

## Don't Make the Mistake of Only Looking at Cost when Evaluating New Health Plan Carriers

Over recent years, at least from a percentage standpoint, health plan costs continue to rise substantially. These hikes and the continued premium increases are simply more than many businesses are able or willing to absorb. This conundrum leaves many employers trying to decide if they should pass on part or all of the increased cost to their employees, cutback on benefits, or seek a different carrier offering a more cost-effective plan.

If leaning toward the third option, remember that many factors go into evaluating and vetting potential carriers. Even when considering a health insurance carrier change due to being dissatisfied with customer service, record of claim payment, or services offered by your current carrier, employers should carefully evaluate potential new carriers before jumping aboard. Here are ten key questions that you may want to ask when evaluating and vetting potential carriers:

1. Is the carrier financially stable and licensed? Insurance rating services and your state insurance commission can help you determine many of these important stability issues.
2. Does the carrier only issue coverage under the stipulation that a certain number or percentage of your employees enroll?
3. How does the carrier set their premium rates and allocation of premium cost among claims, commissions, and administrative expenses or fees?
4. Does the carrier have a sufficient range of providers and locations in their provider network and how many employees will have to make a provider change under the potential new carrier's provider network? Employees often cite having to change from their current provider or usual hospital and having to pay more to continue with their current provider as the most disruptive elements of a carrier change.
5. Does the carrier have a positive reputation when it comes to the accuracy and efficiency of claim payments? It's important to ensure that the carrier has a positive history since employee dissatisfaction in this area can really hurt you during the renewal period. As far as overall reputation, it might be helpful to ask the carrier to provide you with references from customers with a similar sized, located, and niche business.
6. Does the carrier offer a choice when it comes to plan options like co-payments and deductibles? Choice is important to employees and raises the likelihood of their satisfaction with the plan. It can also result in substantial cost savings, as some employees will opt for cheaper high co-payment and deductible options.
7. Does the carrier offer plans with preventive screening and wellness programs? Services like these can be a cost saver in many areas, even extending into increased employee productivity and decreased employee absences.
8. What technology does the carrier use to facilitate ease of access to plan information and, if that portal doesn't provide sufficient information, is there a real person accessible to address the issue? Having such can save you money and time by cutting down on the calls

participants make to your human resource department to have their coverage or claim questions answered.

9. What steps does the carrier implement to control cost and waste and ensure appropriate care? You might use quality indicators, such as those under the Healthcare Effectiveness Data and Information Set (HEDIS), to determine the performance and effectiveness of a plan on issues like how the plan responds to complaints or access to medical specialists.
10. What is the carrier's definition of key contract provisions, such as dependents, usual and customary, coordination of benefits, and covered employees, and what are the caps, exclusions, and limitations on services? Of course, none of the above should seem extreme. It's also important that the provisions reflect the unique needs of your work force.

As you evaluate carriers and plans, you'll be glad that you didn't just look at cost. The above questions will help you get started weighing cost and coverage with the carrier's stability, reputation, and responsiveness to determine the best carrier and plan for your business. Let the Christi Benefits solutions team work with you to create customized programs not only designed to meet your company's needs, but also help you establish and maintain a successful corporate strategy. Contact us today!



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