

Baby Health Insurance Playbook: 5 Steps to Plan for a Newborn

By Eric Brewer, Senior Benefits Consultant, Corporate Synergies
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People often say a new baby should come with a care manual. The same can be said for insuring a new

dependent. To plan for newborn healthcare benefits, parents need a baby health insurance playbook.

Employees are increasingly responsible for making important decisions about their healthcare and carrying the financial burden. Patient financial responsibility is on the rise-average out-of-pocket costs rose 11% in 2017 alone.¹ Many of them are still learning how to choose the right benefits each year so they get the coverage they need without overpaying or getting stuck with unexpected costs.

Preparing for the life-changing event of having a baby can make it even more difficult to make the right decision about employee benefits-I know, because my wife and I welcomed a baby boy last year.

The Baby Health Insurance Playbook isn't really a book. It's simple, practical benefits guidance.

Pregnancy, childbirth and making the best benefits decisions around the new addition to the family can be overwhelming experiences. Employers can help make the process a little easier with the right communication tools.

[Employee education & communications](#) is key.

Here's how to help employees plan for a new arrival:

1. Before the pregnancy-help them understand insurance options.

Beyond typical medical and prescription drug benefit plans, there are a number of other benefits that can help cover medical care during pregnancy:

- Short-term disability, which covers maternity leave
- Long-term disability, which may be needed if a doctor orders bed rest
- A flexible spending account (FSA), which can be used to cover childcare and medical costs tax-free
- A health savings account (HSA), which can also be used to cover medical expenses tax-free

In addition to these benefits, employees may also want to consider a hospital indemnity plan, which

provides a cash payment for every day of hospitalization. Importantly, employees need to elect this coverage before pregnancy in order to be eligible for it.

2. During the pregnancy-help them understand prenatal healthcare coverage.

What's considered preventive prenatal care, and what's covered throughout a pregnancy? Pregnancy entails many typical doctor's visits. Insurance will often cover routine appointments and tests, such as blood tests, basic genetic screenings, ultrasounds, a glucose test and stress test. But increasingly, doctors offer additional genetic screening and diagnostic tests that may not be covered under insurance. Help your employee connect with your insurance carrier to understand exactly what's covered and what is not.

3. After the childbirth-help them understand how to add a newborn to the benefits plan.

After a baby is born, they're not automatically added to health insurance. In fact, there may be up to a 30-day lag between the time a baby is born and when they are added to a policy. As if new parents don't have enough to juggle, they may have to submit claims following doctor visits for the first several weeks of a baby's life. New parents may not know this and could inadvertently pay for doctor's visits that insurance covers with a little extra work.

4. Help employees review provider bills carefully.

In addition to getting a baby covered and filing provider claims, new parents should review all hospital and medical bills to ensure they're accurate.

Make sure your employees know if they've got [benefits advocates](#) available who can help them understand bills and make sure they're not overpaying for care. They can reach out to the health insurance carrier to understand what is covered and what's not and find any issues.

5. Help employees anticipate childcare needs.

Determining who cares for an employee's new baby is a process that likely begins long before baby is here. Employers that offer childcare onsite or have relationships with childcare facilities should work to educate everyone about the program and how employees can learn more.

Employees need to understand taxes involved in childcare services, such as employing a nanny. And if your employees plan to use a dependent care FSA to pay for childcare, they should avoid contributing more than they'll use in the baby's first year. Remember, it's common for daycares to have waiting lists, and dependent care FSAs are use-it-or-lose-it accounts, which means they don't roll money over into a new year.

Bringing home a new baby is one of the most joyous times in a person's life, but it's also stressful and overwhelming. Creating resources to help employees with this life-changing event can help them get the right coverages and make what can be an overwhelming time a bit easier.

For more information, please call [1.877.426.7779](tel:1.877.426.7779)