



# The ViewsLetter

## IN THIS ISSUE

- Medical Plans That Encourage Health Improvement ..... 1
- About the ViewsLetter ..... 1
- Did You Know ..... 2
- Your Questions ..... 3
- The New Mammogram Recommendations ..... 4
- Trend Tidbits ..... 4
- Technical Corner ..... 5

## Medical Plans That Encourage Health Improvement

Employers struggle with exorbitant health plan costs every year. With the economy stagnant in Southeast Michigan, controlling health care cost is not an option but an imperative for most organizations. Our McGraw Wentworth Mid-Market Benefit Survey indicates that employers are trying to manage the problem primarily by shifting cost and focusing on employee health.



A few years ago Blue Care Network introduced Healthy Blue Living, an innovative product that increased cost sharing for employees who did not focus on improving their health. Initially, the plan offered two levels of benefits: an enhanced level and a standard level. As of the first day of coverage, everyone had enhanced coverage. To stay at that coverage level, participants had to complete two tasks within the first 90 days:

1. Take an online Health Risk Assessment.

2. Visit their primary care physician and have the physician complete a qualification form over-viewing a few key health measures.

Members failing to reach a certain health score and refusing to work on improving health were placed in the standard plan. The early days of Healthy Blue Living were less stringent than the requirements of today. For example, smokers could continue to qualify for

enhanced benefits if they completed the “Quit the Nic” program. Healthy Blue Living criteria changed significantly in 2010 and we discuss the changes later in this article.

Healthy Blue Living got off to a rocky start, but the plan design appealed to many employers. The enhanced coverage that this plan offers strongly encourages employees to work on health issues. Plan designs for enhanced and standard coverage vary, but the standard plan always has higher out-of-pocket costs.

**Continued on page 2**

## About the ViewsLetter

We welcome you to the first quarterly issue in Volume Thirteen of the McGraw Wentworth ViewsLetter. It is our mission to be the leader in the employee group benefits brokerage and consulting industry to mid-sized organizations.

We have established the ViewsLetter as an integral part of our commitment to keep

you informed of benefit trends, legislative and marketplace developments that may affect your group benefit programs.

We welcome your comments and suggestions regarding the ViewsLetter. You can pass your comments directly to your McGraw Wentworth Account Director or Account Manager, or you can reach us at [www.mcgrawwentworth.com](http://www.mcgrawwentworth.com).

## Medical Plans That Encourage Health Improvement, cont.

To compete with these popular Blue Care Network programs, the following local health plans have created similar programs:

- Priority Health offers HMO and PPO plan types called HealthyChoice Incentives.
- HAP offers an HMO option called Health Engagement.
- HealthPlus offers an HMO plan called HealthySolutions and it is currently developing a PPO type plan.
- Blue Cross Blue Shield is currently developing a PPO plan option as well.

Just a few years ago, if you were interested in these plans, you could either choose Blue Care Network or look to a TPA to help you build and administer a plan. Today, your organization has a number of options to consider in the HMO market and it looks like next year the PPO market will have a number of options available as well.

While these plans are similar conceptually, the process and benchmarks necessary to qualify for the enhanced benefit coverage can vary widely. Consider the key differences when you evaluate plan options or decide to change vendors.

Most plans allow employees 90 days to complete the two tasks necessary at a minimum to qualify for the better benefit level: first, they must complete the Health Risk Assessment and second, they must visit their primary care doctors. The other criteria for qualifying for enhanced benefits vary as follows:

- **Blue Care Network:** Blue Care Network recently changed criteria. It now sets six targeted health measures:

1. Non-Smoking: 25 points
2. Weight (Body Mass Index of less than 30): 25 points
3. Normal Blood Pressure: 20 points
4. Normal Cholesterol: 10 points

5. Social Alcohol Use: 10 points
6. Normal Blood Sugar: 10 points

It then considers the total score together with the results of the Health Risk Assessment and the doctor-provided information. If the employee and the spouse score above 80, they will receive the enhanced benefits. If their doctor recommends any follow up visits during the year, they must schedule those follow ups in order to stay in the enhanced plan.

Many employees won't initially qualify for the enhanced benefits because they smoke or are overweight. However, smokers can still qualify if they visit their doctors at least once every six months and actively participate in the Blue's "Quit the Nic" program. Overweight employees can also still qualify if they commit to the Blue's weight management program. That program requires them to complete two online weight management questionnaires every six months until their BMI falls below 30, and it provides a weight management protocol specifically tailored to their needs based on their responses to questionnaires. In addition, health coaches help them focus on their health issues.

- **Health Alliance Plan:** HAP offers a product very similar to the BCN plan; however, it uses seven health measures:
  1. Non-Smoking: 25 points
  2. Weight (Body Mass Index of less than 30): 15 points
  3. Normal Blood Pressure: 15 points

### DID YOU KNOW?

- COBRA elections increased just over 5% since ARRA passed. Under ARRA, the government subsidizes 65% of the premium for Assistance Eligible Individuals, so that COBRA will be more affordable for employees that lose coverage when they lose their jobs.
- Pre-ARRA COBRA election rates from September 2008 to February 2009 averaged 12.4%.
- Post-ARRA COBRA election rates from March 2009 to June 2009 averaged 17.7%.
- Less than 1% of employers chose to offer a lower cost plan option to Assistance Eligible Individuals.

Source: Ceridan (2009 Analysis of COBRA Enrollment in Light of the ARRA Subsidies)

Continued on page 3

## Medical Plans That Encourage Health Improvement, cont.

4. Normal Cholesterol: 15 points
5. Social Alcohol Use: 10 points
6. Normal Blood Sugar 10 points
7. Preventive Tests (recommended for age and gender): 10 points

If the employee and the spouse score 80 or above, they will receive the enhanced benefits. Anyone scoring below 80 must follow and actively participate in a physician's treatment plan to qualify for enhanced benefits.

- **Health Plus of Michigan:** The Health Plus product is less aggressive than the HAP and BCN plans. To be eligible for preferred benefits, the employee and the spouse must meet three key health goals:
  1. Tobacco Use: They must be non-smokers. To qualify for enhanced benefits, smokers must follow a smoking cessation treatment plan their primary care physician develops.
  2. Weight: Their BMI must be less than 30. To qualify for enhanced benefits, anyone whose BMI is higher than 30 must follow a weight loss program the primary care physician develops.
  3. Blood Pressure: Their blood pressure must be below 140/90. To qualify for enhanced benefits, anyone with high blood pressure must follow a weight loss program the primary care physician develops.

Employees may need to take additional steps if they cannot pass all three of the above tests

or if they have all three health challenges and diabetes, coronary artery disease, heart failure or chronic obstructive pulmonary disease. In some cases, they may have to undergo additional biometric screenings or agree to participate in a disease management program.

- **Priority Health:** Priority Health also looks at three health indicators. To be eligible for choice benefits, the employee and the spouse must meet these three key health goals:

1. Tobacco Use: They must be non-smokers.

2. Weight: Their BMI must be less than 30.
3. Blood Pressure: Their blood pressure must be below 140/90.

If they do not meet all of the above health goals, they can still qualify. They would need to have cholesterol and blood sugar tests and agree to participate in their physician's treatment program.

Continued on page 4

## YOUR QUESTIONS

- Q.** Unfortunately, our company is planning to layoff 50 people in January 2010. We hope the layoff will last only three months and our business prospects will improve. Of those 50 people, two are already on an FMLA leave. Does the law allow us to layoff those two employees or are we prohibited from laying them off because they are on approved FMLA leaves?
- A.** Many employers mistakenly believe they can't layoff employees already on FMLA approved leaves. This is not the case. Employers should treat employees on an FMLA leave the same way they treat employees actively working. Therefore, if the organization would have laid off certain employees had they been actively at work, then it can layoff those employees while they are on an FMLA leave.

The fact that an employee is on an FMLA leave should have no bearing on that decision. You need to make sure, however, that you can show you would still have laid off the employee even if he or she had been actively at work. For example, if the plan is to layoff the two newest employees from each department, you can easily explain your reasoning; if any of those employees happen to be on an FMLA leave, certainly they can be laid off. In addition, if you outsource an entire department and one of those employees is on an FMLA leave, that employee can also be laid off. If you use a less structured approach to laying off employees, you may run into trouble.

# The New Mammogram Recommendations

As you can see, the programs, while conceptually similar, operate very differently from vendor to vendor. Some vendors require participants to make an active effort to improve their health and other programs take a more passive approach.

This spring Blue Cross Blue Shield is planning to launch a much more aggressive PPO version of its plan. It will not offer preferred benefits until participants achieve specific health goals. So far, we have only seen an overview of this approach, and certainly the plan will need to offer some alternative to meet HIPAA non-discrimination rules, but at first glance, this approach appears to be more focused on achieving results.

Not all vendors are the same; different vendors take different approaches. Choose the approach that best fits your corporate culture.

Many employers are interested in plans that tie health and willingness to improve health to benefit levels. These plans certainly motivate participants to improve their health. Ultimately, improved health is good for the participant and the health plan. It will be interesting to see how these plan designs continue to evolve. *MW*

## The New Mammogram Recommendations

In mid-November the U.S. Preventive Services Task Force shocked many with new guidelines on mammograms. The new recommendations are significantly different from current practice. According to these new guidelines:

- Women in their 40s do not need annual routine mammograms.

## TREND TIDBITS

- \$ Average gross health plan composite cost per employee is expected to be \$1,042 a month in 2010.
- \$ The employer cost of that coverage is expected to be \$851 per employee per month; up 7% from 2009.
- \$ The employee cost of that coverage, including employee contributions and expected out-of-pocket cost is expected to be \$191 per employee per month; up 10% from 2009.

*Source: Towers Perrin 2010 Health Care Cost Survey*

- Women should get a mammogram at age 50 and then every two years.
- Women do not need monthly self-exams or physician exams.

The panel felt that scaled back screenings will catch nearly as many cancers and produce fewer false positive results. The outcry following the recommended changes was deafening. Many women in their 40s have caught breast cancer early through self-exams or annual routine mammograms. Catching the disease early is important for successful treatment.

Not just women were caught off guard. The American Cancer Society and many physicians said they will disregard the U.S. Preventive Services Task Force recommendations. Their concern is that while the mammogram may not be a perfect test, it certainly has caught cancer for many women in their 40s early enough to save lives.

The next concern was how insurance carriers would react to these new recommendations. America's Health Insurance Plans, an organization that represents approximately 1,300 insurance companies, states most insurance carriers will continue to cover rou-

tine mammograms under the old guidelines:

- Baseline mammogram between 35-39.
- Annual routine mammograms from age 40 on.

Many insurance carriers, such as Kaiser Permanente, Aetna, CIGNA, and Wellpoint, will not change their coverage. Carriers believe these screenings catch breast cancer early so that treatment is generally less expensive and more successful. It is very likely your insurance carrier or claims payer will not recommend the new guidelines.

In Michigan, most insured women will not need to worry about mammogram coverage. State law requires insurance carriers to pay for one baseline mammogram between 35 and 40 and annual mammograms beginning at age 40. If a mammogram shows an abnormality, the law requires health plans to pay for diagnostic procedures to determine whether cancer is present. Insurance carriers in Michigan must also cover cancer-related outpatient treatment, plastic surgery, counseling and physical therapy.

**Continued on page 5**

## The New Mammogram Recommendations, cont.

The response to the new screening recommendations was quick and fierce. The U.S. Preventive Services Task Force said the new screening recommendations were misunderstood. A task force representative explained that the new guidelines were simply recommendations. The task force felt the decision should be up to the woman and her physician. Most women appreciate this response because many have relatives touched by breast cancer and feel strongly about the value of annual mammograms as a diagnostic tool.

The debate over the new recommendations covered many issues. On one hand, some organizations feared this was a precursor to a public health plan that would ration mammograms. On the other hand, some people began to question the well-accepted current guidelines and asked whether new research really did render yearly screenings obsolete. This line of discussion quickly ran into a brick wall because most women believe annual screening is essential. On the whole the debate encouraged women to ask their doctors about these recommendations and perhaps encouraged a few to get annual mammograms.

While many women do not agree with these revised recommendations, they should still discuss them with their physicians. For women at a very low risk for breast cancer, a screening every other year may be adequate. Since physicians have records of health history, lifestyle choices, and current health status, they can best determine the risk. Women need to make an informed decision about how frequently they should schedule routine mammograms. **MW**

## Technical Corner - Smart Phone Security Concerns

Technological advances are amazing. Who would have thought just ten years ago that we would be able to access the internet on a cell phone? Many people have smart phones and use them to conduct business every day. Your organization is likely thrilled that employees use these devices and can respond to clients promptly, even when they are out of the office, but have you considered the security problems these devices present?

Smart phone users spend a lot of time on their phones. A recent survey by Trend Micro indicates:

- More than 50% of smart phone users surf the web at least 30 minutes a week. Of these users, 12% spend more than 120 minutes a week on the mobile Internet.
- Smart phone users frequently visit search engine websites; other activities differ along gender lines.
- Besides answering calls and making calls, 49% of all smart phone users send text messages, while almost as many send email (48%) and use their contacts/address book (45%) every day.

One-third of respondents use their smart phones to surf the web every day, and close to two-thirds (63%) surf the web at least several times a week.

The same study indicates only 23% of smart phone owners use security software already installed on their smart phones; one out of five respondents say installing security software on their phones is not necessary since they feel smart phone surfing poses only limited risk.

If your employees can access business email and information on their smart phones, you need to set security policies. Just think about the data that could be compromised if an employee loses a smart phone. Many companies require employees to password protect their phones. Others may require the employee to install security software.

If it is possible that you may have smart phone security problems, you certainly should discuss potential solutions with your IT department. Establish security protocols to protect your company data when a smart phone is lost or compromised.

**MW**

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