



**Business Health Care Group 2013 Annual Meeting  
at  
The Peck Welcome Center at the Milwaukee Zoo  
September 25, 2013**

**Presentations by:**

Keynote: James Klein, president, American Benefits Council  
Dianne Kiehl, executive director, Business Health Care Group  
Rich Meeusen, chairman, CEO and president, Badger Meter

**Executive Summary**

With approximately 130 members, providers, brokers/consultants, sponsoring organizations and strategic partners in attendance, the BHCG conducted its second public annual meeting at The Peck Welcome Center at the Milwaukee County Zoo on September 25. The meeting, entitled **Riding the Wave Together – 10 Years** celebrated BHCG's 10<sup>th</sup> anniversary. It was highlighted by a keynote address from James Klein, president of the American Benefits Council and the presentation of the second *Driving Meaningful Change Award*, given to John Toussaint, M.D., founder and CEO of the ThedaCare Center for Healthcare Value. Don Davis, chairman emeritus, Rockwell Automation and Rich Meeusen, chairman, CEO and president, Badger Meter, shared their perspectives as CEOs – one who was considered the [founder](#) of BHCG and the other who is active in the organization's governance today. Dianne Kiehl read a [letter](#) from Congressman Paul Ryan, who congratulated the BHCG on its 10 year anniversary. Kiehl reported on BHCG initiatives and accomplishments over the past year and plans for the coming year. Kiehl also presented awards to three of the BHCG's sales distributors.

**Keynote Address by James Klein – Health Benefits Odyssey: The Intersection of Health Care Reform and Fiscal Challenges**

In his address, *Health Benefits Odyssey: The Intersection of Health Care Reform and Fiscal Challenges*, Klein likened the health care reform implementation to tales from Greek mythology – be it a tragedy, comedy or drama.

A number of member employers of Klein’s organization, the American Benefits Council, are contemplating changes to their health plan benefit offerings in the light of the implementation of additional elements of the Affordable Care Act (ACA). These include:

- Facilitating the movement of part-time employees and early retirees to the exchanges
- Adopting high deductible plans to address the looming “cadillac tax” in 2018
- Eliminating spousal coverage or imposing a spousal surcharge
- Changes to hiring part time vs. full time employees if it otherwise meets corporate objectives and workforce needs
- Determining whether to pay or play or play in a new way (private exchanges and/or a defined contribution plan approach to sponsorship)

### **Potential ways to improve ACA**

While chances to improve the ACA through legislation appear remote at this time, there may come a time when the political parties will agree to make improvements to the law. Klein’s organization has been speaking with members of Congress about ways the ACA possibly could be changed to the benefit of employers and employees. These include:

- Considering repealing or shortening the period of eligibility of COBRA
- Considering repealing the “cadillac tax” or pegging it to a plan of a certain actuarial value rather than a certain dollar cost
- Limiting the applicability of the transitional reinsurance fee to just active employees rather than including dependents and retirees
- Allowing large employers to participate in the state exchanges based on the number of employees in the state rather than the total number of employees
- Allowing employer contributions to a Health Reimbursement Account that employees can use to purchase individual coverage in the exchanges

### **Taxing employee benefits**

The fiscal challenges facing our country have a direct and sizable effect on employee benefit offerings. Options exist to raise revenues by taxing employees’ health benefits. It is Klein’s assessment that it is more likely employees will face limits on the tax excludability of coverage than employers will be restricted on the tax deductibility.

There are still considerable questions about whether taxing employee benefits will happen and whether it may be part of a comprehensive overhaul of the Internal Revenue Code. It is

possible that such an overhaul could occur in conjunction with the debate about raising the debt ceiling.

Slides from Klein's presentation can be viewed by clicking [here](#).

## **BHCG Accomplishments and Initiatives**

Dianne Kiehl shared highlights of activities and the impact achieved by the BHCG over the past year including:

- The **strategic planning process** undertaken to create clarity for the BHCG vision and strategy that will support its success going forward
- The **informed decision making initiative through Best Doctors** to assist employees facing difficult health care decisions to become better health care consumers
- Collaboration with The Alliance in Madison to advance the **QualityPath™** initiative – designed to give providers a consistent message when defining quality
- Support for the Wisconsin Medical Society's **Advance Care Planning** designed to have a standard community approach for patients to have access to making well-informed decisions about their wishes for end of life care (An Op-Ed piece appearing in the Milwaukee Journal Sentinel authored by Kiehl and made available at the meeting can be viewed [here](#).)
- Encouragement for the provider community to consistently screen for behavioral issues and alcohol and drug abuse through a **Behavioral Screening & Intervention** process

Kiehl also shared health care cost results of the group. Highlights included:

- Over the past seven years, BHCG **self-funded employers have averaged annual increases of 1.6 percent of their health care costs** (calculated prior to benefit application to eliminate the impact of benefit design changes) compared to annual increases of between 7 and 10 percent for southeast Wisconsin for the same time period.
- BHCG self-funded **employers have saved over \$773 million** in the past seven years compared to the market trend.
- The BHCG outperforms the market. **Members' commercial premium costs were 11 percent below the southeast Wisconsin market.** In addition, they were 4 percent below the Midwest average; and 6 percent below the national average in 2011 (the most recent year of data available).

Finally, Kiehl answered the question: What does membership in the BHCG deliver to our members? by outlining BHCG's value proposition. (The Employer Value Proposition collateral was handed out at the meeting and is available to view [here](#).) Slides from Kiehl's presentation can be viewed by clicking [here](#).

## Award Presentations

John Toussaint, M.D. was the recipient of the BHCG's second *Driving Meaningful Change Award*. The award was given to Dr. Toussaint for his leadership and commitment to transform health care here in Wisconsin, throughout the United States and the world. Dr. Toussaint was the founding chair of the Wisconsin Collaborative for Healthcare Quality (WCHQ) and the Wisconsin Health Information Organization (WHIO), as well as the executive sponsor of the Partnership for Healthcare Payment Reform in Wisconsin. He was also instrumental in the formation of the Statewide Value Committee in Wisconsin. In 2008, he founded the ThedaCare Center for Healthcare Value, which he still leads today. Under Dr. Toussaint's leadership, the Center has launched several peer-to-peer learning networks, developed in-depth workshops and advanced the idea of health care value through delivery reform, transparency and payment reform.

The BHCG also presented awards to three sales distributors for their support of the BHCG in 2012:

- **The Horton Group** – Most membership lives placed with the BHCG
- **May's Insurance** – Most cases placed with the BHCG
- **The Metropolitan Milwaukee Chamber of Commerce** – Most groups that joined the BHCG through a sponsoring organization

Slides from all the presentations can be found here: [Annual Meeting](#), along with a handout detailing the work of several of our strategic partners, [here](#). A slide show of pictures from the event can be found here: [Photo Gallery](#).