

Benefit Insights

Employee Weight Loss Can Shed Dollars from Your Health Plan Spending

Over the past few decades the number of Americans who are obese or overweight has skyrocketed. According to data from the Centers for Disease Control and Prevention, almost two-thirds of U.S. adults are overweight or obese, and close to one-third are obese. Individuals carrying extra weight increase their risk for a number of health conditions and diseases, including high blood pressure, high cholesterol and triglycerides, osteoarthritis, type 2 diabetes, coronary heart disease, stroke, sleep apnea, respiratory problems and some types of cancers.

It doesn't take a great leap of logic to see that, because obesity can lead to many serious health conditions, it also leads to higher health care costs. An article in Health Affairs, "The Impact of Obesity on Rising Medical Spending," concluded that both escalating obesity rates and the higher medical costs incurred by obese individuals accounted for 27% of the growth in per capita health care spending in the United States between 1987 and 2001. Health care spending ran approximately 36% higher among obese adults under the age of 65 than it did for adults of normal weight. Among individuals ages 50-69, health care spending by the severely obese (body mass index [BMI] of 35 and above) averaged 60% more than for those of normal weight.

This study also found that growth in obesity rates accounted for more than 41% of heart disease spending growth and 38% of diabetes spending growth.

A later study by the same lead author examined differences in health care spending between Americans and Europeans. Per person U.S. health care spending in 2004 averaged \$6,037; spending in 10 European countries ranged from 35% to 67% of this amount, with the highest per person health care spending, \$4,045, taking place in Switzerland. According

to this study, neither the capacity of a country's health care system, nor access to technology, explains this gap. Rather, for many of the most costly chronic medical conditions, such as heart disease, cancer and diabetes, both diagnosed prevalence and treatment rates were higher in the United States. Heart disease and diabetes are strongly linked to obesity, and obesity prevalence in Europe is far below what it is in the United States—17%, compared with almost 33%.

With the link between obesity and increased health care spending so clear, employers have ample reasons to take steps to help employees attain a healthy weight, and then maintain it. Such measures can help to control and even lower health care spending, sometimes without cutting back on benefits or shifting costs to employees. And, these measures don't have to cost a lot. Consider these ideas—

- Offer employees access to health risk assessments (HRAs). Many health plan vendors offer these as a confidential way for employees to get an honest, objective appraisal of their risks for certain conditions, without having to make an appointment to see a doctor.
- Make it easy for employees to get screenings for blood pressure, cholesterol/triglyceride and blood sugar levels. Make sure your health plan offers generous coverage for these tests. Also occasionally provide for free onsite screenings which, like the HRA, provide employees the chance to monitor their readings without having to see a doctor.
- Run articles in the company newsletter on topics related to the health risks associated with being overweight, tips on trimming the fat, ideas for fun and convenient ways to

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Transitional Assignments Help Employees Find Their Way Back to Work

Return-to-work programs help employees who have been out on disability to gradually make their way back into the workplace. A well-designed return-to-work program includes a variety of both transitional and temporary work assignments. These are not jobs with pre-set tasks, which are routinely assigned to employees who are transitioning from temporary medical restrictions back to their usual jobs. Rather, they are flexible assignments with tasks that take into account the needs of employees who have temporary impairments.

Here are some specific dos and don'ts to follow when designing these types of assignments:

- Have supervisors and employees develop a list of assignments that can be performed by transitioning employees. Two good sources for these assignments are tasks that need to be completed but have been put off because they require a large investment of time, and jobs that are currently outsourced.
 - Use the Work Status Report provided by the employee's doctor to determine which of the available transitional assignments the returning employee will physically be able to accomplish.
 - Write down the particulars about the temporary assignment. Include the location at which the employee will be working, the schedule, a description of the physical requirements that the position will require, and a statement that the employer will provide any necessary training. The employee should sign this document, and one copy should be placed in the employee's personnel file and another given to the employee.
 - Be sure that the supervisor understands the transitioning employee's medical restrictions and agrees to keep all of the employee's assigned tasks within those restrictions.
 - In conjunction with the employee, the treating physician and the employee's supervisor, establish an expected start and end date for the transitional assignment before the employee returns to work.
- Monitor the employee's progress, and follow up with his or her physician.
 - Do not reduce the employee's regular pay for the temporary assignment. Reducing pay can negatively impact the employee's attitude and could affect indemnity payments.
 - Have a clearly written policy that explains that transitional assignments are mandatory and that there are consequences if an employee refuses a transitional assignment that is consistent with the physician's recommendations.
 - Never provide "busy work" for a transitional assignment that will make an employee feel demeaned.
 - Don't modify company rules concerning lateness, attendance, proper notification for time off for medical appointments, etc., for a transitioning employee.
 - Let the treating physicians know about your program. Ask the physician for advice about the kinds of transitional assignments that are appropriate for the returning employee.
 - Establish clear standards and policies so that all transitioning employees are treated fairly and consistently.
 - Don't permit transitional assignments to continue indefinitely. If an employee is unable to return to a permanent job in a time frame consistent with a doctor's recommendations, examine whether reasons other than medical issues are behind the delay.
 - Never permit an employee to remain in a transitional assignment after being released to full duty by a doctor.

Having a well-designed return-to-work program helps your company keep valued employees, and enables these workers to contribute to your company's success, even when they are functioning at less than 100 percent.

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get exercise, etc.

- Host a healthy snack day in the workplace, with company-provided fruit, veggies and healthy dips.
- Sponsor Weight Watchers at Work.
- Form a company walking club or athletic team. Participate as a company in a charity walk or run in your town.
- Arrange for luncheon speakers on topics related to

weight loss and management, exercise, fitness, etc.

- If you have an onsite cafeteria, focus the menu on fresh, low fat choices. Stock vending machines with granola bars, nuts and flavored waters.

The possibilities are endless. Your health plan provider and employee assistance program provider can be good resources for ideas and contacts for programs on weight loss, disease prevention and overall fitness.

Protect Your Employees Who Travel for Company Business

Business travel is a fact of working life for more and more U.S. employees. Whether by car or plane, domestically or internationally, large numbers of employees are constantly on the road or in the skies, traveling to client meetings, customer meet-and-greets, conferences and seminars, and other excursions. Though travel to most locations is not considered an inordinate danger, all travel poses some degree of risk. Business travel accident (BTA) insurance helps employers to shelter employees, and their families, against the financial harm from these risks, and to ease the inconvenience and complexities that business travel can entail.

BTA coverage is highly flexible, with most carriers offering employers the ability to customize the coverage to meet a company's own business travel needs. Features found in most BTA policies include the following:

- An accidental death and dismemberment (AD&D) benefit for injuries that occur in the course of business travel. Like non-travel-related AD&D plans, 100% of the chosen face amount is paid to the employee's survivors in the event of death, and a percentage of the face amount is paid to the employee in the event of loss of limb(s), paralysis, loss of sight/hearing, etc.
- Pre-trip planning services, including assistance with passports/visas, updates on immunization recommendations, and information on currency and culture.
- Emergency travel assistance, such as medical and legal referrals when in a foreign country, help with lost or stolen passports and luggage, emergency cash advances, and interpreter services.
- Emergency medical assistance, including transportation to a health care facility (sometimes at a distance, depending on the quality of care available at the traveling employee's location) and upfront payment of providers' bills (sometimes required when traveling abroad) pending any reimbursement from the employee's regular medical plan.

- Emergency evacuation services.
- Repatriation of remains.
- Relocation benefits.
- Coverage for family members, during a relocation or when traveling with the employee.

As noted above, an employer can customize the coverage to meet the company's business travel needs. For example, a company might choose to cover only those employees who travel for business on a regular basis, such as salespeople, or it may want to add individuals, such as non-employee directors. Coverage could apply to traveling employees 24 hours a day during the trip, or only during the course of the airline flight to the destination.

The plan will have a maximum face amount per employee AD&D benefit, along with an aggregate maximum in the event several employees are injured in the same accident. Most plans lower this maximum for terrorist acts. Benefits under a BTA plan are paid independently of other coverage, such as workers' compensation. These plans are not intended to cover accidents that may occur when an employee is commuting to or from his or her regular work location.

Given the inconvenience and added risk that business travel can add to an employee's job, BTA can act as a tool to help attract and retain those members of your workforce who are frequently on the road. BTA supplements coverage provided under your company's other benefit plans, recognizing the degree of risk that business travel does present. The many travel assistance services provided under a BTA plan can prevent unforeseen events while traveling from turning into calamities, and can help to ease the financial burden an employee or family can experience when a disaster does occur.

Numerous insurance carriers offer BTA coverage, and the rates are among the most affordable of the employee benefits product lines. We can advise you on the most appropriate carriers for your company's size, industry and business travel needs.

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- The employer changes health plans or insurance carriers, and the new coverage is less generous than before. Though the plan coverage may not be as good, coverage has not been lost, which is one of the requirements for COBRA eligibility.
- The employee voluntarily drops coverage, but does not terminate employment or reduce hours. Later, the employee terminates employment. Though the termination of employment is a qualifying event under the COBRA statute, it did not lead to the loss of coverage. Therefore, this is not a situation for which an offer of COBRA coverage need be made.
- The employee and spouse split up, but do not divorce or legally separate. A divorce or legal separation that results in a loss of coverage under the group health plan

is a COBRA qualifying event. If spouses only physically separate, it is not a COBRA qualifying event.

- A COBRA-triggering event occurs that requires notification to the administrator by a covered individual (e.g., divorce/legal separation, loss of child dependent status), and no notification is given within 60 days of the qualifying event. The employer is not required to extend an offer of COBRA coverage.

COBRA is a complex law, and compliance is critical. In the quest to be compliant, it is important not to "over offer" COBRA, because the potential cost is too high. Review COBRA's requirements periodically with your Account Executive to ensure your company is complying, while not offering COBRA in unnecessary situations.

Know When to Offer COBRA...And When Not To

Employers with 20 or more employees and offering group health coverage must offer a continuation of that coverage under COBRA, to covered individuals who lose that coverage upon the occurrence of a qualifying event. Most employers are well aware of the importance of offering COBRA when required to do so, and of the penalties for not complying with the law. However, it is also important to understand the circumstances under which COBRA need not be offered, because offering COBRA when it is not required can result in unnecessary expense.

When an individual is covered under an employer's group health care plan, and then loses that coverage due to the occurrence of a qualifying event specified in the COBRA statute, COBRA coverage must be offered. Qualifying events include:

For covered employees—

- Voluntary or involuntary termination of employment, for reasons other than gross misconduct.
- Reduction in the number of hours of employment.

For spouses covered under the group health plan—

- Divorce or legal separation.
- Death of the covered employee.
- The covered employee becoming entitled to Medicare.

- Plus, the voluntary or involuntary termination of the covered employee's employment, for reasons other than gross misconduct; or a reduction in the number of hours of the covered employee's employment.

For dependent children covered under the group health plan—

- Loss of dependent child status under the rules of the group health plan.
- Divorce or legal separation of the covered employee.
- Plus, the voluntary or involuntary termination of the covered employee's employment, for reasons other than gross misconduct; a reduction in the number of hours of the covered employee's employment; the covered employee becoming entitled to Medicare; and the death of the covered employee.

Review this list of qualifying events and the other conditions for COBRA eligibility (for example, that coverage loss is a result of the qualifying event, and not from some other reason). It's clear to see that there are numerous situations under which COBRA coverage need not be offered. For example—

- An employee tenders his or her resignation from employment. Because no termination of employment has yet occurred, an offer of COBRA would be premature.

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