

### Technology Conundrum

## Lack of Coherent Info Confuses Employees, Stunts CDHP Growth

**S**OME THINGS just naturally go together—like milk and cookies or peanut butter and jelly.

However, employees and consumer-directed health plans (CDHPs) are not a happy duo because employees are not hearing a coherent message about them, according to a new report from The Conference Board: *Consumer-Driven Healthcare: Current Practices, Future Upgrades*.



Although industry surveys indicate that employers anticipate strong growth in CDHPs, low selection rates remain a significant stumbling block among employees offered such

plans as one option among many, according to the report.

"If employees find the information they're offered about CDHPs too confusing, the programs will fail," says Jon Gabel, report author. "Employees are unlikely to switch to plans that they don't understand." Consequently, employers have to conduct early and repeated face-to-face meetings with employees. Even companies who have been successful in enrolling employees in these plans say they wished they had invested more in communication and education, notes Gabel.

In our high-tech world, it's not

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### Phasing Out

## Companies Rethink Jobs as Boomers Age



THE OLDEST BOOMERS will qualify for Social Security's early retirement benefits in less than a year, but a large part of corporate America isn't prepared for the tens of millions of employees who will quit their jobs or scale back their hours over the next decade.

Labor analysts predict the U.S. economy will face shortages of 6 million workers by 2012 and 35 million workers by 2030. "It's not just a matter of replacing one body with another," says James Sowers, managing director for Buck Consultants. "A lot of experience and talent will walk out the door. That should be a major concern for companies."

Policy analysts already understand that staving off the brain drain will  
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### Acting Smarter

## Healthcare Reform Goes Beyond Cost-Sharing

THE NATION'S HEALTHCARE system can't survive for long unless everyone acts smarter, according to Michael B. McCallister, Humana CEO. "The model of people getting medical coverage at work or from the government is at risk of collapse after years of spiraling costs and can continue only if all parties sacrifice in order to stop widespread waste," he says. Employers will have to offer coverage that helps consumers make better choices and stick to it instead of jumping every year to the cheapest plan.



Thus, employers with broad health strategies are doing a better job at controlling costs, according to the findings of the 12<sup>th</sup> annual National Business Group on Health (NBGH)/Watson Wyatt survey. "The best performers are not relying on employee cost-sharing as a primary cost reduction strategy," says Ted Nussbaum, Watson Wyatt practicing director of healthcare consulting. "It's the relationship between plan design and cost-sharing that incents employees to think about their healthcare behaviors and become better consumers of healthcare."

While curbing healthcare cost increases is a puzzle for employers, and consumer-directed health plans (CDHPs) are only one piece, the experience of companies successfully implementing CDHPs offers hope for improving our healthcare system, according to Helen Darling, president, NBGH. "Focusing on prevention, early intervention, disease management, and quality outcomes not only helps employers control healthcare costs but also makes employees healthier and more productive," she says. "It's truly a win-win situation." ■

## Technology Conundrum

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surprising that employees rank the internet as one of their preferred ways to receive information, according to a soon-to-be-released Watson Wyatt survey. However, while this preference is relatively uniform across generations, “employees are much more likely to change their behavior and become more discerning benefits consumers if they can find relevant, personalized, and meaningful information,” notes Michael Rudnick, Watson Wyatt national eCommunications and portal leader. Likewise, the latest findings from MetLife’s fifth annual *Study of Employee Benefit Trends* also notes that messages can influence employee behavior when they are more personalized based on needs.



These findings come at the same time that employees of all ages are using technology—especially the web—in their personal lives, and they expect their employer to provide a similar online experience. “Employees have come to expect the same level of personalization, flexibility, intuitiveness, and ease of use that Google and other advanced consumer websites provide. This is upping the ante for employers and human resource departments,” says Rudnick.

Many organizations are trying to improve the user experience by moving to an employee portal that integrates content, applications, and vendor sites and can be accessed with a single sign-on. Such integrated systems can make it much easier for employees to understand benefit plans and make the right choices for themselves and their families. ■

## Phasing Out . . . (Continued from front)

mean providing older Americans with stronger economic incentives to work, persuading employers to give older workers more job flexibility, and rewriting outdated laws. Thanks to the Pension Protection Act of 2006, employers may now pay pension benefits to employees age 62 and older who are covered under a defined benefit pension plan. As such, more companies will be able to use phased retirement to retain valuable skills and knowledge while providing mature workers with an alternative to the all-or-nothing approach to retirement, according to The Conference Board report. Phased retirement can be any work arrangement that falls somewhere in between full-time retirement and working full-time.

“Even though IRS regulations for implementing the Pension Protection Act have yet to be defined, the new law helps to make phased retirement a viable option for employers who want to capitalize on mature talent,” say Anna M. Rappaport and Mary B. Young, report authors. IRS issued *Notice 2007-8* earlier this year, requesting public comment as to how to treat pension and similar distributions by older workers who remain in the workforce part-time. “As the U.S. workforce grows older and life expectancy continues to rise, the playbook for retirement is being rewritten.” The authors note that companies need to make certain that their compensation and benefits programs support the phased retirement options they have decided to implement. ■

## **Bulletin Briefs**

♦ *IRS Releases Transition Relief for Debit-Card Users*  
*Notice 2007-2* [<http://www.irs.gov/pub/irs-drop/n-07-02.pdf>] provides transition relief for plan sponsors with debit cards when the cards are used to purchase prescription drugs or other medical goods at grocery or discount stores that do not have a specific health merchant code or for mail order and web-based vendors that sell Rx drugs. The transition relief permits use of debit cards through Dec. 31, 2007. After December 31, the transition period ends, and all related vendors must have a merchant code or an inventory approval system.

♦ *9 Tips to Retain Your Best Workers*  
Employee retention has moved onto the corporate radar screens as executives throughout the world have experienced the damages associated with employee turnover. While there is no magic formula for employee retention, Business & Legal Reports shares 9 tips every organization can use to help keep employees happy and increase the chances they’ll be around for the long haul: (1) Hire smart; (2) Clarify expectations (according to a recent SHRM report, unclear expectations is the top reason why new hires bail); (3) Get to know your employees; (4) Give feedback; (5) Make retention part of your company culture; (6) Educate and train; (7) Offer incentives and rewards; (8) Empower employees; and (9) Give performance updates and evaluations.

♦ *Access Database of 2,000 Job Candidates with Disabilities*  
Employers can now access a free nationwide Workforce Recruitment database of approximately 2,000 collegiate job candidates with disabilities seeking work in a wide variety of fields. Call 866.327.6669 for more information.

## Voluntary Products to Complement Your Core Package

Find out how Gemini Group can help you implement a voluntary benefits package that will complement your company's core benefits.

Three of the most important objectives for an employer in managing personnel issues are:

- Attracting and retaining loyal workers
- Providing employees choice and security in their benefits package
- Managing the organizations dollars

Voluntary benefits have proven to be important offerings that address each of the three objectives. Selecting the right benefits, communicating them properly and administering them efficiently is the Gemini advantage.

Gemini is licensed with over 20 of the largest voluntary companies in the country thus allowing us to pick the carrier and product to fit your company's needs. We seek to achieve the right balance that ultimately helps your organization better manage costs and attract and retain loyal workers. ■

## Do you have part-time or non-eligible employees not covered on your group health plan? Gemini Group, Inc. can help!

Recent changes to Colorado insurance law have made it easier to get these workers health insurance coverage. Gemini Group, Inc. can show you how to best use these changes to your advantage.

**Benefits at no cost to the employer-** Under the new guidelines, a company can now help workers obtain affordable individual health insurance coverage at no cost to the employer.

**Helps eliminate COBRA problems-** An employer can now help terminated employees obtain an option to COBRA that usually will cost less and move them off the group plan.

### **Cover dependants no longer eligible for a group health plan-**

When a dependant graduates or reaches an age where they are no longer eligible for a group plan, an employer can help by contacting Gemini Group, Inc. to get them covered on an individual health plan. It's easy to apply for individual health coverage at [www.geminigrp.com](http://www.geminigrp.com).

Call Gemini Group, Inc. at (303) 757-1234 to find out how our team of consultants can help find exciting new solutions to all your benefit needs. ■

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