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City company poised for surge

UnitedHealthcare will offer wellness-incentive program created by BeniComp.

In 2004, Fort Wayne-based BeniComp Group started selling companies on a new way to reduce health-care costs – putting money back in workers' pockets for following good health habits. Sales of "BeniComp Advantage" have tripled every year since. Now the company could be poised for a much greater surge in business, because UnitedHealthcare will soon offer the program to companies employing its 26 million members.

In an announcement today, UHC said it would offer "Vital Measures," which incorporates BeniComp Advantage's structure for rewarding good health habits with lower deductibles, to companies insuring between 100 and 1,000 workers in Colorado, Ohio, Pennsylvania and Rhode Island. The company plans to extend the availability of Vital Measures nationwide in 2008. BeniComp Advantage already has been approved by insurance regulators in 37 states.

"This is huge," BeniComp President Doug Short said of the partnership with UHC, one of the largest health-insurance providers in the United States. Vital Measures will introduce millions of business owners, executives and employees to BeniComp's strategy for inducing employees to improve their health and reduce total health-insurance costs.

It might seem like an unlikely pairing – a Fort Wayne company with about 55 employees teaming up with UHC, a part of the 58,000-employee United Health Group. But Short said BeniComp Advantage has more potential to change the way insured employees live than anything else health insurers or employers have tried. It's an approach so different that Short set out to patent it about four years ago.

"There are lots of people in the 'wellness' space. We haven't found people in our space," Short said. "If there were people in our space, they'd have to stand up to our patent claims."

Vital Measures and BeniComp Advantage work like this: To pay for higher insurance costs, an employer raises deductibles sharply – to \$2,500, for example. At the same time, the employer offers workers a chance to get their deductibles down to more modest levels. It's completely voluntary, Short emphasized, but employees have to submit to tests for nicotine use, blood pressure, cholesterol level and obesity. If employees are trim enough, for example, and don't smoke, that might be good for a \$1,000 reduction in their deductibles.

Most health insurers and larger employers offer wellness programs, ranging from libraries of health information to underwritten stop-smoking programs. Short said the problem with such programs is that they don't offer significant, repeatable financial incentives to workers, and they don't track compliance or adherence to lifestyle changes.

"It's never slowed the spiral of health-care costs," Short said. Instead, he said, it has made health-insurers into consultants on "cost-shifting" rising premiums to workers through higher deductibles, higher co-pays or higher premiums.

Sales of BeniComp Advantage have grown strongly every year since it was introduced. Still, only about 40 companies carry BeniComp Advantage as part of their health plans. In Vital Measures, BeniComp will be the financial agent and handle testing of all employees who take the online health assessment and agree to be screened.

Now that UHC is rolling out BeniComp's product to a market of millions, Short can hope that soon hundreds of executives will share the enthusiasm of Daryl Martin, executive director of Swiss Village in

Berne.

“We have been able to hold premiums at the same level for three years,” Martin said.

For many years, this assisted-living center and nursing home has split health-insurance premiums between workers and the nonprofit, with the employer paying 70 percent. The difference now is that health insurance has finally stopped gobbling larger and larger shares of Swiss Village’s budget.

In 1995, health insurance cost only 3 percent of all wages and benefits. By 2004, the last year before Swiss Village signed on with BeniComp Advantage, health insurance had risen to 11.5 percent of all wages and benefits, Martin said.

In the first two years under BeniComp Advantage, health-insurance costs amounted to about 9 percent each year. In the fiscal year that ended May 31, those insurance costs had dropped back to about 7.5 percent. Martin has seen real changes in his employees, he said, and they’re changes that stick.

“We have employees who are exercising now who weren’t exercising before,” he said.
