



how to increase the impact of voluntary health benefits

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(International Foundation of Employee Benefit Plans 2016)

How to Increase the Impact of Voluntary Health Benefits

There is an interesting tension going on with employee benefits. Employees want choices of affordable health benefits and expect employers to help them understand the plans. But many employers struggle to find time to educate employees, and they are uncertain how to reach them effectively. At the same time, costs for medical insurance continue to rise. To keep expenses under control, many employers are switching to high-deductible plans. However, employees may pay more out of pocket for care.

Voluntary Health Benefits

To deal with higher costs for medical coverage, employees are asking employers for voluntary health plans. With voluntary benefits, most or all of the premium costs can be deducted from an employee's paycheck. While there are many choices available, voluntary health benefits, such as dental, vision and hearing, are staple plans employees expect to find included in their options. Consider three reasons why:



1 coverage gap

Employees value medical coverage, but it's their dental, vision and hearing plans they use frequently. These plans feature preventive services that help them take care of their health in unexpected ways. When dentists and eye doctors evaluate patients' teeth and eyes, they can detect signs of several serious medical problems. If these concerns can be addressed at an early stage, employees may not need costly medical tests or surgery. Hearing professionals can develop a baseline of hearing levels, which can be used to identify changes in the future. This is especially important for younger workers who are experiencing hearing impairment in their 20s and 30s.



2 security

Employees want benefits choices, but the details and options can be confusing. They appreciate having access to the benefits they value with the security of knowing that plans have been screened by employers.

3 manage costs

Voluntary plans help employees manage costs without additional expense to employers. At least one-fifth of Americans struggle to pay health bills, reports Minnesota Public Radio. Many have \$1,000 or less available to pay for unplanned medical expenses. To cover costs of serious accidents or illnesses, they borrow from their 401(k) plans or pay with credit cards.



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Success with Voluntary Benefits

Research by the Society for Human Resource Management (2015) showed that benefits are more important to employees than overall pay or compensation. And a 2016 Willis Towers Watson survey revealed that 92 percent of U.S. employers believe voluntary benefits and services will be important to employees during the next three to five years.

- **Invest in communication.** For ultimate success with voluntary coverage, employers must invest in communicating benefits and educating employees about their coverage. According to Jennifer Benz, national expert, speaker and author on employee benefits, employers should tie benefits to their business goals. Benz says investing in benefits communication is necessary to realize the full value of the benefits offered. Spending 1/2 to 1 percent of the cost of medical benefits will produce significant dividends for employers in terms of healthy, satisfied and engaged employees. [Watch this interview](#) with Jennifer Benz to learn more.



- **Capture employees' attention.** A 2016 study by the International Foundation of Employee Benefit Plans discovered that most employees are confused by their benefits. At least 80 percent of employers surveyed believe their employees do not open benefits packets or do not thoroughly read information provided.

Employees are bombarded with hundreds of messages and information every day. This means employers must create benefits communication that captures their attention. The traditional benefits packet of information sheets sent through the mail gets tossed on the table and buried in a pile. Design messages to fit the demographics of workers. Learn tips on effective ways to engage millennials by [watching this video](#).



Employers should develop messages that target employees in different demographics. For example, millennial employees, born between 1982 and 2004, are the largest group to use voluntary benefits, reports Entrepreneur magazine. They want as much information on their benefits plans as they can get. They especially want to know why they should invest in benefits they think they may not need. Benefits details should be shared through social media, text messages, games, smartphone apps, online guides, YouTube interviews and presentations.

Don't send messages just once a year at renewal time. View benefits information as a way to connect with employees every month. Provide reminders of when to update benefits coverage and examples of how employees can use their coverage to improve their health.

- **Tailored coverage.** Employees want to customize their benefits to their specific needs. Talk with employees to learn what's important. Look at lifestyle choices, family situations and activities employees engage in outside of work to determine the type of coverage needed.



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To cover costs of serious accidents or illnesses, they borrow from their 401(k) plans or pay with credit cards. Voluntary benefits help employees manage costs.

(Minnesota Public Radio)

- **Choose the right partner.** Carefully review proposals from brokers and insurance carriers for plans that offer traditional and nontraditional coverage to match what employees want. Look for carriers that have a reputation of being excellent partners and are willing to explain benefits choices to employees and their family members. When reviewing plans, ask several questions:
 - Does the carrier offer multiple plan designs that can be customized to employees' needs?
 - Can the carrier project expenses to provide a consistent premium?
 - Are premiums affordable? How much are the deductibles and copays?
 - Are there requirements for accessing coverage or limitations on benefits?
 - What is the carrier's reputation for customer service, payment of claims and consistency in premiums?
 - What is the enrollment process?
 - Will the carrier meet with employees to explain benefits throughout the year?
 - Does the carrier provide benefits communication tips and information to assist employers in educating workers, especially millennials?

Educating employees about their benefits is a year-round process. Good communications strategies can make a significant impact on the bottom line. [Review this interview](#) with Jennifer Benz to learn ways to communicate effectively the value of employee benefits.

Ameritas is an expert in providing excellent dental, vision and hearing benefits that are easy to use and can be customized to employees' needs. [Find out more.](#)



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