



## Your Benefits at Getting the Most

by Lindsay Graham

**After facing four consecutive years of double-digit increases, Hughes is seeking a new ally—their employees—to help curb rising healthcare costs. Now it's your chance to practice healthcare consumerism with the upcoming Open Enrollment.**

When you're paying your bill at the doctor's office, do you ever wonder who's paying the other portion? If you're like most people, probably not. Historically, patients have been "users" of the healthcare system - paying a minimum co-payment and giving little thought to how the rest of the bill gets paid. However, the world of healthcare is changing direction and the concept of consumerism is taking the wheel.

### Are You a Healthcare User or Consumer?

Answer the following questions to find out:

- |  | T                        | F                        |
|--|--------------------------|--------------------------|
| 1. I go to my doctor even if he/she isn't in the plan's network.                           | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. I try to prevent illness by getting enough sleep, eating the right food and exercising. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. I do research on the best hospital near my house in case I need emergency care.         | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. I buy brand-name prescription drugs even if there is a generic available.               | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. I am enrolled in a Healthcare Flexible Spending Account.                                | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. I do not read current healthcare news and information.                                  | <input type="checkbox"/> | <input type="checkbox"/> |

# Work: Value Out Of Your Healthcare Dollars

If you answered true to questions 1, 4 and 6, then you are probably a user of the healthcare system. With some small changes to your lifestyle, you can become a consumer by taking ownership of your healthcare choices and weighing the costs and quality of your healthcare purchases, much like you would prior to buying a house or new car.

## What is Healthcare Consumerism?

"Healthcare consumerism seeks to make individuals more accountable, knowledgeable and actively engaged in managing their health," said Caryl Lucarelli, vice president, Benefits and Compensation. "It begins by placing more of the decisions in the hands of the employee, and providing them with useful tools and information that allow them to make healthcare-related decisions more comfortably."

Healthcare consumerism also drives employee empowerment - allowing you to take charge of your health by maintaining wellness, practicing prevention and learning about the healthcare system. "It encourages employees to be more proactive and informed so they make healthcare choices as informed consumers rather than passive patients," said Caryl.

## How Does Hughes Encourage Consumerism?

For the last decade, healthcare costs have soared across the country. This is not a

Hughes problem; it's a national problem. However, that does not mean we have to sit on the sidelines and accept the rising prices. As a team, we can work to lower healthcare costs in our communities, one decision at a time.

"Hughes is dedicated to improving our existing healthcare plan by implementing a healthcare consumerism model," said Jay Romans, senior vice president, Human Resources. "We encourage you to begin thinking and acting like consumers in regards to healthcare. We empower you by providing meaningful options, easy access to information and support through educational tools, ultimately helping you make the right choices for you and your family."

## Consumer-Driven Healthcare Plans

Hughes has evaluated several Consumer-Driven Healthcare Plans (CDHPs), to help manage increasing healthcare-related costs. "A CDHP is simply one element of an overall consumerism strategy. It can lower premiums and more actively engage members in the healthcare decision-making process," said Caryl. For the 2006 calendar year, Hughes is offering an employer-

funded Health Reimbursement Account (HRA). This popular type of consumer-driven health plan joins an employer-funded Health Reimbursement Account to pay for healthcare services, such as physician visits, with a high-deductible insurance product that kicks in once the account is depleted. After an employee uses up the HRA and meets their deductible, the insurance benefit acts like a typical insurance product and covers the remaining costs of the healthcare services received.

Another type of consumer-driven health plan that Hughes offers is called a Healthcare Flexible Spending Account (FSA). This account allows you to set aside money each pay period to cover qualifying individual or family expenses that occur during the plan year. The annual amount you elect to set aside is prorated for each pay period and deducted from your wages before your taxes are calculated.

"The Healthcare FSA is used to pay out-of-pocket medical, dental and vision care expenses for you or a family member," said Caryl. "These expenses are those not typically covered by your group health plan, such as your deductibles and co-payments. The money you elect to set aside is deducted from your salary before your taxes are calculated. This means that by setting up a FSA you can actually reduce the taxes you pay and keep more of what you earn."



Hughes also offers a Dependent Care FSA. This account works similar to the Healthcare FSA but enables you to reduce your overall tax burden by setting aside a portion of your income on a pre-tax basis to pay work-related dependent care costs. These expenses include day care fees, babysitter's fees, after-school expenses and elderly dependent care.

"With these systems in place, you have increased control over how your health benefits dollars are spent by deciding which benefits to purchase, and when and where to seek care - ultimately becoming a healthcare consumer who makes informed decisions," said Jay.

### **Employee Assistance Programs**

Hughes also encourages consumerism by providing an Employee Assistance Program (EAP), designed to help employees create and sustain a work-life balance. EAPs provide employees and their families confidential professional assistance and support regarding health, marital, work, family, financial, alcohol, drug, emotional, stress or other personal issues. EAPs increase healthcare consumerism by giving employees a trusted place to turn during a crisis or healthcare situation. EAPs also provide both prevention and early intervention for employee problems, which in turn improves employee health and overall quality of life.

## **How Can You Become a Better Healthcare Consumer?**

**Many people would like to become a better healthcare consumer, but aren't sure where to begin. Here are some tips from the Blue Cross Blue Shield web site ([www.bcbs.com](http://www.bcbs.com)) for becoming a better healthcare consumer:**

- **Prevention:** Many times, treatment for serious injuries or illnesses could have been avoided by practicing preventative measures. Engage in a healthy lifestyle by increasing moderate physical activity, use proper safety equipment such as seatbelts and go to the doctor for routine checkups. These small measures can help save billions of dollars of unnecessary medical expenses each year.
- **Maintain a Healthy Diet and Weight:** Being overweight or obese costs Americans more than \$100 billion in healthcare expenses each year. Talk to your doctor to create a personalized diet that is right for you. A balanced diet will help you feel better and prevent the onset of chronic health problems such as diabetes, asthma and coronary artery disease.
- **Develop an Ongoing Relationship With Your Doctor:** Get to know your doctor. Ask questions to make sure you understand what he or she is telling you. Let your doctor know about all medications you are taking and share your medical history with them so you can take preventative measures to avoid illness or manage disease. Not only will build trust with your doctor, but you'll have a better understanding of your healthcare needs.
- **Use Generic Medications:** Americans are using more prescription drugs to manage health conditions and prevent problems than ever before. The amount we spend on drugs increases nearly 15 percent every year, and is one of the main reasons the cost of healthcare is increasing. Generic drugs typically cost less than one-third the price of the name brand drug and are just as effective. When you need a prescription drug, ask your doctor or pharmacist if an FDA-approved generic equivalent is available.
- **Manage Chronic Disease:** Many people refuse to follow proven practices that can prevent health problems such as quitting smoking. By accepting and following the recommended courses of treatment from your doctor you can make a substantial impact on the costs of healthcare in America.
- **Education:** The more you understand about your health plan, the better you are able to make informed health-related decisions. Study your plan, make sure you understand it - if not, have a professional explain it to you. By becoming an active participant in your healthcare choices, you will make a positive change for you, your family and the healthcare industry.

## **Your First Consumer-Driven Healthcare Decision**

Between November 7 – 27, you will have the opportunity to make your first consumer-driven healthcare decision. This is your time to enroll for healthcare benefits for the upcoming year. **However, Open Enrollment this year is very different from the last few years — this is an active enrollment. This means that if you don't actively enroll in healthcare benefits, even if you currently have healthcare benefits for this year, you will not receive healthcare for 2006. You MUST enroll for healthcare benefits during Open Enrollment if you want healthcare on January 1, 2006.**

In November, you will receive numerous communications on the open enrollment process including the 2006 Health Benefits Enrollment Guide and your personalized Health Benefits Enrollment Worksheet. This important information should be read thoroughly. It contains a summary of the Hughes health benefits package and contains information on plan changes for 2006.

Your personalized 2006 Health Benefits Enrollment Worksheet lists current information on dependents, medical and/or dental coverage, and your current pre-tax or post-tax deduction selection. The worksheet also includes instructions for enrolling in, making changes to, or canceling health plan benefits.

"This year we are pleased to announce an additional way to enroll in healthcare benefits," said Caryl. **"Hughes employees are now able to enroll online via web enrollment.** More information about web enrollment will



be shared with you in future weeks. As always, employees are also able to enroll via the Interactive Voice Response system, known as IVR."

Take advantage of the information shared with you over the next few weeks so that you will be able to make an educated decision when choosing your healthcare plan. Remember, this year enrollment is active – if you want healthcare beginning January 1st, then you must enroll.

## **One Step At a Time**

Healthcare consumerism is a shared employer-employee responsibility. Employers

provide employees with the tools they need to become better consumers. Employees, in turn, agree to share in the costs and make informed decisions about lifestyle and healthcare choices. This creates more prudent buyers of healthcare services by providing more choices and more responsibility.

Healthcare consumerism isn't a one-time decision. It's a change in overall health-related behavior. Start thinking about what is good for your health and how you can improve your daily life by acting as a healthcare consumer. Be engaged during Open Enrollment, but don't stop there, make each decision you make one that will change your life for the better.

***Remember, if you want healthcare on January 1, 2006, you MUST enroll during the Open Enrollment period.***