



Vexatious Juxtapositions (And What to Do About Them)

The English language is wondrous thing, full of words that convey meaning and when verbalized, gives us sounds, from the poetic to the pedantic. One excellent word not frequently seen in *In Focus* but that offers us a useful way to demonstrate the complexity facing today's benefits manager, is the word *juxtaposition*.

jux · ta · po · si · tion , [juhk-stuh-puh-zish-uhn] *-noun* 1665, coined in Fr. 17c.

From L. *juxta* "beside, near" + Fr. *position*. *An act or instance of placing close together or side by side, esp. for comparison or contrast*

There probably aren't many benefits managers who as youths told their mothers that when they grew up, dealing with death, disability and deductibles would be their life's calling. Yet, whether we want it to be or not, benefits is the stuff of presidential campaign platforms, headline labor negotiations, and, oh yes, the health and well being of us all.

Twenty-first century benefits managers face unparalleled incongruities. To illustrate the troubling realities facing today's benefits managers, the editors of *In Focus* have compiled a series of juxtapositions:

70% of all primary care doctors office visits have their root cause in a psychological disorder.	Primary care physician income is the lowest of all physician categories.
Reduce co-pays to increase chronic disease patient adherence to both medical and prescription drug treatment recommendations.	Increase deductibles, co-pays and payroll deductions so that employer-employee cost sharing ratios do not erode as healthcare costs continue to climb.
Year over year healthcare cost increases greater than 8% are unsustainable.	2008 over 2007 medical costs are expected to increase by 10% (medical) and 11% (prescription drug).
From 1950 to 2006, U.S. spending on healthcare (public and private) increased from 5% of GDP to 16% (2.5 trillion dollars).	The United States has lower life expectancy and higher infant mortality than Canada, which has national health insurance.

<p>There are 47 million uninsured people in the United States.</p>	<p>Of the 47 million uninsured, 18 million have annual incomes above \$50,000, 12 million have access to employer-provided health insurance but have declined that coverage, 10 million are illegal immigrants, and at least another 2 million people are eligible for Medicaid but have not applied for it.</p>
<p>Of those who are covered by employer-sponsored health insurance, 20% (38 million) pay at least 10% of their incomes in out-of-pocket healthcare expenses.</p>	<p>By 2020, at least 60% (114 million) of those covered by employer-sponsored health insurance will be covered by plans that are High Deductible Health Plans. Of that 114 million, fewer than 25% (29) million will have access to a Health Savings Account or Health Reimbursement Account.</p>
<p>The average 401(k) account balance is \$49,000. The average American family has \$8,900 in credit card debt.</p>	<p>The present value of out-of-pocket health care expenses throughout retirement for a couple now age 65 is \$219,000 (with one-third of that spent in the last year of life).</p>

Managing through such challenging discordances requires Guiding Principles. How does a benefits manager obtain these Guiding Principles? We believe the best way is through a facilitated, interactive dialogue with your CEO, COO, CFO and other pertinent senior management. This facilitated dialogue will elicit their views on the conceptual building blocks that will undergird your evolving benefits philosophy, strategy and ultimately, tactics. The views expressed by a company’s leadership during the Guiding Principles process are sometimes surprising and always useful to benefits managers. Armed with a statement of principles, you will know not only what to do but why you’re doing it.

Confidence in a sea of roiling contradictions is a wondrous thing.

Did you know?

“Giving consumers more responsibility in a broken wholesale healthcare market will not work.” Gary Alquist, Senior Vice President, Booz-Allen-Hamilton