

# 4 Ways to Save on Health Care Costs

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Employee contributions aren't your only option.

In the U.S., a number of employee health insurance-related requirements have taken effect since the Affordable Health Care Act was signed in 2010. As of last year, companies with more than 100 full-time employees are now expected to offer [affordable minimal health insurance coverage](#), or pay a fine.

Health care cost, however, remains a concern. More than three-fourths of companies said they either planned to increase the amount workers contribute to health care's total expense in 2016 – or weren't sure if they would, according to a Society of Human Resource Management [survey](#).

Increasing employee health insurance contributions, obviously, is rarely a morale booster. In fact, a recent [study](#) from the Employee Benefit Research Institute found that workers view health care as a crucial part of their overall benefits package – which directly influences their job satisfaction level.

More than half of employees who are extremely satisfied with their benefits are also happy with their job. Just 10 percent of workers, on the other hand, who say they're somewhat satisfied, at best, with their benefits package find their job extremely satisfying.

Before passing higher health care costs on to employees, consider investigating one of the following strategies:



**Sponsor employee wellness programs.** Employers are using wellness programs to help maintain employee health insurance expenses, according to [WorldatWork](#); 96 percent of companies support employee wellness programs, and nearly three-quarters plan to increase or considerably increase them in the next two years.

They're especially popular among large employers. Eighty-one percent of companies with 200 or more workers offer programs to help employees lose weight, stop smoking or make other lifestyle changes, according to [survey](#) from the Kaiser Family Foundation and the Health Research & Educational Trust. Thirty-eight percent of companies that offer employee health benefits and employee wellness programs provide a financial incentive for employees to participate.

**Create a customized solution.** A recent Inc. [article](#) offered another potential option: Provide a lower-cost group plan, with higher deductibles and out-of-pocket expenses, that will meet your organization's governmental or other requirements – and, to help offset employee expense, pair the plan with a Health Savings Account, which employees (and their employer) can make tax-free contributions to.

**Get creative.** Examine somewhat nontraditional health care cost-reducing choices. For example, providing a high-deductible plan and direct primary care, an arrangement in which physicians charge a monthly fee, instead of per visit, that can potentially save an organization as much as 15 percent, according to [CNBC](#). (For a list of direct primary care providers in various states, check the [Direct Primary Care Coalition's site](#).)



**Cut unpopular initiatives.** Saving money on other offerings can give you additional funds to put toward health care costs and supplementary wellness programs. Globally, more employees utilize physical fitness programs than financial advice or education ones, according to [WorldatWork](#).

If you're considering removing one of your organization's programs, make sure it isn't something employees will drastically miss.

Find out more about [which benefits employees really want](#) – and how to gently [remove employee workplace perks](#), like employee health insurance, if your budget truly won't allow for them – in our recent blog posts on both topics.

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