

CSA Benefits

SPRING 2008

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Feature Story

Employees are Knocking. Answer with Wellness.

According to the 2008 Survey of Health Care Consumers by the consulting firm Deloitte LLP, more health care consumers understand that wellness and prevention programs can help control costs. In fact, the online poll of 3,000 Americans ages 18 to 75 even showed that many consumers would pay more for wellness-related services such as nurse call lines, health coaching and chronic care management if the increase contributed to lower premiums or co-pays.

Responses Reported By Age

The survey separated consumer responses into several age groups, from those born between 1982 and 1989 (Gen Y) to seniors 65 and older. Sixty percent of Gen Y consumers have made changes in their health coverage in the past 24 months and more than half said they would travel abroad for a medical procedure if it would save money.

Generation Xers (those born between 1965 and 1981) want more personal attention from their physicians and are quite comfortable using websites to compare provider cost and quality. Most participants in this age group have sought information on their coverage in the past year and are interested in customizing their benefit plan to meet their specific needs.

Overall, half said they are exercising and eating healthier to reduce the need for health care. A third said lowering the cost of health care for their family is their motivation.

This is good news for a growing number of companies committed to reducing future health care costs through disease management and wellness. Health screenings and health risk assessments are being used to monitor cholesterol levels, blood pressure and body mass and when wellness strategies are in place, those with chronic health conditions are cared for in a more proactive manner.

Themes expressed consistently in the survey were a desire to become a better consumer of health care services and a need to gain more control over health care purchasing decisions.

Clearly the opportunity for wellness and disease management is knocking. We're helping our client employers answer with powerful programs designed to coordinate care and empower employees to help prevent future claims. What are you going to do?



Q&A

Bringing you answers to tough questions

Can a wellness program offer a reward and still comply with HIPAA non-discrimination provisions?

If a group program offers a reward to individuals who participate in voluntary testing for early detection of health problems AND uses test results to determine eligibility for the reward or the amount of the reward, the program must satisfy the following five requirements.

- The total reward for all the plan's wellness programs that require satisfaction of a health-related standard must not exceed 20 percent of the cost of employee-only coverage.
- The program must be reasonably designed to promote health and prevent disease.
- Eligible individuals must be given the opportunity to qualify for the reward at least annually.
- The reward must allow a reasonable alternative standard (or waiver) to any individual with a medical condition that makes it unreasonably difficult or medically inadvisable to satisfy the initial standard.
- All materials describing the program must disclose the possibility of a waiver or the availability of a reasonable alternative standard.

Industry Approaches

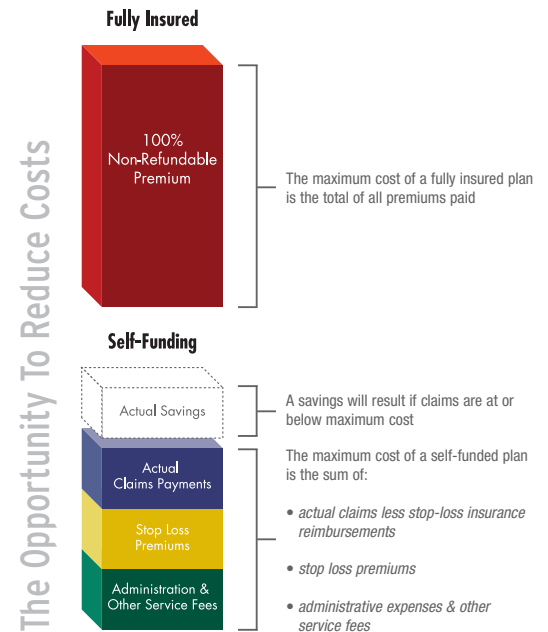
Self-Funding: Not Just for Big Companies

While some insurance carriers would like us to believe that self-funded health benefit plans should only be designed for firms with 100 or more employees, there continues to be a good deal of interest on the part of small companies – those with as few as 25 employees – and with good reason.

Self-funding offers total flexibility in plan design, enabling the plan to address the specific needs of the covered group. Direct contracting with local and regional provider networks ensures competitive pricing and national wrap-around networks can be used to serve the needs of employees based in other parts of the country. Features enjoyed by larger employers are available to smaller businesses as well...

- *State premium taxes are not assessed on claim payments.*
- *Profit margins built into non-refundable insurance premiums are avoided.*
- *The company assumes responsibility for the amount of claim costs it can afford.*
- *Stop loss insurance is secured to cover claims that exceed actuarially determined levels.*
- *Opportunities to lower costs exist when claims do not reach the anticipated levels.*

The fixed costs associated with a self-funded plan are typically lower than those included in typical



group health premiums. Consumer directed HRAs, HSAs or FSAs can be combined with a self-funded plan and wellness or disease management programs can help control costs and ensure that those with chronic conditions receive the care they need.

Regardless of group size, we can handle all administration, including employee enrollment, claims administration and management reporting. Employees have access to our online tools 24/7, and overall, the plan operates in much the same manner as they would expect.



TRENDS Latest Happenings In Today's World

Google and Cleveland Clinic

Google Inc. and the non-profit Cleveland Clinic have formed a partnership aimed at giving patients more control over online medical records, something Google blogs have been talking about for almost two years. The "by invitation only" pilot program will provide 10,000 Cleveland Clinic patients with online access to a health profile including medical information such as prescriptions, conditions and more.



Benefits for Retention

For the first time since MetLife began polling benefits decision-makers and full-time employees to issue their Employee Benefits Benchmarking Report, employee retention has surpassed controlling cost as the number one benefits objective of employers. Demographics seem to carry some weight when it comes to this issue. Nearly 30 percent of baby boomers compared to 41 percent of young families say

benefits were a primary consideration in their employment decisions. The bottom line is that benefits packages are playing a larger role in employees' decisions to work for an organization and whether or not they change employers. Employers believe that the competition for skilled workers is only going to intensify. As a result, work-life benefits could begin playing a more prominent role as a key corporate differentiator.



BENEFIT BEAT

Keeping An Eye on What's Happening

Family Leave Law Expands to Help Military

The Family and Medical Leave Act (FMLA) typically permits qualifying employees to take up to 12 weeks of unpaid leave from work per year in connection with the birth or adoption of a child or to care for themselves or a family member suffering from a serious medical condition.

The expansion, signed into law on January 28th, allows spouses, children, parents or other next of kin of a service member who is seriously injured or ill to take up to 26 weeks of leave in a 12-month period. Men and women serving in the National Guard and Reserves are also eligible. Unlike other FMLA provisions that allow up to 12 weeks of unpaid leave every year, this option can only be used one time.



EBSA to Help Confirm Wellness Plan Compliance

In order to help employers determine whether a wellness or disease management program complies with HIPAA, the Employee Benefits Security Administration has issued a new employer checklist. The questionnaire, Field Assistance Bulletin 2008-02, asks 12 yes or no questions designed to make sure the plan does not deny benefits or charge higher premiums based on health conditions.

This step may be a response to Health Risk Assessments (HRAs), often used to help workers enroll in these plans. While HRAs are often helpful in identifying lifestyle and health-related conditions, the information obtained cannot be used to determine eligibility, benefits or premiums or to extend a reward or premium reduction.

Health Wise

More Boomers Seek Daycare for Elders

As our population continues to age, more and more baby boomers are searching for quality, affordable care for aging parents. While many require daily in-home care, nursing homes or assisted living centers, those seeking a more flexible alternative are considering part-time adult daycare facilities.

Most centers have a registered nurse on staff and a capacity of 40 to 70 adults is common. While facilities and services vary, physical therapy, exercise, grooming and medication management are usually offered. The elderly often begin to arrive at about 7am, leaving around 6pm, and costs typically range from \$60 to \$70 for an 11-hour day. With many in-home health aides charging \$12 to \$20 per hour to handle personal care and meal preparation, adult daycare centers are proving to be a cost effective alternative.

Finding a Center

Franchises are beginning to pop up throughout the U.S. as well. The National Adult Day Services Association and other industry sources estimate that these facilities may be caring for more than 400,000 nationwide. To find adult daycare centers near your home or workplace, contact your state or local agency on aging, or ask friends or co-workers for a recommendation. Help may also be available from Alzheimer support groups.

To make an informed choice, visit the center just as you would any daycare center you might consider for your children, and ask about staffing ratios. While some facilities target dementia and Alzheimer patients, others offer only custodial care. Some provide transportation, either on their own or in cooperation with a local governmental agency. Since most states require licensing or registration with a state agency that manages elder affairs, be sure the center you're considering meets the required standards and is free of major violations.

Rising Medical Costs - Becoming A Global Challenge

Increasing health care costs are quickly becoming a global issue, reaching far beyond the United States and other developed economies. Factors causing American employers to experience rising medical costs - such as increased utilization, expensive medical technology and an aging population - are having comparable effects throughout the world.

Analyzed data from companies offering medical insurance to employers in Asia, Africa, Europe and the Americas, found that 81 percent of employers are seeing health care expenditures outpace the general rate of inflation in their country. Nearly 71 percent plan on seeing higher medical costs over the next five years. In Asia and Africa, insurance companies are projecting double-digit jumps in employer health care costs in 2008.

Primary Care Doctors Can Receive Bonuses

A coalition of large employers called "Bridges to Excellence" is paying bonuses of \$125 per patient to primary care physicians who take steps to improve and better coordinate care for their patients.

Making sure patients receive health screenings, following up on referrals to other physicians, tracking tests on a

regular basis and adhering to widely accepted medical guidelines to monitor and treat diabetes and other chronic conditions can help physicians earn up to \$100,000 per year.

The program is intended to help reverse a consistent decline in the number of family physicians and internists practicing preventive medicine in the United States.



DID YOU KNOW? *New Ideas for Healthy Consumers*

The 411 On Energy Bars

With all the energy bars, granola bars, snack bars, nutrition bars, diet bars, protein bars and meal-replacement bars available today, choosing the right one depends on what you want it to do for you. Ingredients, fat grams, calorie counts and vitamin and mineral values can vary quite a bit, so in order to get what you need, you must know what to look for.

To Fuel a Long Workout - Energy bars were created to deliver a massive concentration of carbs to fuel marathoners during a run, or replenish them afterwards. A bar high in complex carbs and fiber (at least 3 grams) will wreak less havoc with your blood sugar, and the benefits will last longer.

Help Build Muscle - Look for 15 to 35 grams of high-quality protein from whey, soy, casein and/or egg whites. This will give your body the building material it needs to repair muscle fibers. Skip bars that contain "hydrolyzed proteins" and watch for saturated fat. Try to avoid more than three grams.

As a Meal-Replacement - Researchers say if you replace one meal with one bar, the built-in calorie and portion control of diet and meal-replacement bars can help you lose weight. When it comes to nutrients, most meal bars have plenty of carbs and are usually low in fat. But, be sure to check the

protein because some low-calorie meal bars don't contain much. You need 50 grams or more a day, depending on your activity level.

For a Healthy Snack - Snack bars should be smaller than meal-replacement bars. Watch the fat and sugar (try to stay below 18 grams), and avoid bars made with high fructose corn syrup, which bring all sorts of health and weight-gain issues with them.

Wine Can Help Keep Legs Healthy

Drinking a glass or two of wine a day may help circulation in the legs. According to a study in the American Journal of Epidemiology, participants who consumed light to moderate amounts of alcohol showed a lower risk of developing lower extremity arterial disease (LEAD) than did nondrinkers.



LEAD is a condition in which the inner lining of the arterial blood vessels in the legs become damaged. LEAD affects ten to 15 percent of older adults and those who have

it can potentially have a cholesterol build-up that results in atherosclerosis. This can cause discomfort, cramps or pain in the hips, thighs or calves, especially while exercising.

Data was pulled on over 5,000 subjects who reported their weekly drinking habits and underwent leg-artery examinations. The study found that participants who drank one to 13 servings of alcohol per week were 44 percent less likely to develop LEAD than nondrinkers. But, those who drank either less than one drink per week or more than 14 per week had a similar LEAD risk as nondrinkers.

Fruit On The Brain

Reaching for the fruit bowl may help your brain stay sharp as you get older. Fruit-eaters, besides getting good-for-you nutrients, score high when it comes to memory and reasoning skills. The reason for fruit's brain boosting effects are the flavonoids, antioxidants that fight disease and may be one of your best defenses against cognitive decline. Sneaking more fruit into your diet is one way to load up on flavonoids, but you can also sip some with tea or juices like cranberry every day.

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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