

Affordable Benefits Make for Happy Employees:

New Study Links Health Insurance Satisfaction to Cost-saving Steps

Call it the small business conundrum. Good health benefits are all but essential for attracting and keeping skilled talent in today's tightening labor market. Yet health insurance premiums continue to soar, to the tune of 6.1 percent in 2007, according to a Kaiser Family Foundation survey released in September.



"It's an incredibly competitive job market right now," says Erin M. Fuller, president of the National Association of Women Business Owners, which consists mostly of small business owners. "It's hard for any smaller business to compete for really great talent when small businesses just don't have access to really excellent health insurance and benefit programs, [so] our members tend to be very creative and very receptive to alternative benefit packages."

For small business operators who are feeling the squeeze, new research from J.D. Power & Associates (JDPA) provides reason for hope. The 2007 National Health Insurance Plan Study shows what employees truly value – and what they resent – in a health plan. As it turns out, building a more

attractive health benefits package doesn't have to break the bank.

The study, based on surveys of more than 10,000 workers who get health insurance through their jobs, found that employees are more likely to be satisfied with their insurance when they're encouraged to use a plan's preventative services, such as smoking cessation programs or gym discounts, than when they're not. Among respondents who were highly encouraged in this way, two-out-of-three said they were either "pleased" or "delighted" with their plans.

Also appreciated: effective communication. Health insurers that use call centers or Internet-based communications earned higher marks than those that rely primarily on automated phone systems or brokers to convey coverage information. As it turns out, employees don't demand Cadillac coverage, but they do demand clarity with regard to what's covered and what's not, according to Jim Dougherty, executive director of health insurance practice for JDPA.

"You really upset somebody when they are surprised: 'I thought that was covered! Oh my God, I've been denied!'" That's really a communication issue rather than a coverage issue," Dougherty says. Case in point: two insurers with identical networks earned disparate marks in employee satisfaction, he says, simply because one was a superior communicator.

To help small businesses stretch their dollars and satisfy employees, health insurers are innovating. Humana, for instance, has in 17 states this year introduced its No Worry program, which guarantees premiums won't rise more than six percent annually over three years. Humana

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health experts in turn coach individual employees on how to manage particular conditions and maintain healthy habits.

Result: employees utilize popular preventative programs and simultaneously take steps to contain their employers' health care expenses.

Small businesses "are really looking for a vendor partnership that goes beyond simply providing plans," says Kim Allen, director of marketing for Humana Small Business. "They're saying: 'help me design a plan or a strategy that's going to save me money in the long term.'"

Get happier employees while reigning in health care costs... With fresh research in hand, small business owners are ready to prove it's possible.

Websites to Watch

- Humana: www.humana.com
- J.D. Power & Associates: www.jdpower.com



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