

Attend Health Care Solutions Seminar at Business Expo

THE RAUSER AGENCY, INC.

PRIVATE SECTOR HEALTH SOLUTIONS FOR SMALL BUSINESS

THE RAUSER REVIEW

APRIL/MAY 2006

VOLUME 8, NUMBER 1

A VIEW FROM THE CROW'S NEST

Markets ARE "Reforming" Health Care



Jon C. Rauser

Last October a group of MMAC volunteers presented

a two hour program on health care for COSBE Roundtable members. "There's A Whole Lot of Shakin' Going On," was designed to showcase how the private sector has responded to the health care COST crisis.

Here are some highlights:

Consumer Driven Health Plans - most notably HSAs - are being offered as options along with traditional insurance plans. Employers and employees alike gravitate toward the lower premium of "qualified" high deductible health plans. The opportunity to retain unused HSA dollars is



UNIVERSAL UNDERWRITERS PARTNERS WITH THE RAUSER AGENCY

Universal Underwriters Group (UUG) is an Overland Park, Kansas based insurer founded in 1922 by a group of Universal Motor Car (Ford) dealers to provide property and casualty coverage for their then rapidly growing industry. Early in 2006, The Rauser Agency was selected to more efficiently distribute health insurance coverage to clients of Universal's 'automotive specialty markets' unit. Even with 1,900 employees and offices in 28

states, UUG recognizes markets for health insurance require local expertise and contracting. We are pleased our Agency has the resources, clout and experience to be of value to UUG. Beyond the obvious business growth for our respective companies, there will be opportunities to network with UUG's strategic partners from other states to share best practices. This should, in turn, add value to the service we bring to our existing clientele.

'BIG BROTHER' HEALTH CARE COMING SOON???

Several weeks ago Wisconsin Congressman Paul Ryan visited The Rauser Agency to discuss health insurance trends and in particular how the market was responding to sales of Health Savings Accounts (HSAs) paired with "qualified" high deductible health plans. Congressman Ryan has been an irrepressible advocate of HSAs. As an Agency we have used the higher deductible plans to reduce premiums, thus making coverage more affordable. For example, we helped one client increase the number of covered employees from 95 to 215 with only a modest increase in total premium - a great result that reflects national trends. Nearly two million Americans now have HSAs, and by the end of the decade it is estimated the total will grow to 18-20 million . . . that is, unless we go another direction.

chase of insurance from private insurers) puts pressure on other states to "step up to the plate". In Wisconsin (see *Crow's Nest*), some are arguing for a far more sweeping measure that centralizes the regulation and funding - through a payroll tax - of health care.



l/r Jon Rauser, Paul Ryan, Chris McArdle, Andrew Wadsworth at The Rauser Agency.

Congressman Ryan and others speculate that the debate over who controls health care -- the government or private sector - will be decided within the next two years! Given the 'popularity' of insurers and public perceptions of business as usual, the private sector has some catching up to do.



When? May 3-4, 2006
Where? Wisconsin Exposition Center/State Fair Park
Find Us? In Booth 328
More Info? www.biztimes.com/expo

Small Business Health Care Solutions Seminar at the Expo on Thursday, May 4, from 10:45 - 11:30 a.m.

Crow's Nest Cont.

changing behavior. Insurer websites now have a wealth of information on prices of many medical procedures and prescription drugs. It is amazing to see the providers compete for patients as they become price sensitive. As an example, have you noticed the emergence of 'Quick Clinics' for routine care?

For those frustrated with premium increases from insurers reporting record profits, take comfort in the fact they insure a steadily shrinking market; self funded plans now cover 38% of Wisconsin's population, while only 27% are commercially insured (30% are publicly insured and 5% are uninsured). And for smaller businesses who shouldn't (even partially) self fund, say hello to Medical Mutual Insurance Company (expected to write small business coverage in Wisconsin beginning September 1). Or you could consider WPS Insurance Company, a not-for-profit carrier. Market forces bring us these choices.


Even for-profit insurers are working on new tools to "move the market." Take for example Humana's partnership with the Business Healthcare Group of Southeast Wisconsin (BHCGSW); enrolled members of this coalition now have full transparency of pricing for a select number of in-patient procedures. Even better, the providers within their "high performance network" compete on the basis of price and quality. On the horizon is a day when the fee for service payment system of today (that rewards providers for doing **more**), will be scrapped in favor of a "pay for performance" system that defines and prices episodes of care. Independent of insurers prodding, the Wisconsin Collaborative for Health Care Quality and the Wisconsin Health Information Organization, are two examples of the

provider community working from within to improve quality and reduce cost.

Constrained by this space, I can only hint at the potential for savings we may yield by embracing electronic transmission of health records/claims/data/etc. Lastly, everyone is talking about the 30 - 40% of health care dollars spent on chronic conditions that are preventable if only we would take better care of ourselves: "Wellness Works!"

Could it be that all stakeholders in health care understand our health care costs are nearing the tipping point? We now spend \$1.9 trillion, or 16% of the GDP on health care. As a society, we are conflicted over how to "fairly" pay that tab. Should **everyone** pay 16% of their income for some combination of premiums and out of pocket health expenses? Some pay more (GM, Milwaukee County, etc. etc.); many pay far less (small businesses and, many uninsured individuals). We should allow markets to settle this debate.

Another option is to centralize authority in Madison or Washington. Understand this: As the population of our country ages in tandem with the availability of expensive new health technologies (that we all want, of course), health care costs will inevitably go up. Obviously we cannot spend 100% of the GDP on health care, so somewhere between 16% and 100% we have to say "enough!" I hope **you** want to make those decisions. Or do you want to cede your health care decisions to government as they do in countries that ration care? Health care reform dialog that begins with a discussion of the uninsured, and those who don't pay their "fair share," is a smoke screen for delaying tough decisions about allocating care, something which the private sector does every day.



**Private Sector Health Solutions
For Small Business**

THE RAUSER AGENCY, INC.
Since 1981

400 East Wisconsin Avenue
Suite 200
Milwaukee, WI 53202
414-276-2700
Fax 414-276-7730
Toll Free 800-813-1884
www.therauseragency.com

Using top rated insurers, we facilitate the design and implementation of employee benefits. We have the influence and experience to help clients navigate the complexities of HR administration. Through wellness initiatives and focused communication, we strive to enable consumers to be savvy health care purchasers.

Jon C. Rauser
President

Christopher J. McArdle
Client Services Manager

Mara A.S. Demien, CFC
Compliance

Andrew M. Wadsworth, CHC
Small Group Medical

Tim Harrigan
Self-Employed/Individual Medical

Catherine Antonie
(Planned Futures, LLC)
Long Term Care

Visit Our Website
www.therauseragency.com