
HEALTH POOL ★ NEWS

How to Choose the Right Healthcare Plan in 2023

Choosing the right healthcare plan is a crucial decision that, despite coming almost every year, few cities feel comfortable making. Balance the needs of your organization with the needs of your employees with these three tips:

Remember the Budget (Yours and Your Employees)

The most obvious point to keep in mind is to remember what your annual healthcare budget is. Here, you may see mention of a "PEPM" number, which stands for "Per Employee, Per Month." PEPM is a helpful way to understand exactly what you're paying for with each of your employees' coverage every month.

But don't just think about *this* year when reviewing healthcare options. Are any providers offering rate stability? The healthcare industry is currently in a post-pandemic flux, meaning the rates for coverage are climbing at an alarming rate. Luckily, some providers may provide a two-year fixed rate guarantee or something similar. Consider long-term stability so you aren't stuck researching options again next year.

As mentioned, *your* budget isn't the only budget to be planning for. You must also think about your employees. You are in a special position to understand how much your employees are making and the cost of living in your town. If you see a plan with a low monthly premium, that can be great for you! But that may then mean a high deductible for your employees. Consider the balancing act between keeping your monthly rate payments low *and* not just passing those costs onto your employees.

Choose a Focused and Accessible Network

Selecting the right network can be a great way to save without forfeiting care for your employees. The "typical" healthcare plan is a PPO, which offers a wide range of "in-network" doctors. The pros are that your employee has a

higher likelihood of being able to choose any doctor they prefer and still receive discounted care, but this flexibility comes with higher rates.

However, if you know your employees all receive their care locally, you can choose to focus their coverage with a "narrow network" option. The drawback is that your employees don't have the unlimited freedom of a PPO, but if your employees are already keeping their care relatively local, the savings can be tremendous for all.

It is typically this balancing act between your employees' flexibility/deductibles with your own rates you should consider when choosing the right plan. An HMO plan, for example, is a more cost-effective option than a PPO plan. It simply requires that your employees start care at their primary doctor before getting referenced to a local specialist.

Relevant Care

Finally, a big part of staving off high rates is to keep your claims low. If your organization regularly has expensive claims, providers will mark your monthly premiums up to balance this out. That's why you should select providers that offer benefits that cater to the ailments of your employees.

If you know you have an employee with diabetes, look for a plan that has a built-in management program for diabetes.

Does your organization work in physical labor? Choose a plan that offers inexpensive physical therapy that will help prevent long-term injuries.

Why Does It Matter?

The right healthcare plan can have rippling effects throughout your organization. With just a bit of educated selection, you can attract top-tier talent, retain employees, reduce the economic strain from sick leave, *and* save your city's budget. Stay informed and choose the right healthcare plan for you. ★