

The good news – and bad news – about health care reform

by Dan Day, President

As business leaders, human resource professionals, health insurance purchasers and ultimately, healthcare consumers, we are facing a conundrum. How do we provide access to world-class health care while keeping insurance affordable for those who have it and expanding it to those who do not?

Our current health care situation didn't happen overnight. Events over the last century played a part in getting us where we are. The incredible medical advances that have improved the quality of our health care come with a significant price tag. During the World War II-era, employee benefits like health insurance softened the effects of wage and price freezes. Medicare, Medicaid, and managed care have all changed the landscape.

It is naïve to assume a situation that took generations to create will be solved by one sweeping bill, idea or event. Like any of the world's great challenges, there are no easy solutions. And the reality is, it may take another generation before market and societal conditions reach equilibrium. That's the bad news.

The good news is that there are steps you can take today to help keep the situation under control within your business. Some are tried and true. Others may be aggressive for your organization. None is a silver bullet, but rather all are nickels and dimes that

add up to dollars. Depending on the size of your business, some initiatives to explore include:

Alternate funding – Consider self-funding, retros, and/or HRAs. Taking on some of the risk internally may enable you to control costs in the long run.

High-deductible health plans – When we look back over the last 20 years, total out of pocket costs have actually decreased in inflation-adjusted dollars. Moving to higher deductibles – with qualified (using an HSA) or non-qualified – will reduce premiums dramatically.

Wellness – Smoking, poor dietary habits, stress and a sedentary lifestyle take a toll on health, and that translates to higher premiums. Getting aggressive about wellness will, in time, trim the rate of cost increase as your employees become healthier.

Each constituency must take control of its own health and purchasing of its components. And StoudtAdvisors is here to help. We are passionate about helping our partners find smart, creative ways to provide their team access to affordable, quality health care. Let's sit down and partner in finding solutions that fit you and your firm's needs – soon.

StoudtAdvisors and Luthercare:

Trusting Partners in the Face of Change

Change is never easy. But given the current economic challenges and the rapidly rising cost of health care, many businesses have had to embrace changes to their benefits plans – however reluctantly. StoudtAdvisors recently guided Luthercare through just such a change with the assurance, sensitivity and expertise that ensured a successful outcome for everyone.

Challenging times demand new approaches

For many years, Luthercare maintained a self-funded health care program to cover its more than 600 employees. But the economic climate of the past year was making it more difficult to manage expenses and maintain the quality of coverage.

StoudtAdvisors recognized Luthercare's challenge and suggested that they make the change to a fully insured arrangement in order to stabilize coverage costs and make their monthly expenses more predictable. While he appreciated the proactive approach, Blake Daub, Vice President of Support Services at Luthercare, needed some convincing.

"I was a bit skeptical about changing that arrangement," he explains. "But StoudtAdvisors worked very diligently to help me understand why it made sense. They were very sensitive to my concerns."

A history of partnership enables trust

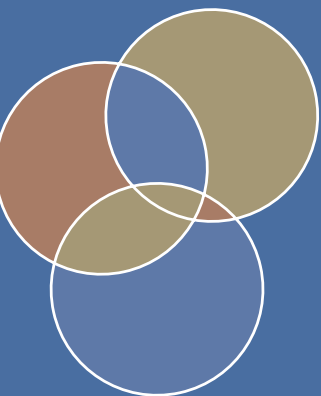
Ultimately, StoudtAdvisors' five-year history of thinking ahead, offering fresh ideas, and developing creative solutions for Luthercare convinced its leadership to make the change.

Luthercare takes to heart its mission to enhance the quality of life of older adults



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Insuring Your Success



Trusting Partners in the Face of Change Continued from front cover

“Our relationship with StoudtAdvisors has been key to our offering comprehensive coverage and protection to both our organization and our employees,” reports Luthercare CEO Carl McAloose. “StoudtAdvisors proactively offers guidance and alternative approaches that meet our needs - and are cost effective and strategic. Their customer service has been exceptional and the principals are hands on.”

Luthercare CEO
Carl McAloose



Relying on the expertise of CEO David Stoudt and Senior Account Executive Kathy Holben, Luthercare converted to a fully insured benefits plan.

Trust pays off

Today, Daub is happy to have embraced the transition to a fully insured plan. In addition to ensuring predictable monthly expenses, the arrangement has saved Luthercare \$200,000 in the 6 months since the plan was implemented.

“StoudtAdvisors proactively offers guidance and alternative approaches that meet our needs.”

Carl McAloose, Luthercare CEO

For more information on how the team at StoudtAdvisors can guide your business through today’s changing benefits landscape, call 717.581.8382 or visit www.stoudtadvisors.com.



Vital Statistics

- 600 East Main Street, Lititz, PA
- 501(c)(3) not-for-profit organization
- 660 associates at 3 senior living communities and 5 childcare centers
- Founded in 1949
- StoudtAdvisors client since 2004
- Services employed: Employee Benefits, Wellness Support

As part of the Evangelical Lutheran Church in America, Luthercare is a social ministry organization providing innovative health, housing and social services to residents of Lancaster and Lebanon Counties. Their communities include Luther Acres, a continuing care retirement community in Lititz; Spang Crest, an assisted living, skilled nursing and rehabilitation center in Lebanon; and St. John’s Herr Estate, a residential and assisted living community in Columbia.

Luthercare takes to heart its mission to fulfill the call of Christ by enhancing the quality of life of older adults, children and families. In June, they will hold their 16th Annual Golf Tournament to raise scholarship funds for children whose families would otherwise be unable to afford their child learning centers. Luthercare currently provides care for more than 400 children at its five childcare and learning centers in Lebanon, Annville, Reamstown, Lancaster, and Columbia.

For more information, visit www.luthercare.org.

Community Spotlight

Housing Development Corporation



Safe, affordable housing helps keep the entire community healthy. Which is why StoudtAdvisors is proud to support the Housing Development Corporation (HDC)

through their relationship as HDC’s benefits partner and as individual volunteers.

HDC was established in 1971 by a small group of community members with a shared vision to provide affordable homes for the elderly in Columbia, PA. Since then, it has become one of the largest providers of affordable housing for all ages in south central Pennsylvania, managing more than 2,000 rental apartments.

HDC achieves its mission by providing quality affordable apartment homes, expanding residential opportunities for households with modest incomes, and assisting communities in their revitalization efforts. Through the creative adaptive re-use of obsolete buildings, property rehabilitation and new construction, they work with local municipalities to fulfill their housing development objectives.

One of HDC’s most successful services is its Weatherization Assistance Program (WAP), which was recently recognized as one of Pennsylvania’s best. Since 1976, HDC has provided free weatherization services to more than 10,000 Lancaster, Lebanon and Chester County households that otherwise could not afford to protect their homes or apartments from winter weather.

In 2008, HDC CEO Michael Carper personally requested that StoudtAdvisors CEO David Stoudt serve on the HDC Board of Directors. Stoudt was honored to accept the position. “Simply put, I believe in HDC’s mission and the contribution they make in our communities,” he explains. He has been an active member of the board ever since.

Stoudt is not the only member of the team lending a helping hand to HDC. Scott Labrecque, Vice President of Client Solutions at StoudtAdvisors, recently began serving on the HDC Personnel Committee, where he assists in making employment policy decisions.

“I really appreciate what HDC is trying to do for those with moderate incomes,” Labrecque says. “It’s important to offer quality housing and give people financial breathing room so they can save for a housing down payment.” In addition to hands-on employee participation, StoudtAdvisors has been an active sponsor of the annual Faces of Affordable Housing Banquet.

Carper expresses his gratitude for StoudtAdvisors involvement. “In our current economy it is easy to see the importance of affordable housing, but HDC has always been committed to provide both affordable and high quality housing. This work would not be possible without the support we receive from community businesses such as StoudtAdvisors. Thanks to their help, HDC can provide an upward path with dignity, one family at a time.”

The StoudtAdvisors team is proud to support HDC. To learn more about their services and volunteer opportunities, visit www.hdcweb.com.

Young Aster Place residents show off personal care items they collected to donate to the Water Street Rescue Mission.

