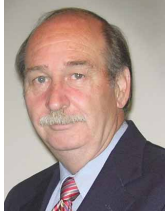


benefits



A message from John O'Brien

In this issue of *Benefits Review*, we look at the issue of workers' compensation and how health care organizations like yours can manage self-insured programs cost-effectively. You will find that here, as with most management challenges, the key is to be proactive and work as a team. To keep injuries and costs to a minimum, you need to get out ahead of potential losses – identifying trends and working together to address common workplace risks.

Count on us here at MHAIA to always be proactive on your behalf, continually providing you with information and personalized services to help you stay competitive and minimize costs. We hope you will consider us part of your work team. Call me any time you have a question.

Best wishes to you and yours for a safe, successful, and prosperous 2006.

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MHA Insurance Agency, a wholly owned subsidiary of the Massachusetts Hospital Association, develops innovative and cost-effective programs to meet the changing needs of health care organizations. Offering superior service and exceptional value, we deliver the finest insurance and benefit plans available to the health care community.

review

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Managing workers' comp can reduce costs

Self-insuring workers' compensation makes sense for many health care organizations. But to achieve real savings, organizations like yours need to minimize their claim expenses. How? You can begin by identifying and analyzing loss trends, setting improvement goals, and implementing industry best practices.

These proactive measures make good business sense. But if your organization is like most in the health care industry, you might not have the resources to manage your compensation program effectively. In fact, you may be doing little more than processing claims.

Ready for some professional help? Consider MHA Comp Services, a comprehensive program offering proven strategies and methods to reduce the cost of risk. The program provides claim administration and risk management expertise to fill the

gaps in your workers' comp tool kit, offering mix and match services designed to control every component of your total compensation expenditures.

The professionals at MHA Comp Services provide a free, on-site survey that addresses your entire workers' comp program, including:

- loss trends (frequency and severity)
- safety programs
- return to work program
- claim reporting and accident investigation protocols
- program performance reports
- management accountability

By comparing your organization's performance in these areas to best practices, and calculating your workers' comp cost per employee per year, MHA Comp Services will evaluate how you are doing compared to your peers and put together a proposal for making improvements.

Of course, the best way to reduce workers' compensation expenses is usually to reduce the number of

Negotiating comprehensive benefits for health care organizations

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For more information on innovative insurance and benefit programs, visit our new website at www.mhainsurance.com.

Prepaid legal services are popular with employees

Suppose you had a cracker-jack team of lawyers you could always trust to look out for your interests, whether you were buying a home, sparring with creditors, or challenging a ticket in traffic court.

For a growing number of health care employees in Massachusetts, that idea is not only appealing, but affordable. Through companies like Hyatt Legal Plans, a MetLife company, their employers are offering prepaid legal programs that cover legal advice and assistance.

Under the Hyatt program, hospitals and other health care organizations can use their group purchasing power to offer the voluntary benefit for around \$15 per month. That employee-paid premium covers the employee as well as his or her spouse and dependents for a variety of frequently-used legal services, at virtually no cost to the employer. The plan is easy for the HR staff to administer. And hospitals find that the value-added benefit helps them compete for talent.

"We're always looking for something a little different that people will value," said Tom Fabiano, Director of Human Resources at Mount Auburn Hospital. "At \$15 per month, \$180 per year, this prepaid plan is very attractive," he said.

Participating staff members use the plan to file wills or attend to other personal legal business. "With the aging population, especially in nursing, it's important to offer a benefit that will help people get their personal houses in order," Fabiano said.

A prepaid legal benefit keeps employees focused on their jobs, said Marci Messett, marketing

director at Hyatt. Employees get unlimited access to local plan attorneys for consultations, along with help addressing personal legal matters that run the gamut from estate planning and refinancing to personal bankruptcy and juvenile court cases.

Massachusetts health care employees are among the biggest supporters of pre-paid legal programs. While, on average, about 10 percent of employees at participating organizations enroll in Hyatt's legal programs, the average enrollment rate for all participating MHA hospitals is 11 percent. At Mount Auburn, after one full year with the plan, about 10 percent of benefits-eligible employees are participating. "That's very good for a voluntary benefit," Mount Auburn's Fabiano said.

"We're always looking for something a little different that people will value."

Tom Fabiano, Director of Human Resources, Mount Auburn Hospital

Prepaid legal programs respond to a growing need. According to American Bar Association statistics, over half of all Americans don't have their own attorneys, although 71 percent of U.S. households experienced an event in the past 12 months that might have led them to hire a lawyer. Hourly rates for professional legal services range from \$75 to \$300 nationwide, with Massachusetts attorneys coming in on the high end, Messett said.

The attorneys in Hyatt's network are screened to ensure the quality of their legal expertise and customer service, but employees can use attorneys outside of the network and receive a set reimbursement for covered services. Most employees who use the program report that it pays for itself after just one use, Messett said. 🍃



Managing workers' comp ...

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claims. To that end, MHA Comp Services will work with your organization to identify frequency and severity trends, and then use that information to help you develop and implement an effective loss control program. Monthly or quarterly status evaluations track your progress and help determine what you can do to reduce or eliminate risk.

"A lot of it is education," said Richard McKenna, President of Berkley Administrators, Inc., which administers the MHA Comp Services program. "Employees need to learn how to do things differently so that they won't be injured, and supervisors need to know what to look for so they can intervene before an injury," he said. For example, in hospitals, lifting patients is one of the biggest causes of injury, so it is vital that hospital staff learn to avoid maneuvers that might increase the risk of shoulder and back problems.

In general, health care organizations that reduce the frequency and severity of their losses will reduce their claim costs accordingly, McKenna said. With improved risk management, hospitals can achieve savings of up to 50 percent or more, depending on the reduction in the frequency and severity of injuries. But if top management isn't committed to addressing workers' comp losses, the organization won't succeed in meeting its goals. "You have to be committed to the safety of your employees and to reducing the risk to your employees, and you need to maintain that commitment over the long term," McKenna said.

To encourage sustained commitment, MHA Comp Services promotes a team approach to workers' comp management as well as management accountability, and can provide standard or customized management reports to help keep your program on track.

In addition to providing loss control, MHA Comp Services offers a variety of tools to help organizations manage

claims once injuries have been incurred. An effective, easy to use web-based application provides access to timely claim, financial and medical status data. And medical management services, phone- or field-based, are available to help employees access appropriate medical care if they are injured. MHA Comp Services can also review providers' requests for medical services, and offers an automated bill review system. Finally, MHA Comp Services' return to work program can help ensure that an injured employee's return to the workplace is successful.

"Workers' compensation should be viewed as something to be managed, not just something to be processed."

**Richard McKenna
President, Berkley Administrators**

The company also offers excess insurance placement for health care organizations that want to mitigate the risk of catastrophic claims.

"Workers' compensation should be viewed as something to be managed, not just something to be processed," McKenna said. But hospitals are in the business of providing health care, and typically don't have comprehensive programs in place to control claim costs. With the help of MHA Comp Services, hospitals and other health care organizations can establish financial objectives and get ongoing support to meet their goals. 🍃

Career Moves

The following individuals have recently accepted health care positions.

Lester Schindel has been appointed New England Sinai Hospital's Chief Executive Officer.

Delia O'Connor recently joined Anna Jaques as President and CEO.

Steven Penka has been appointed President and CEO of Athol Memorial Hospital.

John Chessare, MD, has been appointed President of Caritas Norwood.

C. Thomas D'Esmond has been appointed Administrator of Shriners Hospital for Children, Shriners Burn Center.

John McMahon joined UMass Memorial Health Care as Vice President of Human Resources.

John Fitzgerald is the new CFO at Nantucket Cottage Hospital.

Michal Regunberg is the new SVP of Communications for Massachusetts Hospital Association.

Karen Nelson is the new SVP of Clinical Affairs for Massachusetts Hospital Association.

Marc DesLauriers is the Executive Director of Education for Massachusetts Hospital Association.

Our thanks to Bob Mitchell, Principal at Zurick Davis, for providing information for **Career Moves**.

Suggestions?

Is there a benefits issue you would like to learn more about? Email article suggestions to John O'Brien at john@mhainsurance.com.