

# Developments in healthcare

## TOPIC: The critical importance of a well-designed medical benefits programme



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The strategic design and management of global medical benefits is critical to the health and productivity of a global workforce, as well as to the financial viability of any global employee benefits programme, e.g. captive. In most countries this means medical benefit plans that appropriately supplement existing national healthcare cover. In all countries this means ensuring the global workforce have access to the medical care they need in the event of illness and receive ongoing support to help sustain good health and remain productive, engaged and resilient.

**“Employers must offer a competitive, supportive medical benefits package in order to attract and retain qualified staff”**

~ Eric Butler  
Director, Health & Wellness  
Generali Employee Benefits Network

### **Why medical benefits matter to employers**

Employers face the dual challenge of creating a financially stable benefits programme, as well as one that responds to employee health needs. Both of these issues impact a company's bottom line. One is more obvious – the ongoing cost of health insurance premiums. The other is equally significant though less obvious – the inherent costs associated with unmet or poorly met health issues among workers, and the additional costs related to absenteeism and presenteeism. A study by the Integrated Benefits Institute indicated that illness-related absences and associated productivity losses across all conditions cost US employers \$530bn in 2018<sup>(1)</sup>. Medical costs are also not related exclusively to physical

health issues. The estimated impact on the global economy from lost productivity due to mental health issues is \$1trn<sup>(2)</sup>. In addition, with employees placing increasing value on their benefits and particularly medical benefits as part of overall compensation, employers must offer a competitive, supportive medical benefits package in order to attract and retain qualified staff. Across the world, the impact of direct costs (medical premiums) and indirect costs (absenteeism and presenteeism) on the corporate bottom line is undeniable.

### **Why medical benefits matter to employees**

Industry studies consistently reveal the value global workers place on medical benefits. In a study published by Glassdoor<sup>(3)</sup>, health insurance had the highest correlation to employee satisfaction among all respondents. In a study from SHRM<sup>(4)</sup>, 95% of employers reported health care benefits as the most valued benefit across their employee populations. Medical is in fact the most frequently utilised benefit, whether staff are seeking routine/preventative care (e.g. annual checkups and health screenings), planned services (e.g. maternity), or seeking treatment for newly emerging or chronic conditions. This also applies whether the private cover is comprehensive in scope, or is only supplemental to a national healthcare system. Private medical coverage is seen as a critical component of the employee benefits package, and key to the attraction and retention of talented global staff.

### **Plan design comes into sharp focus in a crisis**

When employees or their dependants experience a health crisis, the medical plan comes into sharp focus for both patient and employer. When the medical benefit plan design creates barriers to accessing care (e.g. an overly restrictive provider network, a lack of access

## **GEB CASE STUDY: THAILAND**

### **applying data to improve children's health**

to second medical opinions, restrictions on critical care, extremely low limits on coverage that greatly increase out-of-pocket expenses, etc.), these issues may come to the fore quickly during a medical crisis and can make a patient's problem an employer's problem as well. Identifying any potential weaknesses and problems with the benefit design ahead of time can help employers to avoid unforeseen financial burdens or barriers to patient care.

### **Taking a strategic approach**

Taking a strategic approach to the design of global medical programmes involves a comprehensive assessment of local needs, local regulatory requirements, local healthcare standards/norms, local diagnostic trends and locally available wellbeing programmes.

Following is a summary of the GEB 'medical roadmap' which we utilise to help clients develop an effective global medical strategy

### **1. We use data for informed decision making**

The very first step to understanding medical plan performance is the collection and study of available medical claims data. The assessment of claims experience data is key to an employer's ability to respond to sometimes vastly disparate and changing medical landscapes. Your medical insurance partner should be able to provide well-structured reports that outline key medical cost drivers across the insured population so you can identify particular benefits, wellbeing programmes or educational initiatives that can be introduced or modified to further support employee and dependent health.

The best medical reports are those that present data in an aggregated and highly interactive format, allowing users to study spending trends at the country level, with cross-sorts by population type, age-band, benefit and diagnostic categories and medical provider, and which offer clear insight into peak claims and high claimants. Detailed data reporting should allow benefit managers to pinpoint root causes for year-over-year changes in utilisation of medical services, including changes in claims incidence, frequency or average unit cost (or some combination of the three).

GEB's robust medical data reporting capabilities provide employers with the detailed insight necessary to enact meaningful changes in health plans to help improve employee health and financial results over time.

As an example of how data can be applied, GEB's Medical Dashboard Reports for one large client revealed an unusually high and sustained volume of respiratory claims in Thailand, representing 23% of total paid amounts. Of those claims, 63% were attributed to services for acute upper respiratory tract infections (such as the common cold) and 37% to pneumonia.

Embedded drill-downs revealed that pneumonia claims were mainly incurred by dependent children, with 77% of the costs resulting from inpatient hospitalisations. To address this problem, it was clear that a more complex and comprehensive solution to respiratory problems was required beyond the basic employee flu vaccination campaign the client had been pursuing.

Dependent children were being admitted during evening hours to lower-cost hospitals, suggesting that an inability for employees to care for children during the work day may have motivated the use of hospitals for illnesses that might be more appropriately addressed at home or in an outpatient setting. To address this issue and respiratory illnesses in general, GEB recommended the following:

- **A family health day, including flu and pneumonia vaccinations for children;**
- **An HR Policy Review to facilitate allowed absence(s) to care for dependents;**
- **A review of outpatient cover to ensure sufficient benefits for treatment of respiratory illnesses in an outpatient setting;**
- **An education and awareness campaign to help employees and their families learn how to avoid and manage colds and flus;**
- **Use of telemedicine for medical advice on how to provide care at home and avoid symptom escalation among children; as well as online medical clearance for employee sick days to avoid OP visits;**
- **Implementation of a focused pre-authorisation process / triage service for hospitalisation related to respiratory illnesses;**
- **Deeper consultation between insurer and the treating hospitals to review medical necessity criteria for hospitalisations for influenza;**
- **An assessment of office air quality, the regular changing of air filters, and improved sterilisation of all office surfaces;**
- **A smoking cessation campaign.**

## 2. We conduct a comprehensive assessment of global medical plan design

In addition to medical data collection and assessment, a thorough study of terms and conditions in existing plan designs must occur on a country-by-country basis to ensure cover is consistent with local market or industry norms, employer objectives, and to address the cost of care burden for employees.

Through this assessment, employers can examine all the tools available locally to control costs and improve the operation of the plan, such as: the application of cost sharing mechanisms (i.e. deductibles and co-insurance), customised (tiered) provider networks, benefit limits, and pre-authorisation to verify benefits and improve patient steerage to qualified, discounted facilities.

Following is a summary of the plan design tools GEB encourages clients to consider as they take a strategic look at the composition of their global benefits programme.

**GEB Network wellbeing programmes are organised under three categories of services – these are GEB’s three healthcare missions: Stay Healthy, Return to Health, and Manage Chronic Illness.**

## 3. We evaluate and introduce targeted, relevant health and wellbeing programmes

As part of the global assessment, employers can work with their intermediaries and insurers to understand available wellbeing programmes by market and introduce those which are relevant for best supporting the health of local / global staff. Wellbeing support services can include primary prevention programmes focused on helping members monitor and track their health through screenings, vaccinations and general education. They can also include complex intervention programmes to help patients facing new illnesses by providing second medical opinions, 24X7 clinical support and complex case management. And finally, they can include personalised support programmes for members dealing with chronic illnesses, providing access to clinical staff and lifestyle/behavioral support. GEB’s global network partners offer a range of wellbeing support services which vary by country.

## Leverage the tools of plan management

At GEB we work closely with our clients to consider all the available tools of plan management to address local benefit needs and cost management objectives. Plans should be evaluated annually, with close monitoring during the policy year to understand how members are using plan benefits and where issues may arise with respect to benefit limits, network access, and services/support.

### Plan management tools include:

- Benefit limits;
- Cost sharing mechanisms (deductibles, co-insurance, co-payments);
- Pre-authorisation, benefits verification;
- Customised (tiered) provider networks;
- Member, provider self-service tools (claims submission, benefits lookup, etc.);
- Network discounts, direct payment;
- Member service, 24 hour support.

### OUR STAY HEALTHY PROGRAMMES

Nutritional counselling, weight management  
Fitness memberships & coaching  
Health education & information  
Vaccinations  
Health campaigns, health checks  
Mobile healthapp  
Online claims/provider search  
Predictive medicine

### OUR RETURN TO HEALTH PROGRAMMES

Second medical opinion  
Telemedicine, telephonic clinical support  
Disability / return to work programmes  
Medical case management  
Mental health / EAP, depression management

### OUR MANAGE CHRONIC & COMPLEX ILLNESS PROGRAMMES

Asthma, COPD  
Diabetes  
Heart diseases, hypertension  
Maternity management  
Smoking cessation

## Conclusion

In summary, by conducting a focused, comprehensive assessment of global medical programmes, including data collection and analysis, plan design, and the introduction of relevant wellbeing programmes in each local market, employers can better support both the health of their employees as well as the financial health of their medical benefit plans all around the world. An annual review is strongly recommended, coinciding with renewals, to discuss programme structure, financial objectives, patient service experience, and any diagnostic trends which may indicate specific programme needs. Your insurer and/or broker / intermediary should help with this review to ensure your programme is providing the right support and performing within expectations in each market.



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(1)<https://www.ibiweb.org/poor-health-costs-us-employers-530-billion-and-1-4-billion-work-days-of-absence-and-impaired-performance>

(2)[https://www.who.int/mental\\_health/in\\_the\\_workplace/en/](https://www.who.int/mental_health/in_the_workplace/en/)

(3)<https://www.glassdoor.com/research/studies/benefits-drive-employee-satisfaction/>

(4)<https://www.shrm.org/resourcesandtools/hr-topics/benefits/pages/alter-benefits-attract-retain.aspx>

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