



GUIDE

Why Every CEO Needs to Create a Healthcare Purchasing Committee

Best practices to establishing, implementing and coordinating equitable employee health benefits.

Nonprofit**HR** nonstop®

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Give DEI a Seat at the Health Plan Decision-Making Table

Nearly 4 million people quit their jobs in April 2021, pushing the quit rate to 2.7 percent of those employed and departure costs averaged about one-third of that worker's annual earnings.*

Leaders are challenged daily with a variety of talent management priorities, including maintaining and championing a healthy workforce, balancing the demands of talent recruitment, employee retention, and workplace culture initiatives—all with the renewed commitment to supporting diversity, equity and inclusion (DEI) for employees.

That's why we are encouraging leaders to ensure that DEI is a core consideration when shaping comprehensive employee health benefits plans. A best practice in implementing these initiatives is to create a healthcare purchasing committee that includes a diverse set of relevant stakeholders from across the organization and beyond.

* Source: <https://www.shrm.org/ResourcesAndTools/hr-topics/talent-acquisition/Pages/Workers-Are-Quitting-in-Record-Numbers.aspx>



What is a Healthcare Purchasing Committee?

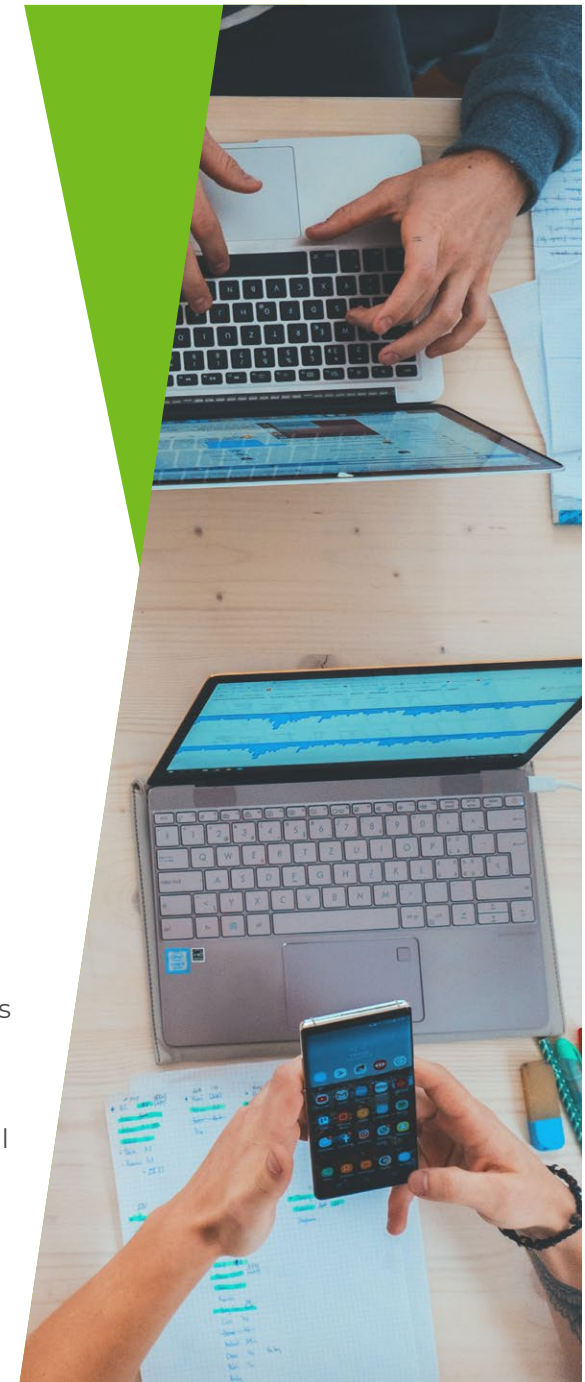
A **healthcare purchasing committee** is a group of individuals tasked with the collective mission of evaluating and recommending employee-sponsored health insurance options—including brokers, plans, and funding models—for your organization. The committee should align with the organization's mission, including its goals for DEI. The committee is therefore mindful of the organization's financial wellness but also about improving employee recruitment, retention, and accessibility to care.

Creating a healthcare purchasing committee can help with:

- Identifying improvement opportunities within your existing plan
- Uncovering better and more cost-effective options
- Balancing employee needs with business and financial requirements
- Facing concerns about fairness, equity, and accessibility to care for all employees

As health insurance costs continue to climb, it's more important now than ever to reevaluate the *status quo* and uncover new cost savings opportunities. Doing so with a committee can ignite a more collaborative, diverse, and innovative discussion, as well as a more robust vetting and decision making process.

Specifically, a committee of this kind ensures voices from across the organization are heard throughout the process of forming an equitable health plan. This is a fundamental step in creating alignment within an organization.





Three Steps to Creating a Successful Healthcare Purchasing Committee

As health insurance costs continue to climb, it's more important than ever to reevaluate the status quo to uncover areas of significant savings. A committee can ignite a more collaborative, diverse and innovative discussion as well as a more robust vetting and decision process.



STEP 1. DEFINE COMMITTEE MEMBERS

The process of vetting employee-sponsored healthcare options requires a commitment from open-minded individuals who are vested in the committee's goal.

PRE-RECRUITMENT PROCESS

1. Decide if committee members will be nominated or if anyone in the organization can request to join
2. Connect with leaders and key decision makers to get a shortlist of potential committee members
3. Thoughtfully recruit, via appointment or otherwise, between 3 and 10 committee members
 - › Committee Composition: Members should represent a cross-section of relevant departments and potentially other relevant committees. Consider the diversity and goals of the organization and whether or not this is reflected in the committee membership
 - › Members should demonstrate a certain level of dependability, reliability, professional interest, availability, communication skills and familiarity with the topic

Finally, ensure your members are **collaborative and open-minded**. As Atokatha Ashmond Brew, Managing Director, Client Marketing & Strategic Communication from [Nonprofit HR](#), describes,

“Collaboration is key ... My number one piece of advice is to get as many people in the initial conversations to ensure that you are beginning with a good representation of your workforce.”



STEP 2. ESTABLISH COMMITTEE PROCEDURES AND GROUND RULES

Suggested operating procedure elements to consider and communicate are:

- Frequency, timing and duration of meetings
- Management of a formal agenda and meeting minutes
- Facilitation style for both divisive and collaborative conversations
- Agreement on who the decision makers are and/or what the “voting” procedures should be
- Agreement on goals and timelines
- Acceptable committee member requirements or behaviors such as arriving on time, actively listening, and the completion of any duties or assignments





STEP 3. OVERVIEW CHECKLIST

After determining the composition of the committee and the operating procedures, follow this checklist to be sure your committee is set up for success:

- ☐ Begin meeting no later, if possible, than six months before your healthcare benefit decision date
- ☐ Get buy-in from leadership
- ☐ Task the committee with
 - › Representing employer and employee needs
 - › Evaluating your current plan
 - › Outline gaps and deal breaker-criteria
- ☐ Researching alternative options
- ☐ Researching different funding models
- ☐ Determining your company's change management process if the committee decides to make any changes
- ☐ Supporting HR leaders in pursuing health insurance related next steps and employee communication

There is power in combining a formal committee approach—which features clear rules and firmly established goals—with a diverse group of employees that represents all or nearly all segments of the organization. A well-structured committee of this kind also brings broad expertise, insight, and excitement to the health plan decision-making process. This checklist will serve as a comprehensive guide to helping you create a health insurance purchasing committee that is thoughtfully vetted, committed to establishing and accomplishing a clearly defined agenda, and capable of researching and evaluating a spectrum of healthcare benefit options.



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