



# Cut Your Benefit Costs: New Ways to Save

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Though your employees may just be tickled that they still have a job, can pay their bills and have a comprehensive benefits package, your organization may still be struggling to stay afloat. According to *Employee Benefit Adviser* (April 2009), employers paid an average of \$7,173 per employee for healthcare costs in 2008. This cost is estimated to rise to \$7,400 in 2009. As the downtrodden economy still rears its ugly head, many companies are looking for ways to slash healthcare costs but still offer much-needed and appreciated benefits to their employees.

## **New Ways to Save**

Here are some ways to cut your benefit costs during this rough economy:

- Offer voluntary benefits as a way to help employees, even though your budget may be tight. Since group rates are often less expensive than individual policy coverage, offering voluntary benefits may be just the ticket for employees who want specialized coverage.
- Offer a high-deductible health plan (HDHP) in conjunction with a wellness program. Make the incentives of the program link with the health plan, and encourage those with chronic conditions to participate in your wellness initiatives.
- Make your employees more accountable for their work performance by assessing what drives them and then focus on improving their performance with incentives that focus on those drivers.
- Show your employees how much healthcare costs you by providing information about how much you pay for their care. Cost transparency can lead to employees making smarter, more economical decisions about their health.
- Show your employees that you care about their health and well-being. This will spur engagement (which may increase your profits), and may also encourage employees to get healthier because you are concerned about their overall well-being.
- Ask vendors for information about fees, alternative plans, etc. All of this data should be at your disposal so you can pick the health plans that are most economical for the organization.
- Upper management should get health assessments and screenings first to show other employees how important preventive care is in reducing costs. Also, challenge your employees to be healthier and they just may take you up on the offer.
- Encourage your employees to use generic medications versus brand. Also promote low-cost health screenings, fairs and on-site clinic care, which is far less expensive than more invasive procedures for untreated serious conditions.
- Understand how your employees' health affects productivity and your overall financial performance. Then, show your employees how personal growth and health can positively benefit corporate success.

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