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Issue 24

Voluntary Benefits Magazine

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Way to Success in**

2011 34

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and Life and Health Producers
are turning to Legal Plans?** 6

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EDITOR'S LETTER

Comfortable with Healthcare Reform



The dust is finally settling from healthcare reform. As an industry we are starting to see everyone understanding how healthcare reform works and will effect them and they are starting to get

back to business as usual and moving forward. It is nice to see the industry no longer stuck on an uncertain future, not sure what direction to move in, or even to move at all because of how unsure they were about healthcare reform. Everyone has gotten into their post healthcare reform routine, and they are finally comfortable with it. Some may not be happy with it, they may not even like it, but they finally understand it and are moving forward accordingly. This is important, because our industry needs to move forward and not be stuck in time, or so focused on uncertainty that we are afraid to make decisions.

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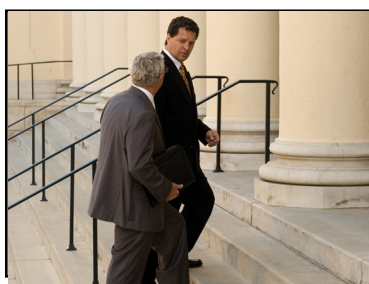
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Why Property & Casualty and Life and Health Producers are turning to Legal Plans?


By Robert Heston

The effects of the biggest recession since the 1930s spread throughout the economy and every community. At least 25 court systems face budget shortfalls.¹ The depth of states' funding deficits is substantial: New Hampshire suspended jury trials for a month, Utah is considering furloughing 1,000 court employees for 26 days, and New York has instituted a hiring freeze.² Funding for civil legal services has also taken a substantial cut: the IOLA Fund, a fiduciary fund administered through the N.Y. State Comptroller that funds civil legal services, has indicated that it is in an unprecedented crisis. One state cut financial aid to Civil Legal Aid by an additional \$2.2 million.³ Nationally, the unemployment rate more than doubled, increasing to 10.2 percent, with the number of unemployed now at 15.7 million.⁴

Historically, a rise in unemployment correlates directly with increased credit card use because credit cards become a means for consumers, particularly middle- and lower-class consumers, to pay for basic living and medical expenses—a purpose for which credit cards were not intended.⁵

The amount of credit card debt in the United States is startling. At the end of 2008, Americans' credit card debt reached \$972.73 billion; the average credit card debt per American household was \$8,329. Seventy-eight percent of American households had at least one credit card. In New York State, on average, individuals have 4.5



A person in a dark suit and white shirt is holding a golden scale of justice. The scale is tilted, with the left pan being higher than the right. The person's hand is visible at the bottom left, holding the base of the scale. The background is a soft, out-of-focus blue and white.

credit cards; 14.8 percent of New York residents are using half or more of their credit. Unfortunately, a rise in unemployment also correlates directly with credit card default.⁶ Credit card defaults from this crisis, however, will probably not materialize into lawsuits for several years because credit card debt is typically resold many times before a plaintiff actually files suit. Moreover, creditors currently have up to six years to bring an action in New York for credit card default. Credit card defaults occurring now are likely to burden civil courts across the country for several years to come. Yet the time is ripe for change; governments, courts, advocates, and creditors alike are focused on the need for civil legal services and the problems faced by unrepresented litigants in consumer debt transactions and litigation.

In 2010, U.S. employees faced more stressful issues than ever before given the extended and serious nature of this economy and this recession In this recession, 70% of U.S. employees need of some kind of legal advice, help or legal or financial

representation to help them handle one or more of these legal and financial problems. The by-product that costs the employer each year in increased healthcare and emotional distress treatment and prescription drug costs is the effect of managing this serious amount of stress and the toll it takes on marriages and on children.

Actual costs of employee stress related to legal and financial matters can be found in increased absenteeism and presenteeism, increased mistakes, accidents and injuries, and decreased work productivity. The real problem for employers is that when an employee has one or more of these major stressful legal and financial problems, it becomes the employer's problem too.

Is My Agency Wasting Time Selling Legal?

In a 2010 Unvers study, 28% of employees in the companies surveyed had an employee legal plan – higher than the 19% who reported having homeowners and auto insurance at work. Perhaps not surprisingly, most employees who have a group legal plan tend to use it more than once (87%) and are more inclined to consult an attorney (2.5 times on average in the past five years) than those who found an attorney outside of work (two times). For at least one legal insurance plan, plan participants also re-enroll for the next calendar year at a high retention rate (93%).

Compared to the commissions earned on certain life insurance products and health plans, the commission income for brokers and producers from ancillary products, such as vision, legal, and other types of products, can appear to be substantially less. For years, we have heard comments that suggest it “*makes no sense to waste time selling other products, like legal,*

when the time could be spent selling the high production products.” We are all learning that in today’s solutions-based selling world, the producer or broker who can offer a cohesive or seamless solution to meet a specific employer need will get the business from that employer, regardless of size of company.

Because of the connection between legal and many of your “core” insurance products, legal can be an excellent tool to support the need and urgency for an agency’s “core” insurance products. Many producers/brokers are learning that simply by raising the concept of a legal plan, the sales techniques and approaches in a presentation can be increased dramatically, giving rise to “new” reasons for prospective buyers to purchase the core insurance products being sold. What are these techniques and approaches?

What New Approaches to Selling Insurance Can Legal Bring?

Raising the issue of a new product that “ABC Company needs to look at” is one of the most effective sales presentations. If the product is exciting and needed, because it is new, it is likely to peak one’s curiosity, and using a new product to raise new solutions can present a very compelling value-based sales story to a company. The problem with using Legal in this manner is that it can be viewed negatively and may be a topic about which few people want to actually discuss.

But, without even fully understanding legal issues, all employers and most adults can relate to the pressures, costs, uneasiness, unpredictability, uncertainty and enigmatic legal system. Many would agree that the United States would be better off without lawyers – with one exception – the ones

that help you out of a problem, or to avoid a problem – often a large problem.

Teenage children who are arrested for drinking and driving convictions can be excluded from professional schools and societies; school administrators unfairly target an “otherwise perfect student” with suspensions or expulsions hurting their chances of graduate degrees; businesses are able to freeze the bank accounts of a debtor and recover the \$ 155,000 that debtor refused to pay for goods received from the business; foreclosure on a home mortgage 24 years paid-up is halted and the mortgage company’s mistake in payment allocation is finally clear in the litigation needed to prevent the foreclosure.

Additionally, a spouse is able to thwart a court-ordered child visitation schedule preventing one spouse from spending time with their children after a divorce; spouses can be arrested for non-compliance with court-ordered child support payment schedules; elder parents can unknowingly spend-down their entire estate so one spouse can receive the nursing home care they need, leaving the other spouse virtually penniless; and the parents of a college student face a huge lawsuit because their child paralyzed a 6-year old girl in a car accident.

Notice the magnitude and importance of many of these life situations requiring solutions can be for businesses and consumers. You might also notice how many core insurance products solve, or prevent, the same magnitude of life’s problems – life insurance can be the difference between prosperity and poverty – disability insurance can be the difference between keeping one’s possessions and losing everything.

The Sales Value of Legal – “Making

the Connection”

In simple terms, legal has the same purpose as life insurance, disability, long-term care, and the new supplemental medical policies – *the protection of what one has worked for and accumulated*. If the themes are the same, it makes sense to use these themes to raise the prospect of additional threatening legal issues that can highlight the need for all of the protections you offer. Themes like avoiding foreclosure, repossession, frozen bank accounts, judgments, collections, attachment of savings accounts, along with preventing lawsuits can resonate with employers and employees. Additionally, being prepared for Medicare issues, planning for elder parents, and children away at college are all themes that easily lead into sales of a producer/broker’s core insurance products. These themes can be connected with the reasons why a life, disability or LTC product should be purchased. To do this, one must understand how legal issues and problems can ruin businesses and consumers, how much they can cost, what a legal plan can save a business or consumer and whether legal plans can truly prevent legal problem—a task too large for this article, but at least we can raise certain issues for more detailed discussion.

Understanding the Sales Value of Legal Issues

In enrollment, one should seek to position a legal plan as a solution that provides strategic value to each Plan Member and their family. To compete effectively with a value-based sales formula requires that producers/brokers/enrollers understand the critical success factors of the potential purchaser, and deliver a strategic solution that ties valuable protection benefits to those issues. Using an analysis of the true costs of the American Legal System,





and combining this analysis with an innovative new solution-oriented program that Plan Members may not have, all in an affordable package, provides the critical success factors that are vital to the success of an enrollment.

Benefits to the Producer – “Using the Legal Connection”

The Connection between Legal and Your Core Products

The combination of Legal and your existing worksite solutions can provide significant financial benefits for any enrollment. Packaged with additional worksite products, the right legal plan can add commission dollars in two ways:

- Significant Direct Commissions.
- Increased Indirect Commissions from Other Products.

Direct Commissions from Legal

Commission structures and compensation for brokers/producers/enrollers can vary widely. Many plans offer very attractive compensation programs, particularly with

producers that have an interest in selling Legal. Depending upon the legal plans, a legal plan might offer up to 35% level commission. So for example, if a group has 780 employees [assume 44% penetration, that is 343 Plan Members enroll] and the combined employee legal product is sold, with a 35% commission the commission income to the broker is \$ 1,680.70 per month. [35% of 343 x \$14.00/month = \$1,680.70/month or \$20,168.40/year to the producer/enroller – for one group].

Indirect Commissions from Your Other “Core” Products Using Legal –“Making the Connection”

Using legal can help you in at least two (2) ways: (1) keeping your client company and not losing them to another benefits specialist, because you can meet their request for a legal plan; and (2) using legal to “make a connection” between legal issues and core issues that help sell products like life insurance, long-term care or disability can add new employees for these core products because the legal plan resonated with that employee. When you use legal to raise issues that help sell other products, it is important to



understand the connection and perhaps to have these issues properly identified for the client company or the employee before the sale. Recall that we discussed certain critical legal issues that are related to your other insurance products. Several examples of the more critical “connected” issues include:

- Probate/Will/Trust/Estate Planning Issues and the Life Insurance Solution
- Workers Compensation/Injuries/Driving Suspensions related to Disability Products

One Selling Example: Probate/Will/Trust/Estate Planning Issues

The relationship between death and securing the protection afforded by Life Insurance is obvious, as is the relationship of using Life Insurance as an estate planning vehicle. Using Life Insurance to cover the expenses of one’s estate at death has also become a well-developed insurance sales tool. Are there connections between legal issues and life insurance? Yes, including the concern of dying without a will, and having one’s property “go to the state” rather than to one’s heirs, a situation that can often be remedied with a will and a life insurance policy.

A different approach can be used by raising the concept of preparing a Medical Directives, or Living Will [also known as a Durable Power of Attorney]. By raising the possible need for a Living Will with an employee during enrollment, one can also tie the concept of Life Insurance to the employee concern about being protected while living. We have found that while many Americans know they need a will, they do not get one despite the feeling that they should. This same hesitation occurs with Life Insurance, as most Americans know they need to have life insurance. Both concepts raise the issue of taking care of one’s affairs at the time of death and there are some employees that simply do not want to deal with that issue.

Using the Living Will concern can bring an entirely new approach to this subject, as a Living Will is designed to protect one while they are living in the event of a serious illness or potential serious surgery. We have learned that the concern about death is often not part of the consideration in discussing the need for a Living Will, thus alleviating the “I will get to it later” mentality encountered during enrollment. Instead, by raising the concern that an employee may not have enough protection

in place without a Living Will, the discussion during enrollment, centers on taking steps to prepare for events that can happen now. This focuses the sales discussion on the “not enough protection in place now” concept. Once that issue is raised, you can easily solve the Living Will Problem by offering a legal plan that covers a Living Will. In addition, this solution-based discussion then enables you to make the connection to life insurance that should be in place now. By changing the focus of the purchase to smaller scale events that need to be addressed now, the life insurance sale can be changed from a concern about “when I might die” to a concern about “planning all the ‘little things’ to be in place in case of the unexpected.” Interestingly, this same argument also can raise the connection to a disability insurance policy.

Workers Compensation/Injuries/ Driving Suspensions

Similarly, using the concern that the strapped workers compensation system may not pay enough if one is injured at work to heighten the need for disability insurance is commonplace today. Using a different angle, however, might heighten disability insurance sales. Producers can raise the legal issue of whether an employee who needs to drive as part of their work [as an example] has been concerned about being injured while driving, or having their license suspended or revoked. Certain legal plans provide coverage for these events and can help to prevent suspensions or revocations, in some cases, by providing legal advice and lawyers to represent employees on traffic tickets, suspension hearings and related matters.

Raising the issue of injuries from accidents or suspensions/revocations of one’s license can raise the issue of the possibility of losing one’s job or being out of work for an extended period

of time. By raising this issue, employees can also readily see the need for disability insurance, albeit in a new light using a different sales approach.

Increased Revenues from Increased Sales

Whether you are selling a Life policy or you are in P&C sales, using the legal angle to enhance the combined worksite solution value can result in an additional revenue stream for a producer/broker/enroller.

Using these legal issues in this new light to raise the issues solved by your core products is a technique that can result in new sales from employees who may not have been exposed to this new approach. This different light can raise the concerns that may hit the “hot buttons” for which employees know they need protection.

Bio

Robert L. Heston, Jr., President and CEO of the Legal Access Companies, has more than 28 years of legal plan administration and law firm management experience. His area of expertise is client-driven service excellence practices and integrated legal plan sales strategies that increase the reach and value of legal services provided to employees and legal plan members worldwide. Legal Access’ newest focus is on developing a specialized technology platform that can be used by producers/brokers/enrollers to sell legal plans in a cost-effective and efficient manner. The Company specializes in working with producers on a one-to-one basis to achieve significant penetration levels for worksite products. For more information, visit www.legalaccessplans.com, or call 1-800-562-2929 or Robert can be reached at bob_heston@legalaccessplans.com.

1 John Gramlich, *Court Cuts Trigger Blunt Warnings*, Stateline, Feb. 18, 2009, available at <http://www.prettrial.org/Docs/Documents/Court%20cuts%20trigger%20blunt%20warnings.pdf>.
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3 Legal Aid Society, *Cuts in City and State Funds for 2010 Will Further Impair Legal Aid’s Ability to Provide a Constitutional Defense*, Feb. 4, 2009, available at <http://www.legal-aid.org/en/mediaandpublicinformation/in-the-news/cutsincityandstatefundsfor2010willfurtherimpairlegalaidsabilitytoprovideaconstitutionaldefense.aspx>.

4 Bureau of Labor Statistics, *Economic Situation Summary*, Nov. 6, 2009, available at <http://www.bls.gov/news.release/empst.nr0.htm>.

5 Robert W. Murphy, “Taming the Collection Tempest”: A Primer on Federal and State Restraints on Consumer Debt Collection, *Practising Law Institute Seminar* (Mar. 26, 2009).

6 Juan Lagorio, *Capital One Credit Card Defaults Rise in September*, Reuters (Lisa Von Ahn ed.), Oct. 15, 2009, available at <http://www.reuters.com/article/businessNews/idUSTRE59E25820091015>.

The Next Phase of CDHP...

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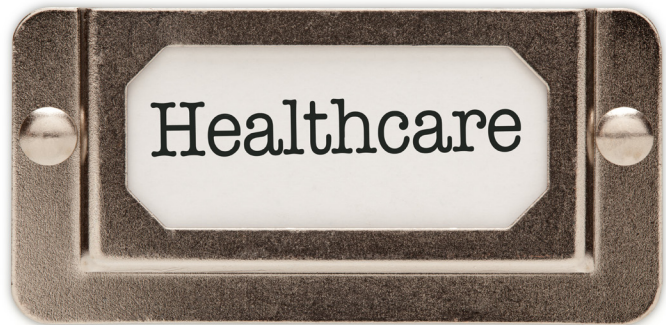
By Jerry Van Ness



Back at the advent of PPOs, health insurance deductibles were extremely low, the insured covered by a group health plan had very little out-of-pocket liability, and the cost for a group health plan was a fraction of what it is today in relative dollars. So, what happened to this concept and just where did things go so wrong? Why is that in the era before group health plans and managed care that medical services were so readily available and relatively inexpensive?

In this author's opinion, there are three major reasons for our healthcare debacle: provider abuse of the system; ridiculous judgments by our judicial system and government intervention in general; and finally, but just as important to the financial sustainability of our healthcare system, **the lack of financial responsibility of the patient.**

After the insured has met their deductible and out-of-pocket maximum, providers are many times free to do whatever they want by continuing to provide the patient with services that are of "medical necessity" in their judgment. For the most part, the services that are recommended by the provider are accepted by the patient without much question, partially because the patient has no further financial responsibility. "Who cares? The insurance company will pay for it" was, and still is, the prevailing attitude among those who have met their out-of-pocket responsibilities. This problem is obviously going to escalate with the continued decrease in patient responsibilities under healthcare reform. Sprinkle in the ridiculous judgments of our judicial system that have been raising malpractice insurance rates and other provider liabilities over the years, toss in the fact that after meeting deductibles and out-of-pocket maximums patient's have no incentive to make sound financial decisions on their treatment,



and there you have it...a system out of control! These reasons, my esteemed colleagues, are THE fundamental problems with our healthcare delivery system, NOT the insurance carriers making too much money and having no competition. (Are you kidding me Mr. Obama? No competition? Then why don't you have our government investing in the health insurance companies? And by the way, did you happen to mention to the American public that the majority of employees covered under group plans are actually self-insured by the employer, so there is no insurance carrier reaping the benefits?). Have you noticed how hospital systems all over this country are growing by leaps and bounds? THEY are the ones making most of the money in our healthcare delivery system. I can tell you that my health insurance company stocks are most certainly not!

Okay...I'll step down from my anti-PPACA soapbox and get back to topic, employee-paid benefits. So, just what should we do if employers still wish to provide valued benefits to their employees AND effectively control costs? There is a unique and simple solution that bundles the high-deductible "Consumer-Directed" concept (i.e. the insured taking more financial responsibility for their healthcare decisions) and combines it with a voluntary supplemental, \$0 deductible defined benefit health plan that will cover the most frequently utilized healthcare services (Phys. Office Visits,



Diagnostics and Rx), and for a relatively nominal cost. The cost for this “first layer” of fixed-indemnity limited medical coverage averages about \$100 per single employee per month.

This Defined Benefit + Stop-Loss model is being dubbed by its creators as the “Benefit Partnership” concept. The basic idea behind the model is to create a healthcare partnership between the employer and its employees. Since employee contributions are continuing to increase as their employer needs to continue to shift costs to manage rate increases, the basic premise of employees sharing in the cost of insurance will be nothing new and unreasonable to most employees. The “partnership” is created in that the employer will absorb the entire cost of the

high-deductible to cover large claims, and the employee would pay for the underlying limited medical coverage if they would like coverage for routine and maintenance services – but only if they want it.

The employer has the option to design a major medical plan that would have a deductible of \$5,000, \$10,000 or maybe \$15,000, depending on their budget and risk appetite. Employees, in turn, are offered several different levels of first-dollar limited medical plans (fixed-indemnity that are not subject to PPACA regulations) that will cover most routine and essential services that fall underneath the high deductible amount. This underlying coverage can be entirely employee paid (and pre-tax), employer paid, or a combination thereof (e.g. the employer might pay for a lower level limited medical plans and offer the employee a buy-up).

In one case example, a group provides a major medical plan that has a single employee deductible of \$10,000, and is willing to take some risk and purchases reinsurance over a specific deductible of \$75,000, and also provides a defined benefit limited medical plan that will generally pay about 85% of expenses incurred below the deductible level, the TOTAL cost for this plan would average about \$225/single employee/mo. Due to budgetary constraints, if the employer wants to make the underlying fixed-indemnity medical plan entirely voluntary, their share of that cost would be less than half of that \$225/month! (In addition to the self-funded risk, of course). If the employer does not wish to take any risk, and fully insure the high deductible, average savings are still substantial.

This two-pronged approach is a tremendously cost-effective solution, which after routine



services, transfers some financial responsibility to the insured so that they will be motivated to “shop” for their services and not abuse the insurance plan – especially considering the defined benefit structure of the underlying limited medical plan. Therefore, the “GAP” in coverage is between the first-dollar limited medical coverage and the high deductible plan, but this would generally be comparable to a gap at the front-end of a high-deductible plan in terms of overall exposure. But the key advantage with this model is that the majority of the time, the first-dollar limited medical coverage eliminates most of the out-of-pocket costs for the insured. Perfect!

This concept is truly a Win-Win for the employer and its employees, and can also be a win for the savvy broker or consultant that is willing to think outside the box. This concept is truly a method to better ensure the economic sustainability of group healthcare in

the United States. Economic sustainability is where our government should be focusing its “reform” initiatives – just as the private sector is forced to do to ensure its survival. That is unless it gets bailed-out by the government... that is the taxpayers and consumers of goods and services sold in this country.

Bio



Jerry Van Ness is the Director of Sales for The American Worker Plans, Inc. In his 20 years of experience in benefits he has represented several leading group insurers of all types of health & welfare products and administrative services, retail benefits consulting, and risk management at the employer level. He can be reached at Jerry@TheAmericanWorker.com or 866-215-9300.

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Health Reimbursement Arrangements (HRA)

and How Plan Designs Deviate Employee Utilization

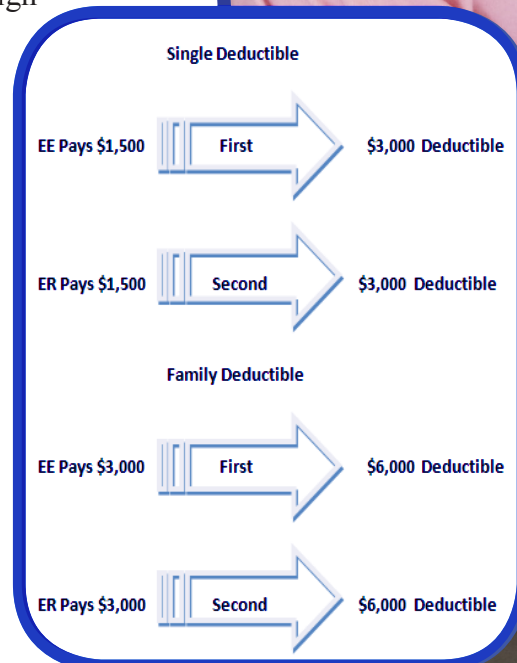
By Isaiah D. Joyner

A Health Reimbursement Arrangement (HRA) is a type of employer funded account regulated by Section 105 of the Internal Revenue Code. It enables employers to purchase group health insurance plans with high deductibles, then self insure a portion of the plan to keep out-of-pocket expenses manageable for covered employees. There are countless options in designing an HRA. The most common HRA, funds a portion of the plan deductible. Many employers add funding for co-pays, prescription drugs, and other expenses to the HRA. However, the employer must identify qualified claims at the plan inception. HRAs may “rollover” all or some of the unused account balances. E.g. An employer with 250 employees in a PPO group medical insurance plan, with a \$1,000 deductible single and \$3,000 deductible family (total employee health insurance costs of \$695,400) may see renewal premiums increase of 40% (an additional cost of \$278,160 for a total of \$973,560 annually).

It is difficult to control profitability for the company when insurance premiums increase dramatically year to year. Implementing an HRA could be just the very thing that you or your client needs to help curb those pesky double digit increases. The idea behind the HRA is to switch to a higher

deductible plan, thus lowering the premiums across the board. The first concern is, “What about the higher deductible?” Well that’s easy, in the visual example, the employee deductible increases from \$1,000 to \$3,000 for single and from \$3,000 for family to \$6000. That’s quite an increase that employees with very “benefit rich” plans would not want to take on. What the employer does is make a contribution tax free through the HRA to help “buy down” the deductible.

The HRA plan design (employee pays first portion of the deductible and the employer pays the second portion of the deductible if needed) is the most common type of HRA plan design in the market today, however, there are many different plan designs that yield several different results. E.g. \$3,000 single deductible/ \$6,000 family deductible.





As you can see in the example, the employer is saving a staggering \$695,400 in medical insurance premium just by switching to a higher deductible! The idea is the funds you save in insurance premium can be used to fund a portion of the higher deductible for the employees. This helps the employee with the switch from “benefit rich” to higher deductible. In essence, you are switching to a different philosophy, but still providing the quality. The roads lead to the same destination, just different methods of getting there. In the example, the employer offers to pay 50% of the single and family deductibles. Even still, if 100% of the funds offered were utilized, the employer would still save \$95,400! There are some major concerns that arise when an employer decides to implement an HRA plan. Below you’ll find some of the most common;

What if all of the Estimated Annual Premium Savings from switching from my current plan to a High Deductible Health Plan (HDHP) are used?

This can be a concern, especially if the estimated annual premium savings are less than the total amount offered in HRA contributions i.e. if 100% of the HRA contributions were utilized by employees the employer would potentially end up spending more in insurance premium costs + HRA claims payments, than saved from switching to a HDHP. This is easily discounted, as you may adjust your contributions to mitigate your risk. Also, you will see shortly a study that provides average utilization statistics that indicate the risk being very low of anything like 100% utilization. How can I be sure my employees will get their money back fast? Anytime you are choosing an administrator there are some things to look for:

- **What are your average claims turn around?** This is very important, you don’t want to be going with an administrator that doesn’t have a very

Employer Premium Contribution

Enrollment	Number	HDHP	Prior Plan
Employee	100	\$ 388.00	\$ 588.00
Employee + Spouse	25	\$ 577.00	\$ 775.00
Employee + Child	25	\$ 550.00	\$ 770.00
Family	100	\$ 975.00	\$ 1250.00
Estimated Monthly Premium		\$ 164475.00	\$ 222425.00
Estimated Annual Premium		\$ 1973700.00	\$ 2669100.00
Estimated Annual Premium Savings		\$ 695400.00	

Employer HRA Contribution

Enrollment	Contribution	Total
Employee	\$ 1500.00	\$ 150000.00
Employee + Spouse	\$ 3000.00	\$ 75000.00
Employee + Child	\$ 3000.00	\$ 75000.00
Family	\$ 3000.00	\$ 300000.00
Total		\$ 600000.00

Annual HRA Fees

Setup Fee		\$ 675.00
Per Member Per Month Fee	\$ 4.50	\$ 13500.00
Total		\$ 14175.00

Estimated Claims Usage

	35 %	\$ 210000.00
	25 %	\$ 150000.00
	15 %	\$ 90000.00

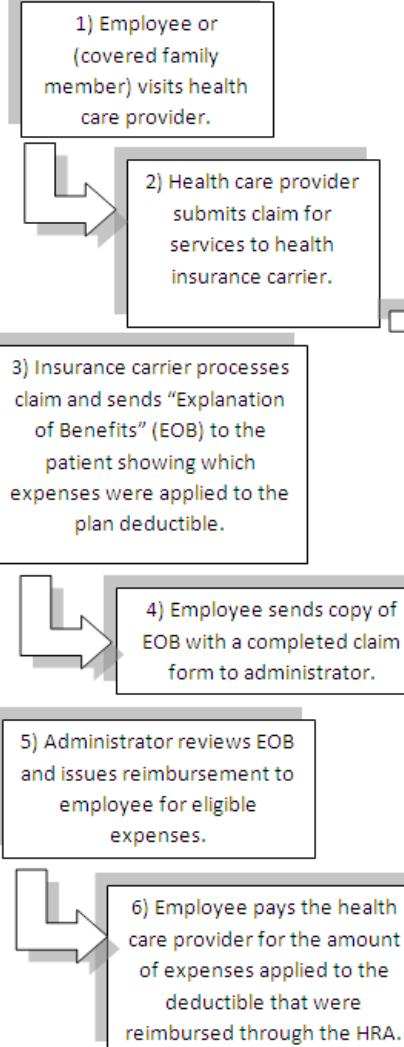
Estimated Annual Savings

	35 %	\$ 471225.00
	25 %	\$ 531225.00
	15 %	\$ 591225.00

good average claims turn around i.e. 24 to 48 hours. Yet alone, one that doesn’t even know their average!

- **Am I assigned an account administrator?** If you aren’t assigned one point of contact, it’s very difficult to get the help you need. If you have questions or issues arise you want to be able to hold the administrator accountable and having a point of contact helps greatly with questions and also there is much less frustration for you or your clients.
- **How do my employees get reimbursed?** Finding out the reimbursement schedule for claims is very important. The faster your employees get their monies the happier they’ll be. Some

Claims Process Flow

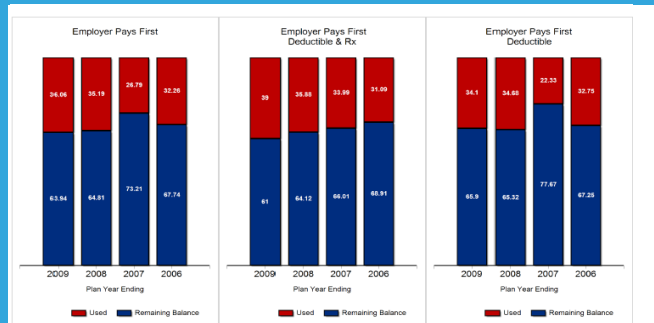
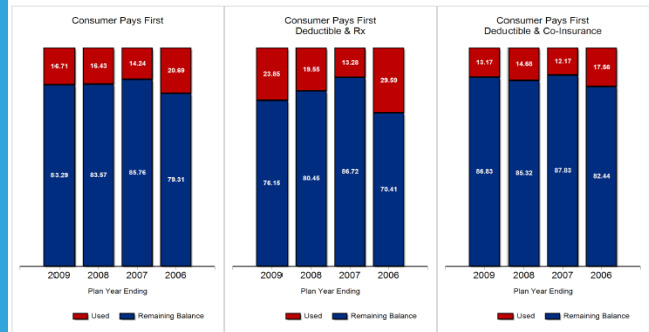


administrators only process claims once per week or even monthly reimbursements. See standard claims process below.

Surely by now you are curious to discuss HRA average utilization statistics aforementioned. These statistics were based upon a four year study based on six hundred and fifty groups of all HRA plan designs. The study was performed by a national Third Party Administrator (TPA) headquartered out of Madison, Wisconsin. They specialize in Health Reimbursement Arrangements (HRA), Flexible Spending Arrangements (FSA), COBRA, Transportation, and Health Savings Accounts (HSA) administration.

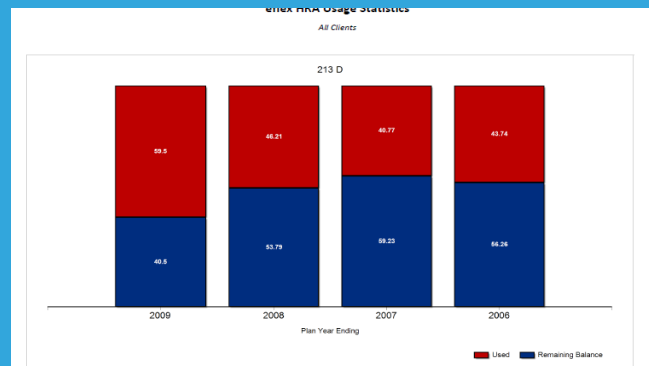
eflex HRA Usage Statistics

All Clients



eflex HRA Usage Statistics

All Clients



What this TPA discovered is that plan designs deviate utilization with the HRA. Now if you are from the insurance arena or just a novice of human nature, you already know that the more you give the more people take. In this sense the HRA is no exception. Over these some 650 employer groups, the TPA had a wide array of plan designs. Generally speaking they all fit into seven broad categories, that are further refined by employer pays first or employee pays first in terms of the deductible. There was a stark contrast between employer pays first and employee pays first for utilization. In the employee pays first utilization, over the four year study there was only 17.2% utilization of the funds offered to employees.



In our first hypothetical example employer who saved a staggering \$695,400 in medical insurance premium. Applying the average 17.2% utilization factor would mean of the \$695,400 offered to the 250 employees, only \$111,960.88 would be utilized. This means even after the HRA claims, the employer still saved \$563,830.32 annually! The employer pays first plan design yielded almost double utilization by employees 33.14%.

In our employer example that would mean \$230,316.48 in HRA claims and an annual savings of \$465,083.52. The variance between what the employee pays first and employer pays first in our example is \$118,355.60, or an increase in claims by 15.94%.

The last category was called, “all 213 dexpenses.” This comes from the section of the IRS code that covers any and all eligible expenses

that the IRS deems to be allowed under the Section 105 plan or HRA plan. It’s essentially giving away free money and if designed properly can work well depending on the situation.

Naturally, in a scenario where there is more freedom of choice on what you use the HRA funds on, you will have higher utilization. The average utilization factor is 47.56%. Almost 50% of the money given was used! In our example that means \$330,732.24 would be claimed, leaving the annual savings at \$364,667.76. While that still is quite a bit of money, it still isn’t as much as the other two examples. It speaks volumes about plan designs and what a dramatic difference they can make on utilization.

Consumer driven healthcare is a theory that the HRA falls under. This theory essentially states that if you wall the employee off from the cost of his or her

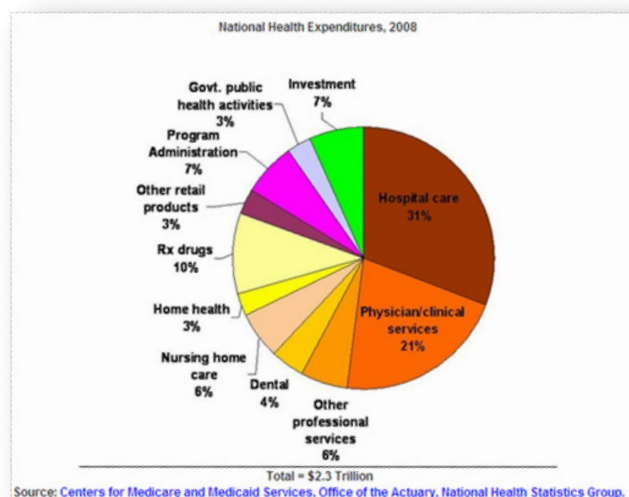


any other industrialized country in the world. The cost of healthcare has risen higher than inflation in the U.S., which causes there to be a variance between what the average person makes and the cost of care in terms of affordability. (Kaiser Family Foundation, 2010) This is not new to most, given the Health Care Reform Act, or what the GOP likes to call ObamaCare.

Promoting consumerism to help create a new kind of consumer is one of many ways to assist in the process of helping to reshape our healthcare costs. The HRA is one way to assist and should be looked at as a tool in the war against rising healthcare.

care they will spend like glutens! However, if you get the employees involved in their care, i.e. transparency with the cost of the care they utilize, they are more apt to shop around for the best price coupled with quality. E.g. I do employee meetings all the time, when asked where they go to get their prescriptions filled they invariably say, “Walgreens.” Or if you are from the south “CVS.” These two on average are more costly than other U.S. pharmaceutical retailers. Make these prices transparent and you’ll see a big difference in the way they are consumed. This doesn’t only apply to pharmaceuticals, but all medical care where prices are made transparent.

Consumer driven health plans like the HRA to assist in that process. In 2008 the U.S. spent 2.3 trillion dollars on healthcare. This lofty number accounts for 16% of our gross domestic product. This is more than

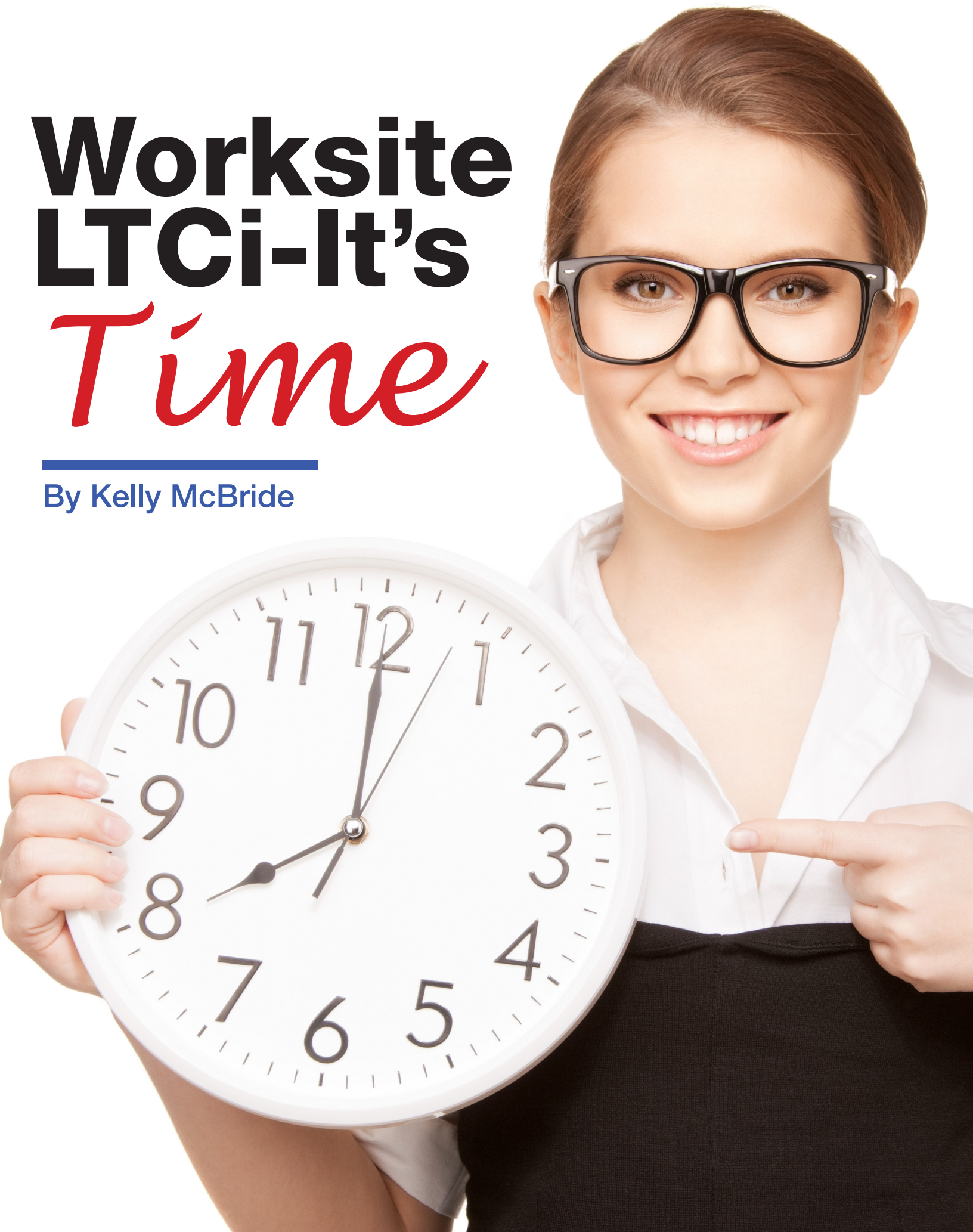


Bio

Isaiah D. Joyner has worked with eflexgroup.com or “eflex” for more than five years working in various roles such as COBRA compliance and in a sales capacity for CDH benefits. Isaiah is a certified continuing education teacher and provides such CE on a national scale. Please feel free to contact Isaiah for questions on this article or on Consumer Driven Healthcare (CDH.)

Worksite LTCi-It's *Time*

By Kelly McBride



There is no doubt with all the scrambling going on in the voluntary market that the best approach is to stick to what you know best, right?

Well, maybe not. Let's give this some thought. Perhaps now really is the best time to consider adding long term care insurance (LTCi) to your voluntary benefits portfolio?

Despite the perceived complexity of adding a product like LTCi, there are a number of reasons why this is exactly the right time to start heading down this path, reasons that make sense for the client, the employer, and for you and your business. I've outlined just a handful to get you thinking.

Why Now's The Time:

Client-Centric Reasons:

- Many employees will face long term care issues as they become caregivers to parents and other family members. In fact, elder care is expected to replace child care as the #1 dependent concern for employees.

- A large population of those in their mid-forties and older are adult caregivers, know someone who is an adult caregiver, or will soon become adult caregivers. Personal experience with long term care is a great driver in the decision to purchase LTCi. And isn't this the most influential demographic when it comes to "acceptance" of voluntary programs in the workplace?

- In spite of recent premium price adjustments, the savings a client can enjoy from lower premiums at lower ages, an employer discount and expedited underwriting can easily be demonstrated on new LTC-oriented calculators. Utilizing these tools can help demonstrate

that LTCi is a sound financial decision for employees.

Employer-Centric Reasons:

- The negative impact that employee care giving obligations can have on an employer's bottom line is well documented and will likely increase with the aging of the Boomers. In fact, a study conducted by the National Alliance for Care giving showed that the lost productivity cost to employers on a national basis for all full-time employed caregivers is over \$33 billion.

- LTCi enhances the value of an employers' benefit package. Imagine the negative reaction of an employee who needed chronic maintenance care at several hundreds of dollars a day that was not covered under their health insurance program. Would that be a surprise for the employee? How would the employee manage paying for that care? Would this situation point to a gaping hole in their employer's benefits package? I think so.

- Educating employees regarding long term care is a large part of the worksite LTCi sales process. By supporting that educational effort, the employer demonstrates to the employee that he or she is concerned about the long term care issues many are facing. Knowing the employer believes this coverage is important can help influence the employee's decision to consider purchasing a policy because they begin to view it as part of a broader retirement and financial planning process.

Producer-Centric Reasons:

- LTCi is an off cycle sale — it is sold successfully at times other than open enrollment for standard benefit offerings. This means the producer has a unique opportunity to get in front



of the employer and the employees with a single message that is not lost in the confusing mix of other employee benefits. The producer can leverage this focused attention to provide much desired education about chronic care issues and offer simple straightforward solutions for employees and their families.

- **LTCi** is the cocoon that protects other voluntary benefits products. Imagine what happens to 401(k) savings, the perceived value of the medical benefits, and the purchasing power of DI benefits if a chronic care episode starts eroding the values at \$80,000 a year or more.

- **Remuneration** — not only does LTCi offer attractive compensation in the first year but it has hefty renewal premiums as well... and this for a product the actuaries price assuming less than a 1% ultimate lapse rate. It pays even after the employee has retired!

Product, Process and Price — the Trifecta of the LTCi Sale:

- **Product**- In today's world, there are essentially three choices when it comes to product design:

Reimbursement, Indemnity and Cash. All three options share the same benefit triggers. In addition, there are a number of hybrid products using features of each, but for the sake of simplicity, we won't get into the nuances here.

- **Reimbursement**-This type of policy follows a process similar to that for obtaining benefits under medical coverage. When one incurs a loss, the person submits the bills to the insurance company, the insurer determines if the treatment qualifies as a "covered loss," and if it is, issues a check to the insured or designee for the amount of eligible expenses.

- **Indemnity**-The claims process for this type of policy parallels that for reimbursement. However, once the treatment is deemed a covered loss, the amount paid is fixed, regardless of actual costs incurred. For those of you who may remember the heyday of hospital indemnity insurance, this concept is fairly similar.

- **Cash**-Sometimes referred to as a "Disability Model," the payment process for a pure Cash policy is simple. Once the insurer certifies that the claimant is benefit eligible, a fixed cash

payment is sent to the policyholder for each month of impairment.

All things being equal, cash is generally the most costly, followed by Indemnity and then Reimbursement. But keep in mind, cash generally has fewer policy exclusions (sometimes none) and there is minimal “float time” in which benefits are paid.

Process - Most carriers and many large specialty multi-life LTCi agencies have developed well-honed processes which maximize employee participation while minimizing interruption to the workplace. While producers in the multi-life arena first need to overcome the obstacle of getting access to the employer and employees off cycle, once they do, they will benefit from a major positive — the opportunity to bring real value to the relationship you have with the employer. Web enrollment, expedited underwriting routines, specialized dedicated teams at the carrier to help with the enrollment, and well developed sales processes are readily available to help make the program successful for both the employer and the producer.

Price - Of course, price is always going to be an issue with any voluntary benefit. There is no doubt the cost of LTCi competes with other uses of employees’ income. But that is why the product and process designs are geared to educate about the need and turn the price discussion into one of value and prudent risk management. When the emotion is taken out of the discussion and the focus is on the financial risk, employees become more receptive to discussing the value of an LTCi program. Many programs are very affordable, having price points well within the reach of many employees.

Getting Started

Unless you are extremely well-versed in LTCi, the most judicious starting point is to connect

with a broker who specializes not only in LTCi, but in multi-life LTCi. There is a big gap between the approaches and expertise needed for individual sales and those needed for successful LTCi sales in the multi-life arena. Not only are approaches different, but there are also proposed legislative issues that may have an impact on worksite sales. For example, there’s a feature in the new health care law that defines a federal program that will affect all employers in the private sector. A producer who specializes in multi-life can help you navigate through the proposed legislation and help you leverage that knowledge to have a meaningful discussion with an employer — one that may lead to your first case!

Think about it ... Is now the time for LTCi? My answer is most definitely, “Yes!” But if you’re still not convinced, you might want to check if your competitors are.

Bio



Kelly McBride has worked in sales and customer service at MedAmerica Insurance Company for more than 10 years. As senior sales specialist, she dedicates her expertise to

multi-life long term care insurance programs, and brings to the job a diverse background of professional experiences, ranging from display merchandising and marketing, to a decade-long career in the financial services industry. A Rochester, NY native, Kelly enjoys the adventure of outdoor winter activities, especially skiing and snowmobiling, with her husband of 18 years, and her three children. To learn more about how to add LTCi to your product portfolio, contact Kelly at Kelly.McBride@MedAmericaLTC.com or 585.238-4277.

The Importance of Benefits Communication

A Key Differentiator

By Elizabeth Halkos

Strong communication has always been a priority for H.R. managers, but the recovering economy has elevated its importance as a retention strategy.

As the economy recovers from economic recession, H.R. managers nationwide face new obstacles. The 9th Annual Study of Employee Benefits Trends, sponsored by MetLife, states this challenge to employers in its executive summary: “Reprioritize employee loyalty and satisfaction, or economic recovery may arrive with unanticipated setbacks for retention and productivity.”

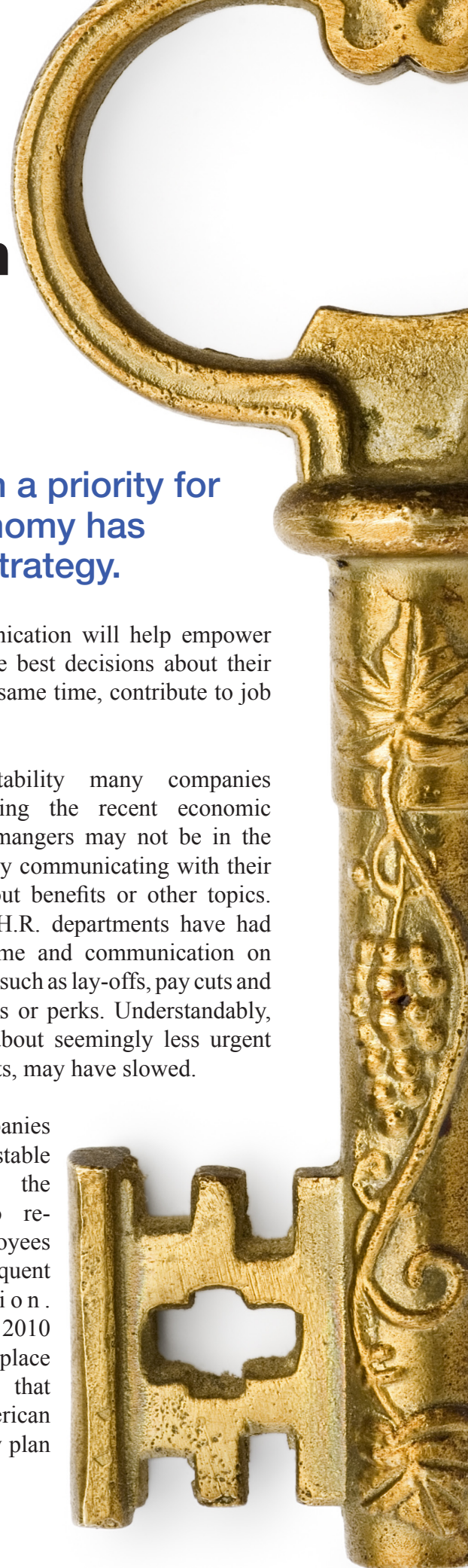
Increasing employee loyalty and satisfaction can be daunting tasks. One of the most effective ways to move the needle in this area is to better communicate to your employees – often a simple and cost-effective strategy. When it comes to benefits offerings, specifically, increased employee communication will help employees better understand their choices, be able to make more informed decisions and appreciate the value of the benefits they have access to through their employers.

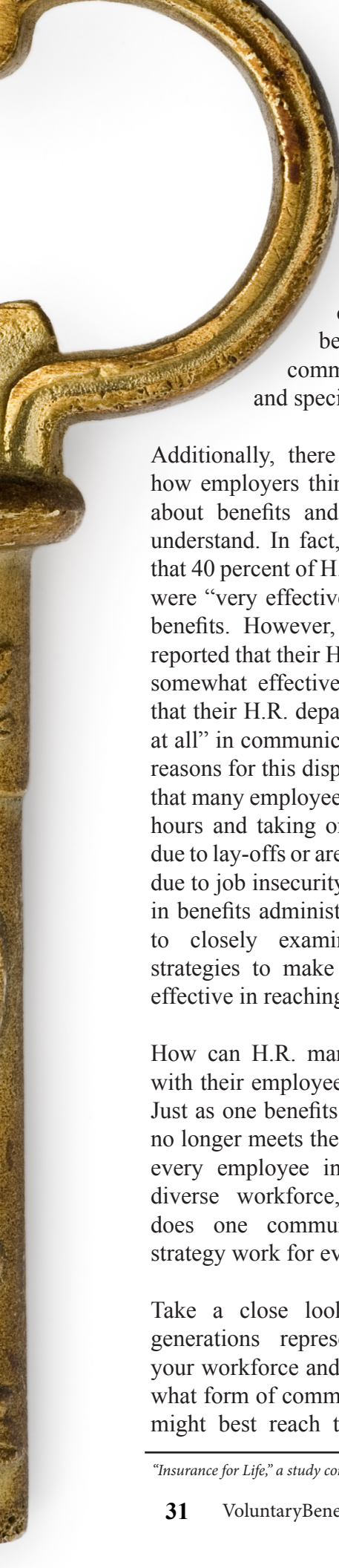
Studies repeatedly indicate that employees who are satisfied with their benefits are more satisfied with their jobs. Now is the time to make successful communication a priority. Giving your employees more information about their benefits through increased,

strategic communication will help empower them to make the best decisions about their plans, and at the same time, contribute to job satisfaction.

Given the instability many companies experienced during the recent economic recession, H.R. managers may not be in the habit of frequently communicating with their employees – about benefits or other topics. Recently, many H.R. departments have had to focus their time and communication on sensitive subjects such as lay-offs, pay cuts and decreased benefits or perks. Understandably, communication about seemingly less urgent items, like benefits, may have slowed.

With many companies now in a more stable position, it is the perfect time to re-engage your employees through more frequent communication. Deloitte LLP’s 2010 Ethics & Workplace Survey reported that one-third of American workers said they plan





to look for a job when the economy improves, and of those, 46 percent cite “a lack of transparency in communications” as the reason. This speaks clearly to the need for better and more frequent communication across the board, and specifically, around benefits.

Additionally, there is disconnection between how employers think they are communicating about benefits and what employees actually understand. In fact, a 2010 Aflac study found that 40 percent of H.R. executives believed they were “very effective” in communicating about benefits. However, 40 percent of employees reported that their H.R. departments were “only somewhat effective” and 27 percent reported that their H.R. departments were “not effective at all” in communicating about benefits. Some reasons for this disparity may be due to the fact that many employees have been working longer hours and taking on increased responsibilities due to lay-offs or are feeling pressure to perform due to job insecurity. Even so, anyone involved in benefits administration should take the time to closely examine their communications strategies to make sure they are truly being effective in reaching and engaging employees.

How can H.R. managers better communicate with their employees about benefits programs? Just as one benefits program no longer meets the needs of every employee in today’s diverse workforce, neither does one communications strategy work for everyone.

Take a close look at the generations represented in your workforce and consider what form of communication might best reach them. For

instance, Baby Boomers often prefer traditional methods of communication, such as home mailings. However, all generations increasingly prefer to have online access to information about their benefits, which amplifies the need for employees to have access to a computer at home. According to the United States Census Bureau, an average 76.68 percent of U.S. households nationwide have access to the Internet at home, so using online tools can be a very effective way to reach employees when they are making decisions about their benefits with their families.

Social media channels are also becoming increasingly popular ways to reach employees, specifically those in younger generations. Although many companies do not think they have the resources to implement these channels, MetLife’s 2011 survey found that 74 percent of employers acknowledge that social media provides an easy way for employees to have access to information.

Although there may be privacy concerns around using social networking sites like Facebook, Twitter and LinkedIn to share benefits information, think about ways you can utilize existing channels such as videos, intranets, webinars and podcasts. Communicating your benefits in new, engaging ways may help employees become more interested in their packages and more



“Insurance for Life,” a study conducted by Harris Interactive for Aflac, September 2010.

Questions?



likely to take advantage of what you have to offer them.

Interestingly enough, MetLife also reported that across generations, 36 percent of employees preferred to have their benefits explained to them by a live person, so don't discount the importance of continuing to have face-to-face contact with employees about their programs.

If you are concerned that increased communication about benefits will create an administrative strain on your H.R. department, don't hesitate to reach out to your providers for assistance. Many benefits companies will be happy to provide you with materials to distribute to your employees about their programs or conduct "lunch n' learn" sessions on site. This ensures companies are providing all the communications support for clients, including mailers, HTML emails, posters, payroll stuffers, newsletters, and information for your intranet. Lastly, always make sure your employees understand the total value of their compensation and benefits package. More companies are adopting the practice of distributing total benefits statements, which can be a great way to build loyalty as employees better understand the full value of what is being provided to them.

If you are unsure of the best way to communicate with your employees, simply ask! Starting a dialogue with employees about their preferred methods of communication is a great way to begin this process. Above all, remember that your benefits offerings are only as good as the information communicated. By making a conscious effort to increase communication around benefits, you will likely be able to engage your employees more; in turn they will be more satisfied with their benefits and with their jobs. Now isn't that a goal worth striving for?

Bio



Elizabeth Halkos is the Chief Marketing Officer for Purchasing Power, an Atlanta-based voluntary benefit company. Founded in 2001, Purchasing Power offers a program that

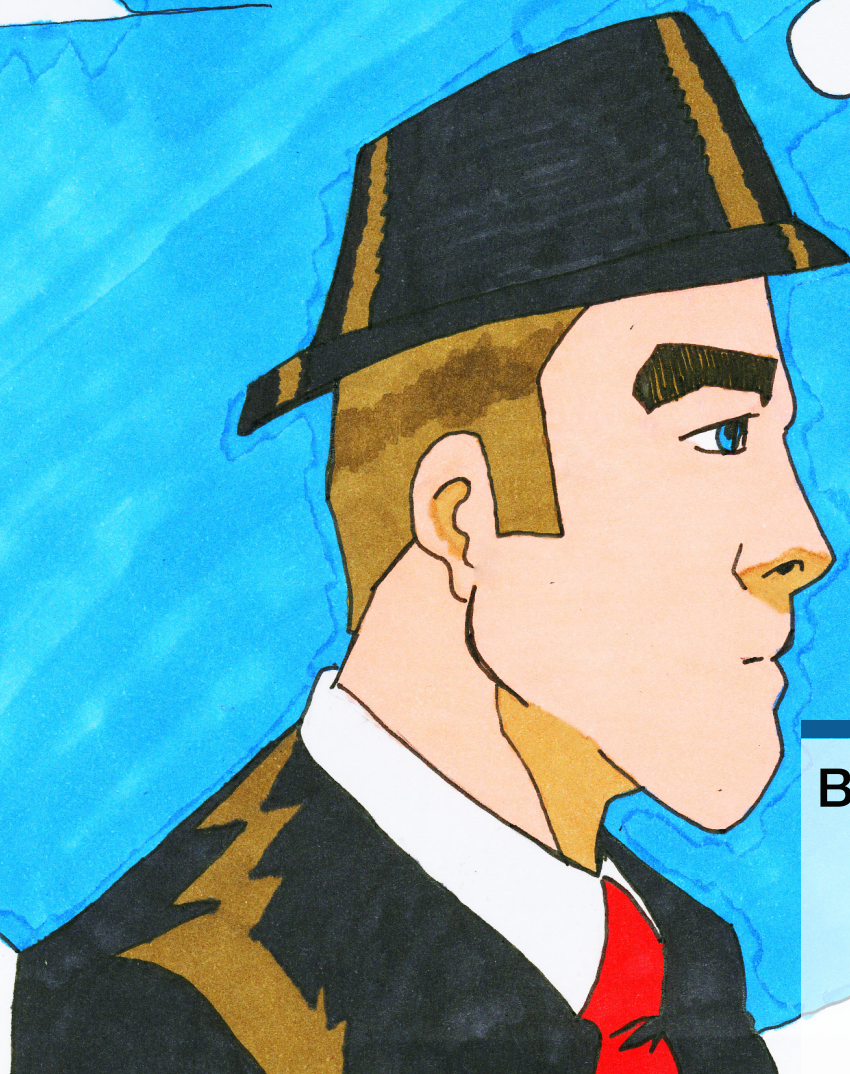
makes it possible for employees of participating organizations to purchase computers, electronics and home appliances through the ease of payroll deduction. Participants can have manageable payments automatically deducted from their paychecks over just 12 months and the item is delivered directly to their homes in just a couple of weeks.

Join the Voluntary Benefits Association
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Cross Selling Your Way to Success in 2011



By Bob Jabour

When national health reform legislation passed in 2010, many individual and small group health agents thought it would be the end of our insurance business. We figured that reduced commissions and state exchanges would seriously cut into our ability to be profitable. For me personally, when the law was approved I immediately began researching insurance products to complement my health insurance business and to replace my lost revenue. I attended agent seminars and watched webinars to learn as much as possible about supplemental products. I embraced the term “Cross selling” as my primary strategy for 2011. The one conclusion I came to quickly was that if I planned to survive I had to sell more than one insurance product per client.

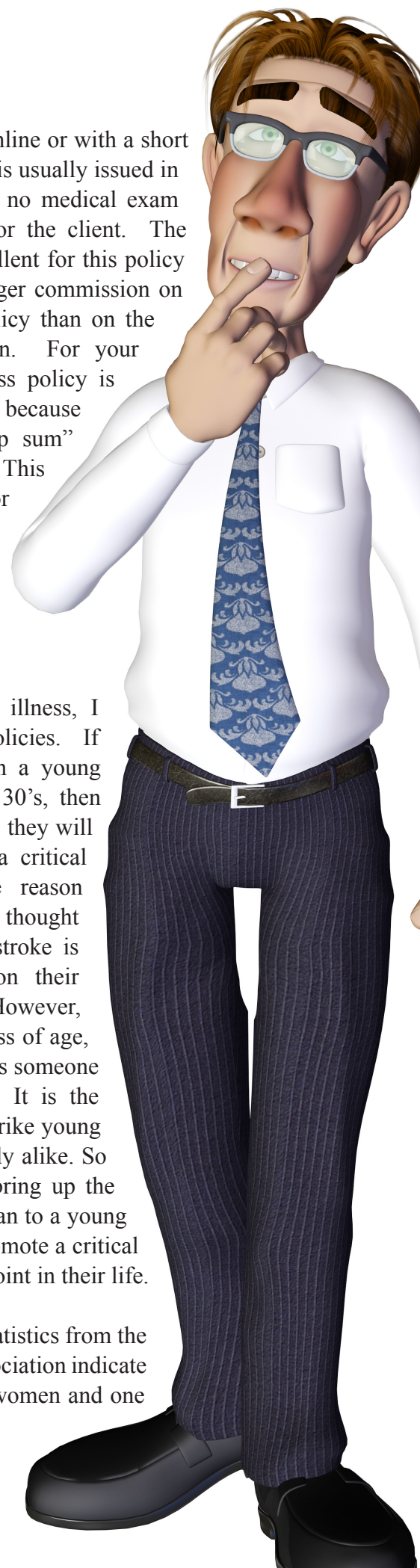
For 2011 I chose four supplemental products to help me survive our post reform world. I even believe with hard work I may actually thrive. When I say “thrive as a result of national health reform”... you must think I am crazy right..? Listen on and see if what I say makes sense for you. My new approach to recover lost commissions centers around the marketing of supplemental insurance products. Whenever I make a health sale I always make a concerted effort to recommend other insurance products to my new health client.

At the cornerstone of supplemental products is critical illness. For those of you not familiar with the term “Critical Illness” it refers to serious health issues such as cancer, heart attack, stroke, paralysis, blindness, renal failure etc. The great thing about the insurance company I use for critical illness is their simple application.

It can be completed online or with a short paper application and is usually issued in 3-5 days. It requires no medical exam or phone interview for the client. The commissions are excellent for this policy and I often earn a larger commission on the critical illness policy than on the individual health plan. For your client, a critical illness policy is extremely helpful because it pays a “cash lump sum” directly to the client. This money can be used for vital things such as their deductible and co-insurance, travel expenses or lost wages.

Close behind critical illness, I recommend cancer policies. If you are working with a young couple in their early 30’s, then there is a good chance they will not be interested in a critical illness policy. The reason being at their age the thought of a heart attack or stroke is probably not yet, “on their Radar Screen”. However, every family, regardless of age, understands and knows someone impacted by cancer. It is the silent killer that can strike young children and the elderly alike. So it is much easier to bring up the concept of a cancer plan to a young couple than it is to promote a critical illness policy at that point in their life.

For instance, recent statistics from the American Cancer Association indicate that one out of three women and one



out of every two men will be diagnosed with cancer in their lives. For most of us it's not if, but when, we will end up with some form of cancer. Fortunately with the advances in medical technology and early detection many forms of cancer have a high survival rate. But much like critical illness, the cost from cancer treatment, particularly chemo, radiation and surgeries can greatly impact any family's resources. Plus, people often have to take time off from work to recover from cancer treatment. As their agent, if you help them purchase a cancer policy, then it will help provide additional funds to make house or car payments and their electric bill.

Next on my list of favorite supplemental products is an accident plan. I currently sell an accident plan that pays up to \$10,000 if a family member is in an accident with just a \$100 co-pay. The cost is around \$50 per month for the entire family and can be used at urgent care facilities or emergency rooms. This accident plan also has a benefit called "consult a doctor" that allows families the opportunity to call a licensed physician 24 hours a day, seven days a week, to get a prescription for minor things like colds, flu, allergies, and sinus infections without a doctor visit. It helps buffer the out of pocket expenses for plans with \$5,000 or \$10,000 deductibles when an accident is the contributing factor for the claim.

Life insurance is an excellent product for young families that just had a new baby. I regularly suggest they purchase an additional \$100k to \$250k in life insurance for their new addition to the family. Often times they will come back to me with a request to get a quote for a larger face amount like \$500k to \$1 million. Another appropriate time to suggest life insurance is after you help a small business owner secure his/her first individual health policy. Many young entrepreneurs with families don't realize



that when they quit their job to start their career as a sole proprietor, they will lose their group sponsored life insurance. This group life policy may also be their only form of life insurance.

Dental and vision coverage is at the bottom of my supplement products list to sell. The main problem is most dental and vision plans aren't that great, in my opinion, from a benefit to cost ratio. Also from the agents prospective you don't make much in commission which isn't a great motivator as well. I consider dental and vision plans something you offer as a service to your clients and not as a primary income stream to replace lost health insurance commissions.

In my revamped business model after reform, I



next moved on to the challenge of writing small group health insurance. Here is the conclusion I came to regarding why it's advantageous to write small group health insurance. First, it tends to stay on the books longer than individual plans. This is due primarily to the hassle factor of filling out new applications, new underwriting and getting cards out to employees, etc., so companies tend to not want to change insurance companies until the rates overwhelm them. The commissions on small group plans are level and don't reduce in a year two, like individual plans.

Most importantly, the cross selling concept I use with my individual clients works even better in a group situation.

Here is a real world illustration using cross selling strategies with a small group I recently sold. I initially wrote them a high deductible major medical plan. To buffer their concern about the new higher deductible plan, I recommended a hospital indemnity that can potentially cover much of their deductible if they spend multiple nights in the hospital. They also elected to add dental, vision and life to their health plan.

With this same client, I also started a discussion about the value of voluntary benefits such as cancer, critical illness, accident and short term disability. To begin to exemplify the financial value of selling voluntary benefits, I sold one client a small group health insurance plan, dental, vision, life and a hospital indemnity plan and it created 3 commissions and a bonus for me. This particular insurance company is currently offering a bonus if you package dental, vision and life with their major medical plans.

Voluntary benefits are now positioned to grow significantly in the small group health insurance world in the future. Why is this suite of products positioned to be successful? Look at the "writing on the wall" as more employers choose higher deductibles, reduce benefits on their existing plans or worst yet cancel benefits altogether.

How are voluntary benefits going to be "Your knight in shining armor" for your client? First, voluntary benefits cost the owner no money, it is simply a benefit that each employee either elects or declines at enrollment time. The premiums for their selections are deducted from their paycheck each pay period. Further it helps small business owners offer benefits like short term disability, cancer, critical illness and hospital indemnity plans that are normally only available in the large group market. It also increases employee retention and attracts new talent to the organization.

Voluntary benefits are all well and good for the client and the employees but what is in it for the agent. First you have the opportunity to write multiple voluntary benefits policies at one “enrollment meeting” at the client’s office. Can you imagine how great it would be to spend an afternoon at your client’s office and collect 10-15 applications? How long would it take you to write that many policies on an individual basis? Second the commissions on voluntary benefits are very attractive and it is not uncommon to make as much on the voluntary benefits commission than on the group health policy.

Finally, voluntary benefits can be used as an effective prospecting tool for small groups. How many times have you contacted a new small group prospect and they give you the classic brush off, “Sure you can quote us at renewal time, in November.” If it’s only March, then you’re basically done if you think you are going to make that sale in 6 months, in most situations.

Now, I know some of you are great small group sales agents and may actually still make the sale in November. However, wouldn’t it be better to say to the prospect, “Sure I will be glad to follow up with you in the Fall about your health insurance but before I go can I ask you about your voluntary benefits program.” You can bet that most small employers don’t even know what the term voluntary benefits mean.

Do you see the financial potential to you with this powerful statement? You can go into any small business today, regardless of their size, and write a voluntary benefit package and then when their major medical health plan comes up for renewal you will be in much better position to write the group business as well. Even if you don’t get the group health sale you at least made the voluntary benefit sale.

Have you ever considered offering “limited benefit medical plans” to your uninsurable clients? How many times have you talked with good people that want to buy health insurance from you but they simply don’t qualify due to cancer, heart attack stroke, or diabetes? A word of explanation, a limited benefit plan pays a fixed amount for doctor visits, lab, surgeries, and hospitalization. It generally has little to no underwriting requirements to qualify.

The better limited benefit plans have a good network which further helps your client receive negotiated rates from their doctor and hospital for their medical expenses. These plans aren’t for everyone both prospects and agents because some agents don’t want to stray from the major medical market. I personally never recommend these products when I can write a major medical plan. But in the right situation, it can be of great value to your client and the commissions are usually higher than the ones offered by most of the major health carriers in 2011.

To summarize, if you want to survive as a health agent you must diversify your portfolio of products in both the individual and small group market.

Bio

Bob Jabour is an independent health agent in Plano, Texas. He is a top producer with several of the largest health insurance carriers in Texas. He has been selling various insurance products for 8 years but considers health insurance his passion and calling. His web site is www.texashealthnow.com. If you have questions about the products mentioned in this article or want to know how to get contracted to sell them, email bob@texashealthnow.com or (972) 381-4232.

A woman with short blonde hair and bangs is sitting cross-legged in a lush green field filled with tall grass and small white flowers. She is wearing a white long-sleeved button-down shirt and dark grey trousers. Her eyes are closed, and her hands are resting on her knees in a meditative gesture. In the foreground, the back of a black laptop is visible, suggesting she is working or studying while meditating.

7 Strategies

for Preventing Cancer in Your Corporate Employees

by DR.Walter Gaman and Dr. J. Mark Anderson



No one wants to hear that an employee has cancer. The news of such a devastating disease brings images of emotional sadness and uncertainty.

Once the shock of the diagnosis wears off, the reality of the associated healthcare costs and lost productivity can send a corporation into panic mode. Employees are the human capital that drives the success of any business and losing a member of the team can cause a significant impact. Many industry leaders have embraced a sense of corporate responsibility when it comes

to helping employees stay healthy. Here are a few things that you can do to help prevent cancer before it starts.

Strategy #1: Educate Employees on Cancer Risks

Educational programs in the workplace should reach beyond your specific industry. Health and wellness topics should always be incorporated into the mix. By educating employees about cancer risks, proper screenings,

and the symptoms to look for, you can empower them to be proactive about their health. Never assume that everyone knows the basics – because most people don't.

Just like the old adage “an ounce of prevention is worth a pound of cure”, cancer prevention can cost significantly less than cancer treatment. According to the American Cancer Society 1,529,560 are predicted to get cancer in 2011. In 2010, cancer costs were over \$263 billion. Most of this cost impacted employers through healthcare costs and loss of productivity within the workplace. Cancer education is the best prevention strategy and the workplace provides a captive audience ready to be educated. Show your employees that you care about their health and wellbeing and it will also improve morale and increase productivity. Educating employees can help save lives and protect the bottom line.

Strategy #2: Encourage and Promote Good Habits

Most cancers are preventable or easily treatable if found early. Employees should be encouraged to take a day off for their annual physical exam. One way to encourage this in the workplace is to provide a paid day off that is specifically dedicated to this purpose. Women should also be educated that a physical exam goes beyond the annual pap smear and men should be encouraged to have their prostate checked.

Health fairs within the work place are a great start, but should never take the place of an annual exam. These should be geared toward promoting health and educating employees on healthy habits. As an employer you may want to consider a reward system for employees that are proactive by attending health fairs and making sure they have their yearly physical examination.

Strategy #3: Counteract Stress

Most patients report that work is the main source of their stress. Finding creative ways to decrease stress and anxiety in the work place will not only encourage higher productivity, but may reduce healthcare costs. Many diseases, including cancer, have been linked to stress and a person's inability to relax. Some large corporations have provided employees with a gym and other creative outlets that help elevate mood and control the harmful effects of work related pressure.

Unfortunately, most of the workforce consists of those with sedentary jobs. As an employer, you owe it to your employees to help them get moving. If your company is too small to provide a gym, find other ways to encourage exercise. Having a morning or lunch time “boot camp” is a great way to encourage staff to decompress together. Exercise is a great way to decrease the risk of cancer while improving mood and overall health.

Strategy #4: Nix the Nicotine

Smoke breaks are a thing of the past. Take a stand against cigarette smoking by creating a smoke-free environment. Nicotine is related to a number of illnesses, including cancer. Employers who provide places for employees to smoke are enabling them to continue with a bad habit that not only can harm them, but also the company. In the US, employers pay an average of \$2189 on employee compensation claims for smokers, versus \$176 for their non-smoking employees. Furthermore, smokers are ill more often and miss an average of 6 days a year, 3 more than the non-smoker. Having a smoke free environment will also give a corporation an advantage when negotiating health, life, and disability insurance rates.

The US Surgeon General concluded that smoke-free work environments decrease the amount of tobacco use and also increase the success rate of those who are trying to stop smoking. Current and former smokers make up 90% of all lung cancer cases, so become a corporation that takes a stand and help your employees help themselves.

Strategy #5: Go Green

Sick Building Syndrome (SBS) is the cause of illness in many employees. Even a new building can cause employees to feel ill due to their choice of cleaning products. Harsh chemicals often contain Volatile Organic Compounds or VOCs, a type of toxin that leads to indoor air pollution and ultimately cancer. Talk to your cleaning company or staff and only allow green commercial cleaning supplies.

If your company is building or remodeling, be sure that carpet and paint choices have low or no VOCs. These products have become more readily available and are now more competitively priced.

Strategy #6: Promote Healthy Nutrition

Employees will eat at least one, maybe two, meals during the course of their work day. The employer has a prime opportunity to promote healthy eating habits. Snack machines and corporate cafeterias should avoid foods that contain artificial sweeteners and additives. Foods that are found in nature have the best health benefits.

Good nutrition is the first line of defense against cancer. For example, berries, green tea, and whole grains are just a few foods that have cancer fighting properties. Companies should encourage good nutrition in the workplace and in their cafeterias. Bringing in a health expert to explain how nutrition can play a role in cancer prevention could also be a benefit to your organization.

Strategy #7: Lead by Example

Good health starts at the top and gains momentum as it spreads through the company. Executive physical examinations are a great way to raise awareness, as well as educate the top talent about their own health. C-Level executives are the gears of a corporation and need to maintain optimum health so that they make good decisions while working efficiently and effectively.

Finding cancer and other illnesses early, when they are still in the treatable and curable stages, is the purpose of an executive physical exam. These half day physicals are an investment in your top talent and one that could save your company from a huge upset down the road. Make an investment in the wellness of your leaders and watch them help lead others to better health.

Your company has a great opportunity to make a huge impact in the health of your employees. Small things can make a big difference in the prevention of cancer and other illnesses. Be a leader and take proactive steps to protect your best investment – your employees.

Bio



Drs. Walter Gaman and J. Mark Anderson, experts in preventative and proactive medicine, are managing partners of Executive Medicine of Texas. They have co-authored the book *Stay Young: 10 Proven Steps to Ultimate Health* and co-host the popular *Staying Young Radio Show*. You can learn more about them by visiting www.emtexas.com.

Avoiding Cancer

by Kathy Gruver



There are certain phrases that people dread hearing in their lifetime, “Let’s just be friends”, “We have to talk” and “You have cancer”. The last phrase can instill fear and panic in the hearts of even the strongest people. Since the war on cancer began things have only gotten worse and you may wonder if modern medicine has the weapons needed to fight the war properly. Perhaps the *mêlée* should be fought on a smaller battlefield, inside each of us. What can we do to protect ourselves from cancer and fight it off if diagnosed with it?

Cancer is the uncontrolled replication of cells. This happens all the time in our bodies and the immune system deals with the problem. When cancer takes hold however, we must boost the immune system to help

fight. But what are some things that lead to cancer? Studies have linked a high fat diet to increased risk of breast and colon cancer. (1) Cutting back on foods that are heavy in saturated fats like red meat and processed foods can help reduce that risk. Increasing foods that are rich in phytochemicals such as fruits and vegetables help keep your immune system strong and eliminate free-radicals. Also, estrogen has been shown to be related to breast and uterine cancer, among others. (2), (3) Estrogen is stored in body fat, so maintaining a healthy weight is valuable.

We all know that smoking is bad news leading to both lung and bladder cancers, and that we should avoid this nasty habit. Avoid being in enclosed areas such as cars while someone is smoking and definitely



avoid smoking around children and pets.

Though we have seen a large increase in the availability and consumption of organic products, we are still inundated with “Frankenfoods.” These are foods that have been genetically modified or altered, which are also called GMOs or Genetically Modified Organisms. Right now some of our largest crops are GMO; corn and soy being the most prevalent. Monsanto, a multi-national company is leading the way in patenting GM seeds and genetically modifying our foods. They are making billions and we are being subjected to, what I believe to be, the biggest human science experiment in history. Regulations are very lax in this country regarding these practices and the food is not only assumed to be safe without much testing, but labeling is not a requirement. Beware of foods containing high fructose corn syrup and soybean oil since these not only indicate a highly processed food, but also one that is probably genetically modified.

You may be wondering what genetically modified foods have to do with cancer. Well, unfortunately the jury is still out on that subject. Since these foods were not thoroughly tested before release and we don’t know ultimately how these modifications are going to affect our own DNA, or combine with each other we cannot predict what the ramifications will be. I advise you to avoid GMOs and let your grocers and government know you won’t tolerate these current food practices.

Besides eating organic food and cutting back on saturated fats, what else can we do to stay healthy? How about exercise? Exercise reduces body fat, boosts immune function and gives you a good outlook on life. According to Sara Rosenthal, author of *Stopping Cancer at the Source*, “Exercise stimulates the production

of endorphins; neurotransmitters that occur naturally in the brain and make us feel good. It brings oxygen to our blood and the more oxygen in the blood, the less hospitable the environment to cancer”. (4)

What if we do find ourselves with a cancer diagnosis? Though chemotherapy, radiation and surgery are offered by Western medicine, there are far less invasive natural alternatives that can boost your healing.

Increase vitamin C. I mean tons of it. Bowel tolerance is a way to tell when the body is done accepting it. If you spread the doses throughout the day, it’s more easily tolerated and absorbed. Too much causes diarrhea, so you don’t want to get to that point. If it happens, back off the dose.

It’s believed that cancer cannot live in an oxygen-rich or alkalized environment. Deep breathing is beneficial as is a hyperbaric chamber if you can find one. A hyperbaric chamber looks like a tanning bed and delivers oxygen at a pressure higher than atmospheric. The patient stays in for 30-90 minutes and this high pressure oxygen can help cellular health, anti-aging and clearing toxic residue. (5) Liquid Oxygen is available from health food stores to drip into water. As far as alkalinity goes, there are supplements available in most health food stores, as well as filtration systems that alkalize the drinking water. Also, a diet rich in green leafy vegetables and other alkaline foods can contribute to a state of alkalinity.

Studies have shown how important attitude is with cancer outcome. A fighting spirit wins. This is the biggest competition you will ever be in and fighting and staying positive will work wonders. Surround yourself with people who love you and tell them to remain positive

when around you. Prayer is very powerful and people in a group thinking the same healing thoughts can be very beneficial.

Eliminating anything processed is recommended. Chemicals and preservatives in food just give your body something else to fight. Whole foods, fruits and vegetables are key. I personally recommend avoiding wheat and dairy as they can be hard on the digestive system. Keeping up nutrition is very important and a good multivitamin, mineral and amino acid formula would be valuable. Some experts recommend a macrobiotic diet, or at the very least going organic and vegetarian. If you can handle the restrictions, these dietary changes can be beneficial, but make sure you get enough protein and amino acids.

It's not only important to be selective about what we are putting IN our bodies, but also ON our bodies. One of the most commonly used products is deodorant containing aluminum.

found between deodorant and cancer, I would avoid this, especially if you have already had a breast cancer diagnosis. (6) Also avoid creams, lotions, cosmetics and sunscreens that contain non-organic products.

I HIGHLY recommend testing for both heavy metals and environmental toxin exposure, depending on where you grew up, where you live now and any potential exposure pertinent to your occupation. Both tests are simple; the presence of metal contaminants in the body can be determined by testing a hair sample and environmental toxins can be determined by a simple blood test. You can consult a natural medicine doctor or naturopath to order those tests. If the results come back positive, it would be beneficial to do a cleanse or chelation therapy to flush the chemicals out.

There have been numerous doctors persecuted and forced out of the United States for their work on curing cancer. One is Dr. Hoxsey whose clinic is still functioning in Mexico and the other is a nurse named Rene Caisse. (7) She created a formula called Essiac, which is still available at www.essiac-canada.com. I had a client that used this formula on her husband with melanoma and his recovery was much quicker than expected.

Cancer and health are also affected by personal attitude and mental outlook. As I have mentioned before, I see a large correlation between what we think and what happens in our bodies. I believe one of the reasons we get sick is to let us know something is out of balance with our emotional/spiritual side. Our emotions need to let us know that something must change. When we ignore the emotions we open up the window for sickness. I also believe that malfunctions in our body are the body's way to communicate that something is



We are smearing this daily on some of the most absorbent tissue in the body. Though no specific link is

wrong in our mind and spirit. I believe that if we don't acknowledge our emotional needs and issues, this energy has to go somewhere and manifests as illness or dis-ease. A child will only scream mommy, mommy, mommy, mommy for so long before he starts pulling things off shelves. This is also what our emotions do. The carpal tunnel, sciatica, neck pain, headaches, psoriasis and cancer is our emotional child pulling things off shelves because it has been ignored. I'm not saying that illness is 100% emotionally formed. There are toxins, poisons and hereditary components to consider. But if our emotions are even responsible for 10% of our illnesses and we can control them, why wouldn't we?

If you have already started chemotherapy or radiation treatments, greet it as a positive thing. As it's going into your body, picture it fighting the cancer and see the tumors shrinking. If you fight against the chemo and dread it, or see it as a poisonous enemy, it will not work as well for you.

And last but not least, I encourage you to communicate with your health providers. Ask questions, do your own research and get a second, third and fourth opinion if necessary. And, if it is in your nature, seek out more natural cures such those we have covered above. We need to be our own advocate. Good luck and good health.

Visualization for Healing Cancer

Get into a relaxed place, in a comfortable position. Breathe deeply and try to quiet the mind. Get a picture in your head of what you think the cancer looks like. It can be a ball, a blob, whatever it is to you. Picture it in the area of the body where it is growing. As you inhale, send the breath to that organ and tumor and picture it shooting at it, eating it, dissolving it, whatever scene works for you. I always saw it as the cavalry coming over the hill in the old movies to save the day. That cavalry are your white blood cells and they are surrounding the tumor to get rid of it. Hold the picture of the tumor disappearing for as long as you can. Do this visualization as many times during the day as possible. I have seen amazing results with this type of meditation.

Bio

Dr. Kathy Gruver, PhD is a health practitioner, author, speaker and educator. Her first book, *The Alternative Medicine Cabinet* is available at her website along with free health tips, a monthly newsletter and resources. www.thealternativemedicinecabinet.com

Resources

1 *A diet high in fat significantly increases a woman's risk of developing invasive breast cancer, according to a study conducted by researchers at the National Cancer Institute in Bethesda, Maryland, and published in the Journal of the National Cancer Institute.*

2. http://www.breastcancer.org/treatment/hormonal/what_is_it/hormone_role.jsp

3. http://www.cumc.columbia.edu/news/in-vivo/Vol2_Iss10_may26_03/index.html

4. Rosenthal, M.S. (2001). *Stopping Cancer at the Source*. Canada: Trafford Publishing. Pg. 72-73.

5 <http://www.hyperbaricchambertreatment.com/>

6 <http://www.cancer.gov/cancertopics/factsheet/Risk/AP-Deo>

7 <http://essiacinfo.org>

WHO'S

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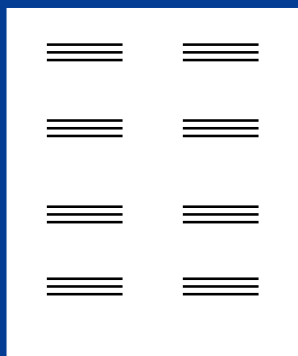


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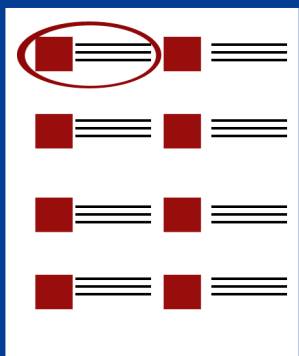
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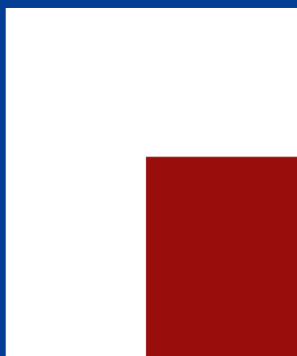
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