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**GCCBA November Program:
Wednesday, November 17, 2004**

The Greater Cincinnati Compensation & Benefits Association is pleased to announce the program for our November 2004 meeting. Please join us for this timely program and take away useful information and resources for making your work with statistics easier.

Statistics in Compensation and Benefits – Made EASY with Excel!

Have you ever seen a really cool graph or chart, but had no idea how to create it? GCCBA is pleased to present a practical step-by-step approach to analyzing

data and creating graphs and charts to display the results.

The November program will feature Julie Elliott, Corporate Compensation Director of the E.W. Scripps Company. Julie has 15 years experience in compensation and benefits. She is a Certified Compensation Professional and serves on the faculty of WorlDatWork where she teaches the Quantitative Methods class, T3. Julie serves on the board of GCCBA as Vice President.

Julie will present information useful in compensation and benefits analysis, including:

- A basic statistics review such as averages, percentiles, standard deviation and regression analysis using Excel
- Practical applications for compensation and benefits, and
- Step-by-step instructions to create graphs for pay structures, market comparisons for compensation and benefits and more...
- As a bonus, GCCBA will e-mail attendees the examples used in the program

November 2004						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Roundtable Discussion Immediately Following Program: “Sharing Best and Worst Compensation Practices.” Join your professional peers for an informal roundtable discussion immediately following the November program. Bring your tough questions and/or successful practices to share with the group. Attendance is optional. Discussion facilitated by GCCBA Board Members.

Meeting Date: Wednesday, November 17, 2004

Location: Marriott at RiverCenter
10 West RiverCenter Boulevard
Covington, KY 41011

Time: 8:00 a.m. – 8:30 a.m.
Registration and Breakfast
8:30 a.m. – 10:00 a.m.
Announcements and Program
10:00 a.m. – 11:00 a.m.
Roundtable Discussion “Sharing Best and Worst Compensation Practices” (Optional)

Cost: GCCBA Members \$25.00
Non-Members \$45.00

✍

For reservations, please complete the form below and mail with your check payable to GCCBA by Friday, November 11, 2004. Mail to: **Ms. Kim Klei, Compensation Analyst, 580 Walnut Street 7W, Cincinnati OH 45202.**

Name: _____

Title: _____

Company: _____

Address: _____

Telephone: _____

Email: _____

GCCBA NEWS



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Message from the President



Lisa Wade
President

If you've been wondering what new things your GCCBA Board is working on, here is a brief recap of some of the current highlights:

Successful Fall Membership Drive!

I am happy to report that our Fall Membership Drive has resulted in 82 current members in GCCBA! Out of that number, we have 18 new members to welcome aboard! Please be sure to go the last page for a listing of all our new members and help us extend a warm welcome to them.

Thanks to Debra Ader, Membership Chair, who spearheaded the 2004 membership drive and to all of you for joining and renewing your memberships this Fall!

Building Block Briefing Course in February

With the strong positive response and attendance to last year's Building Block offering, the Board is very excited and pleased to be able to offer the membership another Building Block Briefing course for our February 2005 meeting. Building Block Briefing courses focus on basic concepts in compensation and benefits and can be especially valuable to members new to the profession and as a refresher for more experienced members. There is a greater cost in providing these courses, which will partly be covered by registration fees, however we believe it represents a good way to "give back" to our members and make membership in GCCBA a worthy investment.

Incorporation for GCCBA is Complete

As you may recall, the Board has been working on incorporating GCCBA as a 501(c)3 corporation since the Summer of 2003. The benefits for GCCBA in doing so were to establish GCCBA as a legally recognized entity and to encourage future Board Service by GCCBA members by protecting the personal assets of board members. I am please to report that as of July 8, 2004 GCCBA's was officially recognized by the state of Ohio as a 501(c)3 corporation.

New things with the Roundtables

Our Roundtable Meetings provide a great way for GCCBA members to meet informally and share information and ideas on a variety of relevant reward topics. This year the Programs Committee is working very hard on a new approach and schedule to our Roundtable meetings. Instead of holding them as a separate event, this year the Roundtable Meetings will be held immediately following the membership meetings in the same location. This will allow us to take advantage of the meeting space used for the membership meetings and we also hope it will generate greater attendance. I hope you will consider staying a little longer at our next meeting and joining in the Roundtable Discussion that will follow.

The September GCCBA Meeting was a Success!

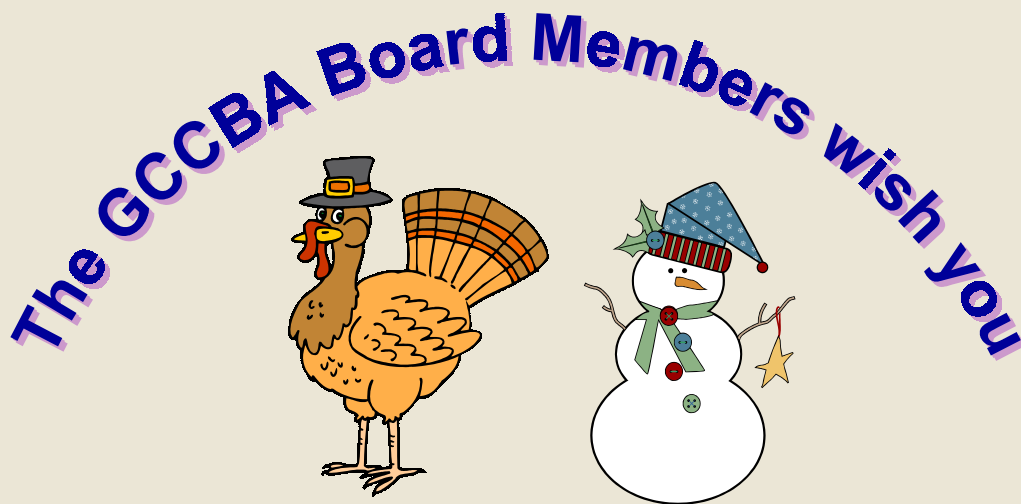
The September GCCBA Program “Trend Data – Information for Compensation and Benefits” was well attended. Dan Ripberger, Senior Compensation Consultant with Management Performance International discussed the implications of total compensation trends. Dan’s presentation included resources available to HR professionals who have a need to benchmark compensation and benefits data against government indicators, local and national surveys and/or industry comparables.

GCCBA Members may contact Lisa Wood, GCCBA Program Chair (lisa.wood@cchmc.org) for an electronic copy of the September presentation.

Recent Certification Course and Upcoming Events...

Recently, the GCCBA hosted WorldatWork’s certification course, T11: Fundamentals of Equity-based Rewards. A class of 17 attended this two-day certification course.

Coming next Spring to Cincinnati!! GCCBA will be sponsoring T1: Total Rewards Management and C1: Regulatory Environments for Compensation Programs on April 20-22, 2005. GCCBA members will receive \$125 off the WorldatWork pricing for these courses held in Cincinnati. Please contact Debbie Dunn at (859) 283-6493 for more information.



a safe and happy holiday season!

The Debate Over the Effectiveness of Disease Management Programs

By Steve Ferguson, Cross & Associates

Disease management programs are generally considered a cost reduction strategy for health plans. However, recent studies have raised some concerns over the effectiveness of these programs. In October, the Congressional Budget Office (CBO) released a report that questions if these programs actually reduce healthcare expense. Another study performed at the University of Texas in San Antonio resulted in no substantial savings in doctor visits, hospitalizations, or prescription drugs. Since many believe that disease management programs save money and have experienced savings in their organization, it is necessary to take another look at these programs and the data.

It is important to examine the differences between the participants of these studies and the average employee who may participate in a disease management program. In both studies, participants were Medicare patients and generally older and less healthy than the average employee in a health plan. Assuming that age and general health status have an affect on healthcare costs and potential response to clinical intervention, it makes sense that disease management programs would have a greater potential for cost savings with active employees in a health plan.

Overview

For years, Disease Management programs have been a feature in many well-managed large medical plans. The concept of early identification of chronic illnesses and assisting employees with education and advice about treatment options makes good sense. Nationally, 78% of the country's total healthcare cost can be attributed to the treatment of chronic conditions. Companies who adopt disease management programs not only see the impact made on the employee's quality of life, but also significant savings. Almost two-thirds of employers say that disease management has helped control their health-care expenditures, with a return on investment as high as \$3 for every dollar spent.

Mercer Human Resource Management reported disease management programs in 58% of companies, compared to 41% last year. A Hewitt survey of large employers shows that almost three-quarters now offer or plan to implement disease management services. Approximately, 100 companies across the country perform disease management services, including many of the major insurance carriers. Cost varies, but

typically averages between \$5 and \$12 per employee per condition per year, according to Watson Wyatt.

Disease Management in Practice

People with chronic illnesses - diabetes or heart disease, for instance - are monitored closely and aggressively to make sure they're following the appropriate health regimen for their condition. Members can be identified through health risk assessments, physician referrals, or analytical methods (predictive modeling or claim analysis using models such as the industry leading D2 Hawkeye Explorer[®]). Once identified, a nurse from a disease management program periodically calls patients to see if they are maintaining their prescribed preventive personal care and clinical guidance establish by their physician.

Typically, a nurse works with the patient to help promote positive lifestyle changes and ensure compliance. The nurse also coordinates with the primary physician and other providers to ensure that established guidelines for specific diseases are being followed.

Focus of Disease Management

Chronic illnesses that meet the following criteria are particularly well-suited to disease management:

- Existence of recognized treatment guidelines and agreement as to effectiveness and appropriateness of levels of care;
- Known and well-documented problems in therapy that can be addressed by a disease management program;
- Large variations in clinical practice and/or drug treatment that can be addressed by a disease management program;
- Large numbers of patients with the disease, who are readily identifiable from drug or treatment data;
- Existence of acute events, such as emergency room visits, that are associated with the disease and that can be prevented by appropriate management;



(Continued on page 8)

Conferences/Seminar Calendar



WorldatWork Conference (visit www.worldatwork.org for more information)

- New Orleans, LA: May 22 - 25, 2005 - 50th Annual Conference and Exposition

WorldatWork Seminars (visit www.worldatwork.org for more information)

Chicago, IL

- Jan 24-26, 2005 C12 Variable Pay - Incentives, Recognition and Bonuses
- Jan 24-26, 2005 C4 Base Pay Management
- Jan 24-26, 2005 C5 Elements of Sales Compensation
- Jan 24-26, 2005 T1 Total Rewards Management
- Feb 21-23, 2005 C1 Regulatory Environments for Compensation Programs
- Feb 21-23, 2005 C11 Performance Management - Strategy, Design and Implementation
- Feb 21-23, 2005 C6 Principles of Executive Rewards
- Feb 21-23, 2005 T2 Accounting and Finance for the Human Resources Professional
- Feb 22, 2005 BBB2 Mastering Market Data
- Feb 22, 2005 BBB8 Building Pay Structures

Cincinnati, OH (Sponsored by The Greater Cincinnati Compensation and Benefits Association)

- Apr 20-22, 2005 C1 Regulatory Environments for Compensation Programs
- Apr 20-22, 2005 T1 Total Rewards Management
- Oct 5-7, 2005 C5 Elements of Sales Compensation
- Oct 5-7, 2005 T2 Accounting and Finance for the Human Resources Professional

Columbus, OH (Sponsored by The Columbus Compensation Association)

- Jul 11-13, 2005 C1 Regulatory Environments for Compensation Programs
- Jul 11-13, 2005 T6 Mergers & Acquisitions: Benefits, Compensation and Other HR Issues

Dublin, OH (Sponsored by The Columbus Compensation Association)

- Mar 7-9, 2005 B1 Fundamentals of Employee Benefits Programs
- Mar 7-9, 2005 T12 Outsourcing and Managing HR Service Partners
- Oct 10-12, 2005 C6 Principles of Executive Rewards
- Oct 10-12, 2005 T3 Quantitative Methods

Lexington, KY (Sponsored by The Bluegrass Compensation Association)

- Apr 11-13, 2005 C4 Base Pay Management
- Oct 5-7, 2005 T3 Quantitative Methods

Louisville, KY (Sponsored by The Louisville Compensation Association)

- Apr 20-22, 2005 T2 Accounting and Finance for the Human Resources Professional
- Oct 5-7, 2005 C1 Regulatory Environments for Compensation Programs

Philadelphia, PA (Sponsored by Penjerdel Employee Benefits and Compensation Association)

- Mar 14-16, 2005 B3 Health Care and Insurance Plans - Design and Management
- Mar 14-16, 2005 C11 Performance Management - Strategy, Design and Implementation
- May 11-13, 2005 B1 Fundamentals of Employee Benefits Programs
- May 11-13, 2005 C2 Job Analysis, Documentation and Evaluation

Pittsburgh, PA (Sponsored by The Western Pennsylvania Total Compensation Association)

- Nov 15-17, 2004 T6 Mergers & Acquisitions: Benefits, Compensation and Other HR Issues
- Feb 7-9, 2005 T2 Accounting and Finance for the Human Resources Professional

National SHRM Conference (visit www.shrm.org for more information)

- San Diego, CA: June 19 - 22, 2005 - 57th Annual Conference & Exposition

State SHRM Conferences (visit www.shrm.org for more information)

- None scheduled at this time.

Leadership Minute Memo

Recruiting: Leading Causes of Poor Hiring Decisions



- **Lowering the hiring standards when we feel pressure to fill a position.** Good interviewing, applicant assessment, and reference/background checking procedures need to be followed regardless of how long the job has been open. Hiring the wrong person just to fill an opening is never a good solution – it leads to increased turnover and higher recruiting costs.
- **Not taking sufficient notes during the interview.** Studies indicate that without notes, interviewers can recall little more than a fourth of the facts learned in an interview, even immediately after it happens. Without notes, you will end up with a surface impression of the applicant and little else.
- **Focusing on whether or not a candidate can do the job, and not exploring whether or not they are motivated to the job.** Poor motivation can lead to poor performance and rapid turnover. Be sure the candidate wants the job we have to offer and is not just looking for a way to get away from his/her current employer.
- **Not collecting enough job-related information to make a sound hiring decision.** Don't waste time on questions not related to job performance. Keep focused on skills and behaviors needed for success – you'll also stay away from questions that could be discriminatory. Try to develop a complete picture of an applicant's abilities and motivations.
- **Allowing one characteristic to color your judgment in all areas.** Beware of the "halo" or "horns" effect where one good or bad characteristic influences your judgment about the individual as a whole.
- **Making a "snap" decision.** Doing so short circuits data gathering and decreases the accuracy of the selection process. Take the time to check references and verify the accuracy of the information you have collected.
- **Failing to get input from other individuals who may have interviewed the candidate.** Each interviewer will receive different pieces of information and, most likely, will form a different impression of the candidate. Critical information can be lost and relationships between pieces of information may never surface if interviewers don't share information with one another. *Recruiting tip:* If multiple people are interviewing, decide ahead of time who will ask what questions. Otherwise you might all ask the same questions and get duplicate information – a waste of time.

Results are now available!!!

2004 Total Compensation Report - Greater Cincinnati Region Sponsored by GCCBA

Discounts offered to GCCBA members!

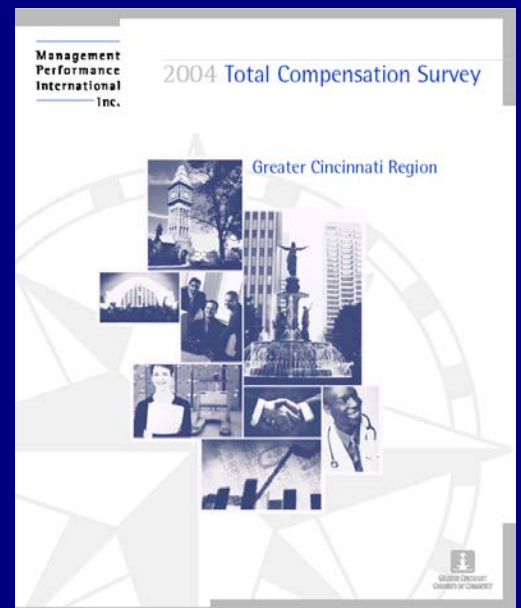
GCCBA once again sponsored the 2004 Total Compensation Survey for the Greater Cincinnati Region. The survey is a valuable reference tool used by Human Resource professionals, compensation personnel, business owners, prospective employers and area Chambers of Commerce to assess prevailing wage rates in the Greater Cincinnati area. The 2004 report provides:

- Base pay, incentive, total cash and hire-in rate information.
- Analyses by revenue/sales, industry and market sector.
- 135 positions - including top executive positions and positions in the hospitality and health care.
- Convenience - view results on-line or hardcopy results are available.

Special Offer!

Discount off purchase prices! Non-participants may buy the 2004 survey at a discounted price if they agree to be a participant in the 2005 survey. As a GCCBA member, save an additional 10 - 20%!

For more information call 513.721.6611 or visit our website at www.managementperformance.com and click the survey link at the bottom of the page.





2004 GCCBA EVENT CALENDAR

NOVEMBER

- November 17: Using Statistics and Excel to Make Decisions (see front cover for details)

DECEMBER

- December 7: GCCBA Board Meeting (TBD)

PLANNING AHEAD?

Bookmark the complete calendar at:

www.gccba.com/calendar!

New Members

Since we last reported to you in May, the GCCBA added 18 new members to its membership list. By joining the GCCBA, they have special member benefits including discounts on GCCBA sponsored Worldat-Work Certification Courses, Quarterly Meetings, Roundtable Discussions, and much more! **WE WELCOME THEM.**

Jessica M. Allen
Compensation Analyst
Ohio Casualty

Mary P. Reitz
Sr. Compensation Analyst
University of Cincinnati

Cynthia J. Goodeman CCP, SPHR
Manager Comp & Benefits
Chiquita Brands International Inc.

Evan E. Renneker SPHR
Human Resources Specialist
Kendle International Inc.

Jodi L. Gretchen
Compensation Analyst
Reynolds & Reynolds

Renee L. Riga
Benefits & Compensation Admin.
GAFRI

Jeffery L. Hart CCP
Manager of Compensation
The EW Scripps Company

Carolyn D. Roth
Sr. Compensation Analyst
University of Cincinnati

Robyn Hyde
Benefits/Compensation Analyst
Great American Insurance Company

Diane L. Stacey
HRIT Analyst
Chiquita Brands International Inc.

Susan C. Macchia
Compensation Analyst
Chiquita Brands International Inc.

E. Renee Tehi
VP, Employee Benefits
Catholic Health Initiatives

Claudia L. Mitchell
Compensation Analyst
Reynolds & Reynolds

Rebecca J. Thompson PHR
Specialist, Compensation
Convergys

Laura N. Pearson SPHR
Sr. Associate, Compensation
Convergys

Tony Welch
VP, Human Resources
Hardin Memorial Hospital

Kim Hyondong
PHD Student Ohio State University
The Ohio State University,
Fisher College of Business

Cheryl J. Yarborough
Sr. Compensation Analyst
University of Cincinnati

Member Update

Congratulations to **Bernie Grabow** from Kendle International who was recently promoted to Director of Global Compensation. Way to go Bernie!

Congratulations to **Terry McQuery** from Chiquita Brands International Inc.! Terry was recently awarded CEBS certification. Good job Terry!

Are good things happening?? We want to know! Please forward your recent promotion, job change, company change, or certification to the newsletter staff at newsletter@gccba.com. We will publish your announcement in the next newsletter to keep everyone up to date!



(Continued from page 4)

- Existence of outcomes that can be defined and measured objectively; and
- Availability of patient education materials and feedback mechanisms to affect and track behavior modification.

Most commonly, the chronic illnesses selected for disease management programs have included asthma, diabetes, congestive heart failure, and coronary artery disease. They also often include other respiratory diseases, arthritis, depression, hemophilia, HIV/AIDS, and hypertension.

Disease Management (DM) Study on Health Plans

The American Association of Health Plans/Health Insurance Association of America (AAHP/HIAA) - the national organization representing health plans and insurance companies that cover more than 200 million Americans nationwide - sponsored a survey of 25 disease management programs. All the disease management programs consisted of similar program elements such as patient education materials, including information on self-care management; telephone-based nurse case management; distribution of information to physicians about clinical practice guidelines and utilization patterns; and home visits.

The AAHP/HIAA study found that enrollees in disease management programs had fewer hospital admissions, fewer emergency room visits, and lower overall costs. Specific results show that:

- Asthma related DM programs reduce total health care costs and show a return on investment, with savings ranging from \$1.25 to \$1.40 for every dollar spent.
- DM programs for congestive heart failure reduce emergency room visits and inpatient admissions by one-third.
- DM programs for lower back pain were able to save between \$1.30 and \$1.50 for every dollar spent.
- Diabetes DM programs reduce per-member, per-month costs, inpatient days, inpatient costs, and total costs. Results demonstrated a 14% reduction in inpatient costs, a 6.9% drop in the average number of inpatient days with a reduction in total costs of 6.4 percent during a one-year period. The program saved between \$1.75 and \$2.00 on every dollar spent.
- DM programs for multiple chronic conditions

provide a strong return on investment, with a savings of \$2.94 for every dollar spent.

Some Success Stories

- Hughes Electronics, a company with 7,000 employees reported that their disease management program has consistently produced an almost 3-to-1 return on investment. Because of their savings, Hughes expanded the program to include more than 30 medical conditions not typically found under the disease-management umbrella, such as depression, anxiety and alcohol/substance abuse.
- Household International attributes \$7 million in savings to its disease management program. The program generated a 20.7% ROI and helped to reduce turnover and absenteeism.
- We Energies, an energy company based in Milwaukee, experienced a 6.3% ROI from its disease management program.

Incentives

To encourage employee involvement, many companies provide an incentive to employees to participate in a health risk appraisal. For example, Household International deposits \$100 in a flexible savings account after completing a health risk assessment. We Energies also pays \$50 to \$300 for completing a health risk assessment and participating in activities related to fitness, nutrition, health care education, health care consumerism, and life balance.

Summary

Beyond the savings potential, with disease management programs the big winner is the patient and your employee. Early identification of illness continues to be a significant indication for savings. While these programs can work with any type of funding arrangement, self-funded medical plans will capture the greatest savings by sponsoring a disease management plan. Keep in mind, the value of these programs are only as good as the tools used to identify employees with chronic illnesses or potential high claims and the process and diligence of the disease management medical support staff. If you are considering a disease management program for your organization, or would like to review your current program, be sure to seek the advice of a qualified, independent benefits advisor.