

# BENEFITS INSIGHTS

Brought to you by the insurance professionals at  
The Insurance Exchange

## Effective Health Plan Renewals

Whether you are looking for a new employee health plan or renewing your current plan, careful preparation can make your health plan renewals more effective. Being prepared means knowing your situation and what alternatives exist, to select the best plan for your company and employees. Consider the following when planning your health plan renewals.

### Understand the External Market

- Check your plan's financial strength by consulting resources that publish strength ratings for HMOs and health insurance carriers, such as Fitch Ratings, Moody's Investors Service and Standard & Poor's.
- Check external quality of care reviews performed by independent organizations such as the NCQA ([www.ncqa.org](http://www.ncqa.org)) or The Joint Commission ([www.jointcommission.org](http://www.jointcommission.org)).
- Evaluate the impact of your plan's diversified portfolio, multiple product lines or lack thereof.
- Determine your plan's level of knowledge, experience, underwriting expertise and plan design options.

### Maintain, Understand and Use Your Data

- Review claims quarterly if you are experience rated.
- Maintain a rolling 24 months of information and a history of all plan changes.
- Compare actual experience to prior renewal projections.
- Request renewal projections from your carrier.
- Analyze claims data to find cost-saving opportunities for your plan.

### Benchmark Your Plans

Ask your broker for benchmark data to compare your plan to other companies, based on several factors:

- Demographics
- Average annual cost for employees
- Average monthly employee contributions
- Deductibles, copayments, coinsurance, out-of-pocket maximums, etc.

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## Evaluate Your Current Carrier

Evaluate the following factors about your carrier and what they can offer:

- Financial – including discounts delivered, return on investment on disease management and wellness programs, and ability to offer new products
- Service – including employee surveys, online services to assist in plan administration and communication pieces for employees
- Network – including in-network access and usage level, quality and tools for measurement, key additions and deletions, and disruption study

## Consider New Ways to Leverage Costs

- Consider plan design changes such as raising deductibles or copays for out-of-network providers, implementing a tiered prescription drug plan design, offering a consumer driven plan or increasing employee cost-sharing in other ways.
  - Explore alternative stop-loss vendors.
  - Complete a dependent eligibility audit.
  - Implement disease management or wellness initiatives, or expand upon existing programs.
  - Offer additional employee education regarding health care consumerism and making informed health care decisions.
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