

practical
5^v TIPS TO IDENTIFY
COVERAGE GAPS



From Supplemental Insurance Industry Expert, **Ed Walker**, CEO, ArmadaCare



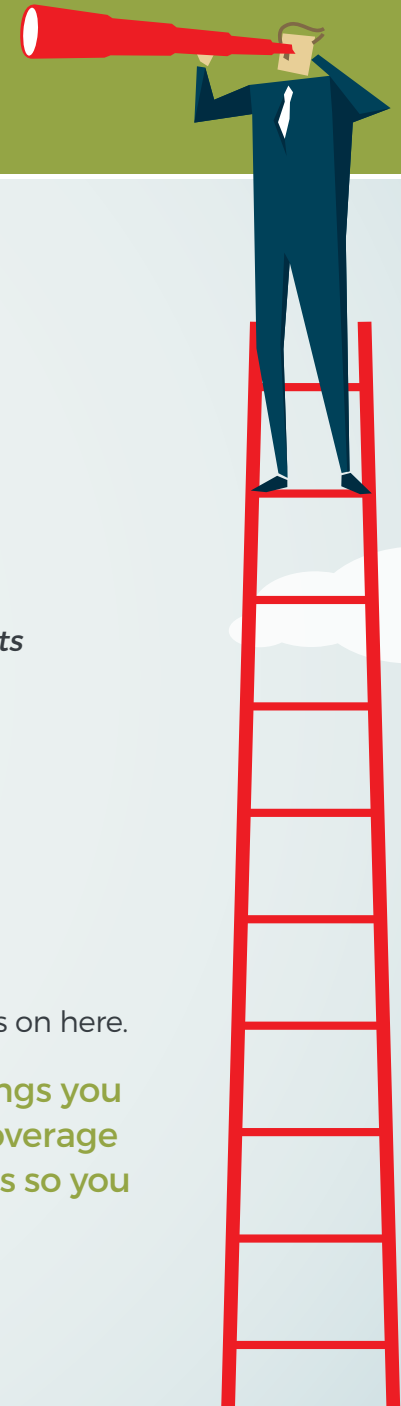
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INTRODUCTION



As much as I hate to give insight into my age, I've been in the healthcare insurance industry for close to 30 years now. When I think back over the course of my career, it's easy to say a lot has changed.

We certainly rely on technology more than ever before. *(Can you imagine doing anything without your smart phone?)* And then there was the tsunami of ACA that completely shook up the industry. But if we look more closely, there are a few core elements that define group healthcare insurance as we know it today and as we've seen it for a long time:

- **Healthcare costs are rising.**
- **Primary plan coverage is shrinking.**
- **Companies want to take care of their employees.** *(They are just looking for ways to mitigate the pressure of rising costs and shrinking coverage which can result in negative ripple effects)*
- **The role of the benefits consultant has shifted but is stronger than ever.**
- **Benefit consultants are proactively solving problems.**

And that last one is exactly what I'd like to focus on here.

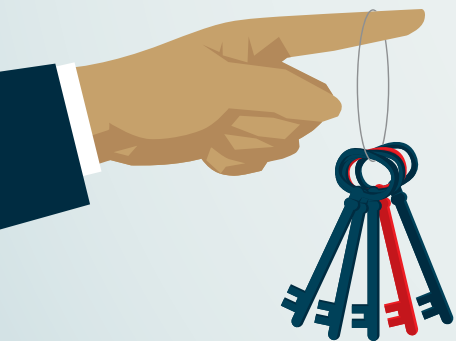
So, let's get started with 5 practical things you can start doing right now to identify coverage gaps that may be frustrating your clients so you can consult with them on solutions.

TIP #1: CHECK THOSE CONSUMER HEALTH ACCOUNTS



ARE HEALTH ACCOUNTS ENOUGH?

Let's be honest, there are a few people within every one of your accounts who make the decisions about what coverage (and what benefit consultant) stays and goes. Maybe they are the CEO, CFO or business owner, but for kicks, let's call them the key decision-makers. It's very important to make sure those key decision-makers are happy.



Consumer accounts, like HSAs, FSAs and HRAs, can be a great way to fill healthcare coverage gaps, but for key decision-makers, it may not be enough. Plus, shareholders and partners are not always eligible for or don't receive the same tax-

savings with consumer accounts.¹ Consumer accounts have contribution limits so they can be exhausted quickly.

HSAs	FSA	HRA
\$3,400 limit	\$2,600 limit	No limit, but...
HSAs are employee funded and can only be used as they are accumulated.	FSAs are employee funded and can only be used as they are accumulated.	They are employer-funded and every employee must be given the same amount, which means it's difficult to offer a lot to anyone.

Large coverage gaps can exist before enough funds have been accumulated or after they've been exhausted. Make sure you're checking in with key decision-makers to see what they still have to cover with their after-tax money.

¹ "Can Business Owners Participate in an FSA, HAS, or HRA?" Zenefits. <https://www.zenefits.com/answers/can-business-owners-participate-in-an-fsa-hsa-or-hra/>

TIP #2: BE SENSITIVE TO RECRUITING IMPACT



LOOK AT THE RIPPLE EFFECTS

It's no secret that the health benefits that a company offers affects their ability to attract and retain a competitive workforce. But we all know that companies are challenged with controlling benefit costs. Their efforts to lower the costs of benefit plans could have a detrimental ripple effect on their ability to recruit and retain top talent.

This tip is a 2-stepper. You'll want to look at trends for each client's industry. What's the job market like? Is there a shortage of talent locally? Are there retention or recruitment issues happening on a national level that they haven't felt the effects of yet?



The overall goal is to do the detective work to uncover coverage gaps *before* they cause major issues.

Once you get a sense of the competitive environment, set up a meeting with your client to proactively ask the following questions.

- Are you having retention issues with key employees?
- What are your plans for growth?
- Are there any particular employee groups that are hard to recruit?
- Are you looking for ways to make your executive compensation package stronger?

This tip can be used for new or existing clients. It can be incorporated into all new business needs assessments. If you haven't had this discussion with an existing client, it's best to have the meeting as part of your off-cycle strategy. The overall goal is to do the detective work to uncover coverage gaps and to proactively solve them *before* they cause major issues.

TIP #3: KNOW THE IMPACT ON INDIVIDUALS



GET PERSONAL

So, you're prospecting and finally get an audience with the key decision-maker. Of course, you are going to do that in-depth needs assessment on the business, but don't be afraid to get personal with the key decision-maker as well. You can uncover a lot to formulate your coverage recommendations by asking questions like:

- What have you paid out-of-pocket in the past that you feel you shouldn't have had to?
- Do you use specialists who are out-of-network?
- Are you frustrated by how many of your healthcare claims are not getting paid?

You get the idea. Of course, just don't get too personal. *(You're not after their personal health information, just what frustrates them with lack of coverage.)*



TIP #4: TAILOR YOUR SOLUTIONS



DISCUSS THE NEED FOR CUSTOMIZATION

As part of your needs assessment (whether examining for a new client or re-examining for an existing client off-cycle), don't forget to ask if they have a need for customization. Customization is difficult in today's market, and chances are clients are looking for ways to tailor their benefits to fit the needs of their company and to fill coverage gaps that are specific to certain employee classes. *(Remember, there are supplemental Excepted Benefit solutions that can be carved out by class!)*

This is where you can get an idea of more specialized types of coverage gaps. For example, consider asking about travel and wellness:

- How do you handle business travel emergencies?
- What would be the impact on your business if one of your executives suffered from a medical condition or was distracted by a spouse's or family member's medical condition?
- Do you have a wellness plan in place for your executives? Does it include coverage toward and coordination of comprehensive executive physicals?



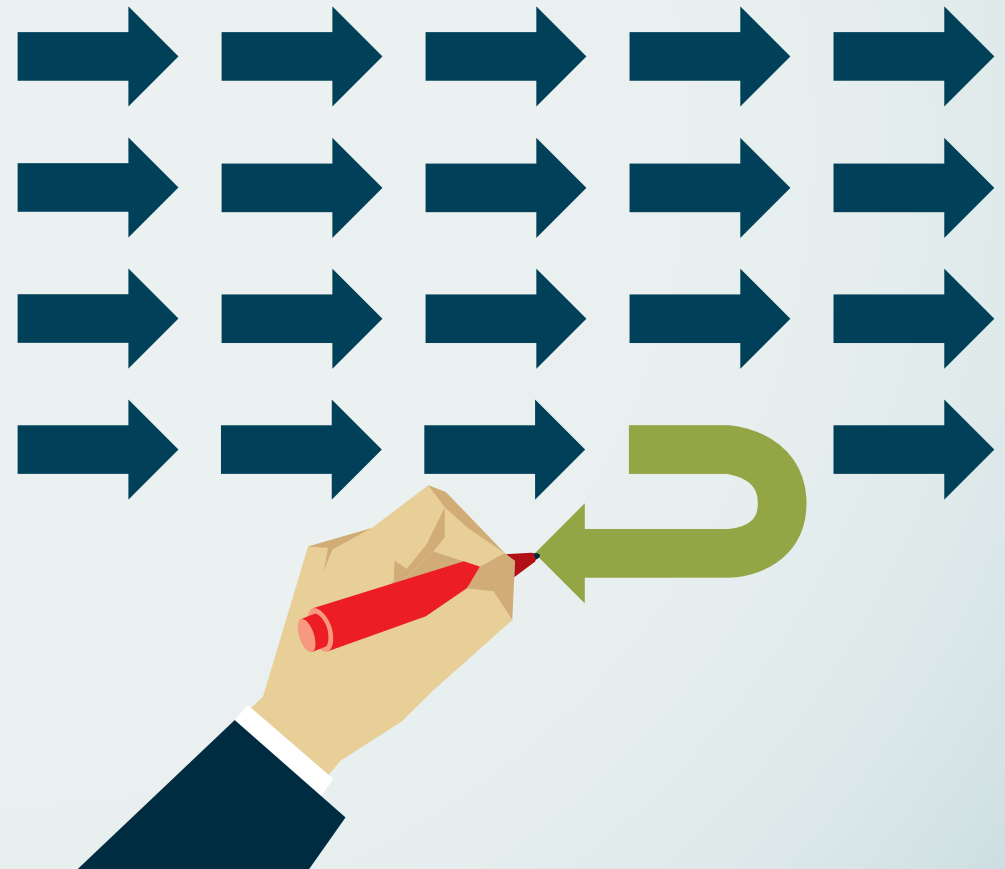
TIP #5: MINIMIZE THE IMPACT



PREPARE FOR THE DISRUPTION

Changes will happen. Sometimes the client asks for a plan change, not realizing the exact coverage impact it will have. Other times, you'll recommend changes based on the client's budget. And of course, there are times when a carrier makes an unwelcomed change.

The important action for you to take here is to clearly communicate the impact of these primary plan changes, especially for the (you guessed it) key decision-maker. That may mean you have to drill down into the details of how they or their spouse will personally be affected. For instance, if out-of-network is no longer covered, you should communicate that if they have the same out-of-network claims as last year, they can expect to pay \$XXX out of pocket this year. Better to give them that line of sight before you receive "the call" and have a very unhappy client on your hands. And even better yet, put a solution in place that neutralizes the impact from the start.



SUMMARY

I hope you found these 5 tips on identifying coverage gaps helpful. The main takeaway is not to wait for client decision-makers to become frustrated and unhappy. Proactively identify coverage gaps so you can solve them before they become issues.

Now that you have a better idea of how to identify coverage gaps, look for tools, like our **Ultimate Health** plan, to help you close them.



Ultimate Health, underwritten by Transamerica, is a limited benefit and supplemental insurance plan that combines four advantages into one solution:

- » Robust reimbursement coverage for medical, dental, vision, prescriptions and other healthcare expenses that most primary plans do not deem medically necessary.
- » TopDoc Connect for guidance and access to leading specialty physicians.
- » Coverage toward and coordination of Executive Physicals.
- » Take Me Home emergency travel program.

As an excepted benefit product, Ultimate Health is not subject to ACA mandates including non-discrimination provisions, so it can be carved out by employee class. Plus, it can be added onto any primary qualified health plan that has in-network, out-of-network and prescription coverage. These flexible features enable you to create a robust benefit package that will help companies' keep their top performers happy, healthy and productive.

Ultimate Health is underwritten by Transamerica Financial Life Insurance Company (TFLIC), Harrison, NY, and Transamerica Premier Life Insurance Company (TPLIC), Cedar Rapids, IA. TFLIC is authorized to conduct business in New York. TPLIC is authorized to conduct business in all other states.

Take Me Home travel emergency services, TopDoc Connect and Executive Physical coordination services are provided by ArmadaCare's designated providers and subject to specific terms, conditions, limitations and exclusions. Take Me Home is a registered mark of UnitedHealthcare Global.

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Healthcare reform resulted in one-size-fits-all primary plans that can make it difficult to customize coverage for your clients and can make your portfolio bland. Find out how you can use the 3 types of supplemental tools to solve both your clients' problems and your own.

Attracting and Retaining Executive Talent [↗](#)

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Creating a Contemporary Executive Health Program [↗](#)

An executive health program must offer more than simply extra coverage. Learn about the components of a contemporary executive health program that addresses the specific challenges faced by strategic leaders.

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Healthcare premiums are rising, causing many employers to implement cost-cutting strategies. But some of these strategies have long-term consequences that negatively impact the business. Discover a better way to keep health coverage intact.

Ultimate Health: What, Who and Why? [↗](#)

This quick and easy guide provides an introduction to our premier supplemental healthcare reimbursement plan, Ultimate Health. Learn what it is, who wants it and why it matters.



Ed Walker, CEO of ArmadaCare, is a 28-year veteran of the healthcare insurance industry. With his extensive executive experience in sales, marketing, business development, strategy and innovation, Walker is highly regarded within the insurance industry as an expert on supplemental insurance and emerging healthcare solutions. Walker previously held executive roles within Transamerica, including leading all health lines for Transamerica within the US and serving as a member of the America's Management Committee of Aegon, Transamerica's parent company with headquarters in the Netherlands.