



EMPLOYER

BENEFIT ADVISER

Helping you explore today's changing health benefit landscape

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New ID Cards Have Arrived — Time to Register for Member Connection

New health plan ID cards have been sent to you for distribution to all your enrolled employees who are enrolled as members in your group health benefit plan. These new ID cards have a "Member Connection Registration Code" on the back. We ask that you reach out to your enrolled employees and remind them of the importance of logging on to member.alliednational.com to register for access to Member Connection.

Members accessing Member Connection, powered by Benovate, will have 24-hour access to valuable information about their benefits and their health. They will be able to explore new and fun ways to educate themselves on healthy life styles and things they can do to improve a health diagnosis. Other benefits include:

- Access and information about American Well, the new tele/video medicine provider that will allow them immediate access to advice from a certified physician – without the inconvenience of sitting in a waiting room.
- Members will earn cash rewards by engaging in a variety of activities, like registering for the Member Connection or completing a health risk assessment. Money earned can be used to purchase items on Amazon.

Please encourage and assist your employees to get the most out of their benefits.

Unused Claim Funds - A Safe Option for Employers

Employers who have a Funding Advantage self-funded plan maintain a claim fund to pay routine claims. If you have a "healthy year" there's a good chance there will be unused funds.

It's imperative you handle those unused funds correctly, and the safest option is to apply the refund to next year's payments.

Funding Advantage is an ERISA self-funded plan and there are strict regulations as to what an employer can do with the returned claim fund, because most claims funds are comprised, at least partially, of employees' money. Allied National returns unused claim funds to you at the end of the plan year's nine-month run out period (if there are any claims pending at that time, some or all of the claim funds may be held pending resolution of those claims). Funds are released or rolled over to the next year as a credit.

This is the essence of self funding – money not spent on benefits remains in your benefit plan, not an insurance company.

You have a fiduciary responsibility under ERISA to return the money to the employees or spend it on employee welfare benefits. Any other use of the funds would be a red flag during a Department of Labor audit and could lead to serious fines.

Many employers want the refund returned as a check, but Allied recommends you apply your claim refund to future monthly payments. Allied will apply the refund as a credit on your account. This option eliminates the potential of using the money incorrectly, and makes it easier if there is an audit to show how the money was used for employee welfare.

Health-related Productivity Costs

Allied National is providing our group health benefit employers with MyWave Connect. A library of information free of charge. MyWave Connect will reduce the number of hours spent looking for evaluation forms; standards of conduct policies; Workers' Compensation forms; policies or articles that explain new laws; legislation; health and wellness and much more. MyWave also will save you money purchasing forms and policies. Here is an example of part of an article you can find on MyWave.

According to Rutgers University, employee health problems cost employers approximately \$226 billion each year. Of these substantial costs, approximately 70 percent resulted from a reduction in productivity, with the rest coming from work absences due to illness. While offering health coverage and benefits for employees and dependents is a major business expense, lost productivity due to physical and emotional health problems can be far more costly for employers.

Lost productivity is classified in two ways: presenteeism and absenteeism. While absenteeism means that the employee is physically not at work, presenteeism is when an employee is physically at work but a physical or mental health condition negatively affects their work quality and quantity. Employers spend two to three dollars on medical-related productivity costs (presenteeism) for every dollar spent on pharmacy and health care costs.

The AdvancePCS Center for Work and Health in Hunt Valley, Md. conducted a study of 29,000 employees in the United States to determine how many hours and dollars were spent on lost productivity. The study revealed that 71 percent of lost productivity time was directly related to deficient performance on the job, while only 23 percent was due to actual absences from work. The remaining 6 percent of productivity costs were found to be associated with family health obligations. In addition, smokers who

smoke at least one pack per day had productivity losses double that of their nonsmoking counterparts.

Effects of Presenteeism

Presenteeism can have many negative effects on your workforce, including:

- Spending unneeded additional time on tasks
- Decreased quality of work
- Lack of initiative
- Infecting other employees, clients or customers with an illness
- Lowered ability to perform at a high level
- Decreased quantity of work completed
- Inability to be social with co-workers
- Lack of motivation

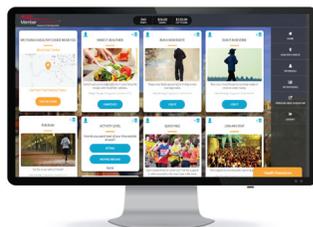
Causes of Health-Related Productivity Costs

- Back and neck pain (notoriously a very expensive and prevalent medical condition)
- Headaches
- Colds and the flu
- Sinus trouble
- Obesity
- Allergies
- Diabetes
- Depression and/or anxiety
- Ongoing chronic conditions

To read the rest of this article go to www.alliednational.com/mywave to log in or register.

Hello? Allied National (and Benovate) Calling

Your employees might be getting a phone call soon about Member Connection. Member Connection is Allied National's secure online, interactive member engagement portal, which functions as a "one-stop-source" for all of a member's needs with their health plan.



Benovate, the company that powers the Member Connection portal, is calling on Allied's behalf to assist members with getting online and registering for

a free account. To register, members just need to sign in using their Member Connection ID number, which is located on the back of their Member ID card.

By going online at member.alliednational.com, members will have access to information about their account and wellness issues. They even can earn money for filling out health surveys and participating in other online activities related to their health.