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Travel Health Insurance

Many employees travel abroad on vacation without much thought to paying for emergency medical treatment overseas.

Unfortunately, a medical emergency in a foreign country can also be a financial blow. Most medical insurance policies—including basic Medicare—do not extend outside the U.S. This can leave travelers who are already in the uncomfortable position of finding treatment in a faraway land even more distressed when they discover that most services—even those vital to survival—will require payment up front.



Travel insurance is often bundled with other supplemental insurance products like trip cancellation insurance. Many plans are sold separately.

Employers who provide health insurance to staff should consider offering travel insurance as an additional benefit. These policies often include coverage for emergency medical care, medicine and the cost of transportation to a medical facility.

For more information about employee health insurance coverage abroad, call our service team today. ■

HSA Rule Changes May Be Coming

It is possible that the new year will bring changes to requirements for substantiating the disbursements from health savings accounts (HSAs).

Under the current system, employees use HSAs to pay for uncovered health expenses with a debit card or check. Funds withdrawn for other purposes are taxed and are subject to a 10% penalty. Currently, however, no substantiation is required to show that the distributions are actually used for payment of healthcare expenses. If

Congress changes the law, every dollar coming out of the HSA will have to be tracked to verify it is being spent on healthcare according to the plan rules.

The fear expressed by HSA advocates is that banks will incur costs for implementing the systems and pass the costs on to account holders or employers via HSA administrative fees.

For more information on this topic and others regarding the administration of your HSA, give our service team a call. ■

Holiday Weight Gain vs. Wellness



Employers can aid in the containment of weight-related health costs while boosting employee welfare and productivity with a couple of simple programs that don't cost much. Benefits for the business include:

- Improved morale resulting from positive lifestyle changes
- People working together to obtain both individual and staff-wide goals
- Lower medical costs
- Lower overall health insurance rates
- Increased productivity
- Fewer on-the-job illnesses and injuries.

Employers looking for suggestions on how to facilitate a program should start with the firm's current group health insurance provider. Many insurers have begun offering programs designed to complement the services offered by the plan. Additionally, sites such as www.wellnessproposals.com detail numerous ideas for health programs at the office.

Consider giving the gift of wellness this holiday season, and watch the benefits of employee health accrue to the entire company. ■

Don't Drop Your Health Plan Yet

A recent Kaiser Family Foundation poll reveals that nearly a quarter (23%) of respondents said they or a member of their household have either taken a new job or turned down a new job within the past year primarily because of better health benefits. Additionally, 7% said they or someone in their household decided to get married in order to have access to a spouse's healthcare benefits for themselves and/or a child.

Avoiding losing health insurance benefits is a top reason why most American workers stay put. Nearly three fourths (71%) fear losing health insurance if they change jobs, according to the AFL-CIO.

According to the Bureau of Labor Statistics, health insurance represents 7.8% of employee compensation. Other

research indicates that the average cost employers pay for their share of family coverage has increased from \$6,360 in 2001 to approximately \$9,000 in 2007. This has led to a trickle-down effect on employees whose premium payments through group plans have risen 10 times as fast as incomes (the average income has increased only 3% over the same period of time). Regardless, roughly two-thirds of Americans continue to receive their health insurance through employer-sponsored group plans rather than individual plans.

If rising healthcare costs have you considering forgoing health insurance for your staff, give our service team a call. We can help you find ways to control costs without removing this treasured benefit. ■

What's the Trend in Wellness Plans?

Wellness incentives offered to workers by major U.S. employers are on the rise, and results are overwhelmingly positive, according to a survey conducted by the ERISA Industry Committee (ERIC), the National Association of Manufacturers (NAM), and IncentOne, Inc.

Key findings in the data include:

- The number of major U.S. employers using incentives to promote wellness programs rose from 62% to 71% between 2007 and 2008.
- Incentives for weight management programs ranged from \$5 to \$500, and those for smoking cessation ranged from \$5 to \$600. The average value of annual incentives per person ranged between \$100



and \$300. The overall average annual incentive per person was \$192.

- Of employers offering wellness programs, 83% said rates of return are better than break-even.
- Gift cards are the most popular incentive for employers, with premium discounts and cash incentives following closely behind. ■

Help Employees with Benefit Decisions

With more decisions and responsibilities being transferred from employers to employees regarding benefit options, many employees are concerned they do not know enough to make the right choices for themselves and their families.

Unum, a leading employee benefits and services provider, addressed this issue while collecting data for its *2008 Buyers Study*. Results indicate that the lack of confidence is not without merit. Consider the following:

- Only 5% of baby boomers correctly estimated they have a one in three chance of becoming disabled due to illness or injury during their working years.
- Only 12% of older Americans thought they were very likely to need

long-term care, although as many as 60% will need it.

- One half of all bankruptcies are attributed to injury, illness and medical bills.



- The personal savings rate is now at or below zero; therefore, few workers have savings to use for a

medical emergency.

Unum suggests that concerned employers can help employees offset financial stress using the following:

- Present a variety of insurance coverage options and let workers create a package that meets their specific needs.
- Provide clear, useful benefits communication and education. Most healthcare providers will willingly assist with this endeavor.
- Offer individually owned voluntary benefits so workers can maintain the same coverage even if they lose their job.

Our team is here to help you, too. Call us to discover your options when it comes to helping employees understand benefit choices. ■

Gas Benefits? Some Innovative Solutions

High gas costs place tremendous financial strain on workers' budgets. With little relief in sight, some employers have found creative ways to help cut the cost of employee commutes.

According to *The Wall Street Journal*, in addition to allowing more employees to work from home, some companies have increased mileage rates, supplemented paychecks and provided "cost-of-gas" raises to help ease the burden.

Others are helping staff by subsidizing public transportation fees and employee carpools. Some are buying buses and vans and shuttling employees. Such gas-cost-related efforts by American

employers have more than doubled recently, according to a survey by the Society of Human Resources Management.



Forbes.com reports that one company in Fort Collins, Colorado, began rewarding employees' one-year anniversaries with a new bike and ready access to company-pro-

vided showers. Another company in Houston offered this option: Employees can "wrap" their car in the company's logo and have all their gas costs covered, plus a \$500 monthly stipend. Nearly 170 of the company's employees have since turned their cars into mobile signage.

If your company starts offering car pooling, public transportation vouchers or any other driving-reducing benefit, please encourage employee participants to contact us about discounts on car insurance that might be available for decreased annual mileage. We might be able to get them a better deal on their auto policies. ■

**Thank you
for your referrals.**

If you're pleased with us, spread the word!
We will be happy to give the same great service to all of your friends and business associates.

Eliminating Employee Confusion on Healthcare

A recent report by the Agency for National Healthcare Research produced disturbing results for providers, administrators and users of group health insurance. The report found that only 12% of American adults are capable of completing complex medical forms or weighing the risks and benefits of various treatments. The majority (53%) ranked "intermediate" in terms of healthcare literacy, and 22% were described as possessing only very basic knowledge. The remainder were classified as having "below basic" health literacy.

Complexities in the healthcare system are burdensome for employers, HR representatives and employees. Frustration can lead the sick or injured to forgo treatment even when insured. Unfortunately, those seeking clarity from their providers are often left feeling even more confused and frustrated.

If you are an employer or HR representative, you don't have to go it alone. Our service team will gladly work with you to help alleviate confusion and resulting frustration by members of your staff. Call today. ■
