



5 Ways for Employers to Manage Rising Health Care Costs

Health care is one of the best benefits you can offer your employees. In fact, the availability of health care benefits can improve your company by helping to attract and retain top talent. Employees who have health care coverage through their workplace are more likely to value their jobs, and typically experience higher degrees of job satisfaction.

However, company health care plans can be quite expensive—and employer costs are rising rapidly. What can you do to combat this growing expense, while still providing quality health care coverage for your employees?

Here are five ways you can reduce health care costs for your business, while continuing to offer benefits to your valued staff.

Consider plans with higher deductibles

While some companies end up relying on employee contributions to subsidize skyrocketing premiums, many are turning to health care options with higher deductibles, particularly consumer-directed health plans (CDHP). These programs typically come with deductibles of \$1,000 or more, but the employer costs are considerably lower than fully subsidized plans.

In conjunction with CDHPs, some employers are creating health care savings funds for their employees to offset the cost of the deductibles. This method allows employers to continue providing full coverage, but with reduced costs, because the deductibles are only paid when an employee has a health claim. It's a risk that can pay off for companies that have relatively healthy workforces.

Strengthen workplace safety to reduce accidents

Worker's compensation represents a significant portion of any employer's health care costs. When it comes to on-the-job injuries, an ounce of prevention is truly worth a pound of cure. You can reduce expenses of worker's compensation claims by improving safety and ergonomics at your company.

Clear policies and procedures help to communicate safety guidelines to your employees and prevent workplace accidents. In addition, safety training programs for new employees and refresher courses for established staff ensure that everyone has a working knowledge of practical procedures.

You can save more money by using a human resources (HR) outsourcing firm to write policies and provide safety training, rather than having your employees lose time and productivity by developing the materials and courses in-house.

Help injured employees return to work faster

The dollar cost of worker's compensation is only part of the expense to your business. The longer an employee is out of work due to an injury, the greater the loss of productivity due to the absence. Most employees would also prefer to come back to work as soon as possible, because compensation is typically less than their full salary.

Monitoring recovering employees and the care they're receiving can help prepare them to return to work sooner. Many HR outsourcing companies offer this type of service for busy companies. You might also encourage employees to return faster by limiting their capacities or scheduling shorter work hours.

Take advantage of group buying power

Individual corporate health care plans can be exorbitantly expensive, particularly for small businesses. Companies with only a handful of employees are often unable to offer health benefits, because the costs greatly exceed their budgets.

An HR outsourcing firm can offer affordable health care program rates for companies of all sizes. Outsourcing companies often coordinate and administer health care benefits for several businesses, enabling them to take advantage of pooled resources and lower bulk pricing. The savings are then passed onto their clients, giving even small businesses access to low-cost, high-quality health care.

Reduce administrative expenses for health care

In addition to the rising cost of health care, there are new rules and regulations in place for businesses that make administration a complex and time-consuming challenge. Additional requirements and restrictions, including the inclusion of insurance benefits on W2 forms, place a burden on administrative personnel that cost your company time and money.

Many businesses are choosing to outsource health care administration to HR outsourcing companies, who specialize in the rapidly changing field of benefits management. The outsourcing costs are significantly less than for full-time, in-house employees. Also, HR experts are able to save time and prevent costly administrative mistakes.

Considering the benefits of HR outsourcing, your company can continue to offer health care benefits to employees without breaking your budget.

