

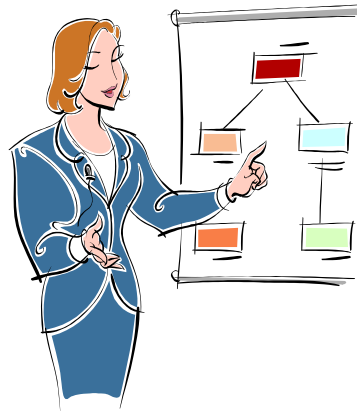
## Care Management program in development

*...approximately 85% of all medical claims are incurred by only 15% of the membership.*

Corporate Health Systems is preparing to launch a new program for clients. The program, called Care Management, will be available to employers and employees in the near future.

The development of the program is driven by a number of factors. Foremost for most employers and employees is the rapid rise in health care costs.

Claims analysis, for example, shows that medical claims represent about 85-90% of medical expenses while only about 10-15% are for ad-



ministration costs. The problem is that medical claims are increasing by double digit rates.

In another example, claims analysis also shows that approximately 85% of all medical claims are incurred by only 15% of the membership. This raises questions about who and how to target participation in high deductible health plans.

It is also believed by many in the field, that somewhere between 25-50% of all medical claims are either inappropriate or unnecessary. In

**CARE MANAGEMENT** ((Continued on page 2)

## Credit scoring; records retention and security

Employer and employee personnel record safety has come center stage in the last few years. This is a result of new state and federal laws that focus on the proper handling and disposal of personnel and client information.

Identity theft and theft protection have also become major concerns of employees and employers.

The latest CHS sponsored employee benefits seminar took up these issues at its October 11, 2006 meeting at the Hopkins Center for the Arts.

Guest speaker was Gloria Thompson, a certified insurance consultant.

Thompson also does insurance related classes for Kaplan Training Schools (formerly ProSource Educational Services).

Participants learned about the laws that require safekeeping and careful disposal of personnel records. The same focus was applied to client data and how to keep employer funds and data safe.

Credit and credit scoring was explained, includ-

**CREDIT SCORING** ((Continued on page 2)



*...learned about the laws that require safekeeping and careful disposal of personnel records.*

## CHS promotes, hires additional staff



After moving its offices in August, CHS promoted and added multiple new staff in September.

**Melissa Boser**, a member of CHS for the past year and a half, was recently promoted to Director of Consulting Services. Prior to joining CHS, Melissa worked extensively in the insurance industry, most recently with one of the major medical carriers. In her new role at CHS, Melissa will coordinate business and program activities between new sales and ongoing client relations. She will also be instrumental in setting up and training in-house staff on a new web-based benefits management software program. The program will eventually be available to clients, as well. More on this topic in the next newsletter.

**Gene Arves**, a Minneapolis native, has been hired to fill Melissa Boser's former position as Client Relationship Manager. **NEW STAFF** ((Continued on page 2)

**CARE MANAGEMENT** (Continued from page 1)

other words, close to half of all medical claim costs should not exist at all.

The Care Management program is being designed to empower plan members to better control their “medical destiny” - their medical needs and costs.

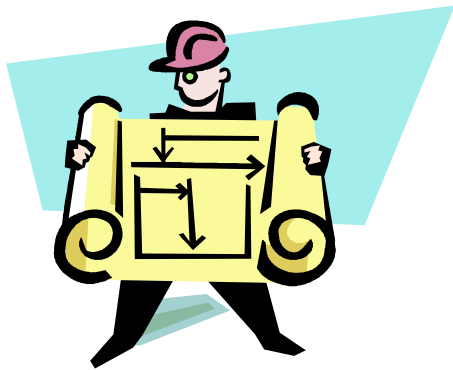
The intended outcome will be to help reduce medical and work compensation premiums by 1/3 or more. Additionally, it is targeted to help improve the overall health of employees which, in turn, will lead to reduced absenteeism in the workplace and increased employee productivity.

A business plan has been in development at CHS for the past few months. Recently, Rachael Holmbo was hired by CHS to complete the plan and to prepare it for presentation to clients or prospective clients.

Holmbo’s experience includes working on the development and implementation of care management for Minnesota State University – St. Cloud. Her work there focused on programs for both students and faculty.

More information will be released as development comes closer to completion and implementation. Questions about the program may be directed to Rachael Holmbo at 952-939-0911x48.

....Empower plan members to better control their “medical destiny”



**CREDIT SCORING** (Continued from page 1)

ing how they are used in the insurance process and how a credit score effects insurance rates.

Credit scoring is used by banks, credit card companies, insurance carriers and employers. Credit Bureau reports are the sources of credit scores.

The presentation highlighted the components, advantages and pitfalls of credit scoring. It emphasized how credit scoring determines interest rate paid, effects whether or not goods or services are received, and can even impact hiring decisions.

Topics are designed for managers and administrators of private and public employers. They focus on current and new insurance products, laws, rules and regulations effecting employee benefits.

Corporate Health Systems has sponsored employee benefit seminars for over five years. Reservations are requested, but not required, and there is no cost to attend. Seminar announcement are sent by email. To get on the announcement list, send your request to Keith Kupcho, [kkupcho@CorpHealthSys.com](mailto:kkupcho@CorpHealthSys.com).

...Highlighted the components, advantages and pitfalls associated with credit scoring.

## Welcome, New Clients...

Benton County Soil/Water Conservation Dist...	Foley
Great River Regional Library.....	St. Cloud
Inspec Inc .....	Minneapolis
Jonathan Montessori House of Children.....	Chaska
Lamex Foods Inc.....	Edina
Mohagen Hansen Architectural Group.....	Wayzata
Morrison Fenske & Sund.....	Minnetonka
Nicollet County.....	St. Peter

**NEW STAFF** (Continued from page 1)

tions Manager. Gene has spent over 30 years in employee benefits consulting and management. He and his career staff, comprised of Bridget Gilman, Joanne Wacker and Christine Wells manage the benefits package of all CHS clients. Outside interests include collecting old movies, of which he currently has well over 300.

**Rachael Holmbo**, Wellness Communications Specialist, is an Anoka native who enjoys working out in her leisure time. Rachael will develop, implement and manage the new CHS Care Management program. (See a separate article in this newsletter for more information on Rachael and the Care Management program.)

**Joanne Lynch** is from Hopkins. She is an avid admirer of the Arts, particularly music and visual art. Joanne is the newest addition to a cadre of Benefits Administrators who handle the day-to-day operations of communicating with employers and employees about the services within their benefits package. Benefit administrators typically coordinate such tasks as an employer’s annual employee enrollment, flex account adjudication and reimbursement, COBRA billing, and HIPAA certificate disbursements.

**JOHNSTECH** (Continued from page 3)

ious companies like Control Data Corporation. She was responsible for enlisting Corporate Health Systems shortly after her arrival at Johnstech eight years ago. Her strong human resource background was just what Johnstech needed to systemize the human resource function and to enhance Johnstech’s benefits package.

One of Ms. Snyder’s first orders of business at Johnstech was to reduce health insurance costs. Having previously met Bob Hanlon, CHS President, at a benefits review meeting at a different employer, Ms. Snyder knew that Corporate Health Systems would enable Johnstech to offer a comprehensive, user-friendly health benefit to its employees.

The final decision to go with Corporate Health Systems has been “a decision I’ve been happy with ever since,” said Ms. Snyder. “And, although Johnstech’s medical costs have risen over the years, they have almost always remained below what was initially anticipated at budget meetings.”

To learn more about Johnstech, call 612-378-2020 or go to their website at [www.johnstech.com](http://www.johnstech.com).

## Spotlight's on...

### Johnstech

This issue's Spotlight focuses on Johnstech International Corporation, a client of Corporate Health Systems for the past eight years, and on Alice Snyder, its Human Resources Director.

Johnstech employs approximately 100 people. It is headquartered in Minneapolis, Minnesota, with worldwide sales and support offices in Europe, Japan, Korea, Malaysia, Thailand, Singapore and the Philippines.

Founded in 1990 by its current president and CEO, David Johnson, Johnstech designs and manufactures high performance test contactors for the semiconductor industry. Test contactors are utilized by a multitude of electronic manufacturers and other product manufacturers. They are used to determine whether the semiconductor microchips - to be placed into their products - are manufactured correctly. Johnstech counts many Fortune 100 companies as clients.

Ms. Snyder came to Johnstech with 20+ years of human resource experience from her employment at other prestig-

**JOHNSTECH** (Continued on page 2)

## Limelight's on...



**Kelly Kalash**  
Benefits Administrator

**Kelly Kalash** came to the "Cities" five years ago from Windom, Minnesota. In July, she celebrated her 5<sup>th</sup> anniversary as a Benefit Administrator with Corporate Health Systems.

Kelly said she finds the work environment as gratifying as the relationships she has built with her clients.

"The most rewarding part of my job," said Kelly, "is the sense of accomplishment when helping clients and their employees." In addition to assisting individuals with their benefits, she also admin-

isters eligibility, reconciles invoices and administers Flexible Spending accounts.

In her free time, Kelly enjoys watching movies and spending time with family and friends. She designs and assembles crafts and is always searching for a new craft idea. Kelly also enjoys passing time in the kitchen, making and baking a variety of goodies that she shares in the office.

## Floodlight's on...



### What's happened? What's ahead?

**August 28, 2006**      **CHS in New Location**  
Corporate Health Systems re-locates to new office site  
15153 Technology Dr., Suite B, Eden Prairie, MN 55344  
Telephone (same): 952-939-0911; Fax (same) 952-939-0990

**October 11, 2006**      9-11 AM      **SBC/EBF Seminar**  
Credit Scoring; Record Retention and Security  
Gloria Thompson, ProSource/Kaplan  
Hopkins Center for the Arts, Hopkins, MN 55343

**November 8, 2006**      3-6 PM      **CHS Open House**  
Welcome to clients and carrier reps. Visit our new offices.  
Appetizers, beverages, conversation and enjoyment.  
15153 Technology Drive, Suite B, Eden Prairie, MN 55344

**December 13, 2006**      9-11 AM      **SBC/EBF Seminar (tentative)**  
Topic: TBA  
Location: TBA

## Highlight's on...



### Flex Membership Campaign increases participation

The greater your employee participation, the more your Flex plan benefits the entire organization. This membership campaign is designed to increase employee membership in the employer's Flexible Spending Account program.

The "myths" that prevent participation need to be exposed and minimized, so that an environment is created where employees feel ready to make decisions that are right for themselves and their families. This promotional campaign provides the exposure necessary to make it happen.

Four key myths need to be explained and overcome:

1. Losing money left over at the end of the plan year;
2. Misunderstanding of the tax benefits they will achieve;
3. Too much paperwork in the reimbursement process;
4. Payroll and out-of-pocket feels like double payment.

What's in the program for the employer? Savings on Social Security and Medicare taxes. Tax savings benefits will be low cost, no cost, or even a positive cash flow generator. An employee recruitment and retention benefit. A pro-active health incentive benefit that could save on unemployment and worker compensation, short and long term disability, and other insurance programs. Contact CHS for information.

**CHS has moved**



from Hopkins...

...to Eden Prairie

**So let's PARTY**

**at our open house!**

**Wednesday, November 8, 2006 3-6 PM**

Beverages,  
hors d'oeuvres,  
desserts

## **“We Are Your Best Hire Yet”**

*Who else offers all this...?*

- Benefits Consulting
- Underwriting Expertise
- Self-Funding Analysis
- **Consumer Driven Platforms**
- Wellness Communications
- Initial Employee Notification for COBRA, HIPAA and Medicare Part D
- SPD & Certificate Delivery
- Web-Based Enrollment
- All-In-One Enrollment Form
- Flex Administration
- **HRA & VEBA Administration**
- **HSA Administration**
- COBRA / State Continuation
- Retiree Billing / Collection
- HIPAA Certificate Processing
- Monthly Billing Service



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- **Spotlight On** Johnstech International Corporation
- **Limelight On** Kelly Kalash, Benefits Administrator
- **Floodlight On** What Happened? What's Ahead? (calendar)
- **Highlight On** New program increases Flex membership
- Care Management program in development
- Credit scoring; records retention and security
- CHS promotes, hires additional staff
- Open House at CHS's new office location

**What's Inside**

Employee Benefits & Communication Solutions

Corporate Health Systems  
15153 Technology Drive, Suite B  
Eden Prairie, MN 55344

