

## Preparing for the health plan renewal process

When the time arrives for the **health care renewal**, Johnson & Dugan prepares its clients with a style that most will find refreshing.

Companies often don't consider renewal at all until a health insurance broker calls to sort out a renewal plan – a likely occurrence beginning about 60 days prior to the actual renewal time. Busy employers may go into panic mode at the thought of having to make long-term decisions in such a short timeframe.

But at Johnson & Dugan, we believe that planning for the health care renewal begins the day after your last renewal is put to bed – that is, employee benefits plans should be built out of process and results. The best time to act is after a client has had a certain amount of experience.

As the client, think back to the open enrollment of your previous renewal. How did it go? What options were you able to choose from? How did the broker present those renewal choices to you? Were they timely, accurate, and comprehensive? Were you given enough time to think through the employee communications that you would need to present? Were your employees allowed the necessary amount of time to evaluate the information, to pose questions to their families and to human resources in order to make good decisions? After changes to the plan were implemented, were you able to process the information in order to get the desired results?

The ultimate goal for any organization is a smooth, effortless open enrollment period that works for both employer and employee. An employee rushed to conform to a plan will be left frustrated; the same employee that is provided with good communication material well ahead of the open enrollment will be far less stressed even if the news isn't all good.

As the employer, you must manage the situation proactively – and the best way to do this is to start thinking about the next renewal as soon as the last one is completed.

Begin by ascertaining the business environment going forward by asking a few questions. Is the company hiring? Is it in growth mode or hold mode? What is the economic climate? How is business? Considering the answers to these questions, you can determine what resources will be available in the future and what kind of support you will need going forward.

A broker should be able to describe what the market will look like as the year progresses, as they handle renewals throughout the year. A well-informed broker should have their finger on the pulse of the medical market and how renewals are trending by carrier and industry. Clients should be able to rely on their broker for educated estimates of their future medical plan rates, which is essential for budgeting purposes and reporting to senior management.

As the client, the more information you have and the earlier you have it, the better prepared you are. The more you can prepare your management team and company for the road that lies ahead. It is far better not to be surprised by a twenty percent rate increase – this is the kind of information an organization needs to be aware of while there is still time to adjust. Keeping an early, frequent, strategic and comprehensive eye toward the future will keep a company prepared for renewal.