

# New Year's resolution: Control your medical insurance costs

By Abby Waxenberg, RHU, CHP

**Medical premiums are** on the rise. According to the Kaiser Family Foundation and the Health Research & Educational Trust survey of 2,088 employers nationwide, released in September 2011, premiums for family coverage increased an average of 9 percent to \$15,703 in 2011 compared with an average increase of 3 percent in 2010. With prescription drug cost trends moderating in recent years because of increasing use of generics, price increases are attributed to doctors and hospitals, probably in anticipation of reduced Medicare and Medicaid reimbursements that are part of the effort to balance the federal budget.



Of course, you can reduce your A/E firm's cost by shifting more of the burden to employees. You can increase their payroll deductions and reduce their benefits by increasing deductibles and copayments. You can even adopt a consumer-directed high-deductible health plan and then pair it with a health savings account, provided that it qualifies under federal rules. So yes, you can *reduce* your cost, but that is not the same as *controlling* it.

You can control your costs by adopting a disease management and wellness program. It is a great frustration when our professional firm clients say that wellness isn't for them. More often than not, human resources is on board, but for a program to be successful, senior management has to embrace this concept and believe in it. There also has to be a commitment to spend some money to save in the long run. You can keep the cost low by working with your medical insurer — they all offer programs — or you can spend more by bringing in a wellness vendor to run a program. The extent to which your actual medical claims determine your premiums should dictate the scope of your program.

At a minimum, you can encourage your employees and their dependents to participate in your insurers' disease management program. They all have them. By reviewing prescription drug data, insurers identify employees with chronic diseases including diabetes, asthma, and cardiovascular problems. They make outreach calls to ensure that these people are complying with their medicine regimen and following proper diet and exercise protocols.

Insurance companies offer a Health Risk Assessment (HRA). To comply with federal privacy laws, employers receive a deidentified consolidation of the data. The HRA helps the insurer predict which employees and dependents are likely to face health problems that could lead to high health care costs in the next one to three years. These individuals then undergo an intervention and are helped to determine how best to address their health issues. Some firms give an incentive for taking the HRA, but other firms charge higher

payroll deductions for not taking it or they make it a precondition of enrolling in the medical plan.

There are a couple of other ways to introduce wellness to employees. There are programs that focus on metabolic syndrome, which is a name for a group of risk factors that occur together and increase the risk for coronary artery disease, stroke, and type 2 diabetes — very high-cost health conditions. Treating metabolic syndrome with diet and exercise reduces these risks. There are other programs that just focus on diet and exercise, encouraging team competition for weight and fitness goals. Both of these types of programs generally use incentives when certain milestones are reached.

It doesn't really matter which wellness program you decide is best for your staff and will fit your corporate culture. Any of the three or a combination of HRA, metabolic syndrome, and diet/exercise will help achieve a healthier workforce, increasing productivity and lowering health insurance premiums. Just do *something*. Make it a New Year's resolution to talk to your insurance broker/consultant about implementing a program.

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