

## Does Your Health Insurance Program Work for You or Against You?

By Ross Arnel, LUTCF

Finding the right health insurance program can be daunting—even a downright nightmare—due to ever-increasing costs. Your insurance partner can not only streamline the evaluation process, but also help simplify your life throughout the policy term.

This article offers guidelines on choosing the right program and the right partner.

### Needs assessment survey

Different groups have different needs. For instance, older employees often value—and use—health insurance more than their younger counterparts. If most of your staff falls into a specific demographic (*i.e.*, young and single vs. married with children) you may want a plan that meets the needs of the majority and offers options for the exceptions.

Assessing employees' needs involves more than studying vital statistics like age and marital status. When re-evaluating health coverage, organizations should conduct a confidential employee survey on issues such as:

- **Network preferences.** Under the current plan, how often do employees go in-network compared to out-of-network? How important is out-of-network coverage to employees? Are people willing to change physicians to lower their insurance premiums?
- **Physician visits.** How often do employees visit the doctor's office in a typical year? How important is preventive care?
- **Prescription plans.** How important is the prescription drug benefit to employees? Would they give up better prescription coverage for a lower premium?
- **Deductible preferences.** Are employees willing to increase their deductible to lower their premiums?
- **Scope of coverage.** How important is comprehensive coverage, like dental and vision? Are employees interested in a basic plan that offers limited coverage for a low premium?

While no carrier offers a one-size-fits-all program, the answers to these questions will help your organization identify options that best meet the needs of your staff.

Employee surveys are important, but keep in mind that employees may not want to share their personal information with you, even through a confidential survey. You may get

more accurate feedback if your insurance provider obtains the information.

### Patient confidentiality

The Health Insurance Portability and Accountability Act (HIPAA) protects patient privacy. Healthcare providers; insurance companies; insurance brokers and agents; and employers must all tread carefully to maintain patient confidentiality.

When claims issues arise, many employees attempt to handle the situation on their own. They may not feel comfortable discussing the nature of the claim with their employer. Unfortunately, twenty years of experience has shown that the do-it-yourself approach often works out badly for the employee. And human resources personnel typically don't have time to manage claims disputes. Simply taking the time to understand employees' health issues and reassuring them of your efforts on their behalf takes a lot of time and patience.

Some insurance partners remove this burden. In such cases, employees call the broker directly, who then champions their dispute with the insurance provider. Your human resources team focuses on other priorities, your employees benefit from having an experienced advocate on their side, and everyone wins.

### Balanced coverage

Of course, managing claims isn't the only way your insurance partner can help your organization. For example, do you want to explain how current out-of-network UCR levels have impacted employee benefits? The right insurance broker can handle this headache for you. And when re-evaluating your insurance coverage, your broker can compare premiums for plans at different UCR levels.

Insurance companies establish fees as usual, customary and reasonable (UCR) for each test and procedure. A higher UCR level covers the approved fee for a larger percentage of healthcare providers. For instance, UCR coverage in the 80<sup>th</sup> percentile means that 80% of physicians accept the UCR fee as full payment. Low UCR coverage can result in nasty surprises.

For example, Jane Smith undergoes a \$10,000 procedure. Having met her deductible, she expects a \$500 co-pay for hospital admission. However, Jane's insurance plan has set \$7,500 as the UCR allowance for this procedure. Jane must now pay \$2,500—the difference between the procedure fee and the UCR allowance—in addition to her \$500 co-pay, for an out-of-pocket total of \$3,000.

Your broker or agent can help you evaluate plans with different UCR fees to strike the right balance between coverage level and monthly premiums.

## Customer service

Another factor to consider when evaluating healthcare plans is the service level you can expect from your insurance partner. Once you've signed on the dotted line, how accessible will your broker be when questions or other issues arise?

Some agents and brokers stay actively involved whenever a client encounters problems with either the insurance carrier or the doctor's office. For example, billing issues often arise when healthcare providers use the wrong procedure code in a clerical error. Finding and fixing the problem can demand a huge time investment from the patient and/or the human resources department.

Find out whether your prospective partner will manage this process for you. Not only does this value-added service save you and your employees time, but it also increases your chances of successful resolution by leaving the negotiations to experts with personal connections and inside knowledge.

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