

- ROUNDSTONE UNIVERSITY -

# THE IMPORTANCE OF PLAN DESIGN



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## COURSE NOTES: THE IMPORTANCE OF PLAN DESIGN

In this course we will be discussing the basics of creating a health plan document that helps your employees understand the health coverage offered by your benefit plan.

A plan document can be overwhelming for both employers and employees. It is typically a lengthy document filled with legal references, medical terms and other intimidating phrases, all of which impacts the bottom line of the employer and the pocketbook of the employees. The best way to remove any confusion or concern surrounding the plan document is through clear and concise communication to the employees. By increasing awareness of the coverage and terms under your health plan. You reduce costs through employees who are better and healthier consumers of their health care.



### STEP ONE: USE PLAIN PLAN LANGUAGE

Some plans use highly technical language that can be chock full of legal language that is hard for employees to understand, let alone apply. Writing that is clear and to the point helps improve communication is easier to read and understand. plain language makes it easier for everyone to determine the best approach for their healthcare. Having a plan that can be easily understood also helps ensure better compliance with the plan and promotes employee satisfaction.

### STEP TWO: FOCUS ON THE ELIGIBILITY SECTION

A well-defined eligibility section not only helps employers but also employees to clearly understand who is eligible for coverage under the plan. Eligibility should clearly define

terms such as spouse, domestic partner, child and dependent. It should also include criteria for a dependent's eligibility in addition to the employee's eligibility. This section of the plan should also clearly state under what circumstances other than open enrollment, an employee and or their dependents can be added to the plan.

### STEP THREE: REVIEW EXCLUSIONS

Exclusions are important, if not more important than what is included in the coverage of the plan. Why? Because it is often considered that anything not specifically excluded is included. This section should be explicit and expressing the medical coverage then an employer does not want to cover and will not pay for, even if a medical provider suggests or provides the service to an employee or member.

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### STEP FOUR: EASY TO UNDERSTAND COST SHARING DETAIL

The plan should clearly state what financial obligations the employee will have when accessing healthcare under the employer's benefit plan. Explaining how an employee can ensure the medical service or provider is covered under the plan is an essential part of a well written plan document. The cost sharing language to describe any deductible copayments and out of pocket maximums including how these expenses apply to an individual or family coverage.

### KEY TAKEAWAYS:

- Step One: Using plain language ensures everyone is on the same page.
- Step Two: Being clear and concise with the eligibility section of your plan doc can save you and your employees major headaches.

• Step Three: Don't discount exclusions. They only strengthen your plan document and help avoid confusion.

• Step Four: Clear and concise employee cost sharing details will keep your employees informed of their choices.