

Benefits Buzz

Benefits and HR tips brought to you by the insurance professionals at Brown & Brown Benefit Advisors.



To Offset Health Care Cost Increases, Sweeping Plan Design Changes Expected

According to a survey recently released by Towers Watson and National Business Group, health care costs are projected to increase by 7 percent in 2011. Annual costs per employee are expected to reach \$11,176 (up 7.6 percent from 2010).

Employers are concerned not only with these expected rising costs, but also with the effects health care reform will have on their health plans over the next several years. Many companies are implementing more comprehensive plan design changes to address these concerns, such as:

- Increasing contributions for dependents, either through per-dependent contributions or spousal waivers or surcharges

- Discontinuing employer-sponsored retiree medical coverage or restructuring retiree programs
- Offering incentives or penalties to providers based on performance
- Focusing on wellness and rewarding or penalizing employees based on biometrics like weight and cholesterol

In addition, adoption of consumer-directed health plans (CDHPs) with an HSA or HRA is rapidly growing. Many employers are promoting these plans by offering employees significant premium reductions. Companies with high CDHP enrollment have been able to keep costs flat and even reduce per-employee health care costs.

DID YOU KNOW?

A recent study showed that health care costs rose at a 15 percent slower rate for employees who participated in a wellness program, compared to employees who didn't.

This study, conducted by Highmark, Inc. and published in the *American Journal of Health Promotion*, surveyed employers who consistently provided a wellness program over a span of four years, and found a health care cost savings of \$332 per wellness participant.

Celebrate National Employee Benefits Day!

Did you know there was a day set aside to acknowledge benefits trustees, administrators and advisors for their role in providing quality benefits for their colleagues?

In addition to a much-deserved pat on the back, this day serves as a perfect opportunity to evaluate your current employee benefit communication efforts and ramp up employee education about your benefit offerings. Here are some ideas to promote your benefits:

- Host a lunch-and-learn led by your Benefits Team.
- Send periodic emails or payroll stuffers to communicate benefits information.
- Host Q&A sessions for employees.
- Provide employees with Total Compensation Statements.
- Add a new benefit, such as walking programs, casual Fridays, monthly lunches or flexible scheduling.