SOUTHERN BENEFIT CONSULTANTS, INC.

BENEFIT OUTLOOK

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History Takes Some of the Fear out of Reform

Understanding the origin of a situation provides a clearer view of how and why events occur. History indicates that health reform is no exception. The difficulty in sorting out the influences of health reform is that there are so many elements that depend on one another. Yet many of the *interdependent participants* --- insurers, providers, employers/employees and government --- are only vaguely familiar with the roles each plays. By analyzing and comparing these roles over the course of eighty years, it is easier to recognize how *most* of the components of health reform have evolved.

The timeline, by showing the relationships of industry participants to key changes, dispels some of the fears...

Southern Benefit Consultants has worked with an independent marketing group to generate a timeline for our clients to see some of the significant events in healthcare and insurance from 1912 to the present. The timeline, by showing the relationships of industry participants to key changes, dispels some of the fears that have created such a tentative posture for business.

A SAMPLE OF THOSE EVENTS:

- **1912.** Harvard Professor L. Henderson remarks on medical improvements that will extend health/longevity. The same year, AMA almost endorses a national health plan. It is quashed over compensation and limited practice freedom issues.
- **1915.** American Association for Labor Legislation is launched by social workers and reform-minded economists to create a model for medical care insurance.
- **1935.** Social Security Act passes.
- **1941-1944.** Government activity in the health field expands rapidly. Massive increases in the support of medical research, hospital construction and federal health insurance programs. At the same time, two independent public opinion polls show 15% drop in Americans who favor national health insurance between 1942 and 1943.
- **1952-1960.** AMA/physicians growing accustom to federal support and begin compromising with President Eisenhower to obtain funding for research and technology.
- **1965.** Medicare/Medicaid Act passes.
- **Mid 1970's.** AMA Medicredit Plan narrowly defeated. HMO's commercialize. Self-funding is introduced.

For a Free copy of this *"Health & Insurance Chronology"*, contact your SBC representative. 214 / 689-5991

MEWA's Can Be Good: Know the Difference Between the Good, the Bad and the Ugly.

Multiple-employer welfare arrangements (MEWAs) have a reputation that has proven to be as solid as the integrity of the MEWA operators. It is especially important to recognize both the strengths and weaknesses of MEWA organizations because they are so similar to health alliances that have been mentioned in recent health reform developments. Moreover, MEWAs may be a key component of H.R. 3080, one of the proposed health plans, because they preserve the ability of self-insured companies to form thier own risk pools.

Basically, MEWAs can be comprised of self-insured firms that pay premiums into a common fund. This fund is then used to pay claims or health insurance for the group. Plans can range from jointly-trusteed and large employer arrangements to those typically run by business associations such as auto dealers, realtors, printers, bankers and chambers of commerce.

The positive, or *Good,* aspects of MEWAs are noteworthy. In January, Chester Merritt, vp of the American Society of Association Executives, met with one of *Continued on Back*

MISSION STATEMENT

The mission of Southern Benefit Consultants, Inc. is to provide total Employee Benefit Administration Services to our Client Companies, to assist our Client Companies in understanding the complicated and changing requirements of their Employee Benefit Program and become an indispensable part of providing and communicating benefits to the Client Companies we serve. We intend to accomplish this by listening to and responding to all the Employee Benefit Administration Service needs of our Client Companies. By doing this Southern Benefit Consultants, Inc. will become an Employee Benefit Administrator, "second to none", in the insurance industry.

H.R. 3080 Works to Repair Parts Rather than Reengineer.

By B. Chris Moseley

Most Americans welcome action on health reform because it is widely recognized that the health care system needs improvement. The differences on how to achieve this modification tend to revolve around three broad issues. To date, prevailing concerns of politicians, providers and insurers include:

- **Eliminating discrimination against some Americans by the insurance industry.**
- **Controlling costs**
- **Improving access to health insurance so each American can purchase a policy he or she can afford.**

House Rule (H.R.) 3080, one of six plans now being reviewed, advocates "fixing broken parts" as opposed to "reengineering the whole machine." H.R. 3080 (The Affordable Health Care Act Now) proposes a gradual approach to health reform by addressing specifics in which there is already across-the-board agreement that improvements are neceessary. H.R. 3080 currently has more co-sponsors than any other health reform bill under consideration.

H.R. 3080 fundamentally differs from government administered plans, such as the President's proposal. It views American employers and employees as wanting the choice of defining and choosing the health plans for which they are paying. Government administered plans assume that employers and employees are frustrated to the point that they are asking government to define and administer health benefits, to tell them where to buy benefits, and then require them to pay for such services.

H.R. 3080 works to "Contain Costs". It entails these significant measures:

- **Reforming the malpractice system to limit frivolous lawsuits.**
- **Revising anti-trust laws so hospitals can co-op expensive equipment use.**
- **Closing loopholes contributing to medical fraud abuses.**
- **Encouraging electronic billing to reduce costs associated with paperwork.**

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