

MPR MESSENGER



We have redesigned our newsletter. We hope you like the new look!

City of Liberty Crew Takes Pride in Facility

An organizational restructuring at the City of Liberty recently found the new Utilities Operations Manager of Public Works, Brent Ellison, and his crew at "ground zero" regarding decisions to make about going forward with their department.



The City of Liberty public works crew at their updated facility.

Instead of keeping everything the same, Mr. Ellison and his crew decided to make some changes. They set a vision to transform their facility, which had not been updated in decades, into a place where they were proud to work.

With virtually no funds, the crew scrubbed and painted the facility, fixed safety hazards, threw away unsafe items and made the break area and restroom more pleasant.

Anyone who has knowledge of safety and loss control will tell you that employees who take pride in their facility typically take pride in what and how they do their job. More times than not, this can lead to exceptional safety performance with less property damage and fewer injuries. Well done gentlemen!

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Benefits of Using a Health Risk Appraisal in Your Wellness Program

The Health Risk Appraisal is a self-reported assessment of health with a personalized report as well as a summary for primary care physicians. With results of the HRA, employees can set personal goals for health improvement and discuss results with healthcare professionals. The HRA has been used frequently as a component of health promotion programs in a variety of settings such as worksites, clinics and hospitals.

Potential Benefits of an HRA:

- It can be relatively inexpensive and easy to use
- It is popular with clients and employees and may increase participation in health promotion/wellness programs
- It provides a systematic approach to organizing preventive health information and tends to emphasize modifiable risk factors
- It can provide group data which summarizes major health problems and risk factors

lems and risk factors

- It may, particularly when integrated into a broader health promotion program, increase motivation to make positive behavior change

Most health risk appraisal questionnaires ask about lifestyle factors, limited personal or family health history, other risk factors, demographics, and sometimes, attitudes and knowledge. Other items such as stress scales, fitness assessments or food intake measures, are used to provide qualitative information about risk reduction and are rarely used in the calculation of risk estimates.

As popular as an HRA is, it has a number of limitations which any consumer should understand. An HRA is not a diagnosis of dis-

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High Deductible Health Plan Gives Members More Control

MidwestPublic Risk introduced a new health plan on July 1, 2009. The qualified High Deductible Health Plan (HDHP), also referred to as Consumer Directed Health Care, is packaged with a Health Savings Account (HSA). This type of plan gives members more control over their health care costs, lower monthly contribution rates and offers other advantages over a conventional health plan.

One of those advantages includes a savings plan which can help pay for health expenses after retirement. The funds in members' accounts roll over from year-to-year, and when a member retires or leaves employment, those funds become the account holder's. Another advantage is that contributions to the HSA can be made pre- or post-tax with all distributions and earnings tax-free when used for qualified medical expenses.



Simply put, the HDHP is:

- a PPO plan with lower monthly contributions.

required before you can have a HAS.

- structured by the IRS with minimum deductibles and maximum out of pockets.
- allowed to provide first dollar preventive coverage, but all other expenses apply to the \$1,500 single or \$3,000 family deductible.
- designed to pay all covered expenses at 100% after the \$3,000 total single or \$6,000 total family out of pocket maximum is met.

As anticipated, the initial enrollment in the High Deductible Option has been low, but we expect to see increased interest in the upcoming plan year.

Now is the time to start educating your employees. If you are interested in learning more about the HDHP/HSA Plan, contact a member of the MPR benefits staff at (816) 292-7520 to schedule a presentation with your leadership team and employees.

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Benefits of using a Health Risk Appraisal in your Wellness Program (cont.)

ease. It is not a predictor of an individual's medical future, chances of death or most likely cause of death. Rather, it is a description of the odds or likelihood of death occurring in a group of people with certain characteristics. It is also not an assessment of social or environmental risk factors.

The power of a HRA as a needs assessment instrument lies in the fact that it provides significant and sometimes specific feedback for both the individual participant and the group or population of which s/he is a part. Aggregated risk appraisal data can provide valuable information on a given population's perceived and actual health status, prospective risk and cost by risk group to the organization. If implemented properly, aggregated HRA data can be used as baseline information for future program evaluation. This is most important when measuring the result of your wellness program.

Data received from an HRA can be correlated with risk data to provide estimates of health-related labor costs associated with various risk groups within the population. Since the HRA is a survey-based and not a research based tool, care must be taken not to over analyze results or attribute a disproportionate amount of importance to the accuracy of the aggregated results. However, as a quick and relatively inexpensive means for "snapshotting" a population's health status and its likely impact on an organization, the HRA can be an invaluable tool.

Probably the most common use of an HRA is in the area of health education. Effective health risk education should provide risk screening and identification for participants as well as information and motivation necessary to effect behavior change in an individual or group of individuals. The HRA is confidential, comprehensive and individualized in its ability to identify risk factors; it provides individualized information about the potential impacts of an individual's risk factors and suggests changes to be made.

As organizations become more and more concerned about health-related labor costs, they are turning to incentive programs to assist in cost containment efforts. The HRA can play a valuable role in these efforts because it is a powerful motivator, provides the individual with concise information about health and risk status, and is easily administered. For example, some organizations provide discounts on health insurance payments for employees who fill out an HRA and receive personalized health counseling through the company wellness program. Another program might pay for preventive physical programs. Once individuals know their risks, they will be much more likely to address those risks, thus creating better overall health and less health-related costs.

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Extension of COBRA Premium Subsidy

President Obama signed into law the Fiscal Year 2010 Defense Appropriations Act on December 21, 2009. The Act extends the eligibility period and the maximum length of time the premium reduction is available to an Assistance Eligible Individual (AEI). Changes to COBRA are temporary but require COBRA Administrators to take action. Early warnings indicate this may not be the final extension; it's expected other extensions will be included in future legislation.

This change is coming very late in the year and actually mandates retroactive compliance. Situations such as these are challenging for employers, but MPR will serve to keep you informed of the changes in the law and issues regarding compliance.

How does the extended eligibility period work?

Under the earlier COBRA Subsidy program, an Assistance Individual (AEI) had to qualify for COBRA by December 31, 2009. Under this newest development, the eligibility period is extended until February 28, 2010.

The involuntary termination merely has to take place prior to February 28, 2010. The Defense Act bases the eligibility for the subsidy on the timing of the qualifying event and not when COBRA begins.

How does the extended subsidy period affect an Assistance Eligible Individual (AEI)?

An AEI is a person who qualifies for the premium assistance, and originally, an AEI qualified for up to 9 months of subsidy. The Defense Act extends the premium reduction period by 6 months to a maximum of 15 months.

COBRA subsidy participants whose 9-month premium reduction expired in November are eligible for an additional 6 months of assistance. AEIs qualifying by February 28, 2010 are eligible for up to 15 months of premium reduction.

How will those affected by the Act know what has changed?

The Act requires that certain individuals receive a notice describing the premium reduction program.

COBRA Administration is managed by Benefit Management, Inc. and they will send all required notices to affected individuals.

The member entity should continue the process already in place for involuntary terminations and the 941 reporting.

Who will receive a notice?

Five different categories of individuals have been identified for the purposes of sending notices.

- AEIs whose COBRA subsidy expired and who continued to pay the full COBRA premium for December and now are entitled to an extension.

- AEIs whose COBRA subsidy expired and who did not pay the full COBRA premium for December and are now entitled to an extension.

- AEIs who are currently receiving the 9-month subsidy and are now entitled to an extension.

- AEIs having a qualifying event on or after October 31, 2009 and are still within their election period.

- AEIs terminating after the law's enactment date (December 21, 2009).

Are there any regulations concerning the notices?

Yes, there are timing and content requirements that all notices must adhere to. The Department of Labor (DOL) is in the process of developing model language for these special notices.

- AEIs who did not timely pay the December premium or paid the full premium must be notified within 60 days of December 1, 2009. The notice must include information on the ability to make retroactive premium payments.

- AEIs who are currently receiving the 9-month subsidy as well as those within an election period must be notified of the extension within 60 days after December 21, 2009.

- AEIs having a qualifying event after December 21, 2009 should receive the usual COBRA subsidy notice within COBRA guidelines.

What happens to AEIs whose premium reduction expired in November?

These AEIs can qualify for an additional 6 months of COBRA subsidy.

What if the AEIs premium reduction expired in November and they failed to pay the full COBRA premium for December?

The Act allows these Assistance Eligible Individuals an additional grace period to pay December premium. The premium must be paid within 60 days of December 21, 2009, or if later, 30 days after the group health plan provides notice.

What if an AEI paid the full amount of December COBRA premium?

A refund/credit is due an AEI who paid the full December premium. Either a refund for the overpayment must be made to the individual or a credit must be provided that reduces subsequent premium payments.

Will we continue to receive premium reports for the 941 reporting?

Absolutely, reports for your 941 reporting will continue in the same manner and format as long as the subsidy program exists.



Report finds Police Deaths Down in 2009

Law enforcement line-of-duty deaths in 2009 dropped to their lowest level in 50 years, according to a preliminary report from the National Law Enforcement Officers Memorial Fund (NLEOMF).



Total law enforcement fatalities decreased about 6 percent to 125 last year – the fewest since 1959, when 108 deaths were recorded, NLEOMF said. Traffic incidents, the number one cause of officer death, fell 21 percent from 2008 to 2009

– from 71 to 56. This is the second year traffic-related fatalities have fallen; the 2009 figure represents the lowest since 1996.

Gunfire-related fatalities, however, rose 26 percent to 49 in 2009 from 39 in 2008. These include the March, 2009 slayings of four California officers following a traffic stop and subsequent barricade situation, and four Washington state officers killed in a coffee shop before their shift in November, 2009.

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MPR Online Event Calendar Enhanced

Please check out our new online event calendar on our website www.mprisk.org. On the site, members can now view a three month calendar of upcoming events. Scheduled events in the next three months include:

www.mprisk.org

April 12-21, 2010:	Emergency Vehicle Operations/Instructor Course
April 14, 2010:	RPAC Committee Meeting
April 21, 2010:	MPR Board of Directors Meeting
April 23, 2010:	Safe Driver Refresher Training
April 29, 2010:	MPR Renewal Report
May 13, 2010:	Workplace Harassment & Violence Prevention
May 19, 2010:	Documenting Discipline

MPR Weight Loss Challenge Results

Thank you to everyone who participated and supported the MPR Weight Loss Challenge. All of the participants deserve special recognition for a job well done. We would especially like to congratulate the individual winners of the challenge.

I hope all of you who participated found this a worthwhile experience and learned how to be healthy and take care of your body. The goal was not to lose weight simply for the sake of losing weight, but rather to create a positive lifestyle change to live a healthier life.

It is almost time to gear up for our next challenge. The cities will be having a walking challenge starting Memorial Day and running through Labor Day. The schools will have a walking challenge when they return from summer break.

Again, congratulations to the winners and to all of you who entered the challenge. Lifestyle changes can be difficult, and MPR is here to help you through the process. Stay healthy and put on your walking shoes!

MPR Weight Loss Challenge Winners

Individual Female Winners

1. Debbie Gregory from La Plata Schools lost a whopping 24%. She basically lost a quarter of herself. That is amazing!
2. Amber Arbuckle from Lee's Summit lost 16%.
3. Amber Grice from Blue Springs lost 15.78%.

Individual Male Winners

1. Scott George from Pleasant Hill lost 20%.
2. Charlie Bryan from Mid-America Regional Council (MARC) lost 17.2%.
3. Nick Edelman from Osage Beach lost 17%.

Strategic Risk Management- Beyond Buying Insurance

Most corporations today have developed formal strategies related to many business functions. Strategic plans are typically developed for marketing, human resources, information technology, operations, and other business areas. It is interesting to note that formal business strategies do not always exist when it comes to managing risk. In some cases, strategic discussions occur about the purchase of insurance needed to protect the entity's assets, but rarely are these discussions formalized to include risks beyond the traditional property/casualty exposures.

This reality was brought home to me just in the past few years in working with a major manufacturing firm. The risk manager was charged with buying insurance, but he soon found that individuals in the company managed a myriad of risks in different ways. As he explored ways to manage risk more strategically, he was confronted with many roadblocks. For years, the company had a "silo" approach to managing risk, without a clear, integrated strategy or formal process.

The concept of Strategic Risk Management has been discussed for several years in the risk management community. It takes on many names, including holistic risk management, aggregate risk management, and enterprise risk management. Whatever the process is called, adopting the concept typically requires a re-thinking of how risk is managed within an organization. A well-defined risk management strategy includes the following attributes:

- The risk strategy is linked to and supports the business strategy.
- A risk culture is created and encouraged throughout the organization.
- Risk management is a continuous, systematic process integrated into corporate culture.
- Risk is identified, quantified, aggregated, and studied for inter-relationships.
- Risk management responsibility is clearly defined, and risk is a key consideration for financial decision-making.

Why is this becoming more important within the corporate framework? Clearly, the terrorist attacks of September 11 and the introduction of Sarbanes Oxley have caused companies to re-think their

internal business processes and external risk profile. In addition, external auditors and the guidelines they follow have contributed to a heightened focus on managing business risk. Internally, boards of directors have heightened the need to better identify, mitigate, and manage business risk. Many companies are recognizing that competitors that excel at managing risk have even utilized superior risk management to gain a competitive advantage in the marketplace.

What are companies doing today to better manage business risk? A strategic or enterprise approach to risk management must include the following:

- An understanding of the enterprise's capacity to bear and propensity to assume risk.
- The establishment of a robust yet scalable process for risk identification and assessment.
- The evaluation of risk on a portfolio basis, with a keen understanding of natural hedges that might exist among risks.
- The establishment of a framework within the business that balances risk control activities with risk financing mechanisms.

Finally, there is no quick fix toward implementing a strategic, enterprise approach to managing risk. Support for this process must start at the executive level and be driven throughout the organization. It requires a formal process supported by focused project management, with all levels of the company involved and committed. However, once achieved, companies will better understand their risk profile, thereby optimizing the risk/reward trade-off, which ultimately could lead to a competitive advantage in the marketplace.

So, what about the firm I mentioned at the start of this article? The risk manager struggled for several years to establish an enterprise risk approach. With the support of his CEO, he now has a formal risk strategy that has become an integral part of each operating division's annual business plan. The company has even established additional distribution chains as a direct result of identifying the potential loss of a major distribution partner as a critical risk.

Frank Strenk, Senior Vice President
Lockton Companies

Snow Plow Escorts Family to Hospital

An Illinois family was visiting family members over the holidays in the Parkville area when at around 3 a.m. their 8-month-old son was having considerable trouble breathing. Due to the recent heavy snow, there was no way for them to rush him to the hospital. Doubting that an ambulance had a chance to get to them, they turned to the Parkville Police Department for help. The po-



lice contacted the Parkville Street Department, and within about six minutes a snow plow arrived at their home. The family got in their car and followed the snow plow to the hospital. The baby was sent home later that day – a happy ending to a good deed. Well done!

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PLEASE NOTE: Effective July 1, 2010 MPR will change the Property/Casualty and Workers' Compensation Third Party Claims Administrators (Adjusters) from Xchanging to Corporate Claims Management, Inc. (CCMI). This change was approved by the Board of Directors on March 30, 2010. The decision to move from Xchanging was made as a result of service concerns voiced by the MPR membership over the past year.

CCMI will be in attendance at the MPR Renewal Report, April 29th so please make it a priority to join us and learn more about the upcoming changes in the claim reporting process. In the meantime, please feel free to contact us with any questions or concerns you might have regarding this change.