

ARE YOU RENTING OR BUYING YOUR EMPLOYEE BENEFIT PROGRAM?

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As an employer, you are undoubtedly in a constant state of evaluating the many costs driving your company's bottom line. Without considering all the relevant factors and finding ways to minimize cost, it is difficult to be profitable and run a successful business. If you're like most business owners, your top three expenses tend to be: cost of working space (rent, mortgage, upkeep); payroll; and health insurance. So you keep plugging away, working daily to find ways to make sure you are operating as cost-effectively as possible, ensuring that your bottom line continues to improve because if that doesn't happen, then your business ceases to be profitable.

Let's take a closer look at one of those major business expenses: health insurance for you and your employees. As health insurance premiums continue to rise with no sign of relief, this is one expense that not only negatively affects your bottom line, but also impacts your ability to attract and retain valuable employees.

HOW DO YOU TAKE CONTROL?

When you shop for a building/office space, there are tangible things that you can see and steps that you can take to procure the best space at the best price. If you are looking for a new building, you call your real estate broker and schedule a visit. You look up the building address online and view 200 pictures from every angle possible -- even 360-degree views -- that make you feel like you are actually there without stepping outside your office and getting into your car. However, when it comes to health insurance, a 360-degree view of your health plan is not readily available. It's difficult to really drill down and get to the bare bones of your plan. You just know the costs keep going up and, just as with many employers, the resulting impact on your company's bottom line is huge.

SO HERE IS A QUESTION TO ASK YOURSELF: Is my benefit program where it is today because of a 3-5 year plan that I've successfully executed, or is it in its current state due to a series of reactions to annual renewal increases?

Most employers find themselves playing defense when it comes to health insurance costs. They react to the annual renewal and then repeat the process every twelve months thereafter; they're stuck on the proverbial wheel. (Remember Einstein's definition of insanity: "doing the same thing over and over again and expecting different results.")

Many employers want to find a way to reverse this trend and create a better solution for their bottom line while providing coverage for their employees. Does such a solution exist?

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Depending on the size of your company, there are a number of programs available that can actually give you a look under the hood. With this information comes valuable data that can be used to take back control of your health insurance costs. What if you were told that you can get a report of where every health care dollar that you spend is going? How valuable can that be?!

You can take that information and create short-term and long-term savings through retention of carrier profits and decreased taxes. You can also gain more control through data transparency and structural optimization. Most companies are looking for the best ROI on so many other aspects of business, and overlook the power of being able to use your employee benefit program to improve your bottom line.

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