

BENEFIT BOOSTER

for Large Company Facing Recruitment and Retention Issues



PRIMARY PLAN SNAPSHOT:

DEDUCTIBLE:

In Network:
\$3,000/\$6,000

Out of Network:
\$4,000/\$8,000

MAXIMUM OOP:

In Network:
\$5,500/\$11,000

Out of Network:
\$8,000/\$16,000



THE CLIENT

The client is a large, regional assisted care facility. In order to better control benefit costs, the company put a high deductible health plan in place (see Primary Plan Snapshot). Now, with the tight talent market, the company is revisiting what they can do with their benefits to solve recruitment and retention issues with clinical staff.



THE CONTEXT

With nurses and physicians in demand, this client found that they needed to strategically plan for how to recruit for these critical positions without landing in bidding wars with large competitors who had bigger budgets. The client realized that their recruitment and retention issues were having a negative impact in terms of continuity of care for patients and their overall recruitment brand.



THE OBJECTIVES

The client asked their benefits consultant to help them find a benefit they could use to boost coverage for their physicians and nursing staff. The company would offer this benefit instead of a sign-on bonuses since that tactic was not effective for them. They also wanted a benefit they could offer to existing clinical staff to incentivize them to stay.



THE SOLUTION

The company put ArmadaCare's supplemental expense reimbursed insured plans in place since they could do so on a carve-out basis for their key clinical positions:

WHO	BENEFIT PLAN	BENEFIT DESCRIPTION
Physicians	Ultimate Health (Diamond) up to \$100,000 in coverage	Premier solution for medical, 213(d) flex type expenses, Rx, dental, vision, mental health, executive physicals, wellness. Includes Get Me Home travel program and TopDoc Connect.
Nurse Directors	Plena Health (Emerald) up to \$25,000 in coverage	Mid-tier targeted retention solution for medical, 213(d) flex type expenses, Rx, dental, vision, mental health and wellness. Includes Global Assistance travel program and TopDoc Connect.
Senior Nurses	Plena Health (Sapphire) up to \$25,000 in coverage	Mid-tier targeted retention solution for medical, Rx, dental, vision, mental health and wellness. Includes Global Assistance travel program and TopDoc Connect.

This targeted enhancement strategy made it possible for this company to boost its benefits for the employee groups that they were at-risk of losing and for those they were actively recruiting without having to increase the company's overall healthcare coverage.



THE IMPACT

Instead of a 3% increase in compensation or a sign-on bonus, the company reallocated that 3% into meaningful expense reimbursed insurance coverage. As you can see, the cost of expense reimbursed insured plans are about 3% of the salary across the board:

	AVERAGE SALARY	SOLUTION	PREMIUM	COST OF PLAN AS % OF SALARY	NUMBER ENROLLED
Physicians	\$197,500	Ultimate Health (Diamond)	\$7,110.00	3.60%	11
Nurse Directors	\$141,610	Plena Health (Emerald)	\$4,532	3.20%	28
Senior Nurses	\$111,358	Plena Health (Sapphire)	\$3,675	3.30%	37

If the company had given each employee a 3% salary increase or bonus, the net take home would be much less than the tax-efficient* reimbursement value they can get. For instance, Nurse Directors would have taken home only \$3,000. Instead, these employees are getting up to \$25,000 in tax-efficient* reimbursements:

SOLUTION	TAKE-HOME VALUE	COST TO COMPANY
3% raise	\$3,000	\$5,165
Plena Health Emerald	\$25,000	\$4,532

Since expense reimbursed insurance premiums can be tax deductible for the employer, it's less expensive than a comparable amount in compensation since premiums don't incur payroll taxes.*

So, expense reimbursed insured plans cost less, and provide more value where employees are looking for it—in their health benefits.

The company saw significant improvements with these solutions in place. Within a year, they saw a 28% increase in the number of well-qualified job candidates for their open positions and their retention rates improved by 46%.

*This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.