

Self-Insured Benefits Can Be Good For Your Clients (And You)

By Ram Sudireddy, CEO and co-founder of Bento

Some fear that as technology becomes more advanced, the need for benefits brokers will shrink, but this couldn't be further from the truth. Instead, these technological advancements enable professionals to work more efficiently, broadening their offerings and capabilities.

This is especially true when expert advice is heavily relied upon to navigate a complicated purchasing process, as is the case with insurance.

New programs supporting pay-as-you-go benefits models have emerged and are growing in popularity. They create transparency that empowers individuals and companies to make informed choices about their health care while paying for services only as they need them. The creation of apps allows consumers to proactively manage their benefits, in real time, like never before.

Brokers who are hesitant to push these models to clients because brokers believe it might disrupt their relationships with insurance companies are mistaken. Starting a new relationship with nontraditional insurance companies might seem scary at first, but the fact is that these models already are highly sought after by employees and organizations.

Traditional insurance plans are a thing of the past; those that don't jump on this trend will be left behind to offer old, antiquated solutions.

Pay-As-You-Go Client Benefits

Employers want to offer benefits solutions that help employees manage their health needs as cost-effectively as possible.

By offering benefits solutions that meet the evolving needs of their team – such as the ability to schedule and manage appointments via an app, increased transparency into health care costs and convenient access to medical history in one place and more – employers gain a unique competitive advantage at a time when hiring and keeping the best talent has become increasingly challenging.

With a pay-as-you-go solution, employers of all sizes now have the ability to offer and customize their benefit plans. For example, with dental benefits, traditionally only larger organizations could offer their staff a fully insured dental plan.

Today, with a pay-as-you-go solution, companies of all sizes – from one employee to thousands – can customize a package that will best meet their team members' needs. This might mean covering all dental visits at 100%, full coverage for preventive care while partially covering other visits or choosing to follow a more traditional model with the exception of pay-as-you-go billing.

Pay-as-you-go solutions provide numerous financial benefits. Instead of being limited by the large upfront premiums of traditional insurance plans, self-funded models allocate benefits dollars into a company owned and managed fund. So, if team members are not tapping into their benefits dollars, the company continues to hold that money in the benefits account – no expense, no further loss.

Benefits To Brokers

Brokers who realize the power of offering pay-as-you-go solutions to businesses will quickly reap the rewards. Brokers are experts in the benefits field, providing clients with the advice needed to choose the best possible solution. Without offering these new models, brokers quickly disadvantage their clients, failing as the experts we hold them to be.

Adapting to new technologies and models can allow brokers to provide invaluable services to their clients. By expanding their options, brokers will save employers money while expanding their abilities to offer optimal benefits packages. It's a win-win scenario.

Pay-as-you-go solutions can be customized and built directly for the needs of the client regardless of size or budget. This opens a whole new market for brokers.

Companies previously unable to afford traditional insurance plans are now able to buy pay-as-you-go benefits packages. While expanding their market, brokers are now able to build deeper relationships with their clients and solve their real needs.

We often use the term "value-add" when talking about benefits. What's most glaring is that the technology currently being used by the companies offering these benefits is often unable to share data and analytics with brokers. This important data highlights unique insights which can be a value-add that trickles down to their clients (and even the employees).

This data can help educate brokers on which of their client's employees are using their benefits, whether they are using in-network or out-of-network providers, and how they're using their benefits. This, too, can be leveraged to provide employers better and less expensive options depending on their actual needs.

For example, if a company is paying for top-tier coverage, but their employees only visit providers in a middle tier, then the broker can advise the employer to reduce their plan to the middle tier to help them save additional money, while still fully meeting their employee's needs. This data provides a clear understanding of use, while allowing companies to offer the benefits their employees want and need.

The idea of replacing traditional insurance with pay-as-you-go solutions might seem intimidating at first. But when you consider the benefits to brokers as well as their clients, there is an undeniable opportunity for brokers who willing to capitalize on this trend.

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