

By Hubert Glover, CMA, CPA; Mitchell Roop; and Cindy Stark-Jones, CMA

Join Our Small Business Discussions

Healthcare issues are top of mind for small businesses these days, especially since these companies usually don't have enough staff to deal with them, particularly regarding costs and benefits.

Members of the IMA® Small Business Financial and Regulatory Committee (SBFRC) recently participated in roundtables and panel discussions with financial representatives of small to medium-sized businesses regarding healthcare costs and related management and control issues. A common theme that emerged was their inability to obtain appropriate, detailed, and timely information from their insurance broker, third-party administrator, or healthcare service providers so they could effectively evaluate the significant cost factors for their company. Additionally, many participants said that they possessed neither the internal expertise nor the resources to manage healthcare costs or develop innovative ways of doing so. Many sought to establish collaboration between Human Resources and the Finance team, only to discover that the relationship was often adversarial. One participant, who spoke recently at a meeting of HR professionals,

admitted there was a need for more openness and progressive transparency rather than “turf fighting.”

Several participants also discussed methodologies for reducing costs. For example, one approach was that a company would pay 100% of an employee's healthcare expenses if the employee agreed to share key health statistics on the provider's secure portal on a quarterly basis. The goal is to facilitate employee engagement in the healthcare process to help control costs. Other companies use claims examin-

ers to review medical claims for propriety and accuracy. Findings aren't used for pursuing financial recourse but to help influence future negotiations.

Other companies use employee surveys to identify and prioritize important aspects of the organization's healthcare plan. Then they use survey results to reduce costs and develop more targeted insurance offerings. For example, many participants noted that vision plans ultimately were eliminated despite their low costs because of the limited accessibility to the required discount retailers. Survey results also may identify areas where employers should focus annual negotiations with insurance providers, such as the co-pay for drugs and doctor visits, which is the most frequent touch point of the employee and the medical coverage.

These discussions also found that while Congress, the courts, individual states, and other political entities debate healthcare, small and midsize businesses aren't in a position to devote resources to advocate a focused position. Instead, they must develop ways of overcoming the daily challenge of managing healthcare

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costs while remaining competitive in the marketplace.

The SBFRC supports development of viable solutions that help small companies manage health-care costs while remaining competitive in the marketplace. Additionally, we invite your feedback regarding your organization's healthcare issues and your suggestions for resolving them. Finally, we invite you to join our discussions about these and other topics impacting you. Visit the Small Business Center on *LinkUp IMA* at <http://bit.ly/NzG54i>. **SF**

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