Achieving Effective Plan Design and Communicating Change

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About Eckler

- Independent actuarial and pension/benefits consulting firm
  - 300+ employees
  - 90+ years in business
- Full-service communications team
- Consultant to Rogers on benefit change and communication solutions
About Rogers

- Proudly Canadian company
- 26,000 full- and part-time employees
- One team, one goal: To serve our customers better
- Core business areas:
  - **Consumer Services:** Providing innovative communications services over a blazing fast network you can trust
  - **Media Brands:** Bringing Canadians the shows they love, the sports they want, the radio stations that inform their day, and a great shopping-at-home destination
  - **Business Solutions:** Delivering business communications services and IT solutions that help our customers win
What We’ll Talk About Today

• Challenges of plan design changes
• **Case study:** Rogers’ change management and engagement approach
• Lessons learned
• Questions?
Challenges of Plan Design Changes
The Real Challenge . . .

Plan design change isn’t just transactional.
It’s EMOTIONAL.
Fear of Change

- People don’t pay a lot of attention to benefits, until . . .
  - They need them; or
  - You change them
- Emotional response to fear of change may override logic
  - Assume change = Takeaway
  - Leads to disengagement, anger or inertia
Engagement Model

Objectives:

- Explain drivers of change/rationale
- Identify potential risks/obstacles
- Provide appropriate notice
- Get support from impacted groups
The Chain of Engagement

Leaders

Influencers

Members

Key decision-makers

Those who influence decisions

The end users
### Change Management Checklist

<table>
<thead>
<tr>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engage key stakeholders upfront, at all levels</td>
</tr>
<tr>
<td>Give appropriate notice</td>
</tr>
<tr>
<td>Provide context, timing and rationale for change</td>
</tr>
<tr>
<td>Be transparent and open (don’t avoid talking about tradeoffs)</td>
</tr>
<tr>
<td>Choose the right media (where your members are)</td>
</tr>
<tr>
<td>Close the loop (feedback mechanism/ongoing engagement)</td>
</tr>
</tbody>
</table>
Choosing the Right Media

- Print
- Video
- Mobile
- Eblast
- Website
- Social Media
- Print
Create Commitment; Manage Risk

Engagement requires a targeted communications strategy

“Targeted”

“Awareness”

“Understanding”

“Acceptance”

“Commitment”

“How can I help?”

“I don’t know”

“I don’t get it”

“I don’t buy it”

“I don’t want it”

“I get it”

“I buy it”

“It matters”

“Who can I blame?”
Background

• Rogers was making significant changes to its group benefits program, effective Jan. 1, 2017

• Purpose of the changes:
  – Better manage future risks
  – Align with industry best practices
  – Improve program’s sustainability
  – Add some flexibility at the employee level
What Was Changing?

- New drug plan management strategies
- New health spending account (HSA) to help offset any additional health/dental costs for employees
  - Annual company-provided wellness credits
- Dental plan changes
- More wellness initiatives
  - Enhanced mental health support
  - Changes to paramedical coverage
- Improved plan efficiencies
  - Direct deposit of claims reimbursement
  - Claims details provided electronically
Communication Objectives

• Ensure Rogers employees fully understood . . .
  – What was changing and why
  – Timeline for implementation
  – Actions they needed to take

• Position changes within a total rewards context

• Introduce concept of smart benefits decision-making ("making smart choices")

• Partner with the right external resources for a successful rollout
Main Challenges

• Many different stakeholders to engage:
  – Rogers leadership
  – Internal HR/communication teams
  – Providers/vendors
  – Employees/plan members

• New drug provisions required significant education
  – Could be perceived negatively by employees

• Variety of channels for benefits discussions
  – Including social media
Multimedia Communications

- Full suite of communications across many channels:
  - Initial leadership communications
  - Four-page bulletin summarizing the changes
  - Transitional website serving as a hub for all change-related information
  - Four videos:
    - Overview of program changes
    - Drug plan changes
    - Wellness credits and HSA
    - Website walkthrough/site navigation
Benefits changes website/web hub

Suite of videos on different change areas

Print brochure summarizing the changes
Benefits Changes Website

• Served as a hub for all change-related information
  – Central location to direct employees
  – Secure place to post all materials
  – Updated as timeline and needs evolved
Home Page
Drug Plan Changes

Your drug plan

We’re making some changes to your drug plan as of January 1, 2017, including:

- Increase the copayment for prescription drugs
- Reduce copayment for generic drugs
- Increase the deductible for prescription drugs
- Eliminate the $200 annual deductible
- Increase the co-pay for mail-order prescriptions
- Reduce the co-pay for in-person prescriptions
- Reduce the co-pay for urgent care
- Increase the co-pay for non-urgent care
- Increase the copay for out-of-pocket maximum

Your new drug plan

Your benefits program will reimburse you for prescription drugs based on a tiered pricing formula as outlined in the table below:

<table>
<thead>
<tr>
<th>Tier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>100% reimbursement for full-time employees</td>
</tr>
<tr>
<td>Tier 2</td>
<td>80% reimbursement for part-time employees</td>
</tr>
<tr>
<td>Tier 3</td>
<td>50% reimbursement for full-time employees</td>
</tr>
<tr>
<td>Tier 4</td>
<td>30% reimbursement for part-time employees</td>
</tr>
</tbody>
</table>

Your new, lower cost drugs

Available to meet your conditions, your plan will pay for the lower cost, equivalent drug—unless your doctor writes “non-substitution” on the prescription. Let’s take a look at an example:

<table>
<thead>
<tr>
<th>Drug cost</th>
<th>Cost of lowest priced equivalent</th>
<th>Cost of brand name drug</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3019</td>
<td>$19.57</td>
<td>$3019</td>
</tr>
<tr>
<td>$2774</td>
<td>$2774</td>
<td>$2774</td>
</tr>
<tr>
<td>$1501</td>
<td>$1501</td>
<td>$1501</td>
</tr>
<tr>
<td>$501</td>
<td>$501</td>
<td>$501</td>
</tr>
</tbody>
</table>

Smart Tip:

Generic drugs are no-cost or lower-cost drugs—so they typically cost a lot less. Being a smart consumer will mean you keep your premiums affordable for everyone.
Dental Plan Changes

Your dental plan

Need to get your teeth cleaned—vists gets crown? No problem: your dental benefits include basic dental services, like routine cleanings and fillings, as well as major dental services.

(As of January 1, 2017, all employees will have a single maximum for both basic and major dental services combined (as part-time employees do now).

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Cost</th>
<th>Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dental</td>
<td>$800</td>
<td>$710 (90%)</td>
</tr>
<tr>
<td>X-Ray</td>
<td>$300</td>
<td>$270 (90%)</td>
</tr>
<tr>
<td>Total</td>
<td>$1,100</td>
<td>$980 (90%)</td>
</tr>
<tr>
<td>Visit 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implant</td>
<td>$2,500</td>
<td>$2,250 (90%)</td>
</tr>
<tr>
<td>Scaling</td>
<td>$300</td>
<td>$270 (90%)</td>
</tr>
<tr>
<td>Total</td>
<td>$2,800</td>
<td>$2,520 (90%)</td>
</tr>
<tr>
<td>Visit 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crowns</td>
<td>$1,500</td>
<td>$1,350 (90%)</td>
</tr>
<tr>
<td>Total</td>
<td>$3,300</td>
<td>$3,030 (90%)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$7,200</td>
<td>$6,430 (90%)</td>
</tr>
</tbody>
</table>

For a list of what’s covered under basic and major dental services, please review your Employee Benefits Program covered on your employee handbook or visit the Sun Lifeplan member website (Coverage List).

9D-24
Health Spending Account (HSA)
Other Changes
Videos

ROGERS

HOME WHAT'S CHANGING RESOURCES & CONTACTS

Videos

Overview of the benefit changes
Drug plan changes
Your new Health Spending Account

Employee information sessions

Each site will be open for all employees to learn about what's changing and how it may impact you and your enrolled dependents.

Location:

- February 21, 2017, 7:00 am to 7:30 am ET
- February 22, 2017, 9:00 am to 9:30 am ET
- February 23, 2017, 11:00 am to 11:30 am ET
- February 24, 2017, 1:00 pm to 1:30 pm ET

Additional details will be provided by (Current or email):

- Toronto: Center, February 16, 2017
- Winnipeg: Center, February 17, 2017
- Edmonton: Center, February 18, 2017
- Vancouver: Center, February 19, 2017
- Calgary: Center, February 20, 2017
- Montreal: Center, February 21, 2017
- Ottawa: Center, February 22, 2017
- Vancouver: Center, February 23, 2017
- Edmonton: Center, February 24, 2017
- Calgary: Center, February 25, 2017

Subject to change

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Why Use Video?

- Natural fit for a telecommunications company!
- Makes difficult content easier to understand
- Preferred media for millennials (and many others)
- Accommodates other languages (French subtitles)
- Created as “evergreen” content so they could be reused
Sample Video: Your Drug Plan

ROGERS
Results

• Program changes launched in November 2016 through a coordinated, multimedia effort
  – Involving Rogers, Eckler and the insurer
• As of March 2017 . . .
  – 14,000+ employees had accessed the benefits changes website
  – Videos had been played more than 4,000 times
Lessons Learned
Lesson #1: Collaboration Is Key

• Get external communications support
  – Outsider perspective is important

• All stakeholders must be aligned for a successful implementation
  – Starts with organization’s leaders

• Need a close relationship with your providers
  – Must be able to move quickly and change direction as needs evolve
Lesson #2: Multimedia Matters

- Employees consume information differently
  - Different generations have different needs
- Multiple media are needed to achieve broad reach
  - Create a “one-stop shop” for employees
Lesson #3: Measure and Document

- Track key metrics to gauge your strategy’s success
  - Website hits/time on page
  - Video views/length of time viewed
  - Audience (who’s reading/watching) and location

- Don’t forget about social media
  - Small group of “complainers” can be very vocal!

- Change is inevitable: Document and adjust for the future
Lesson #4: You Can’t Plan for Everything . . .

• Preparation is key, but there will always be “surprises”
• Involving key stakeholders (especially senior leaders) upfront can help mitigate risks
• Your communication and change management strategy will evolve . . .

and that’s okay!
Questions?