

Innovative Branding Helps Company Boost HSA Rolls

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<?xml version="1.0"?>Innovative branding helps company boost HSA rolls Chris Silva

Sperian Protection has been able to lower its health care costs the past few years with some innovative tinkering with consumer-driven health plans and a catchy communications and branding program.

"Health expense typically ranks in the top three or five for a company our size," remarks Michael Vittoria, HR director for Sperian, an equipment manufacturer based in Smithfield, R.I. "Any type of culture change you want to implement has to take place over time."

Sperian, which has about 1,300 employees, introduced a hybrid CDHP in 2007 and tried to make it as simple as possible for employees to understand - a task that can be difficult in today's complex health care environment.

Vittoria, who presented at the Employer Health & Human Capital Congress in Washington, D.C. earlier this year, says Sperian adopted an aggressive marketing campaign to help workers understand the model, and created a branding tagline called "It's Your Money."

"We treated communications like a marketing project, not a typical HR program," says Vittoria.

Effective marketing is key

As employers look to shift more responsibility and decision-making to its workers, employers have to get inventive with their marketing strategy, consultants say.

"Increasingly, organizations are shifting more responsibility for managing benefits to employees, and communications is very important to help employees make informed decisions," says John Finney, senior communication consultant at Watson Wyatt. "It's more of a marketing approach than a basic approach. We're seeing organizations now using advertising tools that are effective at changing behaviors."

Finney says it's companies like Sperian that are implementing best practices and getting ahead in terms of financial performance.

According to a Watson Wyatt study released last December, companies with the most effective communication programs are four times as likely to report high levels of employee engagement, compared to companies that communicate least effectively.

Use imaging, focus groups

Under Sperian's hybrid health savings account plan, employees pay the first \$2,250 in medical claims through a deductible. Sperian covers any claims that go over that amount up to \$6,000, and anything over that is covered by their insurer, Blue Cross Blue Shield.

The company avoids the term "high deductible," opting instead to call the action an "upfront" deductible. This helps employees better understand that they are putting money up front, but after that, it's on the company, Vittoria observes.

"Once they've paid for it up-front, then everything else is taken care of."

In 2007, 60% of Sperian employees used a PPO health care plan, 23% an HSA, and 17% an HMO plan. In 2008, the numbers are 56% for PPO, 30% for HSA, and 14% for HMO.

This shows individuals are understanding the message about HSAs, says Vittoria.

"If you catch problems early on, you're not only going to be healthier sooner, but you're going to reduce your costs in the long run, and that's what we're seeing."

Communication should be kept simple, Vittoria recommends.

Images can often be more powerful and meaningful for employees than words.

In addition, information should be readily accessible online so that benefit decisions can be made at home among

the family.

Focus groups were also created among the workers to get them involved and get their opinions on matters like coverage, cost, convenience and cash flow.

The results: Sperian saw an increase of only 2.6% in health care costs in 2007, down from an 11.7% increase in 2004.

Finney says the concepts used by Sperian are all smart strategies.

"We're seeing more use of photos, graphics and pictures to help deliver the message. Employee profiles are being used to show how things work, and imaging is being used to attract attention and make it personal."

Hybrid model

Drilling further into the details of Sperian's HSA plan, the company in 2008 increased copays on brand-name drugs to \$25 in all plans, but cut the amount on some generic versions from \$10 to \$4.

The company also dropped the three-tier copay program and went with a flat 25% of the retail price, with a maximum of \$50 per prescription. This gave employees a chance to save money on generics over the old model. For example, under the old three-tier plan, an employee would pay \$10 for a \$16 generic prescription. Under the new plan, they would pay only \$4 and have a further incentive to shop around at different pharmacies for a better price.

Also this year, the company waived copays for several preventive services, including Pap smears, physicals, flu shots and mammograms.

Visit ebn.benefitnews.com/podcasts to download a "Five Minutes With..." podcast with Sperian's Michael Vittoria.

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