you already provide, but also remind them of best practices and cost-effective care options that can help to keep costs down.

4

**Scrutinize telehealth service** - With more employees now working remotely, your Advisor can help employers find carriers that offer broader telehealth services, which can provide employees with more convenient, cost-effective care for a variety of illnesses and conditions (e.g., allergies, mental health counseling, colds and flu, urgent care, etc.) Since these appointments generally bill for less than in-person services, insurers don't have to pay providers as much for claims, which can keep expenses down. In addition, making health services virtually accessible can help limit employees' time away from work, and in turn, reduce lost productivity due to off-site doctor appointments.

5

**Confirm innovative, technology-driven solution** - Tech solutions are also key to helping manage the cost of benefits. Talk to your Advisor about the various services available, such as:

- Mobile health apps that support ongoing medical treatment and health monitoring
- Tools to locate best-in-class hospitals and providers, which can help reduce medical costs and allow employees to receive improved care
- Entire platforms that can streamline business processes, (e.g., open enrollment) and increase efficiency

6

**Don't forget about voluntary benefits** - Voluntary benefits can help employers cover gaps in group health insurance and supplement traditional offerings at a discount. However, they can be paid for (either in part or in full) by employees, typically through payroll deduction. Your Advisor can select providers that offer the extras your employees and recruits may want, like life insurance, pet insurance, vision, and dental coverage, to keep your benefits program relevant and attractive.

7

**Examine track record of savings** - Finally, your Advisor will work with benefit providers that have a proven track record of success helping clients better manage costs. Talk to your Advisor about getting examples and case studies that demonstrate how they drove efficiencies or eliminated cost increases for an organization like yours.

*Contact us for help creating a benefits program that fits your organization's and employees' needs.*

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