



Good News; Bad News

Everyone Feels Pinch as Healthcare Premiums Continue Upward Trend

THE COST OF employer-sponsored health insurance premiums continues to grow faster than both the rate of inflation and worker wage increases, and now averages more than \$12,000 a year for family coverage, according to the Kaiser Family Foundation's *2007 Employer Health Benefits Survey*.



To put this sum in perspective, the average cost of family health-care coverage is now roughly equal to the annual income of a worker earning the

new federal minimum wage of \$5.85, according to Jon Gabel, senior fellow at the National Opinion Research Center at the University of Chicago and co-author of the Kaiser study.

Put another way, "you could buy a new economy car every year for less than the cost of family health insurance," said Drew Altman, Kaiser president and CEO, using the cost of a new Chevy Aveo—about \$9,995—as his benchmark.

There is some good news, however, in this year's findings. The rate of increase in employer-sponsored health insurance has been moderating over the past four years, and the 6.1% increase Kaiser calculated for 2007 was

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Prevention Solution

Firms Work to Adjust Healthcare Culture



HELEN DARLING calls it "revolutionary," this effort on the part of employers to more closely monitor and improve the health of their workers. "It's revolutionary in that businesses are actually saying to themselves, 'if we want people to be healthy, we cannot sit back,'" says Darling. Darling, president of the National

Business Group on Health, says that corporate America began getting much more involved in trying to improve clinical outcomes for its workforce about three years ago.

Dr. Dee W. Edington agrees. As Director of the Health Management Research Center at the University of Michigan, he has been charting what works in wellness programs for a quarter of a century and has seen more activity in the past three years than at any time in the last 25 years. The impetus is coming from executives fairly high on the corporate food chain, too. "There's much more realization in the C-suite that you have to be doing something about people's health," says Darling. Policy experts contend that employers can help reverse the problem by changing their corporate culture and promoting health and wellness in the workplace. *(Continued on page 2)*

Facing More Stress

Retirement Savings Fall as Benefits Costs Rise



THE HIGHEST stress factors continue to be saving for retirement and paying for healthcare in retirement, according to the *2007 Ameriprise Workplace Financial Planning Benefit Decisions* study.

"As employer-paid benefits such as pensions and retiree healthcare go by the wayside, employees increasingly confront a confusing nexus of financial decisions related to retirement plans, health insurance, and other benefits on an annual basis," says Rusty Field, vice president, Ameriprise Workplace Financial Planning. "Many are increasingly recognizing how financial planning can be of assistance in making effective and balanced choices."

According to the study, more than four out of five employees (81%) would take advantage of a financial planning option if their employer paid for a portion of it as part of the employee benefits package. In addition, the study also found that financial planning helps employees get an earlier start with saving and investing in their company-sponsored retirement plans, and that they are more likely to contribute substantially throughout their lifecycle, especially for those under age 35. ■

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the lowest that it has been since 1999.

Likewise, UBA's 2007 Health Plan Survey also shows a downward trend in premium increases. Average premiums increased 7.2% for all plans versus 8.6% last year. The UBA survey shows the average annual health plan cost per employee across all coverage levels to be \$6,881 (medical coverage only), with an average employee cost of \$3,110 and an average employer cost of \$3,771 per employee. Average monthly premiums for all plans were \$347 for single coverage and \$848 for family coverage (a weighted average of all non-single coverages).

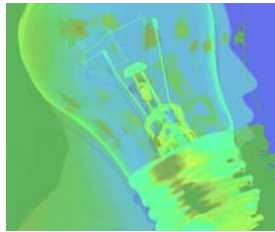
While PPO plans continue to dominate the market (55.9% of plans offered), the HMO market share continues to slip (22.6% of plans offered). Consumer-driven plans (high-deductible plans with an HRA or HSA) now represent 8.8% of all plans offered by employers versus 5.8% last year, according to the UBA survey. The majority of the increased adoption of consumer-driven plans

continues to come from employers with under 1,000 employees, with the highest sub-segment being employers with 25-100 employees.

In a sign of growing awareness that preventive care can be cost effective, the Kaiser survey found that most PPOs now pay for preventive services such as immunizations and mammograms without charging the employee. Likewise, the UBA survey found that 7.4% of all employers offer some form of preventive or comprehensive, non-insurance company-based wellness program, mirroring the increasing trend toward consumer empowerment in healthcare. ■



Prevention Solution. . . *(Continued from page 1)*



Influential employers who are making headway in focusing on employee health are implementing various initiatives, according to Andrew Webber, president and CEO of the National Business Coalition on Health: (1) Pushing wellness programs; (2) Giving employees information on comparative costs and quality of providers; (3) Investigating

value-based benefit designs, including CDHP/high deductible programs, to force patients to take increasing responsibility for costs; (4) Hiring disease management companies to get better monitoring of conditions and better compliance with treatment regimens; (5) Contracting directly with high-quality providers through group purchasing arrangements; (6) Working with IT companies on community and personal health records and interoperability of clinical information; (7) Setting up in-house clinics; (8) Experimenting with payment for performance by providing financial incentives for the delivery of safer and more effective and efficient care; (9) Promoting quality measurement efforts at the national level through organizations that include the National Quality Forum and the National Committee for Quality Assurance; (10) Giving employees incentives to complete health-risk assessments; and (11) Lowering or waiving copayments for prevention and critical medical services.

Edington believes that health insurance companies that are not employing wellness or even more innovative methods to affect clinical outcomes resist the natural evolutionary pull of the industry. "I think health plans have to realize that employers are focused more on improving health and less on reducing costs or cutting benefits," says David Kasiaz, vice president for compensation, benefits, and risk management at Pepsi Bottling Group. "Health plans that understand what employers are trying to do and develop offerings to support employer priorities have an inside track." ■

Please welcome the newest additions to our team:



Danny Clark, Account Manager. Danny received his Bachelor of Arts in Business Marketing and English from Olivet Nazarene University in Chicago, Illinois. Danny's experience from his years working for carriers (Blue Cross Blue Shield of Georgia) and brokers (in both Georgia and Colorado) will be an asset to the group department and the client/groups that he will manage.



Esther Hornbuckle, Broker Service Representative. Esther is a medical underwriter with a strong background in customer service and broker communications. Esther received her Medical Assistant Diploma and Certified Nursing Assistant certificates in Denver, CO. Most recently Esther has been employed by Aetna as a small business underwriter, prior to that Esther held various positions of increasing responsibility at Anthem.

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. ■

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**

Or visit our website:

<http://www.geminigrp.com>

..... Bulletin Briefs

◆ *DHS Regulation 'On Hold'*

A federal court has temporarily barred enforcement of a Homeland Security rule regarding employer responses to Social Security no-match letters. No-match letters refer to notifications sent to employers when Social Security numbers submitted by employees do not match those in the SSA database. For now, employers need to continue to do their best to make sure their employees are legal.

◆ *Medicare Noncreditable Coverage Notice Contains Error*

Individuals with noncreditable coverage who do not enroll in Medicare Part D during their initial enrollment period will have to pay higher premiums **permanently** when they finally enroll. The model notice on the CMS website says they have 63 days when coverage ends to enroll without being subject to the late enrollment penalty, which is not the case. CMS is aware of the problem and intends to update the noncreditable notice, but in the meantime suggests that plan sponsors simply remove the statement from the model notice. ■

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.

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. ■

