

A man in a dark blue suit jacket, light-colored shirt, and glasses is standing and presenting to a group of people. He is holding a tablet in his left hand and gesturing with his right hand. The group consists of three people (two men and one woman) who are looking towards him. The setting is a modern office with large windows in the background. A desk with a laptop, a white mug, and a small potted plant is visible in the foreground.

THE 5 STEPS TO CREATING A HEALTH CARE BENEFITS STRATEGY

A step-by-step guide to help you
improve health, engage employees,
and lower costs



Offered by Cigna Health and Life Insurance Company or its affiliates



SO, WHAT IS A HEALTH CARE BENEFITS STRATEGY?

A health care benefits strategy is a plan that helps your business contain the costs of health insurance, increase employee satisfaction and maximize the efficiencies of your health plan.

Many employers are looking for ways to contain health care costs. With the average cost of insuring an employee hovering around \$14,000 a year¹, health benefits represent one of the most significant overhead line items facing employers. But while many businesses are putting an increased emphasis on cost reduction, many simply may not know how to consistently reduce costs, year-after-year, without impacting outcomes and the satisfaction of their employees. Many times, short term discounts are appealing, but they may not reduce the Medical Cost Trend in the long term.

That's why creating a health care benefits strategy is critical.

A holistic health care benefits strategy attempts to find the best balance of cost and care for your business. An effective strategy should also focus on improving employee productivity, attitude and overall job satisfaction.

This guide will walk you through what you need to create a health care strategy and give you the guidance you need to execute it!





HEALTH CARE BENEFITS STRATEGY AT A GLANCE:

THE 5 ESSENTIAL STEPS



LONG-TERM BUILDING BLOCKS





1. DEFINE OBJECTIVES & GOALS

Like any other part of your organization, a health care benefits strategy's primary purpose is to impact the bottom line. A major challenge to effectively implementing a health care benefits strategy is getting commitment from your organization, starting at the top. The leaders and key decision makers in your company need to be active and vocal supporters of the plan in order for it to work.

How do you get the organization to buy in? By setting simple, achievable goals that show how the health care strategy will help the business. Every business is different, but these goals are common across industries and should provide a good place to start.



COMMON BUSINESS GOALS FOR HR DEPARTMENT

- › Reduce benefits expense
- › More effectively forecast overhead costs
- › Successfully recruit experienced senior leadership positions and attract key talent
- › Increase talent retention and employee satisfaction
- › Improve productivity and the health and well-being of employees



SET HEALTH-SPECIFIC OBJECTIVES THAT WILL HELP YOU REACH YOUR BUSINESS GOALS

The goals for your health care strategy should focus on measurable, health-specific factors that ladder up to your business goals. It's critical to take a holistic approach and consider the different variables that will ultimately add up to a successful plan.

Ask yourself a few key questions:

- Do you want to improve overall employee health?
- Do you want to use health benefits as a recruitment or retention advantage?
- Do you want to address a specific benefits challenge?

These three goal categories will help you set goals that address both the symptom and the source of the challenges your organization may face from a benefits perspective.



BETTER HEALTH:

Improving employee healthy lifestyle choices, health outcomes and associated costs.



BETTER ENGAGEMENT:

Inspiring employees to participate in preventive programs and take control of their health.



BETTER SAVINGS:

Reducing health risks and associated costs in your employee population.



2.

ASSESS THE POPULATION

It's important to have a firm understanding of the needs, usage and risks of your employee population when it comes to creating an actionable health care strategy. This phase of the strategy development is all about gathering the right data. There are a number of ways to gather this information, but one of the best starting points is to have your employees fill out a Health Risk Assessment, to gain more insight into your population's health and lifestyle.



WHY YOU SHOULD HOST A WORKSITE BIOMETRIC SCREENING:

A biometric screening is a quick test that identifies risk for heart disease, stroke, diabetes and these key health metrics:

- › Blood pressure
- › Total cholesterol
- › Body mass index
- › HDL
- › TC/HDL ratio
- › Glucose (blood sugar)

KEY DATA POINTS

These are the data points to focus on that will help provide the best representation of the needs of your population.



GENERAL HEALTH STATUS

Are most employees generally healthy and live active lifestyles? Does your population have a high number of chronic conditions?



ATTITUDES TOWARD HEALTH

How do your employees feel about healthful decisions like regular preventive care or healthy eating?



HEALTH CARE UTILIZATION

How is your population utilizing their current health plan? How often do employees fill prescriptions or receive treatment? Are there any trends in claims?



DEMOGRAPHICS

What is the average age of your employees? Are there concentrations in particular generations? Do many employees have children?



POPULATION TRENDS

Are there any indications of prevalent chronic conditions, like high blood pressure or high cholesterol?

Click here to download Cigna's tips for conducting an Employee Benefits Satisfaction Survey

[DOWNLOAD TIPS](#)

Click here to download Cigna's all-in-one template to track and organize your assessment

[DOWNLOAD TEMPLATE](#)



3.

ESTABLISH A PERFORMANCE BENCHMARK

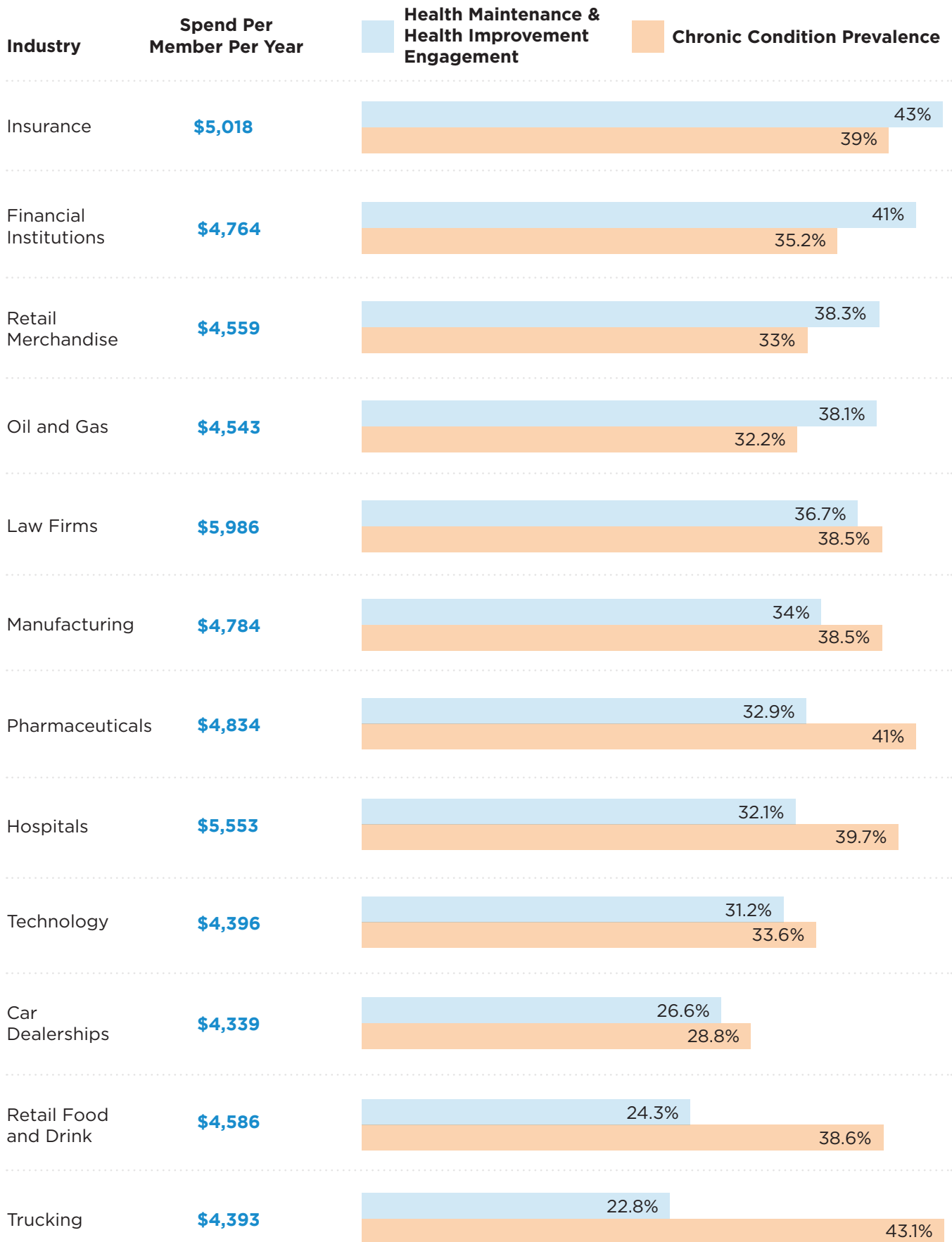
Benchmarks help you understand what normal is for your industry. Obviously every business is different, but as a general baseline, benchmarks can help you set smarter, more achievable goals. The benchmarks listed in the next section are designed to help you get started, but remember that the metrics for your goals may be slightly different, depending on what you're trying to achieve.



COMMON BENEFITS STRATEGY BENCHMARKS

- › Cost per member per year
- › Preventive care utilization
- › Chronic condition prevalence
- › Health engagement
- › Out-of-network utilization
- › Claims analysis
- › Specialty pharmacy usage

KEY HEALTH CARE BENCHMARKS BY INDUSTRY²






4 ■ CREATE AN ENGAGEMENT PLAN

This is where the rubber meets the road. It's important to work with your broker or insurance carrier to turn your strategy into an operational plan with specific programs and initiatives that are designed to help you reach your goals.

For example, if you have an employee population with a high rate of diabetes, it's important to get them involved in

specific health improvement plans. Or, if you have issues with out-of-network spend, it could be a reason to find a network or plan design that better suits your needs.

Remember, employee engagement is one of the biggest challenges to implementing an effective health care strategy successfully. Emphasize the importance of preventive care, including annual checkups and access to health programs. Be proactive to reinforce your organization's commitment to the health and wellness of its employees.



“A health care benefits strategy needs to be set up for success. An organization needs commitment from the benefits manager and senior leadership to reinforce the strategy, and partners to support them along the way. A benefits strategy is a collaborative effort, and you’ll need to rely on your provider, brokers, and consultants for resources, ideas and funding. If you don’t have partners that can bring resources forward to manage the program, it won’t be sustainable.”

– **JERRY BERWICK,**
Cigna Leader, South Texas Region

HOW YOUR CARRIER CAN HELP

These are the tailored health management programs that Cigna can provide to help you address your employee needs.

Care Management

Outreach programs to identify and engage individuals with potentially dangerous risk combinations to help lower the overall risk of your population.

Chronic Care Management

High level, individual attention to employees with chronic conditions such as diabetes, asthma, depression, back pain, cardiac and oncology conditions.

Wellness Initiatives

Discounts on health and wellness products³, one-on-one coaching and support, and personalized health plans for employees.

Health Risk Management

Support for at-risk individuals, incentive programs to help you motivate behavior change and the ability to measure progress.





5.

DEFINE A MEASUREMENT PLAN

Just like any other part of your organization, it's important that your health care strategy is able to prove that it's working. Ultimately, the ROI of your strategy is based on whether you experience lower health care costs. However, each phase of your plan should be measured with a key metric for success. Make sure that each stage of your plan is measurable and actionable to reveal short and long-term opportunities for optimizing engagement.

Remember to measure regularly. It's easy to fall into the trap of only reviewing health care performance reports during renewal season, but regular pulse checks are critical to maintaining an effective strategy. Monthly and quarterly reports are key to ensure you're still tracking for success. If you are, great! If you're missing the mark, stop, assess and reset.

HERE ARE A FEW SAMPLE GOALS AND METRICS:

Example Goal	Example Metric
Assess health of population	Percentage of employees who completed a biometric screening
Increase preventive care	Percentage of employees who had an annual physical
Educate employees on the plan	Percentage of employees connected to myCigna®
Reduce risk of high risk employees	Percentage of employees enrolled in clinical coaching programs

ASK YOUR EMPLOYEES WHAT THEY THINK!

Assessing employee satisfaction with health care benefits is a must. Surveys can be easily sent out via email and should be straightforward and easy to understand. The questions should be targeted and ask about specific aspects of the benefits plan. For example, are you satisfied with the number of plans available? Are you satisfied with the access to doctors and hospitals in the network? Your carrier should be able to assist you in developing and administering the survey.

To help improve the success of your health benefits programs, major shifts or changes should be clearly communicated to the broader employee population — typically from your CEO or higher-ranking management. Reinforce and repeat at the organizational level. If employees aren't communicated to or incentivized, they likely won't participate. Plain and simple. **To download Cigna's guide to conducting an employee survey, click here:**

[DOWNLOAD SURVEY GUIDE](#)



YOU'RE ON THE FAST TRACK TO A BETTER, MORE EFFECTIVE HEALTH CARE STRATEGY!

You're set for success. You now understand the value of actively managing your health care benefits strategy. With these tools, you can begin implementing it today!

Remember, your carrier should be your partner in this journey and provide support and guidance every step of the way.





Discover How Cigna Can Help Your Organization

Start creating a culture of well-being in your organization. Contact your broker or connect with a Cigna representative to discuss your organization's unique needs.

Sources:

1. O'Brien, Sarah. Employers to Spend about \$10,000 on Health Care for Each Worker." CNBC. 8/9/2017. <https://www.cnbc.com/2017/08/09/employers-to-spend-about-10000-on-health-care-for-each-worker.html>
2. Analysis included all clients within the given industry in Cigna's book of business across all segments and client sizes for 2016 benefit plans.
3. **A discount program is NOT insurance, and the member must pay the entire discounted charge.** If your plan includes coverage for any of these products, this program is in addition to, not instead of your plan benefits. Discount programs are separate from your medical benefits. Some programs are not available in all states and programs may be discontinued at any time.

Product availability may vary by location and plan type and is subject to change. All group health insurance policies and health benefit plans contain exclusions and limitations. For costs and details of coverage, contact a Cigna representative.

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