Benefit Insights

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Simple Techniques To Decrease Medical Claim Problems

If your benefit department is frequently tied down responding to medical claim complaints from your company's health plan members, it can be a huge burden for the department to handle and create widespread dissatisfaction. Many medical claim issues tying up the system are the result of poor communication and poor information.

There are a few simple methods that can be put into place to simultaneously relieve the burden on your benefit department and decrease confusion and increase satisfaction among plan members and providers.

Benefit Orientation For Members

Some people may retain information from just reading it, but many of us retain information better if more than one sense is used during the learning process. This means not only reading a pamphlet, but seeing and hearing the information too. Another problem with retaining information is that people tend to pay less attention to that which isn't immediately relevant or useful to them. The result is that members don't absorb what they view as irrelevant and often don't remember the new rules when an unexpected benefit issue arises in the future. One way that you can get around these two problems is by presenting scenarios during your orientation sessions. For example, new benefit rules could be presented by the group leader using fictional examples of applicable situations. This element of presentation can make participants more at ease to ask questions, better help them relate the information to their own lives, and retain the information for future use.

Benefit Orientation For Providers

While orientation sessions for health care providers isn't very feasible in highly urban areas, it can be workable in smaller communities. You might invite local hospital billing and admitting personnel and a local doctor or clinic's office personnel to an insurer orientation session. Affording provider personnel this opportunity to hear new plan rules and ask questions can help them smoothly integrate the new plan rules into their office procedures and distinguish your particular health plan rules from the countless others they see.

Choose A Health Plan With An Interactive Website

Many medical claim problems are the direct result of a hospital admission office or doctor office not being able to check the specific rules of a company's health plan or verify a member's eligibility. The connectivity of a health plan with an interactive website can solve many medical claim problems by allowing providers to determine rules, note policy benefit changes, and determine eligibility with a simple click.

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Employers: Offering Voluntary Benefits Results in Happier Employees

According to research from WellPoint Inc., 83% of American employees have a strong appreciation for employers that offer voluntary insurance benefits, compared to employers that do not. This appreciation also holds true with job seekers. Nearly 90% of those looking for employment believe it is important that companies offer health benefits, including voluntary benefits. Furthermore, more than half of job seekers rate health benefits including voluntary benefits as a very important factor to consider before accepting a position.

Why all the fuss over Voluntary Benefits?

Voluntary benefits will usually improve a worker's overall perception of his or her benefits package. A full 82% of employees who are offered voluntary benefits are happy with their benefits packages. For employees who work for companies who fail to offer voluntary benefits, that satisfaction declined by 30%. These numbers show that employees clearly understand and place value on voluntary benefits. And happy employees are nothing to sneeze at. Studies show that the benefits of a psychologically healthy work force include higher job performance, less turnover, and better working relationships among employees.

Filling the Gap

Voluntary benefits can provide additional financial security to employees, with little or no direct costs incurred by employers. And employers who offer these benefits set themselves apart from those who do not. Voluntary benefits can include life insurance, disability insurance, accident insurance as well as wellness programs and dental and vision benefits.

Communicating the Advantages

It is important to note that although a significant amount of companies offer voluntary benefits to their employees, only about 50% of workers say they are knowledgeable about the details of the offerings. Just offering the benefits is not enough. If employees are not participating, then voluntary benefits add little or no value to the benefits package. Furthermore, 60% of employees surveyed felt that voluntary benefits offerings can be more important that increases in pay.

The main reasons employees give for enrolling in voluntary benefits include cost savings (54%), better protection for their families (50%), and overall peace of mind (44%). And peace of mind promotes better productivity, and a healthier happier workforce.

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Review Medical Claim Problems And Issues With The Insurer

Direct your HR personnel to keep a running log of all medical claim complaints and their status. Problems that are persistent should be sent to the insurer with a request for resolution. This makes your HR personnel the intermediary contact for medical claim problems and the insurer responsible for follow up and apprising you of any resolution results. The time it takes to resolve the issue, number of complaints, types of complaints, and other data collected during the process can be excellent evaluative tools.

Do keep in mind that HIPPA privacy rules must be complied with any time your personnel works with health information. So, if you use a third party insurance broker to communicate with the insurer, then you must have an agreement with the broker that confidential health information will be handled in a HIPAA compliant manner.

Playing The Advocate

Your HR personnel will always be the member advocate with the health insurer and play a middleman or referee role between the two. That said, the clarity and increased satisfaction brought from initiating the above techniques should cut down on the frequency with which this role must be played.

Health Savings Accounts Can Build Retirement Wealth

When preparing retirement funds to sufficiently carry an employee through their retirement years, it's crucial for the employee to think about all the ways that they can potentially maximize their workplace benefits. A great example can be found by looking at how a health savings account or HSA could also function as a retirement account. In certain instances, such as with employees that aren't made to spend down HSA contributions each year, HSA's can function in just such a manner.

Let's say that there's a 40-year-old worker that's very concerned that he isn't saving enough to last him through his retirement years. He seeks the guidance of a professional financial advisor to address his concerns. The advisor runs a retirement projection based on the workers 401 (k) contributions. Unfortunately, the worker discovers that he needs to save around five percent more than his current six percent salary deferral in order for him to have his retirement where it should be.

At this point, the advisor and the worker start to talk about where the extra retirement funds could possibly come from. One option would be to increase his 401 (k) contribution. However, the worker brings up how he's maxing out his contributions to his HSA, around $3,000 dollars per year. He goes on to say that he's considering lowering his deferral during the next open enrollment period. And, here is where the worker discovers that he can build retirement funds with his HSA. Since his deductible is only $1,800, the excess funds can be counted toward his needed retirement savings.

Of course, the above is just one scenario of using an HSA. There's actually several reasons why it could be beneficial for an employee to use a large HSA balance as part of their retirement.

- Most people naturally have more medical expenses with age. A study by Fidelity may add a little perspective, as it estimates that around $250,000 in non-Medicaid covered health expenses will occur during the retirement years of a typical 65-year-old retired couple. Wouldn't it be nice if these expenses could be paid for tax-free? Well, they can be with an HSA. HSA funds can be used without taxation for various qualified medical expenses–from long-term care insurance premiums to remodeling a home to accommodate a wheelchair or other assistive living device.
- For individuals that are fortunate enough not to have high medical expenses throughout their years at work, an HSA can provide some financial flexibility. Although funds are subject to taxation when not used for medical-related purposes, those at least 65-year-old can withdraw the funds for any reason they see fit.
- A Roth 401 (k) has tax-free withdrawing, but is funded with post-tax dollars. A traditional pretax 401 (k) features tax breaks only up until retirement. The benefits of an HSA are unique in that funds contributed to it are in the form of pretax dollars and remain tax-free on withdrawal for medical purposes.

The Growing Nest Egg

Financial institutions that manage HSA accounts typically allow investment of HSA funds (in excess of the an employees annual deductible) into mutual funds. In other words, if the HSA has an annual deductible of $2,000 and the employee contributes $3,000 dollars to the HSA, then the employee could invest the annual unused $1,000. After thirty years at 7% annual interest, the employee would have grown a retirement nest egg of about $100,000.

Imagine how elated the worker in the above scenario might be to find out that his employer had not only given him the flexibility of using his HSA for his current and future medical expenses, but also a means to supplement or pad his retirement nest egg.

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Employers Consider the Cost of Maintaining a "Grandfathered" Plan Under Health Care Reform

Among the changes a grandfathered plan cannot make in order to maintain that status are raising coinsurance levels, increasing deductibles or out-of-pocket limits by more than medical inflation plus 15 percentage points, and raising copayment levels by more than the greater of $5 or a percentage equal to medical inflation plus 15 percentage points. For many employers, staying within these limits simply won't be an option. The Mercer survey reflects this: Even though it would mean loss of grandfathered status, 35% said they would consider raising deductibles/out-of-pocket limits, 31% would consider increasing employee coinsurance levels, and 23% would consider raising copays, beyond what's allowed under reform.

Employers also need to consider to what extent their plans might already be in compliance with provisions of health care reform. For example, one of the health care reform provisions that does not apply to grandfathered plans is the requirement that preventive care services, including immunizations and screenings, be covered with no cost-sharing for plan participants. Many plans already provide for this, and an increasing number continue to willingly move in this direction as recognition of the importance of preventive care grows.

In the coming months, employers with grandfathered plans will be examining their current plan design and assessing whether it will continue to meet their business needs, along with employees' health care needs. It remains to be seen how many will decide they'd rather have the flexibility to change their benefit programs, than be restricted to the limited plan modifications allowed under the new law.

Employers Consider the Cost of Maintaining a "Grandfathered" Plan Under Health Care Reform

"Grandfathered" health plans-plans in existence on the enactment date of the Patient Protection and Affordable Care Act-enjoy exemption from some of the provisions of the health care reform law. However, in order to maintain grandfathered status, a plan must refrain from making certain changes, including those involving plan design, cost-sharing or insurance carriers. Employer plan sponsors are having to decide how having a grandfathered plan balances against the need or desire to modify plan provisions or change carriers in response to rising plan costs and rates...and many are questioning whether the advantages of making changes to their plans outweigh the benefits of avoiding some reform mandates.

In a survey from Hewitt Associates, 90% of the companies said they anticipate losing grandfathered status by 2014, with the majority expecting to do so in the next two years. Most (72%) of those anticipating losing grandfathered status indicated they would do so because of the need or desire to make design changes. The surveyed employers also cited changes to company subsidy levels (39%), health plan consolidation (16%) and insurance carrier changes (16%) as additional reasons why they thought it likely they'd lose grandfathered status. In a separate survey by Mercer, 53% anticipated retaining grandfathered status in 2011, but half of this group expected they would no longer be grandfathered by 2014.

Employers with grandfathered plans are asking these questions, according to Hewitt: " What changes do we need or want to make to our health care plans?" and "How can we make them without significantly increasing costs?" For many employers, it will boil down to deciding how much the freedom to implement plan changes is worth, versus the cost of complying with health care reform's mandates. For example, in the Mercer survey, employers were asked to estimate what it would cost to meet the law's requirements for 2011, and the response was, on average, and addition of 2.3% to plan costs. Employers were also asked to predict how much their plan costs would rise if they made no cost-saving changes, and the response was an addition of 10.1%. That's the kind of increase that many employers will decide they simply cannot bear. These estimates may indicate that, at least at this point, some employers project the cost-effective decision will be to comply with health care reform's mandates, in order to have the freedom to make plan design and insurer changes that fit into their overall cost-containment strategy.

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