

CASE STUDY:

Lifestyle Retailer Changes Benefits to Meet Employee Lifestyles

A three-year rollout plan with robust communications and state-of-the-market benefits delivery helped this national retailer sell employees on high-deductible health plans.



The Importance of Cultural Alignment

If you live in a rural area, you know how important it is to have a retailer nearby who helps you live and enjoy the lifestyle you've chosen. And when you go to that store to look for gardening tools, outdoor equipment, pet supplies or similar products, you're sure to meet folks who have the same interests as you, including the staff.

Retailers who have aligned their culture with that of their clientele are always more successful than those who don't. It shows they're really listening to them.

Company Snapshot



- ▶ **Large operator** of rural lifestyle stores
- ▶ 1,700 retail stores in **49 states**
- ▶ Annual revenues over **\$7 billion**
- ▶ Over **27,000 team members**; more than 14k benefits-eligible employees



Challenge

With a mostly retail workforce dispersed across the country, this employer knows the importance of listening to their employees just as closely as they do their customers. Their previous health insurance array included only traditional options. But, costs were high, and team members had asked for more affordable coverage.

After analyzing several options, the company's total rewards team determined the best way to address their evolving needs was to go full replacement, retiring the traditional plans and moving to high-deductible plans.



Solution

In year one, a silver-level high-deductible health plan (HDHP) was introduced. In year two, one traditional plan was eliminated, while bronze and gold HDHPs were added to the mix. In year three, the final traditional plan was retired, leaving three levels of the HDHP as the only current options. Health savings accounts (HSAs) were also introduced in year one with company seed money.

As part of the integrated communications strategy, the HR team created numerous employee touch points, including:

- ▶ A multi-media plan for annual enrollment
- ▶ Web-based educational updates and notices, including an online cost calculator
- ▶ Case studies to help team members understand different cost and coverage scenarios

During Annual Enrollment, options and costs were clearly displayed in the Benefitsolver platform to allow team members to understand their full suite of choices. For those who wanted personalized guidance, the company leveraged Businessolver's MyChoiceSM Recommendation Engine, a proprietary online guidance tool. By answering a set of personal questions, team members got a personalized recommendation without having to do any complex plan comparisons.



Results

During the first year of transition, the HR team anticipated HDHP adoption of 10 percent. Thanks to their robust educational efforts and their selection of Businessolver to make the right choice the easy choice, the company enjoyed a 24 percent adoption rate among eligible team members.

Another hallmark of that first year was the dramatic rise in the number of employees taking advantage of personal HSAs. At first, only 10% of eligible employees opened accounts to fund their out-of-pocket medical and drug costs. Within a year, however, that number more than tripled to 32% of eligible employees.



Learn More

Find out how selecting the right consumer-directed accounts partner can help you empower your employees with HSAs.

[Read this short e-book](#) 

