



“Benefit Briefs”

Volume 2, Issue 5 October 2010

“Newsbrief concerning employee benefits”



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Weight Management vs. Short-Term Weight Loss

New research compares long-term weight management versus short-term weight loss, and finds the former can provide more significant benefits for both individual employees and the employer's bottom line. According to StayWell Health Management, a key role for prevention specialists and employers alike is to manage expectations when it comes to affecting weight maintenance and weight loss in large populations. Instead of focusing on extraordinary weight loss, a more credible goal for the vast majority of people is to seek small sustainable changes with a goal of healthy eating and exercise for life. People often equate successfully managing your weight with losing a significant amount of weight, but past research has shown that even a modest weight loss of 2 pounds can have clinical benefits," says Paul Terry, president and CEO of StayWell.

Health coaching can play an instrumental role in long-term weight management according to researchers who found that people who completed a telephone-based health coaching program lost an average of 3 pounds (versus about 1 pound for those who did not complete the program) based on follow-up assessment an average of four months after the program ended. Long-term, those who successfully lost weight, lost an average of nearly 15 pounds. And those who completed the health coaching program were more likely to improve their eating habits and their physical activity levels.

"Real, lasting behavior change doesn't happen overnight," says Jessica Grossmeier, director of research at StayWell and study co-author. "But with the right tools and support such as a health coach and a supportive work environment, individuals and companies can realize dramatic results. We see companies that are making great strides to mitigate the impact of overweight and obesity in their work force, and their reward for this effort is a healthier workforce and reduced health care spending."

Wellness

Because of the state of the economy, many employers have downsized to the minimum number of workers, merged duties and are requiring their employees to work faster, harder and longer hours to get the job done and keep costs down. Many employees are offering to work harder to help secure their jobs. Employees are feeling overwhelmed, stressed and tired, which eventually leads to illness and absenteeism. Successful employers realize their employees are their greatest asset, and to keep productivity high have taken steps to ensure their employees are working in a safe and healthy environment by developing wellness programs. The Centers for Disease Control states that one in two adults lives with at least one chronic illness like diabetes, arthritis or heart disease. Chronic diseases account for more than 75 % of all health care costs. The American Heart Association says heart disease alone costs America's businesses \$265 billion annually.

As an employer, you know all too well that you are faced with ever-increasing costs for health care for your most valuable asset, your employees. The rising costs of health care has had an impact on the ability of businesses to manage profitability and changes in the lifestyle of employees must be considered. When over 80 % of health care claims costs are because of a person's lifestyle, it makes sense from a business standpoint to promote wellness at work.

The average American spends nearly half of his waking hours on the job, which makes the workplace a unique environment to promote wellness. Every employer looking to reduce overall costs should consider a wellness program as a cost savings measure. Studies indicate that employees who report having high blood glucose levels have a 35 % higher expenditures than a person who does not and employees at extremely high or low body weight have 21 % higher expenditures than individuals who do not. A three-year study conducted at a health system in Minneapolis found that health risks decreased after the implementation of a comprehensive worksite wellness program. The program resulted in increased savings because of reduced health care costs, absenteeism and worker's compensation claims each year of the program. For every \$1 an employer invests in a work site wellness program, \$5.93 is saved in medical costs, absenteeism and workers compensation.

In a recent survey, 56 percent of employers with work place wellness programs reported an increase in morale, in addition to improved employee health by 41 % and reduced health care costs by 27 %.

Note that results can vary by group dependent on their funding mechanism for their health care.

Business Buy/Sell

Business owners are often so busy with day-to-day business operations that they may forget to adopt a plan to protect the value of their business interest when they or another owner leaves. Because every business owner will leave the business someday, buy-sell planning (usually with life insurance funding) is an important part of protecting business value. Different life insurance funded buy-sell strategies can be used; depending on the business legal structure and the objectives of the owners. Some approaches are:

- Wait and See Purchase Arrangements
- Entity Purchase Arrangements
- Cross Purchase Arrangements

Business Owner Disability

What happens when the business owner can't work? In many small businesses the owner can be the primary source of income generation. What can help to keep the business running in their absence to help cover operational expenses of the business including employee salaries, benefits, payroll taxes and operating costs such as utilities, rent or interest payments and equipment leases? A Business Operating Expense Disability policy can help solve much of this concern. It may be enough to help keep the business operational until the owner can get back involved with the day-to-day operation.

Highlights—Changes Coming

Effective for the first quarter of 2011, both Priority Health and BCBSM are offering a new suite of health plans. The new plan options are expected to offer rate savings when compared to current plan designs. This is being accomplished by refining the benefit structure and cost-sharing alignment to support cost-effective utilization. This will be a change to the member in how claims are covered.

Wrapping or Health Reimbursement Arrangements will only be allowed on plans designed and rated to be wrapped.

Priority Health—Simplified plans and new lower-cost options for small business

Priority Health is announcing several important changes for new and renewing small business (2-50 eligible), effective Jan. 1, 2011. These changes will **simplify our products** into a suite of **smartly designed** benefit offerings that are **easy to understand**, offer a **full range of price points** and incorporate the initial requirements of health care reform while preparing us for future requirements.

Here are the specific changes:

Simplified small business options

We'll be offering a menu of our most popular and cost-effective plan options. These new packages offer an updated tiered co-pay structure and 3—Tier Pharmacy with Specialty Drug Management across all HMO, POS and PPO platforms.

Please note: Current groups may maintain their existing plan designs if they meet participation rules.

Updated tiered office visit co-pay structure

This new structure replaces co-pay alignment. All new plans (except **Priority HSASM**) will now include a tiered office visit co-pay: primary care/specialist/urgent care, and these services aren't subject to the deductible. Deductible will apply to all other services.

An enhanced Priority HSA

Coinsurance amounts will **now apply** to all services after deductible **except** prescription drugs. Flat-dollar co-pays will no longer apply to:

Emergency room

Ambulance

Advanced diagnostic imaging

All amounts paid for both medical and prescription drugs after deductible will accrue toward **new** out-of-pocket maximums.

A new 70% coinsurance plan added to all product lines

In an effort to provide even more affordable options, we've added several 70% coinsurance plans. These plans will have all the features of the other new plans.

Enhanced HealthbyChoiceSM option

Based on your feedback, we've created "**HealthbyChoice Achievements.**" This plan focuses on rewarding those who achieve healthy outcomes.

Wrapping is only allowed on HRA

Wrapping is allowed on any Priority Health HRA option.

Streamlined plans for new business

We're eliminating the following options for new business:

FSA

Sponsored dependent

Surviving spouse

Early retiree

We're also eliminating our current retiree coverage. However, Medicare-eligible retiree segments may be able to select from our menu of Medicare Advantage options for groups and individuals.

Please note: Groups with employees currently enrolled in these options **will be allowed to maintain** this benefit as long as the group meets applicable participation criteria.

Blues introducing new portfolio of plans

For first-quarter 2011, the Blues are introducing a new portfolio of innovative, cost-effective plan options for small businesses. This comprehensive product portfolio includes PPO, HMO and ancillary options with a broad range of benefit designs and coverage levels. There are no changes to the BCN portfolio for January 1 2011.

Community Blue

The Blues have simplified the Community Blue options by modifying three plans and discontinuing all others for small groups. While simplified, Community Blue remains the flagship product offering for traditional buyers.

Healthy Blue Outcomes

Healthy Blue Outcomes, introduced earlier this year, is a wellness-based product for health-conscious buyers. No changes have been made to this product line.

Simply Blue

At the core of the new portfolio is Simply Blue, a new product designed to appeal to the cost-conscious buyer. Simply Blue is a PPO plan with comprehensive coverage that fits a price-sensitive budget.

Simply Blue is available in three variations:

Simply Blue — cannot be paired with an employer reimbursement arrangement

Simply Blue HRA — can be paired with an HRA or an FSA

Simply Blue Product features

- Simply Blue applies deductibles and coinsurance to office visit services. Services include diagnostic (including complex), surgery and therapeutic. An office visit co-payment applies to the exam*.
- Fixed dollar co-pay and 12 visit limit on chiropractic
- Emergency room co-pay is not waived for accidental injury, co-pay is waived for admission
- Covers physical, speech and occupational therapy to 30 visits per calendar year
- Out-of-network services paid as out-of network, even if referred

*Cost share may not apply if preventive or immunization services are provided during the office visit

Simply Blue HSA — can be paired with an HSA

Pharmacy options

All plans within the portfolio can be combined with one of six triple-tier pharmacy options introduced in April, 2010. These pharmacy options include cost-management features that promote generic usage.

Dental and Vision Options

There are no changes to the dental and vision options available to small groups. Remember, Advantage Pricing is available when dental and/or pharmacy plans are combined with a medical plan

All products in the new small group portfolio are also available to groups 50+.