



THE STRATEGIC LINK™

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An Unhealthy Wisconsin

By Daniel Burkwald, President of Burkwald & Associates, Inc.

The proposed state wide single-payer health program – Healthy Wisconsin – is anything but healthy. This program will increase costs for both individuals and businesses, remove accountability for taking care of our State’s residents, and create a significant and uncaring bureaucracy. The solution is instead market-based reforms to our existing system to allow the best elements of our health care system to work.

First, a little background. According to a Legislative Council information memorandum, the Healthy Wisconsin proposal would provide health care coverage for Wisconsin residents and employees equivalent to the

coverage under the current state employee health care plan. The plan would also provide coverage for mental health services, alcohol and drug abuse treatment, and preventative dental care for children under 18. The plan would be administered by the Healthy Wisconsin Authority and funded by assessments similar to a social security-like payroll tax. These assessments would be used for payments to health care networks and providers. Individuals can choose a low-cost option or pay a premium for a higher-cost option. The plan is governed by a Board of Trustees for the Healthy



Wisconsin Authority. According to the US Census Bureau, 9.4% of Wisconsin residents do not have health insurance versus 15.8% nationwide. The Healthy Wisconsin proposal passed as part of the Biennial Budget Bill by the State Senate in June. The Assembly version did not contain the Healthy Wisconsin proposal, but it

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Measuring ROI on employee communication programs

BenefitNews.com 9/20/07

Top performing employers apply performance metrics to their employee communication campaigns to monitor workers’ engagement and the programs’ impact on the bottom line, reports Watson Wyatt.

Nearly half of companies now routinely measure

employee behavioral changes to gauge the effectiveness of internal communication strategies. The practice has increased almost 25% since the 2003/2004 study, Watson notes. More employers are starting to view employee communication as a key business driver.

Moreover, the report suggests that employers that invest in employee communication typically earn higher financial returns.

Methods implemented by employers with effective employee communication

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Communication programs

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programs include focus groups to obtain employee and manager feedback and candid sessions about the company's business goals and objectives.

Watson Wyatt also finds that more employers are taking action to increase employee enrollment in benefits programs, but there has been a pull back on providing personalized educational materials on income needs in retirement.

The study identified these six communication practices of high-performing companies:

- Focusing managers and the other employees on customers needs
- Engaging employees in running the business
- Helping managers communicate effectively
- Leveraging the talents of internal communicators to manage change effectively
- Measuring the impact of employee communication and
- Branding the employee experience

“Effective communication programs address the whole

gamut of employers' relationships with employees, and help engage and motivate workers,” says Kathryn Yates, global director of communication consulting at Watson Wyatt. “Companies that communicate effectively with employees have an engaged workforce and superior financial results,” she



Do not dwell on the past, do not dream of the future, concentrate the mind on the present moment
-Buddha

Employees looking beyond the Dr. for health care info

Nine out of ten U.S. workers dealing with a health condition not only turn to their physician for advise, but also to other healthcare sources, reports a new survey by the National Business Group of Health.

Over the past two years, consumers have reached out to the Internet (68%), health plan providers (67%), friends and family members (66%), the media (61%), and employers (54%) for information on medical conditions and treatments, NBGH notes.

The Washington D.C.-based group, which focuses on health care benefits, commissioned the survey to examine employee health care decisions and the role of medical information in their treatment. The results reflect the responses of 1,588 workers between the ages of 22

and 69.

For instance, nearly 55% of employees feel as if their physician is not the only reliable source they should look to for advice. What's more, 53% of workers believe medical information is too difficult for the average person to understand. The results also indicate most workers (60%) are unfamiliar with the appropriate medical data that would allow them to compare health care plans and providers.

Meanwhile, younger workers have a distinctly different attitude toward medical treatment than their older counterparts. Forty-five percent of workers under the age of 50 prefer traditional medical procedures, while

(Benefitnews.com 12/07)

only 25% favor new medical methods, NBGH reports. In contrast, 36% of workers over age 50 prefer well established remedies and 35% desire new treatments.

The findings also show generational differences towards health care coverage. Nearly one-third of those under age 30 agreed that if insurance covers health care costs, then patients don't need to be concerned about expenses, compared to 14% of those age 60 and over. Moreover, 47% of those under age 30 said that more expensive treatments are more effective, compared to 23% for those over age 60.

Unhealthy Wisconsin

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is anticipated that the Assembly will consider some version of the plan soon.

Why it won't work

Our health system today struggles with rising costs and uneven coverage. But the Healthy Wisconsin proposal scraps a health care system that offers some of the best care in the world and replaces it with a government-run program. This proposed government-run replacement has a number of weaknesses.

Healthy Wisconsin relies on negotiation and rationing of health care to cut costs. The government will now be responsible for overseeing the assessments and release of payment to health care networks and providers. This could be problematic. Imagine some of the leading doctors in our state – some with national reputations as leaders in their field-- being told by a government bureaucrat how much they will be allowed to charge for their services. These doctors will simply leave Wisconsin. In other areas of our economy, the best and the brightest receive a premium for their services. But this program will allow the government,

not the market, to determine prices.

The Canadian system, while viewed as cost effective, is an example of a system that rations health care. In Canada, the wait can be as much as three weeks for serious cancer treatment, heart catheterizations and bypass surgery. It can take weeks to get an MRI in order to simply diagnose a problem. I would wager that most Wisconsinites are unwilling to be this patient. I've worked with many companies over the years that try to offer a narrower network of providers and face serious reluctance on the part of their employees. Most of us simply aren't willing to wait for health care, but under the proposed system, waits are likely to become a reality.

A payroll-based system, like that proposed by Healthy Wisconsin, removes the connection between benefit costs and controlling one's health. It removes personal responsibility. In a consumer driven system, individuals should be aware of the costs of health care and have incentives to stay healthy and keep costs down.

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Believe that life
is worthy living
and your belief
will help create
the fact.
-William James

The B&A Buzz

We wished Linda Schoof, Benefits Analyst, good luck as she left us at the end of November for Minnesota.

Back row: Kyle Pionek, Pam Jackson, Valerie Lemke, Lisa Ohrmundt, Scott Schultz. Front Row: Ardy Ellis, Linda Schoof, Cec Casnovsky and Chris Meyer.



Dawn Brendelson is our newest addition to the Burkwald & Associates, Inc. family. Dawn comes to us from American Family Insurance where she was a claims adjuster for 3 years.

She is also a graduate of University of Wisconsin Whitewater, in Human Resources. Welcome, Dawn!



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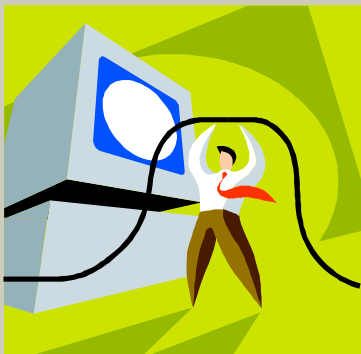
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just good business.

We either make ourselves miserable, or we make ourselves strong. The amount of work is the same.
-Carlos Castaneda

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Ironically, by removing these incentives and making health care an entitlement we may be reducing the health of Wisconsin's population.

Importantly, this is a massive government program. It is projected to cost upwards of \$15.2 billion. This is \$3 billion more than Wisconsin currently collects in all income, sales and corporate income taxes.* Experience should tell us that programs run by the government are not working. Social Security and Medicare are both projected to face shortfalls. Visit any government office. Red tape and bureaucracy leaves little room for care and compassion. I'm not at all confident we can trust a government-run program to treat individuals in our health care system with the kind of compassion we would all like to expect.

The Solutions

We don't need to turn our system upside down to solve the problem. Improving our existing health care system requires some fundamental reforms to allow a free-market system to work. While Healthy Wisconsin recommends a heart transplant, a healthy diet is what we really need.

While I believe in our market-based health care system, I don't believe our system currently has the transparency and freedom to allow individuals to make informed decisions. For the system to truly run effectively, we all need real choices and better information.

The first step is to remove costly government mandates and regulations that add as much as 10% to the overall cost of our system. We should also remove the incentives for doctors to order unnecessary tests by reducing the number of lawsuits via Tort Reform. Wisconsin also must make contributions to Health Savings

Account tax deductible, an important step in moving toward consumer driven health care. Making HSAs tax deductible would save the average family hundreds of dollars each year on the cost of insurance. Wisconsin is one of only four states who do not have deductibility for these contributions.

Next, we must create more transparent information. Freedom of choice can drive down costs as consumers choose the best health care at the best costs. But a consumer driven program will only work effectively if consumers have information. We need to revise the way information is shared with consumers so they can easily understand their treatment alternatives and get access to information on the costs.

We also need to enhance incentives for healthy behavior. Our firm works every day with companies that structure plans with a connection between the health of the employee and the cost associated with his or her care. We create health savings account that allow individuals to set aside pre-tax dollars to pay for health care, dollars they get to keep if they go unused. We also create wellness programs that give incentives for healthy behavior.

In summary, our system is in need of reform. But scrapping our system for a government run replacement defies common sense. Healthy Wisconsin is an unhealthy solution.

**According to a newsletter published in September 2007 by NAHU, the national association for health insurance underwriters.*