

Offer HDHP and HSAs? Follow this 4-step Voluntary Benefits Checkup

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As the cost of medical plans rises, employers are offering high-deductible health plans (HDHPs) and health savings accounts (HSAs) as part of their employee benefit plans. Voluntary benefits, which are sometimes overlooked, can supplement HDHPs and HSAs. Before you add to your benefits program, you may need a voluntary benefits checkup.

Before we get to that, consider the data. Over 10 years, HDHP enrollment with a health savings account (HSA) increased from 4.2% to 18.9% and enrollment without an HSA increased 10.6% to 24.5%.¹ The use of HSAs is also on the rise. Between 2015 and 2018, HSAs grew from 43% to 56%.² In my experience, HSAs have become mainstream, but not all employees are satisfied with the coverage.

Voluntary benefits, such as critical illness, hospitalization or accident coverage, are one way to help bridge the gap between HDHPs, HSAs and healthcare costs. These are indemnity plans, which means that when an employee files a claim, they are paid out as a cash benefit, which can be used to cover out-of-pocket expenses.

Critical illness covers serious medical issues, such as heart attack, stroke, cancer, organ failure, blindness,

paralysis or a number of major health events.

Hospitalization covers employees when they are admitted to the hospital for anything from pregnancy to a knee replacement to an appendectomy.

Accident insurance covers employees injured on or off the job if they visit the emergency room, are transported by ambulance, visit urgent care, have surgery, are admitted to the hospital or must undergo physical therapy or attend doctor's follow-up appointments as a result of a covered accident.

A voluntary benefits checkup will help you determine the right coverages for your employees.

Remember, voluntary benefits can bridge gaps in coverage for employees with HDHPs, but they may be appealing to employees with other types of benefit plans, too. In fact, all three types of coverage explained above have increased in popularity over the last five years, thanks to rising costs and the peace of mind these voluntary benefits provide.³

Here's how to conduct a voluntary benefits checkup:

1. Ask Your Employees

The key to offering a range of benefits your employees will actually use is asking them. Conduct a survey to gauge your employees' interest in voluntary benefits like critical illness, hospitalization and accident coverage. Help educate your employees by explaining how these benefits are used and provide a range of how much each policy might cost. Surveying employees is an important step in a voluntary benefits checkup. It can help you confirm that you can meet minimum enrollment requirements for a type of coverage.

Importantly, minimum enrollment requirements will vary; it's vital to review surveys, look at employee demographics and get a clear picture of how many people are interested so you can meet minimums.

2. Check Your Rates and Shop Around

It's easy to "set and forget" voluntary plans-which is why it's so important to conduct a voluntary benefits checkup from time to time. But chances are, your employees are looking for ways to bridge the gap between HDHPs and HSAs. Review your current voluntary benefit coverages and your carrier contracts. You may be able to find better rates- another crucial reason for a voluntary benefits checkup. Based on your employee survey, you may also find that employees are more interested in one type of benefit than another.

3. Offer Voluntary Benefits Off-Cycle

Choosing benefits can be overwhelming-especially as more of the burden is shifted to the employee.

Consider offering voluntary benefits several months after open enrollment concludes to allow employees to focus on selecting the right voluntary benefits.

Alert your employees that voluntary benefits will be available and begin enrollment three to six months later so they can make an informed decision.

4. Educate Your Workforce

Some of your employees may not understand how voluntary benefits work-especially critical illness, hospitalization and accident insurance. Tease these benefits during open enrollment to get your workforce familiar with the products. Then, when it's time for employees to make their selections, provide decision tools and real-life examples to guide them.

For example, accident insurance may be suitable for parents whose kids play contact sports, while hospitalization coverage might be right for Baby Boomers preparing for knee or hip replacement surgery. Hospitalization surgery may also be appropriate for employees planning to give birth in a hospital. Showing your employees how this type of coverage can be used will help them make a smart decision.

The decision to invest in voluntary benefits is a personal one; employees will likely consider their own health, as well as their family health risk and financial situation. It's up to employers to help them understand each benefit, provide tools to help them decide and offer the best option possible to bridge gaps in insurance coverage.

A voluntary benefits checkup helps you help your employees.

¹ [National Center for Health Statistics](#), "High-deductible Health Plan Enrollment Among Adults Aged 18–64 With Employment-based Insurance Coverage"

² [SHRM](#), "2018 Employee Benefits: The Evolution of Benefits"

³ [Ibid.](#)

For more information, please call **1.877.426.7779**