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Peg your benefits plan to standards in your industry

San Francisco Business Times - by [Robin Xander](#)

Betty Jo Toccoli understands the importance of benefits no matter which hat she is wearing.

A financial planner and owner of **Total One Development Center**, Toccoli knows it's tough for small businesses to find a benefits provider because they aren't a large market. As president of the California Small Business Association, Toccoli is in a position to guide other businesses to appropriate providers.

"We're trying to do some matchmaking that makes sense on both sides," Toccoli said.

As with any good match, finding a benefits provider works best if everyone is clear about their expectations.

Benefit plans vary from industry to industry, but generally a comprehensive plan includes medical, dental, vision, a 401(k) plan, and disability and life insurance. Benefits are a tool for recruiting and keeping employees.

- Talk to your employees before committing to a plan, said Kelly Kobetsky, vice president of the life and health department at Sweet & Baker, an independent agency in San Francisco. Kobetsky said an employee survey will provide a useful road map. "You'll probably find some (benefits) might be valued more than others." Did some people max out their dental benefits? Would they prefer a plan that offered more, but had a higher deductible?
- Look for a good fit with the insurance provider. Toccoli said most of the business owners she talks to want somebody they can deal with in person.
- What's happening in your industry? Kobetsky said information on industry benchmarking can be very helpful. "Are they hiring? In growth mode? Watching costs?" she asks. A broker can help a business find direction.
- Teach your employees. The cost of health care has skyrocketed, presenting a problem for a business' bottom line. "The more successful employers educate their employees to the true cost of their benefits," Kobetsky said. "The more employees can be educated, the more they appreciate the package."

She suggests when doing annual reviews, an employer list the benefits as part of total compensation. "Maybe you can't give much of a raise, but they see the cost of their medical benefits went up 20 percent," she said.



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Kelly Kobetsky, vice president of the life and health department at Sweet & Baker.

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- Consider a cafeteria plan, which permits workers to select their own level of care. They can get more choices with higher deductibles or fewer choices with fewer out-of-pocket expenses. Employees can choose to not enroll in areas they don't need.

"People like the freedom," Kobetsky said, pointing out that some employees will join an HMO to have their baby, then switch to a PPO afterwards.

One budget-conscious idea is to make sure the plan offers preventive services. Free checkups often reduce the need for high-cost services later on.

- Look at many options. Kobetsky said there are new products that might suit some businesses. Health savings accounts, for example, have high deductibles, but money that isn't spent one year is rolled into the next. These are employer-funded, but half the cost of a PPO.

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