



Benefits News and Views

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Motivate Employees to Make Health and Lifestyle Changes

We live in a culture of immediate gratification. “On-demand” cable television services, pre-prepared foods from the grocery store, fast-food carryout, and diet programs that claim you will shed pounds “without trying” all are signs that Americans have lost sight of the fact that not everything can be obtained without waiting. And when it comes to changing behaviors to eliminate unhealthy habits and adopt healthy ones—such as giving up cigarettes, losing weight, exercising more and effectively managing stress—hard work and sustained personal effort also are required. In order to succeed, workplace wellness programs need to recognize this and include elements that engage employees over time.

Suppose you host a brown-bag lunch in your company cafeteria with a presentation on the health benefits of eating right and leading an active lifestyle. You may find that this seminar is well-attended, but observe that few employees actually seem to make the recommended changes, and that even fewer are doing so after a few months. This experience is all too common, and reflects the reality that more individuals are well-intentioned than are self-motivated. Your wellness initiatives, therefore, need to provide the motivation. Here are a few ways to do this—

- Personalize the experience by offering health risk assessments that show each employee, on an individual basis, their current health risks and the steps they should take to address them.
- Tie any offered health risk assessment incentives—such as reduced health plan

premiums—not only to taking the assessment, but also to completing any recommended follow-up actions.

- Focus on helping employees want to make the sought-after lifestyle changes, because behavior change is more likely when an individual is ready to make it. This can involve offering incentives as discussed above, but also thinking of ways that would help employees see the risks of not changing (such as posting clear statistics on differences in lifespan for smokers versus non-smokers, individuals with normal blood pressure versus those with hypertension, individuals who maintain a healthy weight versus those who are overweight or obese, etc).
- Provide motivation in the form of support systems. This could involve initiatives such as Weight Watchers at Work, lunch-time walking clubs, articles in company newsletters on employee success stories, providing lists of local gyms and a small company subsidy for joining, sponsoring a “biggest loser” competition, and the like.

Most of us find any change difficult, and lifestyle changes can be daunting. Remember this facet of human nature when implementing wellness programs, and you may find employees more engaged in them, over the long run.



Welcome to Our Newsletter!

This monthly newsletter is designed to give you timely and important information regarding employee benefits, government regulations, new products, and other areas of interest to employers and their employees. We value you, your employees, and your business and continue to strive to provide you with the very best products and service available.

Thank you again for your business.

Employers Need to Review FMLA Procedures and Notices

The Department of Labor (DOL) has published final regulations on the 15-year-old Family and Medical Leave Act (FMLA). According to the DOL, these final regulations provide “clarity” about FMLA rights and obligations for both employers and employees. More than 200 pages long, the regulations address numerous FMLA issues. Some of the significant provisions include the following—

- The regulations provide guidance on FMLA’s application to military families. The 2008 National Defense Authorization Act, enacted in early 2008, expanded FMLA to include provisions particular to military families in cases of leaves required by the injury/illness of a service

This is just a brief sampling of some of the provisions of the final FMLA regulations. The bottom line is this: These final FMLA regulations include significant changes, meaning that any employer subject to the law should review its existing leave policies and notice procedures to ensure that it is in compliance.

member or by an exigency caused by the active duty/call to duty of a service member. For exigency leave, the new regulations define eight “qualifying exigencies”: short-notice deployment, military events and related activities, childcare and school activities, financial and legal arrangements, counseling, rest and recuperation, post-deployment activities, and additional activities where the employer and employee agree to the leave. For military caregiver leave, the regulations clarify that this leave is available on a per-service-member, per-injury basis for up to a total of 26 weeks in a 12-month period, for a caregiving employee who is the spouse, child, parent or next of kin of the service member.

- The final regulations consolidate all employer notice requirements into one section of the regulations and within this consolidation make substantial changes. Employers now have five business days (up from two) from when the employee requests FMLA leave, or from when the employer knows that an employee’s leave may be for FMLA purposes, to notify the employee of his or her eligibility for FMLA leave and to provide the employee with a FMLA designation notice. The notice required

at this time has been separated into two new notices, an “Eligibility/Rights and Responsibilities” notice and a “Designation” notice. Most of the other forms and notices associated with FMLA also have been changed. Sample notices, forms and required postings will be available through the agency’s Web site.

- With regard to an employee’s notification to the employer of the need for FMLA leave, in the case of a foreseeable leave when advance notice is not practical, the employee must provide notice the same day of the absence or the next business day (this tightens the timing from what had previously been interpreted, and is intended to minimize workplace interruption).
- The regulations revise the medical certification form, enabling a more complete statement of the information relevant to a leave-taking employee’s condition. The employer now may directly contact the employee’s medical provider for authentication or clarification of the information on the certification, but the employer representative who makes this contact cannot be the employee’s direct supervisor.



- With regard to employee recognitions such as perfect attendance awards, days missed because of FMLA leave can now be counted against an employee, so long as other leave takers are treated in the same way.
- While employees cannot waive FMLA rights prospectively, the regulations clarify that employees can settle or release FMLA claims based on past employer conduct.

This is just a brief sampling of some of the provisions of the final FMLA regulations. The bottom line is this: These final FMLA regulations include significant changes, meaning that any employer subject to the law should review its existing leave policies and notice procedures to ensure that it is in compliance. The regulations are effective January 16, 2009.

Voluntary Benefits Provide Value in Tough Economy

Tough economic times can take a toll on all aspects of a company's operations, including the employee benefits department. As companies look for ways to keep a cap on employee benefits costs—while still offering an attractive, competitive benefits package—consider the value of voluntary benefits.

Voluntary benefits can help meet individual employee needs and fill gaps in the regular employee benefits program, at little or no cost to the employer. Employees pay for voluntary benefits with their own money, but at a sometimes substantial savings of both time and money: group discounts generally are available; marketing is brought into the workplace, instead of employees having to shop for these products on their own; and payment can be conveniently made through payroll de-

duction. Furthermore, employees may have access to products that would not be available to them on an individual basis, as underwriting may be relaxed when the product is offered to a group.

for implementation, just as you do with your core benefits program. Consider first what coverage gaps employees may have. For example, if your core program lacks dental or vision options, these are ideal voluntary benefits offerings. If you limit life insurance coverage to a set multiple of salary, supplemental life or life insurance options with a cash accumulation feature could be offered. If your workforce includes part-time employees who are not eligible for

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the core plan, voluntary benefits offerings could include limited medical, along with dental and vision. And if your benefit plan is comprehensive, and has few gaps, bring in options that give employees alternatives to purchasing insurance products in the individual market—long-term care, group home and auto, cancer and/or critical illness insurance, legal services plans, even pet insurance.

In addition to coverage gaps, examine employee demographics to determine which voluntary benefits offerings would be appropriate. Employee focus groups and surveys also can be useful information-gathering tools in selecting voluntary benefits products that are likely to be well-received by your workers.

In addition to expanding your employee benefits options, voluntary benefits can enhance your communications opportunities with employees. Choose a vendor that is armed with communications vehicles that ensure program success: a combination of paper, online and in-person outreach designed to promote the opportunities of the voluntary benefits offerings, but without the kind of hard sell that can turn employees off.

Today's technologies make the administration of voluntary benefits programs easier than ever. Online enrollment and claims inquiries/processing direct to the vendor can, in many cases, limit the burden on the employer's human resources and benefits staff to the set-up of payroll deduction. This is a small investment when the return is a more comprehensive benefits program at little or no additional cost, and employees who are more satisfied with their employee benefits package.

When considering voluntary benefits, it's important to offer those products that are most likely to be well-received by your employee group. Therefore, have a strategic plan



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Separate Fact from Fiction in Promoting Consumer-Directed Health Plans to Employees

Though participation in consumer-directed health plans is growing, only a small percentage of employees join these plans, and even fewer set up health savings accounts (HSAs). According to a survey from the Employee Benefit Research Institute, in 2008, 3% of the insured population, or 4.2 million individuals, were enrolled in a consumer-directed health plan, defined as an HSA paired with a high deductible health plan (HDHP). More—11%, or 13.4 million individuals—were enrolled in an HDHP, and of these, 42% were eligible to contribute to an HSA, but chose not to do so.

Misunderstanding the mechanics of HSAs and ignorance of their potential advantages keep many people who are eligible for an HSA from seriously considering opening an account. Similarly, employees who have a consumer-directed health plan option might see the high deductible feature as offsetting, and not consider other advantages of the plan. If your company offers employees the opportunity to participate in a consumer-directed health plan, or if you are considering making this opportunity available, it's important that employees understand how these plans work, so those for whom they are appropriate can benefit from this form of health care coverage.

Here's a quick rundown of a few common consumer-directed health plan and HSA fictions, along with the clarifying facts.

- **Fiction:** The only reason an employer implements a consumer-directed health plan is to shift health care costs to employees. **Fact:** An employer makes an investment in a consumer-directed plan, just as it does with a traditional plan. Though the premium cost might be less for the employer, it is less for the employees' share, too, and many employees would rather pay less for health care upfront (the premium) and the bulk of their costs at the time of service. Consumer-directed plans really represent an expansion of health plan choices for employees.
- **Fiction:** Since they're paired with a HDHP, HSAs only make sense for individuals who are young and healthy. **Fact:** An HDHP-HSA pairing provides comprehensive health care coverage at an affordable price for individuals with all sorts of medical needs. Though the HDHP deductible is higher than that found in more traditional plans, the premium is lower as a result. So, even if the account holder must dip into the HSA to pay for expenses that would be covered at an earlier point by a more

traditional plan, this must be balanced against the premium savings. Also, as noted below, most preventive care is not subject to the deductible and can be covered at 100% by the HDHP.

- **Fiction:** Because of the HDHP high deductible, HSA funds are quickly depleted; even for individuals with only basic health care expenses, an HSA account holder is unlikely to have any funds left to roll over at the end of the year. **Fact:** For many individuals, the bulk of their medical expenses consists of preventive care, and HDHPs can cover preventive health care expenses at 100% before the deductible. Depending on plan design, such expenses can include well-baby and well-child doctors' visits and immunizations; adult physical exams and immunizations; and routine adult screenings, such as mammograms, Pap smears, prostate screenings and colonoscopies.



- **Fiction:** Unless you can predict your annual health care expenses accurately, you stand a chance of losing the money you contribute to an HSA. **Fact:** HSA funds that are unused in one year—whether they represent the contributions of the account holder or employer—carry over, and can be used to pay for health care expenses incurred in future years, even in retirement.

Resolving the confusion surrounding these and other consumer-directed health plan misconceptions can help employees better understand and appreciate the potential benefits of participating in these plans.

Questions?

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