

Mutual Assurance Administrators, Inc.

# The Administrator

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Important news and updates from your benefits professional

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### Feature Story

## Controlling Healthcare Costs: What You Can Do NOW

**E**ven if healthcare reform legislation moves ahead to the President's desk, there will be little impact, if any, on rising costs. In fact, many experts expect cost increases to intensify between now and the time many of the reform measures become a reality. So – what can proactive employers do to take control of rising healthcare costs on their own? Here are a few thoughts every employer should consider.

### Demand Good Data and Use It

The reports routinely furnished on self-funded health benefit plans, and others available, make it possible to determine the factors driving healthcare costs higher. Get the help needed to review these factors and identify steps that will improve health and help avoid future claims. Eating habits, smoking and a lack of physical activity are just a few of the red flags that may surface quickly.

### Partner With Your Employees

Once you identify meaningful opportunities, it's time to develop incentives and bring your employees into the conversation. Taking the facts to plan participants will let them know that in addition to controlling costs, your organization is committed to addressing their needs and helping everyone improve their health. Financial incentives will encourage buy-in and help foster teamwork.

### Focus on Promoting Good Health

Wellness programs have been front and center for a long time – so long in fact, that you may want to put complex programs aside and concentrate on health promotion. The way to gain immediate impact is to



integrate health promotion with your health benefit program. Develop valuable incentives with the potential to touch a large percentage of your work force and smarter lifestyle choices will result.

### Work to Stay In the Moment

It may be time to follow the example of sports psychologists who demand that their students forget the past and focus only on what they can control now. Work with your benefits professional to get a handle on factors driving costs higher and begin preventing future claims by promoting healthier behavior now.

Integrating these steps with health benefit plans should enable employers large and small to have a faster, more immediate impact on healthcare costs than any government reform measures ever could. Make a new year's resolution to do what you can NOW to take control of healthcare costs.

# Q&A

*Bringing you answers to tough questions*

## How Do We Stop Wasting Healthcare Dollars?

Recent studies show that about one-third of healthcare spending or some \$700 billion, is wasted in the U.S. each year. Here's an estimate of where these dollars go:

- At least \$250 billion could be saved each year if antibiotics and lab tests were not overused in order to protect providers from malpractice exposure.
- Eliminating fraudulent Medicare claims and kickbacks for referrals of Medicare patients could save some \$150 billion per year.
- Administrative efficiencies and redundant paperwork wastes close to \$100 million annually, and that has nothing to do with the fact that hospitals routinely allocate one-fourth of their operating budgets to billing and administration.

Finally, reducing provider errors and avoiding preventable chronic conditions like diabetes could trim as much as \$150 billion from annual healthcare spending. Looking at the situation from a "glass half-full" perspective tell us that aggressive action offers ways to lower overall healthcare costs without negatively impacting the quality of care.

## Industry Approaches

# Patient Advocates – An Ever-Expanding Role

Patient advocacy services have been a part of the health benefits landscape for many years, with the vast majority of their calls pertaining to healthcare administration and medical treatment concerns. Today, however, with more and more working adults caring for elderly and often ailing parents, many patient advocates are being asked to help with elder care issues.

Recent statistics show that some 13 million baby boomers care for a parent. This means that the amount of time spent on the phone during work hours and the need to take at least some time off to care for a parent are eating into productivity in a very real way. Some of the ways Patient Advocates are helping include...

“Recent statistics show that some 13 million baby boomers care for a parent.”

- Helping to find care alternatives for a parent who needs personal care or attention after being released from a hospital or extended care facility
- Working through the process of securing Medicare or Medicaid benefits for a parent moving to a long-term care facility
- Helping with Medicare and coordinating Medicare benefits with other available coverage

Many employers are just beginning to realize how valuable health advocacy can be to employees dealing with the failing health of a parent. Just as helping a plan participant move ahead after being diagnosed with a serious illness, helping employees utilize their benefits effectively can have a very positive impact on an employee's well-being and productivity.



## TRENDS *Latest Happenings In Today's World*

### Women & Health Benefits

A recent study of U.S. Census Bureau data indicates that women have a greater risk when it comes to losing health benefits. Women are twice as likely as men to be covered as a dependent (25 percent vs. 13 percent), even when employer-based benefits are offered. Should they become widowed or divorced, or their spouse lose their job, women are more vulnerable to being left without any health benefits.

### Generation Y Seeing Bigger Value in Traditional Benefits

When it comes to Gen Y employees, work-life balance still drives career choices, but workplace benefits are taking on greater importance. A recent survey showed Gen Y job-hop rates declined from 17.2 percent in 2007 to 14.5 percent in 2008. Changing attitudes about finances and employment, and an increasing appreciation of employee benefits, are contributors to

the decline. Young employees believe the economic crisis is making Gen Y more conservative. When surveyed, the majority of workers claim that the quality of a benefits package influences their choice of employer and enhances their job loyalty. When asked which benefits are "must haves," 82 percent ranked health benefits first, followed by paid vacation time (62 percent) and access to a retirement savings plan (57 percent).





## BENEFIT BEAT

*Keeping An Eye on What's Happening*

# All COBRA Administrators Are Not Alike

Continued high unemployment and a sluggish economy are keeping COBRA enrollment high. If government subsidies have spurred increased COBRA activity at your company, you may want to consider these points:

- First and foremost, a benefits administration expert will always keep their support staff and their client informed, especially when action or a response is needed.
- Initial notification letters, qualifying event letters and notices of unavailability or termination must be sent to qualified beneficiaries in a timely manner.
- Premiums must be reconciled accurately, usually on a monthly basis, with payments deposited or forwarded to the employer.
- Eligibility verification is a critical part of COBRA administration. Secure electronic

acceptance of employee termination notices is important.

- Ad hoc reporting and personal service are very important to the employer and former employees in need of COBRA and today's regulatory environment places an even greater emphasis on timely, accurate administration. In addition to documenting responsibilities, all business associate agreements should be HIPAA-compliant to protect employee data.



# Fitness: A Key to Employee Retention

According to a recent survey conducted by a major insurance carrier, wellness programs are encouraging more workers to stay with their current employer. While several wellness strategies were mentioned, survey participants were most interested in fitness and weight management – programs that improve physical fitness.

More than a third of those surveyed at companies with less than 1,000 employees said wellness programs helped them lower their healthcare costs and miss fewer days of work. While discounts at fitness centers were a very popular choice, onsite fitness facilities were the most desired program.

## Health Wise

# How to Cure the Winter Blues

While hibernation may be an option for a few who are unable to escape cold winter climates, most of us have to be productive each day. For adults who suffer from Seasonal Affective Disorder (SAD), that may not be as easy as it sounds. Researchers say that SAD affects about six percent of Americans, causing depression, sluggishness, irritability and a desire to avoid social settings. While jumping on a plane and walking the beach really can help, there are other ways to alleviate the symptoms. Here are a few:

**Light Therapy** – Using light beams much more intense than normal light is becoming a very common treatment and studies have shown that it can help reset the body's natural clock.

**Get Outdoors** – The sun's rays create Vitamin D on our skin, so being outdoors is always good therapy. You may want to invest in a warm overcoat and walk for 30 minutes a day.

**Increase Your Vitamin D Intake** – While some research has shown conflicting results, many adults have shown improvement when given Vitamin D or D-3.

**Boost Your Oxygen Level** – Research dating back to the 1990s showed that negative air ions, common in air near pounding surf or after a lightning storm, can have mood-lifting therapies that can ease depression.

Antidepressants, specifically those with serotonin or SSRIs, also can counteract these symptoms. When light therapy and other measures fail to help, many see a physician or mental health expert for advice about antidepressants.

## Is There A Doctor Shortage?

Yes, and unless current trends change, the U.S. Department of Health and Human Services expects the shortage to climb from some 16,000 physicians today to more than 125,000 by 2025. After medical school, between three and seven years are needed to move a new physician through the graduate residency process. With an aging population and Washington committed to extending insurance to

millions currently lacking coverage, the concerns become greater by the year. Medical schools are currently working to increase class sizes by about a third, but a cap imposed in the Balanced Budget Act of 1997 still limits the number of residency training openings available each year. Expansion can only occur if Medicare shares in the cost of training, which seems appropriate since older adults require more treatment than young people.



## No Co-pays for Primary Care

In an effort to promote early detection and wellness, a few large companies (including IBM) are putting a halt on co-pays for visits to primary care physicians for employees enrolled in self-funded plans. It is believed that the move will save costs by encouraging employees to go to their primary care doctors sooner. Early diagnoses can help avoid expensive visits to specialists and the emergency room.



## DID YOU KNOW? *New Ideas for Healthy Consumers*

### The Harm of Expired Medications

While there are many ways to save money on healthcare costs, using expired medications should not be one of them. The U.S. Food and Drug Administration requires that all over-the-counter and prescription drugs show an expiration date. After that date, the drug may not be as effective, or as safe. Medications are chemicals and can change when they come in contact with germs, air, light or moisture. While these changes may be small and happen slowly, they may cause side effects your doctor or pharmacist didn't plan for. Be sure to check the expiration date of all medications and throw away those that have expired. Here are some tips for properly disposing of old or expired medications:

- *Take them out of their original containers and throw them in the garbage.*
- *Only flush a medication down the toilet if the label says you should.*
- *Ask your pharmacist if there is a community pharmaceutical take-back program nearby.*



### Men May Be Their Own Health Risk

While some say the male predisposition for certain diseases may be a factor, it seems that regardless of the disease, the average life expectancy for men continues to be five years shorter than women.

Men give various reasons for not seeing the doctor regularly - too busy, secretly fear rectal exams, don't want to be criticized for unhealthy habits - but, the real problem may be a basic case of male pride. When it comes to ordering life's priorities, men tend to put their health last. However, if minor illnesses serve as warning signs for major diseases, the best thing any man can do to live longer is make that annual trip to the doctor. The message is simple: Men need to start being proactive, instead of reactive, with their health. If men want to enjoy more active and quality years, it's time for a mindset change.

- 1. To protect against cardiovascular disease, see your doctor at least once a year at age 45.*
- 2. Help prevent prostate cancer by having a Prostate Specific Antigen screening each year starting at age 45.*
- 3. To screen for colon cancer, have a doctor test your stool every two to three years between ages 40 and 50, and have a colonoscopy around age 50.*

### Make Exercise Part of Each Day

When people start off the new year planning to exercise more, one of the biggest roadblocks can be trying to find the time in an already packed schedule. One way to tackle the problem may be to rethink the amount of exercise that counts as exercise. Too often it is thought that a solid hour has to be carved out for vigorous exertion or it's not worth it. However, even low-impact and short exercise sessions can have salutary benefits. Parking further away from the office, having lunch at least a half-mile walk away or taking the stairs instead of the elevator are simple ways to incorporate mini-workouts into one's daily routine at work.

For those who can't afford the cost of gym memberships or personal trainers, there are plenty of ways to get fit at home for little or no cost. Going for a jog or a brisk walk around the block is one alternative. Finding low-cost exercise classes at a local college or park district, using streamed videos from a DVD-rental site or through an on-demand subscription are some other options.

**Please Contact Us:** This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions which may impact your personal health. Talk to your benefits administrator before implementing strategies which may impact your organization's employee benefit objectives.

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