

10 Tips to Reduce Your Small Business Healthcare Expenses

For yet another year, Small Business Owners will struggle with employee medical plan expenses. Lifestyles, unhealthy habits, prescription drug expenses and medical carrier inefficiencies have all contributed to the 100% increase in the cost of medical coverage in recent years.

Fortunately, Marin Benefits & Insurance Services has solutions that improve employee health and increase profitability for your small business. Below are the top 10 strategies we've identified to lower your employer-sponsored medical expenses and boost productivity from your most valuable business asset: your employees.

High Deductible Health Plans: This is the most direct way for us to immediately lower your monthly medical plan premiums by as much as 40%. Statistics show that about 40% of your employees do not use their medical plan every year and would only seek medical care in the event of a catastrophic incident. New plan designs provide this catastrophic coverage at a substantial savings to you. Patients have more control over their individual care and in most cases may save more in their monthly premium expense than the cost of the higher deductible. These plans are partnered with Health Savings Plans shown next to provide the “one-two” punch that lowers cost.

Health Savings Accounts(HSA) or Health Reimbursement Accounts(HRA): These are the new players in the benefit game, and from initial adoption statistics, they hold the most promise for lowering employee medical expenses when paired with a higher deductible health plan. By involving the patient in the cost of care they make prudent decisions about their care and are rewarded whenever they use their funds wisely. The results are plans that maximize choice while protecting against catastrophic medical expenses. Savings in the HSA are allowed to roll-over every year as an additional reward to employees who maintain healthy lifestyles.

Cafeteria Plans: Known under a variety of names – flexible spending accounts, flex plans, dependent care assistance plans, and premium only plans – these plans save payroll taxes for both the employer and employee. They engage employees in understanding where their medical expense dollars are spent each year. This is the critical step to getting them to take responsibility for their care.

Self-funded Dental Benefits: Recent research has shown that keeping a healthy mouth will decrease medical expenses as much as 16 percent for pregnant mothers, diabetics and stroke victims. Early detection of cancer during routine dental exams leads to early treatment and improved prognosis. Adding a self-funded Dental Plan drastically reduces the administrative costs that “chew up” as much as 40% of your premiums in fully insured plans. Direct Dental Administrators, LLC (www.directdentalplans.com) is a full service provider of self-funded plans and will assist you in designing the best plan for your needs and budget.

Wellness Plan: Workforce Wellness Plans have been shown to improve health, reduce sick days and increase morale, productivity and profitability for the companies who have them. Boost your bottom-line and employee health through a Wellness Plan!

Employee Education: Encouraging employees to make healthy choices throughout the year stabilizes your workforce and keeps them healthy and on the job for years. Simple changes in diet and health habits will bring about higher productivity and morale in your business.

Rewards and Incentives: Getting started towards a healthier workforce requires incentives to change existing behaviors. Not only do employees receive a reward from you, they also receive the reward of a longer and healthier life. That's an employee benefit that money can't buy!

Employee Assistance Program: Commonly referred to as EAP, this program provides confidential counseling to employees and their families related to life's issues. This may be psychological, legal or health related. Giving your employees a resource to discuss problems confidentially helps maintain an emotionally balanced and focused workforce.

Risk Assessments: Although risk assessment is part of any basic workers compensation review, the education and behavior changes that result from discussing health and safety in the workplace fall on the employer. Safety improvements prevent accidents to reduce premiums, and demonstrate the employer's commitment to care for employee well-being.

Multiple Plans: Many health insurance carriers allow small business owners to provide more than one health plan design to their company. Each employee chooses the plan and premium that works for them. Employees get what they want and employers establish a precedent by defining the company contributions towards health premiums.

Disease Management Programs: Programs for those living with diseases range from diet and exercise to counseling and rehabilitation. Supporting the employee in their return to a better health after a catastrophic event is an integral piece of a health care program.

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