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The Adequate Health Care Task Force process — Where is the justice?

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CDHPs: Providing your employees with the keys to good health

Numbers Game:
CFOs work with numbers, right?

The fact that CFOs work with numbers is simple, and rather obvious, isn't it? Sure, but not so simple for the CFO when he is denied access to one vital item: the numbers. Without them the job is a bit more difficult. Dangerous, even.

It sounds strange, and it is, yet it's happening every day for financial officers and their employers because of policies now in place regarding group health data. Fully insured carriers do not share their data with their clients, and as a result, businesses are left to feel around in the dark for solutions.

Every manufacturer in Illinois faces the same issues and they all ask the same questions:

- How is our plan performing?
- What changes can we make to reduce costs while keeping our employees happy?
- What in the world is going to happen when it's time to renew our coverage?

With things as they now stand, answers to these questions are hard to come by. Even the most basic data — aggregate paid claims totals and loss ratios — are withheld from the people who need it most. Insurance carriers often say, flatly, "We don't have to give you that information." And frequently, they concoct an "excuse": that sharing it is a violation of HIPAA privacy laws.

What? Group health data in the aggregate has nothing whatsoever to do with HIPAA. It's true that an employer must not know about an individual's health condition and the costs associated with it, but how much the plan costs per month is invaluable information that ought to be shared, in any circumstance.

What's more, sophisticated data management software now makes it easy to "de-identify" plan member data, making it a simple thing to pro-duce reports that have been "scrubbed" of names and social security numbers. Still, employers often face a stone wall when it comes to group data.

With the HIPAA excuse being used by carriers, how is a company supposed to plan for the future? How does a company even begin to put together a budget? Lack of disclosure of this magnitude from any other vendor would never be tolerated.

In the self-funded arena, the cards are on the table. Not only are robust reporting packages available, benefit managers and claims administrators also view the data they provide as a source of pride, and a competitive advantage.

The more numbers, the better when it comes to self-funding. Using this year's numbers with the art of benefit modeling, allows consultants and third party administrators to help employers tweak their plans and forecast the potential impact of benefit plan changes.

This practice of transparency works at every level in the new world of consumer-driven health care. Here, employees are asked to share an understanding of how much services cost and take a personal stake in managing costs through the use of Health Reimbursement Accounts (HRAs) and Health Savings Accounts (HSAs). And as well-managed self-funded programs show again and again, when the "end-user" of the plan shares some responsibility for keeping costs down, there's a reduction in the overall cost of the plan.

Today, with the push for transparency in insurance coverage pricing, there is hope for change. With former New York State Attorney General Eliot Spitzer leading the way (all the way to the Governor's mansion) insurers, consultants and brokers have been put on notice that government is watching. Shake-ups in the age-old game of contingent fees and hidden costs are a good thing, and may lead to federal and state-by-state mandates for greater openness. ■

Felicia Wilhelm is President and CEO of Prairie States Enterprises. She has more than 25 years' experience in health care delivery and administration. A registered nurse, Ms. Wilhelm moved from clinical care to business administration as a builder of PPO networks before founding Prairie States in 1989.