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## 7 tough questions HR pros should ask advisors: tips from a vet who challenged the status quo

"Make sure you open your mind, ask questions and don't be afraid to challenge the status quo. I'm grateful that I did and haven't looked back since."

By **Stephanie M. Koch** | July 23, 2024 at 08:48 AM



The human resources profession is a constantly changing cycle of balancing the needs of the organization with those of the largest asset: the employees. While it's understood that company culture, performance reviews, recruiting top talent, competitive compensation and so many other things are priorities for human resources departments, creating a long-term health care strategy should be at the very top of the list. With health insurance costs typically being an organization's second or third largest expense, there's no reason that companies should expect an increase in their health insurance spend year after year without asking why and digging deeper.

Traditionally the human resources department has been considered a cost center. HR professionals are the superheroes and backbone of every organization, yet they don't always have a seat at the executive table — or any table as a matter of fact. The question is: Why not? After all, they are the ones who are putting out fires left and



right, resolving employee complaints, handling conflict, answering questions about the company's benefits program, and the list goes on and on. The skills and expertise of human resources professionals are vast and this role not for the faint of heart. They're on the front line of the battlefield every day.

With all of the skills and expertise that human resources professionals possess, one area that continues to be a difficult pill to swallow is whether or not the benefits advisor or broker they are working with is the right fit. As a human resources professional with over 25 years of experience myself, I always relied on my broker to present the "best of the best" insurance renewals every year; I never questioned whether they had my company's best interests in mind. I was just afraid to challenge the status quo. After all, they are the experts and know best, right? But do they?

We renewed our health care insurance every year, took the annual increases on the chin, passing along more costs to our employees and cutting the plan designs. Quite frankly, I got tired of trying to turn a negative into a positive by telling my employees they had to pay more for their health insurance, but their plan design was being cut and the deductible was going up—AGAIN! This went on year after year; the definition of health care insanity.

But in 2016, I was introduced to a self-funded healthcare strategy called reference-based pricing. Did I want to take the road never traveled? Absolutely not! After pushing back on the new idea for a bit, I became curious and decided to open my mind. Turns out it was the best decision that my company ever made and gave me a new pep in my HR step. For the first time in my career, we had transparent data that we could use to make informed decisions, kept our health insurance premiums flat, enhanced the plan designs, our employees saved on out of pocket expenses, and they had tremendous member support and advocacy. Most importantly, the human resources department helped put \$1M toward the bottom line by supporting the change. This was all due to challenging the status quo, thinking outside the box and making an a benefits advisor change.

I can assure you that once you can show your executive team that developing a long-term health care strategy has the potential to yield year after year savings to the bottom line and provide a more affordable, quality health insurance plan, they will be opening a seat at the table for you. To this day, I am still working with the same type of self-funded program and continue to see amazing results, mostly because we are in control of our plan designs and have data to make methodical, strategic decisions.



As we move forward in the second half of 2024 and beyond, I strongly recommended that human resources professionals review their last two to three years of health insurance renewals and ask themselves the following questions:

- **Am I being provided with the data I need to make an informed decision about my health insurance program?** If not, ask why. After all, who pays for any product or service without having a line by line description of what they're buying?
- **What is the reason(s) that our health insurance premiums have continued to increase year after year?**
- **Should our company consider self-funded health insurance?** If your organization has over 50 employees, ask your insurance advisor/broker why they haven't presented this option to you before.
- **What other options are available to our organization to create a long-term health care strategy?**
- **Can we carve out our pharmacy benefit?** This is usually low-hanging fruit that a good insurance advisor/broker will recommend for immediate cost savings with minimal disruption.
- **Are we working with the right insurance advisor/broker who really understands our company culture, our employees and has a vested long-term interest in what we're doing?**
- **My plan is already self-funded. Am I meeting all of my fiduciary responsibilities?**

As much as the human resources profession is changing, so is the world of health care as we know it. Make sure you open your mind, ask questions and don't be afraid to challenge the status quo. I'm grateful that I did and haven't looked back since.

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