

The Administrator

SPRING 2009

Important news and updates from your benefits professional

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Feature Story

Keeping Employees Engaged in Difficult Times

The old saying “when the going gets tough, the tough get going” has probably never been more appropriate, especially when it comes to keeping employees focused and motivated. As economic events continue to challenge all companies, keeping employees on task and willing to go the extra mile for the benefit of the company becomes increasingly difficult.

As one client stated recently, “there are several factors at work here and none of them are very good. While we want employees to pay close attention to their health when stress is running high, we know it’s impossible to put aside the pressure of the moment.”

With everyone, regardless of tenure or position, being forced to do more with less, it’s important to revisit the goals you established for 2009 and maintain a clear vision.



1. Strive to Empower Each Employee

The toughest things to accept are those that are beyond our control, like an economic downturn. Keeping employees engaged and on task will take every ounce of energy and discipline employers can muster up.

2. Stay Committed to Career Development

As long as there’s competition, the need for training and education will never stop. Companies that remain committed to helping workers expand their knowledge will emerge as leaders.

3. Recognize Top Performers

There are plenty of cost efficient ways to recognize or reward excellence. Eliminating meetings or events will make it more difficult to keep employees engaged in their work.

4. Communicate, Communicate, Communicate

There’s no substitute for open and honest communication, especially when times are tough. Employees are human and economic hardship influences their attitude towards their job, their employer and their future.

Even in tough economic times, high quality, dedicated workers are your most valuable assets. With every company working hard to control health benefit costs, the need for wellness and employee engagement has never been greater. Increased employee communication and personal involvement by senior management will go a long way in keeping employees engaged and focused on their well-being and that of your organization.

Q&A

Bringing you answers to tough questions

How will the changes to COBRA affect employers?

On February 17, 2009, President Obama signed the "American Recovery and Reinvestment Act of 2009" containing a 65 percent subsidy for COBRA premiums, for up to nine months, for involuntarily terminated workers and their families.

Employers are required to notify every employee terminated within the qualifying time period, including those who declined COBRA coverage. These workers must be given a 60 day window to elect COBRA coverage and receive the subsidy. Employers will be required to pay the remaining 65 percent of the premium for assistance-eligible individuals and claim the subsidy as a credit on its quarterly employment tax return - Form 941.

To qualify for this subsidy, a worker must be involuntarily terminated between September 1, 2008 and December 31, 2009. The subsidy is not available to individuals with an annual income exceeding \$125,000 or couples with annual incomes exceeding \$250,000. This subsidy terminates upon offer of any new employer-sponsored health care coverage or upon Medicare eligibility.

Industry Approaches

Is America Ready for Electronic Medical Records?



President Obama's goal of providing every American with a digital health record by 2014 may sound feasible, but there's much more involved than uploading a new computer program and inputting data. Several issues must be addressed before the project can ever really take hold.

Today, only about eight percent of hospitals and 17 percent of U.S. physicians use the computerized record-keeping systems that the administration has identified for widespread use. Creating technology that medical professionals can use easily will require in-depth training, and IT professionals and systems developers dedicated to the task will need to learn to think like doctors.

Implementing electronic medical records also raises

many concerns about patient privacy. Most health care providers have resisted putting records online for fear of potential security breaches and system failures. In addition, HIPAA laws were never designed for the digital age and the emergence of web-based records was not anticipated.

Despite these concerns, the plan could provide major benefits, beginning with job creation. The administration estimates that creating digital health records could foster more than 200,000 jobs. President Obama also believes the transition will reduce the need for many expensive medical tests and eliminate layers of costly red tape. Health care benefit plan cost savings are expected to follow. With an aggressive health care reform agenda in place, we can expect to hear much more about electronic medical records.



TRENDS *Latest Happenings In Today's World*

Debating the Value of Research

A provision in the stimulus bill that allocates \$1.1 billion for research comparing medical treatments is mobilizing the drug and medical device industries. The funding would be distributed to the National Institutes of Health and other government agencies. Drug and device makers are concerned that this may be the first step in a slippery slope to government rationing of health care and the elimination of useful

treatments because of cost. The administration maintains their goal is merely to expand coverage and increase the value of our health care dollars by limiting use of treatments that don't work well. Industry representatives warn that research funding should not automatically assume pricey medicines are bad. The debate over this provision may be an indication of growing tension over the administration's plan to overhaul our health care system.



Balance Billing Getting the Ban

The controversial practice of balance billing, in which doctors and hospitals seek to collect the amount health plans refuse to pay from patients, has recently been struck down in California's high court. This practice has also been banned in Connecticut, Pennsylvania and Alabama. As a result of these rulings, health care providers will need to absorb unpaid costs on their own, or get the patient's health plan to pay.



BENEFIT BEAT

Keeping An Eye on What's Happening

Incentives Encourage Electronic Prescriptions

New incentives have doctors putting down their pens in favor of electronic prescriptions. In the past year, the number of physicians prescribing medicines electronically has more than doubled to about 70,000, or 12 percent, of all office-based physicians. E-prescribing allows doctors to transmit prescriptions through a secure Internet network directly to pharmacies using a computer or digital handheld device.

For doctors who switch, Medicare has begun paying a bonus of two percent of charges billed to Medicare for 2009 and 2010. Current estimates show that the bonus program could yield an additional \$1,700 to \$3,500 per physician, per year. Even private health plans have begun offering extra payments along with free equipment, such as digital handheld devices.

Over four billion prescriptions are written in the U.S. annually, and studies show as many as four percent contain an error with potentially serious patient risks. Studies show e-prescribing can catch many of these errors. The software automatically checks a patient's drug history for potential hazards, such as improper dosages, medication allergies and adverse interactions with other drugs the patient is taking. Other benefits include reduced costs for consumers and health care providers, and shorter waits at the drugstore encourage more patients to get needed prescriptions filled.

More Generics Coming

Drug prices are continuing to fall as patents on brand name drugs continue to expire. This trend has been on the rise in recent years and doesn't show any signs of stopping. In fact, some top-selling drugs including Lipitor, Prevacid and Plavix are slated to lose their patents and face generic competition between 2009 and 2012.

Introducing these generic drugs is a huge benefit to many Americans struggling to pay for their prescriptions. Just last year the number of generic prescriptions rose by 5.4 percent while the actual dollar sales declined by 2.7 percent.



Health Wise

Online Tools Enhance Health

People have been using the Internet for quite some time now to seek information about health care. According to an online marketing research firm that tracks some 200 sites, health websites received about 72 million unique visitors last year, a 14 percent increase from a year earlier. Health websites are seeing strong growth as they increase their focus on today's leading consumer health concerns - including quality of care, prescription drug safety and the ability to network with other patients who are facing similar health problems.

Enriched offerings and new online tools are making it easier to be healthier in 2009:

EverydayHealth.com - This site links 24 separate health sites catering to various interests. Consumers can personalize their home page with news and advice tailored to their interests, join community groups or start their own health blog.

WhyNotTheBest.org - Primarily aimed at health professionals, this new site compares care at 4,500 hospitals nationwide. Consumers can also compare performance on various measures of safety and good care at local hospitals.

Consumermedsafety.org - Sponsored by the Institute for Safe Medication Practices, this site offers various methods for learning about medication safety.

Microsoft's HealthVault.com - While this site offers a number of health management tools, its main benefit is that it allows individuals and families to create free online medical records, and to share these with physicians if they choose.

When people have a medical emergency, they will often go to the nearest hospital or other medical facility, regardless of whether their health care plan is accepted. Many times the health plan will refuse to pay the health care provider for services rendered. This leaves the hospital looking to the patient to cover the unpaid portion. Balance billing is controversial because many believe it is unfair to ask emergency care patients to absorb the cost.

Hospitals Seek "Temporary" Relief for Surgeon Shortages

For decades, general surgeons have been the backbone and economic engine of U.S. community hospitals. A recent study showed the number of general surgeons per capita has declined 25 percent in the last 25 years. The field has become less attractive due to grueling schedules, shrinking payments and temptation from more profitable surgical niches. As the

majority of surgeons-in-training opt for more lucrative sub-specialties, community hospitals are struggling to provide basic services. Some are turning to temporary physicians to fill the void. It is estimated that one in 20 of America's 17,000 general surgeons already work on a temporary basis. General surgery is one of the fastest growing areas of a temporary medical staffing industry expected to double from just five years ago to \$2.1 billion in 2009.





DID YOU KNOW? *New Ideas for Healthy Consumers*

The Fight Against "Sitting Disease"

Americans spend too much time each day sitting behind a desk, watching TV and doing other sedentary activities. Sitting disease is a major contributor to Americans' growing issue with obesity. It also decreases the number of calories we could burn daily by anywhere from 1,500 to 2,400.

Incorporating some activity into inactive TV time could help Americans shed about 50 pounds per year. Taking steps to increase "non-exercise activity thermogenesis" (NEAT), can boost daily movement and caloric expenditure. NEAT includes actions like climbing stairs, folding laundry, cooking dinner and various other daily activities.

For those who are more hardwired to be sedentary than others, it may be difficult to get moving. Integrating enjoyable activities, such as a walk around the block, spending time in the garden or active volunteering, into daily routines is a great way to stay active.

Research shows that adopting something for about 21 consecutive days helps the brain adapt to it. Introducing a little NEAT back into each day for just three weeks will help you establish it as part of your daily routine and is a great way to boost your energy and stay healthy.

Soundtracks: Not Just For Movies

A recent study shows a link between music, memories and emotions. There appears to be a connection in the part of the brain known as the medial prefrontal cortex.

Songs that bring back the most vivid memories for study participants cause the most emotional response, eliciting the greatest activity from the medial prefrontal cortex.

The study also reveals that soundtracks may not be just for movies anymore. When a piece of music holds special meaning for the listener it can trigger a "mental movie" in the mind, with the song serving as the soundtrack. Listeners recall memories of a specific person or place by associating it with that song.

The medial prefrontal cortex is one of the last parts of the brain to be affected by Alzheimer's disease. Researchers hope that discovery of this link will provide a breakthrough.



The Affects of High Blood Pressure on Children

Approximately 3.5 percent of American children suffer from high blood pressure. As more children battle obesity, that number continues to increase. It has always been known that high blood pressure negatively affects physical health, but research now shows it can also damage children's mental health.

Children's short-term learning ability is the area most affected by high blood pressure. Those who struggle with this condition experience memory problems and are more challenged by complicated, goal-oriented tasks than their peers. They are also less skilled at planning.

While symptoms may be early signs of damage to the brain, preliminary research shows they can be reversed by lowering blood pressure. The key is to be aware of the symptoms. Headaches, chest pain, fatigue, and shortness of breath are a few. Losing weight and a healthy diet are critical to helping children fight high blood pressure.

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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