

## PERSPECTIVES

From *Inside Indiana Business*

### Healthcare Consumerism: More Than Keeping Employees Healthy And Happy

By: Bryan Brenner - CEO, Benefit Associates

Employers need to understand that healthcare consumerism isn't all about keeping employees happy. It's about keeping them— period.

Consumerism, the topic of the multidisciplinary WorkingWell Seminar we presented in October, is the wave of the future in employee benefits. As costs continue to spiral ever higher, companies struggle to provide the kind of healthcare their employees need and want. Consumerism, which puts the money and the choice in the hands of the employee, can help reverse the trend of ever-lower levels of service, double-digit increases in premiums, and increasing dissatisfaction with healthcare choices by both employees and their employers alike.

From high-deductible healthcare plans and healthcare spending accounts to wellness programs and incentives, today's larger employers know that healthcare consumerism can help them retain more revenue. But few recognize how it can help them retain good employees, as well.

The average cost of employee turnover in America today is estimated at 25 percent of an individual's salary. But according to new statistics, the cost of replacing a top employee or a member of management may double the person's annual salary. But what does that have to do with healthcare? Plenty, as it turns out.

In the American Payroll Association's 2006 "Getting Paid in America" survey, more than half of employees say health benefits are more important than higher wages. Not only are good healthcare benefits considered better than getting a raise, it appears to be a major factor in keeping good people.

Twenty-two percent of top-performing employees in a study conducted by Watson Wyatt, a global company managing the cost and effectiveness of employee benefit programs, said healthcare benefits were one of the top three reasons they would leave a job. Interestingly, none of the employers in the study thought healthcare coverage would be the reason they lost a high-level employee.

This disconnect between what employees and employers think is important about benefits is why consumerism is critical. "Consumerism is really a philosophy," says Derek van Amerongen, MD, MS, VP and CMO of Humana Health Plans and a panelist on last month's WorkingWell Series. "We need to treat people with respect."

Healthcare is an emotional issue, dealing with an employee's money, family, and health. Furthermore, as healthcare benefits become more of an entitlement in employees' minds, it's up to the employer to communicate better about plans, programs, and costs. Ashley Horner, vice president of marketing and communications for SHPS, a leading provider of consumerism solutions, believes companies need a strategy to communicate with and engage employees about their healthcare plans. "Communications is more important than ever before," she says. "Distrust in a company's communications creates confusion and dissatisfaction." In fact, according to another Watson Wyatt research report, employees who understand their healthcare plans are more satisfied, even with sub par benefits, than employees with better benefits who don't understand what's being provided.

The takeaway message to employers is threefold: healthcare benefits mean more to employees than you imagine, consumerism can help you deliver programs that retain valuable people, and how you communicate about those programs is of vital importance.

**About Bryan K Brenner:**

Bryan Brenner is CEO of Benefit Associates, one of Indianapolis' top benefits firms, creating customized employee healthcare and welfare benefit programs for companies with 50 or more employees. He is a frequent speaker on healthcare issues and was the recent recipient of the Spirit Award from the Indiana University Entrepreneurial Awards of Distinction.

Well