

Helping employees understand HDHPs

By [Amanda McGrory](#)

As employers look for ways to better control health care costs, many are increasingly turning to high-deductible health plans. Though these plans offer cost-savings measures, many employees are unsure of how they work and need guidance from their employers, says **Martin Rosen, cofounder of Health Advocate, Inc.**

Employers should first communicate how HDHPs can positively influence their employees' health care costs, which is a direct result of employees becoming more involved in purchasing decisions. This is different than previous approaches.

"Historically, a lot of health care consumers, for a range of reasons, have not been proactively involved in either shopping for health care or paying for health care directly because of the nature of the way benefits and plans were organized," Rosen says. "By having a financial incentive, it's likely to have employees improve their costs."

An HDHP also can offer employees better quality of care, Rosen adds. Because of the nature of a HDHP, an employee has to become more involved in his or her own health care decisions, meaning employees are more informed and can become smarter consumers.

"I think if someone is more involved with the management of their own care – along with their doctors and other health care providers – they will be more informed and, consequently, ask more

questions and make better choices and trade-offs," Rosen. "That undoubtedly will lead to better care."

This is especially true when an HDHP is paired with a health savings account, Rosen says. With an HSA, an employee, for example, might choose to deposit \$2,000 into the account. That employee is now responsible for distributing that fund to the appropriate health care services, which is an incentive to better manage that money.

"You are now the custodian of your own account, compared to when a lot of consumers were unaware of the cost of their health care items or services," Rosen says. "But, suddenly, that employee is directly involved in the management of the HSA."

Despite these advantages, HDHPs aren't always properly used because the plans are not well understood by employees, Rosen says, and this ultimately comes down to lack of communication. While some companies offer an initial round of communications, this effort is often not followed by additional messaging, which is a mistake.

"With any of type of HDHP program, you can't expect just one benefit communication when they're introduced at open enrollment time to be enough," Rosen says. "It really requires ongoing reinforcement and communication for people to really get comfortable with them."

Many employers find it is helpful to hold on-site meetings to communicate the details of the various HDHPs, Rosen notes. This gives employees the chance to speak with either the employer's benefits expert or health care provider. All questions and concerns can be addressed, clearing the air of any misunderstandings.

"As your health care choices evolve, the more informed and educated employees need to be," Rosen says. "It's like anything else: When people have a choice and use that choice properly, they get to be so much better for it."

As Rosen has seen employers become more proactive in education, those participants also have become better consumers. They are now better prepared during their physician visits, and this practice helps drive lower costs.

"I don't think there's any question as to why education is so important," Rosen says. "The progress that's been made has been remarkable. Employees are taking a more active role. They're going to their physicians, and they're raising questions. This is all positive."