

Employee Benefit Consultants

The Administrator

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Important news and updates from your benefits professional

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E B C

Experts.
Making it Easier.

Feature Story

The Disease Tamer: How to Save Lives and Dollars

Chronic diseases are prolonged conditions that often do not improve and are rarely cured completely. Diabetes, depression, congestive heart failure and asthma are examples of chronic diseases.

Chronic illness has a profound effect on the physical, emotional and mental well-being of individuals, often making it difficult to carry on with daily routines and relationships. However, in many cases, deterioration in health can be minimized by good care. This often depends upon individual choices made on a daily basis, which can be influenced by education.

Participants Take Control

The theory driving the growth of disease management programs and other wellness initiatives is this: If a company invests in resources to teach employees about the importance of making changes in their daily lives, their overall health and quality of life can improve. As the quality of life improves, the costs associated with medical treatment, absenteeism and lost productivity will typically decrease.

Disease management is a systematic approach to improving health care for people with chronic

diseases. Health care can be delivered more effectively and efficiently if participants take an active role in their own care and providers are supported with the necessary resources and expertise to better assist their patients in managing their illness.

When participants are at the hub of their care

- working in partnership with their doctors
- they learn the importance of taking medication and monitoring symptoms.

Disease management programs help participants set, reach and maintain health goals, including regular exercise programs and formulated diets.

When disease management programs are in place, participants are made aware of the different treatment options available. Preventative measures are also planned out for participants in order to ward

off other conditions that may arise in the future. Disease management programs give participants the right tools to take better care of themselves and an opportunity to live a life that isn't burdened by a chronic illness.



Q&A

Bringing you answers to tough questions

How Do Doctors Feel About Drug Ads?

If someone is shy they have "social phobia" and require psychotropic drugs. Hyper kids have attention deficit disorder and need amphetamines. People with slightly elevated blood pressure have "pre-hypertension" and take beta blockers.

Drug ad spending has quadrupled to more than \$4 billion since 1998, the first full year after the FDA eased drug ad restrictions.

The AMA urged the government to force pharmaceutical companies to delay advertising new prescription drugs directly to consumers until physicians have time to review and study their safety and effectiveness.

The FDA said they do not believe a moratorium would survive a constitutional challenge.

Doctors say that drug ads get in the way of the doctor-patient relationship while contributing to rising health-care costs because the drugs advertised are usually the latest, most expensive brand-name products.

Researchers say it is surprisingly easy for patients to persuade doctors to prescribe medications.

Industry Approaches

The Quick Fix: Rise of Retail Health Clinics

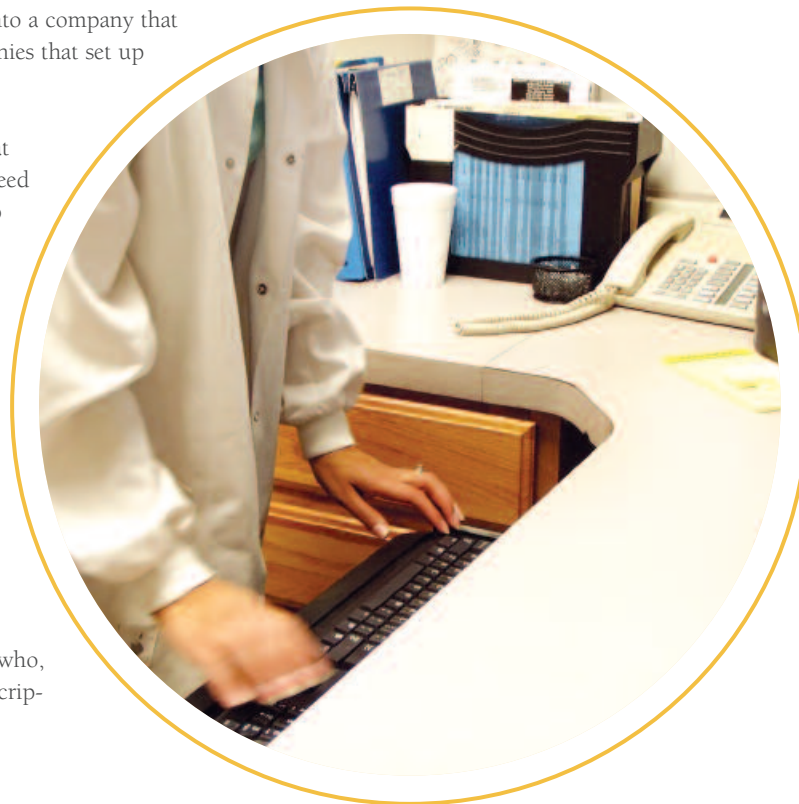
Tired of calling the doctor's office to book an appointment only to find out you can't be seen until next week? Routine visits taking up too much of your time and money? Major pharmacy and retail chains may have found a solution with burgeoning in-store health clinics.

The business model is simple – a medical clinic operated by an outside company, and generally staffed by nurses or physician assistants, offers a limited range of basic tests and treatments at a cost lower than a doctor's office. And it seems to be a promising venture: America Online founder Steve Case invested \$500 million into a company that buys stakes in smaller companies that set up these retail clinics.

Emphasis is on convenience at retail clinics. Patients never need an appointment and can drop by after regular business hours. The clinics usually offer diagnoses and treatment for a predefined set of minor illnesses, from ear infections to strep throat to bladder infections. Most offer vaccinations. Often times the price for care is listed on a menu board and, depending on the clinic, they can accept health plans. They are staffed by physician assistants and nurse practitioners who, in some states, can write prescriptions for patients.

These clinics operate at a lower cost to patients because there is less overhead for medical office equipment. The biggest hazard is that people may get the impression that these clinics could be their primary source of care, which they cannot.

The AMA is at odds with these retail clinics, saying they provide lower-quality care. The AMA said there needs to be more doctor oversight, a well-defined and limited scope of clinical services and complete records need to be kept and sent to patients' primary physicians.



BENEFIT BEAT

Keeping An Eye on What's Happening

A New Identity Theft



Medical identity theft is when thieves use your name or insurance information to get medical treatment. They might also use it to buy prescription drugs or get reimbursed by insurance companies for services you never received.

False entries on health care records mean you could end up being treated based on someone else's medical history. Wrong information might be on other paperwork that continues to be circulated among doctors, hospitals and insurers for years. The perpetrators are often professional thieves selling pills or medical supplies online.

Often it's a call from a bill collector that alerts victims. Experts suggest people request an "accounting of disclosures" annually. Here, insurance and health care providers are required under federal law to tell you who accessed your records in certain cases. This can help you spot any data breaches.

High Court Rules on ERISA Reimbursement

In *Sereboff v. Mid Atlantic Medical Services, Inc.*, a case with wide ramifications for employer-sponsored health plans, the U.S. Supreme Court upheld the rights of insurers to seek reimbursement from patients who have collected payments from a third party. The court considered the circumstances in which a fiduciary under ERISA may sue a beneficiary for reimbursement of medical expenses paid by the ERISA plan after the beneficiary has recovered damage from a third party.

The case decided the fate of \$74,869.37, the amount MAMSI paid to Joel and Marlene Sereboff for injuries sustained in an automobile accident. After the Sereboffs successfully sued a third party for \$750,000 in damages, MAMSI sought reimbursement. The funds were clearly traceable, identifiable and in the Sereboff's possession, meeting legal criteria for equitable relief.

Financial Update

Wellness Programs ROI Tough to Judge

Due to lack of a standardized method of measuring savings and the varying time it takes to realize a positive financial impact, some companies find it difficult to determine a ROI on wellness programs. A recent study shows that for those companies that have calculated an ROI for their programs, 44 percent cite improved employee health as the result of the wellness program, followed by improved employee morale, lower health care claims or costs and reduced absenteeism.

Encouraging workers to change their habits requires a major educational push and 46 percent of respondents utilize in-house staff to plan and implement their program. Eighty percent of employers offering a wellness program provide wellness education, which may include books, newsletters, seminars, speeches on wellness topics, health screenings, subsidized shots, and health risk assessments.

Thirty-six percent offer wellness plans as a stand-alone program, while another 26 percent said they offer such programs as part of their group health plans.

Merchandise and gift cards are the most popular incentives to promote wellness programs.

By encouraging workers to control behavior that may otherwise lead to expensive health care claims, a company can impact future plan costs. Wellness programs that provide information about treatment costs and hospital comparisons help put workers in a consumer mindset regarding their health care.

But the real return on wellness programs can be measured in healthy, happy and productive workers.



TRENDS Latest Happenings In Today's World

HSA, HRA Popularity Contest

Employers' preference for health reimbursement arrangements and health savings accounts is swinging, with HSAs overtaking the once-leading HRAs, according to a new survey. HSA use by companies grew from 15 percent last year to 48 percent this year, while HRA use dropped from 75 percent to 43 percent. The proportion of employers offering both HRAs and HSAs fell from 15 percent last

year to 10 percent this year. Overall, consumer-directed health plans are becoming more popular among businesses, with 28 percent offering CDHP, up from 22 percent last year.



The Costliest Condition is...

Annual drug costs to treat metabolic syndrome – a convergence of hypertension, diabetes, obesity, and cholesterol problems – exceeds \$4,000 per person annually, making it one of the nation's priciest health concerns. This figure is four times the overall annual drug costs of the average adult, and the number of adults being treated for metabolic syndrome shot up more than 36 percent from 2002 to 2004.

Moms Want More Balance

About 25 percent of working mothers are dissatisfied with their work/life balance and are actively seeking jobs that will give them more flexibility. Fifty-two percent of working moms are willing to take a pay cut to spend more time with their children. Twenty-six percent of career moms say their jobs are negatively impacting their relationship with their children. Nearly half of women say a flexible

workplace would allow them to be more adaptable as an employee and mother.

Stressed Out Youth

Early warning signs for Generation X: use of chronic medications to treat cardiovascular conditions have surged among adults ages 20-34, signaling the emergence of chronic conditions in younger adults. Use of blood thinners typically used by seniors and baby

boomers was up 30 percent among young adults and lipid-lowering drugs spiked 11 percent, indicating potentially longer-term use and longer-term costs.

Tans Fade Away, But Skin Disorders Won't

The best way to take care of your skin is to protect it from the sun. Ultraviolet light damages your skin, causing deep wrinkles, dry, rough skin, liver spots, and

more serious disorders, such as benign and malignant skin tumors.

The sun's rays are most damaging from 10 a.m. to 4 p.m. Reduce the time you spend outdoors during these hours. Cover your skin with clothing, such as long-sleeved shirts, long pants and wide-brimmed hats. Finally, apply sunscreen liberally 20 minutes before going outdoors and reapply every two hours.





DID YOU KNOW? *New Ideas for Healthy Consumers*

Know Your Health

Patients who have good relationships with their doctors tend to be more satisfied with their care and have better results. Here are four things every physician should know about your health to help treat you better.



Medical History – Keep a record of when major physical and/or mental conditions were diagnosed and how they were treated as well as results from recent tests or exams.

Family History – Information on your immediate family's medical history can help your physician recommend lifestyle and/or medication changes and diagnostic tests to help identify possible signs of a serious condition.

Medication History – Bring a list of the medications you're currently taking as well as

those prescribed in the past. It is also important to include over-the-counter medications and vitamin supplements because of the interactions they can have with prescriptions.

Lifestyle History – Diet, physical activity, alcohol consumption and smoking are all major factors for physicians to consider when treating you. Spinning the truth to sound healthier will only hurt you in the long run.

Colon Cancer Breakthrough

Colon cancer is the second major cause of cancer deaths in the United States. Although the colonoscopy is an effective diagnostic tool, a large number of the 60 million Americans in the over-50 age group who should be tested annually are not because of costs (at least \$1,000) and those without symptoms are often reluctant to go through the bowel preparation required for the test.

The biomedical optics lab at Northwestern University has been getting phenomenal results in early colon cancer detection using a technique called enhanced backscattering spectroscopy, or EBS.

The procedure is a relatively inexpensive, non-invasive, comfortable screen that could

do for colon cancer patients what the pap smear has done in drastically reducing deaths from cervical cancer. EBS can detect cancer much earlier than is possible with any existing method. The hope is that this technology will be brought to patients within five years.

A Warning On Plastics

A recent study shows that cancer-causing dioxin chemicals can be released from plastics into foods and beverages when microwaved or frozen. Dioxin chemicals are linked to higher incidence of breast cancer.

The study detailed that water should not be frozen in plastic bottles because the dioxins from the plastic are released into the water upon thawing. Food that contains fat should not be microwaved in plastic containers because the combination of fat, high heat and plastics release the chemicals into the food. Using glass or ceramic containers for heating food is recommended. Plastic food wrap can also release dioxin chemicals into food when microwaved, so cover food with paper towels.

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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