

HR CONNECTION

Answers to Common and Costly Employee Benefit and Human Resources Questions:

Checking References

When I check references, how can I get employers to provide more than "name, rank, and serial number" about former employees?

Some employers only provide dates of employment, position held and salary because of fear of litigation when it comes to former employees. The following tips can help you get more information from references:

Prior to contacting references:

- Make sure employment applications include a statement that a pre-hire background check is required and that if an applicant provides false information on the application, it is grounds for rejection or termination.
- Have candidates sign a reference check release form which provides their consent to background checks being conducted, including contacting references and waiving any and all claims based on references given.
- Ask candidates who may not be contacted for a reference and why.

When contacting references:

- Be friendly and ask the potential candidate for information about their references, so you have some icebreakers when starting the conversation.
- Let the reference know that you are looking for the best fit for both the candidate and your company, and you appreciate their candor.
- Ask the easy questions like dates of employment, responsibilities, and earnings history first. These types of questions put no pressure on the respondents.
- If you attempt to contact a reference several times, and you think you might be getting avoided, send a letter requesting that the reference contact you and copy the candidate. This will encourage the candidate to contact the reference and ask them to speak with you.



- Even if your first reference is glowing, always get a second opinion.
- Check personal references as well as professional references. Personal references are often more candid and may also be able to provide you with the names of additional professional references. Don't rely solely on the references that a candidate suggests. Ask the approved references for the names and numbers of other individuals within the organization that you may talk to.
- There is something less than perfect about everyone as it applies to a given job. Be skeptical about references that can't find anything wrong with the candidate.
- Read between the lines when comments are made and politely ask references to explain broad generalizations. Often it is what is unsaid that gives you the greatest clues to what a reference may really think. Long pauses and tone of voice should not be ignored. ■



KIG BENEFITS BRIEF



LEGISLATIVE UPDATE

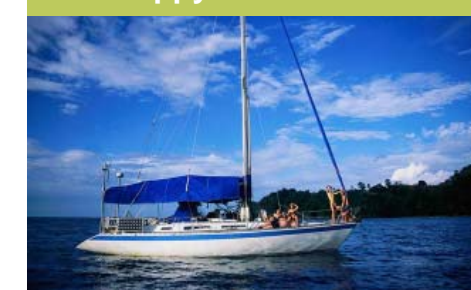
2008 Presidential Candidate Health Care Initiatives

For more information contact Patrick Pennefather; patrick.pennefather@kapnick.com

	John McCain	Barack Obama
Party Affiliation	Republican	Democrat
Stated goal	Provide access to affordable health care for all by paying only for quality health care, having insurance choices that are diverse and responsive to individual needs, and encouraging personal responsibility.	Affordable and high-quality universal coverage through mix of private and expanded public insurance.
Date plan announced	October 11, 2007	May 29, 2007
Overall approach to expanding access to coverage	Remove the favorable tax treatment of employer-sponsored insurance and provide a tax credit to all individuals and families to increase incentives for insurance coverage; promote insurance competition; and contain costs through payment changes to providers, tort reform and other measures.	Require all children to have health insurance, and employers to offer employee health benefits or contribute to the cost of the new public program. Create a new public plan, and expand Medicaid and SCHIP. Create the National Health Insurance Exchange through which small businesses and individuals without access to other public programs or employer-based coverage could enroll in the new public plan or in approved private plans.
A. Requirement to obtain or offer coverage	No provision. Opposes mandates for coverage.	Require all children to have health insurance. Require employers to offer "meaningful" coverage or contribute a percentage of payroll toward the costs of the public plan.
B. Expansion of public programs	Give veterans ability to use their VA benefits to pay for timely high quality care from providers in the best locations.	Expand Medicaid and SCHIP. Create a new public plan so that small businesses and individuals without access to other public programs or employer-based coverage could purchase insurance. Plan coverage would offer comprehensive benefits similar to those available through FEHBP. Coverage under the new public plan would be portable.
C. Premium subsidies to individuals	Provide a refundable tax credit of up to \$2,500 (individuals) and \$5,000 (families) to all individuals and families for the purchase of insurance. Provide income-related premium subsidies, in addition to the tax credit, to individuals enrolled in the Guaranteed Access Plan	Make federal income-related subsidies available to help individuals buy the new public plan or other qualified insurance.
D. Premium subsidies to employers	No provision.	Federal subsidies would partially reimburse employers for their catastrophic health care costs if the employers guaranteed that premium savings would be used to reduce employee premiums.
E. Tax changes related to health insurance	Reform the tax code to eliminate the exclusion of the value of health insurance plans offered by employers from workers' taxable income. Allow individuals owning "innovative multi-year policies" that cost less than the tax credit to deposit the excess into expanded HSAs.	No provision.



Have a safe and happy summer!



In This Issue:

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Check out our NEW website!
www.kapnick.com

"SARAH SAYS"**Health Management Issues**

For more information contact Sarah Szul; sarah.szul@kapnick.com

Maintaining Motivation and Interest In Your Wellness Program

Once you start a wellness program you will have a range of employee participants. Some will already be very engaged in being active and eating well and your program will only reinforce and enhance their health. On the other end of the spectrum will be people who may not engage no matter what you do. The remaining group is probably the largest group in most organizations – people who are at various stages of readiness to improve their health given the right type of programming and motivation. Summarized below are some tips you may want to employ once your program is up and running.

Key Factors

In today's society there are many key factors that influence people's health behaviors. Consider the following list in maintaining participation in your program:

Time. People are busy, so the more you can work activity and healthy eating into their existing schedules, the better your chances for success. Example: A walk at lunch doesn't take away from existing time; it just uses it differently.

Access. How accessible is your programming? Do you offer access at breaks or outside of normal work hours?

Knowledge. People need to know "why" they are participating (the benefits) and also will need information about the "how to" in areas that are not commonly known.

Cost. Being able to provide no cost or reduced cost programs will help participation rates. Coupled with incentives for participation, rates of participation will likely increase dramatically.

Incentives. Some people need incentives to get started in a wellness program.

Buddy Systems or Team Goals

The social aspects of improving one's health cannot be underestimated. Many studies point to tight social groups being the backbone for a successful campaign because each individual has a commitment to something bigger than themselves; besides, it's just more fun for most people. Build your program around some type of teams or partners and see what happens.

Team "Campaigns"

Some people like competition and others do not. Nevertheless, a worksite-wide campaign has the advantage of keeping the message more visible and alive. Encourage campaign participation, but make it voluntary so that those who prefer that type of motivation can join while others can participate in their own way and at their own pace.

Sarah's Health Tip: Sunsational Safety

Summer brings to mind sandy beaches, backyard cookouts, and cool dips in the pool. Enjoy summer's warm days, but remember that more than 1 million U.S. cancer diagnoses each year are sun-related. It's important to protect your skin:

- Use a broad spectrum sunscreen (SPF 15 minimum) - Seek shade or avoid outdoor activities during the midday sun - Cover up with long sleeved shirts, a protective hat and longer pants/shorts.

**STRATEGIES FOR SUCCESS**

If your company is ready to take your open enrollment online - Kapnick HR e Solutions is the answer. For more info contact Lisa Kinney @ lisa.kinney@kapnick.com

Technology-Based Enrollment

Benefits and insurance issues important to you - brought to you by the insurance specialists at Kapnick Insurance Group

The enrollment period is a daunting time for both employers and employees; it is a lot of work for companies and can be a confusing process for workers. For instance, if you have 500 employees and offer 10 benefit plans with several documents correlated to each plan, you may be sifting through as many as 20,000 documents during open enrollment. However, by using technology during open enrollment, you will eliminate the need for those paper documents – allowing your Human Resources department to save both time on tedious tasks and money on such things as paper, ink and postage. Therefore, "dreaded" open enrollment may take only a week to complete, as opposed to a month of sifting through employee documents.

Technology-based enrollment may also ease stress for your employees. During open enrollment, they are introduced to new health insurance carriers, new doctors, and new retirement plans while also receiving a dent in their paychecks (if rates increase). Yet, technology can reduce employee stress, as it is user-friendly and comprehensive.

Benefits of Technology-Based Enrollment

- Every step of the benefits management process is automated, eliminating the need for paper-based processes and improving efficiency and accuracy.



- Online enrollment lowers the overall cost of providing services to your employees by eliminating the costs of distributing and collecting paper enrollment packets.
- Online enrollment shortens the enrollment cycle.
- Online enrollment enables employees to self-enroll in benefit programs, review their benefit data, and report life event changes.
- Employees can choose plans based on eligibility criteria and can compare costs and coverage of previous elections against new offerings.
- Elections may be automatically applied to employee records.
- Employees may receive written confirmations detailing their elections.
- HR can check the status of enrollment in real-time and may be able to generate detailed reports regarding the cost of employee benefits.

Disadvantages of Technology-Based Enrollment

- Employees may be intimidated by the software and may also desire interpersonal assistance, rather than making their selections via computer.
- Employees may not make solid benefit decisions if they are only advised via the computer and are not provided personalized recommendations.

Recommendations

- Use various communication mediums for initial alerts concerning open enrollment to get employees geared up for the process.
- Use existing resources to promote technology-based enrollment such as an inter-office newsletter or postings in common areas such as bathrooms and cafeterias.
- Establish online communities or blogs where employees can discuss successes and problems they are having while enrolling. That way, they can assist one another with the process and HR can address any problems that employees may be having.

Did You Know - that the average age of a Kapnick employee is 43 and the average number of years employed @ Kapnick is 11?

MARKETPLACE UPDATE

For more information contact John Watson; john.watson@kapnick.com

Looking Back on 2007 - Healthcare Costs

This year's 2007 National Survey of Employer-Sponsored Health Plans released by Mercer, Inc. asked employers for feedback on the increases they experienced on their 2007 renewals.

In 2007, total health benefit costs rose by 6.1%. Although much better than the double digit increases seen over the last decade employers took action to hold down these costs (plan design changes, cost shifting, consumer driven health plans). Simultaneously we are seeing more long-term cost containment strategies being implemented (health management and consumerism). The average total cost of health benefits for active employees and their dependents increased from \$7,523 in 2006 to \$7,983 in 2007.

Cost differences by size of the employer

Among employers with less than 200 employees, health coverage prevalence dropped from 63% to 61%. In 2007 small employers experienced higher increases than large employers, as rising rates for fully insured plans provided upward pressure on cost. Small employers' costs rose 6.6% while large employers' costs rose by 5.1%.

45% of employers plan to shift some of the cost increases to employees for 2008, whether through increasing the employee's share of the premium cost or raising deductible, co-payments, co-insurance or out-of-pocket maximums.

Medical Plan Cost by plan type

Average cost increases were higher in 2007 for HMOs (7.6%) and PPOs (6.1%) while increases for consumer driven plans were at 3.5%.

Prescription Drug Cost

Employers upon last renewal have reported an increase in prescription drug costs of 9.3%, that is down from 9.9% in 2006.

Growth in Consumer Driven Health Plans (CDHP) - albeit at a slower pace

The percentage of employers offering a CDHP based on a Health Reimbursement Arrangement (HRA) or a Health Savings Account (HSA) grew from 6% to 7% after tripling in 2006. Among these plans, approximately 80% of the employers preferred the HSA arrangement.

Please note that we are able to provide you with a personalized benchmarking comparison of your health plan increases against employers of similar size, region and industry.