



THE RAUSER AGENCY, INC.

PRIVATE SECTOR HEALTH SOLUTIONS FOR SMALL BUSINESS

# THE RAUSER REVIEW

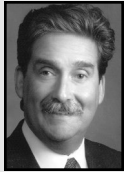
NOVEMBER 2008

VOLUME 10, NUMBER 2

## A View From The Crow's Nest

Datelog: *Wednesday November 5th, the day after our historic election.*

*My first appointment; a client with 16 employees - average age: 35.*



Jon C. Rauser

*I'm delivering their health insurance renewal.*

*It's a 4.4% increase without any changes to deductible or co-pays. (I wish they were all this good!)*

*After the increase, the annualized billed premium per covered employee will be \$4,960.*

*At 3:00 p.m. I'm delivering another health insurance renewal to a client with 156 employees - average age: 41. They are getting an 11.7% increase but by utilizing a new "provider network" available from their current insurer - one that has a 99% match -- we*

## "CHANGE" IS HERE. AND WE MEAN, *HERE!*

The arrival of a down economy has given everyone reason for concern and businesses are rethinking strategies for 2009 and beyond. At 1600 Pennsylvania Avenue, new leadership holds the promise of change at a pace well out

of our control but at 400 E. Wisconsin Avenue, we bring real change to the table right now!

Should business conditions warrant dramatic reductions in overhead, we can help. After payroll, the cost of your employee benefits is probably one of the largest expenses on your P & L; should revenues fall and you scramble to find ways to cut costs, we can help. Most of our insurers allow off anniversary plan changes. Raising deductibles, modifying co-pays and co-insurance, or even switching insurers may seem drastic, but could be considered as an option

to staff reductions.

When conditions warrant dramatic changes, communicating with employees is critical to the process. We hope we have demonstrated in the past our ability to help

educate employees to be savvy consumers of health care. And

### Results of moving from a \$250 deductible to a higher one...

New deductible	Premium	Savings	If HSA compatible plans are chosen, the savings may be even more dramatic; up to 56%.
\$ 500		8%	
\$1,000		15%	
\$2,500		32%	
\$4,000		40%	

in particular, it may now be an opportune time to focus on prevention because in the end, the best way to save on health care is to not get sick!

The Rauser Agency has been through many business cycles and one lesson is clear; challenge brings opportunity. So challenge us! We trust our resources and experience - coupled with a sense of urgency - will contribute to your continued success. (Visit our website and click on the *Client Corner* for more deductible options.)

## HOW EXACTLY WELLNESS CAN WORK FOR MANY

Meet "Boomer Joe." Just five months ago he was overweight (212 lbs) and dreading the approach of a milestone birthday; dreading even more the "annual" physical that was now about six months overdue. "Joe" was worried he might be pre-diabetic. And he knew his blood pressure was too high (143/93). At the Doc's office July 1st, lab work showed total cholesterol at 212 and LDL at 137. Said the Doc: 'You're going on blood pressure and cholesterol medications.'

"I've got a different plan," said Joe.

"Joe" bought a good pair of jogging shoes. At first he went just two miles or so twice a week. By August he was jogging about three miles three times a week. Since then, four times a week, but never much longer than 40 minutes. (Boomers after all need a little recovery time!) He "ran" Al's Run for the first time in 13 years. His weight is down to 197 and his clothes are starting to fit again. He sleeps better. His blood pressure is down to 122/72.

*Crow's Nest Continued*

end up with a 5.2% increase.

Again, there will be no need for other plan design changes. After the renewal, the annualized billed premium per covered employee will be \$7,027. I didn't cherry pick these two groups because they have exceptionally low costs. They just happen to be on my calendar on this--the day after. Across the board in fact, our clients pay on average an annualized premium of \$5,589 per employee.

Employer/employee premium splits further reduce their health insurance costs by about 25%.

I share the above detail because yesterday's election results included advisory referendums from 22 cities and counties across the state on the question: "Shall the state legislature enact health care reform legislation by December 31, 2009, that guarantees to every Wisconsin resident affordable coverage as good as what is provided to state legislators?" By about a 74% margin - it wasn't even close - all 22 voted 'Yes'.

Have the voters spoken? Figures available on line show that 81,440 employees covered under the Wisconsin Employee Trust Fund cost taxpayers \$950,775,000; despite the size of the pool and all their

'buying power,' that works out to \$11,675 each. About double - but sometimes triple - what our small business clients are paying. What if the referendums had articulated the cost instead of just saying "affordable?" (Everyone wants their children to have a good education, but the referendums asking for the funds to build new schools often are rejected.)

In January, the new majorities in the State Senate and Assembly will be eager to respond to the voice of their constituents. We've asked for change so golly, change we're going to get!

"Affordable health care as good as what is provided to state legislators" will be at the top of their list. Every client I visit has a different take on what health coverage is "good" and what premiums are "affordable."

The great thing about our work as brokers/consultants is the choices we bring to each situation. We actually are able to please most of our clients most of the time. Those who will be crafting reform legislation would do well to model their ideas on the results we achieve rather than those of state employees. To do otherwise would bankrupt an already cash strapped state. Governor Doyle, we can be reached at 414-276-2700.

*Wellness*

On October 29th "Joe" had new lab work done. His total cholesterol is down to 186; LDL to 109. Still a little high, but a nice improvement in only four months--without meds!

"Joe" has dramatically improved his health. He spent \$140 on jogging shoes but stands to save \$750 to \$1000 a year or more on prescription drugs he now won't need. Best of all, he is so confident of good health - at least for the next year or so - that he is raising the deductible on his HSA Plan from \$1500 to \$3500; that change causes the monthly premium to fall from \$418 to \$274, a \$1728 savings.

If something unexpected comes along, the additional deductible 'exposure' is pretty much offset by the premium savings which accrues to his HSA instead of his insurer's P&L!

**Wellness matters!  
It could save  
you a lot of money  
and your life!**

First and foremost, "Joe" has improved his health and if the exercise continues, extended his life. (See RealAge.com). Beyond that, with lower premiums and unneeded drugs, "Joe's" health care costs have dropped 50%. At the risk of overusing the word, this "change" did not require any legislation!

Learn more about "Joe," and wellness and other ways to control health care costs at [www.therauseragency.com](http://www.therauseragency.com) or "Joe's" blog [www.RauserHealthReview.com](http://www.RauserHealthReview.com). And, "Joe" just might be available to visit with you and your employees if you call 414-276-2700.

**Private Sector Health Solutions  
For Small Business**

**THE RAUSER AGENCY, INC.**  
Since 1981

400 East Wisconsin Avenue  
Suite 200  
Milwaukee, WI 53202  
414-276-2700  
Fax 414-276-7730  
Toll Free 800-813-1884  
[www.therauseragency.com](http://www.therauseragency.com)

Using top rated insurers, we facilitate the design and implementation of employee benefits. We have the influence and experience to help clients navigate the complexities of HR administration. Through wellness initiatives and focused communication, we strive to enable consumers to be savvy health care purchasers.

**Jon C. Rauser**  
President

**Christopher J. McArdle**  
Client Services Manager

**Andrew M. Wadsworth, CHC**  
Small Group Medical

**Catherine Antonie**  
(Planned Futures, LLC)  
Long Term Care

*Visit Our Website*  
[www.therauseragency.com](http://www.therauseragency.com)