Forget the politics of health care reform. When it comes to understanding the specifics of how the Patient Protection and Affordable Care Act will impact employer-sponsored benefits, employees are focused on one issue—how the law will affect them personally.

They want to know what the law will mean for costs such as premiums and deductibles and how it will impact the types of coverage they’ll receive as mandated changes take effect, employers have found.

Employees’ interest in the topic gives employers an opening to convey important information about benefits to an audience ready to listen. In fact, experts say, don’t be surprised if attendance at benefits enrollment meetings spikes this fall to the highest levels in memory. But don’t wait for fall, they add—start explaining health care reform now. Some employers are already doing just that.

ACCO Brands Corp., a major office products supplier in Lincolnshire, Ill., issued a list of frequently asked questions for employees shortly after the law was signed by President Barack Obama on March 23. The employer would not generally send out such a list about any other benefits law, says Sean Nelson, SPHR, GPHR, vice president of global talent management. But because of the attention that the legislation attracted before and after its passage, executives deemed this a special case. “Everybody was talking about it,” he says, “so we decided to be a little more proactive to address concerns and issues.”

Leaders at Greeley and Hansen LLC, a Chicago-based global environmental and engineering consulting firm, also decided to get a quick start on communication. “If employees are distracted and worried about their benefits, the company’s performance will ultimately suffer,” says John Robak, chief
operating officer and executive vice president. "We want to create an environment where our employees are focused and performing at their highest levels and not worried about their health care benefits."

Kathleen Mulvehill, compensation and benefits director for Craig Technologies in Cape Canaveral, Fla. says, "It will be important to discuss changes as we get details and not wait until open enrollment." As soon as the health care reform measure passed, Mulvehill started to explain it to the government contractor's 200 employees through articles in a monthly newsletter. Those articles focus on reassuring employees that company leaders are aware of the importance of reform and are on top of the situation.

Shaping the Message

The broadly written law’s many provisions take effect at various times over several years and will depend on regulations issued during that time. Therefore, communication about health care reform will continue for a while. The message now “is about laying the foundation for what will change in 2011 and what the possibilities are going forward,” says Jennifer Benz, founder and chief strategist of Benz Communications in San Francisco. “No one is really certain how this will evolve.”

Some employers “want to summarize the entirety of health care reform, even though some provisions will not be effective for almost eight years,” says David Pearson, a labor and employment lawyer with Constangy Brooks & Smith LLP in Tampa, Fla.

Many employers, however, are limiting their initial detailed communication to provisions of the law that will take effect on or before Jan. 1, 2011. Such provisions include coverage of adult children on their parents’ health policies until age 26, elimination of annual and lifetime coverage ceilings, and the end—except when fraud is involved—of the waning practice of denying coverage of new health plan enrollees’ pre-existing medical conditions for limited periods.

Leaders at Greeley and Hansen decided to give employees a clear picture of the entire law with an emphasis on the first round of changes. Initial communication described milestones that will occur in the next six to 12 months and highlighted
milestones that will occur in the next five to seven years.

For information on what reform means and how to communicate it—a decision all employers must make as they choose their sources of facts and analysis—Greeley and Hansen has relied on benefits providers, an insurance broker and employee benefits legal counsel.

**Let’s Be Clear**

The Patient Protection and Affordable Care Act, signed into law by President Barack Obama on March 23, is making some of the biggest changes in U.S. health care benefits in generations. It’s also presenting major communication challenges for employers. Here are strategies employers should consider throughout the communication process.

**Problem or Opportunity?**

Although communication about the law is an added responsibility for employers, it can pay off. “Employers can look at health care reform changes as an opportunity or as a problem,” Benz says. “If they look at it as an opportunity to help employees understand the changes and the short-term and long-term impact, employers are going to earn trust—and that will help them for years to come.”

In addition, the initial changes mandated by the reform law give employers a platform for showing their health benefits in a positive light. For example, for an employer that has never imposed a lifetime limit on health care benefits, this is a good time to show employees that the company has been ahead of the curve. “It’s a great opportunity to communicate how good your benefits are,” says Helen Darling, president of the National Business

**Take the pulse of your workforce.** Before starting a communication initiative, find out what employees know about health care reform and how they view it. “Understand where your employees are, what they know and what they need to know,” says Alison Davis, chief executive of Davis & Co., an employee communications consulting firm in Glen Rock, N.J. Employee surveys or focus groups can help employers gain that understanding and thus help them shape their communication.

**Make the message understandable and accessible.** Do not take the legislative language and merely

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forward it to employees, says Pamela Stout, senior vice president of the human capital practice at Aon Consulting. “That will only serve to frustrate and scare employees.” Instead, tailor the information, focusing on what affects your employees and what they need to know.

ACCO Brands Corp., an office supplies company in Lincolnshire, Ill., has developed a communication method that includes bulletin board postings at plant locations. In addition, the company’s online HR and benefits portal features frequently asked questions about health care reform and allows individual employees to submit questions via e-mail, which are answered by representatives of the health benefits provider.

**Be objective.** The provisions of the health care reform law are complex, so employers may need help in communicating these changes to employees. Plan service providers, including consultants, third-party administrators, insurance brokers and insurance companies, can all help with plan communication. However, any resource used should be considered objective.

Seek out your health care provider and independent people who can give you a point of view without any worries about there being any vested

Group on Health in Washington, D.C.

Another opportunity comes from the requirement that employers include the dollar value of employer-sponsored benefits on individuals’ federal W-2 forms starting with the 2011 tax year; the forms will be issued in early 2012. For employers that lament employees’ lack of appreciation for the value of their employer-sponsored benefit programs, this change can be a plus.

Moreover, employers don’t have to wait until next year to reinforce the value of the company’s benefits. They can release a total rewards statement for each employee before meeting the requirement for the W-2 form.

Explain to employees that listing benefits values on a W-2 form does not mean that those amounts represent taxable income, advises Kimberlie England, a principal with HR consultancy Findley Davies in Toledo, Ohio.

**Tracking Changes**

Employers should closely align health care reform communication with open enrollment messages.

Open enrollment season
interest, says Greg Greene, chief human resources officer for Ryder System Inc. in Miami. Because of the politics surrounding health care reform, employers should rely on and cite neutral third-party resources to make sure they are not taking a position about the relative merits of health care reform.

**Focus on the known.** Much remains to be seen about health care reform’s impact on employee benefits. Federal agencies will be releasing relevant regulations for years. Communication should concentrate on what is known for certain and should avoid speculation about what is to come. “It’s far better to say, ‘We don’t know yet’ or ‘We’ll let you know once the legislative language is finalized’ than it is to issue erroneous information,” Stout says.

**Monitor employees’ concerns.** To gauge the effectiveness of benefits communication, monitor employees’ questions and feedback. “When we start seeing patterns and consistencies in the questions being asked, we push out related information,” Greene says. Once communication is out, continue to monitor the questions still being asked. “If you are getting the same questions that you thought you had already answered, you may not be the best time to talk strategically about benefits, however. A more successful way to incorporate health care reform in open enrollment communication might be to explain only those changes that take effect through next year and that require employee decisions by the end of this year. Then, when the open enrollment period is over, employers can continue with ongoing communication to explain existing and forthcoming changes brought on by health care reform.

Even before open enrollment, Craig Technologies’ Mulvehill will begin emphasizing important provisions of the law that take effect as early as September and could affect employees’ decision-making. For example, starting next year, employees with health flexible spending accounts will no longer be allowed to use funds in those accounts to pay for over-the-counter medication. “These changes will require employees to make plans for spending and may require a change in contributions,” she says. “We want to communicate this to our employees so they are able to make
probably need to go back to the
drawing board and try again,”
he says. Because health care
reform remains a hot-button
issue, employers need to
monitor the messages coming
through the broader media,
says Jennifer Benz, founder and
chief strategist at Benz
Communications in San
Francisco. “If employees are
hearing about health care in the
media, employers need to be
addressing it in the same
terms,” she explains.

—Joanne Sammer

informed decisions about
how to best use their
benefits.”

Mulvehill notes that her
company’s online benefits
enrollment system can be
tailored to send targeted
messages at specific points
of the enrollment process,
such as when an employee
is making a flexible
spending account election.
Thus, benefits specialists
can develop messages
about changes—such as to
dependent care coverage
or long-term-care
coverage—that will pop up
when employees are making enrollment choices.

More than Just the Facts Because implementation of health
care reform will take several years, employers are likely to
face a steady stream of communication challenges, including
rumors, misinformation and the politics of the health care
reform debate. “This is a very complicated issue, and it has
been politicized,” says Greg Greene, chief human resources
officer for Ryder System Inc., a transportation and logistics
company based in Miami.

Greene says misleading information about the law and its
impact puts the burden on employers to communicate exactly
how the law will impact employees.

One question raised about the effects of health care reform—a
question that some categorize as more rumor than fact—is
whether some employers may decide not to offer coverage
after 2014, when state health care exchanges will be in place
to offer individuals coverage. Some employers reportedly may
decide it’s more cost-effective to pay federal penalties for not
offering coverage than to pay premiums to provide it.

Actuaries are running the numbers for some employers, but
that does not necessarily indicate that employers are choosing
one strategy or another, Benz says. However, with these types
of stories in the news media, employers need to keep up with
what is being said and focus communication on what is actually happening in the short term rather than on what decisions employers could make in the future.

Frequent Updates

To manage the overall communication process, employers can develop regular plans and messages to make sure employees are getting the information they need. The plans must be flexible enough to respond to events as they happen, such as the release of regulations. Social media, such as blogs and video news feeds, can be updated frequently with small bits of information.

In the end, effective health care reform communication begins and ends with repetition and ongoing information flows. Communication experts recommend providing news about health care reform and benefits in general at least quarterly. With that type of schedule, employers can develop appropriate messages as the law and its provisions become clearer. “You can’t communicate too much,” Darling says, “and repeating never hurts.”

Joanne Sammer is a New Jersey-based business and financial writer.

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