

3 Tips to Interpreting Your Health Insurance Carrier's Language

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If you're the parent of a teen, you've probably wondered if they are speaking a different language when they're with friends. Communication has changed so drastically, often as a result of viral trends on social media, that we might even have to ask our kids to translate. The same is true of a typical health insurance carrier's language.

Professionals develop their own language to describe complex concepts that can evolve rapidly as technology and best practices change. So, just as a teenager might miss the latest TikTok dance craze during a "social media detox," HR professionals might fall behind if they don't take the proper steps to speak their carrier's language. Here are some tips to keep up:

1. Start with the basics.

Do you know how premiums and claims impact your bottom line? These basics can tell you more about your plan than you might realize.

Take coinsurance, copays and deductibles, for example. We have an idea of how these affect a family's finances from personal experience, but carriers or benefits brokers might recommend plan designs for your company without a full explanation of their impact. When in doubt, ask for a detailed explanation and proof of data.

2. Understand the role of data.

Speaking of data, do you have an idea of your employees' claims history, and how your carrier uses these numbers to set your medical or Rx renewal rates?

Learning more about the evaluation process will give you a clearer picture of the rate and why it changes year after year.

What's your health insurance carrier's language (and stance) regarding employee benefits program data availability?

Data, from large claim breakdowns to loss ratios, should come from your carrier throughout the year. If you're fully insured, you or your broker's underwriters may have to request this information; self-funded employers typically have access to it. When it's time to assess the renewal, an exact breakdown of the rationale behind the new renewal should also be presented.

With a deeper understanding of your data and its role, you can create benchmarks and track changes that impact your renewal rate.

3. Leverage the start-up culture.

As health insurance carriers work to improve their options under mounting public and political pressure, a thriving ecosystem of start-ups is beginning to fill institutional gaps.

Areas with the most buzz—and the largest number of up-and-coming solutions—include family planning, telemedicine, financial wellness, mental health and student loan repayment benefits.

Assessing how these coverages apply to your company's demographics will help you make the most cost-effective decisions, and can put pressure on a

carrier that would rather keep you bundled with their often more expensive solution. It's safe to say your carrier is laser-focused on these coverages.

Speaking your carrier's language will make you a more active participant in your health plan investment, and help you make the best possible decisions. Still, our suggestions may sound like a lot of homework for an HR pro who's juggling a variety of responsibilities. Remember, your benefits broker can step in and interpret carrier-speak. There is no better time to lean on them for advice. ■

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