




## Workplace Wellness

### Wellness Works . . . When It's Available

**W**ELLNESS IS working! American workers realize that participating in such programs won't only improve health, but will actually lower their personal healthcare costs, according to Jerry Ripperger, Principal's national practice leader of consumer health. Yet, a surprising number of employees do not yet have access to wellness at their workplace, according to the recent *Principal Financial Well-Being Index*.



"When workers become personally involved in their own wellness, workers and employers alike begin to see a big impact," says Ripperger. "All signs point to the positive benefits of wellness programs, and employees get it; yet many employers still haven't taken the step." For example, Kaiser research shows that companies tend to implement a wide range of wellness programs, although they are still utilized by only a small minority of corporations.

For many employers, wellness programs are beginning to be viewed as an investment rather than an expense. Ripperger says that CFOs have always viewed healthcare as an expense, but rarely as an investment. "But improving the health of your employee base, rather than simply providing reimbursements, is an

*(Continued on page 2)*

## 2008 Predictions

### Access to, Cost of Healthcare Top Trends




NOT SINCE THE Clinton administration has the topic of healthcare become the most important domestic issue facing the U.S. population. As consumers take more responsibility for decisions about their health insurance, drugs, and providers, more government regulations are requiring public disclosure of quality, safety, and costs.

Thus, 2008 will be a pivotal year for the health industry, with new market competitors, financial pressures, and regulatory requirements. According to PricewaterhouseCoopers' (PwC) Health Research Institute, the following eight issues will dominate health industry discussions in 2008:

- *Hospital coffers will feel the impact of a new Medicare reimbursement system that's designed to better recognize the severity of patient illnesses.* Speciality hospitals and others that see less *(Continued on page 2)*

## Maybe, Maybe Not

### Will More Data Create Better Healthcare Shoppers



HOSPITALS AND PHYSICIANS are releasing a deluge of data on their performance, bowing to mounting pressure from consumer groups, employers, and lawmakers. But will the release of such information compel patients to act more like thrift-minded consumers whose clout will restrain price inflation and boost service quality?

"We don't know for sure what people really want to know," says Dr. Roy Magnusson, medical director, Oregon Health & Science University's hospitals and clinics. "People just don't want clinical expertise. They want people who care about them, they want convenience, and they have cost considerations."

Patients have shown little interest in shopping for healthcare in the same way consumers hunt for deals or automobiles. For example, the median price at which people would shop price and quality for durable consumer items was \$199; it was \$500 for health services, according to a Regence Group survey.

If patients would shop for health services the way they do for durable-goods, Regence CEO Mark Ganz believes market competition will pressure doctors, hospitals, and others providers of health services to lower prices and improve quality. ■

## Workplace Wellness....

*(Continued from page 1)*

exercise in risk management with a true ROI."

Ripperger notes that a recent Principal study found that for every dollar spent on putting a wellness program in place, employers have seen an average reduction of \$2.45 in medical claims. Generally, it takes about 18 months for an employer to start seeing such returns, he notes. The longer a wellness program is in place, the more healthcare costs can be reduced.

While Ripperger said it's difficult to pinpoint the exact cost of a wellness program, it is often less than 5 percent of a company's total healthcare cost.

On the flip side, insurers have been stepping up efforts to help their policyholders stay healthy by offering their customers more products, programs, information, and online tools to help them take charge of their health.

The aim of insurers is to avert illness, or failing that, to detect illness early and manage it to stop it from getting worse. Insurers say most of the nation's health costs result from chronic diseases, many of which are highly influenced by personal choices. "Nine out of 10 initial heart attacks and a third of all cancers would never happen if we took better care of our own bodies," says Gubby Barlow, CEO, Premera Blue Cross.

Even YMCAs nationwide are getting into the health-fitness movement through their *Activate America* program. Officials are retraining staff, redesigning facilities, and revising activities to combat what the Y calls "the nation's ongoing lifestyle crisis." ■



## 2008 Predictions . . . . *(Continued from page 1)*

acutely ill patients could see their revenues decline, while urban hospitals that treat sicker patients could benefit.

- *Retirees will play a greater role in funding their healthcare coverage, whether they like it or not.* Expect to see more arrangements that provide retirees with a set stipend rather than the traditional promise of open-ended coverage.
- *A surge in the number of retail health clinics, such as those in drug stores, will force states, payers, and policymakers to think about the best ways to deliver primary care.* Hospitals could benefit from retail clinics if they draw uninsured patients, while pharmaceutical companies may need to market more to the nurse practitioners who run the clinics.
- *The market for individual health insurance could get much broader if other states and the federal government follows the lead of Massachusetts, which requires that all residents have coverage.* Individual coverage could also get a boost from Republican proposals for tax incentives to help consumers buy individual policies.
- *Increased oversight and authority by the U.S. Food and Drug Administration (FDA) may boost the public's trust in drug safety, but could also add to the regulatory burdens on pharmaceutical companies.* The FDA now may require drug companies to conduct additional clinical trials to assess risks associated with a drug after it has been released to the public.
- *Big pharmaceutical companies, groaning under the high price of drug development, will keep buying and collaborating with life-science companies to stock their product pipelines.*
- *New IRS rules will mandate that nonprofit hospitals uniformly disclose more details about the community benefits they provide, such as charity care.* Hospitals will also have to be more forthcoming about executive salaries and benefits, because of pressure to justify their tax-exempt status.
- *Finally, Asia is poised to become the world's largest pharmaceutical consumer and producer.* American drug companies have increased their marketing and clinical trials in Asia because of the market's size, increasing wealth, and growing awareness of health-related issues, in addition to Asia's providing high-quality, inexpensive labor. Several Asian drug companies aim to become worldwide pharmaceutical powerhouses, not just contract manufacturers. ■

## **Bulletin Briefs**

### ◆ *IRS Approves Physicals, Body Scans, and Pregnancy Tests*

The IRS added three types of expenses to the approved list of medical expenses that qualify for reimbursement under a Health FSA, HRA, or HSA: annual physical exam, full-body electronic scan, and pregnancy tests, including those available over-the-counter. ■

## 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. ■

## Introducing Gemini HRS

### A Full End to End Human Resource Management System a Mouse Click Away

Geminihrs.com offers a full end to end Human Resource management system that allows employers to track, deliver, and access relevant data at the click of a mouse. Through a single system, an employer can distribute company documents, benefits, and update payroll records, eliminating double entry and fragmented systems.

Employers can deliver company forms and documents, complete online performance reviews and manage employee recruiting online. Geminihrs.com allows employee self service so employees can update personal records, check leave balances and request time off from any computer. All changes flow seamlessly through the system, ending the need for multiple entries in multiple programs. HR is now seamless, consolidated and at your fingertips.

#### **System Features:**

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- Pre-populated Forms
- Job Applicant Tracking
- Performance Reviews
- Online Employee Scheduling
- Online File Cabinet
- Employee Pictures

##### **BENEFIT MANAGEMENT**

- Online Benefit Enrollment
- Billing Report Administration
- Open Enrollment Tracking
- COBRA Administration
- FSA/HRA/HSA Admin.
- Workers Compensation Claims

##### **PAYROLL**

- Complete Payroll Integration
- Time and Attendance Tracking
- Several Time Clock Options
- Customized Time Sheets

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