

January Issue
July Issue

December Issue

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News You Can Use

NOVEMBER 2003 Volume 2, Number 11

Happy Thanksgiving!



November Luncheon

Featuring

Pam Williams

Louisiana Department of Insurance

"Employee Welfare Benefit Plans"

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Friday, November 14th

11:30 am

Andrea's Restaurant

Members:

RSVP: \$18

At the Door: \$23

Non-Members:

Without CE: \$25

With CE: \$45

Email rsvp@noahu.org to reserve your spot

[or click here for more information.](#)

Special Note:

[There will be a By-Laws meeting immediately following the meeting to vote on proposed by-laws changes. Review them by clicking here.](#)

Upcoming Events:

December 12th Luncheon: Critical Illness Plans

CE Seminar Series:

Section 125 Plans & Health Reimbursement Arrangements



Tuesday, November 18th
8am –10:30am
Courtyard Marriott

2 Hours of CE credit

Before November 14th:

Members: \$25
Non-Members: \$35

After November 14th:

Members: \$30
Non-Members: \$40

[Click here to get a registration form!](#)

Win a Trip to MAUI!!!!

Attention Members:

For a donation of \$20 to HUPAC (Health Underwriters Political Action Committee), you can purchase a raffle ticket for a chance to win an exciting trip to Hawaii. The trip includes one week at a beach front condo in Maui and roundtrip airfare for two. The drawing will take place at Capital Conference in March. Don't miss out on your opportunity to get in on this great opportunity at the lunch on November 14th. Denny Ebersole, Region VI HUPAC Chair, will be there with your chance to win!

[Get more information about HUPAC.](#)

Website Redesigned

Over the next few weeks, I'll be reorganizing the website to make the information more functional for users. The main pages will stay the same, but I will be adding new information, links, changing pages around, etc. Some of this has already been updated. The home page for instance will have quick links to upcoming events, News You Can Use and more. So, take a look around, and let me know if there is something you

Welcome to Our New Members

- Jaime Badilla
- Wanda Belton
- Lynda Bergeron
- Christine Byrnes
- Frank J. Campo, Jr.
- Lillian deRouen
- Stephen Fink, CLU, ChFC
- Kim Gallagher
- Kim Giles
- Cabrini Granier
- Elizabeth Gremillion
- Shayla Guinn
- Carl Hebert, III
- John Hotard
- Robert Massel
- Mike Mohr
- Patti Muller
- Marcie O'Dwyer, MHC, CRC, CCM
- Liz Raymond
- Ann Sens
- Darlene Sens
- D. Dexter Smith
- Debra Smith
- Deanne Tanner
- Anne Verges
- Dawn Whitmer
- Philip Zima, LUTCF, RFC

Currently, we have 182 members. We have set a goal of reaching 225 members by March 31, 2004. In order to get there, we need all of your help! We are challenging all of our members to recruit at least one new member to the association. Or if you know of someone who is a good candidate, let us know and we will contact them. [Click here to email prospects to Jack Duvernay, Membership Chair.](#) Let's get to 200 members by December 31st.

Goal 200 / Current 182

would like to see on the website. I'd love to hear your comments and suggestions. Email info@noahu.org.

Blanco vs. Jindal



Candidates for governor put their plans on the Web

Voters looking for information on the two gubernatorial candidates' policies and platforms can find it on the Internet.

For starters, the two run-off candidates have posted their plans for economic development, education and other issues on their web sites. Republican Bobby Jindal's policy statements can be found at www.bobbyjindal.com and Democrat Kathleen Blanco's are at www.kathleenblanco.com.

Then, there are the outside groups looking at the candidates.

The nonpartisan Council for a Better Louisiana published the candidates' responses to questions on a range of issues at www.cabl.org.

The nonpartisan Business Congress of Louisiana, which promotes job growth from a pro-business point of view, posted the candidates' answers to questions about job and economic matters on its Web site, www.businesscongresslouisiana.org and included a scoring system.

The Louisiana Hospital Association, at www.lhaonline.org, posted a survey of the gubernatorial candidates' positions on health care.

Health care costs still climbing but may slow down in 2004

U.S. health care cost increases continued to escalate at a double-digit pace in 2003, but there are indications that rate hikes may begin moderating as early as next year, according to global HR outsourcing and consulting firm Hewitt Associates. For 2004, Hewitt is projecting a 12.6 percent average increase for employers, which is lower than 2003's 14.7 percent rate.

Large companies are continuing to absorb the majority of next year's increase, but many are also making plan design changes, such as raising co-payments and deductibles, and increasing employees' share of health care premiums. According to Hewitt, the average employee contribution for 2004 is projected to be \$1,565, representing 22 percent of the overall health care premium, and up from \$1,276 in 2003.



"The good news is that we expect health care costs will begin to moderate over the next few years. The bad news is that companies should still expect 9 to 14 percent rate hikes," said Jack Bruner, national health care practice leader, Hewitt Associates. "Clearly, health care cost increases are not going away anytime soon; however, we are seeing some moderation in hospital cost increases and stabilization of prescription drug costs."

2004 Cost Increases by Plan Type

On average, Hewitt forecasts that companies will receive 2004 cost increases of:

- 13.5 percent for health maintenance organizations (HMOs),
- 12.5 percent for traditional indemnity plans, and
- 12.0 percent for preferred provider organizations (PPOs) and point-of-service (POS) plans.

That means from 2003 to 2004, the average cost of health care for a person working at a major company will increase from \$6,018 to \$6,831 for HMOs; \$6,300 to \$7,056 for PPOs; \$6,391 to \$7,158 for POS plans; and \$6,738 to \$7,581 for indemnity plans, according to Hewitt's database of more than 2,000 health plans in 139 U.S. markets, including 300 major employers and more than 16 million health plan participants.

"Companies are remaining committed to offering quality health care coverage but cannot afford to absorb the rate of these increases alone, which means consumers will also feel the impact," said Bruner. "Even though the employee portion of health care is on the rise, it's important to point out that

organizations are still paying for the vast majority of the overall health care premium."

Cost Increases Across Major Metropolitan Areas

Double-digit rate hikes will affect nearly every major U.S. metropolitan area next year, after most already experienced significant increases in 2003. Hewitt's data reveals that the following cities recorded the highest rate increases in 2003: 19.8 percent in Denver, 19 percent in San Francisco, 17.7 percent in Los Angeles, 16.2 percent in Houston, 15.6 percent in both Chicago and the Tampa Bay area, 14.8 percent in Cincinnati, 14.4 percent in Philadelphia and 14.2 percent in Dallas/Fort Worth.

Employer Reaction to Rate Increases

How are organizations reacting to the rate hikes? In addition to sharing increases with their employees, Hewitt finds that companies are doing the following:

- re-evaluating cost-sharing and contribution strategies;
- changing prescription drug coverage;
- contracting with plans that offer specialized or disease management programs;
- offering new consumer-driven health plans;
- linking active and retiree health care programs.

Health Insurance Survey

The Kaiser Family Foundation conducted a survey of employers to find out trends in costs, benefits and future plan changes in different size companies. The results are quite interesting. [Click here to see the report in pdf format.](#)



Legislatively Speaking

By Tom Bruderle and Janet Trautwein

On the Hill...

THANK YOU! We've been hearing more great buzz from people on Capitol Hill about the responses NAHU members send from Operation Shout alerts on urgent legislative developments. Keep it up- they're paying attention!

Senators Grassley (IA) and Baucus (MT) recently introduced a bill to expand the tax credit portion of the Trade Adjustment Act bill, which NAHU worked closely on. This would provide a credit to people on unemployment insurance. The chances of passage are high.

- NAHU held a Hill briefing on October 16th to discuss long term care partnerships. MetLife teamed up with us, and we had a very successful meeting with Hill staffers. The likelihood of a Long Term Care partnership bill passing soon is good; the price tag is not very high and 19 states have already passed legislation favorable to the federal concept.
- NAHU Staff and members representing Ohio, Georgia, Nevada and Arizona recently attended a meeting of the National Association of State Comprehensive Health Insurance Plans (NASCHIP) in Washington, DC. The organization is devoted to spreading the word about the value of high-risk pools.

You can contact your legislators through Operation Shout anytime! [Check it out!](#)

More workers go without insurance

A growing number of workers in large firms traditionally the places with the best pay and best benefits are going without health insurance, reflecting economic changes and the rapid rise in health care costs.

The percentage of uninsured workers in firms with 500 or more employees grew from 7% to 11% from 1987 to 2001, says a report released Tuesday by the Commonwealth Fund, a private foundation in Washington.

"This points to a critical need for programs that target large as well as small firms if we are to protect the health security of the nation's workforce," says Karen Davis, Commonwealth president.



That study's findings are troubling to policymakers, because large companies provide the lion's share of health insurance in the USA.

"This shows a weakening in the bedrock of employer-based coverage," says Glenn Melnick, a health researcher at the think tank Rand in Santa Monica, Calif.

The report comes as health care costs continue to rise at the fastest clip in a decade and as employees are increasingly asked to pay more for coverage.

"We have a system where, every year, an increasing fraction of the workforce cannot afford health insurance," says Len Nichols, an economist with the Center for Studying Health System Change, a non-partisan research group.

The total number of uninsured has risen rapidly: up 2.4 million last year to 43.6 million, and unemployment and a loss of health coverage at work are blamed for a big part of the increase.

Even with the rise in health care costs, more employers are offering health coverage to workers. According to a government report, 95.4% of companies with 100 to 999 workers offered health insurance in 2001, up from 93.8% in 1997. But the percentage of employees taking that coverage has fallen. According to the Commonwealth study, many of the uninsured workers are low-wage workers who opt not to participate in the company's health insurance.

Working for a large firm has traditionally meant higher pay and better benefits. But the decline of the manufacturing sector the percentage of workers in manufacturing jobs fell from 23% to 17% from 1987 to 2001 has meant lower wages and fewer union jobs.

"Working in a large firm does not guarantee you will have affordable health coverage," says Gerald Shea of the AFL-CIO, which released a report Tuesday criticizing the nation's largest private employer, Wal-Mart, for its wages and health benefits.

"Less than half the employees of this company have health coverage," Shea says. The study said the health benefits offered by Wal-Mart may be unaffordable to families relying on \$8-an-hour breadwinners.

But Mona Williams, chief spokeswoman for Wal-Mart, says more than 90% of employees have coverage half through Wal-Mart and 40% from spouses, parents or other providers. She says about 40% of Wal-Mart workers had no insurance before joining the retailer. "These are people who would have fallen through the cracks," she says.

Thirteen Hospitals Suing State For Payment

Thirteen Louisiana hospitals are suing the state, claiming it owes them \$9.7 million for medical services rendered years ago.

The hospitals contend in the lawsuit that they had a contract with the state that called on them to treat state workers. According to the lawsuit, the hospitals charged a reduced rate provided the state paid the claims within 45 days.

The medical care occurred from March 1, 1999, to July 20, 2001. The \$9.7 million represents the difference between the reduced charges and the full payment for the accounts the hospitals have labeled as delinquent.

Named as defendants in the suit are the state and the Office of Group Benefits in the state Division of Administration. OGB spokeswoman Sharon Runyan says the state disputes the allegations charged in the lawsuit, which has been assigned to District Judge Timothy Kelly in Baton Rouge.

Three hospitals have made claims for more than a million dollars — Rapides Regional Medical Center, \$3.7 million; Tulane University Hospital and Clinic, \$2.6 million; and North Monroe Hospital, \$1.8 million.

Other hospitals making claims are: Avoyelles Hospital, Dauterive Hospital, Lakeland Medical Center, Lakeside Hospital, Lakeview Regional Medical Center, Oakdale General Hospital, Savoy Medical Center, Southwest Medical Center, Women and Children's Hospital and Winn Parish Hospital.

PRESIDENT'S MESSAGE

Cindy Osborne, NOAHU President 2003-2004

2003 is almost history and 2004 is yet to be determined. This is a somewhat altered quote from Bynum Tuttle, NAHU President 2001-2002. As I begin to prepare for the end of 2003 and the beginning of 2004, I reflect on the successes and less than successes of 2003. You see, failure is not a part of my vocabulary.

Establishing goals and priorities to get things done has always been a part of my professional life. However, balancing career and family became a real challenge for me this year. Most of us know that before you can achieve anything in life -- big or small -- you need to have a good idea of what it is you want to accomplish. The best way to determine what it is you really want is to establish goals, set priorities and then develop a plan of action.

When I applied the above strategy to planning for my oldest son's upcoming wedding and dealing with the almost certain fact that my other son, who is the best man, would miss the wedding because he is serving in Iraq. Almost everything began to fall into place. Once I got past the clouded vision, the indecision, the distractions, my lack of confidence and the fear of the end result. I was able to break the big goals into smaller ones and be flexible knowing that as things changed, my priorities changed too.

The good news – preparations for the rehearsal party and wedding day are done. The good news – My son, Wesley, is home from Iraq and will be here for the wedding. The Bad news – He is only here for R & R (Rest & Recuperation) and will have to soon go back to Iraq. The good news – I will deal with it by setting priorities and making sure that I am flexible, enough to make the best use of the time our family has together.

Adopt-an-Angel

It's that time of year again, and we will be doing our Adopt-an-Angel service project for Christmas. Members can choose a child from our Angel Tree and purchase a Christmas gift for that child. Last year, we donated over 50 Christmas gifts to children who were in need.

If you are interested in sponsoring one or more children this year, email info@noahu.org and let us know. We will forward your child's name and information. Simply bring your wrapped Christmas presents to the December meeting.

