

# Can Medicare for All solve out-of-control health costs for businesses?

Last week, I read an article in which a local business owner lamented that maybe we would be better off with



Gary Bender

“Medicare for All” based on his conclusion that “businesses are picking up the tab for a fractured system for insurance provided by for-profit insurance corporations.”

I share his frustration and I agree with his facts; however,

I believe there are actions we can take before we wait for the “Medicare for All” solution.

A recent poll showed 80 percent of business owners believe there is nothing they can do to lower health care costs. I was in that category three years ago. I want to share some facts and thoughts as to why I now have less frustration, 25 percent lower health care costs, a better plan and an action plan to continue to control our future health care costs.

The Affordable Care Act resulted in higher deductible/higher premium plans

that employees can't afford, and neither can employers. In fact, if you asked most employees what they thought of their health care plan they would say it stinks. Out of pure frustration and to do my own analysis, I had to learn the facts since, quite frankly, neither I nor my broker understood what was driving our health care costs.

I was conditioned by the market to believe there is nothing we can do and that health care costs will only go up. Well, I'm here to tell you that's not the case. We managed and understood every other aspect of my business down to the dollar. Now we can manage the cost stack of one our largest spending items for the first time.

One of the key things we learned is that health insurers add on a fixed amount for their administration and profits (as set by the state insurance commissioner). As a result, insurers have no incentive to reduce costs, convincing me that premiums will continue to increase unless I found ways myself to lower the costs and to add programs that were not subject to administrative and profit markups.

I spent the next three years learning about the health care industry and finding the right firms that will partner with us. We have reduced our costs so dramatically that last year that we were able to eliminate all deductibles for our employees and their dependents – and still reduce the premiums paid by the company, without changing our plan, doctors or network. We did not increase the contribution or copays paid by employees either.

The result was a reduction of more than 25 percent in our costs and a tremendous savings for our employees. We were able to “keep our insurance” by understanding the costs and risks – finding partners who align their goals with our goals of affordable care for employees and employers. Our employees now have a great plan that they can afford to use. It has helped our recruiting and retention. Our annual renewal meetings are now a celebration.

We realized that we use expert consultants to reduce every other expense in our business, but we didn't in health care. To be honest we didn't know that consultants existed. Working with an

expert consultant versus a broker will dramatically change the outcome for most employers. I encourage you to start managing this expense like every other expense in your business and you will start to see results.

We have a group of local business execs who share best practices and meet monthly and we have similar success stories regardless of the number of employees. Our group, The CFO Forum, has had several meetings on health care. We continue to introduce new practices to help firms reduce the cost of health care without reducing quality. We are introducing two great optional offerings that bolt on to medium or large plans with programs that reduce costs for all parties. These are programs not generally available to brokers and not offered by the major insurance providers (because they lower costs, which affects a broker's commissions and earnings).

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*Gary Bender is a co-owner of an engineering firm, founder and CEO of peer group The CFO Solution and based in the Lehigh Valley. He can be reached through [www.thefosolution.org](http://www.thefosolution.org).*

# Fakers are not just applying to colleges

The recent bribery scandal involving admission to elite universities is just the latest data point reminding us how careful we must be when we hire people.



Richard Randall

Credentials don't tell the whole story.

In case you somehow missed the news, the FBI is bringing charges against wealthy parents, coaches of non-scholarship college sports teams, test administrators and an admissions consultant.

Allegedly, the parents paid large sums to the consultant who then used a portion of the money bribing coaches and paying for falsified admissions test results.

The coaches receiving bribes would designate the parents' children as non-scholarship recruited athletes for sports such as sailing, crew, tennis and water polo, even faking photos of them participating in the sports. The recruited athlete designation was the ticket to jump the line and get admitted, without meeting normal admissions criteria.

There is a stunning lack of integrity exhibited by everyone involved in this scandal. If you define integrity as doing the right thing, even when no one is watching, and not doing things you wouldn't want reported in the news, this was a pretty spectacular fail. I could easily get a full column out of that. But today I have a different concern.

This FBI investigation netted about 50 people. It might seem like no big deal. But I have to believe that cheating on admissions tests and other workarounds is much more extensive than this. And there are plenty of legal ways for students who aren't all that qualified academically to get into schools with a boost from wealthy parents.

What these parents are buying, in addition to snob-appeal, is a credential. They want their kids to graduate with credentials, whether they are capable of earning them or not.

To be fair, trampling the truth isn't confined to the super-wealthy. Others have scammed admissions tests. Once accepted, there is ample evidence of academic cheating and plagiarism in colleges. Anyone can fabricate credentials and experience on their resume.

How can you rely on anyone's credentials when you make hiring decisions? The simple answer is that you can't rely solely on credentials claimed by candidates.

This may seem obvious to some readers, but who hasn't seen someone with impeccable credentials, who was absolutely not qualified for the job they were given? In my corporate career, I saw resumes claiming college degrees from people who went to school but never graduated, resumes listing schools that didn't exist, and grade point averages that couldn't be confirmed.

There is no fool-proof way to deal with this, but there are several things you can do to help avoid problems. Many busi-



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nesses obtain employee screening reports from professional background checkers. These reports can check past employment claims, credit history and criminal records.

Academic credentials including degrees and grades are not difficult to verify. If you care that a claimed degree is real, request a transcript to be sent to you directly from the school. For recent graduates, ask for professors or a department head as references.

For jobs requiring specific skill sets, create a test project and ask candidates to complete it. Check whether their thinking, communication and presentation skills reflect the abilities they claim to have.

Last, but not least, use your probationary period wisely. Too often people slip through the probationary period without their skills being tested and evaluated to ensure that a good hire has been made. There is no excuse for letting that happen.

Unfortunately, not everyone is who they appear to be. Most people earn their credentials, but some don't. Do your best to learn who your candidates really are.

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*Richard Randall is founder and president of management-consulting firm New Level Advisors in Springettsbury Township, York County. Email him at [info@newleveladvisors.com](mailto:info@newleveladvisors.com).*