

# Take it upon yourself to lower health care costs

By Matt Bucher

During this election year, we continue to hear state and national politicians utter rhetoric about plans to cut health care costs, expand coverage to uninsured citizens and reel in insurance companies and health care providers. Little seems to be accomplished at this point and debating is likely to outpace results, but your company's health care costs continue to rise.

Rather than focus on our nation's struggle over this critical issue, this article provides you with proven strategies on how you can control your own costs.

During the past decade, many construction companies have had great success in controlling another employee-driven cost: workers' compensation. Just as you have successfully educated your employees and given them tools to prevent injuries and reduce the cost of work-related injuries, you can transfer those same efforts in preventing serious health concerns for your employees and mitigating the related costs.

If you haven't already, it's time your company created a corporate health management program. Much like a corporate safety program, this requires senior-level involvement, strategic planning and a long-term investment. Although there is not one proven template for small- to mid-size businesses, below are key elements of successful programs we've witnessed with our clients:

### ■ Buy-in and support from senior management

Not many cultural transformations happen without it, and I guarantee your health management program won't succeed without it either. Not only will you need buy-in from your leadership team, you need support in the form of participation in the program and leading by example. You also can gain leverage in time and cost through your managers and supervisors with direct reporting responsibilities.

### ■ Regular risk identification analysis

Whether you use an employee survey, a fully



integrated health risk assessment or engage in predictive modeling technology, you must understand the specific health risks of your employees and should do so annually.

HRA's reveal risks that don't show up in claims data, such as weight problems, tobacco use and family history. Employees often do not realize their potential for health risks and by simply making them aware, you have greatly increased their chance of prevention.

### ■ Targeted employee education and empowerment

Many employers fail to utilize the information they gain from HRA's effectively. If the results show you have lower than average tobacco users, then a smoking cessation program wouldn't be the most effective strategy. Your broker should be able to assist you in identifying the leading areas of concern, design educational programs around those health issues and implement the program. Many of you face the obstacle of finding the correct outlet for this information. You have many employees working in the field and rarely coming to the office and using the Internet might not reach all your employees and dependents. Therefore, you need to utilize a variety of methods to reach your plan participants.

Although prevention is the best way to reduce health costs, the fact is your employees will

continue to need care. Thus, it is important your employees [and dependents] have the tools to be empowered consumers of health care so they can avoid unnecessary expensive technology and brand name prescriptions.

### ■ Utilize an Account Based Health Plan

To run an effective health management program, you must have the engagement of your employees. The most common account based health plans are health reimbursement accounts and health savings accounts. Because these programs are often combined with high deductibles, you get the immediate attention of your employees. Success of these programs hinge on high participation so you must address the financial risk your employees will take on prior to rolling out the new plan. You are converting "renters" into "owners" and just as owning a house requires sound financial planning and risk management, so too does being a participant in an ABHP. We often advise our clients to take up to 18 months to educate their employees before offering an ABHP.

One of these alone will not accomplish your objectives. You must develop an integrated plan that considers all factors influencing your costs. Remember, you are in the health care business and once your leadership team has made that commitment, you should align yourself with outside resources that have success in building these programs with other like employers.

*Matt Bucher is a risk adviser with HNI Risk Services Inc., New Berlin. He focuses on helping companies design risk management programs to control organizational risks and related costs.*