

# **HEALTH CARE**

## **NEWS AND INFORMATION**

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*Health Care: News and Information* is a service of the Healthcare Leadership Council (HLC) to help our readers stay fully informed about the latest health care issues as we work to advance a high-quality health care system.

Jim Edwards, Editor

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## **Employers Developing Routes to Health Savings**

**Some employers are getting creative in how they hold down health costs and provide health care for their workers.**

- Kiplinger recently reported the results of a survey by Watson Wyatt Worldwide and the National Business Group on Health.
- Employer health costs are expected to rise 7 percent next year. That's about the same as this year, but faster than general inflation.
- The survey found some employers' health costs holding at a median 1 percent rise over those two years. These employers show how the market responds in constructive ways to contain costs.

**Employers are developing creative means for providing quality health at reasonable costs. They've come up with more options for employees to choose from. Consumer-directed plans really gained traction in the past year.**

- Consumer-directed health plans have proven effective at containing costs without compromising worker health benefits. Some 15 percent of workers whose companies offer these plans took them up this year. Last year, participation was 10 percent. It well may go to 20 percent in 2009.
- Combining a health savings account with high-deductible insurance gives employers and employees tax savings plus cost savings. They also offer premiums about 30 percent less than traditional insurance plans.
- Kiplinger cited Land 'O Lakes' experience when a consumer-directed plan became one of three options. After a year-long effort to inform workers of this plan, 72 percent of employees enrolled in the consumer-directed option.

**Market-based solutions that employers are pursuing include free medicine, free preventive services and on-site clinics. These all meet the needs of employers to contain costs and meet the needs of workers to live healthier without going deeper into their pocketbooks.**

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- Disease-management programs, free drugs and supplies for controlling diabetes and other chronic diseases, and employer-paid mammograms, check-ups and other screenings are gaining popularity. About one-fifth of employers provide these benefits.

- Some employers encourage their sickest workers to see top-rated doctors. They cut employees' copayments for those office visits. That's the carrot. Others are considering a stick, as well — penalties for employees who don't manage their health.
- On-site clinics provide yet another approach to health savings. This gives workers ready access to primary care at little cost. Plant-based clinics cut time away from work and offer dentistry, X-rays and rehab. Some help workers with active disease management.

**Businesses want to help their workforce stay healthy because their workforce is their greatest asset. Employers are stepping up with a wide variety of cost-saving solutions. Not the least of these are new, creative options like on-site clinics, health savings accounts and incentives for taking better control of health.**

*The Healthcare Leadership Council, representing the innovators in each sector of the health care industry, is committed to advancing a market-based health care system that values innovation and provides affordable, high-quality care.*

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