



THE RAUSER AGENCY, INC.

PRIVATE SECTOR HEALTH SOLUTIONS FOR SMALL BUSINESS

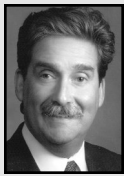
# THE RAUSER REVIEW

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## A VIEW FROM THE CROW'S NEST

Many have analyzed the election



Jon C. Rauser

results in recent weeks. *They all got it wrong!*

Exit polls conducted by The Rauser Agency found health care was the decisive issue.

Tired of HMO's "managing" their care and scared to death of a government takeover, the voters have spoken: Consumers 'elected' private sector competitive forces to reign in health care costs. Further evidence of this unreported election result is the emerging popularity of Health Savings Accounts (HSAs). Year end enrollment figures are still pending but it appears around 30% of our clients will have HSA's (at least as an option).

Everyone can →

## WADSWORTH ENTERS PRIVATE PRACTICE

In the last edition of The Rauser Review you were introduced to Tim Harrigan and we announced our move to new larger offices. Since then, I expect you have seen media reports of Andrew M. Wadsworth joining The Rauser Agency, Inc.

Andrew spent the last 12 years in a number of sales and account management roles with UnitedHealthcare of Wisconsin. One of those roles was calling on Chris, Mara and me. I don't know when we first started to talk about joining forces but I do know it was a natural evolution. Andrew brings the same values (hard work and fairness, for example) to the Agency. And quite probably, more knowledge! He holds a Certificate in Health Care from the International Foundation of Employee Benefit Plans. The small group market (2-50 employees) has been his focus with UHC and that will likely continue, the difference being, he now has not one but many arrows in his quiver.

This has been an eventful year for Andrew. Married on July 10th, he and Tracey have settled in the Third Ward. Not one to sit on the sidelines, he was quickly appointed to The Historic Third Ward Association Board of Directors. Andrew is a Milwaukee native (Dominican High School and Cardinal Stritch University, Bachelors of Science in Management) while Tracey is not (South Africa). When you meet him, you can get "the rest of the story."

I will add this personal note. Andrew (and Tracey) made the final decision to start this new venture just weeks into their marriage and before an election that - had it gone another way - might have made success problematic. The courage of such action is symbolic of the entrepreneurial spirit that helps him relate to the small business owner he serves.

It makes us proud to have him on board.



Andrew Wadsworth

## PATIENTCHOICE + MMAC = Health Plan Savings for Small Business

This month meant big news for small employers, those with two to 50 employees, about access to an innovative health plan -- PatientChoice -- available only through membership in The Metropolitan Milwaukee Association of Commerce (MMAC) and its select group of designated agents. (The Rauser Agency, Inc. is pleased to represent PatientChoice).

One of the stated goals of the MMAC's "Blue Print" Health Care Task Force (Jon Rauser serves as a member), is to reduce health care inflation to single digits. Over an extended period of time, in the Twin Cities, PatientChoice has successfully accomplished this goal for larger employers.

This was done by evaluating medical providers in separate tiered "Care Systems" based on a combination of factors:

- the prices they charge,
- how efficient they are in providing services,
- the process they use and the outcomes they achieve in preventive services,
- as well as how they manage patients with chronic conditions like diabetes and asthma.

The Care Systems in Greater Milwaukee have agreed to be measured by the same set of metrics which then resulted in three tiers.

Care Systems earn the right to be in Tier 1 by managing their patients care more effectively and pricing themselves →

*Crow's Nest Continued*

embrace the idea of giving insurance companies less premium. A simple way of doing so is to raise deductibles. Under specific guidelines, you may then deposit (and deduct from income) the unspent premiums in an HSA that can be accumulated year to year. So now, the 'trick' is to spend the HSA dollars wisely or even better, stay well and not spend them at all. (One insurer provides a 100% "wellness" benefit not subject to the deductible.)

To be a wise consumer, you need information. Just recently, my (very) personal encounter with health care "shopping" was not so successful. After age 50, it is recommended one have a certain unpleasant preventive procedure having to do with early detection of colon cancer. (Any resemblance between the details of this procedure and the election is merely coincidental!) I "shopped" for my dreaded colonoscopy on the state website: [www.dhfs.state.wi.us/healthcarecosts/](http://www.dhfs.state.wi.us/healthcarecosts/). From that information I expected to see a bill of around \$2,000. Here are the actual costs gleaned from my insurer's 'EOB's':

1. Surgical facility \$2,499: (discounted by my insurer to \$1,350.50);
2. Surgeon/colonoscopy: \$2,262. (\$1,150.64 net after discount);
3. Surgeon/polyp removal: \$975.50 (\$487.75 net);
4. "Sedation" \$226. (no discount applied - perhaps because anyone in their right mind would have paid full price for this service!);
5. Lab charge/facility: \$520.58 (\$104.16 net);
6. Lab charge/service tech: \$386. (\$223.20 net).

The total: \$6,869.08 gross (pun intended) billed amount, "discounted"(?! ) to \$3,542.25 (which doesn't include the wonderful Rx that prepared me for the big day).

"Shopping" in advance of this health care encounter, I found no reference to the a la carte services I surely needed. And

insurers and providers do not disclose their discounted fees except after the fact, as with my Explanation of Benefits. This must be remedied.

Am I happy with the results of my procedure? Well, maybe. The results were very good. But (pun intended again), could I have had the same results for half the cost and retained more dollars in my HSA? I just don't know...

Message to all insurers and providers: "Transparency" must come! You can make cost/quality information available on your terms or Hillary's, but you don't have four years. **All** the information needs to come soon so that competitive forces have a chance to stabilize health care costs well **before** 2008. Get going! *(Please.)*

*PatientChoice Continued*

more competitively. This results in a lower premium passed onto members electing to receive care from the Tier 1 Care Systems.

WPS Health Insurance Company is underwriting the PatientChoice Plan.

What makes this newsworthy is that certain providers have demonstrated cost effective practice protocols against proven measures. There is an expectation - not a guarantee - that costs will be more stable from these Tier 1 Care Systems.

A lot of people have put their credibility on the line. Those more protective of business as usual may be hoping this fails.



Private Sector Health Solutions  
For Small Business

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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.

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