Important!

Review Health-Care Coverage Now

As outlined in the article by Sheri Braunthal, members of our ‘ohana who are enrolled in an Outrigger prepaid health-care plan or a personal “cafeteria plan” for health-care expenses have just four weeks to review the details of their coverage and make any changes necessary for 2007. It’s important because this is the only time of year when such changes can be made. All forms must be completed and filed with the Human Resource Service Center at the OHANA East by Friday, December 8.

Outrigger and OHANA Hotels & Resorts offer members of our Hawaii-based ‘ohana several different general health-care insurance plans, plus additional plans for vision and dental care. According to a 2005 Kaiser Family Foundation Survey (as reported in the Wall Street Journal), the average annual premium for family medical coverage in the United States is $10,880. When provided by an employer, this benefit is not subject to income taxes, Social Security taxes, or Medicare taxes, which makes it even more valuable. (Note: The value to an individual family varies widely, depending on how much medical care is used, but if you think about the high price of doctor and hospital bills that the insurance covers, the value is often even greater than the premium.)

In addition, we sponsor a “cafeteria plan” that allows members of our ‘ohana to put aside a portion of their pay before taxes, so they can then use these pre-tax dollars to pay for some of their additional health-care expenses, such as co-pays and deductibles. This makes possible a significant discount on those expenses.

Outrigger also offers many targeted wellness initiatives such as our annual mammography program, health fairs, diabetes management program, and help with smoking cessation.

On the whole, we have been able to offer employees a health-care benefit package that is one of the very best in the world in terms of access, quality, and out-of-pocket cost. We are, indeed, fortunate.

As I have discussed in this space before, the cost of health care and health-care insurance has been rising far faster than inflation for many years. There are a several reasons for this but, in my opinion, the No. 1 issue is that it is usually somebody other than the patient who is paying for these services. That eliminates “market discipline” in the system – in essence, the benefit of competition.

Patients with health-care insurance typically go to a physician, or a hospital, receive treatment, make a relatively small co-payment, and leave. There is rarely any discussion of cost. Weeks or months later, a complicated final billing arrives in the mail. It is hard to understand. The patient is delighted if the insurance covered all costs and frustrated if he or she still owes a balance, but there is little that can be done at that point.

I personally experienced this about three weeks ago when I had a brief, minor illness one evening. Because the symptoms suggested something serious might be going on, I took the precaution of going to an emergency room for a check-up. There, several physicians quickly saw me, blood tests were done, an electrocardiogram was performed and I went to the Radiology Department for MRI exams. After everything was checked out, I was discharged to go home and rest. It was an example of American medical care at its finest.

By contrast, if I were a citizen of one of the countries with a nationalized, government-controlled health-care system, I would probably have waited hours or perhaps all night to be seen, and might have been given an appointment for an MRI sometime next year.

However, I have yet to see a bill from the hospital. I did receive a friendly note from them thanking me for using their facilities, and mentioning a bill would be sent to my insurance carrier. That’s nice, but until I see a bill, there is no way for me to weigh the costs and benefits of my experience.

All I can say at this point is that I am grateful for the health-care insurance provided by Outrigger and OHANA Hotels & Resorts. I am certain that most, if not all members of our ‘ohana feel the same way.

So, don’t delay reviewing the details of your health-care and “cafeteria plan” coverage and making any necessary changes for 2007 before the December 8 deadline. Then use these benefits wisely so we can continue to provide them and make Outrigger and OHANA a great place to work and grow!