

..... APRIL 2006 .....

### View from the Top

## Execs See Link between Health Plans, Wellness; Quality Data Is Critical

**A** MAJORITY OF executives say they are clued into the connection between employee health, workforce productivity, and the company health benefit plan, according to a new PricewaterhouseCoopers' (PwC) management report.

Nearly 20 percent of respondents said that while the health status of their workforce has improved over the last 24 months, they have also offered employee health incentives and health quality information.



Yet, only 24 percent of the top executives thought their health quality information was good, according

to the study. When comparing the quality of consumer information in various industries, healthcare was rated lowest (33%) by survey respondents among four other industries in terms of providing good quality data to help consumers make sound decisions: auto industry (56%), colleges and universities (53%), consumer electronics (47%), and hotels and restaurants (37%).

Nonetheless, the challenge for business is to provide employees with the knowledge and tools to make good risk management decisions, according to Ed Murphy, consulting manager, Plante & Moran, PLLC. "As

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### Unlocking Benefits Silos

## Employers Offer More Benefits in Tandem



RESEARCH SHOWS that employers are abandoning their traditional benefits program silos by moving broadly across benefits boundaries with new approaches to managing health, disability, and absence, even as they struggle to quantify that value. They recognize

that managing benefit programs to an agreed, common goal is more effective and a better investment in the bottom line than siloed programs.

While no single approach to integration of benefits dominates, only two in 10 respondents maintain isolated benefits-program silos (group health, workers' comp, STD, LTD, incidental absence, and family and medical leave), according to Integrated Benefits Institute (IBI). The largest share (44%) integrate two or more of their programs and coordinate others.

Of the 40 percent of respondents who include group health among their linked programs, nearly half say their integrated packages include practices that go beyond co-management, such as medical case management aimed at return-to-work goals for both workers' comp and group health. Claims handling, through claims intake and adjudication, is the most common integrated practice, according to IBI. ■

### Getting Out of Debt

## Financial Education Joins Employers' Programs



EMPLOYERS ARE beginning to realize the negative effect that debt can have on their workforces, and many are taking action by offering basic financial education programs as part of their employee assistance programs (EAPs). Two factors are

impacting this decision: (1) January 2006 saw the lowest personal savings rate since the Great Depression (-0.7%), and (2) employees' penchant for using credit cards. According to the Employee Benefit Research Institute's 2005 *Retirement Confidence Survey*, more than half of workers surveyed say they carry credit card debt month-to-month.

Debt problems cause stress and anxiety that sap workers' productivity, cause health problems, and increase the likelihood they will leave a job in search of better pay, notes E. Thomas Garman, financial author. "They are absent more frequently and waste time at work dealing with financial

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employer control over buying decisions declines, employee skills and purchasing 'know-how' must increase," says Murphy. "This applies to determining the need for benefits, selecting the type and level of benefits, selecting vendors, and evaluating cost and risk acceptance/transfer. It's a fairly complex process and one that requires an education strategy by employers." However, Murphy believes that transferring costs is a necessary part of a broader strategy to educate employees on the best ways to access and purchase healthcare.

There is no question that the time is ripe for changes to the way employees and employers approach benefits, but is the American workforce ready to be given the wheel when it comes to managing their benefits, questions an Aon Consulting *Forum*. The evolution of the employment relationship from benefits "entitlement" to "partnership" is a long-term initiative requiring sustained communication and education, notes the *Forum*.



"We think all Americans need to take control and responsibility for their healthcare, and the way to do that is to have their

information available," says Kevin Rollins, Dell CEO. Dell recently became the largest U.S. employer to offer workers electronic health records that track their insurance claims and drug prescriptions, a key step toward letting its 26,000 staffers coordinate their own care in a bid to improve medical safety and contain costs.

"While Dell is one of the companies in the lead, we believe that [within] the next couple of years most employers will be in a similar position," says Wayne Gattinella, CEO, WebMD Health. ■

## Getting Out of Debt . . . (Continued from page 1)

matters—on the telephone with creditors or trying to get a loan from their 401(k)." Garman's 2005 research showed that 30 percent of U.S. employees feel overwhelming stress over their finances. In addition, Chicago-based EAP provider ComPsych notes that 28 percent of the employees it serves said they were not only worse off than last year, but are also just one major setback away from financial disaster.

Even though these education programs aren't a panacea for a workforce mired in debt, employers benefit by having a less preoccupied workforce. Garman says that financially distressed workers make lots of poor financial decisions for themselves and their employers. "This is a decision-making skill employers are teaching," says Kathy Stoughton, ComPsych financial specialist. "If an employee learns how to make good decisions—financial and otherwise—for themselves, chances are they will make good decisions on behalf of the company." ■

## Bulletin Briefs

### ◆ *FDA Approves Inhaled Insulin for Diabetes*

The U.S. Food and Drug Administration (FDA) has approved Pfizer's Exubera® Inhalation Powder for the treatment of adult patients with type 1 and type 2 diabetes. Pfizer plans to launch Exubera® mid-year. Its cost is expected to be three to four times as much as an injectable.

### ◆ *Employers Take Second Look at HIPAA Privacy Rule*

With the advent of the third anniversary of the HIPAA Privacy Rule, employers with group health plans should re-examine steps taken in response to the rule, according to Kathy Bakich, The Segal Co. national director of healthcare compliance. "A lot of things are getting stale that were put into place when the privacy rule took effect," notes Bakich. The HR professional designated as the person to broach privacy matters with insurers may be long gone or in a different role. Revisit with carriers how information is exchanged and who is designated to communicate with them. Likewise, privacy rule requirements differ markedly depending on whether an employer is insured or self-insured, Bakich cautions. A review of procedures doesn't necessarily mean that dramatic changes are needed. "Most things put in place in 2003 are OK," she says. "But current staff should be trained on the privacy rule requirements, and covered entities should make sure their business associates are acting consistently with HIPAA."

### ◆ *HHS Clarifies Medical Info Release*

According to the U.S. Department of Health and Human Services (HHS), health plans may share with the beneficiary's "family member, relative, or close personal friend" PHI "directly relevant to that person's involvement with the individual's care or payment for care." Other people may also receive PHI "provided the covered entity has reasonable assurance that the person has been identified by the individual as being involved in his or her care or payment." ■

## Voluntary Products to Complement Your Core Package

Find out how Gemini Group can help you implement a voluntary benefits package that will complement your company's core benefits.

Three of the most important objectives for an employer in managing personnel issues are:

- Attracting and retaining loyal workers
- Providing employees choice and security in their benefits package
- Managing the organizations dollars

Voluntary benefits have proven to be important offerings that address each of the three objectives. Selecting the right benefits, communicating them properly and administering them efficiently is the Gemini advantage.

Gemini is licensed with over 20 of the largest voluntary companies in the country thus allowing us to pick the carrier and product to fit your company's needs. We seek to achieve the right balance that ultimately helps your organization better manage costs and attract and retain loyal workers. ■

## Do you have part-time or non-eligible employees not covered on your group health plan? Gemini Group, Inc. can help!

Recent changes to Colorado insurance law have made it easier to get these workers health insurance coverage. Gemini Group, Inc. can show you how to best use these changes to your advantage.

**Benefits at no cost to the employer-** Under the new guidelines, a company can now help workers obtain affordable individual health insurance coverage at no cost to the employer.

**Helps eliminate COBRA problems-** An employer can now help terminated employees obtain an option to COBRA that usually will cost less and move them off the group plan.

### **Cover dependants no longer eligible for a group health plan-**

When a dependant graduates or reaches an age where they are no longer eligible for a group plan, an employer can help by contacting Gemini Group, Inc. to get them covered on an individual health plan. It's easy to apply for individual health coverage at [www.geminigrp.com](http://www.geminigrp.com).

Call Gemini Group, Inc. at (303) 757-1234 to find out how our team of consultants can help find exciting new solutions to all your benefit needs. ■

The HRinsider SM bulletin is brought to you each month courtesy of **Gemini Group Inc.**, a UBA member.

For more information, contact us at [info@geminigrp.com](mailto:info@geminigrp.com)

Or visit our website:

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