

Companies Find New Options For Healthcare

Employers across the country, from Fortune Five-hundred companies to the neighborhood mom- and-pop shops, have been facing more than two-and-a-half decades of skyrocketing healthcare costs with no relief in sight.

A recent statistic released from the Office of Actuary at the Centers for Medicare and Medicaid shows that since 1980 healthcare expenditures per capita have risen by more than 600 percent.



During this time, Steven Cosby, president and CEO of Cosby Insurance Group, has worked to minimize the impact of healthcare costs and increasing premiums for hundreds of employers. With new options now available,

Cosby Insurance Group is able to offer an array of solutions to healthcare costs.

Cosby began as a young executive in the 1980s with companies such as The Prudential and continued with various Blue Cross Blue Shield Plans. With B.S. degrees in Economics and Corporate Finance from Virginia Tech and a Masters degree in Health Policy and Health Services from The George Washington University, Cosby has worked with hundreds of companies and their employer-sponsored health plans. With healthcare costs rising consistently more than the consumer price index, Cosby has had no easy task. Insurance carriers have failed in their strategies to contain healthcare costs and consistently delivered substantial premium increases. Subsequently, Cosby's frustrations, and employers', have surged over the succession of excessive increases to healthcare costs.

Cosby's ongoing goal is to improve his clients' options while reducing costs. Insurance carriers and healthcare organizations have provided solution after solution that have failed to contain the rising costs. Preferred provider organizations (PPO) and health maintenance organizations (HMO) are the most well known of these failed solutions. Costs continued to increase, decades after these introductions. In the 1980s, healthcare costs

increased rapidly, but abated for a while during the 1990s for fear of the Clintons' healthcare reform. A general backlash to managed care ensued and legislators passed laws to satisfy their constituents. Subsequently, incremental healthcare reform legislation swept the nation at state and federal levels. Yet, during the last several years, healthcare costs have soared and employers remain frustrated once again.

Cosby predicts that the nation's healthcare system will go in one of two directions. One, towards a strict managed-care system with limited choice of hospitals and physicians, so that a person will have to trust the system to provide her and her family's healthcare. Or two, towards a system in which a person's individual discretion will direct cost, quality, and access instead of the managed-care system. Healthcare organizations are distancing themselves from the managed-care label and repositioning themselves as wellness-family-friendly companies. These actions along with recent tax-advantage programs designed to benefit the member's discretion, indicate that the second system will most likely be the future direction for healthcare.

Knowing the current landscape and infrastructure of our healthcare organizations suggest that both directions will likely work together in some way. Healthcare professionals such as Cosby understand these trends and the potential effects on employer-sponsored healthcare plans.

One D.C. metro technology firm was facing several years of excessive increases of healthcare premiums for its approximately 500 employees. At their wits end, the company's executives began working with Cosby to find a solution to end the trend. Cosby found that combining existing managed-care plans with new consumer-directed programs offered the best opportunity to contain costs. Now three years later, the client has maintained the same premiums for their employees and family members—without increasing costs to the employer.

Cosby works with his clients and healthcare organizations to bring the proper balance of new programs and cost-saving initiatives. Cosby can be reached at 703.349.1094 or steven@cosbyig.com.