

Communication leads to best health insurance

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While it's long been known that health insurance benefits are a tool for attracting and retaining employees, today's business owner is shifting this strategy, focusing on cutting costs while keeping his employees covered.

"Employers are thinking outside the box now," said Greg Sanders, president of Peachtree Insurance Advisors, a Marietta insurance agency that specializes in employee benefits solutions for businesses with 20 or fewer employees.

While "major medical" is the key policy that employees want and need, said Sanders, "you do not have to offer a group plan," he said. As a matter of fact, "less than half of all employers with fewer than 10 employees offer group health insurance," said Sanders.

Instead, a current trend is to offer individual plans, negotiated by an insurance broker. An ongoing relationship with a qualified broker is essential for long-term business success, said Sanders.

"The business owner has to say, 'We're not in the health insurance plan business' and allow the insurance broker to navigate the waters of HMOs, PPOs and HSAs (health savings accounts) with the benefit of both the employee and the employer in mind.

"It's not like buying airline tickets on Travelocity," said Janet Trautwein, CEO and executive vice president of the Arlington, Va.-based National Association of Health Underwriters. "You're going to need the expertise of somebody who knows what they're doing."

An agent will be able to look at the amount the business owner wishes to contribute to each employee's coverage and toward other, administrative costs. He will help optimize that money and search out an insurance company — whether group or individual — that will complete the deal, said Trautwein.



Sanders
Peachtree Insurance
Advisors

Communication among the parties is key, said Sanders.

The broker needs to ask the right questions in order to find out what it is the employees really want for themselves.

While one group may want the option to purchase disability and life insurance coverage, another crowd may only be interested in major medical coverage.

"They need to have a voice," said Sanders.

Before any decisions are made, "you want to find out where your employees live," as "the type of plan you choose depends on the workforce demograph-

ics," Sanders said. While one HMO plan may look good on paper, if no one lives near the concentration of its doctors, the policy is a waste of money for all.

The insurance broker will be privy to confidential health information such as pre-existing conditions and medication schedules. While the scrupulous agent knows that he can never share this information with the employer, he will help find a policy that both the employer and employee can afford.

Another area an agent can assist in is tailoring coverage that complies with state and federal regulations, said Bill Foudy, a board member of the Association of Health Insurance Advisors, which is headquartered in Falls Church, Va. Foudy also owns an insurance agency in Los Angeles.

Often it's the number of employees in a company that regulates whether a provision like the Federal Medical Leave Act is applicable. The agent wants the employer's initial business, as well as the annual renewals, he said, so helping in many aspects of health coverage is beneficial to both sides.

The percent of eligible employees who choose to participate in a health insurance plan sometimes is the difference between an insurance company issuing a policy or not.

"Are you really going to offer something that only 20 percent of your employees can afford?" Sanders asks.

"You have to make it affordable for you as the employer," said Trautwein, "but with costs that make it attractive enough to participants."

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And we're no ordinary health plan.