

CSA Visions

Trends in employee benefits from Corporate Systems Administration, Inc.

WE WANT YOU TO KNOW

Is Your Organization HIPAA Compliant?

CSA can provide step-by-step instruction to have your Group Health Plan in compliance with the Privacy Act under HIPAA. Remember, the Group Health Plan is the covered entity and not the Plan Sponsor (Employer). Group Health Plans that have paid \$5,000,000 or more in claims must comply with the Privacy Act regulations by April 14, 2003. All others must be in compliance by April 14, 2004. CSA can provide notices to the employer outlining their obligations for compliance, as well as, prepare plan amendments and privacy notices that must be sent to each enrollee.

For more information, please feel free to contact a marketing representative at CSA.

Check Us Out At www.csabenefits.com

If you are a current client, you are probably using our website to check your member's eligibility and claims, as well as, utilizing our reporting capabilities. We encourage your feedback – which so far has been very positive. These web-based services are provided real-time which means you receive immediate answers to your questions. Your members can also log on to our website to access their own individual claims information at any time.

Along with the member information, our website provides links to your group's PPO Network – so your member can check the immediate status of his/her doctor.

Check us out!

How We're Protecting Personal Health Information

While HIPAA will place a huge responsibility on every organization involved in the continuum of care, it is a responsibility we have been prepared to accept. Receiving, processing, safeguarding and transmitting personal health-related information has always been our business.

Newly implemented Privacy Rules, which have filled newspaper columns since their release last December, have been designed to standardize patient information codes across the health care industry. They impact every health care related transaction, from eligibility, enrollment and health care claims to termination of coverage.

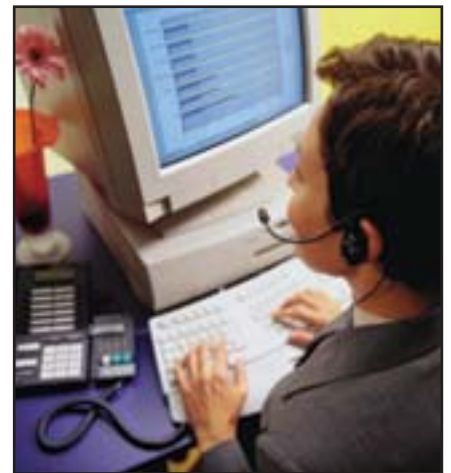
At this point in the evolution of HIPAA, we're pleased to provide an update on how we're protecting the personal health information of your employees and their covered dependents. We have a longstanding policy and procedure that maintains the confidentiality of the personal data necessary to manage group health benefit plans. We have never made it our practice to sell the names of our clients or their employees to any organizations or outside vendors.

Strict Security Measures

We have established strict policies and procedures to protect confidential personal

information. In addition, we have established physical, in-house procedures and electronic security measures to protect personal data from unauthorized access and external hazards.

Because we analyze and adjudicate health claims and encounters, we receive information on printed and electronic claim forms. We also receive a tremendous amount of information from health care providers and other affiliated organizations such as reinsurance carriers and consultants. While much of this information comes to us by telephone, we also receive it in the mail and by computer. When we need



additional data from medical professionals or other information sources, we request the data only with proper authorization.

What May Be Disclosed?

Since it is our practice to regard all personal information as confidential, we do not

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disclose personal information unless we are allowed or required by law to do so, or if we have been given the authority to do so. We only release the information which must be sent in order to effectively implement your health benefit plan and serve those eligible for benefits. Because all affiliates are subject to the same privacy regulations as we are, we require all outside firms to pledge that they will maintain the confidentiality of the personal information and abide by all applicable privacy laws in doing so.

In order to protect personal information over the long-term, which is an integral part of the confidentiality agreement we provide to each and every client, we pledge to maintain our privacy policy, practices and procedures even if your relationship with our firm ends. This practice safeguards all parties in the event that the Secretary of Health and Human Services finds it necessary to investigate a health benefit plan's compliance with Privacy Rules.



If you have any questions about our privacy policy, please write PRIVACY QUESTIONS at the address listed on the back page.

Costs

Consumer-Driven Health Plans Yielding Savings and Satisfaction

According to a survey conducted recently by Mercer Human Resource Consulting, more employers are looking at consumer driven health plans (CDHPs) to help fight rising costs. In their 2002 National Survey of

Employee-Sponsored Health Plans, released in December, employers and employees cited lower costs and increased satisfaction when asked to comment on the plans.

Even though only 21 employers responded to the poll, the results were positive. 74%



reported that the cost for their CDHP is lower or as low as the cost for any other medical benefit plan offered. Nearly half of the respondents said their employees felt very positive about their CDHP, with another 40% saying that they are more positive than negative about the option.

Responses indicated that the majority of organizations felt they had been able to achieve one of the main objectives of the plan, this being the ability to cover a broader range of health care services. Involving employees more in health care purchasing decisions, also set forth as a major objective of CDHPs, was also cited as a benefit. We'll watch for more reaction to consumer driven health plans and provide additional updates in future issues.

Health

Are Your Shades Up To The Sun's Challenge?

Over time, exposure to the sun's ultraviolet rays increases the risk of cataracts and even macular degeneration, a common cause of vision loss in older people. Long term UV exposure can even lead to temporary but painful burns to the cornea. The only way to protect your eyes is to make sure you're

wearing sunglasses with a label that indicates that the glasses block at least 99% of UV light. Some glasses may have the letters ANSI printed on the frame or a label, which means they meet the health and safety requirements of the American National Standards Institute, an independent nonprofit group.

While polarized lenses are great for reducing glare caused by snow and water, they offer little more UV protection than the average pair of sunglasses. We're still exposed to UV rays on cloudy days, so shades are a good idea even when the sun isn't out at full force. And because damage



from UV exposure accumulates over a lifetime, it's even important to put sunglasses on young children.

Sports Medicine

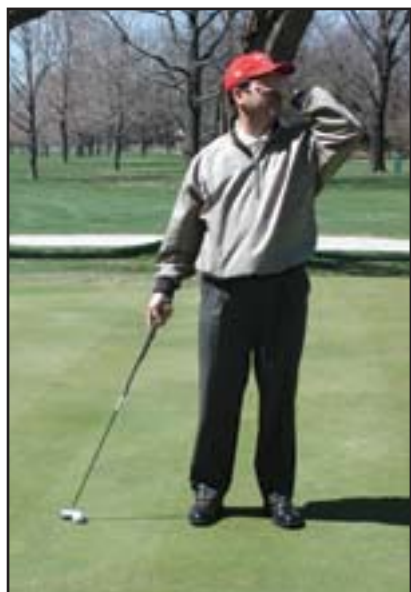
Have You Registered For The "YIPS" Tournament?

If you play a lot of golf and you've never heard of the "yips" — stop reading! If you've experienced the "yips", you know we're describing those twitches, jitters or jerks that seem to just happen when you're trying to stroke through a critical 3 or 4 foot putt — usually under competitive conditions.

While many golfers have referred to the problem as simply choking on a key putt, researchers are convinced there's more to it. Dr. Edward Laskowski, M.D. and co-director of the Sports Medicine Center at Mayo Clinic suggests that while choking is

anxiety-related, the “yips” may be caused by focal dystonia – a neuromuscular problem which results in sudden, involuntary contractions or twists of a muscle or group of muscles.

Over the past year, the Sports Medicine Center worked with golf professionals to develop a questionnaire, which was sent to more than 2,500 low handicap golfers throughout Minnesota – men and women who play more than 70 rounds per year. Out of 986 men and 45 women who responded, 51% perceived that they have experienced the “yips”. Further testing under competitive conditions uncovered increased muscle activity in the wrists, a faster than average heart rate and a tendency to grip the putter with greater force.



What Can You Do?

Research has shown that those who perform poorly process more pre-putt activity in their left brain than their right while those who perform well use both sides of their brain more equally. One way to involve the right or creative side more is to practice visualization and positive thinking.

Because no proven cure for the “yips” exists yet, many golfers experiment with alternative grips and different types of putters. Long and mid-length “belly” putters are becoming increasingly popular because they increase the use of the arms and shoulders in the putting stroke.

Technology

Use of Web-Based Management Tools Growing

We’re helping more and more companies implement web-based technologies, and with growing success. This experience



parallels the results of the 2002 *Institute of Management & Administration’s Benefits Management and Cost Reduction Survey*, which praised the web for improving communication, saving time and reducing paperwork.

One of the most popular procedures being done on the web is open enrollment. While the process is not always perfect, it has become more visual and user friendly. In addition, the automation of employee enrollment records has helped ensure timely access, termination and coordination of benefits, all critical cost management measures.

Web-based benefits administration is reducing paperwork and placing timely information right at everyone’s fingertips. Properly designed sites such as ours make it easy and safe for providers, patients and employers to access important benefit-related information. Even little things can yield big convenience in an online environment. PPO directories, for example, place lists of in-network providers right at our fingertips – a huge advantage over printed directories, which were often out of date before the printing was complete.

The web has changed the business of benefits administration, and every business, forever. For more information on our web-based capabilities, contact us at your convenience.

Legislation

Association Health Plans Gaining

According to published reports, momentum is building on Capitol Hill for a bill which would permit Association Health Plans (AHPs). Earlier this month, five Senate Republicans introduced the Small Business Health Fairness Act of 2003 as a companion bill to one introduced earlier in the House. The bill would enable small businesses to band together and use their clout to negotiate reasonably priced coverage.



The measure has strong support from business groups, including the National Federation of Independent Businesses and the U.S. Chamber of Commerce, which would likely use their leverage to pull thousands of small companies together into a buying cooperative.

Insurance companies and some statewide insurance regulators are speaking out in opposition of the strategy by saying it would do little to help the uninsured and may encourage fraudulent health coverage schemes. President George Bush has said he would support the measure in an effort to help those businesses with between three and 199 employees, hit with three consecutive years of double digit cost increases.

TPAs.
Discover the Benefits.SM

Trends...

Benefits Protected For Reservists

With war in Iraq underway, the Labor Department has issued updated information to help



reservists and their employers understand the reservists' rights to pension and health benefits during deployment.

Military reservists should take comfort in the knowledge that while they are serving their country, their job pension and health benefits will continue for their families. Questions can be answered at www.dol.gov.

Allergy Relief Now Available Over The Counter

When ragweed and pollen take flight this spring, many allergy sufferers will give thanks to the

federal government for approving over-the-counter sales of the popular allergy drug Claritin.

While some insurers are moving to block access to other prescription allergy medicines such as Clarinex, Allegra and Zyrtec, many physicians are concerned about pushing their patients to a medication which will no longer be covered. The good news for Claritin users however – no need for a costly doctor visit and lower cost generic versions of Claritin are set to debut soon.

Health Screenings A Hit

The Wellness Program Management Advisor reports that health status screenings are gaining in popularity, with employee participation as high



as 70% in some organizations. The screenings test for a wide range of health concerns, including diabetes, high blood pressure and osteoporosis. Stress management, weight loss and nutrition programs are also attracting large turnouts according to the Wellness organization.

Big Benefits From A Little Fish

The Harvard School of Public Health has found that eating seafood as seldom as once a month may reduce the risk of



stroke by more than 40%. While many studies over the years have found that eating fish reduces the risk of stroke and heart attack, this study found that the benefits associated with fish reach a threshold quickly and then level off. Researchers say that eating more fish can't hurt,

but doesn't provide further benefit.

Childcare Or Housing?

A recent survey of several hundred childcare centers in 75 cities has shown that annual costs rose by an average of 6.4% last year – more than twice the rate of inflation. Even salaries and fees for nannies and in-home family childcare centers have risen by at least 5% a year since 2000.

Couples concerned about the quality of care as well as educational curriculum are finding it easy to spend as much on childcare as they do on housing. According to U.S. Government statistics, lower income families are spending 25% of income on childcare. Overall, the average amount being spent on childcare is 8.7% of household income, a figure which is expected to keep rising.

The Visions 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 Corporate Systems Administration, Inc. before implementing strategies which may impact your organization's employee benefit objectives.



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