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Survey, consultants back wellness benefits

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UTICA — Promoting wellness programs, as well as letting employees know just how much their benefits are worth, are two things employers can do to lower benefit costs, boost morale, improve the health of their employees, and even help attract or retain employees, area employee-benefit experts say.

The 2009 United Benefit Advisors, LLC (UBA) Employer Benefit Perspectives Survey, released April 21, shows the Northeast lagging behind when it comes to offering wellness programs. This doesn't surprise Ross Kraft, president of The Meridian Group (www.mghelp.com) in Utica and president of the New York State Association of Health Underwriters (www.nysahu.org). Upstate New York, in particular, tends to be behind trends, while other areas of the country are on the cutting edge.

"I think that has a lot to do with the fact that in New York State, we're still subject to community rating," Kraft says.

Small businesses are generally pooled together, and the rates are determined by the general-pool assessment — not individually for each company, he notes. That means a small company that invests in wellness programs — programs designed to help employees manage their health risks such as obesity, high blood pressure, or high cholesterol — may never realize financial benefit in the form of lower premiums, he says.

Larger employers, or those that are self-funded, however, aren't subject to the community ratings and can realize some benefit, he says.

Among those employer groups, Kraft says he sees much more interest in wellness programs "because they realize there's a potential [return on investment] of their soft-dollar or hard-dollar investment."

One option for smaller employers, Andrew Biernat, vice president at

Meridian, says is to see what options their insurance carrier offers. Many carriers, such as MVP and Excellus, already offer wellness programs as part of the coverage plans.

While it seems like a little thing, promoting wellness can pay off some big dividends for employers including increased productivity and reduced absenteeism, Biernat says.

Including incentives for participating in wellness programs is another option employers should consider, Kraft says. Many insurers like MVP have rewards built into the program, he notes.

"They're kind of leading the way," he says of such carriers.

For businesses whose carriers don't offer wellness options, there are other alternatives, Biernat notes.

"There are programs available outside of your insurance plan," he says. The state offers a smoking-cessation incentive program, he notes. Even promoting low-cost generic-drug options, such as those offered at Wal-Mart or Walgreen's, to employees is a plus, he says.

Detailing the value of benefits

Along with researching wellness options, employers should also let their employees know just how much all of their benefits are worth, Biernat says.

The UBA survey showed just one-fifth to one-third of employers surveyed provided personalized total pay and benefit-cost statements — often called hidden paychecks — to employees.

The problem is that many employees don't realize what their employer is contributing toward their benefits such as health insurance, life insurance, and vacation time, Biernat says.

"Those are all costs an employee might not recognize how much an employer is paying on their behalf," he says.

While employees might be quick to complain about their share of the health-



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insurance premium, they might change their tune if they knew what their employer was contributing toward the cost, he says.

Kraft notes that time and money are often factors against communicating this information. But employers who don't have the ability to compile a comprehensive benefit state-

ment can at least try to share as much information as possible on the big ones like health insurance, especially during times of change, he says.

If a company is transitioning from an HMO option to a high-deductible health plan in conjunction with a health-savings account, that's a big switch for employees, Kraft says. Being upfront about the costs and why the company is making the switch can make the transition easier for employees, he says.

"It's critical for employer and employee to be on the same page," he says.

Ultimately, sharing that information can boost morale for existing employees and even help attract new hires, Biernat says.

Employers also need to be more proactive about letting employees know on a regular basis what benefits are available to them, Biernat adds.

"Many employers seem to engage the employee at initial orientation," he says. However, employers who reach out on an annual basis tend to have better employee retention and morale, he says.

The UAB survey — which questioned 1,650 employers from all industries, all employee-size categories, and all regions of the country — showed the West Coast has the highest percentage of employers who use employee meetings and dedicated Web sites for employees to access company-benefits information.

The survey findings are available online at www.benefits.com. □

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