



THE STRATEGIC LINK™

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Communication is key to benefits understanding and appreciation

BenefitNews.com December 1, 2006

Think your employees have a clear understanding and appreciation of their benefits? Better think twice, concludes a new survey of high-level HR and benefit executives from more than 128 companies across a number of industries and company sizes.

Charlton Consulting Group, Inc., a benefits communication consultancy, found that a mere 5% of survey respondents said employees fully understand and appreciate the value of their total compensation packages. More than one-third said employees don't understand the value of their total compensation at all.

David Janis, a principal at the firm, was somewhat surprised not only by these findings but also to learn that while 96% of respondents considered total compensation statements a powerful communication tool, 55% do not use them. His sense is that, compensation statements often get moved down the "to do" list because of the large number of other projects competing for attention.

The key to improving employee understanding and appreciation is to present employees with comprehensive information that is personalized,



according to Janus. One recommended area is showing an employer's share of the annual health care cost contributions, which will give a complete picture of the overall benefits cost equation at a time when so many employees are feeling the sting of cost-sharing strategies.

Medical Costs may show double digits, 2007

BenefitNews.com 11/16/06

Employers may be less excited than usual to bring in the new year. Medical costs are expected to rise for all plan designs, including HMO's, PPO's and consumer-directed health plans, says a new report from PricewaterhouseCoopers. PPO costs will rise 11.9%,

compared to 11.8% for HMO's and 10.7% for CDHPs, PwC predicts. Inflation should be slowest for CDHPs because consumers pay more of the direct costs upfront and are typically more shrewd spenders, PwC concludes. New treatments, new prescription drugs,

increased use of diagnostic technologies, increased demand for health care, rising obesity and the aging are driving health costs up. Meanwhile employee cost sharing, electronic records, wellness programs and disease management are helping to hold down inflation.

Health Risk Assessments reduce medical bills

Wellness programs and health risk assessments can reduce individual health care costs by hundreds of dollars per year, according to a new study from Thomson Medstat, which does consulting and auditing for employers.

\$101 and \$648 less per year for Medicare recipients who participated in an employer-sponsored wellness program and used a health risk assessment, Thomson Medstat finds.

Retirees who used a health risk assessment and one other wellness program

element, such as telephonic-based lifestyle management, yielded an average annual savings of \$442. Adding two additional wellness elements resulted in \$569 in savings. Conversely, using such services without a health risk assessment yielded savings of just \$30 per year.

Medical costs were between

(BenefitNews.com 11/21/06)

Top 5 illnesses responsible for disability leave

Nearly half of short-term disability (STD) claims are linked to heart conditions, trauma, cancer, mental disorders and pulmonary conditions, according to a recent MetLife study. Those five illnesses, which are usually expensive to treat, are responsible for an average of 60% of lost workdays due to disability leave.

employer-sponsored benefits.


The study examined over 1.5 million short term disability claims filed from 2001 to 2005. By understanding the connection between health costs and disability absences, employers can target the appropriate resources to help workers stay healthy and at work.

future out-of-pocket medical expenses, and benefit communications tailored to the individual's life stage. He also recommends studying medical and disability claims to identify solutions that are best suited to your workplace.

(Benefits News August 3, 2006)

"Lost workdays for employers can cause decreased productivity with a negative impact to the bottom line," says Ronald Leopold, MetLife's vice president of

Leopold recommends offering health and wellness programs, educational resources showing how a healthy lifestyle can reduce

"The brain is like a muscle. When it is in good use, We feel very good. "
-Carl Segan

Boomers hit 60 - Graying of your wellness program

Wellness has traditionally been a career for the young serving the young. But the message if not the messenger—must change to meet the majority's needs.

What Boomers Crave?

Information: Boomers are voracious input consumers. Information is power, and the more the better. But your health messages need to be

delivered in bite size, easily digested, yet entertaining packages.

Convenience: Make every program you offer easy to use if you hope to continue attracting this age group.

Comfort: Throw away your fat calipers and sit-up tests, and put your energy into what people can do comfortably within the

limits of their everyday lives, to improve their health.

Service: "A real live person!" explained a surprised customer on a 800 number. Whatever you offer make your personal service your foundation. Boomers want to be taken care of now.

(Health Promotion Practitioner)

Benefits understanding and appreciation

(Continued from page 1)

The ultimate aim is to deliver communications in a more engaging and personalized manner in hopes of bridging the knowledge gap. Janus advocates an approach that favors concise messages that do not overload employees with information—a delicate balancing act that isn't always easy to attain. Many organizations have decided to outsource this function and free up HR to make a more strategic contribution within their organization.

While many employers have moved total compensation communication to the Web,

printed communication still dominates. Decisions about format, according to Janus, are driven to a large extent by the degree to which an employer has moved other communications to the Web. "Whether the decision is made to go with print or the Web," he adds, "a clean, concise and well thought out presentation is the key to effective communication."

The survey doesn't point to any clear differences about HR and benefit practices based on company size, but it does suggest that 79% of respondents whose organization actively

communicate total compensation information believe that employees have at least a moderate level of understanding and appreciation of their total compensation versus 66% overall.

Janus predicts more employers will implement a total compensation communications program in the years ahead "because it's an efficient and cost-effective means by which to increase the return on investment being made to comp and benefits."

(BenefitNews.com, December 2006)

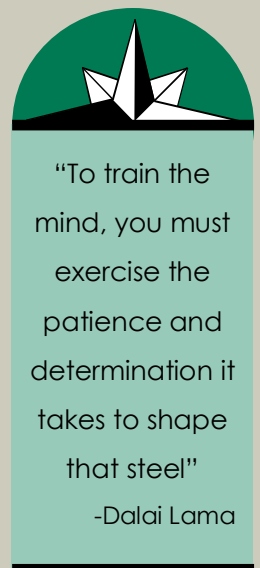
Wonderful Website

<http://www.nubella.com>

The Nubella website, Healthy Eating, Healthy Living, is a very robust and information filled website. Nubella has a free online newsletter in which you will receive weekly emails with articles and recipes.

The website has a huge catalog of healthy recipes and articles, everything from sleeping well to vitamins and minerals. There are surveys and polls that you can participate in or review the data from previous inquiries.

In addition you have access to money-saving coupons for a variety of products.



"To train the mind, you must exercise the patience and determination it takes to shape that steel"

-Dalai Lama

The B&A Buzz

The baby is here!! B&A's Lisa Ohrmundt gave birth to a baby boy on October 30, 2006.

**Aaron Jeffrey "AJ"
Ohrmundt
9 lbs 5 oz; 22 inches**

Everyone is happy and healthy and adjusting to their new environment.

Lisa returned to work in December. Her family is excited about their new member and we wish them the best.



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just good business.

“People seldom see the halting and painful steps by which the most significant success is achieved.”

-Annie Sullivan

REDUCING CORPORATE HEALTH CARE COSTS



- + The average increase for consumer-driven health plans was **2.6%** in 2006.
- + All other plan designs had increases ranging from **6.6%** to **7.5%**.
- + The average annual medical plan cost was **\$6,905** per employee, a **7.1%** increase over the last year.
- + Most employers, **40%**, believe CDHPs offer the most effective approach for managing costs and maintaining quality care.
- + **64%** offer disease management programs; **54%** offer some sort of nurse line/demand management tool.

Source: Deloitte & Touche, 2006

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