

Integrating Benefits: A Strategy for Cost Containment within Healthcare Provider Systems

Health systems and hospitals are vigorously working to improve care while lowering costs. With labor and employment costs being the top expense for most hospitals, understanding solutions and strategies that contain costs in this area can improve not only the bottom line, but also operations and employee satisfaction.

When integrating benefits, consolidating vendors and instituting one open enrollment period can streamline paperwork, expand employee participation in certain programs, and impact vendor performance, among other benefits. A panel of four executives met to discuss the effect of integrated benefits on their organizations. Included is an excerpt of the conversation. To view the entire discussion, visit ModernHealthcare.com/IntegratedBenefits.

MODERATOR: With more healthcare employees operating outside of hospital walls, how can integrated benefits help address challenges such as employee detachment or engagement in culture?

J. SMALL: That's an ongoing challenge for most organizations. On the positive side, you are expanding the healthcare footprint that you're providing to your community. The challenge is how do you integrate those individuals who are away from the hub of the hospitals? Our benefits are made to adjust so that those employees who are away from the organizations are aligned with the core benefits that are being offered.

For example, if you are within a 15 mile radius of the hospital, and you're working at an urgent care treatment center that's connected to our organization, we've made sure that those benefits offering to those team members are of similar quality or, in some cases, are exactly the same

Distinguished Panel



Ram Raju
President
New York City
Health &
Hospitals Corp.



Paul Slavin
Vice President,
Benefits &
Compensation
Tenet Healthcare
Corp.



Kevin Crain
Managing
Director,
Integrated
Benefits
Bank of America
Merrill Lynch



Jonathan Small
Vice President,
Human Resources
Memorial Health
Medical Center



**Christina
Galoozis**
Moderator
Modern
Healthcare
Custom Media

benefits so that we don't have a detachment from what I call the traditional hospital base.

MODERATOR: How can an integrated benefits approach help smooth the merger and acquisition process?

K. CRAIN: It's interesting that benefits have become more important in merger and acquisition planning. For years in the industry, benefits were always an afterthought. Now part of the planning process, benefits are taken into consideration right away. Because more work is done upfront, it makes the employees more settled right that their benefits offerings will be fine. When it was done after the merger and acquisition process was happening, there was a lot of potential instability that worried people.

P. SLAVIN: One of the worst things that we can do is to have change after change happen after you acquire an entity. Reorganization is to make sure you identify those upfront, you're as transparent as possible as early as possible, and you give them data and information to help them understand.

MODERATOR: How is an integrated benefits approach bringing total wellness to your employees?

R. RAJU: In an organization like ours, we depend on the social involvement of our employees. We have an initiative called Take Care New York 2020 that has goals for bringing down the smoking level, increasing screenings and flu shots. We make our employers leaders of those things and inculcate in their mind that as a public hospital employee, it is your responsibility to keep the public healthy. By doing that, they keep themselves healthy. I

In a unionized environment, I can't just give them extra money because they stopped smoking. But we can tap into their social consciousness and that has worked very, very well.



MODERATOR: What are some key communications tactics that employers should use when delivering information about integrated benefits?

P. SLAVIN: Communications always a critical imperative. Unfortunately, a lot of companies fumble through their process. What I've learned over the years is different people like different styles of communication, but I default to the tried-and-true face-to-face meetings which tend to pull out more engagement with the employee, more understanding.

We've tried online, we've done print to homes, and I'm not saying that those are wrong—those are all things that are important and touch different populations based upon work schedule, and preference—but it still goes back to the face-to-face meetings. Make yourself available, educate them, listen to what they have to say and try to adapt from there.

MODERATOR: What can healthcare learn from other industries when it comes to integrating benefits?

K. CRAIN: One of the most interesting trends I'm seeing in financial services and other industries, as well as in Washington, is the combination we talked about earlier around healthcare savings and 401(k) savings. HSAs, which are now becoming quite prevalent in this country, really were set up to be longer-term savings vehicles. Out of the gate they were not treated that way by employees, but as you see companies start to integrate information and education they'll be drawing together this theme of how you save a dollar and where to put it.



MODERATOR: Is your organization moving toward self-service models for employees, and if so how is that bringing down costs?

J. SMALL: For us it gets back to employees' ability to access information. And part of a self-service model is working with our vendor to make sure that the different types of employee population that we have, the information is

relatable to them. So the employee between 18 and 25 years old needs a different message than the employee between 25 and 45.

We're trying to customize, with our vendors, how we get information, and also the different demographics, the different cultural ways that people access information. In some cultures the entire family, including extended family, is involved in the decision-making. We need to make sure we are nimbly adjusting to better relate to all employee populations.

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