



"You couldn't take those cards away from those employees," he said.

"People are consumers in every other facet of their lives," he said. So why not in health care? he asks.

Ross was so excited about the savings that resulted at every company that ventured into consumer-driven health plans that he teamed up with Mekher in a new business unit.

They have devised a powerful product called GetMOR, which adds an innovative tax-saving feature to consumer-driven health plan offerings.

It uses an old device called a VEBA - a voluntary employee benefit account - to give employees even more control over their health care dollars. Once an employee has a year's worth of contributions built up in his or her health reimbursement account, any additional contributions are swept into a VEBA at U.S. Bank.

"There are no taxes, nowhere, never, no how," Mekher said. If an employee leaves the company, the debit card is returned, but the account follows the person.

Like a 401(k) or an individual retirement account, the VEBA account can be invested in mutual funds.

Meanwhile, MPS is going broke because of medical and pension benefits that exceed other public payers and far exceed the private sector.

Its deductibles, co-insurance and premiums are so low as to have little effect on behavior.

The medical and dental bill for active and retired employees is a whopping \$210 million, or almost \$20,000 per active employee. That is more than twice the private sector average in the state.

## **Savings all around**

A study by the Rauser Agency, an independent broker of group health insurance plans and other employee benefits, shows savings from converting to a consumer-driven plan can reach at least 25%. So, if MPS leaders could cut a common sense deal with its employees, they could save some \$50 million a year. That's real money, enough to solve its fiscal crisis.

And there would be no change in coverage. Only the incentives would change. And money would be saved all around - by the district, by its employees, by taxpayers in the district and in the state.

Meanwhile, Ross and Mekher have persuaded one local government unit in Wisconsin to convert to GetMOR and one large unionized private employer to do the same.

They are close to tipping over a few school districts, which can no longer stand the hyper-inflationary pain of standard plans.

A recent Blue Cross Blue Shield survey of its consumer-driven health plans showed enrollment up 50% last year to 4.4 million lives, with savings per member up to \$1,074 a year.

The enrollees said they wanted more control over costs and utilization, were far more likely to ask their doctors about costs, to choose a lower cost option, to track their health care expenses, to participate in wellness programs, to use preventive programs and to comply with prescribed treatments.

Still, for Ross and Mekher, the consumer revolution is not moving fast enough. "CEOs need to pull their heads out of the sand," Ross said.

*John Torinus is chairman of Serigraph Inc. of West Bend. Contact him at [torcolumn@serigraph.com](mailto:torcolumn@serigraph.com).*

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