

## Healthcare

# Protect Employee Health, Finances, and Future with Ancillary Insurance

When it comes to employer-offered insurance, medical care is just the beginning

By Tracy Barbour

**T**oday, there are a variety of ancillary or supplemental health and wellness insurance options that employees can take advantage of to protect themselves, their families, and their finances. This additional coverage gives added peace of mind and is increasingly being used to augment traditional health coverage in workers' benefits packages.

The most common types of supplemental insurance are dental, vision, life, short-term disability, accident, critical care, hospital confinement, and long-term care. These insurance products are available in Alaska from many companies: among them are Premera Blue Cross Blue Shield Alaska, Colonial Life & Accident Insurance Company, and New York Life Insurance Company.

Alaska employers often provide ancillary insurance options as an extension of their health insurance coverage. They think of these products as valuable enhancements to employee health and wellness benefits. Denali Federal Credit Union is a prime example. As part of its health insurance, Denali FCU includes dental and vision insurance. The credit union's employee benefits package also features long-term disability coverage, which takes effect after a ninety-day waiting period and covers up to \$6,000 a month, according to Assistant Vice President of Human Resources T.J. Alinen, SHRM-SCP, SPHR. The company pays approximately 90 percent of the cost for its employees' health insurance and 75 percent for their dependents.

Denali offers a typical amount of coverage with its life, dental, and vision insurance options. It provides group term life insurance—which also includes accidental death and dismemberment benefits—at an amount that is twice the employee's annual pay up to \$300,000. (Group term life is provided to all eligible employees, regardless of whether they elect health insurance.) The company's dental insurance covers preventative care (cleanings and an annual exam) at 100 percent, routine services (such as fillings) at 80 percent, and major services (crowns, bridges, and oral surgery) at 50 percent. Coverage outside of preventative care is subject to an

annual maximum benefit of \$2,000.

With Denali's vision insurance, employees can receive an annual exam for glasses with standard lenses at no cost and an allowance of up to \$150 for a frame or contact lenses.

Denali FCU also offers critical illness, accident, and cancer insurance through American Fidelity. Employees pay 100 percent of the premium, which is based on gender, age, and level of coverage, and receive cash benefits for claims. However, starting in 2018, the credit union will no longer provide group dental and vision coverage with its health insurance. Employees will have the option to purchase them separately as a stand-alone option. "So if employees don't need health insurance, they can select our vision and/or dental insurance," Alinen says. "It will provide flexibility for our employees to select the benefits they ultimately need."

Incidentally, Denali provides health insurance for all of its employees who work at least thirty hours a week. Health insurance coverage for eligible employees kicks in the first month following sixty days of employment. The company self-funds its health insurance and uses a third-party administrator to process claims. "We have two different health plans: a standard PPO plan with a \$1,000 deductible with \$30 copays and a high-deductible health plan with a \$2,600 deductible that can be paired with a health savings account," Alinen says.

Health insurance, Alinen says, is an important component of an employee benefits package. "It's part of their compensation... and it makes a difference to employees," he says. "If you can provide good benefits to employees, you can make a measurable difference in their day-to-day lives."



T.J. Alinen  
SHRM-SCP, SPHR,  
Assistant Vice  
President Human  
Resources, Denali  
Federal Credit Union

Image courtesy of Denali  
Federal Credit Union

### The Importance of Flexible Coverage for Groups of All Sizes

Premera Blue Cross Blue Shield of Alaska sells a range of supplemental dental, vision, and hearing plans to businesses and individuals. Premera and the Blue Cross Blue Shield Association also offer free identity protection service benefits to new and existing customers of self-funded groups.

Typically, Premera works through producers or brokers to sell its supplemental insurance products to em-



Jim Grazko  
President, Premera  
Blue Cross Blue  
Shield of Alaska

Image courtesy of  
Premera Blue Cross  
Blue Shield Alaska



Matt McLaughlin  
Ancillary Product  
Manager, Blue Cross  
Blue Shield of Alaska

Image courtesy of  
Premera Blue Cross  
Blue Shield Alaska

ployers of all sizes. In Alaska, it caters to small groups with fewer than fifty employees, medium groups with fifty-one to one hundred workers, and large groups of more than one hundred employees. "Supplemental insurance is very common in Alaska," says Jim Grazko, president of Premera Blue Cross Blue Shield of Alaska. "And voluntary insurance, where the employee pays for it, is often offered [by employers]."

Dental coverage is usually added on as supplemental insurance. In fact, about 75 percent of Premera's employer groups purchase dental insurance from the company, says Anchorage-based Grazko. Hearing and vision insurance are also common add-ons for employers.

There's a cross-section of companies offering supplemental insurance to their employees. Manufacturing plants and union shops, in particular, are more likely to extend this perk. Employers' contribution toward the cost of supplemental insurance varies, with most paying 75 percent of the premium for employees and zero percent for dependents.

In its group dental market, Premera features a "high, medium, and low selection" of products to provide flexibility to employers, according to Matt McLaughlin, ancillary product manager of Blue Cross Blue Shield Alaska. Premera offers plans that cover the basics (like routine office visits) and also has broader plans that cover oral surgery, bridges, and implants, for example. With all of Premera's plans, there is typically a member cost share for services such as root canals and crowns.

Most of Premera's popular dental insurance plans with employers cover preventive services in full. Plan maximums—the total amount that the insurance will pay—can range from \$1,000 to 2,000, with the most common plan maximum being \$1,500. Employer groups of Premera can choose to cover in- and out-of-network providers in different ways.

This year, the company launched a core dental plan in the small group market. "It covers more common services like preventive visits, periodontal care, and some minor restorative procedures such as fillings," McLaughlin says. "But it leaves out some of the major services such as implants." This core dental plan gives employers more flexibility to meet their budgetary and benefit goals.

Companies looking to cover a broader set of services may consider offering one of Premera's more comprehensive dental packages. They could add orthodontics, an option that comes

with most of Premera's dental insurance.

Premera voluntary plans are another viable option for employers with a limited budget. "If they can't afford to offer a full benefit plan for dental," he says, "they can choose to offer a voluntary plan in a group-type setting."

As part of its product design, Premera strives to present different flavors of products to help employers manage their overall benefit costs. This approach is something the company will continue to build on in the future, McLaughlin says.

Premera is very intentional about developing products to satisfy clients' supplemental insurance needs, Grazko says. He elaborates: "We don't just design our products for ancillary benefits in a vacuum. We go out to our employers and producers to see what people are interested in... We watch what people are buying then we adjust how we design our plans."

The company also works with employers to help modify their insurance coverage to meet their changing requirements. "One of the things Premera is good at is working with employers and providing different ways for how they can adjust their insurance options for employees," Grazko says. "Employers look at us as a trusted advisor, and we are happy to consult with them."

### How Employees Can Benefit from Group Rates

Colonial Life & Accident Insurance Company is a provider of voluntary insurance in Alaska and nationwide. "Even though 'life' is in our name, we have a very broad voluntary benefits portfolio that also includes disability, accident, critical care, hospital confinement, and dental insurance," says Pamela A. Whitfield, district general agent, Northwest Territory for Colonial Life. Whitfield, who is based in Midtown Anchorage, is president of Whitfield Benefit Solutions.

She specializes in selling individual insurance products to employees through their workplace and works with benefit brokers or directly with the employer's human resource department. "We offer personal insurance products that are sold at a group setting at a group rate and are paid for by the employee and can be payroll-deducted by the employer."

Colonial Life's voluntary insurance offers distinct advantages for employers and their employees. For businesses, the insurance products and services are provided at no direct cost to the company and include handling new hires, open enrollment, and paying claims. "We have a portal online where 50 percent of our claims are paid within one business day," Whitfield says.

For workers, the benefits of voluntary insurance are more diverse. For instance, employees can get coverage at more affordable rates than if



Pamela A. Whitfield  
District General Agent, Northwest Territory of Colonial Life & Accident Insurance Company

Image courtesy of Colonial Life

## Celebrating 45 years in providing healthcare to Alaskan Families



#1 Best of Alaska  
for Medical Clinics

(907) 279-8486

- Women's and Men's Health
- Children's Health
- General Medicine
- Immediate Care
- Occupational Health
- Physical Therapy
- On-Site Lab
- Digital Radiology
- Insurance Billing

### HOURS:

Monday - Friday: 7:30am - 6:00pm

Saturday: 9:00am - 4:00pm

[www.mpfcak.com](http://www.mpfcak.com)

Walk-In and Same Day Appointments  
Available - 1(888) 382-8486



**Medical Park**  
**Family Care, Inc.**

2211 E. Northern Lights Blvd.



# NorthStar

## Behavioral Health

REACHING ACROSS ALASKA, HELPING CHILDREN, SUPPORTING FAMILIES & TOUCHING LIVES

**MASTERS LEVEL CLINICIAN AVAILABLE 24/7  
FOR A NO COST ASSESSMENT  
CALL US TODAY! (907) 258 7575 OR (800) 478 7575**



TRICARE® approved facility

**CHRIS KYLE**  
**PATRIOTS HOSPITAL**

A part of North Star Behavioral Health

**SERVICE  
MEMBERS &  
VETERANS**

Intensive  
dual-track treatment  
program for trauma  
and substance abuse  
rehabilitation.

**907-258-7575 OR 1 (800) 478-7575**  
**CHRISKYLEPATRIOTSHOSPITAL.COM**



they were to purchase insurance outside of the workplace. There's also minimal underwriting involved—which means fewer health-related questions are required for workers to qualify. And depending on the size of the organization, coverage may be available on a “guaranteed issue” basis during enrollment.

“Even with an account with as few as ten employees, we can often provide guaranteed issue for disability, critical illness, and life insurance policies,” Whitfield says. “It means every employee can qualify for coverage... regardless of their age or health situation.”

In addition, some types of voluntary insurance are “guaranteed renewable.” This allows employees to purchase a plan and continue to receive coverage as long as the pre-

mium is paid on time. Individual voluntary coverage is also portable, meaning employees can keep their coverage even if they change jobs or retire.

Many employees choose supplemental insurance, in part, because the benefits from covered claims are paid directly to them. “Employees want and buy these plans because the cash comes directly to them to use however they need,” Whitfield says.

Employers generally choose to offer voluntary insurance to give all their employees the opportunity to purchase different types and amounts of insurance at affordable rates. Offering voluntary insurance also helps companies attract and retain high-quality employees, Whitfield says. The kind

of Alaska businesses that offer voluntary insurance vary, ranging from companies with five employees to those with hundreds and thousands of workers. “We all need quality employees to grow our business and remain profitable. Besides, if you are a caring employer, offering insurance is a way to make a major impact on employees’ lives.”

In terms of how much coverage employees are choosing with Colonial Life’s plans, coverage for voluntary life insurance tends to be in the \$100,000-to-\$200,000 range. This is significantly more than the group coverage many employers provide and adds much-needed protection for families that are often underinsured, according to Whitfield. The most common disability coverage amount employees opt for is \$3,000 a month, with the maximum coverage amount being \$6,500 a month. Critical illness insurance plans are available in many levels, with \$20,000 worth of coverage being a popular amount.

Whitfield is passionate about promoting the benefits of Colonial Life’s critical illness insurance. Alaska has the highest healthcare costs in the country, and a cancer diagnosis, heart attack, or stroke can come out of the blue, she says. Critical illness coverage can provide extra money and peace of mind to weather a health-related storm. “It’s like a living life insurance policy,” Whitfield says.

For this reason, she feels it is vital for employers to consider offering a critical illness plan in addition to health coverage. Even the best medical insurance won’t cover all costs, especially when combating a major illness. In addition to copayments and deductibles—which can be several thousand dollars with today’s high-deductible health plans—a family could face many other non-covered expenses, such as travel for treatment, child care, and lost wages. “When employees aren’t worried about paying the bills,” Whitfield says, “they can recover quicker and get back to work sooner.”

Colonial Life’s dental and life insurance products are also common add-ons with employers in Alaska. Identity theft, legal, and telemedicine plans are also becoming increasingly popular with consumers of all demographics, Whitfield says.

### Many Supplemental Insurance Options

New York Life also offers an array of supplemental insurance products to meet the varied needs of consumers. Its life insurance options include term life, which is for a specific time; whole life, which provides lifetime coverage and builds cash value; and universal, a flexible cash-building option.

Most companies that provide benefits include group life insurance with the health insurance plans they offer employees, according to Linda Hulbert, a Fairbanks-based independent agent for New York Life Insurance Company. Life insurance can be one of the products an employer offers at its discretion. Employees may be able to purchase extra coverage and have the premium deducted from their paychecks. “In today’s competitive economy, employers are increasingly making life insurance available to their employees as



“Lots of places focus on cancer treatment.  
But only FMH focuses on me.”

— Valinda Taylor

At FMH, we don’t treat you as a patient. We treat you as a neighbor. As one of our own. Because you are. And we’re proud to offer our neighbors advanced cancer treatment locally. Our new Linear Accelerator delivers precise, localized treatment, offering a safer, more comfortable experience. **Just one more example of how people come first at FMH.**

 FAIRBANKS MEMORIAL  
**HOSPITAL**

[foundationhealth.org](http://foundationhealth.org)



an extra benefit," Hulbert says.

Life insurance is an important part of estate and retirement planning for people of all ages. The death benefit proceeds from a life insurance policy are generally tax free. "It's available to take care of medical bills, to fly family members in to attend a funeral, and to give peace of mind to survivors," Hulbert says. "It's money that enables you to catch your breath and reorient your life."



Linda Hulbert  
Independent Agent,  
New York Life  
Insurance Company

Image courtesy of  
New York Life

Hulbert says it's essential for people to plan ahead and purchase life insurance when they're young and healthy. "You can't always depend on being able to get life insurance because your health can change in a heartbeat," she says. "It's really important to get life insurance when you're healthy to keep your rates as low as possible. Some of my clients may only have a short-term need for life insurance and can benefit from purchasing term insurance for a limited period of time. Others prefer to have long-term insurance coverage and find whole life and universal life coverage to be better options."

Life insurance can also be an effective way for individuals to pass on assets to someone or something they care about. Hulbert says, "How do you want to be remembered and by whom do you want to be remembered? Life insurance can be a legacy for your children, community, or a favored charitable organization."

Unfortunately, most people underestimate the amount of life insurance they actually need. If they have children, for example, they should consider their ages, whether their spouse can work, and what it will take to maintain their family after they die. "I suggest that they evaluate what they think they will need and what they want for their spouse and children," Hulbert says. "Do they want them to be able to stay in the house? Do they want to be able to provide for their kids' education?"

In addition to life insurance, New York Life also offers employer disability and long-term care plans. Disability is important coverage, Hulbert says, but it's a type of insurance that many people don't have and may not be offered by their employer. Nevertheless, it's valuable protection to help replace lost income, should an employee have an accident or suffer from a serious illness.

Extended care planning also can be a critical element in a person's retirement plan, especially for workers who are looking to retire sooner rather than later. "People are living longer life spans and may face very costly care needs in their later years," Hulbert says. "Some may spend their assets down and have to go on Medicaid. That's an unfortunate occurrence. Planning for long-term care takes a lot of forethought, but it is an important part of a retirement plan."

Tracy Barbour is a former Alaskan.

## Do you avoid smiling?

- ✓ Do you often cover your mouth when smiling or laughing?
- ✓ Do you lack confidence in the appearance of your teeth (smile)?
- ✓ Are you tired of the 'denture' look?

**We have smile solutions!**



*Your Smile, Your Success, Our Business*



**Advanced Dental Solutions Inc.**

Dale Burke, DDS, and Mark Williams, DDS

4450 Cordova St., Suite 130 | Anchorage, AK 99503

email: [info@anchoragedentalsolutions.com](mailto:info@anchoragedentalsolutions.com)

[Anchoredentalsolutions.com](http://Anchoredentalsolutions.com) | 907-562-1686

*great originals* Inc.  
(907) 561-8922  
[www.greatoriginals.com](http://www.greatoriginals.com)

## Full Service Printing & Mailing

Great Originals is a full service printing, bindery and mailing company. We have served the public for over 21 years, providing fast and affordable service to our community.



Business Cards, Letterhead & Envelopes



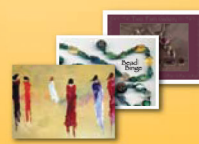
Newsletter, Brochures & Flyers



Large Posters & Displays



Custom Clocks



Post Cards and Mailers



Life Size  
Custom Cut-outs



Labels, Stickers and Magnets, Custom Cut



Digital & Traditional, B&W and Full Color Printing

(907) 561-8922 • 360 East International Airport Rd., Ste 6

**[www.greatoriginals.com](http://www.greatoriginals.com)**