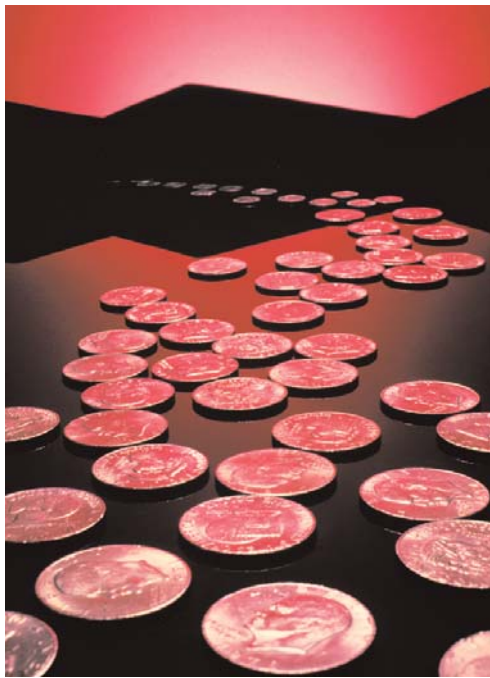


# Practical Strategies

Can **Drive** HSA Enrollment and

## Advance a Cultural Evolution in Benefits



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The challenge of implementing Health Savings Accounts is not unlike the challenge employers faced in the early days of 401(k)s. The challenge then, and today, is a cultural one. It is to engineer a cultural evolution from paternalism to shared responsibility. Through carefully formulated messaging and comprehensive communications, employers achieved this cultural shift, paving the way to today's more than 70% participation in 401(k) plans. The same cultural shift is required in order to mainstream HSAs and achieve broad enrollment.

Not surprisingly, many strategies and tactics that can help employers drive HSA enrollment are derived from the 401(k) experience.

One key decision your client faces when implementing an HSA is whether to contribute money to employee accounts. While contributions might appear to increase your client's costs, this may not be the case. In dual-option cases, employer contributions can drive enrollment away from the higher-premium PPO or HMO, resulting in client savings. In a full-replacement scenario, employer contributions ease the cultural evolution from paternalism to shared responsibility, encourage employees to open accounts, incent contributions by workers, and bolster a benefits package that must remain competitive.

When establishing a contribution strategy, your client may select one approach or combine approaches to support broader plan goals. Examples of contribution strategies include:

- Flat contribution, the most basic strategy—Employers contribute a specific dollar amount, or a specific percentage of the deductible, to all employees across the board. It's an equal offering to all plan participants.
- Contributions based on employee participation in the HSA—Companies can encourage participation in the savings plan simply by increasing the amount they contribute as employees contribute more of their own money. For example, employers may contribute \$2 for every \$1 that an employee does, similar to a 401(k) matching structure.
- Contributions based on employee salary—Employers can contribute more to employees in a certain class or salary range in order to favor lower-paid employees who may be less able to afford the high deductible (according to new regulations this includes employers in a Section 125 plan and those not).
- Contributions based on tenure—By investing matching dollars based on length of employment (for example, employees with more than one year of service), companies lose fewer dollars to short-service employees and encourage employee retention.

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- Behavioral contributions—Companies can establish contributions based on certain incentives. For example, they may contribute dollars into the accounts of employees who complete a health and well-being assessment. Or they can offer a higher match to employees who are eligible and participate in a disease-management and/or wellness program. Both of these strategies help target employees who may be in need of health care intervention or management, and it encourages them to select the HSA plan rather than a more traditional health care offering.

## Follow Strategy with Communication

Building the framework for an HSA requires active involvement by your clients, some of whom have historically taken a “low-touch” mass communications tack. According to the “Brokers Predict Massive Change” 2006 Benefit Buying Trends Study by NAHU and ChapterHouse Benefits, employees are “not feeling supported” as companies set their sights on lower health care costs through consumer-driven plans. Effectively communicating an HSA plan includes:

- Targeted and specific messages to help make the concept more accessible to employees
- Clearly outlining the benefits of the plan versus its features
- Being strategic in the “when” and “why” of each HSA communication sent to employees
- Designating times and resources to communications specific to HSAs not just during open enrollment, but throughout the plan year
- Starting early and communicating often

My company, Great-West Healthcare, has an employer HSA resource package contains all of the materials companies need to communicate an HSA plan throughout the year. To start, employers are granted access to our online employee readiness survey. Workers then answer 21 questions related to consumer-driven health care. The weighted and scored responses tell the employer how ready its workforce is for an HSA and where there may be gaps in preparedness or understanding.

The survey score suggests the most appropriate of three member communication plans to guide the company before, during and following enrollment. If workers are far along in understanding and preparedness, the communications plan is less elaborate; if employees have a steep learning curve, the plan includes more in-depth information and a longer lead time for communication. The low, medium and high communication plans are available in a printable calendar format on the CD.

Each plan includes an implementation timeline, recommended actions and all the necessary materials. The CD also contains customizable, printable employer and employee resources that are available in English and Spanish. The resource package is ideal for smaller employers that have limited time and staff to develop their own education and enrollment campaigns.

If brokers apply these practical strategies and do all they can to help clients drive HSA enrollment, they will not only reduce employer health care costs but also advance the cultural evolution in benefits from paternalism to shared responsibility. ■



*With 15 years of health care industry experience, Julie McCarter has extensive knowledge of provider relations, and network and product development. She can be reached at [julie.mccarter@gwl.com](mailto:julie.mccarter@gwl.com).*