



Connecting the Dots

Benefit Communications Call for New Approaches To Educate Employees

WHILE EMPLOYEES are open to assuming more responsibility for their own and their families' healthcare, they are woefully unprepared for the role, according to two new surveys.



Of 39,000 employees surveyed nationally, Hewitt found that 93% are comfortable with taking greater responsibility for making

healthcare decisions, but they need help to do so. Furthermore, 79% doubt that their actions will have an impact on controlling costs.

"Healthcare is obviously quite complicated, and employers need to do more to connect the dots for employees," says Jennifer Murphy, Hewitt health-care communications leader. "Choice is important to employees, but they need meaningful choices and more guidance."

However, a recent WorldatWork survey found that 81% of employers continue to communicate the same benefit message to all employee groups, even though their initiatives may focus on individualized health status improvement utilizing strategies such as comprehensive wellness programs, health risk assessments, and disease management initiatives. "This is a good opportunity to do more targeted messaging," says Doug Grieser, Worldat-Work project

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Monetary Incentives

Employers Get 'Pushy' about Health



EMPLOYERS ARE rolling out several unconventional monetary incentive programs around the country to coax, push, or even force employees to become healthier. Their twin goals are to boost productivity and to help control rising healthcare and insurance costs.

For example, PacifiCare is among the more ambitious in its incentives. In addition to cash, the health management company offers its 9,100 employees additional rewards for participating in classes to stop smoking or to manage their diabetes or asthma. Vanderbilt University's HealthPlus program pays cash to employees who peel off pounds, exercise, stop smoking, or take other steps to stay fit. At ITW Dynatec in Hendersonville, KY, employees get an extra \$15 per month for exercising and making healthy lifestyle choices. For those deemed wise healthcare consumers, the amount increases to \$20 per month in 2006.

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For Plan Years on/after July 1

Final Regs Update HIPAA Portability



ALTHOUGH THE final HIPAA portability regulations do not differ substantially from the interim rules issued in 1997, there are significant changes to the language in the model certificate of creditable coverage, including new categories of creditable coverage, such as recognition of a state children's health insurance program, as well as changes to preexisting condition limitations (PCLs) and special enrollments.

It is particularly important that plan sponsors assure that special enrollments are being offered when required and that retirees and their dependents are being offered their rights. In addition, all plan sponsors will have to review their plans to determine if they contain any inadvertent PCLs, and those with PCLs will need to assure that their notices, open enrollment materials, and summary plan descriptions (SPDs) are up to date.

Open enrollment materials, certificates of creditable coverage, and SPDs will generally need to be in compliance by 2006, as the final regulations are applicable for plan years beginning on or after July 1, 2005. ■

Connecting the Dots . . .

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manager, and to communicate throughout the plan year rather than only during open enrollment, which is current standard practice.



As the trend towards more consumer-based health plans requires employees to become more engaged in the decision-making

process, "employees need these plans explained to them in as many forms as possible," according to Jay Coldwell, product director of emerging markets at Wausau Benefits. Tools include health coaching, web-based tools, cost information, comparative information, and pharmaceutical information.

Consequently, employers will need to shift to a new communication paradigm in order to provide their diverse workforce with the tools, context, and knowledge to make meaningful choices to best suit their own unique situations, according to Grieser.

The hard part is engaging employees to use these resources effectively to help control costs. "The key is knowing your audience and reaching them where they are, with the words and images that will resonate and move them to make wise choices," says Howard Smith, president of Smith Strategic, a communication firm in Arlington, VA.

To help employees connect the dots, employers will need to tailor incentives and messages to cost issues and specific solutions so that employees understand why they should care, what happens if they don't do anything, and what action steps they can take to help improve the situation. ■

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Rewards systems, which are gradually entering the healthcare world, are the wave of the future as consumers begin to take responsibility for controlling their health costs. Therefore, a number of other employers are trying similar monetary approaches on

a smaller scale, such as incentives that encourage lifestyle changes by offering discounts on health insurance premiums or wellness credits in an employee's paycheck. Gordian Health Solutions, for example, reduces an employee's premium by \$30 as a reward for enrolling in a health-improvement program.

While many efforts focus on smokers, some are not voluntary. Seven employees resigned from Weyco Inc. of Okemos, MI, in January rather than submit to a nicotine test. Studies have shown that nonsmokers alone save companies an average of \$1,000 a year, according to the Kaiser Family Foundation. The Centers for Disease Control estimate that each year there are 440,000 deaths from tobacco use; 400,000 deaths from poor diet and physical inactivity; and 85,000 deaths due to alcohol consumption. ■

Bulletin Briefs

◆ *Employers to Post New USERRA Notice Effective March 10*

On Dec. 10, 2004, President Bush signed the new Veterans Benefits Improvement Act (VBIA) into law as an amendment to the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). USERRA protects the job rights of employees who need to take leave from their jobs to fulfill their U.S. military obligations. Under VBIA, all employers are required to post a notice in the workplace effective March 10, 2005 informing employees of their rights under USERRA. The Notice is available in poster format on the Department of Labor website: <http://www.dol.gov/vets/programs/userra/poster.pdf>.

◆ *Online Tools Increase CDHP Participation in 2005*

Thanks to the use of online tools, enrollment in consumer-driven health plans continues to grow. According to a Hewitt study, the use of more than one online tool was more likely to result in the selection of a different medical plan. Online enrollment was the most popular tool used, while health plan comparison charts, provider directories, healthcare cost summaries, and healthcare spending calculators were also popular.

◆ *OSHA Recordkeeping Handbook Available Online*

OSHA has a new online publication to help employers understand the agency's recordkeeping policies, procedures, and requirements. The OSHA Recordkeeping Handbook allows the user to easily locate specific information pertaining to each section of the rule and FAQs. The handbook is available at <http://www.osha.gov/recordkeeping/index.html>. ■

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.

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- Providing employees choice and security in their benefits package
- Managing the organizations dollars

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Helps eliminate C.O.B.R.A. problems- An employer can now help terminated employees obtain an option to C.O.B.R.A. 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.

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