CASE STUDY

Challenges & Opportunities

Amid the challenges of healthcare reform, most employers are striving to manage the cost of employee benefits while improving recruitment, retention and productivity at the same time. But cost management and employee satisfaction often don’t go hand-in-hand — especially in diverse, growing workforces.

This was the case for one Midwestern healthcare organization that had grown significantly over 10 years, acquiring a new hospital and its employees. As the client integrated new employees into its culture, it discovered that most did not understand or appreciate the full value of their total rewards package, even though they were highly compensated compared with the organization’s industry peers.

How could the client increase the satisfaction, morale and loyalty of its employees — without increasing compensation or employer-paid benefits?

A Tailored Approach

Using the total rewards assessment process, Arthur J. Gallagher & Co. recommended an integrated benefits program, including a combination of core benefits paid by the employer and voluntary benefits paid by employees.

The voluntary benefit products included insurance coverage for home, auto, accident, critical illness, vision, dental and more — all offered to employees at competitive rates. In addition, Gallagher designed some of the voluntary benefits to fill gaps in employees’ medical coverage. For example, the client offered employees a discount program for fertility treatments and medications, which are not covered on the employee health plan.

The integrated benefits package also includes discounts on movie tickets, amusement parks, retail shopping, restaurants, vacations and other products and services valued by employees.

In addition to designing the strategy and procuring the benefit products, Gallagher helped educate the workforce about the total value of their integrated benefits and how to enroll. Benefit counselors were deployed to meet one-on-one with employees, highlighting the competitiveness of the total compensation package and accelerating the integration of newly acquired employees. Furthermore, Gallagher helped the client plan fun activities to build excitement around the new benefit offerings — both during and after enrollment.

Gallagher helped the client add value to its total rewards package — without adding costs.
Results Delivered

By offering voluntary benefits, the client demonstrated its commitment to continually strengthening the total compensation package for employees — without adding cost to the plan. The strategy led to a significant turnaround in employee satisfaction, morale and loyalty:

- 97% of employees are satisfied with the new voluntary benefits, and more employees continue to enroll.
- 98% of employees are satisfied with the benefits education and communication programs.
- The organization is successfully integrating new employees into the culture, and employees report a greater appreciation for their total rewards package.

Additionally, Gallagher negotiated rates for the voluntary benefits that are delivering significant savings to employees.

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