



MARK FREERKS

Seitlin's Mario Careaga says some insurance providers offer larger employers cash for their wellness programs.

More employers offering wellness programs

BY OSCAR PEDRO MUSIBAY

Businesses in Broward and Palm Beach counties are ahead of Miami-Dade in terms of offering wellness programs to employees.

Mario Careaga, senior VP at Seitlin Benefits & Advisory Services in Fort Lauderdale, said more of his corporate clients are participating, with some insurance providers offering larger employers cash for their programs. The thinking behind the offer is that companies with healthier employees cost both the employer and the health insurer less.

But, South Florida still lags the nation in implementing programs such as smoking cessation that proactively contribute to the health of its workforce.

The reason for the lag is complex and has to do, in part, with the concentration of small business in South Florida, said Leslie Carlet, president of American Benefit Partners, a benefits broker and consultant with a large contingent of small employers.

Small businesses, those companies with 50 employees or less, have been moving toward plans with higher deductibles – if they haven't shed their health insurance completely. These

companies are in survival mode, Carlet said.

Some of the benefits cancellation has as much to do with the resulting coverage as it does with cost. Employers end up paying more to cover employees, and employees have higher deductibles for plans that cover less.

"Something has to change. These companies cannot continue to take the increase," she said. "The national average for cost increase is 5 percent per year. All we see locally is 10, 20, 30 percent increases every year."

She said leasing of employees is also on the rise as residential developers and other companies that thrived during the last few years go small. One client went from 300 employees to 60 and is leasing its employees.

A report from Seitlin indicates that costs for medical plans in South Florida rose by 7 percent in each of the last two years.

STABILIZING SOME COSTS

While overall costs went up, a small number of costs stabilized. For example, retail prescription drug copayments for both point of service (POS) and health maintenance organization (HMO)/exclusive provider organization (EPO) plans remained nearly identical in 2009 when compared to 2008.

In contrast to a rise in employee contributions for individual coverage through preferred provider organization (PPO), POS and HMO/EPO plans, contributions for family coverage dropped, year-over-year.

Seitlin's Careaga attributed the drop in family coverage contributions to the introduction of lower-cost plans for employees seeking family coverage, which are affordable but offer less coverage.

Dick Leonard, senior VP of the employee benefits division of USI Insurance Services, said the impact of continued rising costs is also impacting carriers, which are keeping corporate accounts, but with fewer employees being served. The shrinking employee pool is the result of layoffs and the consequence of higher insurance costs, with some employees electing not to have insurance.

"We are almost at point where, like in real estate, we have created a product that people can't afford," Leonard said. "Now you are seeing it play out in membership rolls."

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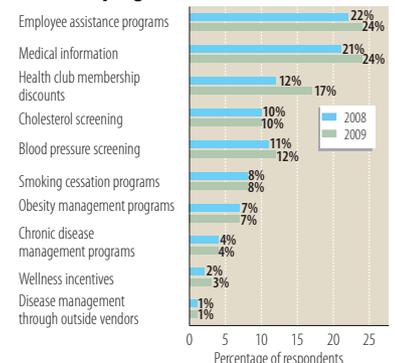
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Wellness programs offered in S. Fla.



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