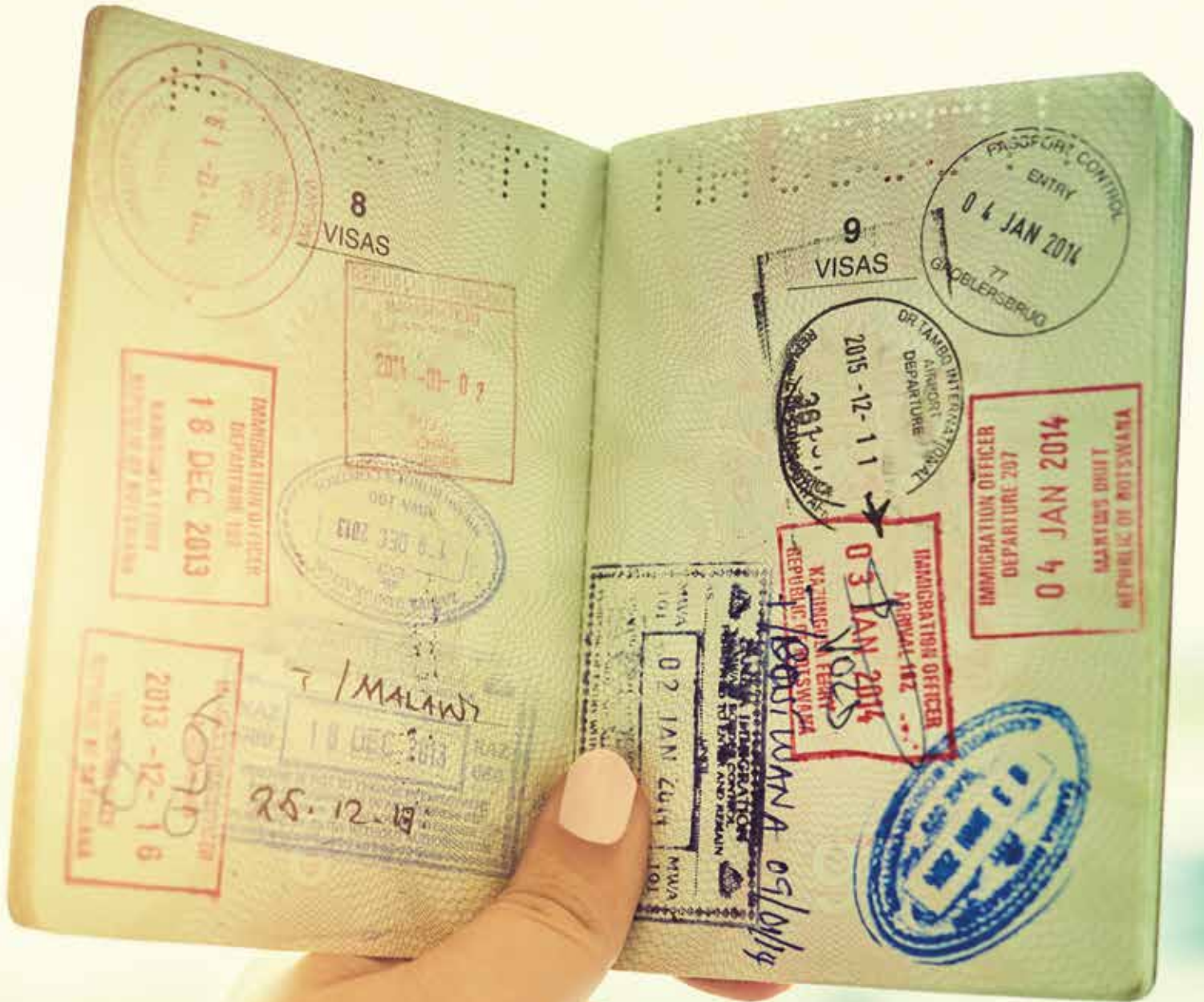


Employers have an increasing responsibility or duty of care to ensure that employees have adequate medical coverage and assistance services while they're living and working internationally. This article discusses the available options and factors companies should consider when designing a medical program for their mobile workforce.



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The Ins and Outs of Providing Medical Coverage to a **GLOBALLY MOBILE WORKFORCE**

by | **Lisa F. Burkard, CEBS**

As companies grow and expand into new international markets, more and more employees are working outside their home locations for extended periods of time. Companies also are moving into less developed countries with unstable social and political environments where the quality of medical care may be inadequate for their mobile workforce.

At the same time worldwide travel is increasing, natural disasters and political unrest are becoming more frequent. Employees may be exposed to unpredictable circumstances, including physical hazards and health and safety threats. Companies have a legal, fiduciary and moral duty-of-care obligation to their employees and accompanying family members who are traveling and working on company business. *Duty of care* is the legal responsibility of a company to do everything “reasonably practical” to protect the health and safety of its employees, regardless of work location.

Not Your Typical Health Care Plan

For reasons such as these, multinational employers need a comprehensive health and welfare benefits program designed specifically for a mobile workforce. Providing medical coverage to a mobile workforce goes beyond traditional health care benefits. Unique features, such as coverage for medical evacuations, which would not typically be included in a standard home-country medical benefits program, are common components of a program designed for a mobile workforce. Program components may extend to specialized medical care, travel and security assistance, emergency evacuation, repatriation, and similar services and benefits. Medical care coverage may be the most important aspect of a mobility program but typically receives the least attention, generally because employees expect their home medical plan to extend to the host location. But this is not always the case.

This article will focus on the medical plans available to organizations to ensure their mobile workforce has an appropriate level of medical coverage and assistance services while working and living outside the home location on company business. The article also explores global medical benefits plan design strategy and considerations.

Comprehensive Mobility Health and Welfare Program

A comprehensive mobility health and welfare benefits program is designed to ensure the health and safety of a company's mobile workforce and typically includes:

- Travel assistance and support
- Security assistance and evacuation
- Emergency travel medical insurance
- Emergency medical evacuation and repatriation assistance
- Business travel accident insurance
- Global medical plans.

The types of benefits/services vary based upon the assignment type (business travel, commuter, short-term assignment, long-term assignment, etc.), and the assignment length and location.

Each of these benefits and support services can be purchased as separate components or as one comprehensive program.

Determining the Appropriate Medical Plan

Employers should consider several factors when determining the appropriate health care benefits and travel-related assistance services for their mobility program.

- **Duration of time outside the home location.** The longer the employee is outside the home location, the

more likely the employee will need a comprehensive medical plan.

- **Family status.** If family members accompany the employee, often the employer would need to offer a medical plan providing benefits to all family members.
- **Availability of comparable coverage in the host location.** If treaties exist between countries that allow employees to use the government social system of the host location and if the coverage level is comparable with home country coverage, no additional medical coverage may be needed, or perhaps only a supplemental top-up plan is needed.
- **Whether home medical coverage extends to the host location.** If the home location medical coverage extends to the host location, and there are minimal administrative burdens on the employee (such as claim adjudication and expense reimbursement complications), additional medical coverage may not be needed.
- **Location and quality of care.** The availability and quality of medical care in the host location determines whether a comprehensive medical plan, such as a global medical plan, is needed.
- **Legal requirements.** Any legal requirements in the host location requiring that private medical coverage be secured prior to the issuance of the necessary immigration documentation needs to be determined.
- **Company philosophy.** Does the company believe it should repli-

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cate the level of medical coverage that employees have in their home country? Should the coverage level while employees are working outside their home location be more generous? Is the global medical plan “richer” than that of local employees at the host location? Should employees be asked to share in the cost of their medical coverage? Should all employees working outside their home locations have the same level of medical coverage?

The answers to these questions will help to shape the type and nature of medical coverage provided to a mobile workforce.

Medical Plan Options

Employers can ensure their employees and accompanying family members have medical coverage while they are working and living outside their home location by having employees remain on their home location medical plan or by moving onto the medical plan of the host location. Both options may work, but what if:

- The employee’s home medical coverage will not extend to the host location?
- Medical coverage at the host location is available only via a social health care system for which the expatriate is not eligible?
- The host location will not cover the employee on the host plan since the employee is not a permanent resident of the host location?
- Private (company-arranged) medical coverage is required prior to the issuance of a work visa?
- Coverage is available in the host country but is not as comprehensive as the coverage the employee had in his or her home country?

For these reasons, companies may need to consider an alternative medical plan in order to provide adequate medical benefit protections to employees and their family members. With each medical option, it is largely up to the company to determine which medical benefits and level of coverage are appropriate. Medical plans are often paid for by the company, and the company serves as the plan sponsor. Each company needs to decide and state within its mobility policies whether the company covers the medical plan premium costs on behalf of the employee or whether a portion of the premium costs will be the employee’s responsibility. The three most common medical plan options are:

- Emergency travel medical insurance plans
- Supplemental top-up plans
- Global or regional medical plans.

Emergency Travel Medical Insurance Plans

Sometimes referred to as *emergency travel insurance* or *business travel medical insurance*, this medical plan is generally limited to emergency medical services. It is typically used for business travel or assignments that require employees to be outside of their home location for fewer than 180 days. Employees remain covered under their home location medical plan, so this type of medical plan is not intended as a comprehensive solution but used only in the event of a medical emergency while traveling on company business.

Scope of Coverage

Emergency medical insurance plans are considered supplemental plans since coverage is often limited in the amount and scope. Emergency medical services are covered only if the services incurred are outside the employee’s home location. A typical emergency medical insurance plan might provide \$250,000 in covered emergency medical services. Routine medical care and preventive types of services are excluded, as well as claims for nonemergency medical conditions.

Support is generally available through a 24/7 global customer service center with multilanguage capabilities and multicultural customer service representatives. Claims are processed in a number of different languages and are reimbursed in multiple currencies via electronic funds transfer. An interactive and comprehensive web portal is generally a component of all emergency medical programs. A medical referral service that helps direct employees to an appropriate medical facility is generally available.

Insurance Carriers and Premium Cost

The typical emergency medical insurance plan is purchased as a *blanket policy*, meaning that the insurance carrier does not need to know the exact name or number of business travelers. An estimated number of travel weeks and an estimated number of international business travelers are generally required, and an annual premium is assessed. These policies are generally inexpensive and easy to secure and implement. A number of carriers—both U.S. and international—offer emergency travel medical insurance plans.

takeaways

- Employees who travel to international locations for work may be exposed to circumstances that include physical hazards and health and safety threats.
- Employers have a legal, fiduciary and moral duty-of-care obligation to protect the health and safety of their employees regardless of location.
- When determining the appropriate health and welfare benefits for international employees, factors to consider include length of time the employee will be outside of the home location, family status, comparable coverage in the host location and legal requirements.
- The three most common medical plan options are traveler's emergency medical insurance plans, supplemental top-up plans, and global or regional medical plans.

Supplemental Top-Up Plans

A *supplemental top-up plan* is a company-sponsored private medical insurance plan. These plans are generally designed to supplement the medical coverage provided by the host country social insurance system. The plan is designed for instances in which an employee receives a certain medical benefit, such as vision coverage, in the home location, but the same benefit is not available under the host location medical plan. Through the purchase of one of these plans, the company can closely replicate the type and level of coverage that was provided in the home location.

Impact of Social Security Treaties

Because some countries, such as European Union member countries, have reciprocal social security treaties, employees may be able to access the government social system of the host country location and receive similar medical benefits to those of their home location. A government social system is public medical coverage provided to all residents of a country and is often free for residents because the costs are covered through mandatory social insurance payroll taxation. In some instances, employees and their family members can attain com-

prehensive medical benefits comparable with the coverage they had in their home location by combining the government plan with a supplemental top-up plan. This option may be a much more cost-effective solution compared with a global medical plan and may be just as effective.

Insurance Carriers and Premium Cost

The typical supplemental top-up plan is priced by the insurance company based on the plan design and demographic characteristics of the covered group of employees. The age, gender, family size and home/host country locations affect the pricing of these policies. In general, a top-up plan is quite a bit less expensive than a comprehensive global medical plan because it provides medical coverage over and above what is already provided by the underlying government social system, which typically includes hospital, surgical and doctor services. Many supplemental top-up plans are regional and may apply only to a designated group of the mobile workforce or provide coverage in specific countries. This may result in a lower cost as compared with a global medical plan.

Carriers that provide supplemental top-up plans include international and U.S. carriers.

Global Medical Plans

Global medical plans are also referred to as *expatriate medical plans*, *global health care plans* or *global health plans*. These plans are designed specifically for the unique medical needs of employees and their accompanying family members who are working outside their home locations for periods longer than 180 days. Global medical plans are designed to replace the coverage that employees had in their home location and to provide comprehensive and portable coverage in any location that employees and their accompanying family members may work or live.

Global medical plans usually provide comprehensive health care benefits as well as ancillary benefits such as dental and vision coverage. Life insurance and long-term disability coverage may also be available as a supplement to the global medical plan. Coverage is generally available worldwide and is intended to be used for both routine/preventive medical care and emergency care. Global medical plans provide consistent coverage to all employees regardless of home and host country location, so employees do not have to change plans or carriers should they travel or live in multiple locations.

Unique Features

Global medical plans are sensitive to host location customs and medical protocols as well as regulatory compliance. They include unique features and concierge-level customer services that are not typically included in the home country medical plan, such as:

- A 24/7 global customer service center with multilingual capabilities and multicultural customer service representatives

- Claims processing in a variety of languages
- Claims reimbursement in multiple currencies via check, wire transfer or electronic funds transfer
- An interactive and robust web portal
- Provider direct payment arrangements and up-front guarantee of payment.

Global medical plans often include specialized medical programs specifically designed for the unique needs of mobile employees and their accompanying family members. These programs include:

- International employee assistance programs (IEAPs)
- Comprehensive health management programs
- Global wellness programs.

Insurance Carriers and Premium Cost

Most global medical plans are fully insured unless the covered expatriate population is large enough for the claims experience to be credible and the company to be comfortable assuming the claims risk. The majority of global medical plans that provide comprehensive worldwide medical coverage are underwritten by U.S. insurance carriers, and they typically provide coverage across all countries.

The ability to exclude certain countries from coverage is one advantage of certain global medical plans. This can be a good cost-reduction technique if the company does not do business in certain countries and employees do not travel to these countries on business. For example, medical services performed in the U.S. are some of the most expensive in the world, so excluding services provided in the U.S. would significantly reduce the monthly premium cost.

Emergency Medical Evacuation and Repatriation Assistance Services

Regardless of the type of medical plan designed by a company to provide for the medical needs of its mobile workforce, medical evacuation and repatriation assistance are prevalent features or services that are generally included alongside or as a component of a medical program. An emergency medical evacuation may be necessary if the appropriate treatment facility or medical personnel are not available in a particular location. In this situation, the patient is usually evacuated to the closest available medical facility that provides the necessary treatment. Repatriation services, which arrange medical transportation home after treatment, are generally included.

In the unfortunate circumstance of the death of an em-

ployee while traveling on business or on an international assignment, repatriation of mortal remains is an important component of a comprehensive travel assistance program. Transporting a body across country borders can be quite complex because of the need to secure the necessary legal death affidavits and customs clearances. Due to differing religious beliefs, this often must be done within a very short period of time and can be critically important to the employee's family.

Conclusion

As companies continue to ask employees to work and live outside their home country locations on extended business travel or short- and long-term assignments, they are recognizing the need to thoughtfully and strategically design a comprehensive mobility health and welfare benefits program. In addition, employers have recognized the need to provide a program that incorporates travel and security assistance services, emergency travel medical insurance, medical evacuation and repatriation services, and business travel accident insurance coverage. These services ensure that employees have the support services and tools available to them in the event of an emergency while traveling or working in another country.

Medical coverage can be a large component of a mobility program; however, it is also one of the most important aspects of the program due to the significant and personal impact on employees and their accompanying family members. 📍

bio



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