

Next Generation of Employee Benefits

As a business owner, you are constantly working to improve your business, looking for the next new idea that will make your organization more successful and allow your company to be viewed as being “Best in Class”. Why not apply this same focus to your most important asset, your employees?

Historically, employee benefit programs were designed to operate simply as a transactional reimbursement program. When an employee needed some form of medical or dental care for which they had to pay out of pocket, they would submit their receipt to their benefit plan provider and the transaction of reimbursement would take place. Most, or all, of the employee’s out of pocket expense would be refunded. The problem with this dated model is that it is solely a budgetary or reactive model rather than a proactive view addressing the current needs of your employees. Care and a proactive plan to remove the need for claims should be the focus. With waiting times for surgeries or medical procedures extending as long as 19 to 24 months, it is not the reimbursement of funds that is the issue but the ability to receive timely treatment and care. An outdated reimbursement-based plan adds no immediate value to an employee and does not address the cause.

This historical design and goal of employee benefits programs has not changed in 40 years. In fact, the identical plan design of an employee benefit plan in 1976 is available yet today. Where is the innovation? If you had not innovated your company or ideas since 1976 would your company be viewed as “Best in Class”?

Typically, the only advice given to employers today to reduce overall benefit plan cost is to limit the plan design or to “shop the market” to find a provider willing to accept less premium for the same plan. These items all simply offload cost to the

employee. This advice only defers and extends the problem to future years. Unless we address the reason an employee made a claim, it is likely the claim will reoccur. Whether a plan reduces the percentage of reimbursement, requires more premium to be paid by an employee or limits the amount that can be claimed against the plan, they all simply require the employee to pay more out of their own pocket.

The next generation of benefit programs, today’s “Best in Class” benefit plans, have the goal of a complete integration of the needs that you, your company and, most importantly, your employees face. These needs included health benchmarking, access to medical specialists, better diagnosis, expedited treatment, management/HR consultation, employee wellness both at home and at work, choice, enhancements to allow better engagement with an employee’s job, motivating productivity, enhanced compensation, key employee presenteeism and yes, if an employee has out of pocket costs, a medical claim reimbursement.

A Fully Integrated Benefit Management Program is not a product that can be purchased off the shelf from an insurance or benefits provider. The Fully Integrated Benefit Management model is a philosophy that you apply to your company and then through proper consultation, create a custom design of “Best in Class” programs to build the fully integrated benefits package that meets each need of your organization.

Next generation employee benefit plan designs like the Fully Integrated Benefit Management model:

1. are the vehicle to move your company to being viewed as a Best in Class Employer
2. place focus on successful outcomes rather than only financial requirements
3. are an undeniable tool for recruitment and employee retention



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4. improve communication and education
5. are an enhancement to your executive compensation package, and
6. are the framework your company will use to assist in understanding and providing valid and reliable guidelines for all future improvements or changes to your benefit plan offering

For discussion purposes we can look at the common problem of a back injury where an employee has pain but the cause is undiagnosed. The traditional benefit approach to this illness would have the employee attempt recovery by accessing chiropractors, massage therapists and physiotherapists while perhaps using doctor prescribed medications or over the counter medication for pain relief. The employee would likely require time away from work or will at least have greatly reduced productivity while at work and the mindset of being disabled would begin to set in, reducing productivity even further. This would be occurring while the employee waits to see their specialist and perhaps to receive a medical image of their back.

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The alternative scenario in a Fully Integrated Plan design would enable the employee better resources and expedite access to a specialist for diagnosis, immediate access to treatment for surgery or medical procedure and full recovery and reintegration to their job. By providing expedited access to physician specialist, private medical imaging (MRI) clinics, and so on, the time from incident to diagnosis and recovery are dramatically shortened. The focus on ability and recovery rather than disability, the level of need for prescribed medication, the need to access to the same number of treatments from paramedical practitioners, time away from

work and productivity when at work have all been reduced and restored in a shorter time than previously thought.

The framework of your integrated benefit model will provide guidelines and a basis for practical recommendations for each of the inclusions in your corporate benefit and compensation offering. For each item included (i.e., health care, dental care, diagnosis, access to treatment, life insurance, income replacement benefits, etc.) and for each level of employee (i.e., executives, management, full time, part time, etc.), your company should develop a specific objective that complies with the overall benefit and compensation strategy. The management of the program will then be a series of steps to determine coverage amounts, plan design features, appropriate financing, risk vs. premium, administrative arrangements and the plan for update and re-evaluation of the features.

The increasing claim trends we face today demand targeted, specific and innovative solutions. With greater resources available to the employers, consultants and insurers, there is no better time to have the discussion about strategic plan design focusing on innovation and "Best in Class" programs for your employees.

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