



BEST Life and Health Insurance Company

[www.bestlife.com](http://www.bestlife.com)



## Economical Plans *for* Economical Times



## Ideas *for* Recession- Proofing Your Employee Benefits

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# Making Health Plans Affordable

The economy is changing how you view employee benefits. You need benefits attractive enough to retain talented, productive employees and cost-effective enough to meet tightened budgets. As a business owner, you may not have the time or the expertise to find employee benefits that fit both scenarios. When you call your broker and ask for affordable health plans, BEST Life can provide options to make health plans more economical and attractive.

Economical times call for economical plans. BEST Life health plans are in a “build your own” format that offers a variety of cost-efficient features. Here is a list of those features and how we suggest using them.



## Health Solutions II Traditional Co-pay health plans

- ❑ **Higher Deductibles** – this option has the largest impact on premiums. The higher the deductible, the lower the premiums. We suggest using this method first. Idea: Team this up with a low co-pay and you’ve got yourself one affordable and attractive plan!
- ❑ **Higher Co-pays** – used a lot in the past to lower premium costs. Keep in mind that high co-pays can translate into higher immediate costs for employees by making sick visits to the doctor less affordable. This should be the last resort. (Please note that there are no co-pays for preventive care visits on Non-Grandfathered plans.)
- ❑ **Lower Drug Cost Option** – this method is especially important if your company has a high usage of prescriptions. Recently in the news, research on the impact of the economy on healthcare has found that people are not filling their prescriptions in order to save money. So while a low drug option can save the company money in the short-term, it can have an adverse impact on employee productivity in the long run. We suggest balancing a slightly lower drug option with a higher deductible.

## Health Solutions High Deductible Health Plans

- ❑ **Make them HSA-Compatible** – Even though a High Deductible Health Plan already saves money on its own, pairing one with a Health Savings Account can help employees and employers save even more. Savings have totaled from \$700 to \$1,150 according to a 2007 USA Today study. Just make sure the plan’s deductibles meet 2012 standards: \$1,200 for a single deductible and \$2,400 family deductible.

- ❑ **Even Higher Deductibles** – some deductibles as high as \$3,000 can help lower premiums.
- ❑ **EyeMed Vision Discount Plan** – This discount plan is automatically included regardless of the deductible chosen. It can help save your client money with discounts for exams, lens options and add-ons (such as UV coatings), contact lens and even laser vision correction. Available through over 55,000 eye care providers nationally, EyeMed's network includes independent providers as well as the nation's top optical retail brands: LensCrafters®, Target Optical®, Sears Optical<sup>sm</sup>, JC Penny® Optical and Pearle Vision.

## Other Ways to Save Your Firm Money

In addition to customizing a health plan, BEST Life offers these cost-saving alternatives:

- ❑ **Bundle Discounts** – Bundling a health plan with a vision, dental or live plan can save your business money. Right now, you can save on medical or on your dental plan, depending on the lines of coverage you purchase. Ask your insurance broker for more details on our Bundled Coverage Savings Program.
- ❑ **EyeMed Vision Discount Plan** – Provides discounts on eyewear, lens options and eye exams through EyeMed's PPO network. Included with the purchase of any BEST Life plan.
- ❑ **Higher Participation on Voluntary Dental or Vision** – When you purchase a voluntary dental or vision plan through BEST Life, we will offer employer-contributory rates if you enroll above 60% of your group's participation. Employees who waive for other coverage will not be counted towards total participation. This provides your employees the opportunity to purchase a voluntary dental or vision plan at a lower price. To quality, just ensure that you have enough employees enrolling\*.

\*Underwriting reserves the right to apply voluntary rates if participation requirements are not met.

Health plans are offered in AZ, GA, ID, IL, IN, MO, NV, OH, OK, TN, TX and UT only.



# Recession-Proofing Dental and Vision Plans

Dental and vision plans are effective preventive healthcare tools that may help lower medical claims costs in the long run. While an eye exam can detect early symptoms of high blood pressure and diabetes, recent research has found that patients who ignore regular dental care have a higher chance of visiting the emergency room.

This correlation between dental and medical is why it is important to continue offering dental and vision benefits to your employees especially during tough economic times. Presented below are the benefit options to consider making these plans more affordable.



## Dental PPO/Indemnity Plans

- ❑ **Lower Calendar Year Maximums** – If your plan offers a high calendar year maximum, lowering it will help lower your premiums. This alone would have the highest impact on cost and could make all other modifications unnecessary. One way to keep your plan attractive is to offer a lower Calendar Year Maximum along with a lower Yearly Deductible.
- ❑ **Higher Yearly Deductibles** – Yearly deductibles do not apply to preventive services, so this option would only be reasonable if your employees do not get basic or major services that often. However, higher yearly deductibles can have an immediate impact on employees who do use basic or major services. If you do plan to increase your yearly deductible, consider raising it slightly. BEST Life offers \$0, \$25, \$50, \$75 and \$100 as options.
- ❑ **Move Endodontics or Periodontics to Basic or Major Services** – Our plans have the option of moving periodontics, endodontics or both from Basic to Major Services. Doing so lowers the percentage these benefits would be paid to 50% (on most plans). While this can help save on premiums, it is a good idea to first check how often employees use these services. This should be the last resort.

## Vision PPO/Indemnity Plans

- ❑ **Raise the Yearly Deductible** – BEST Life's Vision Indemnity plans offer a selection of affordable Yearly Deductibles to choose from (\$0, \$10 or \$25). This option allows you to keep the plan design you have, and lower premiums.
- ❑ **Change the Plan Design** – Moving to another plan design may increase employee eyewear cost slightly depending on the plan you select. BEST Life offers a variety of vision PPO and indemnity plans. While all vision indemnity plans provide a \$60 allowance for eye exams and a \$125 contact lens allowance, all Vision PPO plans have a \$10 Co-pay for in-network eye exams.
- ❑ **Increase the Frequency** – Start by increasing the amount of time frames may be purchased from 12 to 24 months. On the vision indemnity plans, the frequency can be increased separately on lenses and contact lenses as well. However, we do not suggest increasing the contact lenses frequency. Members would then need to purchase a two-year supply of contacts and would only be reimbursed the same \$125 allowance.

# Just Some Facts: How Employers and Employees Plan to Use Benefits

## 2011 findings on current state of employee benefits due to the economy:

- ❑ Nearly 70% of companies do not plan to cut their benefits packages
- ❑ 24% plan to increase funding on health coverage
- ❑ Reasons for offering benefits:
  - 39% - to retain existing employees
  - 25% - to motivate current employees
  - 19% - to attract new talent
  - 17% - to reward existing employees

Source: The 2011 National Workplace Benefits Survey, Employers Group <http://employersgroup.com/>.



## Consumer Driven Health Plans Offered among Employers

	Employers offering Plan			Employees enrolled		
	2008	2009	2010	2008	2009	2010
Small Employers (10-499 EE's)	9%	15%	16%	6%	10%	12%
Large Employers (500+ EE's)	20%	20%	23%	7%	8%	10%
Jumbo Employers (20,000+ EE's)	45%	43%	51%	8%	9%	15%

Based on either a health savings account or health reimbursement arrangement. Source: Mercer 2010 National Survey of Employer-Sponsored health Plans, [www.mercer.com](http://www.mercer.com).

## Consequences of Health Care Costs

In the past 12 months, have you or another family member living in your household done each of the following because of the cost, or not?

Relied on home remedies or over the counter drugs instead of going to see a doctor	35%
Skipped dental care or checkups	34%
Put off or postponed getting health care you need	27%
Not filled a prescription for a medicine	21%
Cut pills in half or skipped doses of medicine	15%
Did any of the above	53%

Source: Kaiser Family Foundation, February 25, 2009 News Release [www.kff.org](http://www.kff.org)

# Supplemental Benefits Go Voluntary!

Cutting costs may be the main concern in this economy, but businesses still need to attract talent and retain their top employees. One emerging solution becoming popular is to add a voluntary benefit or two, which can enhance a benefits package without adding cost to the employer.



**If cutting costs is a major concern, offering a voluntary benefits plan may be the solution for you.**

❑ **Why not start voluntary dental plans?** Dental plans are the second most popular benefits employees ask for and have a high-perceived value. According to a 2008 Group Purchaser Behavior Study by the National Association of Dental Plans (NADP), 62% of employers offering dental coverage say it is not just “a differentiator”, but also an “essential” part of their benefits package!

❑ **Vision is a great alternative.** Already offer dental? Expand your employee benefits with vision insurance. Vision plans do not cost much; have extremely low cost increases and can help employees save a good chunk of money on eye exams and eye wear.

A great feature of BEST Life’s vision PPO and indemnity plans is that they include discounts offered through EyeMed Vision Care’s Network. These discounts can help employees save on eye exams, eyewear, LASIK eye surgery and even lens options like UV coating or scratch-resistance. This gives employees the option to

lower out-of-pocket costs when they receive services from an EyeMed network provider. Discounts have no limitations and can be applied to services covered and not covered by BEST Life’s vision plans.

❑ **Put a spotlight on Life insurance.** During a time of financial woes, people are turning to Group Term Life to protect their families in the event of a death. If you are distracted by the rising costs of health care, remember that Group Term Life is an insurance product that can provide your employees great value and security, even if offered on a voluntary basis. Not only is Group Term Life affordable, it can quickly provide coverage for an amount that would take years to accumulate in a retirement plan.

The demand for Life insurance is high, too. According to LIMRA 48 million households either believe they should own a life insurance policy, or think they need additional coverage to supplement what they have.

## Conclusion:

While offering a complete benefits package can help attract and retain employees, a tailor-fit employees benefits program can address both budget and employees’ needs. Ultimately, it helps to make sure the plans you offer are what your employees want.

As you consider all the options BEST Life offers, first find out which benefits are important to your employees. Include employees in the benefits conversation. By letting employees review the plan options you are considering, you not only ensure that their needs are represented in the process, you are also providing them first-hand knowledge of the issues and facts that go into the decisions you make. For more help or advice, consult with your insurance agent.

## *Small to mid-sized businesses are BEST Life's specialty.*

The right insurance company for your business provides a combination of flexible plan designs and a complete portfolio of benefits.

Since 1962, BEST Life and Health Insurance Company ("BEST Life") has provided group insurance products to groups with 2 or more employees enrolling. We believe all businesses should be able to get the same big benefits large employer groups provide.

We offer medical, dental, vision and life products designed for businesses with 2 to 250 employees enrolling. Our plans are flexible enough to meet each group's individual needs, and contain cost-savings features for the current economic situation.

Medical plans are available to groups with 2 to 50 employees enrolling and in select states.

Our supplemental products can be sold as employer-contributory or voluntary plans. Voluntary dental and vision plans are available for groups with 5 or more employees enrolling. Voluntary group term life is available for groups with 2 or more enrolling.

For information on the plans available to groups with 2 or more enrolling, or for employer-contributory plans, please contact your insurance agent.

For the product offerings available, please visit our website at [www.bestlife.com/group-insurance.html](http://www.bestlife.com/group-insurance.html)



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Sources: U.S. Dept. of Commerce, Bureau of the Census and International Trade Administration; Advocacy-funded research by Kathryn Kobe, 2007 ([www.sba.gov/advo/research/rs299tot.pdf](http://www.sba.gov/advo/research/rs299tot.pdf)) and CHI Research, 2003 ([www.sba.gov/advo/research/rs225tot.pdf](http://www.sba.gov/advo/research/rs225tot.pdf)); Federal Procurement Data System; U.S. Dept. of Labor, Bureau of Labor Statistics. Office of Advocacy estimates based on data from the U.S. Dept. of Commerce, Bureau of the Census, and U.S. Dept. of Labor, Employment and Training Administration. Guardian; Benefits & Behavior: The Voice of American Business Owners and Benefit Decision Makers Today, 2007; Health News Article: "Dentists can identify undiagnosed diabetes", [www.upi.com](http://www.upi.com), 2011.



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