

Actions to Mitigate High Renewals

There are a couple of reasons organizations struggle every year with high **employee benefit** renewals. The first is the absence of claims data. Companies do not really know how their claims are running, and they just have to accept the renewals that they are given. There is also a lack of expertise and knowledge of the marketplace. If companies are working with the right broker, they are educated as to what they should know, and I think that is very important.

There are a couple of things an employer can do to lessen the stress.

- The first is to look at programs that provide cleansed data. They are out there. For small and midsize employers, the arrangement is probably partially self-funded. The good news is that over the last few years, the insurance companies have actually added more of those types of products to their portfolio. There is no longer a situation where in a group has to just accept a particular type of self-funded product. It is important to consider doing a feasibility study for self-funded plans.
- The second thing employers can do is look at value-based plan designs. They are programs that reward employees when they take a positive health action such as completing an online health risk assessment, getting their annual physical exam or doing their biometric screenings. The thought process behind those plans is to identify potential large claim situations before they become large situations. Everyone is aware that there are employees who have high cholesterol or high blood pressure and do not know it. By forcing them to go to the doctor to learn what their cholesterol is and check their blood pressure to see if they need medication, the value-based plan identifies those problems and employees can get care early rather than when they have a large claim.