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Reformers Should Learn from What Is and Isn't Working!



Many find the health care reform debate discouraging. Some suggest there is a lack of transparency and confusion about the various plans and the projected costs. Discussion continues about penalties for employer nonparticipation, coverage mandates, and proposed taxes on businesses. Other talking points include medical liability reform, allowing competition of health care providers over state lines, tax incentives for consumer directed alternatives, and focusing on reducing fraud and waste.

One Solution Never Fits All

As the debates continue, POMCO continues to work with our clients to focus on proactive measures and customized self-funding solutions. When self-funding is in place, along with care and disease management, employers have the opportunity to save money and plan participants become empowered to make informed decisions about their health. When claims

and utilization data are examined carefully, and there are no hidden costs, factors driving cost increases can be identified and plan designs can be modified. When targeted wellness strategies are implemented, large claims may be avoided and individuals with chronic conditions can receive the care they need.

Working to Empower Employees

For more than 30 years, POMCO has been working to increase transparency and consumer involvement. Our clients know they can count on us to offer a balanced approach to controlling costs and providing members with responsive solutions. While the Nation continues to debate health care reform, POMCO and our clients continue to focus on key areas such as customization, flexibility and proactive cost control. Working together we can continue to focus on what works.

Q&A

Bringing you answers to tough questions

How Much Is Spent On Unnecessary Tests & Treatment?

Estimates reveal that up to one-half of the \$2.2 trillion Americans spend on tests, treatment and physician's office visits each year is unnecessary. Neilsen surveys show that Americans spend \$5.4 billion annually on cough and cold remedies, \$2.7 billion on headache remedies and an estimated \$1 billion on antibiotics that often don't relieve the symptoms of viral infections. Doctors often prescribe them because patients insist on getting something that may relieve their symptoms faster.

Patience May Be The Best Medicine

Almost all viral infections resolve on their own according to information available at www.FamilyDoctor.org, a website owned by Dr. Epperly, a member of the American Academy of Family Physicians who recommends the resource as a good place to obtain information on symptoms and common health concerns.

As one family physician put it, when common colds, sniffles and viral infections are involved, most people are going to feel much better in about 48 hours whether they take a pill or not.

Industry Approaches

Power of Living Wills

Encouraging Employees at Open Enrollment



If you want to provide a valuable service to plan participants this enrollment season, consider speaking with them about living wills, advance directives and the importance of making their health care wishes known to family members. It may seem like a difficult topic to approach and something better left to someone else, but the fact is that as a benefits professional, you really are in a perfect position to help employees understand how this type of preparation can empower their loved ones to carry out their wishes.

A living will is a document that stipulates the kind of life-prolonging medical care an individual wants or doesn't want if he or she becomes terminally ill, permanently unconscious or is otherwise unable to make their own decisions. Each state has its own form, with somewhat different requirements, but a person can actually write a statement of preferences for treatment, as long as specific state witnessing requirements are adhered to.

A durable power of attorney for health care, which is a signed, dated and witnessed document naming another person to make medical decisions for the patient if he or she is unable to make them at any time, is another type of advance directive. Individuals can include instructions about any treatment they want or wish to avoid, such as surgery or artificial nutrition and hydration. Most states have specific laws allowing a health care power of attorney, and many provide suggested forms.

The fact is that benefits or human resources professionals just may be the right person to open this discussion. At a minimum, you may want to direct employees to websites offering information on living wills and advance directives. A good resource is Medline Plus, an online service of the U.S. National Library of Medicine and the National Institutes of Health. Information can be found at www.nlm.nih.gov/medlineplus/advancedirectives.html#cat1.



TRENDS *Latest Happenings In Today's World*

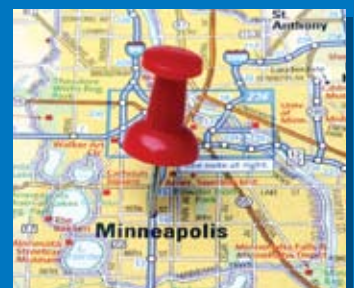
HSA Assets Continue to Grow

As employers look to cut costs, due to the deterioration of the economy, high-deductible health plans and health savings accounts (HSAs) have become much more attractive to both employers and employees. The number of HSAs and assets held in these plans continues to grow. Recent market research shows that from January 2008 to January 2009, the number of HSAs increased by 46.1 percent.

During that same period, HSA custodians and administrators reported that assets grew by 62.6 percent, with not a single custodian or administrator experiencing a decrease in balances. Research firms expect the growth of these plans to continue in 2010, because the major advantage of high-deductible health plans and HSAs is that they are cheaper for employers to offer and less costly for employees to purchase.

The Next Professional Hotspots

The next generation of young professionals are more savvy about where they live and work, as they try to achieve better work-life balance. According to market research, Madison, WI, Minneapolis, MN, Colorado Springs, CO, San Francisco, CA and Seattle, WA are just a few of the metropolitan areas that are said to be well-suited for younger workers and have the capacity to accommodate them.





BENEFIT BEAT

Keeping An Eye on What's Happening

WANTED: Primary Care Physicians

Whether health care reform efforts are successful or not, the one thing all Americans can agree on is that our nation is suffering from a serious shortage of primary care physicians. The American Academy of Family Physicians predicts that if current trends continue, the shortage of family doctors will reach 40,000 in less than ten years. If the U.S. moves even closer to universal coverage, the shortage of family doctors will increase and the immediate access to specialists Americans have enjoyed will be a thing of the past.

While half of all our doctors practiced primary care 50 years ago, less than a third do so today. The number of medical school graduates entering family practice has declined from 14 to eight percent in just five years as the high cost of medical education has driven almost 70 percent of graduates to pursue higher paying specialties.

Proposals being debated by our legislators provide incentives for doctors entering residency programs in primary care. That's a good thing because reforms aimed at expanding access to health care will only place more pressure on our dwindling number of family physicians.

How Much Should You Pay for Lost Pounds?

A recent study on corporate wellness incentives conducted by the National Association of Manufacturers shows that employers are paying more than ever to employees who lose weight. While incentives take many forms, from cash to gift cards and reductions in health care premium costs, the value of these incentives often range from as little as \$1 per pound to more than \$1,500 per employee, per year.

Many companies, large and small, are also extending wellness or disease management benefits to spouses and dependents, in addition to covered employees. Health risk assessments are being offered more often and they are usually accompanied by annual incentives of \$300 or more per employee.

A very important part of the findings focused on the increasing number of employers that work to measure the return on their wellness investment. While the number of employers measuring results increased from 14 percent in 2007 to over 70 percent this year, more than 80 percent say their programs are showing a positive return.

Health Wise

Second Opinions Often Save More Than Money

While many people don't take the time to search for a qualified physician, and others are afraid their benefit plan won't pay for one, studies show that second opinions often yield positive results – especially when a life-threatening diagnosis is involved.

Even though finding another doctor or getting copies of medical records can be a challenge, these tips may help when a second opinion is appropriate.

- Ask your primary care physician for a referral and investigate websites from specialty medical organizations to confirm the credentials of a physician.
- Once you've located a physician, make sure the second opinion will be covered. Prior authorization is a common requirement.
- Make sure all X-rays, MRIs or CT scans are sent to the second provider, including those used in the original diagnosis. This will save time and avoid repeat testing.
- Prepare a list of questions in advance of your visit, the most important of which may be "for this condition, what are all my options?"
- Taking another person with you can compensate for the fear or nervousness you may be experiencing. This person will have an objective ear and can help by taking notes.

Getting a second opinion can be time consuming, but experience shows that it can be a life-saving and cost-saving step. Never hesitate to ask for help if you or a loved one have received a serious diagnosis and could benefit from a second opinion.

Are Smokers Going Electronic?

Tobacco-free electronic cigarettes that look, feel and taste like regular cigarettes have not yet received FDA approval, but they just may prove to be the safe, clean and effective replacement smokers have been looking for.

These new products are designed to look, feel and taste like real cigarettes, but instead of burning tobacco, users inhale

a nicotine-based water vapor that is free from the carcinogens and tar found in cigarettes. Those who don't want to include the nicotine can leave it out. Microelectronic technology, a rechargeable battery and a refillable cartridge that contains nicotine, water and propylene glycol power the electronic cigarette. It releases a simulated smoke consisting of a water vapor mist that evaporates into the air.

Clinical studies need to be conducted in order to gain FDA approval as a smoking-cessation aide. At this point, the product is being marketed as an environmentally friendlier, less costly alternative to cigarettes and not a quitting aid. Without the huge federal, state and local taxes that apply to cigarettes and the ability to use the product in public places that prohibit smoking, those who have been unable to quit smoking may want to go electronic.



IN MEMORY OF

Maurice W. Pomfrey

1924-2009

Founder and CEO of POMCO Inc., Maurice Pomfrey passed away on September 16, 2009. Born in Bangor, Maine, Mr. Pomfrey relocated to Syracuse, New York as a child. Mr. Pomfrey enrolled at Syracuse University (SU), where he was called to serve in WWII. Returning as a decorated veteran, he re-enrolled at SU where he met and married Joan Pomfrey. He spent many years as a successful insurance executive. In 1978, he started POMCO along with his wife, Joan and son Robert. He retired from POMCO in 2002. He is remembered as a family man and a great innovator in the employee benefits field, establishing the foundation for many of the services POMCO currently provides. His strong family values are the core of POMCO, and are still evident in the way the company is run by his son, Robert W. Pomfrey. Mr. Pomfrey's contributions to the community, his employees and his family are greatly appreciated and will be sorely missed.



POMCO Group Secures Settlement Monies for Workers' Compensation Clients

The New York State Legislature amended the Workers' Compensation Law (WCL) in 2007 to establish the Waiver Agreement Management Office (WAMO) to help reduce and ultimately eliminate the liabilities of the Second Injury Fund.

The Second Injury Fund is funded by annual assessments against insurance carriers, self-insured employers, and the State Insurance Fund. The amount of the assessment is driven by the amount of Second Injury Fund payments made during the preceding year. Reduction of Second Injury Fund liabilities should decrease the Workers' Compensation Board assessments against carriers, self-insured employers, and the State Insurance Fund. When the fund is eliminated, it could return the full liability for these claims to self-insureds.

EM Risk Management (EM), A POMCO Company, is already evaluating all Second Injury Fund claims to determine possibilities for settlement of such claims. WAMO will entertain any reasonable settlement offer - the earlier EM engages WAMO for settlement contributions the better. For more information on how you can investigate your settlement claims, please contact your account manager.



Please Contact Us: This newsletter is not intended as a substitute for personal medical or employee benefits advice. Please consult your physician before making decisions which may impact your personal health. Talk to your benefits administrator before implementing strategies which may impact your organization's employee benefit objectives.



DID YOU KNOW?

New Ideas for Healthy Consumers

Office Visits Are Going Virtual

The number of doctors communicating with patients online has increased to 31 percent this year, up from just 16 percent five years ago. While this number may still seem small, online care has grown substantially as more health plans begin paying physician's for treating patients virtually. Some of the most common digital services are simple things - paying bills, sending lab results and scheduling appointments. Doctors offering digital visits say they are most effective for treating mild conditions, such as sinus problems, cold and flu symptoms, urinary infections and coughs, when patients are too far away or too busy to visit the office. If your doctor offers advice or visits online, here are some tips to remember:

1. Stick to non-urgent symptoms that signal a condition such as mild sinus problems, a urinary tract infection or flu. If your symptoms may indicate a more urgent problem, don't go online, seek in-person care.
2. Consider digital communication to keep your primary care physician up-to-date with chronic conditions.
3. Make sure you know your doctor's policies on response time.
4. Find out if your health plan provides coverage for online visits, as well as what qualifies.

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