Teleflex Incorporated is a global supplier of single-use medical products for critical-care and surgical applications. It also has business units that offer specialty applications for the aerospace and commercial markets. Headquartered in Limerick, PA, it has satellite locations throughout the country and the world.

Prior to adding a health savings account (HSA) option to its health care insurance offerings in 2006, Teleflex was offering three health plans, including a high-deductible health plan (HDHP) with a $1,000 deductible and no HSA. Few employees enrolled in the HDHP.

In 2006, Teleflex saw that the health care market was headed toward consumer-driven health plans (CDHPs) and HSAs. It also needed to increase participation in the HDHP, reduce the overall health care spend for the company and employees, and help employees become better health care consumers.

The solution, it hoped, was to add an HSA to its HDHP plan. But few employees chose to make the switch to the HSA plan and enrollments were going up just 3% to 6% each year.

Teleflex attributed low participation in the HSA plan to lack of comprehensive service from its original administrator, a hard-to-use employee HSA web site, and perception barriers. It determined that an easier-to-use web site was mandatory. And though the original vendor offered to redo its site, Teleflex decided to consider other options.

Taking a new approach to ease fear and increase participation

After a comparative analysis of different vendors and a bid process, Teleflex chose HealthEquity to replace the original administrator. HealthEquity offered 24/7/365 service—before and after enrollment, an award-winning online member portal, and more. “HealthEquity came out as the favored partner. They seemed to have more accounts and more experience. And we liked the product better,” said Doug Carl, Teleflex director of benefits.

Teleflex also tackled employee perception barriers. Realizing employees saw potential risk in the HSA, it simplified the plan design to make it easier for employees to understand. It replaced the previous coinsurance, so that once an employee meets the deductible, the plan pays 100%. It contributes 50% of the cost of the deductible to the employee’s HSA each year. And, where before the company contribution was spread evenly across all paychecks in the year, now half the company contribution is made in January and the other half in July.

For the HSA plan, Teleflex employees now pay just 10% of total premium costs compared to 20% and 30% for the traditional plans. The new plan addressed employee concerns and they now have the peace of mind of knowing money is available to them day one.
STRATEGIZING FOR HEALTHCARE LITERACY

“We’ve consciously structured employee contributions, so it makes more sense to choose the HSA,” Doug said. “Employees now see that if they don’t use a lot of health care or can figure out a way to save money, they have the flexibility to do that. With the other [traditional] plans, if they don’t use a lot of health care, they’re spending ‘rent money’—money that’s going out that they’re never going to recoup. They now understand that they have control over the health care dollars they spend.” These changes helped convince employees of the HSA plan’s value. And enrollments increased 167% for the 2011 plan year.

Realizing a real return

Not only have employees seen the value of the simplified HSA plan, they’ve seen real value from HealthEquity as the new plan administrator. “I did an enrollment meeting at headquarters this past fall,” Doug said. “One of the women who used to get really frustrated with the former vendor asked, ‘Is everybody else as happy with HealthEquity as I am, with their Member Services and everything else?’

“I looked around the room and all these heads were nodding ‘yes’ and none of them said ‘no.’ I said ‘Wow, this is wonderful.’ “One of the most valuable pieces of working with HealthEquity is the Member Services people who really understand the HSA. So, when our employees go there, they get real answers and don’t get put off,” Doug said.

A future focused on increasing health care literacy

Creating an HSA that makes sense and works for employees was only part of Teleflex’s ongoing effort to make employees partners in their own health care. In 2011 the company is initiating an ongoing strategy that includes health care literacy, financial literacy and empowerment on issues from how to resolve claims to how to be a smarter health care consumer. “I think that offering the HSA plan has positioned Teleflex well for the future,” Doug said. “And being literate about health care, all goes with using the HSA plan.”