

## Re-fashioning Employee Health and Benefits

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Three straight years of improved employee benefits and no increase in payroll deductions for employees and their families is a major feather in the cap of Buffalo Exchange Human Resources Director Jennifer Forster, who knows the company's implementation of a comprehensive health and wellness program has been a success.

Buffalo Exchange, a nation-wide resale fashion company based in Tucson, Ariz., has 700 employees located at 43 stores all over the country. In addition to selling new and recycled fashions, the company has proven conclusively health care consumerism is not just for large companies. Forster remembers coming to Buffalo Exchange and experiencing how the big-name insurance companies were treating the small companies.

"I knew we were small in their eyes and I knew there was a way to do things better," she recalls. "I simply became unwilling to accept the status quo of discussing higher rates with lower benefits every year."

Forster and Buffalo Exchange owners, Kerstin and Rebecca Block, used a focused, well-organized plan to bring increased wellness responsibility and accountability to their organization. Kerstin and Rebecca both matched

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Forster's passion for finding a better way to do benefits.

In 2010, Buffalo Exchange began developing a full-replacement consumer-directed health plan. Among large companies, only 13 percent have full replacement plans. This strategy put Buffalo Exchange directly on the leading edge of the health care consumerism megatrend, and implementing the new plan couldn't have been easier.

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Buffalo Exchange's employee population loved that their actions had a direct result on the quality of their health care plan.

But Forster and the company owners didn't stop there. Implementing a CDHP wasn't enough; they wanted to wage a full-fledged crusade for better health and better benefits for the company's employees. They implemented a health reimbursement account (HRA) contingent upon employees and their adult family members completing a biometric screening.

"We very carefully selected the HRA amounts based on what we knew about how much health care our employees used," Forster adds. "Based on this information, we were able to select a funding amount that would be the most advantageous to most of our employees."

Forster and the HR team implemented a comprehensive program, including: rewarding employees by depositing \$750 to \$1,500 into their

**Jennifer Forster, HR Director**

**Company:** Buffalo Exchange

**Headquarters:** Tucson, Ariz.

**Website:** www.buffaloexchange.com

**Founded:** 1974

**No. of Employees:** 700+

**Nature of Business:** Vintage clothing retailer

**Key Executives:** Kerstin and Rebecca Block, Owners

**Key Solutions Providers:** Benefit Commerce Group



personal health care account for completing the annual biometrics and health risk assessments;

paying 100 percent for generic preventive medications and enhanced benefits for preventive brand drugs; conducting monthly and quarterly wellness campaigns and clinical health coaching with a focus on positive lifestyle management. They also established a fitness center in the central office, where employees can use exercise equipment and weights on a daily basis.

At Buffalo Exchange, the benefit plan is not a one-day-a-year enrollment meeting but a culture of promoting a health lifestyle.

"We talk about benefits all year long," Forster said.

To further a culture of well-being, the company established a "Benefit Corner" in each store to post important information and enrolled employees in a monthly health newsletter, *Personal Best*, which includes topical articles in each issue of the company's monthly publication. Buffalo Exchange also instituted a smoke-free campus.

The company couldn't have fostered a culture of well-being without Benefit Commerce Group (BCG), the Arizona-based employee benefits brokerage firm and fellow HealthCare Consumerism Superstar. When the two organizations first met, it was quickly apparent they were on the same page when it came to health care consumerism strategies. Both were determined to change the paradigm of how people thought about employee benefits.

Forster and other company leaders were asking the right questions: Why can't our previous broker do better for us? Why are the reasons for renewal rates a "big secret?" How do we get a carrier to care about a smaller employer?

Buffalo Exchange really wanted its benefits program to make a difference at the company and for its employees' lives.

"The biggest thing they [BCG] have brought is that we now think of benefits strategically with the long term in mind," Forster says of the partnership. "We think about several years ahead rather than just the current year."

Two years ago, Buffalo Exchange implemented 100 percent preventative care. Health care payroll deductions are at a standstill, and engagement in the wellness program has never been higher. But for Forster, the success of the program can be measured by just looking at her employee population.

"I see our employees every day: healthier and happier because of the programs we've put in place for them," Forster says. HC