

Achieving Cost Savings & Employee Satisfaction by Involving Employees in Plan Design

Presented by:

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About Jewelers Mutual

- Founded in 1913 by jewelers to meet unique insurance needs of jewelers
- Nearly 100 years of experience protecting jewelry and jewelry businesses
- Only insurer that specializes exclusively in jewelry insurance – in the U.S. and Canada
- Services administered by staff of less than 200 employees

About Jewelers Mutual

- Exclusively endorsed by American Gem Society & Jewelers of America
- Long history of supporting the industry we serve
- Sponsor for national, regional, and state jeweler associations and organizations
- Experts at loss prevention

Important Facts

- Paid \$141 million in commercial claims in the last four years
- Insures individuals with personal jewelry
 - 200,000 individuals; \$3 billion of insured jewelry
- Insures ALL segments/sizes in the jewelry industry
 - Wholesale, manufacturing, retail, design, bench, appraisal, pawn

Dedicated to employees

- Business Principal #1
 - *The people at Jewelers Mutual are its most important asset*
- Named *Principal Financial 10 Best Companies* for employee financial security in 2008
- Expanding wellness and preventative care; sharing significantly in the cost of health insurance
- High overall employee satisfaction

Use of employee focus groups

- How did we get here?
- Employees asked to volunteer to participate in health and other benefit focus groups
- Conducted every other year
- Use both volunteers and solicit individuals to participate
- Do not need to be on benefit plans

Focus group discussion format

- Educate on current medical plan trends
 - Cost, plan design, etc.
- Pilot test concepts, plan design, etc.
 - Smoker premium surcharge
 - Wellness program expansion
 - Split-deductible plan design
 - Step therapy for RX
- Seek out opinions and input
 - Medical and other benefits

What we learned

- Conducted focus groups in 2005, 2007 and 2009
 - 2005 – solicited some additional participants
 - 2009 – filled focus groups in a few days with excellent employee representation
- Stronger understanding with grassroots participation in plan design

Topics for Focus Group Discussion

- Medical Plan Design
 - Communicate current plan design
 - Feedback on PPO network access
 - Educate on High Deductible Plans
 - Feedback on increased wellness benefits
- Pharmacy Benefit Management
 - Current plan design
 - Mail order service

Topics for Focus Group Discussion

- Dental Plan Design
 - EE Opinion Survey Feedback on annual maximum benefit
 - Interest in dental PPO
- Other Voluntary Benefit Interest
 - Supplemental LTD, Life, incident insurance
 - FSA Debit Card Option

Medical & RX Plan Design

- RX Step Therapy
 - Introduced concept through Focus Groups
 - Require new diagnosis to start w/OTC
 - “Step” up to other classes of medications based on outcome
 - If OTC “works” allow \$5 co-pay
- “Split Deductible” Medical Plan Design

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Former Plan Structure

		In Network		Out of Network	
		Single	Family	Single	Family
Preventive Care covered at 100% (In-network) <hr/> Rx: Retail \$10/\$25/\$40 Rx: Mail \$20 20%/\$40 min 20%/\$70 min \$1000 OOP	Employer Funds 1st \$500 per employee per year	\$500	\$500	\$500	\$500
	Deductible (Employee Pays)	\$1000	\$2000	\$1000	\$2000
	Health Coverage Coinsurance Employee Out of Pocket Including Deductibles	90%	90%	70%	70%
		\$2000	\$4000	\$5000	\$10000

CURRENT HRA

Benefit Structure

		In Network		Out of Network	
		Single	Family	Single	Family
Preventive Care covered at 100% (In-network) Rx: Retail \$10/\$25/\$40 Rx: Mail \$20 20%/\$40 min 20%/\$70 min \$1000 OOP	1st Deductible (Employee Pays)	\$500	\$1000	\$1000	\$2000
	HRA (Employer Pays)	\$500	\$1000	\$500	\$1000
	2nd Deductible (Employee Pays)	\$500	\$1000	\$500	\$1000
	Health Coverage Coinsurance Employee Out of Pocket Including Deductibles	90%	90%	70%	70%
		\$2000	\$4000	\$5000	\$10000

HRA Benefit Structure

Total Plan Deductible	Initial Deductible (Employee Pays)	Wellness & Prescription Drugs (Carved-out) No deductible No coinsurance applies	HRA <ul style="list-style-type: none"> •Funded annually by Employer •Used to cover an employee's out-of-pocket expenses applied to your deductible •Rollover Options (unused funds) <ul style="list-style-type: none"> –None –50% of unused dollars roll over from year-to-year –100% of unused dollars roll over from year-to-year •Vesting Options available <ul style="list-style-type: none"> –Similar to retirement plan
	Health Reimbursement Account (HRA) (Employer Pays)		
	Second Deductible (Employee Pays)		
Health Plan Coverage			



Questions?