

## Communicate on Healthcare for Competitive Advantage

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Healthcare costs continue to skyrocket. At current trends, they will go from 15% to 20% of gross domestic product in ten years. In the short term, the strategy of choice to combat rising healthcare costs, by far, has been to increase payroll deductions and reduce benefit levels. Longer-term strategies include variations of “consumer driven” plans. These plans seek to reduce healthcare costs by:

- Engaging employees in the actual cost of their care financially
- Arming them with decision making tools to help them to be more involved in the course of their medical treatment to improve outcomes which reduces cost
- Educating them on the connection between health, prevention, quality of life and cost

### The Importance of Communication Strategy

Whether consumerism is a facade for cost shifting or a real solution to the problem, the cost shift is inevitable. It is clear that healthcare plans in 2010 will not look like the plans of today. They will have considerably larger deductibles, out of pocket maximums, coinsurance percentages, and co-payments (if any at all). In 2010, there will be two camps of employees:

- Those who work for strategic employers who understand why their plans have changed and are prepared to use them effectively given their health and financial circumstances, and
- The rest, who don't and aren't. These employees will not be happy; they will be mad.

The more strategic employers will have a significant competitive advantage. They will get a substantially higher return on their healthcare investment. What is the return on an investment that is not understood or appreciated? Further, to the extent that consumerism is effective at controlling healthcare costs, these organizations will be well on their way to leveraging it. The difference between the strategic organizations and the rest will be in their communication. They will start now to build awareness and understanding, which will lead to buy-in, commitment, and actual changes in behavior.

Depending on the employer's circumstances, resources, culture, and demographics various mediums will be employed and to varying degrees. Successful campaigns will start months ahead of renewals and likely include the following phases.

### Phase One – The Macro Perspective

Inform employees on the national healthcare trends. Expose them to the concepts of:

- Healthcare inflation and the resulting pressure on American businesses.
- The enormous amount of waste in the healthcare system
- The increasing benefit levels brought on by HMOs and their weakened ability to control costs.

*Letter from  
the CEO or  
President*



## Phase Two – The Micro Perspective: Get Local

Share some numbers like:

- What are the organizations current healthcare costs? How much per employee per year?
- What is this cost as a percentage of compensation? Of Sales? What will the cost be in two years at current trends?
- How much more can the organization withstand?
- What are peer employers doing about the problem?

*Letter from  
the CFO or  
HR Leader*

## Phase Three – The Employee Responsibility

Address what employees can do to help:

- Do employees have any idea of or concern for the underlying cost of their care?
- Do they know the relationship between quality and cost?
- How much of their healthcare cost is behavior related? Do they take their medication? Adhere to their medical regimen or end up sicker or in the ER?
- How is their health? Do they smoke? Exercise? Eat right?

*Letter from  
the HR or  
Comp &  
Benefits  
Leader*

## Phase Four – The Employers Commitment

Articulate the commitment. Let the employees know what they can expect. Strike a deal.

- Is the commitment a safety net or more?
- How will healthcare costs be split between employer and employee?
- How does the commitment compare to peer employers?
- How does healthcare complement other financial protections like disability and savings plans?

*Letter from  
the CEO or  
President*

## Phase Five – Implementation

Introduce the plan designs, payroll contributions, instructions, and tools. Use meaningful words that don't become obsolete (Value Plan vs. \$10/70% Plan) and explain:

- How does the program fulfill the commitment?
- Where can employees get help with healthcare and other benefits decisions?
- What tools are available from the employer or its vendors?
- Exactly what is expected of the employee?

*Postcards to the home,  
e-mail, banners and  
posters, personal  
profiles, do-the-math  
worksheets,  
interactive calculators*



## Phase Six – Follow-up

Measure and re-enforce. Don't table the issue until next year. Keep the campaign going with tips on being a better, healthier healthcare consumer.

- Do employees understand the problem and the strategy?
- Do they accept it?
- Are they committed to make it work by taking appropriate action?
- What more can they do?

*Newsletters,  
testimonials,  
focus groups,  
e-mail, home  
mailers*

## Think ahead to 2010

Will your employees be prepared for these changes? What will be the cost in terms of other forms of compensation or turnover if they aren't? Communication will be the key. Start now.