

# Benefits Insights

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Beneloyal Insurance Agency

## Transitioning to a Consumerism Model

Consumer driven health plan (CDHP) enrollment continues to climb across the nation as a cost-savings initiative. As further health care reform legislation comes into effect, the number of both employers and employees interested in transitioning to a consumerism model increases. A CDHP has the potential to be very beneficial to your organization by reigning in health care costs and improving employee health and morale.

### CDHP Market Findings

CDHP participants have consistently higher rates of cost-conscious health care decision making than participants in traditional plans. According to the Employee Benefit Research Institute Consumer Engagement Health Care Survey, CDHP participants are more likely than traditional plan participants to:

- Complete a health assessment
- Utilize various preventive screenings
- Check whether their plan would cover care
- Ask for a generic drug instead of a brand name drug
- Participate in an employer-sponsored health promotion program
- Talk to their physician about treatment options and costs
- Develop a budget to manage health care expenses
- Check price before receiving care
- Check quality rating of doctor or hospital
- Use an online cost tracking tool provided by their health plan

### Transition

Although these benefits are well worth the effort, it can be a challenge when first transitioning to a consumerism model. There is typically some fear and confusion associated with CDHPs. Anticipate questions such as:

- How do I make contributions and withdrawals from the account?
- What are the financial incentives for me if I enroll in the CDHP?
- What do I do when I go to the doctor's office?
- How do I find lower cost alternatives?

The first step in transition is to educate your employees. Explain to them not only what the CDHP includes and why it can be so beneficial, but also how to actually use it once they are enrolled. Make it easy for your employees to find answers to their questions, select the CDHP option during enrollment and take advantage of the savings account associated with the plan.

### Encourage Enrollment

The higher the employee adoption rate, the more cost savings for both your organization and your employees. Beneloyal Insurance Agency offers solutions for transitioning to a consumerism model and adopting a CDHP at your organization.