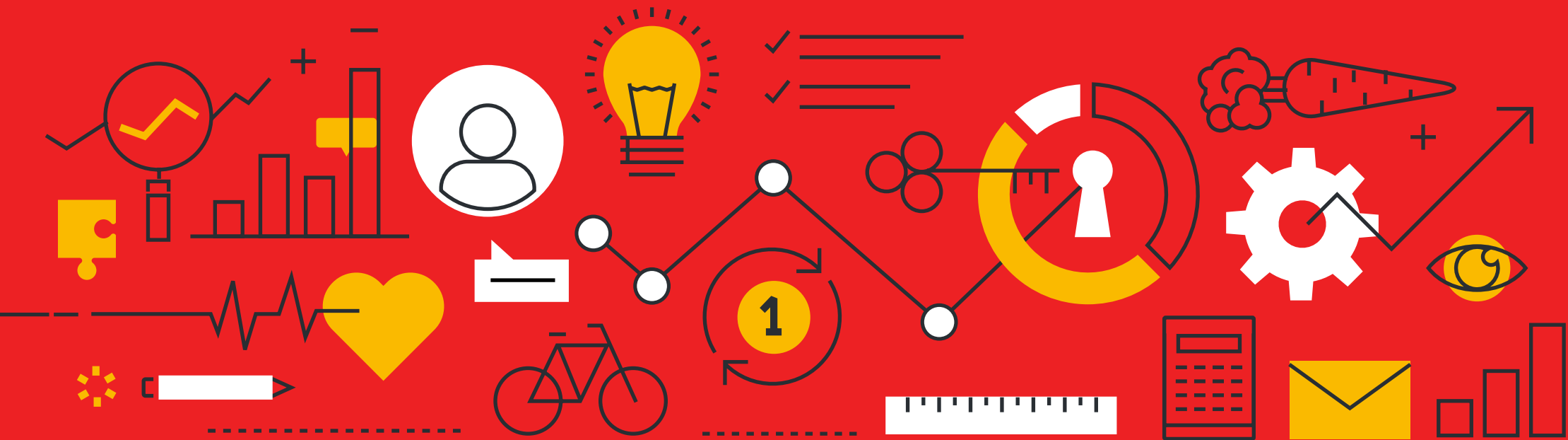


# How to implement a health cash plan

Part of the REBA technical training series



In association with



# Editor's comment



Every good employer knows that having a happy, healthy workforce equates to a healthy bottom line – the main goal of any successful business.

This is where offering health cash plans can help. Essentially they can provide financial support to employees for everyday health costs and, importantly, at little expense to you.

Covering a range of treatments, including optical and dental, a plan can be a cost-effective way for you to help your workforce while at the same time reducing sickness absence. They are also a great benefit to offer because they are easy to implement and use, and also have a high perceived value.

Health cash plans can play a key part in an organisation's health and wellbeing strategy because many focus on preventative care. You can provide employees with a basic level of cover and give them the option to pay for higher levels if they wish, and a plan can even be extended to cover their family.

Offering a plan shows staff you care about their wellbeing, which can be great for employee engagement and morale.

*So now that you've decided to implement a plan, where do you start? Read on to find out.*

**Kavitha Sivasubramaniam**

Editor

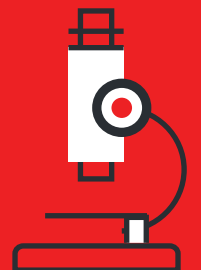
# Contents

Sponsor's comment.....	3
Reasons to offer a cash plan.....	4
How to buy.....	5
What the product offers.....	7
Tax and legal issues.....	8
Where to find suppliers.....	8
Quiz.....	10
Who we are.....	11

This report was devised by Debi O'Donovan and Phil Hayne of REBA in association with Simplyhealth.

The guide was edited by Kavitha Sivasubramaniam, written by Sam Barrett and designed by SallyannDesign.

© REBA 2017. Published by Reba Group Ltd, 7c Vera Road London SW6 6RW United Kingdom.



# Sponsor's comment

Supporting the health and wellbeing of employees has become a growing HR focus in recent years. Employers are fast recognising the importance of having a fit, healthy and happy workforce to tackle absenteeism, boost productivity and improve job satisfaction.

However, it can be difficult to encourage your employees to take care of their physical and mental health simply by shouting about it. Our experience has found that health cash plans are a fantastic tool to incentivise employees to take good care of themselves by eliminating the hassle of having to navigate accessing care, advice and the associated costs.

Health cash plans deliver prevention before cure, offering your employees quick and easy access to a wide range of health benefits. If an employee knows they can hastily access a 24/7 GP service or claim back the cost of having that toothache sorted, this can encourage them to be more proactive with their everyday health, rather than ignoring the problem until it becomes a chronic issue.

The Absence Management Survey by CIPD and Simplyhealth found that, on average, workplace absence costs an employer £522 per employee per year, with stress being the most common reason for long-term absence.

Stress can be caused by varying factors, yet leading health plan providers offer counselling, mental health and/or crisis management support, meaning stress-related sickness can often be pre-empted and prevented.

However, an employer's responsibility towards their employees' health and wellbeing doesn't start and end just by offering a health cash plan. Employer communication of the scheme is essential to drum up employee engagement. Your benefits provider should work in partnership with you to fully understand and tailor the product offering to suit the needs of your workforce.

At Simplyhealth, we provide marketing and communication materials to help you to promote everyday health and the benefits of the offering to an increasingly diverse workforce. This often falls in line with topical subjects, such as the positives to get moving during a major sporting event, the importance of an annual dental check-up during oral health month or stop smoking initiatives on non-smoking day.

Health cash plans are an increasingly popular health and wellbeing employee benefit because they provide everyday value and accessibility. This tangible benefit can be used by your entire workforce, regardless of their age or life stage, making a health cash plan a prime option to feature in your employee benefits package.

## **Pam Whelan**

Director of Corporate at Simplyhealth



# Reasons to offer a cash plan

## What is a health cash plan?

A health cash plan is a type of health insurance that covers an individual's everyday health costs for a monthly premium.

It usually includes dental and optical treatment, as well as many others.

A health cash plan can be offered by employers with varying levels of cover, and can be employee paid, employer paid or flexible.

It allows the cost of an employee's health service to be fully or partly reimbursed.

It is a cost-effective benefit that can form part of an employer's overall health and wellbeing strategy.

## Why provide a health cash plan?

There are plenty of reasons why you should consider offering your workforce a health cash plan and, importantly, they can help employees pay for everyday health costs, such as an eye test or a spot of physiotherapy.

Health cash plans can be a key part of an organisation's health and wellbeing strategy because many of the benefits focus on preventative care. For example, a regular check-up with a dentist ensures any dental problems are treated early and can also pick up warning signs of serious conditions such as diabetes, heart disease and cancer.

Helping employees to pay for treatment can also reduce sickness absence. Having a few physiotherapy sessions for a stiff neck could prevent it turning into a back problem that stops someone coming to work altogether.

A cash plan is also a very visible benefit. With routine healthcare such as a check-up at the dentist and an eye test included in a plan, everyone should be able to claim at least once or twice a year.

This visibility not only leads to healthier and happier employees, it also delivers benefits for you as an employer in terms of employee engagement and morale. This can make it a great tool for recruitment and retention.

Health cash plans are also easy to use. There's no need for employees to get authorisation before they have any treatments and, to claim, all they need to do is keep the receipt to send to the provider. Eligible costs will be back in their bank account within days.

In many cases, the claims process is even slicker, with providers offering apps or claims websites so employees can photograph receipts and submit claims instantly.

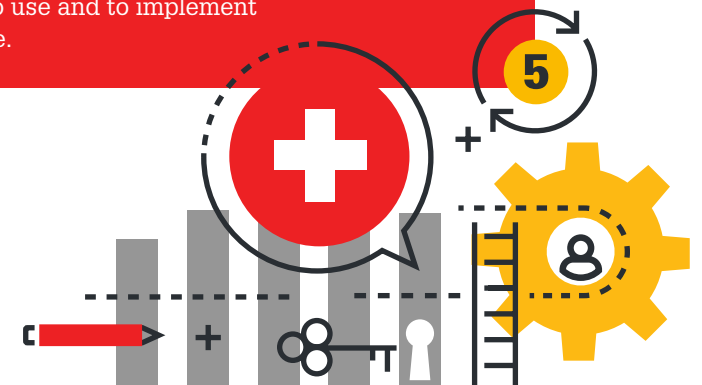
Price is another key feature, with premiums starting at less than £1 a week. This can make it easy to budget for a cash plan, with some employers introducing them instead of a pay rise when budgets are under pressure.

On top of that, cash plan pricing is fairly stable. Providers only tend to adjust their premiums every three to five years, and then usually only increase costs to add in additional benefits.

Health cash plans are also easy to introduce. The providers have a long history of implementing plans in the workplace and can offer plenty of support with marketing and promotion to make sure yours is a success.

## Top 5 reasons to introduce health cash plans

- 1 They can play a key part of a health and wellbeing strategy.
2. They can reduce sickness absence and establish a happier, healthier workforce.
3. They are low cost and have stable pricing.
- 4 They have a high perceived value.
5. They are easy to use and to implement in the workplace.



# How to buy

Health cash plans are relatively simple products but there can be significant differences between the plans and benefit levels. As a result, conducting a thorough review of both the market and your workforce will ensure you select the one that delivers the best value.

## Assess the needs of your workforce

To help you select the right health cash plan for your employees, it's sensible to think about the needs of your workforce first. Thanks to the dental benefit every employee should be able to make at least one claim a year, but pick a plan with benefits that suit their needs and they will get even more value from it.

The type of work your employees do can affect benefit selection. For example, if you have a manual workforce, options such as physiotherapy will be important for musculoskeletal problems. Similarly if your people are working under pressure, the support of an employee assistance programme could be beneficial.

Also think about the benefits you already offer your workforce. For example, some cash plans include an employee assistance programme, which you may already have in place and, if you have medical insurance, there could be duplication of benefits such as physiotherapy and specialist consultation.

As well as sussing them out yourself, it can also be worth surveying employees to find out which elements of a plan they would appreciate. This can give you valuable feedback but also serve as a teaser for when you introduce the plan.

### In a nutshell

- Pick a plan with benefits that meet your employees' needs
- Review what you already offer to avoid duplication
- Survey staff to establish what they want

## Conduct a market review

Once you know what you would like, assess the different providers and their products. As well as determining which offer the right benefits for your workforce, consider how much an employee might be able to claim back in benefits over a year.

Depending on the number of employees you want to cover, you may be able to personalise a plan to make it fit your requirements. Some providers will only consider this if you have more than 400 employees, while others are happy to offer some element of tailoring with groups of 25-plus.

Although benefits are important, also look at the service the providers offer. For example, some have apps and online claims services, which may be important for your employees.

It's also worth considering the marketing support they can offer. Many of the providers are happy to supply marketing literature to promote your cash plan and, if your business is large enough, will also give employee presentations and attend health and wellbeing fairs.

### In a nutshell

- Assess the providers and their products – which ones have the right products?
- Do the sums – work out how much your employees can claim back
- Look at the service a provider offers beyond the plan itself



# How to buy

## Establish budget/costs

The cost of your health cash plan is also an important consideration and there is plenty of flexibility around this. As well as opting for different benefit levels, plans can be offered on a company paid, employee paid or flexible benefits basis. You can also mix these options, providing employees with a basic level of cover and allowing them to pay for higher levels of cover or, where relevant, extend cover to their family.

While you may already have earmarked a budget to provide a health cash plan, it may be possible to secure it in other ways. For example, if you already offer an employee assistance programme or eyecare vouchers, you may be able to divert this spend to a cash plan and give your employees additional benefits.

Also consider your objectives in implementing a cash plan. For example, if you want to address high levels of absence resulting from musculoskeletal problems, the physiotherapy benefit might help. The savings you make in reduced absence could then help to fund the cost of the plan.

Some employers have also introduced a plan instead of a pay rise. This can be well received as employees can potentially see a greater financial benefit if they make enough claims on the plan.

### In a nutshell

- Consider the different benefit levels and the way they can be paid
- Think about your budget and how to secure it
- Establish your objectives for implementing a plan

## Consider whether to use a broker or DIY

You may also want to consider whether to source a health cash plan yourself or use a specialist broker.

A broker will take some of the legwork out for you. They will know the market and be able to recommend the most suitable product for your business.

However, unless you are a large organisation or already have a relationship with them, the low premiums and even lower broker commission may mean you struggle to find an adviser willing to arrange a plan for you.

If this is the case, doing it yourself shouldn't be too much of an ordeal. Although there will inevitably be more administration to deal with, the cash plan providers have strong direct sales forces. They will be able to support you through your purchase and implementation, giving you advice on how to ensure employees get as much value out of it as possible.

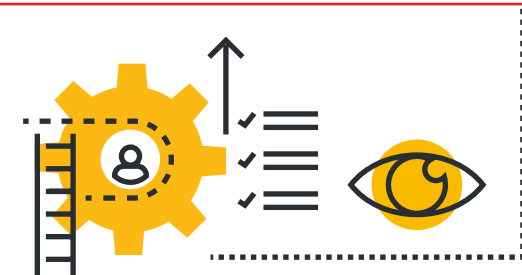
### In a nutshell

- A broker will take on some of the legwork
- Smaller organisations may struggle to find an adviser
- Doing it yourself will probably mean more administration
- Remember, cash plan providers can support you through your implementation



## Checklist of dos and don'ts

- ✓ Think about the demographics of your workforce when selecting benefits.
- ✓ Survey employees to find out their benefit preferences.
- ✗ Don't duplicate benefits you already have in place.
- ✓ Assess the value of plans by considering how much an average employee could claim.
- ✗ Don't overlook the service the cash plan providers can offer. This can include online claims but also marketing support to promote the plan.
- ✓ Consider whether you want to offer a plan on a company paid, employee paid or flexible benefits basis.
- ✓ Allow employees to upgrade cover and extend it to their families.
- ✗ Don't ignore the financial benefits a cash plan can deliver to your organisation, for example, reductions in sickness absence and improvements in employee engagement.



# What the product offers

Launched back in Victorian times to provide people with an affordable way to budget for their healthcare costs, health cash plans are just as relevant today. However, rather than help people pay for all their healthcare, they are designed to complement the NHS by picking up the cost of items that aren't provided free, such as dentistry and prescriptions.

Today's health cash plans offer a menu of benefits, allowing employees to claim back up to a set amount each year for a variety of different treatments. The amount varies between providers, and some also include benefit for an employee's children.

For example, on a typical basic plan costing £1 a week, an employee could claim back benefits worth several hundred pounds a year. Although they would have to be particularly unlucky to do this, it might include up to £50 of dental costs, £50 towards a new pair of glasses and up to £200 towards the cost of a specialist consultation.

Plans include a variety of benefits but the two that generate the most claims are dental, which covers trips to the dentist, routine treatment and, on some plans, even teeth whitening; and optical, which can be used for sight tests but also towards the cost of new glasses or contact lenses and, in some cases, even laser surgery.

Another popular benefit is physiotherapy, as well as other therapies such as osteopathy and acupuncture. Being able to access these options can be really beneficial, helping to prevent more serious musculoskeletal problems.

Also on the preventative front are benefits such as health screening, flu jabs and inoculations, and even alternative therapies such as reiki and hypnotherapy.

Some benefit is often included if an employee needs to see a specialist privately or have diagnostic tests such as x-rays and MRI scans carried out. As these consultations can cost upwards of £150, this makes it easier to get the reassurance of a fast diagnosis.

Where an employee needs to spend time in hospital, some cash plans will also pay a set amount for each night they are there. This could cover additional costs such as parking or television charges.

Helplines are a common feature of these plans, with many including 24-hour stress and health support services. Virtual GP services are also becoming a standard part of the package, letting employees see a qualified GP by phone or webcam instead of potentially having to wait a week or more for an appointment with their family doctor.

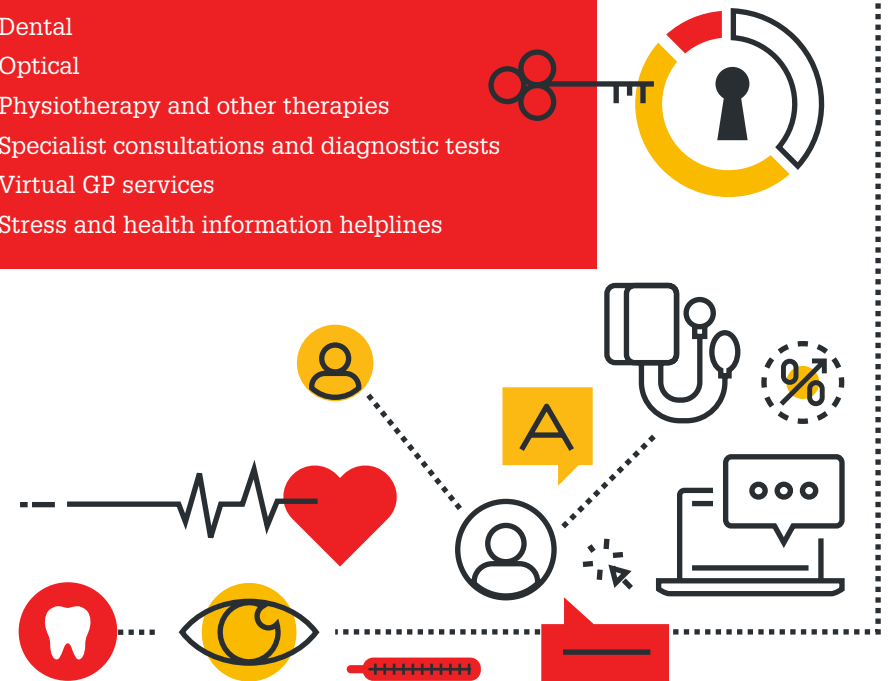
Some providers have optional benefits too. These include cover for a private medical insurance excess and full employee assistance programmes.

## Costs

*'On a typical basic plan costing £1 a week, an employee could claim back benefits worth several hundred pounds a year. Although they would have to be particularly unlucky to do this, it might include up to £50 of dental costs, £50 towards a new pair of glasses and up to £200 towards the cost of a specialist consultation.'*

### Key benefits of health cash plans

- Dental
- Optical
- Physiotherapy and other therapies
- Specialist consultations and diagnostic tests
- Virtual GP services
- Stress and health information helplines



# Look after your employees' wellbeing with help from Simplyhealth



At Simplyhealth, we only focus on everyday health so you can rely on our specialist knowledge and expertise to deliver effective wellbeing strategies.

We work in partnership with you to help promote a preventative approach, encouraging employees to be proactive about their health.



## Suitable for businesses of all shapes and sizes

Plans can be tailored to fit the needs of your workforce



## Keeping your employees fit, healthy and happy

Helping you to tackle absenteeism, boost productivity and improve job satisfaction



## Dedicated account management

Ongoing support to boost employee engagement including tailored marketing materials



## 87.7% customer satisfaction

You can rely on our excellent customer service to support your business' needs

## Get in touch

Email us at  
[team@simplyhealth.co.uk](mailto:team@simplyhealth.co.uk)

Call us on  
0300 100 1188

Or visit  
[simplyhealth.co.uk/businesses](https://www.simplyhealth.co.uk/businesses)

Simplyhealth is a trading name of Simplyhealth Access, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Simplyhealth Access is registered and incorporated in England and Wales, registered no. 183035. Registered office: Hambleden House, Waterloo Court, Andover, Hampshire, SP10 1LQ. Your calls may be recorded and monitored for training and quality assurance purposes.

1703063





# Tax and legal issues

Employer-paid health cash plans are treated as a benefit in kind for tax purposes, with the value based on the annual premium rather than the amount an employee claims back each year.

On the legal front, a health cash plan can help you meet some of your duty of care requirements. For example, the optical benefit can be used to meet the Health and Safety (Display Screen Equipment) Regulations, covering the cost of an eye test and, if required for VDU work, a basic pair of glasses.

However, although the benefit can be used for this purpose, be prepared to pay for an eye test if an employee using display screen equipment asks for one. They may have already used up the optical benefit on the cash plan for that year before they start experiencing eye problems when working at a screen.

Similarly, offering access to another benefit found on some health cash plans, an employee assistance programme, can help with duty of care requirements. Although it won't protect you from stress claims from employees, it will be viewed favourably in court if it's part of a wider stress management strategy.



## Top 5 tips to make your plan a success

- 1 Survey employees to determine which benefits they would appreciate most on a health cash plan.
2. Assess the service different providers offer to ensure it fits your needs. This could include online claims but also the marketing support they can provide.
3. Avoid duplicating benefits. A bespoke plan can help you design the benefit structure you want.
- 4 Allow employees to upgrade cover if you intend to fund an entry level product. Some will value having higher benefit levels.
- 5 Promote, promote, promote. Put up posters, send emails and include your cash plan in any health and wellbeing initiatives. Your provider will also be able to offer additional marketing support.



## Where to find suppliers

You can compare health cash plan cash suppliers using REBA's supplier directory at the <http://reba.global/pages/supplier-directory>. This shortlisting tool contains comprehensive details of the leading providers, including contact information, services, product ranges, client lists, articles and links to relevant websites.

# Quiz

**1. Which of these benefits will you NOT find on a traditional cash plan?**

- A Acupuncture
- B Hip replacement operation
- C MRI scan
- D Teeth whitening

**2. Cash plan premiums start from as little as**

- A £10 a year
- B £50 a year
- C £100 a year
- D £150 a year

**3. On average, premiums increase by**

- A Medical inflation at around 10% a year
- B Retail Prices Index each year
- C Consumer Prices Index every two years
- D Variable increase every three to five years

**4. Employee claims for treatment costs are paid**

- A By cheque at the end of the month
- B By bank transfer every month
- C By cheque within two weeks
- D By bank transfer within days

**5. A bespoke cash plan is available for organisations with at least**

- A 1,000 employees
- B 500 employees
- C 50 employees
- D 25 employees

**6. The two most claimed benefits on cash plans are (select two)**

- A Health screening
- B Dental
- C Optical
- D Physiotherapy

**7. A virtual GP service allows an employee to**

- A Have their health queries answered by an internet bot
- B Arrange an appointment to see a private GP
- C Speak to a qualified GP by phone or webcam
- D Complete a self-diagnosis questionnaire online

**8. On a health cash plan an employee can claim**

- A Once a year
- B Three or four times a year
- C As often as they like, with most able to claim at least once a year
- D As often as they like after an initial waiting period of six months

**9. To get cash back for eligible treatment, an employee must**

- A Submit a receipt for eligible treatment costs
- B Call the cash plan provider to get treatment authorised
- C Visit a healthcare professional recommended by the cash plan provider
- D Have a referral from their GP

**10. A health cash plan can help an organisation**

- A Reduce sickness absence
- B Improve employee engagement
- C Attract and retain employees
- D All of the above



Quiz: The answers  
1. B, 2. B, 3. D, 4. D, 5. D, 6. B and C, 7. C, 8. C, 9. A, 10. D

# Who we are

## About our sponsor: Simplyhealth

Simplyhealth is the UK's leading provider of everyday health and Denplan dental plans and, with more than 13,000 corporate clients, you can be confident that working in partnership with Simplyhealth will ensure access to a well informed and knowledgeable health and wellbeing provider.

We believe in helping people to get the most from everyday life and their employment, enabling employers to attract and retain talent while reducing absence from short and long-term sickness.

Our flexible health and dental plans are suitable for businesses of all shapes and sizes and are tailored to benefit your workforce, providing different levels of cover and optional choices to suit all business needs.

Service and ongoing support remains at the heart of everything we do – giving you comfort that the Simplyhealth brand delivers on promises.

For further information about Simplyhealth, please visit [www.simplyhealth.co.uk/businesses](http://www.simplyhealth.co.uk/businesses).



## About us: Reward & Employee Benefits Association

REBA is the professional networking community for reward and benefits practitioners. We make members' working lives easier by saving you time, money and effort through sharing experience, ideas, data and insight with each other. We help members to pursue best practice, increase professionalism in the industry and prepare for upcoming changes. REBA lobbies government on members' behalf.

### What REBA does:

- Runs regular conferences and networking events
- Produces benchmarking research, insight & data reports and analysis
- Curates the information you need to know, both online and in our weekly email
- Helps with supplier shortlisting and research

### Contact REBA:



- **Debi O'Donovan**, founder: [debi.odonovan@reba.global](mailto:debi.odonovan@reba.global)
- **Phil Hayne**, partner: [phil.hayne@reba.global](mailto:phil.hayne@reba.global) or 0771 466 0857

Website: [www.reba.global](http://www.reba.global)

REBA technical training series: How to implement a health cash plan  
is published by



[www.reba.global](http://www.reba.global)

In association with



May 2017