

## Options to keep healthcare affordable exist

By Martha Lundin, Inside Tucson Business

In today's environment, where the rapid increase in healthcare costs is forcing employers to consider whether they can afford to provide health insurance, there are options to consider that may ease the burden.

Consulting with a healthcare insurance and benefit broker is one important step. Brokers are knowledgeable about insurance options and can help an employer gather bids and look at different plans. Although employees are gradually becoming aware that they must shoulder more financial responsibility for an employer's health insurance costs, employers are still searching for cost effective solutions.

For small employers with one to 50 workers, Healthcare Group of Arizona may offer an answer. Started in 1985 by the State of Arizona, Healthcare Group was designed to meet the health insurance needs of small businesses and government districts. The program recently expanded its original insurance plan to offer three different plans with various levels of coverage and costs.

"The cost of the Healthcare Group premiums may be shared by the employer and employee or paid in full by either the employee or employer," said Kathleen Oestreich, chief executive officer and plan administrator for the University Physicians Healthcare Health Plans. "One advantage this program has is that it offers a plan choice. An employer can offer all three plans and workers can choose the one that fits their needs."

University Physicians Healthcare Group has been a plan provider since 1987. Initially operating only in Pima and Cochise counties, the plan now includes Graham, Greenlee, Pinal and Santa Cruz counties.

Oestreich said, "In the future, we'd like to see additional plan choices and expanded benefits, but first we need to raise awareness that the Healthcare Group is an affordable option available to small employers."

Healthcare Group serves many different types of businesses, including real estate, technical professionals, medical practices, restaurants, and the financial and service industries. Its rates are based on the health history of all members in a county and are not tied to the health history of the workers for a particular company, which can keep premium costs lower.

Oestreich says that account representatives are available to work with employers and employees to educate them on the plan choices and costs.

Providing support and counseling for employees' workplace and personal problems through an employee assistance program provides another option for keeping costs down.

Tucson-based Jorgensen/Brooks Group offers workplace effectiveness training and employee assistance program (EAP) services to employers. According to Don Jorgensen, president of Jorgensen/Brooks, a full-service EAP can demonstrably lower healthcare costs and absenteeism and increase productivity.

An employee assistance program typically provides confidential counseling and resources to staff employees and management to handle work and life prob-

lems. A full-service EAP should offer consultation and training for management staff in handling workplace problems rather than just generating referrals, says Jorgensen.

In his experience, one example of the EAP's effectiveness emerged in a self-insured company that was able to resolve 90 percent of its workplace issues without an outside referral. "Being able to resolve issues within the company saves on healthcare costs because employees can find help from the EAP and don't need to use insurance for it. In addition, if an outside referral is needed, the EAP also helps the employee choose the right level of care needed, which is cost effective," said Jorgensen.

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**Kathleen Oestreich  
chief executive officer and plan  
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Physicians Healthcare Health Plans**

Employee assistance program costs are based on the number of employees in a company. The employer pays the EAP a set amount per month for each employee, which covers all services that the EAP may need to provide under its contract. The per employee per month cost allows companies to consistently budget for employee assistance and also promotes confidentiality for the employee.

Jorgensen says that based on data collected from this past year, Jorgensen/Brooks was able to track an example where use of the EAP decreased absenteeism 87% from almost six days per month to less than one day per month.

Jorgensen also believes it is important to use an EAP that is independent from the company's insurance plan. Some insurance companies offer EAPs in

conjunction with their health plans, but Jorgensen favors independent EAPs to preserve employee confidentiality.

Worksite wellness programs are becoming more popular and have proved valuable in keeping costs lower. In the spring of 2004, BlueCross BlueShield of Arizona launched its WalkingWorks program to encourage Arizonans to increase their fitness level. The program, which is open to all Arizona residents over 18, is outlined on BlueCross BlueShield of Arizona's website. The program allows individuals to create a walking plan and offers on-line motivation and exercise tracking, and the opportunity to win performance rewards.

Angie Ramage, WalkingWorks program manager, said that 400 Arizona employer groups have employees who are participating in the program. "The program has been very positively received by employers," she said, noting that a study conducted in July 2004 showed that 86 percent of the group benefit administrators thought WalkingWorks was a good or excellent idea.

Jenny Brooks, a spokesman for BlueCross, BlueShield of Arizona, offered three things employers can do that may help keep costs down. First, she says, employees should be educated about how to decide between seeking treatment from an urgent care center or the emergency room. If an employee can receive appropriate treatment from an urgent care center, it costs less and provides savings on employee out-of-pocket costs. Second, employers need to provide education about the availability and effectiveness of less expensive generic drugs. "It will save money any time a generic is chosen over a brand name drug," said Brooks.

Finally, employers should investigate the new high deductible health plan and health savings account options that are becoming popular. BlueCross BlueShield now offers this option through its recently introduced Blue Preferred Saver plan.

The bottom line, which is driving benefit decisions these days, is that a little research and consultation with a benefits expert may offer new options for employers trying to keep costs down.

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More information on Healthcare Group of Arizona health insurance is available on the University Physicians Healthcare Group website at [www.universityphysicianshcg.com](http://www.universityphysicianshcg.com) or by calling 1-866-407-0960.

Information on Jorgensen/Brooks Group is available on [www.jorgensenusa.com](http://www.jorgensenusa.com) or by calling (520) 575-8623.

The WalkingWorks program and BlueCross BlueShield of Arizona can be accessed at [www.azblue.com](http://www.azblue.com).



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