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Employee Benefits

Designing a benefits plan that works

In this week's Point of View feature, executives from Apex Benefits discuss the critical issues employers should consider when designing benefits plans.

Q: What is one thing about designing an employee benefit plan that you wish more employers understood?

Amber Chittenden: A one-size-fits-all approach to plan design can be expensive for an organization that is undervalued by its employees.

Employers should be considering the entire family when considering plan options. Using that data, you can better understand the cost for each employee and their family members to determine the value of the benefits offered. You might consider offering a range of health plans, including a narrow network designed to drive care to high quality, lower-cost options, which can limit an employee's out-of-pocket expenses.

Q: The cost of health care in Indiana is disproportionately high compared with other states, according to RAND studies. How can all parties work together to maintain quality while mitigating employers' and employees' financial burden?

Jim Harenberg: Benefits advisors are in a unique position in that we serve employers and work closely with providers and the other key player in this equation, insurers. First and foremost, we have the backs of our employer clients. And we do not believe an employer, or its employees, should pay a dime more than they have to for health care.

In the near term, the cost of health care will only continue to rise with inflation as providers continue to struggle with their own financial challenges and increase fees to cover costs. Employers can act today by better understanding whether they're getting the best pricing possible on their benefits programs and discussing their health care risk management strategy with their benefits advisor.

My experience is that many hospitals don't want to contribute to this problem and are willing to negotiate to protect their own revenue through equitable solutions. Benefits advisors can negotiate with hospitals in partnership with insurers to reduce the financial burden on clients and the amount of money that employees pay out of pocket.

Q: Indiana University researchers estimated that in 2022, 66% of Marion County residents who needed treatment for a serious mental illness did not receive it. What can employers do to ensure their employees can access the mental health services they need?

Jim Harenberg: This is such a complex topic and urgent situation. We must, as employers, take responsibility for reducing the stigma attached to mental illness.

Talk openly about burnout. Ask employees in one-on-ones how they are doing. Be vulnerable as leaders. If your employees hear you talk about your own struggles, it will go a long way toward building trust and a sense of safety.

Amber Chittenden: Ensure that the company's medical plans provide comprehensive coverage for mental health services, including therapy, counseling and medication. Expand access to mental health services through telehealth platforms, allowing employees easier access to help.

Run regular mental health awareness campaigns, especially with your managers, to destigmatize mental health issues and inform employees about the signs of mental health struggles and how to seek help. Flexible work options also can provide balance and reduce stress.

Finally, if you have access to your claims data, regularly review utilization rates for mental health services and medications. Seek to understand barriers to access and identify areas for improvement.

Q: Beyond the financial implications, what are the less-quantifiable potential impacts that employers should consider as they assess covering or not covering the new class of weight-loss drugs?

Jim Harenberg: I suggest that employers take time now to educate themselves and thoroughly explore all options regarding chronic weight management solutions, including whether their plans will cover GLP-1 drugs for weight loss. The obesity epidemic isn't going away. Employers have to consider how their benefits align with the diverse needs of their people.



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Amber Chittenden: This is sure to have a lasting clinical and cultural impact. Debates are raging about access and cost. With costs around \$1,000 per month, access and financial disparity is a hot topic.

Outside of cost, employers should consider how their coverage decision could affect employee retention or attraction. Weight bias in the workplace has been an issue for decades. Employers must tread carefully and take thoughtful steps to ensure that their benefits decisions are not construed as discrimination.

Q: What creative benefits strategies are employers leveraging in 2024 to attract and retain talent?

Amber Chittenden: Employers have to meet the needs of four generations in the workforce today. Financial wellness programs, for example, can appeal to all generations. Gen X might be saving for retirement, while younger employees are trying to repay student loans. Both generations could benefit from money management education. Even

if your company is too small to offer tuition repayment or a matching 401k, providing access to financial planning professionals is a welcome compromise.

I also expect employers to think more outside the box about hot topics like paid leave, especially for their older employees. For example, a recent AARP study reports that 8 in 10 women 50 years and older want paid leave for caregiving. Retaining these seasoned professionals is vital to succession planning. ●

Amber Chittenden, chief client officer and principal, draws on her 25 years of experience in the industry to educate employers about the long-term value of having a consulting partner that advocates for their organizations, employees and plan members. She previously spent 19 years with Cigna and has a deep understanding of the intricacies of group benefits.

Jim Harenberg, chief operating officer and principal, leads the Apex Benefits team, helping employers get the greatest value possible for their employee benefits investments. He ensures Apex remains an innovative, disruptive leader in the benefits marketplace. Jim is also chief operating officer of Apex's national consulting firm, Innovative Rx Strategies. He has 30 years of health care experience, formerly as an executive with Eli Lilly and Co.

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