

W A H U N E W S

A Quarterly Publication of the Wisconsin Association of Health Underwriters

Wisconsin Association of Health Underwriters

WAHU State Officers 2003

President

Dean M. Hoffman
414-271-2232
Fax 414-271-0104
deanhoffman@wi.rr.com

President Elect

Katie Beals
608-850-4164
Fax (608) 849-7335
katiebeals@charter.net

Vice-President

Sue Nelson
715-723-8631
Fax 715-726-0806
suenelson@charter.net

Treasurer

Jim Krogstad
608-288-2777
Fax 608-273-1443
jimk@mmmmins.com

Secretary

Jon Rauser
414-276-2700
Fax 414-276-7730
jon@therauseragency.com

Past President

Jeff Klett, RHU, REBC
608-365-5551
Fax 608-365-1432
jklett@tricolorinsurance.com

Board Member

Laurie Kohls – (Thru 2004)
920-496-2500
Fax 920 - 496-2515
laurie_a_kohls@uhc.com

Board Member

Cathy Antonie– (Thru 2004)
414- 540-6368
FAX 414-540-6503
cantonie@plannedfutures.org

Board Member

Melody Hope– (Thru 2005)
608-252-9630
Fax 608- 252-9630
melody.hope@hausmann-johnson.com

Board Member

Tom Williams– (Thru 2005)
877-251-2236
Fax 608-526-6327
twilliams@deltadentalwi.com

Board Member

Mary Carini– (Thru 2006)
920-380-4710
Fax 920-380-4715
mcarini@pbaclaims.com

Board Member

Karen Reynolds – (Thru 2006)
262-787-7826
Fax 262-787-7705
karen.reynolds@cobalt-corp.com

Board Member & FV President

Harry Bortel
920-923-7589
Fax 920-923-7572
Harry.bortel@cobalt-corp.com

Board Member & NC President

Jack Lucas
608-783-6441
Fax 608-783-6431
laxjaxson@aol.com

Board Member & SC President

Kent Schroeder
608-873-8232
Fax 608-873-8838
kent@schroederins.com

Board Member & SE President

Riley Enright
262-574-7000
Fax 262-574-7081
riley.enright@rrins.com

WAHU Office

Dan Schwartzner
Executive Vice-President
dan@ewahu.org

Megan Purtell
Executive Director
megan@ewahu.org

4600 American Parkway, Suite 208
Madison, WI 53718
608-268-0200
Fax 608-241-7790

WAHU Committee Chairs

Awards

Jeff Klett

Media Relations

Jon Rauser

Corporate Sponsors

Kent Schroeder
Tom Williams

Education/RHU

Melody Hope

Legislative

Laurie Kohls

Membership

Karen Reynolds
Mary Carini

Nominations

Dean Hoffman

Programs

Katie Beals

Public Service

Jim Krogstad

Technology

Sue Nelson

Calendar of Events

Wednesday, March 3
10:00 am – 1:00 pm
North Central Chapter Meeting
Delta Dental Office
Stevens Point, WI

Thursday, March 4
8:00 am – 12:00 pm
South Central Chapter Meeting
Madison Sheraton
Madison, WI

Tuesday, March 9
9:00 am – 12:00 pm
Fox Valley Chapter Meeting
Hilton Garden Inn
Kimberly, WI

Thursday, March 19
8:30 – 12:00
South Eastern Chapter Meeting
Chammps Americana
Greenfield, WI

NAHU Annual Capitol Conference
March 28-30, 2004
Capitol Hilton Hotel
Washington, DC

Thoughts from Your President

Our Success is YOU!



Dean M. Hoffman
WAHU President

It is with great pride that I have accepted the gavel as the 2004 President of the Wisconsin Association of Health Underwriters. It is only with your support and dedication that we can advance this association in the days ahead. I continue to be humbled at the respect this association has attained within the business community and within our legislature.

We are in an industry that thrives on benchmarking and a wish to evaluate current performance on historical, regional or local measures. As this association moves forward, we need to know where we have been as we prepare our strategic plan for our future.

Membership will be our cornerstone priority in 2004 as membership growth is critical to this association and our industry. I recall in the not too distant past that the WAHU membership hovered in the 380 range. We are at 510 and with your assistance; we can attain the 600 mark this year. I challenge each one of you to enroll at least one new member from now until April 15th 2004 and help your association in its growth. At the same time, enjoy some friendly competition and participate in the Membership Contest now under way. If you need an application, visit eWAHU.org and download one or call me, I will see that you get one.

Legislative activities soared to new levels so far this year when over 185 benefit professionals registered for our WAHU Day on the Hill event this past January. For those of you who attended, you know first hand how this legislative process works. I thank you for attending and being involved in the process rather than sitting on the sidelines and letting someone else do it for you. For those of you who were unable to attend, you missed an opportunity to help achieve meaningful change in our industry.

*"I am tired of hearing that democracy doesn't work – It isn't supposed to work, we are supposed to work it!"
.....Alexander Woolcott*

Members of the WAHU Capitol Hill Club were invited to a private reception with our legislative leadership at the Madison Club. Senate Majority Leader Mary Panzer and Assembly Speaker John Gard took the time from their very busy schedules to sit down and listen to what we had to say. This reception took place on January 21st and was just one hour before the State of the State address by Governor Doyle. The fact that they attended this reception speaks to the respect and recognition WAHU has on the Hill. Thank you Capitol

Hill Club members for the extra effort needed to attend this reception.

W.A.H.U Foundation, a dream of the late Jim Vogel, is now a legal entity with a full board and is currently strategizing its mission for the future. Its purpose is to act as a conduit for WAHU charitable contributions, facilitate employer educational forums for Wisconsin employers and create a Jim Vogel Scholarship Fund. The WAHU favorite state level charities are the Breast Cancer Recovery Foundation and the Juvenile Diabetes Research Foundation. Each local chapter has chosen a favorite charity of their own and you will learn more about them at your local chapter meetings. Tim Byrne, the 2004 President of the W.A.H.U. Foundation, would like to hear from membership regarding WAHU's charitable efforts and has made plans to visit all four WAHU Chapter meetings scheduled for March.

*"Success in life has nothing to do with what you gain in life or accomplish for yourself. It's what you do for others."
Danny Thomas*

eWAHU.org, has a "under construction" sign on the home page. If you will recall, your website received the 2003 NAHU Award for "best of the best" websites. As the first Webmaster of eWAHU.org, I felt it was time to hand it off. We did so this past December to an outside vendor that was chosen after an exhaustive search of web hosting and design firms. We have many technology enhancements in the works and we appreciate your patience while the site evolves to the next level. You will see greater functionality, a section for consumers, a section for membership only, and online registration with a secure on-line credit card payment system for meetings and CE. You will also see legislative tracking, industry news and perhaps an industry bulletin board and by this spring, we will begin a bi-weekly legislative update via e-mail. If you have any suggestions on how the site can better serve you, the WAHU Membership, please let me know.

While I think these are great benchmarks to start the year and a clear measure for our future performance, I really need to know what direction YOU think we should take in the days ahead. This is your association and I need to know your thoughts and concerns as we take this association to the next level.

Our Success is YOU!

Dean M. Hoffman
WAHU President
deanhoffman@wi.rr.com

Message From Madison



*Rep. Bonnie Ladwig
Chair, Assembly Insurance*

When I became chair of the Assembly Insurance Committee, my main goal was to address the rising cost of health insurance in Wisconsin. Studies and reports show that health care costs and medical insurance premiums have seen double digit increases annually during recent years. I know it is affecting the citizens of our state. My constituents complain to me more about the high cost of

health insurance than they do about high taxes. This is becoming a huge problem and unfortunately there is not an easy answer.

This summer, Speaker John Gard asked me to lead an Ad Hoc Committee on Health Insurance Costs. In addition to myself, the committee was comprised of Representatives Curt Gielow, Mark Gottlieb, Mark Honadel, Scott Jensen, Phil Montgomery, Leah Vukmir and Becky Weber. The committee's charge was to examine the problem of high health insurance costs and to find a solution to this growing state problem.

The committee's work produced a four-point plan that establishes a competitive medical marketplace, involves no state spending, and offers consumer flexibility. Details of the plan are as follows:

1. The Cooperative Healthcare Purchasing Alliance Proposal

This plan creates a 3-year pilot project allowing an "un-natural" group to form who would join a cooperative for the purpose of participating in health insurance, but who does not have a common employer or natural affinity. This new group, as a co-op, would then ask a Wisconsin health insurance carrier to write policies based upon a benefit plan designed and partially managed by the co-op membership. Members who join the healthcare co-op would be required to stay in the program for three years to avoid adverse selection from occurring by members jumping in and out of the plans. This plan was signed into law on December 17, 2003 as 2003 Wisconsin Act 101.



2. Benefit flexibility Proposal

This plan would direct the Commissioner of Insurance to develop a basic benefits plan that insurance companies may offer to small businesses. The plan may alter or remove mandates and must reduce the average premium by 10%. This plan has yet to be introduced as legislation.

3. Self-insured Proposal

This plan sets up a five-year pilot project to allow a chamber of commerce group to establish and administer a health care benefit arrangement for their employees on a self-funded basis. The employer group would decide the parameters of the health benefit arrangement including the benefits that will be provided and who is eligible for benefits. This plan has been introduced as Assembly Bill 814.

4. Health Savings Account Proposal

This plan encourages the use of HSAs in Wisconsin by adopting federal law provisions as it relates to HSAs for state income and franchise tax purposes. So individuals who use HSAs will not only get federal tax deductions, but state tax deductions as well. This plan has been introduced as Assembly Bill 815.

As with any major policy issue, the solution is not simple. The committee realizes that these plans may not be the ultimate answers to addressing the health care crisis in Wisconsin. However, it is our hope that they may be small pieces of the puzzle to solving the crisis or lead to bigger and better ideas that may address the problem on a larger scale.

Legislative Update

By Dan Schwartz, Executive Vice-President

The 2003-2004 Legislative Session Floor period is rapidly coming to a close. The last regular scheduled floor day for general business is March 11th. All bills are scheduled to be to the Governor by April 15th. There is also a floor period May 11th and 12th, but that time is only scheduled for reviewing bills vetoed by the Governor. What this means is that the next few weeks will be extremely busy as Legislators try to get bills through both houses before time runs out. There is already talk of an extraordinary session, but so far it is just that – talk.

In this first session with a Democratic Governor and a Republican-controlled Legislature, we have seen bi-partisan success, as well as partisan politics. Both the Governor and Legislature should be congratulated for passing one of the most wide sweeping pieces of job growth legislation Wisconsin has seen in decades. Each played a pivotal role in creating and passing the Jobs Creation Act. There were other areas where the two sides were miles apart, such as Gaming Compacts and Concealed Carry to name a few. Relative to our industry, we actually saw very little progress, depending on how you determine what progress is. There were many bills (proposals) that would have had significant impact on our industry, but never made it to the floor for a vote. In

some respects this turned out to be a victory for our industry, and in other respects it was a lost opportunity.

One example of a lost opportunity is also one of the great lessons of lobbying for any organization. The lost opportunity was the development of a bill WAHU sponsored which would have provided Consumer Choice & Benefit Flexibility. This bill would have required insurers to offer all plans with current state mandated benefits, but would have given employers the freedom to purchase a plan that was not forced to comply with these benefit requirements. The concept was that purchasers should be free to choose the benefits they want in their plan, rather than the government dictating these benefits. Self-funded employers enjoy this freedom, so why shouldn't smaller



Dan Schwartz

Continued on page 6



WisPolitics.com is a political news service that publishes e-mail news products. Currently, WisPolitics.com offers up to six news products, depending upon subscription level.

Subscribe today to receive:

- The WisPolitics News Summary – important news and editorial excerpts from around the state, delivered each weekday morning;
- The WisPolitics Report – the insider scoop on Wisconsin politics and government, delivered each Friday;
- WisPolitics Profiles – weekly looks at top newsmakers
- The WisPolitics Poll – original polls on the topics important to you;
- The WisPolitics Forum – regular meetings of WisPolitics subscribers and power-brokers from around the state;
- WisPolitics ALERTS! – email notification of crucial breaking news;
- Access to the Subscriber Services section of www.wispolitics.com , including:
 - Online editions of the WisPolitics News Summary and the WisPolitics Report
 - The News Archive – searchable archives of the News Summary and Report
 - The WisPolitics Poll Archive – an archive of all WisPolitics polls with full polling data

Legislative Update (continued from page 5)

employers have this same right? This concept of Benefit Flexibility was found in a few different legislative proposals, including a package of reforms the Assembly Republicans were sponsoring. Each of the legislative proposals was explicitly clear in their purpose. Their purpose was to allow small employers to purchase a benefit plan they wanted to buy, rather than a benefit plan dictated by the government. These proposals did not eliminate coverage in any way, shape or form. This is very important so let me repeat this. **THESE PROPOSALS DID NOT ELIMINATE ANY COVERAGES OR BENEFITS.** These proposals simply allowed the market to determine what coverages (and how much of the coverage) they wanted to purchase. It was a simple, pro-consumer, good public policy concept.

So, one would have to assume that this great piece of legislation sailed through both houses and the Governor signed it into law. Right? - **Wrong!** The concept of Consumer Choice & Benefit Flexibility went down in flames when a special interest group, called the Wisconsin Chiropractic Association, began to lobby against the proposals. This group contacted their members, their members contacted their customers, and the Capitol was flooded with thousands of faxes and phone calls. Every legislative office received letters and faxes from both chiropractors and their patients, many of those offices receiving over 600 pieces of communication. At a hearing discussing this proposal, there were literally nearly a thousand people who went to the Capitol in protest. We were told that many Chiropractors shut down their offices just so they and their staff could be at this hearing. The result of their effort was that the legislative proposals were defeated before ever getting to a vote on the floor.

There are two extremely important points I would like to make pertaining to this lost opportunity. The first point is that it is truly sad when a good public policy like Benefit Flexibility could be derailed by one special interest group. What makes it worse is that the proposal was defeated with inaccurate information about what the bill would do. Many Legislators I talked with complained that the reasons stated for the opposition were not supportive of the facts of the bill. The inaccurate information that was being used as the reason to oppose the bill was that the legislation was going

to remove chiropractic benefits. This was absolutely, unequivocally false. The bill did not remove **any** benefits or coverages. The bill simply gave the people who pay for the insurance the final say in what they were purchasing, rather than the government dictating what they had to buy.

Those who opposed the proposals also stated that employers would drop coverage for services that weren't mandated by the state. Hogwash! Hospitalization is not a state mandated benefit, yet the majority of all health plans provide coverage for hospitalization. Employers and employees will be sure to include all benefits they feel are important. However, if they don't feel they are important, they should have the right to limit those coverages. The bottom line is that nobody should be forced to purchase coverage for services they don't want or feel are important.

The second important point is to recognize what it takes to truly be an effective lobbying organization. Whether their message was right or wrong, the chiropractors proved that people can make a difference if they get involved. The members of that association were not only active participants, but they convinced their customers to be active participants. Because their members got involved, they single handedly defeated a proposal that every legislator should have overwhelmingly supported. Because they got involved, they guaranteed that consumers who buy insurance will continue to be REQUIRED to buy chiropractic coverage whether they want it or not. During our Day on the Hill, we had 185 members and some non-members attend this one-day event. However, we only had approximately 75 people walk across the street to the Capitol to talk with their legislators. Noting the recent success of the chiropractors, this is a very disturbing statistic. What happened to the other 110 WAHU members who attended Day on the Hill but never walked across the street to the Capitol? With over 500 members in WAHU, where were the other 350 members who never showed up? What could have been so important that people weren't able to take one day out of their schedule to help protect the very industry in which they make a living? The chiropractors surely understand this fact and that's why they have become so effective. If you attended Day on the Hill and visited with your legislator, then I congratulate you for

Continued on page 7

Platinum Sponsors

We would like to thank our Platinum 2004 Corporate Sponsors for all their support



**BlueCross & BlueShield
United of Wisconsin**
An independent licensee of the Blue Cross and Blue Shield Association



Improving America's Health Plans



UnitedHealthcare

A UnitedHealth Group Company

Legislative Update

(continued from page 6)

being part of the process. However, I challenge you to get even more active. Contact your legislator regularly and participate in Capitol Hill Club.

If you did not attend Day on the Hill, or if you did but never visited your legislator, then we can only ask why? There is clearly an alternative for those who do not wish to take time out of their schedule to get involved. That alternative is to give up their right to complain when they hear about the implementation of Mental Health Parity, Rate Band Compression or the continued existence of Mandated Benefits. You cannot be upset when you hear about a legislator who is proposing universal health care if you've never participated in the process and helped that legislator with a better alternative. Each and every one of us should heed the lesson of this lost opportunity. It's time to get involved, it's time to get your customers involved, and it's time to force your fellow agent, broker or consultant to get involved.

WAHU will surely introduce this proposal again next session. The question is, will you get involved this time, or will you and your customers again get a piece of bad legislation because you sat on the sidelines?

Uniform Employee Application

For the 75 people that went across the street to the Capitol, congratulations as your efforts were rewarded. Immediately following our Day on the Hill, there was movement by the OCI on the changes we asked for on UEA. The OCI indicated that they would be honoring 3 of the 4 provisions in the motion passed by both the Senate and Assembly Insurance Committees relative to changes to the application. Those three items are:

1. Including the employee name at the top right of every page.
2. Moving all health questions to the front of the application and enrollment questions to the back of the application.
3. Redesigning the application to reduce the number of pages.

The OCI has already submitted a draft of the revised application to the two committees that accomplishes all three provisions. The number of pages has been reduced down to 9 pages, and all health questions have been moved to the

front. The first three pages are health questions, the next four are enrollment, and the last two are privacy statement and signatures. The application actually looks much, much better and is now functional for pre-quotes.

The one remaining issue is the 4th provision of the motion that required the OCI to make the application part of the rule (Ins 8.49). The legislature wants UEA to be part of the rule so that it has oversight on any changes made to the application. The OCI believes this would amount to micro managing and wants to make the application as an appendix to the rule. This was not an issue that WAHU raised to the legislature and therefore is an issue between the legislature and OCI. It would appear the legislature is steadfast in their desire to have oversight, so the question is whether the OCI is willing to fight this request. As soon as they determine their position on this last provision, the OCI will submit their final draft of Ins 8.49. Even if the OCI agrees to the last provision requested by the legislature, the new application would probably not be ready to use until April at the earliest. The good news is, barring any changes by the OCI, the application will now be much easier to use in the marketplace. WAHU will continue to fight for changes and improvements to the application in the future, but for now, it is certainly much more workable.

Mental Health Coverage Expansion

As of the time of writing this article, the Senate has scheduled SB71 for a vote on the floor. This bill codifies existing practices within the marketplace by prohibiting the costs of prescription drugs and diagnostic testing from being included in the maximum annual coverage for mental health services. While the bill seems harmless since it is already practice, the concern we have is the amendments that could be attached to the bill. During floor debate, amendments can be voted on and our fear is that some of the amendments will take the existing bill and turn it into full parity. SB72 is a bill that expands the annual maximums for Mental Health/AODA from \$7,000 to over \$16,000. This bill has not been scheduled for a vote on the floor, but could between now and their last session day, which is March 11th. Regardless of what the Senate does, there does not appear to be much support in the Assembly, and it would be unlikely they would schedule the bill for a vote on the floor.

Gold Sponsors

We would like to thank our Gold 2004 Corporate Sponsors for all their support



Program Committee

Programs is off and running. Our first event the Day on the Hill was held January 21 - 22 in Madison at the Concourse Hotel. Over 180 of you attended and I hope you were impressed with program. We had great speakers, a lively panel discussion on health care and legislative issues, and visit from two of the United States Senate Candidates - Bob Welch and Russ Darrow. Plus we took time to visit our state legislators and earned 6 credits of continuing education.

Katie Beals

That's really what the programs committee is all about. Trying to take the issues that matter to our membership and giving you a forum to discuss them, to educate ourselves on industry trends, to give back to our communities through charitable giving, to network with our peers and to have some fun along the way. In 2004 we will continue along those lines, with the content offered at you chapter meetings, golf outings, and the September Sales Conference.

I want to take this opportunity to thank our corporate sponsors, not only for their year long support but to the many who step up sponsor specific events. It is with that help that we keep our program content excellent and our program price affordable. In addition, I am looking forward to working with Melody Hope, Education Chair, and Jim

Krogstad, Public Service Chair as well as the Staff at the WAHU office in putting together a top notch programming.

I am sure all of you have received an invitation to attend a March Chapter meeting near you. The individual chapter boards have done a great job this month in putting together an informative and educational program.

Not that WAHU needs to be serious all of the time. We got a couple of great golf outings planned. The South Central and South Eastern Chapters have set their dates and there is talk about the Fox Valley and the North Central Chapters combining forces. These golf outings provide a great opportunity to network and give back to our communities as each will be a fund raiser for charity. We are currently negotiating with the Wilderness Golf Club in the Wisconsin Dells as the location for our 2004 September Charity Golf Outing.

Yes, that's right the Annual Sales Conference will be held on September 15-17 at the Chula Vista Resort in the Dells this year. The programs committee has just started to hammer out the details, with hopes that it will be the biggest and best yet. We are always looking for suggestions for topics and speakers. If you have an idea, I would love to hear from you, just email me at katiebeals@charter.net.

You need CE -WAHU has CE; you need industry updates-WAHU has industry updates; you need legislative input-WAHU has legislative input; you need networking opportunities-WAHU has networking opportunities. So there you have it, the Program Committee is prepared to deliver the programs you need in 2004.

Silver Sponsors

We would like to thank our Silver 2004 Corporate Sponsors for all their support



**PACIFIC LIFE
& ANNUITY COMPANY**

WPS
HEALTH INSURANCE

E B C

EMPLOYEE BENEFIT CONSULTANTS

PBA

*Professional Benefit
Administrators, Inc.*

WAHU Legislative Committee



Laurie A. Kohls

The beginning of 2004 has proved to be very busy for WAHU's legislative committee. In addition to our monthly teleconference calls where we discuss numerous legislative activities going on at the capitol, we have successfully put another Day on the Hill under our belts. I hope that you all feel as I do, that the

program our members participated in this year was fantastic. We had a great showing of membership, excellent speakers, and a wonderful turnout for our legislative reception.

What I am most proud of is the effort our membership made in becoming members of our Capitol Hill Club. As most of you know, the Capitol Hill Club was introduced at last year's annual conference in Appleton. Since the inception of the Capitol Hill Club, we have had 10 Presidential

contributors (\$500), 5 Cabinet contributors (\$250), and 6 Ambassador contributors (\$125). This is absolutely fantastic for the infancy stage of this program, however, we are ALWAYS looking for more members to join our Capitol Hill Club. I don't mean to become a broken record, but our efforts on Capitol Hill pay off. We have come a long way over the years in being heard by our legislators, and Capitol Hill Club is going to make us even more successful. If you're not a member of the club yet, please consider joining.

I am also asking your help with events in the near future. Please become active in WAHU's efforts to help protect our industry. Whether it be participating in a legislative fundraiser or contacting legislators with issues we need to get in front of them, please do your part. It all makes a difference.

I want to thank everyone from the legislative committee, board of directors, and membership who have stepped up in our legislative efforts. And I look forward to working with you all in future.

Bronze Sponsors

We would like to thank our Bronze 2004 Corporate Sponsors for all their support



■ FLEXBEN CORPORATION



“THE BENEFIT STRATEGY OF INVESTING IN YOUR WORKFORCE: A SENSIBLE RETHINKING OF HEALTH BENEFITS”

AN OPINION MESSAGE TO CEO’S and CFO’S

*By: Arvid R. “Dick” Tillmar
Chairman & CEO, T.E. Brennan Company*

This should be an easy one. When are the least productive employees paid the most, while at the same time, the less they are at work the more corporate resources they consume? (And I am not talking about the executive suite!!)

Stumped? The answer is in when they are using health benefits. Not to fault employees for illness or injury, but injury and illness costs employers lost time, lower productivity and expansive benefit expenses.

Strategically, it just doesn’t make sense to invest 20 percent of payroll counter-productively. Most benefit purchasing is traditionally borne of the necessity to attract and maintain a workforce. But this misses the point. Spending benefit dollars on a third party system that profits from continued cost increases is neither strategically sound nor productive

What is strategically sound is investing in the health of the workforce, and fostering cost and quality competition between providers, not enforcing the status quo. The tool for measuring this strategy is quantifying return on investment against strategic investment objective..

The current arrangement for benefits purchasing is typically handled through delegation, without any real strategic investment intent, save to minimize the inevitable damage.

So, step one. Set benefit investment objectives. Scratching your head? I will help you with this one.

1. Enrollee behavior change: from consumers with indiscriminate and unlimited demand for medical care to discriminating health service purchasers who have a passion for staying healthy and out of the doctor’s offices. Hint: Don’t depend on either doctors or benefits managers to do this.

2. Provider behavior change: from spending enormous resources on marketing, advertising and physical plant upgrades to compete for dollars, to investing in competitive ways to serve patients cost effectively while quality continues to improve.

3. Management behavior change: from delegating benefits purchasing to managers who are focusing on stability (maintaining the status quo) to strategically investing benefit dollars on the health and productivity of the workforce,

Oddly enough, this is not rocket science. You already have several resources to leverage this budget against your

investment objectives simply by making the strategic commitment to do so. But, you have to get personally involved. If you don’t, HR and benefit managers will continue to work with the largest vendors (insurers or networks), who simply repackage the same providers and provider discounts in ways that protect the status quo of all involved. This is rational market behavior. Or, as the ads used to say, nobody ever got fired for buying IBM.

To get to strategic benefit investing, the CEO/CFO must not only direct, but support the HR and benefits staff in their understanding of the strategic benefit purchasing concept. Ask them to come up with ways to measure ROI. Scratching your head again? Here are some more hints.

1. Scale benefits to health care provider costs: this will save a double-digit percentage number by itself.

2. Develop a lifestyle improvement initiative: actual ROI as measured by health claims savings to actual expense ranges from two to one to eight to one nationally, with additional pay-offs in worker health, morale and productivity.

3. Implement a medical spending account, health reimbursement account or some similar fund mechanism to engage enrollees in comparative healthcare service purchasing. While this looks like it is budget neutral, just wait until you unleash these newly educated and empowered consumers on the local health market. The upside return is an order of magnitude greater than the up front cost.

4. Educate everyone in the company about the new initiative. “Competition is tough. Even healthcare providers have to compete. And, the company has to compete. Without healthy, productive workers, we can’t.”

At the end of the day two things will happen when following this plan. First, there will be savings on healthcare benefit expenses while employees become more productive. Secondly, and perhaps even more importantly, this will improve the community. With increased cost and quality-based competition between health systems, costs will moderate and quality will improve. With the status quo, and third parties all repackaging the same providers, there is no true cost competition.

As in all market-based economies, competitively driven efficiencies mean win-win scenarios to those who step up. Is your company going to be one? Are you willing to become involved not only to save money but improve the community as a whole? I hope so. A lot rides on it.

Arvid R. “Dick” Tillmar may be reached by telephone at 888-271-2232, or by e-mail at Tillmar@tebrennan.com.

T.E. Brennan Company is the country’s oldest independently owned risk management consulting firm and has provided independent, objective and impartial counsel for over 109 years. Headquartered in Milwaukee, WI, the firm also maintains an office in Madison, WI.

Membership Report

By Karen Reynolds, Membership Chair



Karen Reynolds

WAHU is off to a great start in 2004! As of February 19, 2004, our membership count of 506. Thank you for your efforts, not only with adding members to our roster, but in the retention of our existing members. Keep up the great work!

Our spring membership contest is underway and will end April 15th. Visit our web site at eWAHU.org for the latest contest results and rules. Keep in mind that if every member sponsors 2 new members this year, we will far exceed our goal of adding 100 new members. You can download an application and e-mail it to an associate or the company representative that frequently calls on you. Invite a non-member to the next Chapter Meeting. Applications will be available at Chapter meetings to distribute to non-members in attendance. We are well on our way to becoming the largest AHU chapter in the nation. But more important, the most recognized organization in the industry. We need the support and efforts of everyone in WAHU to make this happen.

WAHU MEMBERSHIP CONTEST

Contest Rules:

Current WAHU Member that sponsors the most new members between *January 26 and April 15* wins \$350 gift certificate from Best Buy. Second Prize will be \$100 gift certificate from Best Buy. Make sure your name appears on the application as *sponsored* new members qualify.

Membership fees have to be received in the WAHU Office by noon, April 15, 2004.

BONUS!!!! If any of the winners bring in 15 or more new, paid members by the April 30th deadline, an additional \$50 will be added to their certificate.

Download an application from the WAHU website at www.ewahu.org

Laureate Sponsors

Benefits, Inc. • Fish & Schulkamp Insurance • Frett / Barrington Limited

Hausmann-Johnson Insurance • Jabas Group

Mortenson, Matzelle & Meldrum • The Rauser Agency

WAHU 2004 Day on the Hill



WAHU's Day on the Hill was another success! With 185 registered attendees, Day on the Hill brought together a broad spectrum of speakers to make the Day on the Hill become an important part of Wisconsin Legislation.

We started out the day with our panel of Legislatures, and representatives from WAHU and Small Business. Jeff Mayer of WisPolitics kept the flow of information with relevant Health care and insurance questions to Representative Bonnie Ladwig - Assembly Insurance Commission Chair, Senator Dale Schultz - Senate Insurance Commission Chair, Bill Smith - State Director of NFIB, and Dan Schwartzner, of Executive Vice President WAHU.

We followed the panel with 2 of the 3 Republican candidates running for the US Senate. Russ Darrow and Senator Bob Welch deftly answered questions by Greg Horstman, member of the Legislative committee and members of the audience.

At lunch, Senator Dale Schultz was awarded the Insuring Freedom Award for 2004. We also

recognized our members from our Capitol Hill Club, the Conduit and P.A.C group of WAHU.

We followed lunch with a superb presentation from Dr. Don Logan, Chief Medical Officer of Dean Health Systems and the Overview of Wisconsin Collaborative for Quality Healthcare. Dan Schwartzner then led the discussion of the WAHU positions and prepped our attending members about their upcoming meetings with their Legislatures.

After the successful rounds of appointments with the attendees Representatives and Senators, everyone relaxed at the Legislature's cocktail reception. Even with the State of the State by Governor Doyle on that night, we were fortunate to have many of our state Representatives and Senators meet and greet with our WAHU Membership.

We look forward to see all of you next year, February 16 -17, 2005, at the Monona Terrace Community and Convention Center for Day on the Hill!

WAHU 2004 Day on the Hill





Chapter News

North Central WAHU NEWS



Jack Lucas

The North Central Chapter will hold its first meeting of 2004 on March 3rd at the Delta Dental office in Stevens Point. The Key Note speaker will be Rick Powdle who will speak on the effect of health care coalitions. This will be followed by a lunch sponsored by Delta Dental. After lunch we will adjourn for two hours of CE credit

presented by Gary Chriske. He will speak on dental plan structure and terminology. The meeting should start by 10:00 and adjourn by 2:00.

The meeting in December was cancelled due to weather - I hope we have better luck this time. Hope to see everyone there.

Our plan for a golf tournament is progressing. As of today we haven't picked a course yet, any

suggestions will be appreciated. Turtleback has invited us back and also Eau Claire Country Club has shown an interest in hosting our event. We have also had some interests in combining the Fox Valley Chapter with a mid-state location such as Arrowhead. Let me know your thoughts on this.



A special thanks to all of the members representing WAHU at the "Day on the Hill". It was a quite an experience.

Also, there have been a few changes on the local board and a few positions have opened up. If anyone would be interested in serving, please let me know. 2004 looks to be an exiting year!

Work hard, drive safe and I'll see you in Stevens Point.

South Central WAHU NEWS



Kent Schroeder

The South Central WAHU Chapter Board of Directors has already met and planned most of this year's events. It will be an exciting year for everyone. We are starting off with our first Chapter meeting on March 4 at The Sheraton in Madison. The featured speaker is Dane County Executive Kathleen

Falk. Three (3) CE credits are being offered. Notices will be sent out soon.

The Third Annual Summer Golf Outing is being planned for The Oaks just off of the Interstate in Cottage Grove. This fund raiser will change this year to benefit The Ronald McDonald House as

opposed to The Second Harvest Foodbank which we sponsored the last two (2) years. As you recall, we raised approximately \$2,800 last year and with the usual Corporate Sponsor support, we are hoping to surpass that goal this year.



December 16 is the date of our Winter meeting and will be held again at The Madison Club. We had an excellent turnout at the last meeting there and plan to wrap up this year in great style once again. The speaker and programs are yet to be decided upon.

Respectfully Submitted

Kent Schroeder
South Central WAHU Chapter President

Southeastern WAHU NEWS



Riley Enright

Here we are in 2004 and Jon Rauser has handed the reins over to me. As usual, Jon did an exceptional job in his presidential position. Thanks to Jon for a successful 2003!

We had a great turn out for the "Day on the Hill" in Madison. Thanks to everyone from the SE Chapter who attended. Our representation is an indication of our public interest and commitment to our profession.

2004 presents a new year of opportunity beginning with our Chapter meeting on the morning of March 19 at Champs Americana in Greenfield. At that

time, we'll hear from a few **senators** and one of our **state representatives** regarding health care and health care financing. So... mark your calendars and look for more details soon.



I'd like to personally thank Tom Witkowski as program chair for his efforts at putting together our meetings and obtaining distinguished speakers such as those we'll be hearing from in March. (Not to mention, all of work his "behind the scenes!")

Fox Valley WAHU NEWS



Harry Bortel

A big "Thank You" goes out to the Fox Valley Members, and everyone else, who attended the Day on the Hill this Past January 21st. All the counts aren't in as of this writing, but every indication is that this Day on the Hill was just as successful as last year's record-breaking attendance. We have all hard it

before, but it's true, the future of our profession is based on our participation in the law making process. Unlike other lobbying groups that visit Madison or Washington, DC. members of WAHU are looking out for our customers. Limiting Mandates, the Uniform Employee Application (UEA), and the Healthcare Quality Initiatives are examples of issues we've backed. None of these issues directly affect the income of our members. Our actions do affect our customers by keeping rates down and making it easier to apply for coverage. Other lobbyists are in Madison to directly affect their income. They say they are there to improve their customers lives, but there is a direct

co-relation to their incomes. We are here for our customers. Enough with the soapbox.

This is the year we have to get our continuing education credits. Remember we have to have 24 credits by February 15, 2005.

The next FV Chapter meeting will be in Kimberly at the Hilton Garden Inn just off College Ave, north of 441. We hope to have a legislator speak and we will be having 2 hours of CE credit, along with a brief Chapter meeting. I hope everyone has the opportunity to attend.

Please look around the web site. It's new and improved! You are looking at it now, so please take some time and see what the site has to offer.

Let me know if there is anyway that the FV Chapter can help you or your customers.

Harry R. Bortel
Chapter President
920-923-7589



Public Service

I first want to thank all our membership for a fulfilling 2003! We raised over \$8,000 for our two charities: Breast Cancer Recovery Foundation and Special Olympics. Though this was just shy of our \$10,000 goal-it was our best year ever and when you add in the money raised at the Local level-over \$3,000-we exceeded our total!

We are thinking even higher for 2004! We have set the bar at \$20,000! And I feel extremely confident that we can do this! Look for some raffle events during the year – maybe an auction or two – plus the GOLF OUTING in September!

Once again we will be raising funds for Breast Cancer Recovery Foundation plus we are extremely excited to introduce Juvenile Diabetes Research

Foundation! Please check out their websites-get involved in upcoming events in your area-ask other WAHU members to tag along-and help us make an impact throughout the year!

Our WAHU Foundation provides tremendous opportunities for us to make a difference in our state-Beginning in 2004!

JimKrogstad
Public Service Chairman

websites: Breast Cancer Recovery Foundation.
www.bcrf.org
Juvenile Diabetes Research Foundation;
www.jdrf.org

WAHU Foundation

The WAHU Foundation, as WAHU President Dean Hoffman states elsewhere in this newsletter, is “catching its stride.” Our mission is simple: promote and facilitate WAHU’s educational and charitable goals. How do we best do that? That’s for you, the WAHU membership to determine. With that in mind, I’m going to be attending each individual chapter meeting during the month of March. I’ll “predictably” be making a few remarks, but then I really want to listen to YOUR thoughts and ideas. We’ve always been a member driven organization and the Foundation’s activities are not about to stray from that principle.

WAHU is rapidly becoming a real “player” among Wisconsin’s many professional associations. Appropriate and effective educational and charitable endeavors will go a long way to cement and enhance that position. Please give some thought to this topic; I’ll look forward to hearing your ideas during my March chapter visits. See you then.

4600 American Parkway, Suite 208
Madison, WI 53718

Prsrt Std
US POSTAGE
PAID
MADISON, WI
PERMIT NO. 1

Clip & Return

Please circle events you are going to be attending.

*Wed. March 3
NC - Stevens Point*

Member		Non-Member	
Meeting only	\$10	Meeting only	\$20
Mtg w/ CE	\$40	Mtg. w/CE	\$45

*Thurs. March 4
SC - Madison*

Member		Non-Member	
Meeting only	\$20	Meeting only	\$30
Mtg w/ 3 CE	\$65	Mtg. w/ 3 CE	\$75

*Tuesday, March 9
FV - Kimberly*

Member		Non-Member	
Meeting only	\$20	Meeting only	\$30
Mtg w/ CE	\$50	Mtg. w/CE	\$60

*Friday, March 19
SE - Greenfield*

Member		Non-Member	
Meeting only	\$20	Meeting only	\$30
Mtg w/ CE	\$50	Mtg. w/CE	\$60

Cancellation Policy:

A registrant may cancel for a full refund up to 72 hrs. prior to a CE program.

After 72 hours prior to the date of the program, there will be no refund granted unless the program is cancelled by WAHU.

Name (print) _____ E-Mail _____
 Agent License number (required for CE credit) _____
 Company _____ Phone _____ Fax _____
 Address _____
 City _____ State _____ Zip _____

Payment Method: Check VISA MasterCard
 Card# _____ Exp Date _____
 Name on Card _____ Signature _____

Make checks payable to and return to: WAHU, 4600 American Parkway, Ste 208, Madison, WI 53718, or by fax @ 608-241-7790