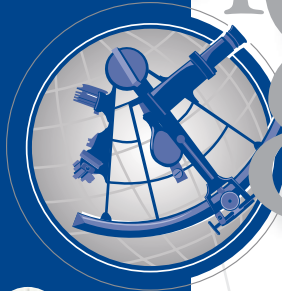


naVigGate



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THE NEWSLETTER of:
MERIDIAN GROUP
OF NEW YORK, INC.

MORE THAN
80%
OF THE
ORGANIZATIONS
IN THE U.S. OFFER
SOME KIND OF
WELLNESS PROGRAM
TO THEIR WORKERS.

ACCORDING TO A SURVEY
BY BUCK CONSULTANTS

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Bending The Trend

Andy Biernat, vice president



Some of us in the employee benefits and health insurance industry have been advocating for many years that simply cost shifting (increasing employees premium contribution, raising co-payments, deductibles, etc.) is not a sustainable long term solution to controlling health care costs here in New York State and across the rest of the country. Rising costs are merely the symptom... and cost shifting just “relieves the symptoms” and only addresses the issue of premium increases, it does not address the underlying problems related to the ever growing cost of health care.

There are many reasons healthcare costs continue to rise as we all know; Technology, Utilization/Demand, Liability/Litigation, Inflation, Pharmaceutical Drugs, Lack of Skilled Nursing, Fraud and Abuse, The Uninsured, Aging Population, Malpractice Awards, Quality, Medicare Reform and Govt. Mandates. The issue is a complex one and there isn't a “silver bullet” that can grant us immediate relief from rising costs.

One major cause that has gotten little attention in the past, which now has center stage, is the understanding that our society does not fully embrace the value of healthy lifestyles and wellness promotion in our daily lives. This fact has put the health of our country at a disadvantage when compared to our European counterparts and others across the world. And as the wealthiest nation in the world we don't stack up well to other nations that have far less wealth than us. I

guess wealth and health do not go hand in hand. Health care is not expensive because of health insurance... health insurance is expensive because of health care.”

According to a 2003 William B. Mercer Study, 70% of our health care expenses are associated with preventable conditions while only 3% of \$1.5 trillion spent on health care in the United States was spent on trying to influence and promote healthy behaviors. Additionally, WellPoint has stated of its 29 million customers, 7% account for 63% of the company's medical cost. And, according to the Wellness Council of America, chronic diseases related to lifestyle account for 70% of the nation's medical care costs.

It was Thomas Edison who said “The doctor of the future will give no medicine, but will interest his patients in the care of the human frame and diet and in the cause and prevention of disease.” Many are starting to understand that healthy lifestyle choices result in additional longevity and better disease and illness prevention. Medical evidence is persuading many in the industry to support and encourage healthy lifestyles for members and incentivize members toward this end. Some experts feel that the numbers will eventually demonstrate that it is far better return on investment to support the consumption of additional holistic and wellness benefits vs. traditional

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IN THE U.S.

33%

OF RESPONDENTS REPORTED A REDUCTION IN HEALTH CARE COSTS WAS ATTRIBUTED TO THEIR WELLNESS INITIATIVES.

Wellness program offerings can vary from flu shots and gym membership to massage therapy.

U.S. companies spend an average of \$135 per employee per year on wellness programs.



Andy and Ross Receive New York State Association Award

Ross Kraft, president



The New York State Association of Health Underwriters announced that Andrew F. Biernat and Ross W. Kraft have been awarded the association's 2007 Outstanding Service Award in recognition of their commitment to the principals and goals of the organization. Dan Colacino, president of NYSAHU, states, "their leadership has brought great recognition to the Greater Central New York chapter and their influence, dedication and hard work is greatly appreciated at the state level".

The National Association of Health Underwriter (NAHU), is an association of more than 20,000 independent and career insurance professionals. Andrew Biernat of New Hartford is vice president of Meridian Group of New York, Inc. and currently serves as president of the Greater Central New York Association of Health Underwriters and treasurer of the New York State Association. Ross Kraft of New Hartford is president of Meridian Group of New York, Inc. and is a board member and past president of the Greater Central New York Association of Health Underwriters and is slated to be the next president of the New York State Association.

Kraft states, "We are honored to receive this recognition. As professionals we take our

responsibility to health care consumers very seriously. At a time when the New York State working uninsured need more affordable health care solutions we have become more engaged in the system at all levels (local, state and federal) to help create an atmosphere for positive change for our states health care consumers. Our focus in 2007 and beyond will be to build on our position as a leading voice for free-market health insurance and benefit products."

Biernat adds "Although we believe that the healthcare system in the United States is the best in the world, we also know there are many areas that need significant improvement; affordability and access being at the top of the list. Buy-in from all stakeholders, including our industries experts as well as hospitals, doctors, pharmaceutical & medical equipment companies, employers and employees, legislators & regulators, governments, and consumers is an enormous task due to the complexity of the system. Our resolve has been tested and progress continues to be made as constructive and meaningful dialog is exchanged among stakeholders, and as collaboratives are formed to seek new ways to improve the current system, realize efficiencies and reduce costs, and most importantly reduce the number uninsured not only in New York, but throughout the county"

62%

of American adults never regularly perform any vigorous physical activity, lasting 10 minutes or more, during their leisure time – including 59% who are not active at all.

SOURCE: Summary Health Statistics for U.S. Adults: National Health Interview Survey, 2002

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medical services, after the damage has already been done to the human frame.

Health and Wellness programs are a long-term investment in a healthier, happier and more productive society that will be good for our waistlines and U.S. healthcare systems bottom line. A November 2004 study by the Center for Prevention and Health Services shows that employers get \$3.48 back in reduced health care costs and \$5.82 in lower absenteeism costs for every dollar invested in employee wellness.

So what are the benefits of Health and Wellness Promotion?

- Reduced Absenteeism
- Reduced Tardiness

- Increased Productivity
- Improved Retention
- Improved Morale
- Enhanced Recruitment
- Improved Culture/Environment
- Disability and Worker's Compensation

World renowned psychotherapist and lecturer, Dr. Mark Hillman has stated that "change can only occur when the pain of staying the same is greater than the pain of change". We believe that positive change in the American healthcare system is imminent and we are beginning to understand that it simply isn't just our healthcare system that is in need of repair, but also our understanding and appreciation of how much the way we live effects the overall quality, longevity and costs.



14 Ways to Reduce Your Health Care Costs

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1 Take good care of yourself. Eight out of ten health problems are treated at home. By doing a good job of self-care you can reduce your health care costs.

2 Practice self-examination and get appropriate health screening. Work out a schedule for preventive health screening that is appropriate for your age and gender with your health care provider.

3 Become aware of the health risks of different lifestyle choices such as alcohol and drug use, home and driver safety, and eating habits. The riskier your lifestyle the more likely you are to have health problems.

4 Know what your medical benefits cover. You need to know what your benefits are before you can use them appropriately. If you have a managed care plan know about the plan's grievance procedure and use it if you don't feel you are getting adequate care.

5 Take an active role in health care decision making. Take the time to build a good relationship with your doctor. Making sure that your doctor understands your expectations and needs can result in a more effective treatment plan.

6 Ask your doctor about every prescribed medication and medical test. Also ask what will happen if you choose not to take a drug or have a test. Every test and drug has some risk involved. Your doctor may be able to suggest an alternative that is less risky.

7 Ask your doctor about generic drugs. Standard practice and most state laws require that a generic drug be generically equivalent to its brand-name counterpart. That is, it must have the same active ingredients, strength, and dosage form—pill, liquid, or injection. The generic drug also must be therapeutically equivalent—it must be the same chemically and have the same medical effect.

8 Ask your doctor about tablet splitting and if medications you are currently taking are eligible to be tablet split. Not all medications can be split and you must consult your physician before tablet splitting.

9 Avoid hospitalization whenever possible. Over half of all health care costs are for hospitalizations. Consider outpatient services or same day surgery. Find out if there are alternatives to surgery.

10 Save the emergency room for emergencies. It can be two to three times more costly to receive services in an emergency room than in a doctor's office.

11 Check your hospital and doctor bills carefully. Billing errors are made. Notify your hospital and health plan promptly when errors are found.

12 Utilize tax advantaged programs that are available to you. Flexible Spending Accounts, Health Savings Accounts etc.

13 Complete a Health Risk Assessment (HRA). Many health care companies now have online tools that allow members to assess their own individual health status. These tools are often free of charge to members and provide valuable information about potentially preventable conditions that the member could be susceptible to in future years.

14 Earn rewards and other incentives. Many health care programs are beginning to reward members who improve their individual lifestyles (quit smoking, exercise, etc) with valuable incentives. For improving lifestyle choices or completing a HRA many offer reimbursements for things like gym memberships, swimming lessons and massage therapy. Some offer gift certificates or even cash (up to certain limits and which could be subject to taxation) to be used any way the member would like.

Help Tip From Meridian

Here at Meridian we know how hard it is to quit smoking, but we also know how critical it is to the health of your employees, their families and your entire workplace.

If you or members of your team have tried quitting before, but found little success—don't give up! Statistics show that it usually takes smokers several attempts at quitting before they are successful.

With the right tools, millions of people successfully quit smoking each year. And so can you!

A great resource for kicking the habit for good is the New York State Smokers' Quitline!

1-866-NY-QUITS (1-866-697-8487)

The Quitline offers:

- FREE starter kit of Nicotine Patches, Gum or Lozenges for eligible NYS smokers
- Trained Quitline Specialists offering help with quit plans
- Information about local stop smoking programs
- Informational taped messages

Call today! And before you know it, you'll be looking and feeling better than ever—while your friends and family are breathing healthier than ever!

