



The View

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President's Message

Well, here it is. . . . My first message as the President of the Fort Worth Association of Health Underwriters. In thinking about my term and what I want the chapter to achieve, it really comes down to a couple of things:

Growth

There are thousands of Health Insurance Professionals in the Fort Worth and Mid-Cities area, some dealing with group insurance, some with individual and some with Medicare. I want to foster an environment where we gather all types of producers within this industry, to meet, learn and network in order to make our profession stronger.

Excellence

This chapter has been rewarded for the incredible people we have had leading us, by winning large Chapter of the Year for the last three years straight; four of the last five years. I want to continue the standard that has been set by previous leaders of our organization. I am honored to hold this position in our chapter and I will work hard to maintain the level of excellence that has been displayed by our leadership for many years.

Value

The phrase that I have heard that hits close to my heart is that FWAHU, TAHU and NAHU are "career insurance" for the agent and the industry. We are living in a volatile time with the U. S. Congress and State Legislature scrutinizing every aspect of what we do for a living. The lobbying efforts of our organization, alone, are enough to justify the price of membership. There is a much greater value that we can derive from our membership, however, and that is why we will kick off our chapter year with a program on "What Can Your Association Do for You?" This program will detail the tools, networking opportunities and personal and professional growth available to our members.

This newsletter includes some comments from current board members about the opportunities they have found by their membership in our chapter. These same types of opportunities are available to everyone who wants to get involved.

Throughout the course of this chapter year, we will try to provide education, useful information and camaraderie that provides value to our membership. Our programs will include such topics as:

- LTC
- The Single Payer System
- The NAHU Healthy Access Plan
- Medicare
- Rebating
- Individual Medical
- Business Overhead Expense
- The Psychology of Call Reluctance
- Legislative Initiatives in the New Congress

We want to encourage every member to bring someone to the July meeting; someone who is not a member or someone who just doesn't attend regularly. Each member who brings a non-member will have their name put into a drawing to win a free lunch at a future meeting for them and their guest.

FWAHU is a group that works hard, plays hard, achieves success and develops great friendships along the way. Come see what makes this chapter the best in Texas.

Better yet, GET INVOLVED and experience it for yourself!

Welcome to our new members!

Jeremy Mahoney
Benefitport

Danny Whitt
W2 Group Benefits, LLC
(rejoined)

Amanda Leveridge
Cigna

Visit our website
www.FWAHU.org

MISSION STATEMENT

The Fort Worth Association of Health Underwriters exists to inform and protect the consumer through the professional growth of its members.

The Seven Causes of Rising Healthcare Costs that Every CFO, Benefits Manager and Broker Should Know

By Eric Bricker, MD

Internist, Plano, Texas and Chief Medical Officer of Compass Professional Health Services

The average employee health insurance cost for family coverage is \$12,106. That cost—whether it is in insurance premiums or medical claims paid by the employer increased an average of 6% in 2007 and many employers are facing increases as high as 30% this year. To put that cost in perspective, a family with two SUVs may spend \$200 a week to fill their gas tanks. At \$4 per gallon, they would spend \$10,400 per year on gas—still almost \$1,800 LESS than their total spending on healthcare. Understanding the causes of these out-of-control healthcare costs is vital to CFOs, benefits managers and insurance brokers.

Doctors Ezekiel Emanuel and Victor Fuchs recently wrote an article in the Journal of the American Medical Association on the root cause of high healthcare costs. Their central premise is that escalating healthcare costs are not mainly due to technology or health insurance red-tape, but rather OVERUTILIZATION of healthcare services by doctors and patients. Here are their seven causes of overutilization:

Physician Culture

Doctors are taught in medical school and residency to be aggressive and thorough in their diagnosis and treatment of disease. Ruling out rare diagnoses with expensive tests is seen as a sign of intelligence. Any attempt to be more judicious in a diagnostic or treatment plan—such as using medication and physical therapy for acute low back pain rather than ordering a \$1,500 MRI of the spine—can be frowned upon by a doctor's peer group.

Fee-for-service Payment

Doctors know they get paid more to do something than to not do something. This financial incentive causes doctors to perform procedures when there may be little clinical evidence that the procedure is necessary. For example, a recent New York Times article describes physicians ordering \$1,000 CT scans of the heart to look for blockages in asymptomatic patients when these scans have not been shown to improve patient outcomes. An economist from Georgetown University said fees from imaging tests, such as CT scans, make up half of the typical \$400,000 annual salary that cardiologists make. That's a strong incentive.

Marketing to Physicians

The pharmaceutical industry as a whole spends \$10,000 on each and every physician in America marketing the latest medications—more than \$7 billion annually. Physicians are often faced with a decision on which medication to prescribe where they have a choice between a generic and a brand-name drug. With few comparative studies on the effectiveness of one drug versus another, pharmaceutical companies emphasize favorable results for their particular brand-name medication knowing that physicians don't have any data to refute their claims. One wonders why the default choice of most physicians would not be the generic in these situations.

Medical Malpractice Law Suits

To guard themselves against medical malpractice law suits, many physicians practice defensive medicine—ordering extra tests and procedures to "cover themselves" in case the patient decides to sue. The extent to which this practice exists is somewhat controversial, but being sued is on the mind of many physicians and can have an effect on their practice patterns.

Patient Preference for the "Newest Thing"

Doctors often do what their patients ask them to do and patients often want the latest test or newest procedure. For example, I recently spoke with a urologist in the Dallas area who said the main reason his fellow urologists perform robotic prostate surgery is because their patients want to use the robot. He said the patients do leave the hospital one or two days earlier compared to the traditional technique, but the outcomes and complication rates for the two different methods are very similar. The robot costs over \$1,100 more than the traditional technique—and that's before factoring in the \$1.2M price for the robot itself.

Marketing to Patients

Earlier I wrote that the pharmaceutical industry spends \$7 billion marketing to physicians. Well, they also spend \$4 billion marketing directly to patients. These ads encourage patients to ask their doctor about the most expensive medications, not generics. Case in point, the cholesterol-lowering drug Zocor was Merck's biggest seller in 2005 with \$4.3 billion in sales. There were commercials all over television for Zocor encouraging patients to ask their physician about the medication. Then Zocor's patent expired in 2006 and now it can be purchased under its generic name—simvastatin. Now a Zocor ad can't be found anywhere. However, you do see constant ads for Zocor's competitor—Lipitor—which is still on patent and the number one selling drug in America. The cost of a 30 day supply of simvastatin is \$28; Lipitor \$120. So why isn't simvastatin the number one drug in America?

Third-Party Payment

Because patients are often only responsible for a small co-pay when they see a doctor, they are shielded from the true cost of care. Health insurance changes the behavior and decisions of patients who only have to pay \$25 for a \$325 prescription. As in the earlier case with Zocor, more patients would be asking for generic medications if they were exposed to the actual cost.

What You Can Do as an Employer or Insurance Broker

As a CFO, benefits manager or insurance broker you can structure your insurance plan so as to minimize this healthcare overutilization. Many companies are raising their deductibles to \$5,000 and having "sub-plans" underneath the deductible that require the employee pay 20% coinsurance or use a health savings account or health reimbursement arrangement. By restructuring your benefits you can save upwards of 20% on your healthcare costs.

To find out more go to www.CompassPHS.com or email Dr. Bricker at erib@compassphs.com

RECAP: FWAHU's Annual Awards Luncheon

In June FWAHU members were treated to our annual awards luncheon featuring the Donna Carnall Career Achievement award. A number of deserving members were recognized for their accomplishments and for their valuable contributions to our association. We also took this opportunity to recognize and thank the outgoing board of directors and to induct the new board. Thank you to Donna Carnall, who conducted the induction ceremony, and to Mike Smith and Peggy Bass, who introduced this year's DCCAA winner. And a very special thank you to everyone who helped make the 2007-08 chapter year a huge success!

2007-08 BOARD OF DIRECTORS:

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Facilities:	Leslie Donahue
Golf:	Michele Flood



"TOP GUN" RECRUITER OF THE YEAR

Kimberly Labora

VOLUNTEER OF THE YEAR

Rob Wendling

OUTSTANDING MEMBER OF THE YEAR

Danielle Kunkle

HONORARY MEMBER 2008

Laura Firestone

DONNA CARNALL CAREER ACHIEVEMENT AWARD RECIPIENT 2008

Sharon Alt

DONNA CARNALL CAREER ACHIEVEMENT AWARD

The Donna Carnall Career Achievement Award was established by the Fort Worth Association of Health Underwriters in 1997 as a means of recognizing our distinguished member Donna Carnall and her many achievements. Her involvement included serving as President of the Fort Worth Association as well as the Texas and National Association of Health Underwriters. Each year, a Fort Worth member who mirrors Donna's achievements, professionalism, reputation, and character is selected to receive this award, the highest and most prestigious honor the Fort Worth Association of Health Underwriters can bestow upon a member.

Sharon Alt is the founder and president of Alt Benefit Consultants, Inc. in Fort Worth, Texas. Alt Benefits is a Third Party Administration company that specializes in the consulting, plan design, and administration of Flexible Spending Accounts, Health Reimbursement Arrangements, Health Savings Accounts, and COBRA.

Over the years, Sharon has been an invited speaker at several state and national association meetings and conferences, helping to educate agents, employer groups, and other TPA's on the proper administration and compliance of Section 125, 105, & 223 Plans. Sharon has written and taught several CE courses on consumer directed health care and conducts seminars across the country on tax code compliance issues for such organizations as Lorman Educational Services & the International Society of Certified Employee Benefit Specialists.

Sharon is a past President of the Fort Worth Association of Health Underwriters and has held a number of other local, state, and national board positions.



SHARON ALT

NOTABLE ACCOMPLISHMENTS

Entered the Employee Benefits Industry in 1989.

Member of the Employers Council on Flexible Compensation (ECFC) from 1990-2005.

Founded Alt Benefit Consultants in 1996.

Earned CFCI (Certified in Flexible Compensation Instruction) designation from ECFC in 1997.

Joined the Fort Worth Association of Health Underwriters in 1998 and has been an active board member ever since, holding several chair positions: Hospitality, Secretary, Legislation (2 yrs), President Elect, President, Past President, Media Relations, and Programs. Won state legislative award in 2003.

President of the Fort Worth Association of Health Underwriters from 2002-03. Received TAHU Large Chapter of the Year Award under her leadership.

Hosted a weekly talk radio show called "The Benefits Buzz: Inside Health Insurance in America" from 2004-07.

Honored with Presidential Citation by the National Association of Health Underwriters in 2005.

NAHU Region VI Media Chair from 2006-07

Board member of the National Association of Professional Benefits Administrators from 2006-07

Co-wrote two comedy CE's about health insurance: "Death, Taxes, and Rising Health Insurance Premiums: are they all inevitable?" and "America's Health Care System on Trial". Toured the country performing these three hour plays for various organizations beginning in 2006 with no end in sight.

Instructor for NAHU's Consumer Directed Health Care Certification Course beginning in 2007.

Honored with the cover story for Benefits Selling Magazine in March 2007 and began writing a monthly column called "By Consumer Design". Member of Benefits Selling Magazine's Advisory Council and presenter at their 2007 & 2008 annual conferences.

She's not done yet! After years of service, Sharon is more dedicated than ever to educating the consumer and ensuring that the financing of health care remains in the private market.

Where are they now?

These members are about to let their membership lapse!! Please renew your NAHU membership by emailing Danielle Kunkle at Danielle@consumerbg.com.

Byron Gillory
Chris Long
Sharan Northrup
David Evans
Jennifer Fabian
William Hester
Gayle Norris
Adam Stephens-Bren
Charles Sulak
Darren Hooker
Andrea Silva



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We're at war, and we have an all-volunteer army

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To join, go to www.fwahu.org and click on Membership.

Jim Helvey
Photographer

**2828 Donnybrook Drive
Burleson, Texas 76028
817-268-2688**



Jim Helvey, a Certified Professional Photographer recognized by the Professional Photographers of America, makes every effort to provide you with the most photographs and best services for your money. Specializing in Senior portraits, Family portraits, Professional portraits, and Weddings, Helvey Photography serves all of DFW.

Jim has been an active member of FWAHU since 1989 and is our association's official photographer.

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