

# CSA Benefits

FALL 2008

CSA is Celebrating 26 Years of Service!

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### Feature Story

# Maybe It's Time for a Little Creativity!



**F**or middle market companies, those with 100 to 5,000 employees, creativity just might be the key to offering effective health benefits in 2009 and beyond. Experience tells us that creativity requires an ability to recognize things that aren't working well, coupled with a willingness to try something different. These practices really represent the difference between a true benefits administration specialist – one that provides a comprehensive range of healthcare plan management capabilities – and those who focus primarily on claims administration.

Since claim costs are the most significant factor used by insurance carriers to determine premium rates, the way we analyze and adjudicate claims will always be very important. As healthcare cost increases continue, however, the need for creativity in plan design becomes

greater. This is especially true as employers prepare for even greater change in the age and makeup of their workforce.

### Self-Funding Encourages Wellness and Flexibility

By treating claims as expenses, self-funded plan designs enable employers to realize a savings if claims are lower than anticipated. In contrast to off-the-shelf insurance policies, self-funded plans can be designed to address the specific needs of a covered group. Consumer directed HRAs, HSAs or FSAs can be easily added to a self-funded plan and rather than merely “shifting” costs to participants, consider increasing deductibles in order to incorporate wellness incentives. Properly designed and administered wellness programs can encourage employees to take a genuine interest in their health and the need to control costs.

Wellness programs can be designed to give employees the opportunity to recoup portions of their increased deductible by participating in health risk assessments or by lowering their weight, cholesterol or blood pressure. As these measures bring health concerns and chronic illnesses to the surface, disease management, healthcare coaching and other proactive steps can help those with chronic conditions receive the treatment they need.

While these creative plan design ideas can help manage claim costs in the near term, they are really geared to provide employers with a multi-year approach that will encourage positive changes in behavior and lower healthcare cost increases over the long run.

# Q&A

*Bringing you answers to tough questions*

## How can companies with limited budgets promote employee wellness?

Employers on a limited budget can still inspire employees to exercise and stay healthy. Here are a few ideas for an inexpensive office wellness program:

- Sponsor a “Biggest Loser” contest to encourage weight loss
- Offer healthier choices in the office vending machines and cafeteria
- Start a walking club and provide employees with pedometers to track the number of steps they take each day
- Bring in a speaker from a local hospital to discuss health related topics
- Offer a health risk assessment to help employees evaluate their risk factors and decide if they need to be addressed with a doctor

Companies can find countless creative ways to show employees they care about their well-being while staying within budgetary limits.

## Industry Approaches

# New Possibilities for HSAs



As Americans prepare for a leadership change following our November elections, leaders in the healthcare industry are promoting change as well. Several consumer-directed health think tanks are working to develop proposals to improve Health Savings Accounts (HSAs) and make them available to more people.

Presently, HSAs are only available to consumers who participate in a consumer-directed health plan (CDHP) involving a high-deductible health plan (HDHP). The National Center for Policy Analysis suggests that two new types of HSAs might achieve tax neutrality and serve a larger market.

One of these, the Universal HSA, would not require insurance through a third party. It would extend benefits to consumers who are currently unable to obtain healthcare, and cover the costs of essential preventative and primary care services. Think tank members believe that if the Universal HSA became available, employers could sign employees up automatically and give them the option to opt-out of the plan and

use the cash to purchase their own health plan or pay medical bills. This setup would essentially remove the government from the healthcare equation.

Like the Universal HSA, the Large HSA would not be connected to a high deductible health plan. It would allow consumers to use the account to purchase any type of healthcare plan and cover other healthcare expenses using any source they choose. Every person would be responsible for his or her own healthcare dollars. The Large HSA would enable employees to obtain the total amount that both they and their employer spend on health benefits as a tax-free contribution to their HSA.

Skeptics say these accounts will only benefit the wealthy, but those backing the proposals say they will do just the opposite, by capping annual fund contributions and eliminating other advantages that favor the wealthy. Whatever the outcome, supporters believe the modified HSAs will encourage the development of new and creative ways to extend health benefits to more people.



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

### ER Visits On the Rise

Have you been to the emergency room lately? If so, you are not alone - 1.1 billion people are with you. According to the Center for Disease Control, this reflects a 26 percent increase from 1996 to 2006. That is more than double the population growth during those same years - a mere 11 percent. Factors contributing to rising statistics include America's aging population and increases in chronic diseases.

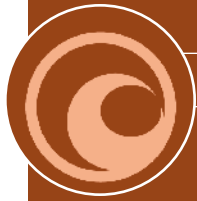


### Fruit is the New Candy Bar

When it comes to office snacks, fruit is in. Employees are tired of the usual salty chips or candy bars and are looking for a healthier alternative. Companies are turning to delivery services to bring cartons of fresh fruit to their offices daily. Employers are looking to improve employee wellness and appeal to their healthier tastes with a menu including everything from apples to avocados.

### Public Opinion on Health Matters

The Department of Health and Human Services (HHS) wants to know what is important to the public when it comes to health and fitness. HHS is currently gathering data and feedback for the Healthy People 2020 Initiative, a national program conducted every 10 years, promoting health and wellness. Public input is crucial to the Department's plan to create a national agenda to improve Americans' health.



## BENEFIT BEAT

Keeping An Eye on What's Happening

# Small Businesses Struggling for Healthcare May Begin Pooling

Small businesses are paying 129 percent more for health benefits than they were eight years ago. They also pay 18 percent more than large companies for the same benefits. This has left many small business owners struggling to provide healthcare benefits to their employees.

One potential solution is the formation of state or nationwide employee pools. Several bills are currently being introduced to Congress, and have gained support from both the Republican and Democratic parties, who see a need for change. Both bills, the Cooperative for Healthcare Options to Improve Coverage for Employees Act (CHOICE) and the Small Business Health Options Program Act (SHOP), offer tax credits to employers when employees join the pool.

The main difference between the two is that CHOICE uses the pooling feature to spread the risk of high cost claims through the formation of cooperatives that pay benefits when the annual maximum for the health plan purchased has been exceeded, whereas SHOP uses pooling to leverage purchasing power, allowing members to choose from a variety of insurers competing for their business.

While both bills are still just possibilities, the fact that they are being considered shows that Congress is more willing to work with small business owners to find an affordable solution to their healthcare dilemma.



### Health Wise

## Take Responsibility for Your Health

Part 2 of 2 - Continued from Summer Issue

Last issue we discussed increasing obesity rates in adults and children and the life threatening effects that obesity can have on our nation's population. We also listed some recommendations in beginning a diet plan for your family in an effort to take responsibility for their health and well-being.

Prevention is the best solution to becoming overweight or obese, and eating healthy and exercising regularly are the best methods of prevention. Below are some quick and creative ways to get your family moving.

1. *Change things up a bit by going on an evening family bike ride, instead of the standard post-dinner walk.*
2. *Have everyone wear a pedometer for a day and compare the number of steps each person took. Whoever took the most steps wins a prize.*
3. *Participate in fund-raising walks as a family.*
4. *Get the entire family involved in a home decorating project.*
5. *Visit a state park and spend the weekend hiking; or take along a healthy picnic and a frisbee.*

Parents are the primary role models for their children and can also set the most important examples of how to achieve a healthy lifestyle. Working together as a family to stay active and healthy instills important values that will last children a lifetime, and more importantly, you'll also have fun doing it.

### Rise in Healthcare Costs Falls

From 1960 to 2002 the amount employers spent on employee healthcare benefits tripled, and it has continued to increase significantly each year. The good news is most employers can expect a little break in 2009, because healthcare costs are expected to increase at their lowest rate in eight years.

While some employers are finding ways

to limit increases by raising deductibles and employees' out-of-pocket spending limits, others are trying to prevent shifting additional costs to employees by enacting consumer directed health plans, health savings accounts and company wellness programs. Employers are finding that educating employees about these health plans and teaching them to take some personal responsibility for wellness reduces hospitalization and increases cost savings.



### U.S. Quick To Medicate Children

A recent study of nearly 600,000 children showed that parents in America are three times more likely than those in the Netherlands or Germany to put children on medications that affect the mind or mood. Contributing factors include different regulations, differing cultural views about using medications to treat emotional and behavioral issues and increased direct-to-consumer advertising in the U.S.



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

### What's Your Digital Disadvantage?

Do your thumbs ever hurt after typing a long message on your Blackberry? If the answer is yes, you could be one of a growing number of people sustaining injuries due to overuse of technology. This may seem unbelievable, but doctors have found that when a motion, such as typing on a Blackberry, is repeated over and over without rest, the body doesn't have time to recover.

New names are being coined for injuries induced by several digital devices. Blackberry thumb, cell phone elbow and even Wii elbow are phrases we are likely to hear more often when visiting the doctor with joint pain.

These injuries make sense when you think about how many text messages are sent each day. Texting repeatedly can cause constriction around the tendons, which can make the thumb curl in on itself. This can lead to swelling or joint popping. The condition can usually be fixed with a splint or cortisone injections, although more serious cases may require surgery.

Blackberry thumb can also aggravate existing conditions like arthritis. The best way to avoid

this is by stretching your hands and taking breaks between uses. Next time you pick up that Blackberry, consider your thumbs.

### Battle Breast Cancer in the Gym

The key to fighting breast cancer may be as close as your local gym. Studies show that exercise can reduce your risk of developing breast cancer by 40 percent. For those already battling breast cancer, exercise might just be the best medicine. Women who exercise, even for just 15 minutes a day, have a better chance of beating the disease than those who don't.



It seems simple - exercise is good for your health - yet most people don't realize just how good.

The shocking fact is, a woman who decreases her physical activity after diagnosis is four times more likely to die than one who was inactive and stayed inactive.

On the flip side, a woman who starts exercising after diagnosis reduces her fatality risk by 45 percent. Those who stick with their exercise plan and walk two to three hours

per week in the years following diagnosis cut their risk of death by 67 percent. So dust off those walking shoes, it could just be the best way to get and stay cancer free.

### A Good Flu Shot Isn't Hard to Find

Getting a flu shot is the best way to protect yourself from the flu this winter. According to the Center for Disease Control, the flu shot is usually over 50 percent effective. It's an obvious solution to a common problem, yet very few people get a yearly flu shot. Last year only 113 million of 140 million doses were used.

If you are having trouble finding the vaccine, you may not have to go any further than your computer. The American Lung Association has a flu shot locator on their website at [www.lungusa.org](http://www.lungusa.org). You can also contact your family doctor or visit your local pharmacy, grocery store or shopping mall - they typically offer flu shot clinics throughout the season. However, your best bet is contacting your local or state health department. Whatever method you use, don't wait to find your flu shot this year.

**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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