

## November 2007 Edition

### **Topic: Consumer Directed Health Plans, Bringing Employees Along**

How many times have you heard or made the following statements: “Our employees are not receptive to plan changes”; “Our employees are not sophisticated when it comes to insurance”; “Our employees do not earn enough to participate in a Consumer Directed Health Plan”. I’ve heard statements like these countless times, but here is what I really think they are saying. “We are worried about a backlash from change”; “We are worried we won’t be able to educate our employees”; “We are worried a Consumer Directed Health Plan will cost more”.

*Eliminate your assumptions.* It is critical that you first eliminate your assumptions. Let’s start with cost. Consumer directed plans almost always cost less initially and always cost less long term. Why do we worry about giving an employee a deductible yet expect them to absorb rate increases with far less consideration? You have to look at premiums in conjunction with out-of-pocket exposure such as deductibles in order to truly compare cost. You also have to eliminate the assumption that consumer directed plans are too complicated for your employees to understand. At their core, these plans are very simple and can be communicated quite easily. What about the assumption of backlash? If your employees are making a decision to change because they feel they will benefit, doesn’t backlash become a non-issue?

*Knowledge is power.* Remember that true knowledge is power for you and for your employees. Knowledge eliminates assumptions by removing the need to guess. I have said this many times in many ways, but I cannot stress enough the critical importance of learning about consumer directed plan components and strategies. If you don’t think this is necessary, how sustainable do you think your current course is? At the root of this discussion you have to recognize that the alternative is *unacceptable* and *unsustainable*. What we fear is the unknown, so go to the source and remove the unknown with knowledge.

*Educate why, and then educate what.* This is critical in designing employee education strategies. All too often, we inundate employees with details before we tell them why they should care. Employees are as anxious to solve the cost challenges associated with health care as you are. They need to first understand why a change is being proposed and why you think that change will have a desired result. You have to establish a purpose for employees to base their decisions and actions. Once you have established the *why*, the *what* becomes easy. Make sure the steps you need them to take are understandable and actionable and the *why* will provide all the motivation they will need. Work with your broker or consultant to replace your assumptions with knowledge, and together you can design a plan to bring your employees along when you implement a more sustainable health care plan.