

How To Lower Health Care Costs for Businesses

By Mike Dunn

According to one reputable consulting firm that specializes in employee benefits, the premiums which small businesses (less than 200 employees) have for health insurance coverage is increasing at twice the rate that it's increasing for large (500-plus employees) businesses. In light of that, an estimated 40 percent of small-business owners do without insurance because they simply can't afford it. In addition, many who are self-employed have health coverage that is not adequate because the cost of better coverage is often prohibitive. They literally are putting their livelihood in jeopardy because of their lack of coverage.

But when it comes to health care coverage, what can a small business owner or someone who is self-employed do? Fortunately, small businesses and those who are self-employed don't have to stand alone. There is strength in numbers. There are also some creative alternatives to health care out there for those who take the time to investigate.

Here are some helpful suggestions for small business owners:

1. Become Better Educated About the Issue

The better educated you are about health care, the more you can avoid unnecessary and/or expensive medical insurance. The Internet can be your ally, a real wealth of knowledge. Time invested in online research is usually well-rewarded because the more informed you are as a small business owner, the better your chances of lowering your health care costs. You can shop for the lowest health insurance rates, review options that are available to your business, or ask medical questions of experts.

2. Join Forces with Other Small Business Owners

The more people you represent, the more clout you have with insurance companies. One small business standing alone may not get much of a discount. Several small businesses standing together, however, can make an impact. Some small businesses are banding together to form Association Health Plans (A.H.P.) to get better rates from insurance companies. To find out if there's an AHP in your state, check with The Association Healthcare Coalition.

3. Join A Discount Health Benefits Program

These programs offer their members significant savings on medical and dental visits, prescription drugs, and other health services by connecting members with doctors, dentists, vision centers, and chiropractors who are on the plan. It's sometimes frustrating for employees to have to see a doctor or dentist who is part of the benefits program, but it sure beats the alternative.

4. Explore Group Rates

If the rising cost of health care makes it harder and harder for you to make your premium payments, look into insurance plans that offer group rates. While your employees may have to settle for higher deductibles and less comprehensive coverage, they will surely be more satisfied with some coverage than with none. Sometimes the small business owner simply has to lay it on the line and explain to employees what the facts of life are regarding health care coverage. Employees may not be aware of the heavy expense to their employer and an honest explanation from the top can do a lot to curtail complaining and to keep everyone united as a team.

Here are some helpful suggestions for those who are self-employed:

1. Join a Discount Health Benefits Program

Many self-employed professionals have been forced to eliminate coverage in areas like dental, vision and prescription drugs. But these benefits are included when one enrolls in a discount health benefits program. In these programs, any gaps in the self-employed coverage (typically dental, vision and increasingly prescription drug) are eliminated.

2. Join With Other Self-Employed People

There are strength in numbers so investigate joining a professional or trade organization that offers its members coverage at a group rate discount. Two such groups are The National Federation of Independent Business (www.nfib.com) and the National Association for the Self-Employed (www.nase.org) are. Before joining a group just for its health insurance plan, though, one should consider the cost of membership in addition to the insurance premiums.

3. Lower Your Level Of Health Insurance Coverage

If you are healthy and don't require much medical care, why give the money to the insurance company for low-cost claims when you could keep it yourself? If you choose a higher deductible or a higher co-pay, the money you save in monthly premiums might actually be more than you spend out of your pocket in a year.

It is prudent to keep informed about changes in the small-business benefits arena. Organizations such as Working Today and the National Association for the Self-Employed are building networks

and lobbying Congress to improve access to better health and retirement plans for independent professionals.

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