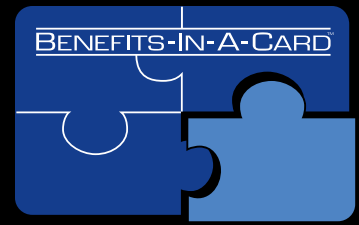


Designing the Best Plan at the Most Affordable Price

by Carl Stecker, CEO, Benefits In A Card



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One of the most time consuming tasks for HR personnel with a diverse base of employees is analyzing dozens of health insurance options in an effort to develop customized plans that meet everyone's needs. This is particularly tricky within the staffing industry where the diversification of employees is wide. Many work 13-week stints at relatively low hourly wages, while others are under long-term employment contracts earning very high wages. With more and more companies eliminating group health insurance from their benefit plans, those that do provide a plan have a distinct competitive advantage of securing the best workers.

Due to increased competition within the staffing industry, limited medical insurance has become a popular tool to help attract and retain a better base of employees. Although many employers do not pay anything for limited medical insurance, just providing it as an option to their employees is seen as a benefit to time-starved workers who don't have time to shop for medical insurance and need coverage they can afford.

Creating sensible health insurance options is time consuming, but the burden should not fall on the shoulders of HR. Instead, that should be the responsibility of an insurance plan administrator. Too often, brokers and administrators do not provide the research and service necessary to fully meet the needs of their clients. Most simply provide a few pre-designed options and leave it up to the HR manager to communicate plan details to their employees, get them enrolled, and coordinate all contracts and paperwork with the administrator.

In a proper setting, an insurance plan administrator will sit down with the staffing company and work together to develop plan options that meet the needs of their employees. Let's say, for example, that a staffing company provides the following groups of temporary workers to one company:

- **Group A:** 400 assembly-line workers earning between \$8 and \$10 per hour at 13-week intervals;
- **Group B:** 25 production managers earning between \$14 and \$20 per hour at 13-week intervals;
- **Group C:** 25 highly-skilled design engineers earning \$30 or more per hour under 2-year contracts.

Group A: The plan administrator might offer limited medical coverage options for Group A that includes an annual maximum of \$4,000 for in- and out-patient benefits along with discounts for prescriptions. Considering that Group A employees are contracted for just eight weeks at a time, the coverage limits will almost always be more than enough to cover any potential medical expenses. In addition, the employee cost for this plan would be no more than two-and-a-half times their hourly rate, or roughly \$15 per week.

Group B: Group B options might offer a higher annual maximum of \$5,000 for in- and out-patient benefits, again at an affordable monthly rate of two-and-a-half times their hourly rate.

Group C: Group C might be offered a \$7,000 in-patient maximum, a \$3,000 out-patient maximum, and a prescription co-pay plan, a program that is similar to many company-sponsored health plans provided to

long-term, full-time employees. Coverage for all three options would begin on the first day of employment, which is extremely attractive to temporary workers.

In addition to offering low-, mid-, and high-end limited medical insurance plan options for the three employee groups, a responsible plan administrator will also take on 100 percent of the program administration. This includes presenting and fully explaining plan options to employees, enrolling them in the program of their choice, and handling claims processing, paycheck withdrawals, and day-to-day questions about coverage. In addition, plan administrators should be able to provide complete administrative services involved with complicated insurance reform policies such as those associated with the Massachusetts Health Care Reform Act, or with employment eligibility programs such as I-9. This might include completing paperwork and securing all necessary employee signatures, submitting it to the appropriate state agencies, and maintaining accurate records.

Research shows that temporary workers with health coverage tend to be more responsible and have a lower absentee rate than those without. Therefore, having the right plan administrator can not only help staffing companies secure the most highly qualified candidates for their clients, it can also ensure that more employees secure and retain a satisfactory level of medical coverage, which is a direct benefit to the customer.

If your plan administrator is not providing this level of service, you need to look for a more qualified provider. The rules and regulations for maintaining employee insurance records are getting more complex everyday and the penalties are stiff. Meeting the needs of staffing agencies, their clients and employees requires the service of a highly qualified insurance administrator who has the best interest of its client at heart. Don't you deserve the best?

Carl Stecker is President and Chief Executive Officer of Benefits In A Card, one of the country's leading administrators of limited medical insurance. His company, which has been honored by AllState Insurance as the country's #1 administrator of its limited medical products, is a major sponsor of Worksite Magazine's Mini-Medical and Limited Medical Sales & Marketing Conference in October. Mr. Stecker serves on a number of professional and civic boards and is an active member of the American Staffing Association and Staffing Industry Analysts.

