

GUEST AUTHORS

This issue of the WMI Word is written by guest authors Tim Blair and Ross Hinman of WanSutter Insurance and Risk Management, a full-service insurance agency that provides customized benefits and commercial solutions for businesses of all types and sizes throughout the United States. WMI Mutual Insurance Company is proud to partner with WanSutter.

Perspectives on **MEDICAL**

We already know the answers to these questions, but we'll ask them anyway.

- **Do you think the medical Insurance premium to cover your employees seems ridiculous?**
- **Do your employees think their share of the medical coverage you offer is too expensive for them to cover through payroll deductions?**
- **Do your employees think the coverage should be better and cost less?**

Yes, is the answer to each question, and no one can put their finger on the button to fix everything that increases the cost of medical care and medical insurance. State and federal government mandates increase the cost of medical care, and there seems to be no end in sight. The science and technology surrounding medical care available in the United States of America today, improves the care in some cases; in other cases, it simply adds to the cost of the medical care we receive.

Let's put medical insurance in perspective. Not one of my friends could write a check for \$1,000,000. But that is what medical insurance agrees to do; the medical insurance plan you

purchase agrees to cover each person insured, up to the plan's maximum benefit, each and every year. Think about it; you have five employees each with 3 dependents. If your plan maximum each year is \$1,250,000, the plan is agreeing to cover \$18,750,000 of medical and prescription drug claims of your employees and dependents, if the worst case scenario takes place. Thank goodness medical insurance is available. So what can all of us do to lower the cost of medical insurance in the future? There is plenty to discuss and plenty to accomplish, so today, let's start by discussing prescription drug costs.

Prescription Drug Costs

New and improved prescription medications are expensive, but are they really improved? The advances made in the science of prescriptions are indeed miracle cures. Some new drugs are simply new formulations of drugs which have been available for many years. You and I can't afford to advertise on national television, but the drug companies sure can. Drug makers shell out billions of dollars each year to target consumers with those ads (\$4.3 billion in 2009) and even more for promotions aimed at doctors (\$6.6 billion in 2009) according to IMS Health, an industry group that monitors drug sales and marketing.

The trouble is that the ads work. Research shows about one of every five people who take a prescription medication said they've asked their doctor to prescribe a drug they've seen advertised; of those, 59 percent said the doctors

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compiled, according to a survey in May 2010 by a consumer reports national research center. But what the ads won't tell you is that those newer drugs are often no safer or more effective than older medications that cost a fraction of the price.

MEDICATION	NAME BRAND	GENERIC
<i>Heartburn</i>	Nexium (\$203/month)	Omeprazole (\$19/month)
<i>Depression</i>	Cymbalta (\$181/month)	Fluoxetine (\$4/month)
<i>Diabetes</i>	Actos (\$280/month)	Metformin (\$4/month)
<i>Pain</i>	Celebrex (\$139/month)	Ibuprofen (\$4/month)
<i>Allergy</i>	Astepro (\$72/month)	Loratadine (\$4/month)

Scientists use research from experts at the Drug Effectiveness Review Project (DERP), based at Oregon Health and Science University. The DERP analyzes hundreds of studies on a given class of drugs to treat a condition. So to be brief, let's take a quick look at a few examples comparing the cost of comparable medications.

It's easy to say, "I don't care what it costs, the insurance company pays for it anyway." But that's only part of the story. The cost of name brand medications impacts the cost of insurance. It also allows the drug manufacturers to continue increasing their budget for national T.V. advertising. Research gives the true story; many generic drugs are as effective as the new name brand drugs, and in some cases, have fewer side effects.

We appreciate the dedication, time, and expertise WMI Mutual dedicates to designing the insurance plans they offer to their association members.

The drug benefit programs offered in each of their plans are designed to encourage the use of generic medications. This

is just one of many effective ways WMI is able to keep the cost of insurance low, while offering plans that protect the membership and your employees. We enjoy our association with WMI Mutual, and appreciate the high levels of coverage offered to our

clients. We really enjoy the annual meetings with our clients, when we are once again able to present a rate increase for medical insurance which is well below the national average.



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about this article or would like to discuss your company's insurance program, please feel free to contact WMI. If you would like to learn more about how WMI can meet your company's insurance needs, please contact our Marketing Department at **(800) 748-5340**. We would also invite you to visit our website at

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