



# MULTIPLE RISK MANAGEMENT

## A Case Study: How Education Can Increase Healthcare Plan Satisfaction



*Brian Donovan*

A major factor contributing to employer and employee dissatisfaction with group health insurance programs is a lack of awareness of what their plan covers. Because of the ever-increasing costs of healthcare programs, many employers seem to focus all their attention on this one issue. The pre-occupation with this expense is certainly understandable as businesses are faced with a continuing string of annual double-digit increases.

The expanding healthcare product portfolio and the introduction of consumer-driven plans, including Health Savings Accounts, are making employer education a priority.

Because everyone is so busy today, it's difficult to keep up with all provisions in any healthcare plan. Quite often, even companies with an HR person can be surprised to discover benefits they did not know were in their plan.

At the same time, it shouldn't come as a surprise that employees are equally unaware of the provisions of their company-sponsored healthcare program. Because most plans are difficult to digest (like other insurance policies), employees rely on "word-of-mouth" for their information, which, as we all know, can be a somewhat unreliable source of accurate information.

The value of adequate healthcare plan education is best illustrated by the experience of a non-profit educational company based in suburban Boston. This particular organization, which has 50 employees, had been wrestling unsuccessfully with the cost of its group health benefits for several years.

Like so many other companies, this organization was faced with the most basic question of all: "How can we give our employees the best possible plan and, at the same time, control the cost?"

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That's the struggle just about every company deals with every year and one for which many do not find a satisfactory answer.

The only solution this non-profit company came up with was offering all employees an expensive PPO and staying with the incumbent carrier. While the employee group thought this to be very good news, at the same time management was searching for ways to cover skyrocketing costs which had risen to the point where the expense was impacting the organization's ability to deliver some services.

The first step toward solving this problem was to discover why the PPO was the product of choice and why the existing insurance carrier was so entrenched with the group.

After speaking with the Human Resources department and holding a focus group with key employees, it became clear that there was a fundamental lack of understanding of HMOs and PPOs. This was revealing and helpful, but it was not surprising.

Because the PPO plan had been in place for a number of years, both the employees as a whole and the focus group in particular felt that HMOs were too restrictive when it came to accessing physicians and hospitals. It was also noted that the focus group members had an outdated understanding of the physician referral process.

Based on these findings, an education process was initiated for everyone at the company. Over the period of a month, drawing on the experience of other users and meeting with representatives of various insurance carriers, both management and employees developed an informed understanding of HMOs and how they could be a satisfactory and workable cost-cutting alternative to the PPO.

They also discovered that they could have the same level of provider access and customer service they had enjoyed in the past. In effect, nothing would be sacrificed by changing the product and the insurance carrier.

The result was a complete makeover of the non-profit company's group health plan. Today, the client is offering a combination of HMO and PPO with a different managed care carrier. Most importantly, the HR department reports that employee satisfaction with the new plan

is running high and cost savings is \$55,000 over the previous year's program.

Even the possibility of change is often threatening. We all become comfortable with the status quo. However, it doesn't need to be this way. This case history is a good example of how making the effort to provide accurate information through an effective educational program can open the way for change that results in both a high level of satisfaction among employees on the one hand and cost savings for the employer on the other.

Here are several suggestions of what an employer can do to help raise employee satisfaction with a health-care plan:

- Hold a focus group of key employees to discuss their understanding of the current healthcare program and to have management present cost issues.
- Prepare a quiz for management and employees to take relative to the provisions of the company's healthcare program. The objective is to identify what they understand as well as what they misunderstand.
- Hold small group meetings of employees. Include the quiz in the sessions so they can discover their level of understanding of healthcare plans. For example, one such meeting revealed that a number of employees were paying for prescriptions that were actually covered by the plan.
- Implement a continuous communication for employees using bulletins, emails, and periodic meetings to help them more fully utilize the resources of their healthcare plans.

While a healthcare plan must meet the needs of particular employee groups, experience suggests that much of the dissatisfaction that occurs may be the direct result of a lack of adequate information and education. ■

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