

Thoughts on the Affordable Care Act

by Dan Day, President

Now that we've had the chance to digest things a bit, the health care reform legislation (also known as the Patient Protection and Affordable Care Act) has begun to shape our strategic and tactical decisions with regards to our health insurance plans.

Businesses have many questions for us, such as:

- Should we keep all as is in order to stay in "Grandfather Status" and what will that mean from a cost or compliance standpoint?
- What about keeping the kids on to age 26? Aren't most parents trying to push them out of the nest by that time?
- How will the industry comply with various notifications or "unlimited" lifetime maximums? How does an actuary price for infinity?

These and other even more vexing questions are now becoming more prevalent within discussions surrounding health care as a whole. Even providers are searching for clues to their future. Many are considering or already

entering into mergers to strengthen their position. One recent example is the acquisition of The Heart Group by Lancaster General Health. According to health care consultants, this is the new normal.

The most burdensome part of the legislation as it stands now for employers and citizens alike will be the increase in cost due to increased benefits, abolished pre-existing conditions, testing/compliance and revenues needed to provide for those who will qualify for subsidies. When I am asked by just about everyone what the two laws will mean, I simply start by saying, "increased cost."

As anyone would expect when a new law affects 1/7 of the economy, there will be numerous areas of contention, questions and perhaps reconsideration of some of the rules when practice proves some theories wrong.

Our collective job at StoudtAdvisors is to work together to continue to find solutions that are both viable and cost effective. That part hasn't changed – and it never will.

StoudtAdvisors and Isaac's Deli:

Educating and Empowering Health Care Consumers

Skyrocketing prices. Double-digit annual premium increases. Unhealthy lifestyles leading to more and more claims. We're all painfully familiar with the problems of health care, but what about solutions? With help from the team at StoudtAdvisors, one Lancaster business has found the secret to controlling their health insurance costs through a very progressive take on the concept of wellness.

Knowledge is power

Wellness is a hot topic in the insurance community, but Isaac's approach is a little different, according to Greg Drake, Isaac's Senior Manager of Purchasing and Facilities. "Most wellness programs focus on activities. Ours leads with education, then follows with activities."

It starts with the annual open enrollment meeting, which StoudtAdvisors helps create and lead each year. Instead the typical handing out of forms and answering questions, open enrollment at Isaac's is a two-hour meeting designed to educate all employees on the ins and outs of healthcare, instructions on how to be a wise health care consumer, and the cost implications for both employers and employees.

About six months later, just before the holidays, the wellness committee touches base with all the employees once again, encouraging them to take a health risk assessment (HRA) and reminding them to stay healthy over the holiday season.

Drake believes sharing information with employees is empowering, and that is the key to the program's success. "When employees feel plugged in to the system, they listen and take control more," he explains.

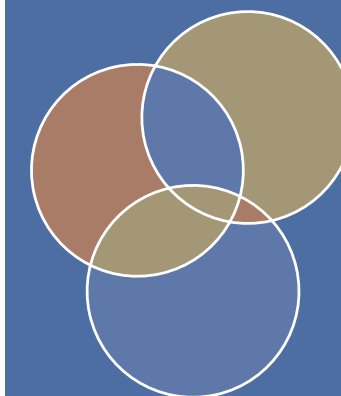
Of course, a little extra incentive never hurts. Employees who attend the open enrollment meeting and complete the HRA get a 10% discount on their portion of the premium. Isaac's also encourages healthy lifestyles by reimbursing employees up to \$20 each month for any wellness program they attend regularly,

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Insuring Your Success



Educating and Empowering Health Care Consumers

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including gym memberships, yoga classes, martial arts classes, smoking cessation programs, and more.

Great results were only the beginning

Isaac's started their wellness committee in 1998. Since then, improvements have continued to the point that four out of the last five years, they saw no increase in their premiums – and they stayed with the same carrier. All this at the time the average Central PA business is seeing their health insurance premiums grow 12-14% annually.

Transforming their work force and controlling costs through wellness initiatives was an amazing accomplishment. But what next? How could Isaac's reach the next level of savings and efficiency without making the somewhat risky leap to self-insurance?

This is where StoudtAdvisors' passion for partnerships and creative thinking make all the difference.

"They always have a lot of innovative ideas," Drake compliments, "It's great to just get together and brainstorm."

StoudtAdvisors went to HealthAmerica, Isaac's insurance carrier, and proposed a minimum premium program. The first year, they tried a 90/110 agreement, allowing Isaac's a 10% reduction on their premiums if they met the established goals. The program was so successful that they have progressed to an 85/115 agreement for this year, and to date they are on track to keep the full 15% discount.

On track for a successful future

Drake is happy to share the credit for Isaac's success with his wellness team, his employees, and his partners at StoudtAdvisors. "Partnership is the biggest benefit. And it's the people that really set StoudtAdvisors apart. They are always there for us when we need them, working with us as partners and making any initiative seamless. They offer guidance when we want to try a new direction, they offer ideas for creating new plans, and they answer all our questions to make sure we do it right from a legal standpoint."

So where does he see Isaac's benefits program headed in the future? Citing the uncertainty surrounding the new healthcare legislation, Drake hesitates to commit. But one thing is certain. "We're not sure where it's all going, but we know StoudtAdvisors will be there to help us work through it."

For more information on how the team at StoudtAdvisors can inform and empower you as the healthcare landscape changes, call 717.581.8382 or visit www.stoudtadvisors.com.



Vital Statistics

- City Crossings, Suite 220, 354 N. Prince St., Lancaster
- 200 full time associates (650 total) at 19 locations in Berks, Chester, Cumberland, Dauphin, Lancaster and York Counties
- Founded in 1983
- Services employed: Employee Benefits, Wellness Support

In August 1983, a downtown deli opened, featuring an interior splashed with the colors of Miami Beach and a menu of sandwiches named for birds. Its distinctive sandwiches, soups and fun flamingo mascot are familiar to any long-time resident or frequent visitor to the area. Phil Wenger, one of the original founders and the man whose family of birdwatchers inspired the restaurant's unique theme, remains president of the operation, which has expanded to 19 restaurants in 6 counties across Central PA.

For locations, menus and other information, visit www.isaacsdeli.com

Community Spotlight

Susquehanna Valley Emergency Medical Services



They were there to respond when tragedy struck at Nickel Mines. They were there when the aftermath of Hurricane Katrina ravaged New Orleans. And they are there for Lancaster County, answering 15,000 911 calls and 10,000 non-emergency transportation requests every year.

Originally begun in 1966 as Hempfield Community Ambulance, Susquehanna Valley EMS was formed by a merger with Columbia Community Ambulance. The group has retained its name through various mergers since then and now serves 34 Lancaster County municipalities with 6 locations across the county.

The organization has a staff of 125 employees, including paramedics, EMTs and office staff – a group large enough to require some significant human resources management, but not large enough to require a full-time HR manager on staff. Enter Rebecca McClure, Human Resources Consultant for StoudtAdvisors.

For the past two years, McClure has been spending one day a week providing HR services on site at Susquehanna Valley EMS. Her responsibilities include everything from rewriting the employee handbook and job descriptions to handling employee training, discipline actions, unemployment filings, FMLA and COBRA.

"This is a challenging environment for HR," CEO Mike Fitzgibbons explains, "Employees here are always going 100 miles an hour. People work 24/7 in very close quarters in an intense, high-stress environment." As the staff grew larger and government mandated regulations increasingly more complex, Fitzgibbons realized HR was taking up far too much of his time and attention. By expanding their relationship with StoudtAdvisors to include McClure's services on site, Fitzgibbon was able to rely on her expertise to navigate HR, insurance, and compliance and take those issues off his plate.

McClure's legal background and in-depth understanding of the benefits landscape are a big part of what makes her such a valuable resource to Susquehanna Valley EMS. She recently

helped design an employee questionnaire to determine which benefits were most valuable to the staff. StoudtAdvisors brokers then used it to shop for a new benefits package.

The arrangement has freed Fitzgibbons to focus on running the business. McClure's expertise and availability are key to its success. "She is always accessible, even when she's not on site," Fitzgibbon comments. "I can pick up the phone to call and bounce things off her anytime I need to during the week."

It's a unique relationship, and one that Fitzgibbons plans to continue indefinitely. "We're saving money in the long run," he concludes. "It just makes sense."

StoudtAdvisors team is proud to partner with Susquehanna Valley EMS. To learn more about their services, visit www.svems.org. For more information on StoudtAdvisors HR consulting services, visit stoudtadvisors.com.

Featured New Partner



StoudtAdvisors would like to extend a warm welcome to one of its newest clients, Design Data. The relationship began with StoudtAdvisors as the client, contracting with Design Data for their ReThink I.T. remote I.T. monitoring and support services. When it came time for Design Data to choose a benefits partner, StoudtAdvisors was a natural choice. "Having everything in one place – including legal and human resource services - was very attractive," explains Design Data CEO Chuck Albert. "And it just makes good sense to partner with clients when you can. It leads to success for everyone involved."

Founded in 1984, Design Data Corporation is an I.T. services and consulting company best known for their ReThink I.T. Support Programs, innovative programs that offer clients unlimited I.T. support for a low monthly fee. ReThink I.T. has enabled clients to more accurately predict their I.T. costs and budget accordingly, either eliminating the need to hire I.T. staff or saving them thousands of dollars a year in expenses.

For more information, visit www.ddco.com.