

## Health costs top concern of employers

*Health care is primary issue in the state*

Health care costs are the greatest concern of 350 state businesses that were polled in a survey by the Minnesota Chamber of Commerce. Location, size, or type of business was not a factor in the results.

Almost half of the survey respondents said health care is the primary issue in the state, with one-in-five rating it as second most im-

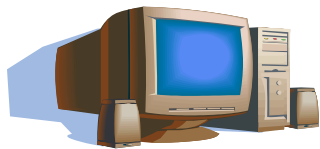


portant. But they also indicated that it was a significant factor in hiring and retaining good employees.

A Health Savings Account (HSA) is one way a quarter of the businesses surveyed are currently responding to their insurance needs. Better than a third of the employers said they are looking at using this kind of approach within the next few years. ■

## Dept of Labor offers Web site compliance assistance

*Guide users to information outside Labor's jurisdiction*



The US Department Labor has set up a new Web site to help employers comply with federal employment laws and regulations. The site will guide users to informa-

tion that is *outside* Labor's jurisdiction. This is done by directing them to, for example, the Equal Employment Opportunity Commission, if appropriate.

The site will also inform users of federal law on a particular issue. Additionally, it will include links to the compliance assistance mailbox, [compliancehelp@dol.gov](mailto:compliancehelp@dol.gov), and to a service that updates subscribers by e-mail every time there is significant compliance information. ■

Health benefits available to 80% of Minnesota employees

According to a report from the Minnesota Department of Employment and Economic Development, about half of Minnesota businesses offer health insurance benefits to their employees. The report also indicates that, because health insurance benefits are offered by most larger employers, 80% of Minnesota employees have the benefit available to them.

Employers most likely to offer health care benefits are manufacturers, education institutions, financial firms and health services organizations. Slightly more than half offer health insurance to their full-time employees and somewhat less than half offer family coverage. Part-time employees are less likely to be offered health care coverage. They are also less likely to accept coverage offered to them because they are often cost sharing plans and have a higher cost associated with them. Many part-timers pay the entire cost of a plan.

**BENEFITS** *Continued on page 2*

## New "Flex Promo Campaign" saves employer dollars

*Employers don't pay FICA tax*

Corporate Health Systems has developed a new cost-saving "tool" calculated to save employer tax dollars.

The new Flex Promotional Campaign is designed to increase employee participation in the employer's flex program. Increased participation results in tax savings for both the employee and employer.

The Flex Benefit (Sections 105 & 129) has been around for a longtime. It allows participating employees to save on the cost of health care products and services equal to their tax bracket. This generally equates to 28%-35% savings on each expense.

Employers also get in on the savings. They don't pay the 7.65% FICA tax for each dollar processed through a flex account.



Disappointingly, only 16% to 22% of employees actually take advantage of this great benefit.

To find out why participation is generally so low, Corporate Health Systems hired an independent market research firm to look into it. The results of their study indicated that there were four predominant reasons, or "myths," for why employees did not participate.

**FLEX** *Continued on page 2*



Cost-of-living adjustments for health savings accounts

### Treasury issues HSA tax guidance for 2006

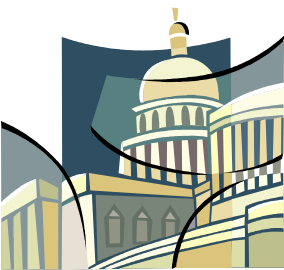
The Treasury department recently issued guidance on cost-of-living adjustments for health savings accounts (HSA) for the 2006 tax year.

Maximum annual contributions rose in 2005 to 2006 from \$2,650 to \$2,700 for single coverage, and \$5,250 to \$5,450 for family coverage.

Minimum deductibles rose from \$1,000 to \$1,050 for single coverage, and \$2,000 to \$2,100 for family coverage.

Maximum out-of-pocket also rose from \$5,100 to \$5,250 for single, and \$10,200 to \$10,500 for family coverage. ■

### Health care bankruptcy



Half of the bankruptcies in the U.S. were related to health care causes, a recent Harvard University study found. The study also found that most people were middle class and in good health before illness and medical costs lead them to bankruptcy.

The new Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 provides for possible repayment procedures. For the patient and health care provider, however, it is unclear to what degree the repayment procedures will be satisfactory to both parties. ■

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The study indicated that large employers are more likely to offer health care benefits and that employees are more likely to accept them. ■

Many part-timers pay the entire cost

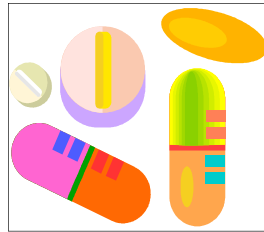
**FLEX** Continued from page 1

The first "myth" was their fear of the "use-it-or-lose-it" rule. The second, a general misunderstanding of the tax savings and financial benefits available to them. And third, there being too much paper work involved in getting reimbursed for their expenses and tax savings.

The fourth myth was somewhat more complicated – a belief that with a flex account they would pay *twice* for health care products and services. That money would be withheld from their payroll check and that they would then have to also pay for products and services...but would be reimbursed only *once*.

Turn the myths from negatives to positives

### Fairview builds new pharmacy benefits manager



Fairview Health System has created its own pharmacy benefits manager (PBM). The new PBM, called ClearScript, claims to avoid the hidden costs common to PBMs.

Fairview created ClearScript to make the actual cost of medications and the amount billed to the employer more *transparent*, i.e., that cost and amount billed are exactly the same.

Consumer driven medical plans are a potential direct beneficiary of the new PBM, because it is more transparent to plan members and their need to better observe the medical and pharmacy costs they are being charged.

Clearscript began operation earlier this year and is available to self-insured employers as well as Fairview's own health system. ■

### Sports Injuries Among Teens Increase

In a survey of parents by Blue Cross and Blue Shield of Minnesota, almost two-thirds of parents surveyed saw a teen sports injury occur. Almost ninety percent of the injuries required doctor or hospital attention.

Football accounted for close to sixty percent of all sports injuries, followed by basketball, hockey and baseball, in that order. The most common injuries, accounting for close to one-third of all injuries, was to the foot and ankle. A little more than one-fifth of injuries were to the neck, head and face, with arm, elbow and shoulder injuries occurring with almost the same frequency.

With the study's results in hand, CHS and the marketing firm developed a flex promotional campaign to dispel the myths – to turn the myths from negatives to positives.

To achieve its objective, the campaign uses a series of on-site posters, brochures mailed to the home, email and streaming Web-based video. There is even an on-site "live...one-man-show" theatrical presentation available.

The campaign is flexible. Its can be done in a few weeks or spread over a number of months. Contact your CHS service person for details. ■

## Floodlight on...

A HAPPY  
NEW YEAR

### CHS enhances client service teams

Corporate Health Systems manages a vast array of services for its customers. Because of this, great care and thoroughness is required. Team work is essential.

That is why CHS recently re-designed its service teams. The new design will allow for easier transfer of information between staff members responsible for delivering customer services.

The service teams wanted to enhance their communication with clients in a manner that would be simpler to comprehend. This led to joining CHS's consulting services with its third-party payer services - joining them into a single "package" of services where they could more easily be understood.

Today, CHS consultants have more time to sit down, to visit and to better lead customers in the right direction.

To accomplish this, the Client Relations team helps by developing a thorough market analysis for clients and by handling routine activities of the sales staff.

The Implementation team helps to guarantee that, on an annual basis, all renewal information is accurately entered and channeled in the right direction.

The largest of the three teams, the Benefits Administration team, helps daily to assure that all benefit enrollment changes are correctly accounted for, and that flex COBRA, HIPAA, HRA and the many other procedures and documents it handles, are properly processed.

In subsequent issues of this newsletters, CHS team members will be introduced (see article, below). ■

*CHS  
re-designed  
its service  
teams*

## Limelight's on...



### Bridget Gartner Gilman

Bridget Gartner Gilman smiles as beautifully in the office as she does "going down the isle" on her wedding day. The wedding (picture) took place on a white sand beach in southern Florida this past October 21, 2005.

Bridget has been with CHS for nine years. Over those years she has had a variety of assignments and worked with many clients.

Currently, Bridget is one of four Client Relations representatives. Another is Joanne Wacker, a close friend of Bridget's, who also took the picture.

"I like to talk to people," Bridget remarked. "And working with our clients gives me opportunity to examine their benefits program and then to talk to them about it. The days seem to go so fast. And even though the work can be intensive at times, it's still enjoyable when I get on the phone with them," Bridget concluded.

Bridget was raised in Preston, Minnesota, a small town nestled in the valleys of southeastern Minnesota. She is one of 3 girls and a graduate of UW-La Crosse. She and her husband, Ryan, live in Waconia, Minnesota.

*"I like talking  
to people...  
the days  
seem to go  
so fast. "*

**Bridget going down the "isle" on her wedding day.**


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