Health & Retirement Services of Illinois

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OUR NEWS LETTER HRSI

In Our Newsletter

Report: O-Care to save large corporations hundreds of billions

By Ferdous Al-Faruque - 05/01/14

The Affordable Care Act could save some of America's largest corporations hundreds of billions of dollars over the next decade, according to a market analyst group.

According to a report by S&P Capital IQ released Thursday, S&P 500 companies will likely move their employees from employer-provided health insurance plans to the healthcare exchanges under the Affordable Care Act, saving employers nearly $700 billion through the year 2025. If current healthcare inflation stays constant, those savings could be greater than $800 billion, researchers found.

Corporations are expected to start out by dropping low-wage and part-time workers from their employer insurance plans since they are able to reap the benefits of government tax subsidies under ObamaCare, leading them to pick up new plans under the healthcare law. Eventually, the burden of healthcare coverage will shift from employers to employees.

"Neither lawmakers nor the White House originally anticipated the idea that the ACA could provide corporations with an enormous subsidy to earnings," say authors of the report. "However, once a few notable companies start to depart from their traditional approach to health care benefits, it's likely that a substantial number of firms could quickly follow suit."

As some Republicans have softened their tone on repealing the new healthcare law before the November elections, authors of the report say the political battle may shift to try fix it by making it more market-oriented, increasing coverage options and updating federal regulations.

The report compares ObamaCare to the Employee Retirement Security Act of 1974, which led to the creation of Individual Retirement Accounts. The result was employees took ownership of their pension funds, leading employers to stop using their corporate pension structures and instead become contributors to the employees' pension plans.

ObamaCare is also expected to be beneficial to employees as they gain ownership of health insurance plans that aren't based on their place of employment. The report says as more people join, cost of coverage should come down while access to benefits improve. However, it warns premium costs for some people who do not qualify for government subsidies will likely rise.

“At the moment, any drastic changes to employer-provided health care benefits would likely be frowned upon by employees and the voting public at large,” warns the report. “Neither lawmakers nor the White House originally anticipated the idea that the ACA could provide corporations with an enormous subsidy to earnings.”

However, change is not expected overnight. The report says corporations will likely start of by shifting entry-level college graduates, low-wage workers and part-time workers to health insurance plans through the ACA since they are most likely to benefit from the new healthcare model first. Eventually, higher paid workers will likely be given stipends from their employers to pay for ObamaCare. But as they will not be able to keep up with healthcare inflation, the stipends will become part of their wage.

New price transparency rules for hospitals

Think stock

By Elise Viebeck - 04/30/14 06:55 PM EDT

Hospitals will be required to release a standard list of prices for their medical services under a new rule proposed by the Centers for Medicare and Medicaid Services (CMS).

Instituted as part of the Affordable Care Act, the requirement can also be fulfilled if hospitals allow the public access to the data after an inquiry, the CMS said.

The program was outlined in a wide-ranging, nearly 1,700-page regulation on inpatient hospital payments released to lawmakers and the public on Wednesday night.

ObamaCare contains several policies to encourage greater price transparency in healthcare on the logic that better informed consumers will help drive down irrational medical charges.

Hospital pricing is notoriously variable, as the administration confirmed in a May 2013 release of data on what hospitals charge for common in-patient services.

Even within the same geographic area, the cost of a common medical procedure could vary by thousands of dollars, the data showed. The CMS also released data this month on how much Medicare paid individual doctors in 2012.

In its rule, the CMS proposed to raise reimbursement by 1.3 percent for general acute care hospitals and by 0.8 percent for long-term care hospitals.

The agency also outlined plans to implement the Affordable Care Act's program to reduce hospital-acquired infections.

The regulations would also ramp up separate ObamaCare programs on value-based purchasing and reducing hospital readmissions.

To read whole rule go here: http://ofr.gov/OFRUpload/OFRData/2014-10067_PI.pdf

White House calls for more privacy laws

AP
By EILEEN SULLIVAN and JULIE PACE

White House Announces Big Data and Privacy Report Recommendations

WASHINGTON (AP) — The White House is asking Congress to pass new privacy laws that would add more safeguards for Americans' data and provide more protections for emails sought in the course of a law enforcement investigation.

The recommendations are among six offered by President Barack Obama's counselor John Podesta in a report released Thursday. While large sets of data make Americans' lives easier and can help save lives, the report noted, they also could be used to discriminate against Americans in areas such as housing and employment.

"Big data" is everywhere. It allows mapping apps to ping cellphones anonymously and determine, in real time, what roads are the most congested. It enables intelligence agencies to amass large amounts of emails and phone records to help root out terrorists. And it could be used to target economically vulnerable people.

At Obama's request, Podesta and the president's top economic and science advisers conducted a 90-day review of how the government and private sector use large sets of data. While the recommendations are not binding, they do track with many of the president's previous calls for addressing privacy issues.

Obama has called for changes to some of the National Security Agency's surveillance programs that amass large amounts of data belonging to Americans and foreigners. The technology that enabled the surveillance programs also enables other programs used by the government and the private sector, such as data on financial records, health care systems and social media. The White House separately has reviewed the NSA programs and proposed changes to rein in the massive collection of Americans' phone records and emails.

"The president, of course, recognized that big-data technologies had to be having an impact elsewhere in government — in the economy and in society," Podesta said Thursday.

Member of the protest group, Code Pink, Cayman Macdonald protests against U.S. President Barack Obam …

The report's recommendations include passing more privacy laws, doing more to protect student and consumer data, ensuring data is not used for discriminatory purposes and giving non-U.S. citizens more privacy protections. They address the many angles of criticism levied at the Obama administration following the disclosures of former NSA systems analyst Edward Snowden.

Strengthening privacy for emails could provide more protections in the course of a law enforcement investigation. Under the current law, in many cases the government can access emails without getting a warrant from a judge. Many consider that 1986 law to be outdated, and the recommendation represents the first clear message from the Obama administration that it supports updating the electronic communications law.

"We have artificial differences and archaic distinctions between email that's left unread or periods of time that need to be rectified," Commerce Secretary Penny Pritzker said.

As technology advanced, Americans' physical property received more protections than electronic property. Privacy advocates have long called for emails to be treated the same as physical mail. If law enforcement wants access to someone's physical mail, a warrant based on probable cause must be issued by a judge. However, if law enforcement wants access to emails, in many cases they can be obtained without a judge's sign-off.

"By recognizing that online and offline communications should be treated the same, the report lays the groundwork for keeping everyone's emails, texts and photos private and secure," said Chris Calabrese, legislative council for the American Civil Liberties Union.

Even after the Snowden revelations, there's little indication that the climate for taking up privacy legislation has shifted on Capitol Hill in an election year.

Similarly, laws that protect against discrimination have not kept up with the technological advancements either. Civil rights leaders have raised concerns about the potential for employers who use data to map where job applicants live will then rate them based on the time it would take to get to work, particularly in low-paying service jobs.

One company that describes itself as a leader in "big data workforce optimization," discussed the commute scenario in a 2013 report. "The distance that employees live from work affects how long they choose to stay at a job," according to a 2013 workforce performance report by Evolv, a San Francisco-based company. "Unsurprisingly, employees that live 0-5 miles from their place of work have the longest median tenure."

Civil rights advocates say that as more jobs move out of cities and into the suburbs, a hiring system based on class could evolve.

The White House is also renewing its call for national data-breach legislation, which could have more resonance after hackers lifted personal data from millions of shoppers at Target and Nieman Marcus in recent months. The legislation would cull the patchwork of state laws into a single federal requirement for how data breaches should be reported to consumers and law enforcement.

Most uninsured natural disasters of 2013

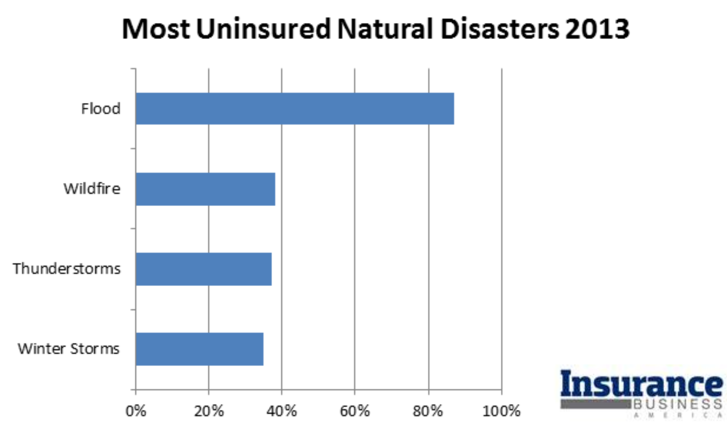
by Caitlin Bronson | May 07, 2014

The number of natural disasters in the United States has quintupled in the last 30 years, and while rates of insured losses have increased, there is still a lot of work to be done.

A recent report from global reinsurer Munich Re and the Insurance Information Institute reveals that when it comes to some natural disasters, even an increase in catastrophic incidents can't persuade a large portion of people to purchase the appropriate policies.

Losses from natural disasters were down in 2013, the Munich and III report shows, but overall losses still topped $21,800mn. While $12,794mn of that was insured, some natural disasters caught Americans completely unprepared.

Flood, wildfire, thunderstorms and winter storms all topped rates of more than 30% of losses uninsured. Flood led the way, with 87% of 2013 losses uncovered by some sort of policy. Much further down the line, 38% of wildfire-related losses were uninsured, along with 37% of thunderstorm losses and 35% of winter storm losses.



According to Carole Walker, director of the Rocky Mountain Insurance Information Association, the reason so many flood-related losses go uninsured is because flood insurance doesn't come cheap—particularly in view of impending rate increases related to the 2012 Biggert-Waters Act.

"Flooding is our most common natural disaster that isn't covered under a standard policy, but unfortunately, most people don't carry insurance," said Walker, whose native Colorado boasts just 22,000 flood insurance policyholders despite recent rainstorms. "Flooding takes many people by surprise, and most people just weigh the risk and decide to run with it."

However, home and business owners who choose to ignore the lessons of events like the Colorado floods and Hurricane Sandy do so at their own peril. The III notes that 25% of businesses that close their doors after natural disasters never reopen them, and Walker said federal resources like FEMA won't always be there to help.

"How do you recover from something when you don't have insurance?" she said. "People assume that these large-scale disasters will always be followed by a federal emergency declaration that will help them out. That isn't always the case."

Producers need to ensure that their clients recognize the importance of flood insurance, even if they feel the odds are in their favor.

"The big message here is, yes…we do get flash floods," Walker said. "It's our most common natural disaster, and we really urge agents to offer flood insurance to everyone and everyone should consider purchasing it, weighing their risk."

Flood insurance also impacts losses from thunderstorms and winter storms, the III noted.

Obamacare opens to COBRA buyers

Consumers have until July 1 to purchase health care coverage.

By Tim Darragh, Of The Morning Call May 6, 2014

The Affordable Care Act's first open enrollment period came to a close last month, but the door is still open for some laid-off and underemployed workers.

People who have health coverage through the Consolidated Omnibus Budget Reconciliation Act, or COBRA insurance, are eligible to shop for and buy coverage through the Obamacare marketplace up to July 1.

In an announcement issued this month, the Department of Health and Human Services extended a special enrollment period because COBRA notifications may not have been clear about consumers' options.

For those who still have COBRA coverage, purchasing coverage on the marketplace could save thousands of dollars a year.

Under COBRA, individuals could purchase the coverage they had through their employer, but would be responsible to pay the full cost of that coverage, including the company share, plus a 2 percent administrative fee.

Through Obamacare, individuals and families can purchase coverage that, depending on their income, could be subsidized by hundreds of dollars a month.

"In many cases, workers eligible for COBRA continuation coverage can save significant sums of money by instead purchasing health insurance through the marketplace," said Phyllis C. Borzi, assistant secretary of labor for Employee Benefits Security. "COBRA continues to play an important role in helping workers and families maintain coverage after a job loss, and it is important that workers know that in some cases there is a marketplace option as well."

Dot Hartman, an Affordable Care Act navigator with Berks Encore, said some people were confused about the rules surrounding COBRA and Obamacare. "Our challenge now is making people aware that it is a good option," she said.

The confusion, HHS said, centered around a belief that if a person dropped their COBRA coverage before it expired, they would not be allowed to buy a plan under the Affordable Care Act.

People with COBRA who want to shop on the Obamacare marketplace should call the Affordable Care Act call center at 1-800-318-2596 to activate the special enrollment period and tell the representative that they are calling about their COBRA benefits and the marketplace. If determined to be eligible, they may shop online or over the phone. Hartman also can take appointments at 610-741-5453.

The Department of Health and Human Services also is allowing special enrollment periods for those whose individual market plans are renewing outside of open enrollment and for AmeriCorps, VISTA and National Civilian Community Corps members.

In addition to the special enrollment periods, the Affordable Care Act also permits people to shop for coverage if they undergo significant life events, including loss of a job, divorce, marriage and birth of a child, among other things.

Why the housing market is suddenly struggling

By Rick Newman Daily Ticker

For most of 2013, it looked as if a robust housing recovery was underway. Since housing is a huge part of the overall economy, that bred hope for stronger growth in 2014, along with the hiring and spending that ought to come with it.

But housing has the blahs in 2014, prompting concern that the 2013 spurt may have been a false spring driven by temporary factors or a misreading of events. The latest data show sales of new homes down 13% year over year and sales of existing homes — which is most of them — down 8%. Applications for new mortgages recently hit a 14-year low, as potential buyers seem to be backing away.

The pullback led Federal Reserve chair Janet Yellen to say in Wednesday's Congressional testimony, “The recent flattening out in housing activity could prove more protracted than currently expected, rather than resuming its earlier pace of recovery.” That raises the prospect of a change in Fed policy if an unforeseen housing downturn materializes. The Fed has been winding down its controversial "quantitative easing" policy, which helped pushed interest rates to record lows during the past five years. But Yellen has said all along the Fed may reverse course if new developments give it a reason to.

Nobody disputes that housing has cooled in 2014. The question is whether it’s a temporary chill or the beginning of a deep freeze. “The pace of the recovery is slowing, but housing overall is doing pretty well,” Spencer Rascoff, CEO of research site Zillow (Z), tells Aaron Task in the video above. Rascoff predicts home-price appreciation, which was in the double-digits for most of 2013, will slow to a more normal levels of 3% to 4%, indicating a reasonably healthy market.

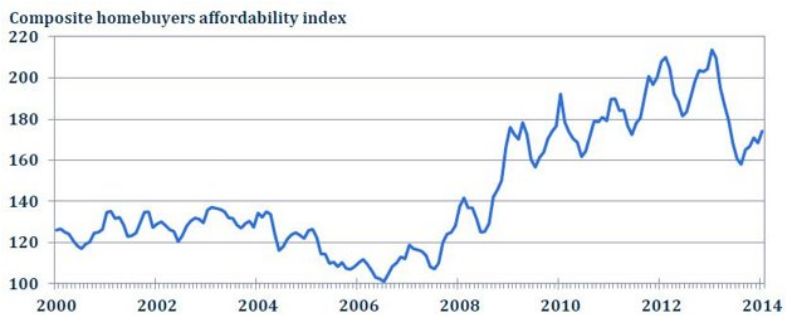
A few prominent investors, however, feel the housing bust may have paused but never ended — and is going to get worse “Singe-family housing is overrated,” Jeffrey Gundlach, CEO of investing firm Doubleline Capital, said during a presentation at the recent Sohn Investing Conference in New York. “Where are the first time buyers? The kids are not alright.” Real-estate developer Sam Zell said recently that he expects the homeownership rate — which peaked in 2005 at 69.1% and is currently about 65% — to fall to 55%, which would be the lowest level since the early 1950s.

Here’s the basic rationale behind a negative view of housing:

Last year’s recovery wasn’t real. Home values finally bottomed out and started to rise in 2013, as sales picked up. But much of that activity was driven by investors buying homes at fire-sale prices to hold onto and rent out, profiting from the rental income. Investor purchases began to trail off beginning last summer, as rising interest rates made such investments less profitable. With investors retreating, there may not be enough demand from ordinary buyers to support price gains throughout 2014.

Homes aren’t as affordable as it appears. Affordability isn’t as good as it was early last year, on account of rising prices and interest rates. Yet it’s still much better than it was during the peak years of the housing boom in 2005 and 2006, as the chart below shows. That ought to mean it’s still a good time to buy a house. Gundlach, however, argues that, back then, exotic and poorly underwritten mortgages (many of them headed for default) made affordability look much worse than it was, which means affordability today isn’t nearly as good as it looks. Without fishy mortgages, far fewer people can afford to buy a house.

View photo.



Source: Bloomberg, Milken Institute

Would-be first-time buyers have no money. The housing market depends on young buyers to keep demand strong and snap up homes as older owners move out. But young Americans may be under the most financial stress of all. Many recent college grads have thousands of dollars in student loans and weak job prospects, which means they're not leaving their parents' basements anytime soon. Those living on their own — and renting — have probably noticed rents are rising sharply, making it harder to save for the down payment on a home. And fewer people are moving around, which dampens demand for homes even more.

Mortgage rates are expected to rise. With rates at or near record lows for much of the past five years, the only direction they seem likely to go is up. Some economists are surprised rates haven't risen by much this year, given that the Fed has been pulling back on easy-money policies that pushed rates down in the first place. But they also note that, when interest rates do rise, they tend to rise quickly, transforming market dynamics in a hurry. Given that a one-percentage-point rise in 2013 seems to have been enough to puncture home sales, another one-point rise, or worse, could seriously impair affordability. Even then, rates would still be close to historical averages — but too rich for many potential buyers.

Real estate is largely a local concern, as most people ought to know, and there are several markets, largely on the coasts, likely to buck these discouraging trends. The nation as a whole might, too, if the economy grows more than expected, banks become surprisingly loose with lending, or incomes — which have been stagnant for years — begin to rise for some unforeseen reason. Otherwise, it might be prudent to hunker down in the basement, if the twentysomethings will yield some turf.

AVOID PAINFUL EYE INFECTIONS

May 7, 2014

Share the Wellness: 3, 2, 1 Contacts

Clear vision and healthy eyes can go hand in hand when you take simple precautions. Following your eye doctor's instructions for cleaning and wearing your lenses is the key to comfort and eye health:

- Wash your hands and dry them with a lint-free towel before touching your contacts.
- Rinse and air-dry your storage case with clean solution — not tap water — after every use. Replace the storage container at least every three months.
- Always use fresh commercial-grade cleaning solution to clean and store lenses. Never reuse old solution or "top off" your case. And don't use saline, rewetting drops, tap water or saliva.
- Don't use solutions after their expiration dates. They could be less effective.
- Don't transfer larger bottles of solution into smaller travel-sized containers. This compromises sterility, leaving you open to infections.
- Remove lenses before swimming or spending time in a hot tub.
- Replace your lenses as directed by your eye care specialist.

See an eye doctor if you have eye redness, swelling, discharge, pain or vision problems. You might have an eye infection that requires treatment. Even if you have no issues, visit your eye doctor annually. He or she will examine your eyes and lenses to ensure the fit and prescription haven't changed.

Sources: Federal Drug Administration; University of Michigan Kellogg Eye Center

These states face double-digit health premium increases in 2015

by Caitlin Bronson | May 15, 2014

Health insurance agents and brokers aren't relishing the $3 million cut in their commission as a result of the Affordable Care Act, but something they may appreciate even less is having to tell their individual and small group clients they face premium increases in the double-digits.

There has been much speculation on how health insurance rates would fluctuate after Obamacare's inaugural year, but new data is finally replacing rumors with fact. According to reports from insurance carriers in Washington state and Virginia, policyholders can expect their rates to rise by as much as 26% and 15% respectively.

Washington HealthPlanFinder will feature 12 insurance companies in the 2015 open enrollment season, with Molina Healthcare proposing the lowest rate hike at 6.8% and Time Insurance planning to increase premiums by 26%. In Virginia, Kaiser Foundation Health Plan of the Mid-Atlantic States will raise rates by 3.3%, while CareFirst Blue Cross holds the dubious honor of highest rate hikes at 14.9%.

Of course, the cost of healthcare—and consequently insurance—has been on the rise for some time. However, many insurers attribute the new costs directly to mandates put in place by the health law. In Washington, the Seattle Times reported that before the implementation of the Affordable Care Act, rate increases ranged from 9% to 18%.

The rate increases must be approved by state regulators before going into effect.

Other states have yet to disclose actual rate increases, but in general are expected to raise premium costs. For producers, that may mean revisiting coverage options for individual and small group clients to defray some of the increased cost.

Ingrid Martin, an account executive with CBIZ in Ohio, told Insurance Business in an earlier interview that exploring self-funding options is another way to help clients in a rough insurance client.

"Right off the top, that takes away some of those premium fees," she said. "They're now looking at these level premium plans to try to offset not only the fees, but also to better handle their claims. Our actuarial teams can help with that, thankfully."

Wellness programs specifically designed to target where claims are coming in is another way to add value to clients, Martin said.

And as a last resort?

“I think most brokers are looking at minimum value plans to make sure employees have access to acceptable plans,” she said. “If some move to that, it reduces the cost for those that are young and healthy.”

Federal health-care subsidies may be too high or too low for more than 1 million Americans

By Amy Goldstein and Sandhya Somashekhar, Published: May 16

The government may be paying incorrect subsidies to more than 1 million Americans for their health plans in the new federal insurance marketplace and has been unable so far to fix the errors, according to internal documents and three people familiar with the situation.

The problem means that potentially hundreds of thousands of people are receiving bigger subsidies than they deserve. They are part of a large group of Americans who listed incomes on their insurance applications that differ significantly — either too low or too high — from those on file with the Internal Revenue Service, documents show.

Graphic

ACA enrollment numbers, state-by-state

The government has identified these discrepancies but is stuck at the moment. Under federal rules, consumers are notified if there is a problem with their application and asked to upload or mail in pay stubs or other proof of their income. Only a fraction have done so, according to the documents. And, even when they have, the federal computer system at the heart of the insurance marketplace cannot match this proof with the application because that capability has yet to be built, according to the three individuals.

So piles of unprocessed “proof” documents are sitting in a federal contractor’s Kentucky office, and the government continues to pay insurance subsidies that may be too generous or too meager. Administration officials do not yet know what proportion are overpayments or underpayments. Under current rules, people receiving unwarranted subsidies will be required to return the excess next year.

The inability to make certain the government is paying correct subsidies is a legacy of computer troubles that crippled last fall’s launch of HealthCare.gov and the initial months of the first sign-up period for insurance under the Affordable Care Act. Federal officials and contractors raced to correct most of the technical problems hindering consumers’ ability to choose a health plan. But behind the scenes, important aspects of the Web site remain defective — or simply unfinished.

White House officials recently have begun to focus on the magnitude of income discrepancies. Beyond their concerns regarding overpayments, members of the Obama administration are sensitive because they promised congressional Republicans during budget negotiations last year that a thorough income-verification system would be in place.

Under White House pressure, federal health officials and the contractor, Serco, are this weekend beginning to step up efforts at resolving a variety of inconsistencies that have appeared in applications, including income discrepancies. One White House official, speaking on the condition of anonymity about internal discussions, said that White House and federal health officials are "all on the same page that the issue needs to be resolved as soon as possible."

Because the computer capability does not yet exist, the work will start by hand, according to two people familiar with the plans. It will focus at first not on income questions, but on another roughly 1 million cases in which people enrolled — or tried to enroll — in health plans and ran into questions about their citizenship status. Throughout the sign-up period that ended earlier this spring , flaws in HealthCare.gov blocked many naturalized citizens or permanent legal residents, requiring them to submit immigration documents that are, like the income information, caught in a backlog.

The work of sorting out inaccurate incomes — and inaccurate subsidies, as a result — will likely begin sometime this summer, two individuals familiar with the plans said.

Julie Bataille, communications director for the Centers for Medicare and Medicaid Services, the agency overseeing the federal insurance exchange, said: "The marketplace has successfully processed tens of millions of pieces of data — everything from Social Security numbers to tribal status to annual income. While most data matched up right away during the application process, we take seriously the cases that require more work and have a system in place to expeditiously resolve these data inconsistencies."

Bataille also added that "an inconsistency does not mean there is a problem with a consumer's enrollment" but that the consumer must send in additional documentation to verify whether their application information is accurate. "We're working every day," she said, "to make sure individuals and families get the tax credits they deserve and that no one is receiving a tax credit they shouldn't."

Of the various technical problems that remain with HealthCare.gov, the difficulty in straightening out discrepancies affects an especially large number of consumers. Of the roughly 8 million Americans who signed up for coverage this year under the health-care law, about 5.5 million are in the federal insurance exchange. And according to the internal documents, more than half of them — about 3 million people — have an application containing at least one kind of inconsistency. These inconsistencies have arisen as the information listed on their applications has been cross-checked, via a newly built federal data hub, with the Social Security Administration and other federal agencies, as well as incarceration, IRS and immigration records.

The income information is significant because the government for the first time is providing subsidies to help working-class and middle-class Americans buy private health plans. Under the federal rules, an application is "flagged" for special checking if the income someone says that they expect this year is at least 10 percent above or below the most recent income in their IRS tax returns.

According to various recent internal documents, income discrepancies are the most frequent kind of inconsistencies among insurance applicants, and they exist on 1.1 million to 1.5 million out of nearly 4 million inconsistencies overall. Of the total inconsistencies, the documents show, consumers have uploaded or mailed in about 650,000 pieces of "proof" — or for about one inconsistency in six.

The federal rules say that consumers have 90 days after applying to try to prove that their information is correct and, if an inconsistency is not resolved by then, whatever the federal records show is assumed to be correct. By now, about one-third of people with inconsistencies have passed their 90-day window. But because of the trouble verifying incomes, the government has not lowered or raised anyone's subsidies.

Making sure that incomes — and subsidies — were accurate became a prominent issue during budget negotiations last year, as House and Senate Republican opponents of the health-care law warned of potential fraud. Health and Human Services Secretary Kathleen Sebelius promised to thoroughly vet the salary information that people submitted as part of their health insurance applications.

From their vantage point, consumer advocates have also been concerned about the possibility of inaccurate income information. They worry that some consumers who have innocently overstated their incomes should be getting higher subsidies — and perhaps better insurance — than they are receiving, while those who accidentally understated their income may get a nasty surprise during tax season next year when the IRS demands that they return any subsidy money they have improperly collected.

"The longer it takes and the more months . . . go by, the more serious the consequences of any error that may have occurred," said Judy Solomon, vice president for health policy at the Center on Budget and Policy Priorities, which has been pressing its concern with administration officials.

"I have this sick feeling that there are these people out there who have made unintentional errors, and in a few years will be subject to massive tax bills," said Jessica Waltman, senior vice president for government affairs at the National Association of Health Underwriters, a lobbying group for health insurance brokers.

The argument for the six-hour work day

by Insurance Business | May 20, 2014

If you thought alternative working hours were a child of competitive, creative recruiting environments like technology, look to the maker of some of America's favorite breakfast cereals. In 1930, W. K. Kellogg – yes, he of Kellogg's Corn Flakes, Froot Loops and Pop-Tarts – slashed shifts at production plants from eight hours to six.

This was no employment branding move; it was an effort to increase productivity. At first, the workforce copped a slight pay cut, but then the company noticed that productivity had grown so much that the cost of production per unit was significantly reduced. In 1935, the company reported to a newspaper that cost of production "is so lowered we can afford to pay as much for six hours as we formerly paid for eight," Information Week reported in 2002.

Now, several companies – and even one government – have been inspired by the idea of questioning the 9-5 status quo.

Artifact Uprising, a small business based in Colorado, is one such company. They recently experimented with six-hour work days – without a corresponding pay cut – after finding that their team was overburdened with work. According to COO Jessica Lybeck, they were "checking email at 4:30 in the morning and working late constantly…the more we discussed this, the more we realized that it could be not adding to productivity."

It's only been a few weeks since the six-hour experiment was implemented, so Lybeck was reluctant to make any judgments yet.

"Habits such as working all the time are hard to break, so I think it's a constant process to see if we can get good at this," she said. There is, however, an analytical approach to the process. "Each day we are having employees fill out a two-minute survey. It basically says 'On a scale of 1-5, do I feel productive today? Do I feel overwhelmed? Do I think the experiment is good for the company? Do I think it's good for the soul?'"

The results of those surveys will help determine whether the six-hour days become a permanent feature of the company.

But for techniques like this to work, it has to be paired with an overall cultural dedication to productivity. For Artifact Uprising, that means that leadership has to be committed to not pushing communication after hours, Lybeck said.

“I don’t think we’ll ever do a formal ban on emails,” she said, “because there are certain times that I need to communicate with a team member in Croatia, but in terms of encouraging people to not be expected to check in on email from a leadership perspective, it seems to be working well so far. Even if I draft a response, I never send after hours, because I never want to start that culture.”

Tips for Crafting the Perfect Out-of-Office Email

Christina Bonnington, Wired May 27, 2014

Summer is once again upon us, and chances are, you've got one or more trips planned. While you may be tempted to keep your phone in your pocket, ever-ready in case of a work emergency, resist that temptation. Instead, set up an out-of-office reply for your email, kick back, and enjoy your break knowing your inbox won't be flooding with unnecessary emails. Here's how.

First, disarm your emailer ("the enemy") by thanking them for contacting you. This unexpected display of gratitude will catch them off guard and brighten their spirits. And if not, it'll hopefully entice them to not email you again until you're back in office.

After this, you can be as creative or boring as you want, but follow these basic guidelines for optimal inbox results.

- **Keep it brief.** The emailer may now have to send an email to someone else. Don't make him or her read through a novel to find out who this person is. They won't.
- **Indicate how long you'll be out.** This should minimize repeat offenders from filling your inbox until they know you're actually back.
- **Don't be condescending,** and don't instill jealousy. You'll just undo all the goodwill you've established with that "thank you" at the beginning of your message. They might even send you additional emails out of revenge.
- **That doesn't mean you can't be funny.** Or creative. Show your personality! Let them know you're sipping piña coladas on the beach or trapped in the car with shrieking child. Maybe even cultivate mystery: If you don't want to share your plans with the world, go with something like "I'm on a top secret mission and unable to divulge my whereabouts."
- **Triple check for typos.** The last thing you want is an inbox filled with face palms or LOLs at a grammar mistake or embarrassing typo.
- **Make sure your autoreply only sends once per contact.** So that if another coworker is also on vacation, your accounts don't get into an out-of-office ping pong message war (which, while funny for about .8 seconds, is really just hell for everyone involved).

At the end of your message, be sure to list the contact information for the person running things in your stead. Include their name, phone number, and email address, if applicable. This way, follow-up emails aren't sent to you, further crowding your inbox and increasing the likelihood that important messages will get lost in the deluge when you get back.

To contact us: go to www.healthcareil.com or Call (800) 739-4700