

Work here, stay here

How health benefit plans assist with employee retention **Interviewed by Elizabeth Grace Saunders**

“Work there for the benefits.” Everyone has goals and dreams and aspirations, but everyone also has bills to pay and a body to keep healthy.

Smart Business spoke with Peter Joseph, senior vice president for commercial sales at VISTA Healthplans, about health benefit plans and their connection to employee retention.

“The employee health offering is the most important component of a company’s benefits package,” says Joseph. “Comprehensive health benefits plans can increase work force retention and motivate performance.”

Why are health benefit plans such an important component of the benefits package?

There is the perception that, as health care costs increase, the option of not having health insurance becomes attractive to some employees. However, most employees are increasingly recognizing that quality health care benefits add great value to their compensation package.

Even if they were accepted for an individual health insurance plan, people may have to pay higher monthly premiums, have higher copays, and have no coverage for pre-existing conditions.

Given all of these factors, an affordable, quality health insurance plan can help you hire excellent employees and retain them in the company. Furthermore, employee contributions justify having a more affordable plan.

Many individuals prefer group benefits due to the lower cost.

Why is employee retention crucial to companies’ success?

Employee retention is a key factor in containing business costs. Employer costs can range from interview expenses to relocation packages, which can add up to thousands of dollars.

Businesses have to invest in numerous start-up costs, from training to setting up e-mail accounts to issuing security badges. After investing in employees, companies want them to stay long enough to generate a return on their investment. Most important-



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ly, long-term employees can have increased productivity based on their knowledge and experience with the company.

Employee retention increases productivity and decreases employee expense.

Why should companies carefully choose a health benefit plan?

Having a health package is important, but offering an affordable, quality health package gives companies the leading edge in the employee recruitment marketplace.

The health package has to be affordable and must help contain benefits expenses. But it is equally important that the plan is affordable for employees and offers a superior level of service. If you can offer a competitive health benefit plan, you can recruit top talent, particularly when potential employees have families. Also, you can keep talented and skilled employees within your company when they realize how affordable and inclusive their health benefit plan is compared to other companies.

Why should executives solicit employees’ opinions on health benefit plans?

The contributions employees make are always a factor in your recruitment process.

Frequently, the perceived cost of health care that the employees sees could be a major trigger for recruitment or not joining a company.

Just as companies survey their customers to find out what leads to customer satisfaction, businesses should ask employees for feedback. The importance of health benefit plans should be surveyed. Companies should find out what is most important to their particular group of employees. Low monthly premiums? Low copays?

Other components of a health benefit plan, such as the size of the health care professional networks, the number of health care facilities and accessibility of specialized services can play a role in employee satisfaction.

It’s crucial to find out what matters most to your employees so that you can make your health package decisions based on their top needs and wants. A good rule of thumb is to make 80 percent of the employees happy. Focusing on satisfying the majority of the employees leads to the highest level of overall satisfaction at the lowest cost.

How can options increase employees’ appreciation of a health package?

Offering benefits options allows employees to select their health package to meet their specific needs. For instance, in a family where everyone wears glasses or contacts, the option to purchase a vision plan could be a large incentive. For many families, access to affordable dental care is also important. Employers need to evaluate whether their employees would rather pay a lower premium as part of their benefits package as an inducement to recruitment or a higher premium for a more comprehensive plan.

Having a plan where employees and their dependents can afford to go to the dentist for preventive maintenance and for special dental care can be very important. Not only do these additional benefits increase employee satisfaction, but also they enhance employee health and wellness.

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